Interim report

Storebrand Group

3rd quarter 2014

storebrand

Interim report - 3Q 2014:

Storebrand Group

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- **Group result[1] of NOK 632m for 3rd Quarter and NOK 2,110m year to date**
- **Strong earnings growth in Savings**
- **Nominal cost down 3.9% year to date**

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

Group result[2]

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Fee and administration income	1,096	1,028	1,057	1,114	1,067	3,182	3,139	4,253
Risk result life & pensions	37	45	75	17	-35	157	-0	17
Insurance premiums f.o.a.	773	770	770	796	773	2,313	2,237	3,034
Claims f.o.a.	-564	-558	-492	-569	-375	-1,614	-1,371	-1,940
Operational cost	-768	-795	-785	-494	-798	-2,348	-2,444	-2,938
Financial result	85	150	121	10	93	356	87	97
Result before profit sharing and loan losses	660	640	747	875	725	2,047	1,647	2,522
Net profit sharing and loan losses	62	200	71	180	86	333	236	416
Provision longevity	-90	-90	-90	-	-	-270	-	-
Result before amortisation and write-downs	**632**	**750**	**728**	**1,055**	**811**	**2,110**	**1,883**	**2,938**
Amortisation and write-downs of intangible assets	-108	-108	-111	-417	-112	-326	-322	-739
Result before tax	524	642	617	638	699	1,783	1,561	2,199
Tax	-147	-146	-108	-236	-10	-401	28	-209
Sold/liquidated business	-0	-0	-0	-2	0	-1	-2	-4
Profit after tax	**376**	**496**	**509**	**400**	**689**	**1,382**	**1,587**	**1,987**

The Group result before amortisation was NOK 632m[3] (NOK 811m) in the 3rd quarter of 2014. The figures in parentheses are from the corresponding period last year. Fee and administration income for continuing business increased by 5%[4] compared with the same quarter last year. The costs were reduced by 3.9% compared with the same period last year.

The build-up of reserves for increased longevity is charged directly to the results with NOK 90m each quarter and NOK 270m year to date, and indirectly by means of lost profit sharing amounting to NOK 74m per quarter and NOK 251m to year to date, based on an estimated total need over a seven-year period with an expected rate of return of 4.4% with today's portfolio allocation.

Group result by result area[3]

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Savings - non-guaranteed	241	184	186	296	146	612	373	670
Insurance	135	154	226	182	315	516	592	774
Guaranteed pension	233	313	302	448	293	847	928	1,376
Other result	23	99	14	128	56	135	-10	119
Result before amortisation and write-downs	**632**	**750**	**728**	**1,055**	**811**	**2,110**	**1,883**	**2,938**

The result from Savings was strengthened significantly during the 3rd quarter and for the year to date in comparison with the same periods last year. The stronger results are attributed to the strong increase in reserves and assets under management. Costs have also declined, both for the quarter and year to date. 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. In addition, a good return contributes to growth in AUM. Income for non-guaranteed life insurance-related savings in the 3rd quarter and year to date has been 25% higher than the corresponding periods last year.

Insurance reports a total combined ratio of 89% for the quarter. The combined risk result for the quarter is reduced with a loss ratio of 73% (49%). The cost percentage was 16% (16%) for the 3rd quarter, and 17% (17%) for the year to date.

1) Earnings before amortisation and tax.
2) Changes in the principles in accounting standards and changes between segments entailed a restatement of the comparison figures. For more information, see Notes 1 and 6.
3) The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.
4) Adjusted for discontinued operations in the public sector and commercial banking.

Fee and administration income for Guaranteed Pension year to date has performed in accordance with the fact that a large part of the portfolio is mature and in long-term run off. Income was NOK 471m (NOK 491m) for the 3rd quarter and NOK 1,384m (NOK 1,487m) year to date. Year-to-date income has fallen by 6% compared with last year.

The result from net profit sharing is generated by the Swedish business and amounted to NOK 101m in the 3rd quarter and NOK 403m year to date. The strong contribution to profit sharing is attributed to the investment result and indexing fees. The Norwegian life business is prioritising the build-up of buffers and reserves, including longevity reserve strengthening. NOK 2.4bn of the year-to-date profit has been allocated to longevity reserves.

Fee and administration income related to lending to corporate market customers was weaker for the Other segment. The portfolio has declined by NOK 5.2bn (53%) since the start of the year due to portfolio downscaling. NOK 33m in losses on loans were recognised in Storebrand Bank during the quarter.

Market and sales performance

The shift from products with guaranteed interest rates to unit linked insurance products continues in the life insurance businesses. Storebrand started to allow the conversion of paid-up policies into paid-up policies with investment options on 15 October. There has been a good level of interest among paid-up policy customers so far. The strong growth in unit linked insurance in both the Norwegian and Swedish businesses continues, and the reserves have increased by 19% compared with last year. Premium income in occupational pension increased 12% and 8% for the Norwegian and Swedish businesses, respectively, during the quarter.

In Norway, Storebrand[1)] is the market leader in defined contribution schemes with 31% of the market share of gross premiums written. There is strong competition in the market for defined contribution pensions. Storebrand expects that this will continue. SPP[1)] is the second largest actor in the Swedish unit linked insurance market in the segment Other Occupational Pensions with a market share of just over 12% of new contracts.

Capital situation and taxes

The Storebrand Life Insurance Group's solvency margin was 182% at the end of the quarter. This is an increase of 4 percentage points during the quarter. The increase is primarily due to the result for the quarter. Lower long-term interest rates in Sweden have contributed negatively. A reduction in the level of interest rates increases the insurance obligations in the solvency calculation for the Swedish part of the business. Capital adequacy and the core (tier 1) capital ratio for the Storebrand Group at the end of the 3rd quarter were 13,3% and 10.2%, respectively, which is unchanged compared with the previous quarter. The income tax expense for the 3rd quarter has been estimated based on an expected effective tax rate for 2014. The tax rate is calculated to lie in the range of 20-25% for the year.

Strenghtening reserves for a higher projected life expectancy

Storebrand needs to build up reserves of NOK 12.4bn. In total, NOK 4.1bn was allocated to the future build-up of reserves at the end of 2013[2)]. The booked return as of the 3rd quarter of 2014 was good and gives a result in excess of the interest rate guarantee of NOK 3.6bn, including the risk result. It is estimated that approximately NOK 2.4bn will be used for longevity reserves when the final allocation of the profit for 2014 is carried out. Storebrand also have other buffers that could be used in order to strengthen longevity reserves. The total contribution from the owner will depend on the risk results and booked return on invested customer assets during the seven-year period. For further information on longevity reserves, see Note 2.

Pension schemes for own employees

The Board of Directors of Storebrand resolved on 28 October 2014 to change the pension scheme for its own employees to a defined contribution plan. This is expected strengthen the company's equity by approximately NOK 100m in the accounts for the 4th quarter. The positive effect on equity can be broken down into approximately NOK 400m in the ordinary income statement and a negative effect of approximately NOK 300m in other comprehensive income (OCI). Further details are presented in Note 6.

Paid-up policies with investment choice

Regulations regarding paid-up policies with investment options entered into force on 1 September. The Ministry of Finance has determined comprehensive regulatory provisions dealing with the requirements for strenghtening reserves, payment profiles, information and advice.

Financial targets

ROE	>10%
Solvency margin (Storebrand Life Group)	>150%
Dividend on result after tax before amortisation[3)]	>35%
Rating (Storebrand Life Group)	A

Group - Key figures

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Earnings per share adjusted (NOK) [1)]	1.08	1.33	1.38	1.82	1.78	3.79	4.24	6.06
ROE, annualised	8.9%	11.2%	11.4%	10.5%	16.9%	10.5%	11.3%	11.0%
Equity	23,618	23,528	23,080	22,775	22,520	23,618	22,520	22,775
Solvency margin (Storebrand Life Group)	182%	178%	182%	176%	178%	182%	178%	176%

[1)] *Premium income as at the 2nd quarter of 2014. Source: Finance Norway and Insurance Sweden.*
[2)] *Earlier reserves of NOK 4.1bn will be reduced by approximately NOK 0.5bn as a result of the final rules for strenghtening reserves that do not permit the joint use of customer returns.*
[3)] *After tax, adjusted for amortisation and write-downs of intangible assets.*

Savings

Good earnings growth driven by higher reserves and continued good interest margins. Good cost control and solid excess return for asset management.

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

Savings

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Fee and administration income	554	522	509	489	490	1,585	1,399	1,888
Risk result life & pensions	7	-7	-2	3	0	-1	4	7
Operational cost	-314	-325	-321	-294	-328	-960	-985	-1,279
Financial result	-	-	-	-	-	-	-	-
Result before profit sharing and loan losses	248	191	186	199	162	624	418	616
Net profit sharing and loan losses	-6	-6	-0	98	-16	-13	-44	54
Result before amortisation	241	184	186	296	146	612	373	670

Results

The results from Savings was strengthened further during the 3rd quarter and for the year to date in comparison with the same periods last year. Higher reserves provide earnings growth for pensions and asset management, while a continued good interest margin in the bank and overall lower costs contributes to the results.

Defined contribution pensions are growing in Norway and Sweden since more and more companies are converting to defined contribution plans. In addition, a good return contributes to growth in AUM. Income for non-guaranteed life insurance-related savings in the 3rd quarter and year to date has been 25% higher than the corresponding periods last year.

The interest margin of 1.22% (1.19%) year to date provides good growth in interest income for the Retail Bank. To date this year, NOK 5.3m has been expensed in write-downs on loans to private individuals.

The asset management business has outperformed the benchmark for the customers by NOK 397m in the 3rd quarter and NOK 1.8bn year to date. Interim performance-based fees of around NOK 51m have not been recognised as income.

Overall fee and administration income has increased by 13% as of the 3rd quarter compared with the same period last year. Efficiency improvement and savings according to the Group's cost programme means lower operating costs compared with last year, despite higher volumes. The result as of the 3rd quarter therefore shows an improvement of 64% compared with last year.

Balance sheet and market trends

Premium income for non-guaranteed life insurance-related savings was NOK 2.5bn in the 3rd quarter and NOK 7.3bn year to date. The volume for the year to date is marginally lower than the same period last year as a result of lower conversion from guaranteed pension in the Swedish business segment and negative transfer balance within private unit linked savings in Norway. New sales increased by 4% compared with the same period last year. Total reserves within unit linked insurance have increased 10% year to date.

In Norway, Storebrand is the market leader in defined contribution schemes with 31% of the market share of gross premiums written. There is strong competition in the market for defined contribution pensions. Storebrand expects that this will continue.

SPP is the second largest actor in the Swedish unit linked insurance market in the segment Other Occupational Pensions with a market share of 10% of new contracts. In 2013, SPP was chosen to be one of several suppliers in the largest pension platform in Sweden (ITP scheme), and this has had a significant positive effect on new sales for the year to date.

Storebrand Asset Management's assets under management have increased by NOK 1.3bn in the 3rd quarter to NOK 503bn. Overall growth year to date is NOK 15.5bn. The growth has been driven by good financial markets, excess returns and new sales.

In the retail market for banking products, the lending portfolio increased to NOK 24.3bn at the end of the 3rd quarter. This primarily consists of low-risk home mortgages.

Savings - Key figures

	2014			2013	
NOK million	3Q	2Q	1Q	4Q	3Q
Unit Linked Reserves	93,976	92,899	87,105	85,452	79,341
Unit Linked Premiums	2,483	2,347	2,463	2,273	2,296
AuM Asset Management	502,840	501,539	495,244	487,384	471,278
Retail Lending	24,286	23,939	23,537	23,906	24,110

Insurance

Weak financial performance driven by the strengthening of disability reserves and more fires. Continued good financial return.

Insurance has responsibility for the Group's risk products in Norway and Sweden. The unit provides health insurance[1)] in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employee related and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Insurance premiums f.o.a.	773	770	770	796	773	2,313	2,237	3,034
Claims f.o.a.	-564	-558	-492	-569	-375	-1,614	-1,371	-1,940
Operational cost	-122	-131	-125	-77	-126	-378	-386	-463
Financial result	48	74	74	31	44	195	112	143
Result before amortisation	**135**	**154**	**226**	**182**	**315**	**516**	**592**	**774**
Claims ratio	73%	73%	64%	71%	49%	70%	61%	64%
Cost ratio	16%	17%	16%	10%	16%	17%	17%	15%
Combined ratio	**89%**	**90%**	**80%**	**81%**	**65%**	**86%**	**79%**	**79%**

Results

The combined risk result for the quarter is weak with a loss ratio of 73% (49%). A higher than normal number of new disability cases during the quarter has entailed the need to strengthen the reserves in both Norway and Sweden. For P&C insurance, the quarter has been marked by a greater than normal number of fires, which contributes to weaker results.

The cost percentage was 16% (16%) for the 3rd quarter, and 17% (17%) for the year to date.

Increasing the efficiency of the cost base is important in order to strengthen our competitiveness, and greater cost effectiveness is still a prioritised activity. Important measures include increased automation, digitisation and sourcing of services and utilisation of economies of scale provided by increased volume.

The investment portfolio of Insurance in Norway amounts to NOK 5.4bn[2)], which is primarily invested in fixed income securities with a short and medium duration. The financial income is higher this quarter and the year to date than the corresponding period last year due to good yields.

Balance sheet and market trends

In the retail market, premium income increased by 9% compared with the corresponding quarter last year, and the P&C insurance business showed good growth during the quarter.

Health-related insurance is growing and Storebrand is succeeding well in the market. This is driven by the companies' desire to reduce absence due to illness, increase work satisfaction and reduce the overall insurance costs, as well as increased demand among employees for this type of employee benefit. However, the market, especially for employee insurance, is marked by many actors and there being a number of new entrants who want to establish themselves in the market. This creates a new dynamic and increases competition.

For risk coverage in connection with defined contribution pensions in Norway, growth is expected in the future that is driven by conversions from defined benefit to defined contribution based pensions. Changes in the regulatory framework may result in changes in the premium volume. Competition is strong with increasing pressure on the margins. In Sweden, the disability trend has been downward for a long period of time, which has led to reduced premiums in general. As a response to this and to strengthen competitiveness, the disability premium in SPP was reduced by 30 percent in the 1st quarter.

Insurance - Key figures

	2014			2013	
NOK million	3Q	2Q	1Q	4Q	3Q
P&C & Individual life *	1,375	1,341	1,314	1,297	1,275
Health & Group life **	1,228	1,206	1,212	1,227	1,221
Pension related disability insurance Nordic ***	1,054	1,041	1,027	1,046	1,012
Total written premiums	**3,657**	**3,588**	**3,552**	**3,569**	**3,509**
Reserves	5,095	4,938	4,871	4,794	4,737

** Individual life disability, property and casualty insurance. ** Group disability, workers comp. and health insurance. *** DC risk premium.*
1) Health insurance is owned 50 per cent each by Storebrand ASA and Munich Health and is consolidated according to the equity method.
2) Consists of insurance reserves and equity from Storebrand Forsikring AS and Storebrand Helseforsikring AS.

Guaranteed pension

Planned reduction of the business volume and satisfactory margins. Good profit sharing result and owner's cost for longevity reserves is according to plan.

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

Guaranteed pension

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Fee and administration income	471	439	474	535	491	1,384	1,478	2,013
Risk result life & pensions	26	48	78	16	-31	152	-9	7
Operational cost	-275	-281	-281	-199	-272	-837	-818	-1,016
Financial result	-	-	-	-	-	-	-	-
Result before profit sharing and loan losses	**222**	**206**	**272**	**352**	**188**	**699**	**651**	**1,003**
Net profit sharing and loan losses	101	197	120	96	105	418	276	373
Provision longevity	-90	-90	-90	-	-	-270	-	-
Result before amortisation	**233**	**313**	**302**	**448**	**293**	**847**	**928**	**1,376**

Fee and administration income to date in 2014 has performed consistent with the fact that a large part of the portfolio is mature and in long-term run off. Income was NOK 471m (NOK 491m) for the 3rd quarter and NOK 1,384m (NOK 1,487m) year to date. Year-to-date income has fallen by 6% compared with last year. The reduction in income is attributed, among other factors, that public sector insured solutions are being discontinued in Norway. NOK 5bn was transferred out in the 3rd quarter and NOK 10.5bn year to date. Approximately NOK 8bn in customer reserves remain in public sector occupational pension schemes.

The risk result was NOK 26m (NOK -31m) for the 3rd quarter and NOK 152m (NOK -9m) year to date. In the Norwegian business, the disability reserves were strengthened during the quarter, which has essentially been counterbalanced by the dissolution of disability reserves in the Swedish business. Within the public sector, IBNS[1)] reserves were strengthened by NOK 50m year to date as a result of Storebrand maintaining insurance liability for a limited period after migration of the contracts.

Operating costs were NOK 275m for the quarter (NOK 272m) and NOK 837m (NOK 818m) year to date. Underlying cost control is good and the increase from last year is due to the effects of currency exchange.

The result from net profit sharing is generated by the Swedish business and amounted to NOK 101m in the 3rd quarter and NOK 418m year to date. This strong contribution is attributed to profit sharing on the investment result and indexing fees recognised as income. Rising equity and credit markets, and declining interest rates have contributed to good yields. This has provided a contribution through profit sharing of NOK 368m year to date. In addition, indexing fees have be recognised as income and amounted to NOK 118m as of the 3rd quarter.
The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners. Year to date, NOK 2.4bn of the profit for the year from the financial and risk results has been provisionally allocated to longevity reserves. The profit for the owner has been charged with NOK 90m in the 3rd quarter and NOK 270m year to date for longevity reserves.

Balance sheet and market trends

The majority of products are closed for new business, and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy. As of the 3rd quarter, customer reserves for guaranteed pensions totalled NOK 257bn (NOK 262bn), which represents a decline of NOK 6bn for the quarter and NOK 7bn year to date. Transfers from guaranteed pensions totalled NOK 12.8bn (NOK 8.9bn) to date this year, and they took place primarily in the 1st and 3rd quarters in connection with transfer out of public sector contracts in Norway. The premium income for the 3rd quarter was NOK 1.6bn (NOK 2.3bn) and NOK 8.1bn (NOK 9.1bn) year to date. This corresponds to a decline of 11% year to date.

Guaranteed pension - Key figures

	2014			2013	
NOK million	3Q	2Q	1Q	4Q	3Q
Guaranteed reserves	257,425	263,370	259,799	264,125	262,468
Guaranteed reserves in % of total reserves	73.3 %	73.9 %	74.9 %	75.6 %	76.8 %
Transfer out of guaranteed reserves	5,506	104	7,192	967	710
Buffer capital in % of customer reserves Storebrand	4.8 %	4.6 %	4.2 %	4.8 %	4.0 %
Buffer capital in % of customer reserves SPP	15.0 %	15.1 %	14.6 %	15.1 %	14.5 %

[1)] Incurred, but not settled

Other

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

Other result

	2014			2013		01.01 - 30.09		Full year
NOK million	3Q	2Q	1Q	4Q	3Q	2014	2013	2013
Fee and administration income	71	67	74	90	86	212	262	353
Risk result life & pensions	4	3	-1	-2	-4	6	5	3
Operational cost	-56	-58	-58	75	-71	-172	-256	-180
Financial result	38	76	47	-21	49	161	-25	-46
Result before profit sharing and loan losses	**56**	**89**	**62**	**143**	**60**	**207**	**-13**	**129**
Net profit sharing and loan losses	-33	9	-48	-14	-3	-72	4	-11
Result before amortisation	**23**	**99**	**14**	**128**	**56**	**135**	**-10**	**119**

The decline in Fee and administration income is associated with lending to corporate customers. The portfolio has declined by NOK 5.2bn (53%) since the start of the year. This includes the sale of NOK 1.9bn in loans to Storebrand Life Insurance in the 3rd quarter. In the 3rd quarter, loss provisions related to an individual loan of NOK 33m in the Corporate Bank were incorporated.

The operating costs for the segment have decreased compared with the same period previous year.

In total, the financial result for the Other segment includes the company portfolios of SPP and Life and the financial result of Storebrand ASA, as well as the net result for subsidiaries currently being wound up and started up at SPP. There have been a NOK 185m improvement in the result compared with 2013.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. The proportion of subordinated loans of approximately 25% and interest charges comprise a net amount of approximately NOK 110m for the quarter at the current interest rate level.

The company portfolios comprised NOK 20,8bn at the end of the 3rd quarter. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

Balance sheet, solidity and capital adequacy

Solvency margin of 182% in the Life Group, NOK 61.9bn. in solidity capital

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

Storebrand ASA

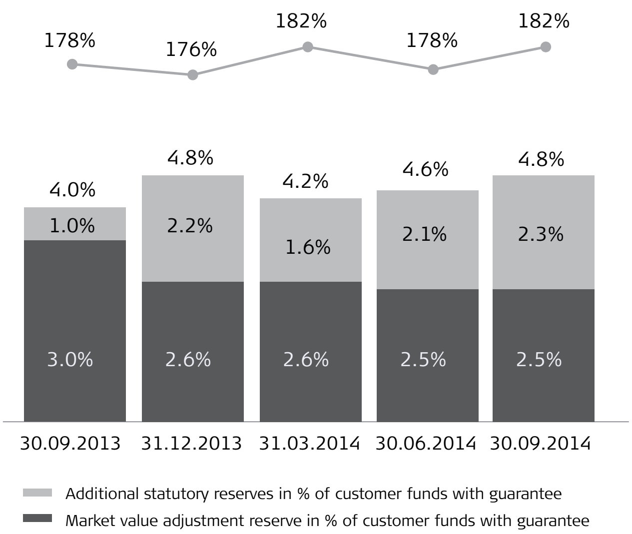
Storebrand ASA held liquid assets of approximately NOK 2.1bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities. Storebrand ASA's total interest-bearing liabilities were NOK 3.4bn at the end of the quarter. During the quarter, the company issued a new unsecured bond loan with a volume of NOK 500m and a term of 5 years at a coupon rate of 3M Nibor +85bp. The company redeemed bond debt totalling NOK 540m during the quarter. After the end of the quarter, the company redeemed bond debt totalling NOK 297m. The next maturity date for bond debt is in April 2016. Storebrand ASA owned 0.53% (2,410,792) of the company's own shares at the end of the quarter.

Storebrand Life Insurance Group[1)]

The Storebrand Life Insurance Group's solvency margin was 182% at the end of the quarter. This is an increase of 4 percentage points for the quarter. The increase is primarily due to the result for the quarter. Lower long-term interest rates in Sweden have contributed negatively. A reduction in the level of interest rates increases the insurance obligations in the solvency calculation for the Swedish part of the business.

The solidity capital[2)] comprised NOK 61.9bn at the end of the 3rd quarter of 2014, an increase of NOK 4.5bn during the 3rd quarter and NOK 7.8bn year to date as a result, among other things, of increased customer buffers and the profit for the year.

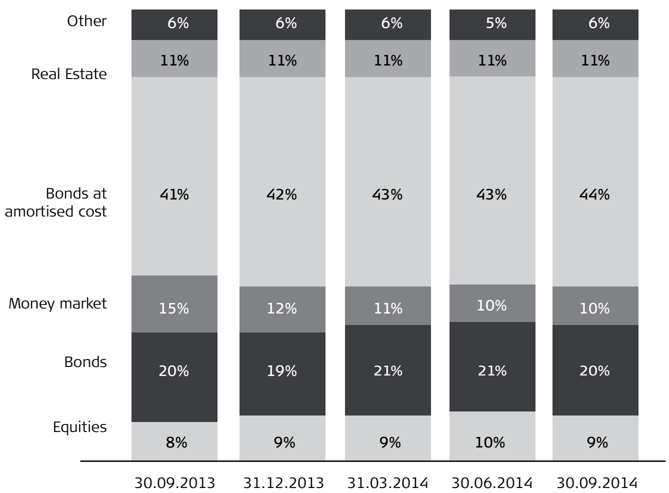
Solidity



Storebrand Livsforsikring AS

The market value adjustment reserve increased by NOK 0.1bn during the 3rd quarter, remained unchanged year to date and amounted to NOK 3.8bn at the end of the 3rd quarter of 2014. The market value adjustment reserve remained unchanged during the quarter, declined by NOK 0.2bn year to date and amounted to NOK 4.3bn at the end of the 3rd quarter of 2014. Excess value of held-to-maturity bonds that are assessed at amortised cost have increased by NOK 1.2bn during the quarter and NOK 5.0bn year to date, comprising NOK 10.1bn as of the 3rd quarter. The excess value of bonds at amortised cost is not included in the financial statements.

Asset allocation in customer portfolios with interest rate guarantee

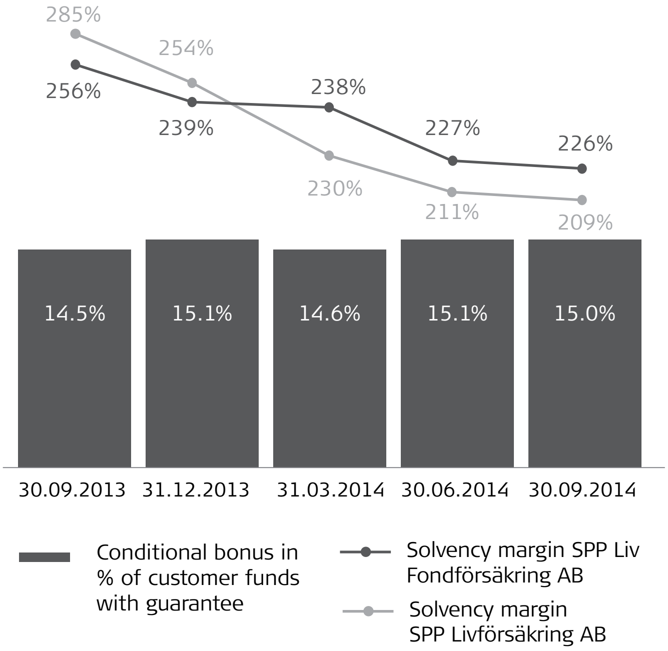


Customer assets declined by NOK 4bn during the 3rd quarter, increased by NOK 1bn year to date and amounted to NOK 215bn at the end of the 3rd quarter of 2014. Customer assets within non-guaranteed savings increased by NOK 1bn during the 3rd quarter and NOK 4bn year to date.

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

SPP

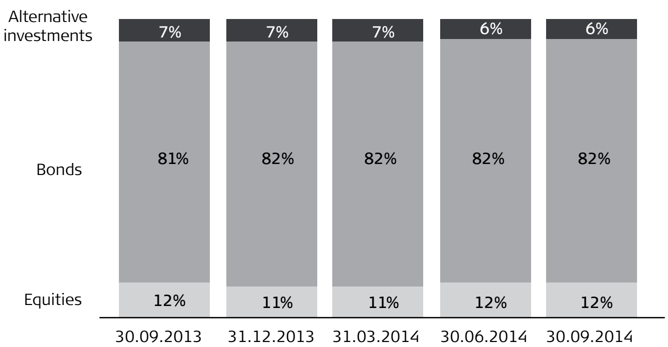
Solidity



The solvency margin of SPP Livförsäkring AB was 209% (285%) and 226% (256%) in SPP Liv Fondförsäkring AB at the end of the 3rd quarter. The solvency margin for SPP Livförsäkring AB weakened year to date due to the lower interest rates and changes in the capital base. For the calculation of solvency in Sweden, market interest rates are used to discount the insurance liabilities. The solvency margin is declining because the assets have a shorter duration than the insurance liabilities. Calculated based in the interest rate pursuant to the solvency regulations.

The buffer capital (conditional bonus) increased by 5% during the quarter.

Asset allocation in customer portfolios with interest rate guarantee



Total customer assets at SPP comprised NOK 133.4bn during the quarter. Non-guaranteed customer assets increased to NOK 55.4bn during the quarter.

Storebrand Bank

There was growth in the retail banking loan portfolio in the 3rd quarter and a continued decrease in lending to the corporate market. Gross lending to customers totalled NOK 29.0bn (NOK 33.7bn) at the end of the 3rd quarter. As part of the strategy of winding up the corporate market portfolio, Storebrand Bank sold NOK 1.9bn of corporate loans to Storebrand Livsforsikring in the 3rd quarter. The volume syndicated to Storebrand Livsforsikring amounted to NOK 5.7bn at the end of the 3rd quarter.

The bank has improved its capital adequacy in the 3rd quarter as a result of a falling corporate market portfolio and an increase in capital base. The Storebrand Bank Group had a net capital base of NOK 3.0bn at the end of the 3rd quarter. The capital adequacy ratio was 17.9% and the core capital ratio was 16.2%, compared with 13.6% and 12.8%, respectively, at the end of 2013.

Outlook

Earnings performance
Interest rates have fallen throughout 2014 and the 10-year swap rate is at historically low levels in both Norway and Sweden. Low interest rates are challenging for insurance companies that have to cover an annual interest rate guarantee. The credit spread for bonds with a good credit rating has also narrowed throughout the year, but to a lesser extent in the 3rd quarter. There continue to be investment opportunities in the bond market with expected returns that exceed the average interest rate guarantee. Storebrand has a strategy of pursuing growth in products where the results are less affected by short-term fluctuations in the financial markets. Financial performance will also be impacted by the changes that have taken place in the regulations for Norwegian occupational pensions in the future, and how the customers choose to adapt to these changes.

Termination of activities related to commercial lending, defined benefit pensions for the public sector and conversions from defined benefit to defined contribution pensions with the issuance of paid-up policies reduces the Group's earnings. In addition to the on-going build-up of reserves for higher projected life expectancy, this is expected to negatively affect performance in a transition period.

Storebrand is continously adapting to enhance its competitiveness in its business operations. Storebrand has implemented a cost-reduction program to reduce the Group's cost of at least NOK 400 mill. By the end of 2014. The program will be completed this year with the targeted effect. Cost efficiency will remain a priority for the Group.

Storebrand's results will during the period from 2014 to 2020 be burdened by a minimum of 20% of the costs associated with the build-up of reserves for higher projected life expectancy. The final amount will, among other things, depend on risk results and returns to the customer portfolios. The building up of reserves for higher projected life expectancy is described in further detail in the introduction and in Note 2.

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

Regulatory changes

Solvency II
Solvency II is a set of rules covering solvency that will apply to all insurance companies in the EU and EEA. The Directive, also called Omnibus II, was adopted by the European Parliament on 11 March 2014 and will be implemented in Norwegian law. The regulations will enter into effect beginning in 1 January 2016.

The European supervisory authority EIOPA has made recommendations for ensuring continued progress in preparations for Solvency II. FSA determined that the recommendations shall be followed from 1 January 2014. This means that the requirements in Solvency II for business control and risk management (pillar 2) will be phased in, including requirements for self-assessment of risk and solvency (ORSA), and that parts of the reporting requirements to the supervisory authorities (pillar 3) will be introduced for annual reporting. The capital requirements (pillar 1) and the reporting requirements for the market will not apply until the formal Solvency II implementation on 1 January 2016.

In a letter of 8 September, the Financial Supervisory Authority of Norway has recommended that Norwegian companies should be given an opportunity to use a yield curve spread to discount insurance liabilities, a so-called volatility adjustment In addition, it is proposed that Norwegian companies can apply a transitional rule entailing that an increase in the insurance liabilities as a result of Solvency II can be phased in linearly over a period of maximum 16 years.

This transitional rule should ease the transition to Solvency II for companies with long-term guaranteed returns, and it will have a major impact on paid-up policies.

Paid-up policies with investment options
The regulations relating to paid-up policies with investment options entered into force on 1 September 2014. A requirement has been introduced that the reserves for paid-up policies must be fully built up based on the new life expectancy tariff before they can be converted to policies with investment options.

Rules have also been introduced regarding information and advice to customers, as well as the use of a technical, non-guaranteed interest rate of up to 3% for calculation of the annual pension payments.

The industry has agreed on an industry standard for advisory services and has adjusted the calculation method for the return forecasts based on the low interest rate level.

Disability pension
It is expected that the new regulations for disability cover in occupational pension schemes will be introduced by the end of 2015. The Banking Law Commission's report NOU 2013:12 "Disability Pensions in Private Occupational Pension Schemes" has been circulated for comments. The Ministry of Finance is expected to draft a bill that will be presented to the Norwegian Parliament before Christmas. New disability benefits will be introduced to the National Insurance Scheme on 1 January 2015.

The proposal from the Banking Law Commission involves the current disability product being replaced by a one-year risk-based product that gives full benefits regardless of the period of service, and where the benefits are calculated independently of the old age pension benefits.

Lysaker, 28 October 2014

Storebrand Group

PROFIT AND LOSS ACCOUNT

		3Q		01.01 - 30.09		Full year
Million NOK	Note	2014	2013 [1]	2014	2013 [1]	2013 [1]
Net premium income		5,266	5,831	19,449	22,825	28,463
Net interest income - banking activities		110	140	352	408	547
Net income from financial assets and real estate for the company:						
- equities and other units at fair value		2	2	14	6	8
- bonds and other fixed-income securities at fair value		118	110	679	317	417
- financial derivatives at fair value		28	8	-201	4	22
- bonds at amortised cost		22	17	64	53	59
- real estate		42	12	74	38	52
- result from investments in associated companies/joint controlled operation		17	73	21	90	89
Net income from financial assets and real estate for the customers:						
- equities and other units at fair value		2,410	3,889	10,646	10,906	16,772
- bonds and other fixed-income securities at fair value		1,872	182	7,270	1,592	2,942
- financial derivatives at fair value		551	724	2,426	-3,373	-3,598
- bonds at amortised cost		920	838	2,786	2,566	3,526
- interest income lending		45	32	118	99	130
- real estate		353	233	936	675	907
- result from investments in associated companies		6	3	15	18	29
Other income		613	613	1,893	1,834	2,316
Total income		**12,374**	**12,709**	**46,540**	**38,057**	**52,681**
Insurance claims for own account		-10,738	-5,834	-29,220	-24,011	-29,851
Change in insurance liabilities		-570	-3,731	-12,769	-7,073	-12,176
To/from buffer capital		726	-1,225	901	-1,684	-3,568
Losses from lending/reversal of previous losses		-34	-10	-71		-11
Operating costs	8	-902	-925	-2,614	-2,785	-3,265
Other costs		-135	-26	-238	-137	-296
Interest expenses		-88	-147	-421	-483	-576
Total costs before amortisation and write-downs		**-11,742**	**-11,898**	**-44,431**	**-36,173**	**-49,743**
Profit before amortisation and write-downs		**632**	**811**	**2,110**	**1,883**	**2,938**
Amortisation and write-downs of intangible assets		-108	-112	-326	-322	-739
Group pre-tax profit		**524**	**699**	**1,783**	**1,561**	**2,199**
Tax cost	3	-147	-10	-401	28	-209
Result after tax sold/wound up business				-1	-2	-4
Profit/loss for the period		**376**	**689**	**1,382**	**1,587**	**1,987**
Profit/loss for the period due to:						
Majority's share of profit		377	685	1,368	1,574	1,971
Minority's share of profit			4	13	13	16
Total		**376**	**689**	**1,382**	**1,587**	**1,987**
Earnings per ordinary share (NOK)		0.84	1.53	3.06	3.52	4.41
Average number of shares as basis for calculation (million)				447.4	447.1	447.1
There is no dilution of the shares						

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

Storebrand Group

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	3Q		01.01 - 30.09		Full year
Million NOK	2014	2013	2014	2013	2013
Profit/loss for the period	**376**	**689**	**1,382**	**1,587**	**1,987**
Actuarial gains and losses	-2	-3	-13	7	-340
Adjustment of value of properties for own use	24	22	52	60	154
Total comprehensive income elements allocated to customers	-24	-22	-52	-60	-154
Tax on other result elements not to be classified to profit/loss					104
Total other result elements not to be classified to profit/loss	-2	-3	-13	7	-236
Translation differences	-257	304	-508	765	840
Tax on other result elements that may be classified to profit/loss	-3		-2		
Total other result elements that may be classified to profit/loss	-260	304	-510	765	840
Total other result elements	**-262**	**302**	**-524**	**772**	**604**
Total comprehensive income	**114**	**990**	**858**	**2,358**	**2,591**
Total comprehensive income due to:					
Majority's share of total comprehensive income	117	983	849	2,336	2,564
Minority's share of total comprehensive income	-3	7	9	22	27
Total	**114**	**990**	**858**	**2,358**	**2,591**

Storebrand Group

STATEMENT OF FINANCIAL POSITION

Million NOK	Note	30.09.14	30.09.2013 [1)]	31.12.2013 [1)]	1.1.2013 [1)]
Assets company portfolio					
Deferred tax assets		1	41	1	38
Intangible assets		5,428	6,318	5,987	6,096
Pension assets		1	152	1	152
Tangible fixed assets		96	123	118	143
Investments in associated companies		365	332	333	251
Receivables from associated companies					69
Financial assets at amortised cost:					
- Bonds		3,186	2,850	3,052	2,146
- Bonds held to maturity			245	347	222
- Lending to financial institutions		280	429	152	255
- Lending to customers	9	28,794	34,681	33,637	35,306
Reinsurers' share of technical reserves		145	132	151	155
Real estate at fair value		4,225	3,473	3,581	3,459
Real estate for own use		68	61	66	58
Biological assets		64	64	64	64
Accounts receivable and other short-term receivables		1,961	1,938	1,833	2,125
Financial assets at fair value:					
- Equities and other units	9	104	97	82	53
- Bonds and other fixed-income securities	9	25,411	21,795	23,294	21,312
- Derivatives	9	1,265	950	1,090	1,313
Bank deposits		3,602	3,777	4,067	3,279
Minority interests in consolidated securities funds		16,211	15,315	12,863	5,909
Total assets company		**91,206**	**92,771**	**90,720**	**82,406**
Assets customer portfolio					
Tangible fixed assets		293	339	354	303
Investments in associated companies		43	18	34	115
Receivables from associated companies		175	184	186	596
Financial assets at amortised cost:					
- Bonds		64,251	63,153	63,919	54,557
- Bonds held to maturity		15,140	11,570	14,773	10,496
- Lending to customers	9	5,729	3,681	3,508	3,842
Real estate at fair value		21,356	20,867	20,856	25,504
Real estate for own use		2,411	2,399	2,425	2,173
Biological assets		566	599	626	535
Accounts receivable and other short-term receivables		1,859	3,408	3,531	2,699
Financial assets at fair value:					
- Equities and other units	9	98,972	86,764	92,615	72,166
- Bonds and other fixed-income securities	9	156,639	168,367	165,071	164,208
- Derivatives	9	3,527	623	1,129	2,745
Bank deposits		4,487	2,862	3,619	3,859
Total assets customers		**375,448**	**364,834**	**372,648**	**343,799**
Total assets		**466,654**	**457,605**	**463,367**	**426,205**

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Storebrand Group

STATEMENT OF FINANCIAL POSITION CONTINUE

Million NOK	Note	30.09.14	30.09.2013 [1]	31.12.2013 [1]	1.1.2013 [1]
Equity and liabilities					
Paid in capital		11,722	11,720	11,720	11,718
Retained earnings		11,546	10,450	10,705	8,119
Minority interests		350	349	350	337
Total equity		**23,618**	**22,520**	**22,775**	**20,175**
Subordinated loan capital	10	7,607	7,206	7,409	7,075
Buffer capital	13	20,697	20,481	22,447	18,037
Insurance liabilities		351,645	341,888	348,204	323,996
Pension liabilities		935	1,230	953	1,234
Deferred tax		1,087	690	825	717
Financial liabilities:					
- Liabilities to financial institutions	9	10	995	1,028	2,499
- Deposits from banking customers		19,814	20,647	20,728	19,860
- Securities issued	9	14,499	16,868	17,000	18,033
- Derivatives company portfolio		507	681	632	632
- Derivatives customer portfolio		1,415	1,899	1,911	725
Other current liabilities		8,610	7,185	6,592	7,315
Minority interests in consolidated securities funds		16,211	15,315	12,863	5,909
Total liabilities		**443,036**	**435,085**	**440,592**	**406,029**
Total equity and liabilities		**466,654**	**457,605**	**463,367**	**426,205**

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

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

	Majority's share of equity									
	Paid in capital									
Million NOK	Share capital [1]	Own shares	Share premium	Total paid in equity	Pension experience adjustments	Re-statement differences	Other equity [2]	Total retained earnings	Minority interests	Total equity [3]
Equity at 31 December 2012	**2,250**	**-16**	**9,485**	**11,718**	**-447**	**116**	**8,451**	**8,119**	**337**	**20,175**
Profit for the period							1,971	1,971	16	1,987
Total other profit elements					-236	829		593	11	604
Total comprehensive income for the period					**-236**	**829**	**1,971**	**2,564**	**27**	**2,591**
Equity transactions with owners:										
Own shares		2		2			24	24		26
Share issue									-27	-27
Purchase of minority interests							-5	-5		-5
Other							1	1	13	14
Equity at 31 December 2013	**2,250**	**-14**	**9,485**	**11,720**	**-683**	**945**	**10,442**	**10,705**	**350**	**22,775**
Profit for the period							1,368	1,368	13	1,382
Total other profit elements					-14	-506		-519	-4	-524
Total comprehensive income for the period					**-14**	**-506**	**1,368**	**849**	**9**	**858**
Equity transactions with owners:										
Own shares		2		2			18	18		20
Provision for dividend									-2	-2
Purchase of minority interests							-21	-21		-21
Other							-5	-5	-8	-13
Equity at 30 September 2014	**2,250**	**-12**	**9,485**	**11,722**	**-696**	**439**	**11,803**	**11,546**	**350**	**23,618**

[1] 449,909,891 shares with a nominal value of NOK 5.
[2] Includes undistributable funds in the risk equalisation fund amounting to NOK 887 million and security reserves amounting NOK 268 million.
[3] In consequence of the changes to the principles, the comparative figures have been restated. See further information in note 1 Accounting policies.

Equity at 31 December 2012	**2,250**	**-16**	**9,485**	**11,718**	**-447**	**116**	**8,451**	**8,119**	**337**	**20,175**
Profit for the period							1,574	1,574	13	1,587
Total other profit elements					7	755		762	10	772
Total comprehensive income for the period					**7**	**755**	**1,574**	**2,336**	**22**	**2,358**
Equity transactions with owners:										
Own shares		2		2			24	24		26
Provision for dividend									-9	-9
Purchase of minority interests							-5	-5		-5
Other							-25	-25	-2	-27
Equity at 30 September 2013	**2,250**	**-14**	**9,485**	**11,720**	**-440**	**871**	**10,020**	**10,450**	**349**	**22,520**

Storebrand Group

CASH FLOW ANALYSIS

	1.1 - 30.9	
Million NOK	2014	2013
Cash flow from operational activities		
Net receipts premium - insurance	19,059	16,966
Net payments compensation and insurance benefits	-14,566	-14,446
Net receipts/payments - transfers	-13,342	-5,567
Receipts - interest, commission and fees from customers	1,170	1,273
Payments - interest, commission and fees to customers	-152	-153
Payments relating to operations	-2,331	-2,273
Net receipts/payments - other operational activities	2,492	-77
Net cash flow from operations before financial assets and banking customers	**-7,671**	**-4,277**
Net receipts/payments - lending to customers	2,552	769
Net receipts/payments - deposits bank customers	-920	827
Net receipts/payments - mutual funds	12,331	113
Net receipts/payments - real estate investments	-253	5,402
Net change in bank deposits insurance customers	-871	997
Net cash flow from financial assets and banking customers	**12,839**	**8,108**
Net cash flow from operational activities	**5,168**	**3,831**
Cash flow from investment activities		
Net receipts/payments - sale/purchase of property and fixed assets	-5	-6
Net receits/payments - sale/purchase of fixed assets	-59	-139
Net receipts/payments - sale of insurance portfolios	-1,475	
Net receits/payments - sale/purchase of associated companies and joint ventures	-29	428
Net cash flow from investment activities	**-1,567**	**283**
Cash flow from financing activities		
Payments - repayments of loans	-2,801	-1,575
Receipts - new loans	499	500
Payments - interest on loans	-371	-422
Receipts - subordinated loan capital	1,918	2,372
Payments - repayment of subordinated loan capital	-1,731	-2,366
Payments - interest on subordinated loan capital	-442	-456
Net receipts/payments - lending to and claims from other financial institutions	-1,018	-1,502
Receipts - issuing of share capital / sale of shares to own employees	11	9
Payments - group contribution as a capital contribution	-2	
Payments - dividends		-8
Net cash flow from financing activities	**-3,937**	**-3,448**
Net cash flow for the period	**-337**	**666**
- of which net cash flow in the period before financial assets and banking customers	-13,176	-7,443
Net movement in cash and cash equivalents	-337	666
Cash and cash equivalents at start of the period	4,219	3,539
Currency translation differences	-1	
Cash and cash equivalents at the end of the period [1)]	**3,882**	**4,206**
1) Consist of:		
Lending to financial institutions	280	429
Bank deposits	3,602	3,777
Total	**3,882**	**4,206**

Notes to the interim accounts Storebrand Group

NOTE 1: ACCOUNTING POLICIES

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

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2013 annual report, and the interim financial statements are prepared with respect to these accounting policies with the exceptions discussed in more detail below.

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

IFRS 10 – Consolidated financial statements
IFRS 10 establishes a model for evaluating control that will apply to all companies, and the content of the control concept has changed in IFRS 10 in relation to IAS 27 and will entail an increased degree of assessment of units that are controlled by the company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Group's financial statements, securities funds in which Storebrand has an ownership percentage of around 40 per cent or more, and which are also managed by management companies within the Storebrand Group, are consolidated 100 per cent on the balance sheet. Minority interests in consolidated securities funds are presented on a single line for assets and correspondingly on a single line for liabilities. As a consequence of the other investors being able to redeem their ownership interests in the respective funds, the minority interests are classified as liabilities in Storebrand's consolidated financial statements.

Investments that are included in the Group, and which have been treated previously as joint venture companies, have been deemed to be subsidiaries in accordance with IFRS 10. Pursuant to IFRS 10, the companies are consolidated 100 per cent.

IFRS 11 – Joint Arrangements
In accordance with IFRS 11, the equity method will be used for the accounting of joint ventures. When the equity method is used, the profit after tax is presented on a single line, and this changes the profit before tax and the tax expense as opposed to using the proportionate consolidation method. This has resulted in a change in the accounting of Storebrand Helseforsikring AS, which was previously consolidated using the proportionate consolidation method.

Changes to other accounting standards
There are also other amendments to the IFRS regulations with effect from, or that can voluntary be applied from 1 January 2014. These changes have not had any material impact on Storebrand's interim financial statements.

Notes to the interim accounts Storebrand Group

The following table shows the impact on the comparative figures of IFRS10/11 the P/L and balance sheet items affected by the changes.

Profit and Loss

	3Q 2013			01.01 - 30.09 2013			Year 2013		
NOK mill.	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures
Net premium income	5,887	-56	5,831	22,982	-157	22,825	28,675	-212	28,463
Bonds and other fixed-income securities at fair value	112	-1	110	321	-4	317	422	-5	417
Financial derivatives at fair value	9	-1	8	7	-3	4	24	-3	22
Net income from real estate	9	3	12	29	9	38	41	11	52
Result from investments in associated companies/joint controlled operation	64	10	73	75	16	90	74	15	89
Other income	613		613	1,834		1,834	2,316		2,316
Insurance claims for own account	-5,869	35	-5,834	-24,117	106	-24,011	-30,004	152	-29,851
Operating costs	-936	11	-925	-2,821	36	-2,785	-3,310	45	-3,265
Other costs	-26		-26	-138		-137	-296	1	-296
Profit before amortisation and write-downs	**810**		**811**	**1,880**	**3**	**1,883**	**2,935**	**3**	**2,938**
Amortisation and write-downs of intangible assets	-113	1	-112	-324	2	-322	-741	2	-739
Group pre-tax profit	**698**	**1**	**699**	**1,557**	**4**	**1,561**	**2,194**	**5**	**2,199**
Tax cost	-13	2	-10	23	5	28	-214	6	-209
Profit/loss for the period	**685**	**3**	**689**	**1,578**	**9**	**1,587**	**1,976**	**11**	**1,987**

Notes to the interim accounts Storebrand Group

Statement of Financial Position

NOK mill.	30.09.13 Reported figures	30.09.13 Effect IFRS 10 and IFRS 11	30.09.13 Restated figures	31.12.13 Reported figures	31.12.13 Effect IFRS 10 and IFRS 11	31.12.13 Restated figures	31.12.12 Reported figures	31.12.12 Effect IFRS 10 and IFRS 11	31.12.12 Restated figures
Intangible assets	6,324	-6	6,318	5,993	-6	5,987	6,102	-6	6,096
Tangible fixed assets	123	-1	123	119	-1	118	144	-1	143
Investments in associated companies	203	129	332	205	128	333	121	130	251
Real estate at fair value	24,124	246	24,370	24,175	262	24,437	28,723	240	28,963
Accounts receivable and other short-term receivables	1,991	-54	1,938	1,890	-57	1,833	2,172	-47	2,125
Bonds and other fixed-income securities	21,988	-193	21,795	23,485	-191	23,294	21,496	-184	21,312
Derivatives	951	-1	950	1,091	-1	1,090	1,313		1,313
Bank deposits	3,790	-13	3,777	4,077	-10	4,067	3,297	-18	3,279
Minority interests in consolidated securities funds		15,315	15,315		12,863	12,863		5,909	5,909
Total assets	**442,183**	**15,422**	**457,605**	**450,381**	**12,986**	**463,367**	**420,182**	**6,023**	**426,205**
Equity and liabilities									
Minority interests	103	246	349	88	262	350	98	240	337
Total equity	**22,274**	**246**	**22,520**	**22,514**	**262**	**22,775**	**19,936**	**240**	**20,175**
Insurance liabilities	341,997	-110	341,888	348,314	-110	348,204	324,089	-94	323,996
Pension liabilities	1,236	-6	1,230	958	-5	953	1,239	-6	1,234
Deferred tax	695	-6	690	833	-9	825	721	-5	717
Other current liabilities	7,195	-18	7,177	6,605	-14	6,591	7,327	-22	7,305
Minority interests in consolidated securities funds		15,315	15,315		12,863	12,863		5,909	5,909
Total equity and liabilities	**442,183**	**15,422**	**457,605**	**450,381**	**12,986**	**463,367**	**420,182**	**6,023**	**426,205**

NOTE 2: ESTIMATES

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

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

Strengthening longevity reserves for Storebrand Life Insurance

In a letter dated 8 March 2013, the Financial Supervisory Authority of Norway (Finanstilsynet) determined that a new mortality basis, K2013, would be introduced for group pension insurance in life insurance companies and pension funds effective from 2014. This requires increased premiums and higher insurance technical reserves to cover future liabilities. See the description in note 3 in the annual financial statements for 2013.

The Financial Supervisory Authority of Norway published 2nd April 2014 final guidelines for the step-up plans for longevity reserve strengthening. These are in relations to the guidelines provided by the Ministry of Finance in a letter from 27th March 2014. The period for strengthening longevity reserves may have duration of up to 7 years (up to and including 2020). Applications for step-up periods for reserves must be approved by the Financial Supervisory Authority of Norway. The strengthening of the reserves may be funded with excess return in customer portfolios. Surplus return in one contract cannot be used to strengthen reserves on other contracts. The insurance companies should contribute at least 20 percent of the increased reserves. Allocations shall be made to every contract.
The reserve strengthening must as a minimum be linear over the course of the step-up plan. Storebrand has applied to the Financial Supervisory Authority of Norway in April 2014 to take 7 years for strengthening the longevity reserves.

Requirements that the entire booked returns be added on a contract basis will, all other things being equal, require a higher return given that the owner's contribution should be unchanged. The possibility to be able to apply for a step-up period of up to 7 years will pull in the opposite direction. On the overall, the owner's expected contribution for strengthening reserves for a given level of returns, have increased in relation to earlier estimates.

Guidelines for longevity reserve strengthening

- Step-up plans can have a maximum duration of seven years (up until 2020). Applications to be approved by the Supervisory Authorities of Norway.
- The reserves may be funded with excess return in customer portfolios. Surplus return in one contract cannot be used to strengthen reserves on other contracts (no "solidarity")
- The Insurance companies should contribute at least 20 percent of the increased reserves. Allocations shall be made to every contract.
- The reserve strengthening must as a minimum be linear over the course of the step up plan.

Consequences for Storebrand

- Total reserve strengthening of appr. NOK 12.4 billion.
- In the period 2011 to 2013, Storebrand has allocated a total of NOK 4.1 billion for the future reserve strengthening, and has also allocated NOK 2.4 billion in customer surpluses to date in 2014. Given that customer surpluses cannot be used jointly, efforts to assign longevity reserves at individual contract levels is an ongoing process and it is expected that this will reduce the total allocated reserve with approximately NOK 500 million. Total allocation for reserve strengthening, with deduction for mentioned NOK 500 million, is at the end of the third quarter NOK 6.3 billion included owner's contribution of NOK 270 million.
- Storebrand also has other buffers that may be used to increase the booked return in the period.
- The total contribution from the owner will depend upon the annual booked returns on investment returns on customer funds in the step-up period, the volatility in the booked return, trend in the insurance portfolio, risk results during the period, etc.
- The table below shows the estimated effects on net profit for owners for different average booked returns expectations during the period. If booked annual returns are to be lower than 4 per cent, then the owner's contribution might increase significantly. The effect on net profit is estimated based on an option pricing model which uses, for instance, a volatility in the booked return of 1 per cent and an annual expected risk outcome for customers that can be used for strengthening the reserves. The expected total and annual effect on earnings does not include loss of anticipated profit sharing related to paid-up policies. The estimates are encumbered with uncertainty.

Annual booked return	Expected total result effect before tax	Annual result effect before tax
4,0%	~ 3 500	~ 500
4,5%	~ 2 100	~ 300
5,0%	~ 1 100	~ 160

- In the accounts as at 30 September 2014, a long-term average yield of 4.4 per cent and an expected build-up period of 7 years have been used as a basis.

NOTE 3: TAX

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

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

NOTE 4: INFORMATION ABOUT RELATED PARTIES

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

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

NOTE 5: FINANCIAL MARKET RISK AND INSURANCE RISK

Risks are described in the annual report for 2013 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk), and note 11 (Concentration risk). Conditions that affect the risks are also described in note 2 (Significant accounting estimates and approximate valuations).

Notes to the interim accounts Storebrand Group

As regards strengthening longevity reserves for Storebrand Life Insurance, this is described in note 2 (Estimates).
The stock market has been strong during the three first quarters of the year, with new highs on the stock exchanges. The credit market has also been positive with falling credit spreads. Interest rates have been falling, both in Norway and Sweden. After the end of the quarter, the financial markets have been more volatile, and the equity markets have experienced a downward correction.

The most significant risk in the Norwegian operations is the company's return on the guaranteed customer portfolios. At the end of the third quarter, the return on the guaranteed portfolios is higher than the accumulated guarantee and higher than planned to cover this year's contributions to the strengthening of reserves. The return has been positively affected by strong equity and credit markets and the effect of a fall in interest rates. This reduces the return risk for 2014. In the longer term, lower interest rates increase the risk associated with guaranteed returns and the strengthening of longevity reserves including, for instance, as a result of re-investment risk. Lower interest rates are also negative for solvency when Solvency II is introduced from 1 January 2016. The market unrest after the end of the quarter has had a limited negative impact on the earnings outlook and key solvency figures.

The Norwegian Financial Supervisory Authority has decided that the calculation interest rate is to be reduced to 2.0 per cent for new accumulation as of 2015.

For the Swedish operations, lower interest rates are, all being equal, negative for solvency-margin and in the long term also for the financial results. A good return in customer portfolios throughout the three first quarters of the year have given a good profit sharing result. The final result will be influenced by actual return in the fourth quarter.

The percentage of equities in the paid-up policy portfolio has declined somewhat in the third quarter, while it has increased to date for the year. The investment allocation is otherwise largely unchanged throughout the year.

Insurance risk remains largely unchanged throughout the year.

NOTE 6: PENSION SCHEME FOR OWN EMPLOYEES

28th October 2014 Storebrand ASA has decided to change its defined benefit pension scheme to a defined contribution scheme for its own employees and former employees of Storebrand in Norway as of 1 January 2015. Up until 31 December 2014, Storebrand in Norway has had both defined contribution and defined benefit schemes. The defined benefit scheme was closed to new members as of 1 January 2011, and a defined contribution scheme was established from the same point in time.

The net effect of the change in the pension scheme is expected to increase equity in the fourth quarter by approximately NOK 100 million. The estimated positive effect on equity can be broken down into approximately NOK 400 million in the ordinary income statement and a negative effect of approximately NOK 300 million in other comprehensive income (OCI). The actual figures that are to be recorded in the accounts may differ as of 31 December 2014, and they will be dependent on what assumptions are used in the updated pension calculations in the fourth quarter, as well as updated information on the portfolio that is included in the calculation basis.

The pension liabilities will be calculated based on updated economic and actuarial assumptions, and they will be recognised in other comprehensive income (OCI). When the updated net liabilities are to be eliminated from the balance sheet, there will be a gain that will be recognised in the ordinary income statement on the line for operating costs.

Reference is also made to Note 23 and Note 24 in the annual financial statements for 2013, where the effects of a change in the by-laws (plan change) related to pension adjustments are described. The requirement regarding pension adjustments in the by-laws was eliminated in 2013 and entailed a positive effect on the accounts for 2013.

NOTE 7: SEGMENTS - RESULT BY BUSINESS AREA

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

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

Notes to the interim accounts Storebrand Group

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

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

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

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

	3Q		1.1 - 30.9		Year
NOK mill.	2014	2013			2013
Savings	241	146	612	373	670
Insurance	135	315	516	592	774
Guaranteed pension	233	293	847	928	1,376
Other	23	56	135	-10	119
Group result	**632**	**811**	**2,110**	**1,883**	**2,938**
Write-downs and amortization of intangible assets	-108	-112	-326	-322	-739
Group pre-tax profit	**524**	**699**	**1,783**	**1,561**	**2,199**

Segment information as of 3Q

	Savings		Insurance		Guaranteed pension	
	Q3		Q3		Q3	
NOK mill.	2014	2013	2014	2013	2014	2013
Fee and administation income	554	490			471	491
Risk result life & pensions	7				26	-31
Insurance premiums f.o.a			773	773		
Claims f.o.a			-564	-375		
Operational cost	-314	-328	-122	-126	-275	-272
Financial result			48	44		
Result before profit sharing and loan losses	**248**	**162**	**135**	**315**	**222**	**188**
Net profit sharing and loan losses	-6	-16			101	105
Provision longevity					-90	
Group result before amortization	**241**	**146**	**135**	**315**	**233**	**293**
Write-downs and amortization of intangible assets [1]						
Group pre-tax profit						

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

Notes to the interim accounts Storebrand Group

	Other		Storebrand Group	
	Q3		Q3	
NOK mill.	2014	2013	2014	2013
Fee and administation income	71	86	1,096	1,067
Risk result life & pensions	4	-4	37	-35
Insurance premiums f.o.a			773	773
Claims f.o.a			-564	-375
Operational cost	-56	-71	-768	-798
Financial result	38	49	85	93
Result before profit sharing and loan losses	**56**	**60**	**660**	**725**
Net profit sharing and loan losses	-33	-3	62	86
Provision longevity			-90	
Group result before amortization	**23**	**56**	**632**	**811**
Write-downs and amortization of intangible assets [1)]			-108	-112
Group pre-tax profit			**524**	**699**

Segment information as of 01.01 - 30.09

	Savings		Insurance		Guaranteed pension	
NOK mill.	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13
Fee and administation income	1,585	1,399			1,384	1,478
Risk result life & pensions	-1	4			152	-9
Insurance premiums f.o.a			2,313	2,237		
Claims f.o.a			-1,614	-1,371		
Operational cost	-960	-985	-378	-386	-837	-818
Financial result			195	112		
Result before profit sharing and loan losses	**624**	**418**	**516**	**592**	**699**	**651**
Net profit sharing and loan losses	-13	-44			418	276
Provision longevity					-270	
Group result before amortization	**612**	**373**	**516**	**592**	**847**	**928**
Write-downs and amortization of intangible assets [1)]						
Group pre-tax profit						
Assets	120,727	105,875	6,418	5,342	268,160	274,364
Liabilities	107,878	92,392	5,766	4,755	259,840	266,242

	Other		Storebrand Group	
NOK mill.	30.09.14	30.09.13	30.09.14	30.09.13
Fee and administation income	212	262	3,182	3,139
Risk result life & pensions	6	5	157	
Insurance premiums f.o.a			2,313	2,237
Claims f.o.a			-1,614	-1,371
Operational cost	-172	-256	-2,348	-2,444
Financial result	161	-25	356	87
Result before profit sharing and loan losses	**207**	**-13**	**2,047**	**1,647**
Net profit sharing and loan losses	-72	4	333	236
Provision longevity			-270	
Group result before amortization	**135**	**-10**	**2,110**	**1,883**
Write-downs and amortization of intangible assets [1)]			-326	-322
Group pre-tax profit			**1,783**	**1,561**
Assets	71,351	72,025	466,654	457,605
Liabilities	69,552	71,696	443,036	435,085

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

Notes to the interim accounts Storebrand Group

RESTATED SEGMENT FIGURES

Profit and Loss

NOK mill.	3Q 2013				30.09.13				31.12.13			
	Reported figures	Change IFRS	Change in segment	Restated figures	Reported figures	Change IFRS	Change in segment	Restated figures	Reported figures	Change IFRS	Change in segment	Restated figures
Savings	146			146	373			373	670			670
Insurance	136	-3	182	315	342	-6	256	592	492	-8	289	774
Guaranteed pension	475		-182	293	1,183		-256	928	1,665		-289	1,376
Other	53	3		56	-19	9		-10	108	11		119
Group result before amortization	**810**			**811**	**1,880**	**3**		**1,883**	**2,935**	**3**		**2,938**
Write-downs and amortization of intangible assets	-113	1		-112	-324	2		-322	-741	2		-739
Group pre-tax profit	**697**	**1**		**699**	**1,557**	**4**		**1,561**	**2,194**	**5**		**2,199**

Statement of Financial Position

NOK mill.	30.09.13			31.12.13		
	Reported figures	Change IFRS	Restated figures	Reported figures	Change IFRS	Restated figures
Savings	105,875		105,875	110,067		110,067
Insurance	5,480	-139	5,342	5,533	-138	5,395
Guaranteed pension	274,364		274,364	274,406		274,406
Other	56,464	15,561	72,025	60,374	13,124	73,499
Assets	**442,183**	**15,422**	**457,605**	**450,381**	**12,986**	**463,367**
Savings	92,392		92,392	96,951		96,951
Insurance	4,893	-139	4,755	4,944	-138	4,806
Guaranteed pension	266,242		266,242	266,303		266,303
Other	56,381	15,315	71,696	59,669	12,863	72,532
Liabilities	**419,909**	**15,176**	**435,085**	**427,867**	**12,725**	**440,592**

Notes to the interim accounts Storebrand Group

Key figures by business area

NOK mill.	3Q 2014	2Q 2014	1Q 2014	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012
Group								
Earnings per ordinary share [1]	3.06	2.22	1.13	4.41	3.52	1.99	0.80	2.25
Equity	23,618	23,528	23,080	22,775	22,520	21,547	20,939	20,175
Savings								
Premium income Unit Linked [5]	2,483	2,347	2,463	2,273	2,296	2,768	2,318	2,480
Unit Linked reserves	93,976	92,899	87,105	85,452	79,341	73,542	70,458	63,387
AuM asset management	502,840	501,539	495,244	487,384	471,278	455,701	453,828	442,162
Retail lending	24,286	23,939	23,537	23,906	24,110	24,036	23,922	23,734
Insurance								
Portfolio premium	3,657	3,588	3,552	3,569	3,509	3,448	3,366	3,308
Claims ratio [5]	73%	73%	64%	71%	49%	61%	75%	75%
Cost ratio [5]	16%	17%	16%	10%	16%	19%	17%	18%
Combined ratio [5]	89%	90%	80%	81%	65%	80%	92%	93%
Guaranteed pension								
Guaranteed reserves	257,425	263,370	259,799	264,125	262,468	259,048	261,502	259,858
Guaranteed reseves in % of total reserves	73.3%	73.9%	74.9%	75.6%	76.8%	77.9%	78.8%	80.4%
Transfer out of guaranteed reserves [5]	5,506	104	7,192	967	710	998	7,279	1,360
Buffer capital in % of customer reserves Storebrand Life Group [2]	4.8%	4.6%	4.2%	4.8%	4.0%	3.7%	4.1%	4.0%
Buffer capital in % of customer reserves SPP [3]	15.0%	15.1%	14.6%	15.1%	14.5%	13.5%	13.1%	11.9%
Solidity								
Capital adequacy Storebrand Group	13.3%	14.1%	14.4%	13.4%	13.4%	13.1%	12.8%	11.7%
Solidity capital (Storebrand Life Group) [4]	61,904	60,850	55,472	54,102	51,717	49,718	49,513	46,860
Capital adequacy (Storebrand Life Group)	14.1%	14.1%	14.8%	13.6%	13.9%	13.7%	13.5%	12.2%
Solvency margin (Storebrand Life Group)	182%	178%	182%	176%	178%	174%	165%	162%
Solvency margin (SPP Life Insurance AB)	209%	211%	230%	254%	285%	262%	250%	222%
Capital adequacy Storebrand Bank	17.9%	15.7%	15.0%	13.6%	13.1%	12.9%	11.9%	11.8%
Core Capital adequacy Stobrand Bank	16.2%	14.8%	14.1%	12.8%	12.4%	12.2%	11.2%	11.2%

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

Notes to the interim accounts Storebrand Group

NOTE 8: OPERATING COSTS

	3Q		01.01 - 30.09		Year
NOK mill.	2014	2013	2014	2013	2013
Personnel costs	-509	-488	-1,528	-1,649	-1,797
Amortisation	-31	-31	-90	-96	-144
Other operating costs	-362	-406	-996	-1,040	-1,324
Total operating costs	**-902**	**-925**	**-2,614**	**-2,785**	**-3,265**

NOTE 9: VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 13 in the financial statements for 2013. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

Valuation of financial instruments to amortised cost

NOK mill.	Fair value 30.09.14	Fair value 31.12.13	Book value 30.09.14	Book value 31.12.13
Financial assets				
Loans to and due from financial institutions	280	152	280	152
Lending to customers	33,430	35,771	33,460	35,856
Bonds held to maturity	17,112	15,942	15,140	15,120
Bonds classified as loans and receivables	75,592	71,313	67,437	66,971
Financial liabilities				
Debt raised by issuance of securities	14,794	17,228	14,499	17,000
Liabilities to financial institutions	10	31	10	31
Deposits from banking customers	19,814	20,728	19,814	20,728
Subordinatd loan capital	8,748	7,956	7,607	7,409

Notes to the interim accounts Storebrand Group

Valuation of financial instruments and real estate at fair value

NOK mill.	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	30.09.14	31.12.13
Assets:					
Equities and units					
- Equities	18,190	661	2,365	21,217	16,708
- Other fund units	117	68,808	8,030	76,955	74,772
- Real estate fund			903	903	1,217
Total equities and units	**18,307**	**69,470**	**11,299**	**99,076**	
Total equities and units 2013	13,135	67,617	11,945		92,697
Lending to customers [1]			1,062	**1,062**	
Lending to customers 2013 [1]			1,289		1,289
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	32,296	20,181		52,478	62,312
- Credit bonds		25,877	314	26,191	25,966
- Mortage and asset backed securities		42,393		42,393	45,433
- Supranational organisations	49	7,138		7,187	7,313
- Bond funds		53,802		53,802	47,342
Total bonds and other fixed-income securities	**32,345**	**149,391**	**314**	**182,050**	
Total bonds and other fixed-income securities 2013	27,270	159,426	1,669		188,365
Derivatives:					
- Interest derivatives		793		793	-358
- Currency derivatives		2,213		2,213	35
- Credit derivatives		-136		-136	
Total derivatives		**2,870**		**2,870**	
- of which derivatives with a positive market value		4,793		4,793	2,211
- of which derivatives with a negative market value		-1,922		-1,922	-2,533
Total derivatives 2013		-323			-323
Real Estate:					
Investment properties			25,581	25,581	24,175
Owner-occupied properties			2,479	2,479	2,491
Total real estate			**28,060**	**28,060**	
Total real estate 2013			26,928		26,928
Liabilities:					
Liabilities to financial institutions [1]					997
Liabilities 2013 1)		997			997

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

Movements between quoted prices and observable assumptions

NOK mill.	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	25	39
Bonds and other fixed-income securities		738

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

Notes to the interim accounts Storebrand Group

Financial instruments and real estate at fair value - level 3

NOK mill.	Equities	Other fund units	Real estate fund	Lending to customers	Credit bonds	Investment properties	Owner-occupied properties
Book value 01.01	**3,273**	**7,541**	**1,217**	**1,289**	**1,669**	**24,176**	**2,491**
Net gains/losses on financial instruments	307	1,047	29	8	19	5	12
Supply	80	728	15	11	55	1,355	8
Sales	-1,220	-1,199	-358	-246	-1,394	-224	-8
Transferred to/from non-observable assumptions to/from observable assumptions	8						
Translation differences	-82	-87			-35	191	-59
Other						79	35
Book value 30.09.14	**2,365**	**8,030**	**903**	**1,062**	**314**	**25,581**	**2,479**

SENSITIVITY ASSESSMENTS

Equities

Under equity, it is primarily forests that are investments at level 3. Forestry investments are characterised by, among other things, very long cash flow periods. There can be some uncertainty associated with future cash flows due to future income and costs growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discount rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return. As a reasonable alternative assumption with regard to the required rate of return used, a change in the discount rate of 0.25 per cent would result in an estimated change of around 3.75 per cent in value, depending on the maturity of the forest and other factors.

	Change in value at change in discount rate	
NOK mill.	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 30.09.14	-62	67

Fund units and Private equity fund

Large portions of the portfolio are priced using comparable listed companies, while smaller portions of the portfolio are listed. The valuation of the private equity portfolio will thus be sensitive to fluctuations in global equity markets. The private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.5.

	Change MSCI World	
NOK mill.	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.09.14	268	-268

Real estate fund

The valuation of indirect property investments will be sensitive to a change in the required rate of return and the expected future cash flow. The indirect property investments are leveraged structures. The portfolio is leveraged 65 per cent on average.

	Change in value underlying real estates	
NOK mill.	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.09.14	209	-209

Lending to customers

Fixed-rate lending is valued at fair value. The value of these is determined by discounting future contractual cash flows using a discount rate that takes into account margin requirements (market spread). The assumption for calculating the margin requirement is based on an assessment of market conditions at the end of the accounting period, and an assessment that would form the basis for an external investor's investment in a corresponding portfolio.

	Change in marketspread	
NOK mill.	+ 10 bp	- 10 bp
Change in fair value per 30.09.14	-3	3

Notes to the interim accounts Storebrand Group

Credit bonds

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

	Change MSCI World	
NOK mill.	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.09.14	15	-15

Properties

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

	Change in required rate of return	
NOK mill.	+0,25%	-0,25%
Change in fair value per 30.09.14	-1,117	1,225

NOTE 10: LIQUIDITY RISK

Specification of subordinated loan capital

NOK mill.	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	106	NOK	Fixed	2014	111
Storebrand Bank ASA	139	NOK	Variable	2014	140
Storebrand Bank ASA	150	NOK	Variable	2018	150
Storebrand Bank ASA	75	NOK	Variable	2019	76
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,503
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2,015	1,042
Storebrand Livsforsikring AS	1,100	NOK	Variable	2,024	1,096
SPP Livförsäkring AB	700	SEK	Variable	2,019	621
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,591
Storebrand Bank ASA	125	NOK	Variable	2019	126
Storebrand Bank ASA	150	NOK	Variable	2017	151
Total subordinated loans and hybrid tier 1 capital 30.09.14					**7,606**
Total subordinated loans and hybrid tier 1 capital 30.09.13					7,206
Total subordinated loans and hybrid tier 1 capital 31.12.13					7,409

Specification of liabilities to financial institutions

		Book value	
NOK mill.	30.09.14	30.09.13	31.12.13
Maturity			
2013		4	
2014	10	991	
Total liabilities to financial institutions	**10**	**995**	**1,028**

Notes to the interim accounts Storebrand Group

Specification of securities issued

	Book value		
NOK mill.	30.09.14	30.09.13	31.12.13
Call date			
2013		264	
2014	313	2,767	2,454
2015	1,865	3,213	3,206
2016	3,653	3,873	3,875
2017	4,517	4,516	4,520
2018	1,540	500	952
2019	2,282	1,735	1,687
2020	328		306
Total securities issued	**14,499**	**16,868**	**17,000**

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

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

Facilities for Storebrand Boligkreditt AS
Storebrand Bank has two 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 covered bonds 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 11: LENDING

NOK mill.	30.09.14	30.09.13	31.12.13
Corporate market	10,410	14,370	13,318
Retail market	24,289	24,114	23,940
Gross lending	**34,699**	**38,484**	**37,258**
Write-down of lending losses	-176	-121	-113
Net lending	**34,522**	**38,363**	**37,145**

Non-performing and loss-exposed loans

NOK mill.	30.09.14	30.09.13	31.12.13
Non-performing and loss-exposed loans without identified impairment	85	121	111
Non-performing and loss-exposed loans with identified impairment	263	441	356
Gross non-performing loans	**349**	**562**	**468**
Individual write-downs	-154	-86	-83
Net non-performing loans	**195**	**476**	**385**

Notes to the interim accounts Storebrand Group

NOTE 12: CONTINGENT LIABILITIES

NOK mill.	30.09.14	30.09.13	31.12.13
Guarantees	155	284	242
Unused credit limit lending	3,884	5,437	4,060
Uncalled residual liabilities re limited partnership	4,188	4,280	4,038
Other liabilities/lending commitments	31	399	77
Total contingent liabilities	**8,258**	**10,400**	**8,417**

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

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

NOTE 13: BUFFER CAPITAL

NOK million	30.09.14	30.09.13	31.12.13
Additional statutory reserves	4,298	5,133	4,458
Market adjusment reserves	3,812	1,761	3,823
Conditional bonuses	12,588	13,588	14,167
Total	**20,697**	**20,481**	**22,447**

The excess value of held-to-maturity bonds valued at amortised cost totalled NOK 10.117 million at the end of the 3rd quarter 2014 - an increase of NOK 4.948 million since the turn of the year.
The excess value of bonds at amortised cost is not included in the financial statements.

NOTE 14: 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 Basel Committee's standards for capital and liquidity management ("Basel III") have been made applicable to credit institutions and securities firms in the EEA area through the EU Capital Requirements Directive ("CRD IV"), and they are effective from 1 July 2014. For companies that are encompassed by CRD IV, the primary capital requirement is 13.5 per cent. Insurance companies in the Group are included in the capital adequacy with a capital requirement under the Basel I regulations.

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

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

Notes to the interim accounts Storebrand Group

Primary capital in capital adequacy

NOK million	30.09.14	31.12.13[1]
Share capital	2,250	2,250
Other equity	21,368	20,264
Equity	**23,618**	**22,514**
Hybrid tier 1 capital	1,970	1,927
Interest rate adjustment of insurance obligations	-1,461	-1,081
Goodwill and other intangible assets	-5,562	-6,111
Deferred tax assets	-525	-1
Risk equalisation fund	-887	-776
Deductions for investments in other financial institutions	-1	-1
Security reserves	-330	-301
Minimum requirement reassurance allocation	-4	-4
Capital adequacy reserve		-96
Other	-634	-31
Core (tier 1) capital	**16,186**	**16,038**
Perpetual subordinated capital	2,646	2,700
Ordinary primary capital	2,513	2,388
Deductions for investments in other financial institutions	-1	-1
Capital adequacy reserve		-96
Tier 2 capital	**5,158**	**4,990**
Net primary capital	**21,343**	**21,029**
Excess capital from third parties	-629	
Net primary capital after third party deductions	**20,714**	**21,029**

Calculation basis

NOK million	30.09.14	31.12.13[1]
Insurance companies	136,388	135,163
Other companies	18,947	22,023
Total calculation basis for capital adequacy	**155,335**	**157,185**
Capital requirements		
Insurance companies	10,911	10,813
Other companies	2,558	2,753
Total capital requirements	**13,469**	**13,566**
Capital adequacy ratio	**13.3%**	**13.4%**
Core (tier 1) capital ratio	**10.2%**	**10.2%**

Solvency requirements for cross-sectoral financial groups

NOK million	30.09.14	31.12.13[1]
Requirements re primary capital and solvency capital		
Capital requirements excluding insurance (13,5 %)	2,558	2,753
Requirements re solvency margin capital insurance	12,241	12,140
Total requirements re primary capital and solvency capital	**14,799**	**14,892**
Primary capital and solvency capital		
Net primary capital	21,343	21,029
Change in solvency capital for insurance in relation to primary capital		
Other solvency capital	2,813	2,750
Total primary capital and solvency capital	**24,156**	**23,779**
Surplus solvency capital	**9,357**	**8,886**

[2] *Corresponding figures are not changed.*

Storebrand ASA

PROFIT AND LOSS ACCOUNT

	3Q		01.01. - 30.09		Full year
NOK million	2014	2013	2014	2013	2013
Operating income					
Income from investments in subsidiaries		100	13	114	626
Net income and gains from financial instruments:					
- bonds and other fixed-income securities	10	15	35	43	49
- financial derivatives/other financial instruments	1	-6	5	-12	-14
Other financial instruments			1	1	2
Operating income	**12**	**109**	**54**	**146**	**663**
Interest expenses	-32	-32	-106	-100	-136
Other financial expenses	-4	-4	-14	-15	-156
Operating costs					
Personnel costs	-7	-10	-21	-33	83
Amortisation			-1	-1	-1
Other operating costs	-10	-15	-33	-56	-76
Total operating costs	**-17**	**-26**	**-54**	**-90**	**6**
Total costs	**-53**	**-62**	**-174**	**-205**	**-286**
Pre-tax profit	**-42**	**47**	**-120**	**-58**	**377**
Tax	11	19	36	48	-96
Profit for the period	**-30**	**66**	**-84**	**-10**	**281**

Storebrand ASA

STATEMENTS OF FINANCIAL POSITION

NOK million	30.09.14	30.09.13	31.12.13
Fixed assets			
Deferred tax assets	494	520	458
Pension assets	1	152	1
Tangible fixed assets	30	30	30
Shares in subsidiaries	17,261	17,346	17,241
Total fixed assets	**17,785**	**18,049**	**17,729**
Current assets			
Owed within group	5	5	519
Lending to group companies	18	18	17
Other current receivables	51	85	23
Investments in trading portfolio:			
- bonds and other fixed-income securities	2,021	1,291	1,757
- financial derivatives/other financial instruments	36	46	33
Bank deposits	36	75	37
Total current assets	**2,167**	**1,519**	**2,386**
Total assets	**19,952**	**19,568**	**20,115**
Equity and liabilities			
Share capital	2,250	2,250	2,250
Own shares	-12	-14	-14
Share premium reserve	9,485	9,485	9,485
Total paid in equity	**11,722**	**11,720**	**11,720**
Other equity	4,569	4,588	4,644
Total equity	**16,291**	**16,309**	**16,365**
Non-current liabilities			
Pension liabilities	156	155	156
Securities issued	3,445	3,008	3,476
Total non-current liabilities	**3,601**	**3,163**	**3,632**
Current liabilities			
Financial derivatives			10
Debt within group			34
Other current liabilities	60	96	74
Total current liabilities	**60**	**96**	**118**
Total equity and liabilities	**19,952**	**19,568**	**20,115**

Storebrand ASA

CASH FLOW STATEMENT

	01.01 - 30.09	
NOK million	2014	2013
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	44	35
Net receipts/payments - securities at fair value	-273	446
Payments relating to operations	-115	-92
Net receipts/payments - other operational activities	524	334
Net cash flow from operational activities	**180**	**724**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-36	-119
Net cash flow from investment activities	**-36**	**-119**
Cash flow from financing activities		
Payments - repayments of loans	-540	-478
Receipts - new loans	499	
Payments - interest on loans	-114	-108
Receipts - issuing of share capital	11	9
Net cash flow from financing activities	**-145**	**-577**
Net cash flow for the period	**-1**	**27**
Net movement in cash and cash equivalents	-1	27
Cash and cash equivalents at start of the period	37	48
Cash and cash equivalents at the end of the period	**36**	**75**

Notes to the financial statements Storebrand ASA

NOTE 1: ACCOUNTING POLICIES

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2013. The accounting policies are described in the 2013 annual report.
Storebrand ASA does not apply IFRS to the parent company's financial statements.

NOTE 2: ESTIMATES

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

NOTE 3: EQUITY

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Equity 30.09.14	Equity 30.09.13	Equity 31.12.13
Equity as per 1 January	**2,250**	**-14**	**9,485**	**4,644**	**16,365**	**16,310**	**16,310**
Profit for the year				-84	-84	-10	281
Experience pension							-235
Own share bought back [2]		2		18	20	26	26
Employee share is [2]				-9	-9	-17	-17
Total equity	**2,250**	**-12**	**9,485**	**4,569**	**16,291**	**16,309**	**16,365**

[1] 449,909,891 shares with a nominal value of NOK 5
[2] In 2014, 305 481 of our own shares were sold to our own employees. Holding of own shares as per 30 September 2014 was 2 410 792.

NOTE 4: BONDS ISSUED

NOK million	Interest rate	Currency	Net nominal value	30.09.14	30.09.13	31.12.13
Bond loan 2009/2014 [1]	Fixed	NOK	540		591	563
Bond loan 2009/2014 [1]	Fixed	NOK	297	313	566	304
Bond loan 2013/2020 [1]	Fixed	NOK	300	328		306
Bond loan 2011/2016	Variable	NOK	1000	999	1,002	998
Bond loan 2012/2017	Variable	NOK	850	853	849	853
Bond loan 2013/2018	Variable	NOK	450	452		452
Bond loan 2014/2019	Variable	NOK	500	499		
Total [2]				**3,445**	**3,008**	**3,476**

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

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

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

Translation from the original Norwegian version

To the Board of Directors of Storebrand ASA

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand ASA (the Group) as of September 30, 2014, and the related statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Oslo, October 28, 2014
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

HEADQUARTERS:

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

Call center:
+47 08880

OTHER GROUP COMPANIES:

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

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

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

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

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

Financial calender 2014

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

Investor Relations contacts

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

storebrand

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