

Interim Report 2015

Storebrand Livsforsikring AS

Contents

FINANCIAL PERFORMANCE BUSINESS AREAS

Storebrand Livsforsikring Group	3
Savings	5
Insurance	6
Guaranteed pension	7
Other	9
Balance, Solidity and Capital situation	10
Outlook	12

FINANCIAL STATEMENTS/NOTES

Statement of comprehensive income Storebrand Livsforsikring Group.	14
Statement of financial position Storebrand Livsforsikring Group	17
Statement of change in equity Storebrand Livsforsikring Group	19
Statement of cash flow	20
Statement of comprehensive income Storebrand Livsforsikring AS	21
Statement of financial position Storebrand Livsforsikring AS	23
Statement of change in equity Storebrand Livsforsikring AS.	25
Notes	26
Auditor's review	38

Important notice:

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

Storebrand Livsforsikring Group

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 3rd quarter result please refer to the Storebrand Group's interim report for the 3rd quarter of 2015.

PROFIT STOREBRAND LIVSFORSIKRING GROUP

NOK million	2015			2014		01.01 - 30.09		Full year
	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Fee and administration income	828	829	811	873	856	2,469	2,463	3,336
Risk result life & pensions	40	54	9	323	37	103	157	480
Insurance premiums f.o.a.	640	709	645	603	581	1,993	1,756	2,359
Claims f.o.a.	-483	-513	-471	-481	-431	-1,467	-1,212	-1,693
Operational cost	-600	-638	-645	-289	-610	-1,884	-1,867	-2,156
Financial result	-68	85	109	-21	103	126	413	392
Profit before profit sharing	357	527	458	1,007	535	1,341	1,709	2,717
Net profit sharing and loan losses	-164	-41	63	-359	99	-142	412	54
Provision longevity	-96	-151	-154	-121	-90	-402	-270	-391
Profit before amortisation	96	335	366	527	543	797	1,852	2,379

The result before amortisation was NOK 96m (543m) in the 3rd quarter 2015 and NOK 797m (1,852m) year to date. The figures in parentheses are from the corresponding period last year. The fee and administration income in the 3rd quarter decreased 3.3% compared with the same quarter last year, and the income year to date is at the same level as last year. Adjusted for discontinued business, the growth rate was 4% in the 3rd quarter and 7.5% year to date. Premium income for non-guaranteed savings has increased by 27% compared with same period in 2014.

The administration costs for the quarter were slightly lower than year's costs. Year to date there was a 0.9% increase in the costs. A reorganisation of Customer Area Norway has been announced, and a reduction of 65 full-time equivalents is expected in this business area. Strengthening of competitiveness through continued efficien-

cy improvement is prioritised. Storebrand is negotiating a strategic partnership with potential external partners, including part-ownership of the offshore business center in Baltic. The aim is to establish a foundation for a customer-oriented development of the Group's IT solutions and enhance the efficiency of business operations.

In the 3rd quarter the profit contribution from the financial result, the profit sharing result and strengthening of reserves for longevity were NOK 440m lower compared to the same period last year and year to date the difference is NOK 973m. The weak financial performance has been driven by lower interest rates and weak equity and credit markets throughout the quarter, in addition to an additional cost to the owner as a result of the conversion of paid-up policies to paid-up policies with investment choice.

PROFIT STOREBRAND LIVSFORSIKRING GROUP PER LINE OF BUSINESS

NOK million	2015			2014		01.01 - 30.09		Full year
	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Savings	140	107	85	142	129	331	292	433
Insurance	101	149	148	85	90	397	417	502
Guaranteed pensions	-76	32	81	227	233	37	847	1,074
Other	-68	47	52	74	92	31	296	370
Profit before amortisation	96	335	366	527	543	797	1,852	2,379

The Savings (non-guaranteed) segment reported a result of NOK 140m (129m) in the 3rd quarter 2015 and NOK 331m (292m) year to date. The earnings growth is attributed to growth in the volume of business and income. The company SPP Fonder AB is not included in the Storebrand Life Insurance Group, and this brings the result down compared to last year. The Insurance segment reported a result of NOK 101m (90m) for the quarter and NOK 397m (417m) year to date. This represents good top line growth and a good financial performance by the Insurance segment. The Guaranteed Pension segment reported a result of NOK -76m (233m). Higher costs for increased longevity have been charged to the result. The reversal of previously allocated profit sharing in guaranteed portfolios, as well as equity set aside for certain contracts with inadequate reserves in Sweden, yielded a negative profit sharing result overall. The Other segment reported a weaker result due to the negative return on the company portfolios during the quarter.

MARKET AND SALES PERFORMANCE

The Savings and Insurance segments reported strong sales. Storebrand is succeeding with sales to retail customers with occupational pension in Storebrand. Over half of the customers who purchase retail products are employed in companies with an occupational pension from Storebrand. In Norway, Storebrand is the market leader in defined contribution schemes with 33% of the market share of gross premiums written.

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

CAPITAL SITUATION AND TAXES

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

The Solvency II regulations will be effective from January 2016. The Group's target solvency margin in accordance with the new regulations is 130%, including use of the transitional rules. From the 3rd quarter of 2015, Storebrand will be reporting the solvency position for the entire Storebrand Group. At the end of the 3rd quarter, this was calculated to be 146% (without transitional rules, the solvency margin is estimated to be 104%). The solvency position weakened during the quarter as a result of the falling interest rate level and weak equity

market performance. Under Solvency II, all liabilities are discounted by the market interest rate. A standard model and the company's interpretation of the proposed transitional rules from Finanstilsynet (The Financial Supervisory Authority of Norway) have been used. There may be changes to the regulations, methods and interpretations of this up until the date of implementation.

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

STRENGTHENING OF RESERVES FOR LONGEVITY

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

Savings

Solid earnings growth due to higher volume

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

SAVINGS

NOK million	2015			2014		01.01 - 30.09		Full year 2014
	3Q	2Q	1Q	4Q	3Q	2015	2014	
Fee and administration income	372	345	343	356	347	1,060	982	1,338
Risk result life & pensions	-5	4	-4	-10	7	-4	-1	-11
Operational cost	-228	-243	-255	-206	-225	-726	-691	-897
Profit before profit sharing	140	107	84	141	129	331	291	431
Net profit sharing and loan losses				1		1	1	2
Profit before amortisation	140	107	85	142	129	331	292	433

PROFIT

Savings reported a result of NOK 140m (129m) in the 3rd quarter and NOK 331m (292m) year to date. There is substantial earnings growth driven by higher customer assets in unit linked insurance. Overall fee and administration income increased by 7.0% in the 3rd quarter compared with the same period last year, and the increase has been 8.0% year to date. Adjusted for the sale of SPP Fonder AB, the increase is 20.7% in the 3rd quarter and 21.5% year to date.

Weak financial markets in the 3rd quarter reduced the return on customer assets compared with prior quarters. The customers' conversion from defined-benefit to defined-contribution pension schemes in combination with good sales and the effects of a good return in 2014, as well as the start of the year, contribute, however, to continued good earnings growth year to date. At the end of the 3rd quarter, total income from Unit Linked was 18% higher than the corresponding period in 2014.

Higher selling costs and higher volume-driven costs explain the cost increase in the Savings segment compared with the same period last year.

BALANCE SHEET AND MARKET TRENDS

Premium income for non-guaranteed savings was NOK 3.2bn in the 3rd quarter, an increase of 27% compared with the 3rd quarter of 2014. Total reserves within unit linked insurance have increased 26% over the last year.

Assets under management in the United Linked business in Norway increased NOK 11.5bn (30%) relative to the 3rd quarter of 2014. The growth is driven by premium payments for existing contracts, a good return and conversion from defined benefit schemes. In Norway, Storebrand is the market leader in defined contribution schemes with 33% of the market share of gross premiums written.

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

SAVINGS- KEY FIGURES

NOK million	2015			2014	
	3Q	2Q	1Q	4Q	3Q
Unit Linked Reserves	118,695	117,452	115,816	105,369	93,976
Unit Linked Premiums	3,153	3,035	2,871	2,594	2,483

Insurance

Solid top line growth attributed to good sales.

The Insurance business area encompasses personal risk products in the Norwegian and Swedish retail market and employee insurance and pensions-related insurance in the Norwegian and Swedish corporate market.

INSURANCE

NOK million	2015			2014		01.01 - 30.09		Full year 2014
	3Q	2Q	1Q	4Q	3Q	2015	2014	
Insurance premiums f.o.a.	640	709	645	603	581	1,993	1,756	2,359
Claims f.o.a.	-483	-513	-471	-481	-431	-1,467	-1,212	-1,693
Operational cost	-89	-99	-96	7	-91	-284	-286	-279
Financial result	33	52	70	-44	31	155	159	115
Profit before amortisation	101	149	148	85	90	397	417	502

PROFIT

Insurance delivered a result before amortisation of NOK 101m (90m) in the 3rd quarter, and NOK 397m (417m) year to date, with a total combined ratio of 89% (90%) year to date. Premium income increased 13.5% year to date, compared with the corresponding period last year.

The combined risk result for the quarter was satisfactory with a claims ratio of 76% (74%). Pension-related group disability insurance is influenced by a market with strong competition, which is reflected by higher claims ratios. The cost percentage was 14% (16%) for the 3rd quarter.

The investment portfolio of Insurance in Norway amounts to NOK 4.9 billion, which is primarily invested in fixed income securities with a short to medium duration. The financial income shows a satisfactory return, but it has been impacted negatively by the increased credit spreads in the Norwegian bond market.

BALANCE SHEET AND MARKET TRENDS

Premium income for own account was NOK 640m in the 3rd quarter (581m) and NOK 1,993m (1,756m) year to date.

There is weak growth in personal insurance, while the employee insurance portfolio is increasing significantly. The latter is attributed, for example, to certain major contracts and the agreement with Akademikerne (Federation of Norwegian Professional Associations), which was signed in the 4th quarter 2014.

For risk cover in connection with defined contribution pensions in Norway, growth is driven by conversions from defined benefit to defined contribution pensions. A new regulatory framework for disability pensions may result in a lower premium volume in the future.

INSURANCE - KEY FIGURES

NOK million	2015			2014	
	3Q	2Q	1Q	4Q	3Q
Individual life *	610	605	598	591	581
Group life **	941	942	935	734	741
Pension related disability insurance ***	1,141	1,126	1,101	1,087	1,084
Portfolio premium	2,692	2,674	2,634	2,413	2,406

* Individual life disability insurance ** Group disability, workers compensation insurance *** DC disability risk premium Norway and disability risk Sweden

NOK million	2015			2014	
	3Q	2Q	1Q	4Q	3Q
Claims ratio	76%	72%	73%	80%	74%
Cost ratio	14%	14%	15%	-1%	16%
Combined ratio	89%	86%	88%	79%	90%

Guaranteed pension

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

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

GUARANTEED PENSION

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

PROFIT

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

In the Norwegian business, most of the result that would have normally passed to the owner through the risk equalization reserve was allocated to the longevity reserve. The profit sharing result is generated in the Swedish business and amounted to minus NOK 162m (101m) in the 3rd quarter and minus NOK 137m (418m) year to date. The weak financial performance has been driven by lower interest rates and weak equity and credit markets throughout the quarter. The degree of consolidation has been sufficient to give an indexing fee of NOK 22m for the Swedish defined-benefit portfolio. However, negative profit sharing in the guaranteed portfolios, as

well as significant strengthening of the deferred capital contribution, yielded a negative profit sharing result overall.

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

BALANCE SHEET AND MARKET TRENDS

The majority of products are closed for new business, and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy. Customer reserves for guaranteed pensions amounted to NOK 263bn at the end of the 3rd quarter, which corresponds to a reduction of NOK 1bn since the end of the year. Paid-up policies is the only guaranteed portfolio that is growing, and it totalled NOK 99.3bn at the end of the 3rd quarter, which corresponds to an increase of NOK 6.8bn and 7% since the end of the year. Defined benefit pensions in Norway have declined NOK 10.0bn year to date, which corresponds to 15%, and amounted to NOK 57.7bn at the end of the 3rd quarter.

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

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

GUARANTEED PENSION - KEY FIGURES

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

Other

Under Other, the company portfolios and smaller daughter companies with Storebrand Life Insurance and SPP are reported. In addition, the result associated with the activities at BenCo is included

PROFIT

NOK million	2015			2014		01.01 - 30.09		Full year 2014
	3Q	2Q	1Q	4Q	3Q	2015	2014	
Fee and administration income	28	27	36	59	37	91	97	156
Risk result life & pensions	25	3	-4	2	4	25	6	8
Operational cost	-18	-16	-16	-7	-19	-50	-53	-60
Financial result	-101	34	39	23	72	-29	253	276
Profit before profit sharing	-66	48	54	77	94	36	303	380
Net profit sharing and loan losses	-2	-1	-2	-3	-2	-5	-6	-10
Profit before amortisation	-68	47	52	74	92	31	296	370

Fee and administration income and costs for the Other have been stable, while the risk result is improved in the 3rd quarter due to dissolution of reserve.

The financial result for the Other includes the net return from the company portfolios of SPP and Storebrand Livsforsikring as well as the net result for subsidiaries.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. The Group's company portfolios comprised NOK 20.6bn at the end of the 3rd quarter 2015. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

Balance sheet, solidity and capital adequacy

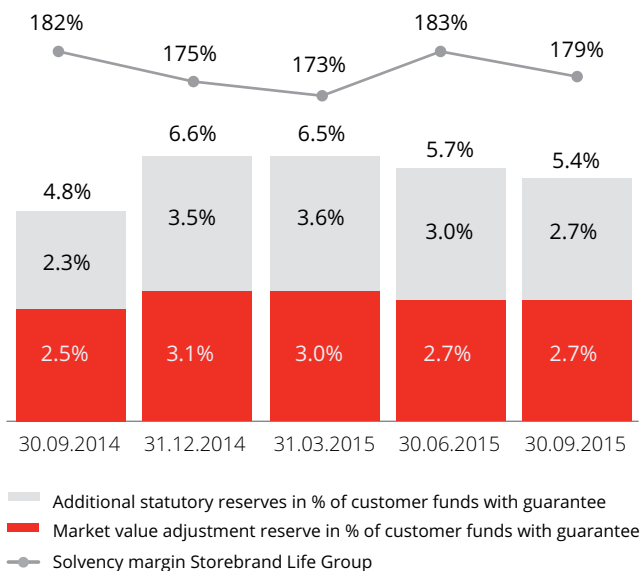
Continuous monitoring and active risk management is a core area of Storebrand's business. Risk and solidity are both followed up on at the Group level and in the legal entities. Regulatory requirements for financial strength and risk management follow to a large extent the legal entities. The section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

STOREBRAND LIFE INSURANCE GROUP

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

The solidity capital¹⁾ totalled NOK 64bn at the end of the 3rd quarter of 2015, an increase of NOK 1.6bn in the 3rd quarter, primarily as a result of the higher excess value of bonds recognised at amortised cost. The reduction totalled NOK 0.6bn year to date.

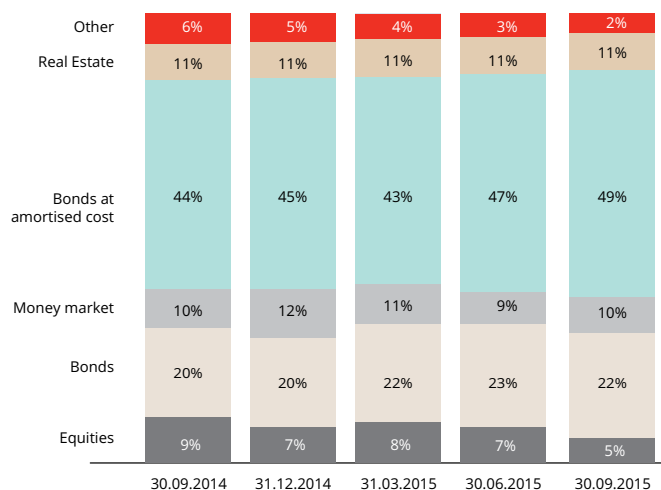
SOLIDITY



STOREBRAND LIVSFORSIKRING AS

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

ASSET ALLOCATION IN CUSTOMER PORTFOLIOS WITH INTEREST RATE GUARANTEE

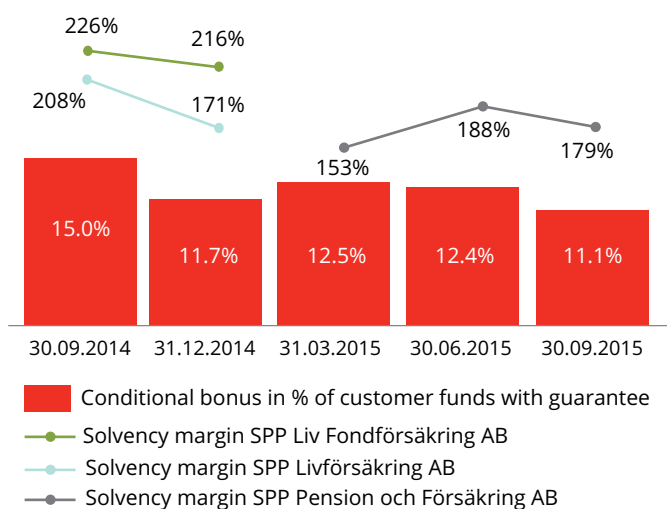


Customer assets declined by NOK 0.8bn during the 3rd quarter as a result of the weak financial markets, but still show an increase of NOK 4.3bn year to date. Customer assets totalled NOK 223bn at the end of the 3rd quarter of 2015. Customer assets within non-guaranteed Savings increased NOK 0.6bn in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

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

SPP

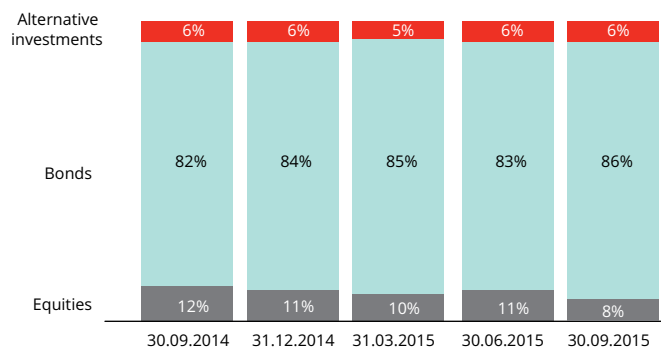
SOLIDITY



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

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

ASSET ALLOCATION IN CUSTOMER PORTFOLIOS WITH INTEREST RATE GUARANTEE



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

Outlook

EARNINGS PERFORMANCE

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

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

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

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

Conversions from defined benefit to defined contribution pension schemes cause issuance of paid-up policies, which reduces the Group's earnings. The termination of activities related to defined

benefit pensions for the public sector and the business bank will also result in lower income for a transitional period.

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

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

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

RISK

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

REGULATORY CHANGES

TAX REFORM – VALUE-ADDED TAX ON FINANCIAL SERVICES

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

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

The Government will continue to work on:

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

Supervisory Authority of Norway, which have been circulated for comment now.

Lysaker, 27 October 2015
Board of directors Storebrand Livsforsikring AS

TAXATION RULES FOR INSURANCE COMPANIES

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

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

NEW DISABILITY PENSION RULES FROM THE TURN OF THE YEAR

It looks like the new disability pension rules associated with the occupational pension schemes in the private sector will enter into force from 1 January 2016, with a transitional period of one year to adapt the companies' pension plans to the new regulations. This follows from proposed new regulations prepared by the Financial

Storebrand Livsforsikring Group

Statement of Comprehensive income

NOK million	Q3		01.01 - 30.09		Year
	2015	2014	2015	2014	2014
Technical account:					
Gross premiums written	5,247	4,716	17,798	17,329	22,106
Reinsurance premiums ceded	-32	-10	-92	-66	-76
Premium reserves transferred from other companies	484	440	1,574	1,845	2,434
Premiums for own account	5,699	5,146	19,280	19,109	24,464
Income from investments in subsidiaries, associated companies and joint-controlled companies	-56	6		15	24
Interest income and dividends etc. from financial assets	2,122	1,630	5,825	6,633	8,149
Net operating income from real estate	245	246	740	804	1,127
Changes in investment value	-1,601	1,716	-4,249	5,419	8,573
Realised gains and losses on investments	247	1,334	3,468	3,733	4,303
Total net income from investments in the collective portfolio	957	4,932	5,785	16,603	22,176
Income from investments in subsidiaries, associated companies and joint-controlled companies	5		10		1
Interest income and dividends etc. from financial assets	127	-37	-75	-84	249
Net operating income from real estate	24	13	66	38	62
Changes in investment value	-6,074	1,443	-3,103	6,470	11,032
Realised gains and losses on investments	-78	-230	3,028	1,129	904
Total net income from investments in the investment selection portfolio	-5,995	1,190	-74	7,554	12,248
Other insurance related income	422	437	1,325	1,279	1,739
Gross claims paid	-4,395	-4,220	-13,112	-13,626	-18,097
Claims paid - reinsurance	7	2	19	6	10
Gross change in claims reserve	39	-17	-138	-12	-122
Premium reserves etc. transferred to other companies	-843	-6,371	-5,886	-15,188	-17,176
Claims for own account	-5,192	-10,605	-19,117	-28,819	-35,386
To (from) premium reserve, gross	144	2,959	5,168	2,351	-2,450
To/from additional statutory reserves	25	9	296	141	-710
Change in value adjustment fund	578	-111	1,462	11	-1,992
Change in premium fund, deposit fund and the pension surplus fund	-1	0	-4	-1	-14
To/from technical reserves for non-life insurance business	-37	-17	-67	-66	-29
Change in conditional bonus	966	827	108	744	3,487
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	-12	1	-55	4	-4
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	1,665	3,668	6,908	3,185	-1,711
Change in premium reserve	3,388	-2,719	-9,160	-11,715	-18,735
Change in other provisions	-171				
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	3,216	-2,719	-9,160	-11,715	-18,735
Profit on investment result					-120
Risk result allocated to insurance contracts					-46
Other allocation of profit	-2	-1	-4	-3	-25
Unallocated profit	51	-864	-1,949	-3,552	
Funds allocated to insurance contracts	49	-865	-1,953	-3,555	-190
Management expenses	-101	-116	-290	-293	-386
Selling expenses	-184	-210	-550	-626	-719
Change in pre-paid direct selling expenses	-1	-1	-3	2	2

Continue next page

Storebrand Livsforsikring Group

Statement of Comprehensive income continue

NOK million	Q3		01.01 - 30.09		Year
	2015	2014	2015	2014	2014
Insurance-related administration expenses (incl. commissions for reinsurance received)	-335	-317	-1,103	-985	-1,095
Insurance-related operating expenses	-620	-644	-1,946	-1,902	-2,198
Other insurance related expenses	-119	-103	-350	-220	-459
Technical insurance profit	82	435	697	1,518	1,949
Non-technical account					
Income from investments in subsidiaries, associated companies and joint-controlled companies	101	9	103	10	15
Interest income and dividends etc. from financial assets	-405	109	-243	345	439
Net operating income from real estate	9	12	40	37	62
Changes in investment value	371	-5	363	64	60
Realised gains and losses on investments	-24	71	42	159	187
Net income from investments in company portfolio	52	197	306	615	763
Other income	122	120	323	337	510
Management expenses	-5	-8	-18	-27	-37
Other costs	-251	-293	-796	-875	-1,185
Management expenses and other costs linked to the company portfolio	-257	-301	-814	-902	-1,222
Profit or loss on non-technical account	-83	15	-185	49	50
Profit before tax	-2	450	512	1,567	1,999
Tax costs	9	-130	-130	-347	-359
Profit before other comprehensive income	7	320	382	1,220	1,640
Change in actuarial assumptions	-5	-2	-9	-13	-344
Change in value adjustment reserve own buildings	10	24	15	52	51
Profit/loss cash flow hedging	90		23		168
Adjustment of insurance liabilities	-10	-24	-15	-52	-22
Tax on other profit elements not to be classified to profit/loss	-24		-6		32
Total other profit elements not to be classified to profit/loss	61	-2	8	-13	-115
Translation differences	589	-259	466	-510	136
Total other profit elements that may be classified to profit /loss	589	-259	466	-510	136
Total other profit elements	650	-261	474	-524	22
Total comprehensive income	658	59	857	696	1,661
Profit is attributable to:					
Minority share of profit	5	319	367	1,206	1,616
Majority share of profit	2	1	16	15	24
Comprehensive income is attributable to:					
Minority share of profit	650	61	836	686	1,634
Majority share of profit	8	-2	21	10	28

Storebrand Livsforsikring Group

Statement of financial position

NOK million	30.09.2015	30.09.2014	31.12.2014
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Goodwill	811	753	808
Other intangible assets	4,549	4,360	4,583
Total intangible assets	5,360	5,113	5,391
Real estate at fair value	693	4,225	4,456
Real estate for own use	75	68	68
Equities and units in subsidiaries, associated companies and joint-controlled companies	318	237	243
Lendings	2	2	2
Bonds at amortised cost	1,800	1,879	1,877
Equities and other units at fair value	137	91	95
Bonds and other fixed-income securities at fair value	21,838	18,700	20,410
Derivatives at fair value	1,042	522	966
Other financial assets	229	234	217
Total investments	26,133	25,958	28,335
Reinsurance share of insurance obligations	156	130	124
Receivables in connection with direct business transactions	927	982	3,554
Receivables in connection with reinsurance transactions	1	5	3
Receivables with group company	36	33	21
Other receivables	3,051	1,614	793
Total receivables	4,015	2,634	4,372
Tangible fixed assets	426	342	408
Cash, bank	2,018	2,718	4,568
Tax assets	132		
Minority interest in consolidated securities funds		4,121	4,109
Other assets designated according to type	760	630	710
Total other assets	3,337	7,811	9,796
Pre-paid direct selling expenses	538	474	509
Other pre-paid costs and income earned and not received	211	247	125
Total pre-paid costs and income earned and not received	749	721	634
Total assets in company portfolio	39,750	42,368	48,652
Assets in customer portfolios			
Real estate at fair value	20,633	20,408	20,392
Real estate for own use	2,667	2,340	2,430
Equities and units in subsidiaries, associated companies and joint-controlled companies	1,279	43	40
Loans to and securities issued by subsidiaries, associated companies	12	175	11
Bonds held to maturity	15,730	15,140	15,131
Bonds at amortised cost	69,942	64,251	64,136
Lendings	2,556	5,729	4,679
Equities and other units at fair value	23,501	34,156	35,108
Bonds and other fixed-income securities at fair value	142,502	127,230	134,957
Financial derivatives at fair value	3,715	3,442	4,669
Other financial assets	3,467	4,335	3,148
Total investments in collective portfolio	286,005	277,247	284,702

Continue next page

Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	30.09.2015	30.09.2014	31.12.2014
Real estate at fair value	1,912	949	1,571
Real estate for own use	158	71	84
Equities and units in subsidiaries, associated companies and joint-controlled companies	140		
Equities and other units at fair value	92,453	64,817	83,226
Bonds and other fixed-income securities at fair value	25,938	29,409	22,619
Financial derivatives at fair value	25	85	45
Other financial assets	234	155	260
Total investments in investment selection portfolio	120,860	95,485	107,805
Total assets in customer portfolio	406,865	372,732	392,508
TOTAL ASSETS	446,615	415,100	441,160
Equity and liabilities			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Total paid in equity	13,251	13,251	13,251
Risk equalisation fund	512	887	829
Other earned equity	7,886	6,001	7,433
Earned profit	699	423	
Minority's share of equity	393	403	421
Total earned equity	9,490	7,713	8,683
Perpetual subordinated loan capital	2,805	2,909	2,830
Dated subordinated loan capital	3,069	2,440	2,991
Hybrid tier 1 capital	1,502	1,503	1,503
Total subordinated loan capital and hybrid tier 1 capital	7,376	6,852	7,324
Premium reserves	257,393	246,889	257,358
Additional statutory reserves	4,479	4,298	5,118
Market value adjustment reserve	4,352	3,812	5,814
Claims allocation	1,162	899	1,016
Premium fund, deposit fund and the pension surplus fund	2,472	3,182	3,047
Conditional bonus	12,101	12,588	11,281
Unallocated profit to insurance contracts	1,949	3,552	
Other technical reservew	683	669	627
Total insurance obligations in life insurance - contractual obligations	284,591	275,888	284,261
Premium reserve	120,391	95,672	107,103
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	120,391	95,673	107,103
Pension liabilities etc.	257	556	287
Deterred tax	1,921	1,690	1,736
Other provisions for liabilities	37	37	67
Total provisions for liabilities	2,215	2,282	2,090

Continue next page

Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	30.09.2015	30.09.2014	31.12.2014
Liabilities in connection with direct insurance	1,062	998	2,338
Liabilities in connection with reinsurance	29	35	31
Financial derivatives	2,813	1,442	4,279
Liabilities to group companies	8	17	22
Minority interest in consolidated securities funds		4,121	4,109
Other liabilities	4,813	6,446	7,051
Total liabilities	8,725	13,060	17,831
Other accrued expenses and received, unearned income	575	380	616
Total accrued expenses and received, unearned income	575	380	616
TOTAL EQUITY AND LIABILITIES	446,615	415,100	441,160

Storebrand Livsforsikring Group

Statement of change in equity

NOK million	Majority's share of equity					Minority interests	Total equity
	Share capital	Share premium	Total paid in equity	Risk equalisation fund	Other equity ¹⁾		
Equity at 31.12.2013	3,540	9,711	13,251	776	5,844	402	20,273
Profit for the period				111	1,095	15	1,220
Total other profit elements					-520	-4	-524
Total comprehensive income for the period				111	575	10	696
Equity transactions with owner:							
Group contributions						-2	-2
Other					5	-8	-3
Equity at 30.09.2014	3,540	9,711	13,251	887	6,424	403	20,964
Profit for the period				53	1,563	24	1,640
Total other profit elements					18	4	22
Total comprehensive income for the period				53	1,581	28	1,661
Equity transactions with owner:							
Group contributions						-2	-2
Other					8	-7	1
Equity at 31.12.2014	3,540	9,711	13,251	829	7,432	421	21,933
Profit for the period				-317	684	16	382
Total other profit elements					469	5	474
Total comprehensive income for the period				-317	1,153	21	857
Equity transactions with owner:							
Group contributions						-25	-25
Minority buyout						-25	-25
Equity at 30.09.2015	3,540	9,711	13,251	512	8,586	393	22,741

¹⁾ Includes undistributable funds in security reserves amounting NOK 153 million.

Storebrand Livsforsikring

Statement of cash flow 1. January - 30. September

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2015	2014	NOK million	2015	2014
Cash flow from operational activities				
22,083	18,506	Net received - direct insurance	16,503	13,645
-14,890	-14,194	Net claims/benefits paid - direct insurance	-8,192	-8,337
-4,313	-13,342	Net receipts/payments - policy transfers	-3,508	-10,578
-1,946	-1,902	Net receipts/payments operations	-1,059	-1,035
-1,761	2,352	Net receipts/payments - other operational activities	786	1,213
-827	-8,580	Net cash flow from operational activities before financial assets	4,529	-5,093
2,124	-2,220	Net receipts/payments - lendings to customers	2,124	-2,292
-2,186	12,966	Net receipts/payments - financial assets	-7,278	7,877
-667	-253	Net receipts/payments - real estate activities		
-292	-871	Net change bank deposits insurance customers	-410	-266
-1,022	9,623	Net cash flow from operational activities from financial assets	-5,563	5,319
-1,849	1,043	Net cash flow from operational activities	-1,034	226
Cash flow from investment activities				
106	-1,475	Net payments - sale/purchase of subsidiaries		
-117	-29	Net payments - purchase/capitalisation associated companies		
-245	-8	Net receipts/payments - sale/purchase of fixed assets	-39	-26
-256	-1,512	Net cash flow from investment activities	-39	-26
Cash flow from financing activities				
997	1,718	Payment of subordinated loan capital	997	1 094
-1,000	-1,700	Repayment of subordinated loan capital	-1,000	-1,700
-414	-418	Payments - interest on subordinated loan capital	-414	-418
-16	-2	Payment of dividend		
-433	-402	Net cash flow from financing activities	-417	-1,024
-2,537	-871	Net cash flow for the period	-1,490	-824
-1,515	-10,494	of which net cash flow for the period before financial assets	4,073	-6,143
-2,537	-871	Net movement in cash and cash equivalent assets	-1,490	-824
4,785	3,823	Cash and cash equivalent assets at start of the period	2,336	1,540
2,248	2,952	Cash and cash equivalent assets at the end of the period	846	716

Storebrand Livsforsikring AS

Statement of Comprehensive income

NOK million	Q3		01.01 - 30.09		Year
	2015	2014	2015	2014	2014
Technical account:					
Gross premiums written	3,658	3,063	12,955	12,279	15,495
Reinsurance premiums ceded	-17	-1	-23	-22	-25
Premium reserves transferred from other companies	260	180	939	759	1,088
Premiums for own account	3,901	3,243	13,871	13,017	16,559
Income from investments in subsidiaries, associated companies and joint-controlled companies	399	297	1,529	817	1,549
of which from investment in real estate companies	330	309	1,485	822	1,481
Interest income and dividends etc. from financial assets	1,578	1,050	4,155	4,729	5,497
Changes in investment value	-922	109	-1,859	-71	1,986
Realised gains and losses on investments	-230	1,041	1,194	2,695	2,067
Total net income from investments in the collective portfolio	826	2,498	5,019	8,170	11,100
Income from investments in subsidiaries, associated companies and joint-controlled companies	37	16	152	42	92
of which from investment in real estate companies	37	16	152	42	91
Interest income and dividends etc. from financial assets	121	-41	-85	-91	236
Changes in investment value	-1,874	186	-3,221	1,155	2,373
Realised gains and losses on investments	-86	-234	2,952	1,083	792
Total net income from investments in the investment selection portfolio	-1,802	-72	-202	2,189	3,492
Other insurance related income	99	73	281	191	256
Gross claims paid	-2,334	-2,536	-7,090	-8,001	-10,468
Claims paid - reinsurance	2	2	11	7	8
Gross change in claims reserve	37	-18	-142	-20	-132
Premium reserves etc. transferred to other companies	-335	-5,539	-4,448	-11,338	-12,722
Claims for own account	-2,629	-8,090	-11,668	-19,352	-23,315
To (from) premium reserve, gross	322	4,756	3,128	5,727	5,141
To/from additional statutory reserves	16	10	251	143	-710
Change in value adjustment fund	578	-111	1,462	11	-1,992
Change in premium fund, deposit fund and the pension surplus fund	-1		-4	-1	-14
To/from technical reserves for non-life insurance business	-37	-23	-76	-78	-33
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	-12	1	-55	4	-4
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	867	4,632	4,706	5,807	2,389
Change in premium reserve	-697	-774	-8,235	-4,476	-7,788
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	-697	-774	-8,235	-4,476	-7,788
Profit on investment result					-120
Risk result allocated to insurance contracts					-46
Other allocation of profit					-19
Unallocated profit	51	-864	-1,949	-3,552	
Funds allocated to insurance contracts	51	-864	-1,949	-3,552	-185
Management expenses	-39	-33	-113	-97	-134
Selling expenses	-82	-151	-238	-448	-312
Insurance-related administration expenses (incl. commissions for reinsurance received)	-205	-151	-707	-490	-587
Insurance-related operating expenses	-325	-335	-1,059	-1,035	-1,033
Other insurance related expenses after reinsurance share	-107	-90	-309	-202	-434
Technical insurance profit	183	220	455	757	1,041

Storebrand Livsforsikring AS

Statement of Comprehensive income continue

NOK million	Q3		01.01 - 30.09		Year
	2015	2014	2015	2014	2014
Non-technical account					
Income from investments in subsidiaries, associated companies and joint-controlled companies	105	16	795	-229	-196
of which from investment in real estate companies	18	15	78	41	74
Interest income and dividends etc. from financial assets	-335	163	-14	516	699
Changes in investment value	391	-9	366	44	21
Realised gains and losses on investments	-18	36	33	101	125
Net income from investments in company portfolio	143	205	1,179	432	649
Other income	8	6	23	19	26
Management expenses	-3	-3	-10	-10	-13
Other costs	-74	-80	-255	-302	-442
Total management expenses and other costs linked to the company portfolio	-78	-83	-265	-312	-456
Profit or loss on non-technical account	73	129	937	139	219
Profit before tax	256	349	1,392	896	1,260
Tax costs	-115	-134	-235	-335	-279
Profit before other comprehensive income	141	215	1,157	561	981
Change in actuarial assumptions					-264
Profit/loss cash flow hedging	90		23		168
Adjustment of insurance liabilities					29
Tax on other profit elements not to be classified to profit/loss	-24	1	-5	2	18
Total other profit elements not to be classified to profit/loss	66	1	19	2	-49
Translation differences		-3	-6	-6	-3
Total other profit elements that may be classified to profit /loss		-3	-6	-6	-3
Total other profit elements	66	-2	13	-4	-51
TOTAL COMPREHENSIVE INCOME	206	213	1,170	556	930

Storebrand Livsforsikring AS

Statement of financial position

NOK million	30.09.2015	30.09.2014	31.12.2014
Assets			
Assets in company portfolio			
Other intangible assets	192	168	176
Total intangible assets	192	168	176
Equities and units in subsidiaries, associated companies and joint-controlled companies	10,244	10,175	10,193
of which investment in real estate companies	1,063	995	1,013
Loans to and securities issued by subsidiaries, associated companies	6,929	6,174	6,728
Lendings	2	2	2
Bonds at amortised cost	1,800	1,879	1,877
Equities and other units at fair value	61	61	63
Bonds and other fixed-income securities at fair value	9,761	8,792	8,451
Derivatives at fair value	1,042	520	964
Other financial assets	194	196	177
Total investments	30,033	27,801	28,454
Reinsurance share of insurance obligations	129	149	143
Receivables in connection with direct business transactions	910	934	3,204
Receivables in connection with reinsurance transactions	1	5	3
Receivables with group company	36	34	24
Other receivables	857	395	180
Total receivables	1,804	1,367	3,411
Tangible fixed assets	16	25	20
Cash, bank	652	520	2,159
Total other assets	668	545	2,178
Other pre-paid costs and income earned and not received	22	42	15
Total pre-paid costs and income earned and not received	22	42	15
Total assets in company portfolio	32,848	30,072	34,378
Assets in customer portfolios			
Equities and units in subsidiaries, associated companies and joint-controlled companies	20,764	20,391	20,185
of which investment in real estate companies	19,975	19,760	19,462
Bonds held to maturity	15,730	15,140	15,131
Bonds at amortised cost	69,942	64,251	64,136
Lendings	2,556	5,729	4,679
Equities and other units at fair value	11,938	20,643	21,884
Bonds and other fixed-income securities at fair value	57,253	53,368	53,118
Financial derivatives at fair value	225	337	246
Other financial assets	1,648	2,143	1,206
Total investments in collective portfolio	180,056	182,002	180,586
Equities and units in subsidiaries, associated companies and joint-controlled companies	2,246	1,049	1,721
of which investment in real estate companies	2,246	1,049	1,721
Equities and other units at fair value	28,860	21,357	23,367
Bonds and other fixed-income securities at fair value	19,188	15,761	17,250
Financial derivatives at fair value	25	85	45
Other financial assets	157	119	189
Total investments in investment selection portfolio	50,476	38,371	42,573
Total assets in customer portfolios	230,532	220,373	223,159
TOTAL ASSETS	263,380	250,445	257,537

Continue next page

Storebrand Livsforsikring AS

Statement of financial position continue

NOK million	30.09.2015	30.09.2014	31.12.2014
Equity and liabilities			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Total paid in equity	13,251	13,251	13,251
Risk equalisation fund	512	887	829
Other earned equity	6,958	6,239	6,946
Earned profit	1,474	275	
Total earned equity	8,944	7,401	7,774
Perpetual subordinated loan capital	2,096	2,289	2,163
Dated subordinated loan capital	3,069	2,440	2,991
Hybrid tier 1 capital	1,502	1,503	1,503
Total subordinated loan capital and hybrid tier 1 capital	6,667	6,231	6,656
Premium reserves	162,685	164,501	165,374
Additional statutory reserves	4,524	4,298	5,118
Market value adjustment reserve	4,352	3,812	5,814
Claims allocation	1,037	783	895
Premium fund, deposit fund and the pension surplus fund	2,472	3,182	3,047
Unallocated profit to insurance contracts	1,949	3,552	
Other technical reserve	862	850	799
Total insurance obligations in life insurance - contractual obligations	177,880	180,977	181,048
Premium reserves	50,070	38,575	41,892
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	50,071	38,575	41,893
Pension liabilities etc.	174	432	174
Deterred tax	1,689	1,523	1,449
Other provisions for liabilities	36	36	63
Total provisions for liabilities	1,899	1,991	1,686
Liabilities in connection with direct insurance	823	711	1,497
Liabilities in connection with reinsurance	-2	2	
Financial derivatives	1,609	560	3,023
Liabilities to group companies	1	8	10
Other liabilities	2,094	564	374
Total liabilities	4,523	1,845	4,905
Other accrued expenses and received, unearned income	146	173	324
Total accrued expenses and received, unearned income	146	173	324
TOTAL EQUITY AND LIABILITIES	263,380	250,445	257,537

Storebrand Livsforsikring AS

Statement of change in equity

NOK million	Share capital ¹⁾	Share premium reserve	Total paid in equity	Risk equalisation fund	Other equity	Total equity
Equity at 31.12.2013	3,540	9,711	13,251	776	6,069	20,096
Profit for the period				111	450	561
Total other profit elements					-4	-4
Total comprehensive income for the period				111	445	556
Equity at 30.09.2014	3,540	9,711	13,251	887	6,514	20,652
Profit for the period				53	928	981
Total other profit elements					-51	-51
Total comprehensive income for the period				53	877	930
Equity at 31.12.2014	3,540	9,711	13,251	828	6,946	21,025
Profit for the period				-317	1,474	1,157
Total other profit elements					13	13
Total comprehensive income for the period				-317	1,486	1,170
Equity at 30.09.2015	3,540	9,711	13,251	512	8,432	22,195

¹⁾ 35 404 200 shares of NOK 100 par value.

Notes to the interim accounts

Note 01 | Accounting policies

The Group's interim financial statements include Storebrand Livsforsikring AS, subsidiaries and associated companies. The financial statements are prepared in accordance with the "Regulation on the annual accounts etc. of insurance companies" for the parent company and the consolidated financial statements in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2014 annual report, and the interim financial statements are prepared with respect to these accounting policies.

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

Note 02 | Estimates

Critical accounting estimates and judgements for the 2014 annual financial statements are described in note 2, 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 14.

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

Actual results may differ from these estimates.

STRENGTHENING LONGEVITY RESERVES FOR STOREBRAND LIFE INSURANCE

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

In general, approval has been granted to use up to seven years to complete the strengthening of reserves through the application of profit and direct equity contributions. The reserve strengthening period is from 1 January 2014 to 1 January 2021. For contracts that are or will be fully reserved during the escalation period, the remaining equity contributions shall be paid within three years and not later than 1 January 2021. For contracts that have been transferred to a new provider of public sector occupational pension schemes with termination of risk from the end of 2013, Storebrand will make the remaining equity contribution to the contract immediately. Risk surpluses will be used in their entirety for the strengthening of longevity reserves for contracts that are not fully reserved. Storebrand will use the funds accumulated in the risk equalisation reserve from 2008 to 2013 (NOK 776m) as a contribution to financing the strengthening of reserves for the years 2015 and 2016. By the end of 2015, a minimum of NOK 500 million will be used to finance the strengthening of reserves. The remaining amount will be used in 2016. A total of NOK 378m has been used from the risk equalisation reserve at the end of the 3rd quarter. During the quarter, a corresponding amount, which was previously set aside and charged to the owner in connection with the strengthening of reserves, was also reversed. Information at the end of the 3rd quarter does not indicate any significant change to the future charge to the owner other than what is stated as an expectation in Note 3 to the annual financial statements for 2014. Storebrand had a need to strengthen its reserves by NOK 12.4bn for the Norwegian business. A total of NOK 6.2bn had been allocated at the end of 2014 and NOK 2.1bn to date in 2015. The remaining required strengthening of reserves at the end of the 3rd quarter is NOK 4.1bn.

Segments – result by business area

CHANGES IN SEGMENT REPORTING

From Q2 2015, certain subsidiaries in Norway and Sweden changed from the segment Other to Savings. The results of the other subsidiaries are also previously shown as net results, but is modified to show the gross results. Historical figures have been restated.

SAVINGS

Consists of products that include long-term saving for retirement with no explicit long-term interest rate guarantees. The area includes fundbased insurance (Unit Linked and defined contribution pensions) to individuals and companies in Norway and Sweden and management companies Storebrand Eiendom AS and Storebrand Realinvesteringer AS. In addition also includes certain other subsidiaries.

INSURANCE

Insurance is responsible for the group's insurance risk products. The unit provides personal risk products in the Norwegian and Swedish retail market and employee- and pension-related insurances in the Norwegian and Swedish corporate market

GUARANTEED PENSION

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

OTHER

Under the category 'Other', the performance of the company's portfolios in Storebrand Livsforsikring and SPP are reported. It also includes results related to operations in subsidiaries including BenCo, which through Nordben and Euroben offer pension products to multi-national companies.

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.

NOK million	Q3		01.01 - 30.09		Year
	2015	2014	2015	2014	2014
Savings	140	129	331	292	433
Insurance	101	90	397	417	502
Guaranteed pension	-76	233	37	847	1,074
Other	-68	92	31	296	370
Profit before amortisation	96	543	797	1,852	2,379
Amortisation of intangible assets	-98	-93	-284	-284	-380
Profit before tax	-2	450	513	1,567	1,999

SEGMENT INFORMATION AS AT Q3

NOK million	Savings		Insurance		Guaranteed pension	
	2015	2014	2015	2014	2015	2014
Fee and administration income	372	347			428	471
Risk result life & pensions	-5	7			20	26
Insurance premiums f.o.a.			640	581		
Claims f.o.a.			-483	-431		
Operational cost	-228	-225	-89	-91	-266	-275
Financial result			33	31		
Result before profit sharing	140	129	101	90	182	222
Net profit sharing					-162	101
Provision longevity					-96	-90
Result before amortisation	140	129	101	90	-76	233
Amortisation of intangible assets						
Pre-tax profit	140	129	101	90	-76	233

NOK million	Other		Storebrand Livsforsikring Group	
	2015	2014	2015	2014
Fee and administration income	28	37	828	856
Risk result life & pensions	25	4	40	37
Insurance premiums f.o.a.			640	581
Claims f.o.a.			-483	-431
Operational cost	-18	-19	-600	-610
Financial result	-101	72	-68	103
Result before profit sharing	-66	94	357	535
Net profit sharing	-2	-2	-164	99
Provision longevity			-96	-90
Result before amortisation	-68	92	96	543
Amortisation of intangible assets	-98	-93	-98	-93
Pre-tax profit	-166	-1	-2	450

SEGMENT INFORMATION AS AT 30.09

NOK million	Savings		Insurance		Guaranteed pension	
	2015	2014	2015	2014	2015	2014
Fee and administration income	1,060	982			1,317	1,384
Risk result life & pensions	-4	-1			83	152
Insurance premiums f.o.a.			1,993	1,756		
Claims f.o.a.			-1,467	-1,212		
Operational cost	-726	-691	-284	-286	-824	-837
Financial result			155	159		
Result before profit sharing	331	291	397	417	576	699
Net profit sharing	1	1			-137	418
Provision longevity					-402	-270
Result before amortisation	331	292	397	417	37	847
Amortisation of intangible assets						
Pre-tax profit	331	292	397	417	37	847

NOK million	Other		Storebrand Livsforsikring Group	
	2015	2014	2015	2014
Fee and administration income	91	97	2,469	2,463
Risk result life & pensions	25	6	103	157
Insurance premiums f.o.a.			1,993	1,756
Claims f.o.a.			-1,467	-1,212
Operational cost	-50	-53	-1,884	-1,867
Financial result	-29	253	126	413
Result before profit sharing	36	303	1,341	1,709
Net profit sharing	-5	-6	-142	412
Provision longevity			-402	-270
Result before amortisation	31	296	797	1,852
Amortisation of intangible assets	-284	-284	-284	-284
Pre-tax profit	-253	12	513	1,567

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

RESTATEMENT OF COMPARATIVE FIGURES

NOK million	Q3 2014			30.09.14			Year 2014		
	Reported figures	Change in segment	Revised figures	Reported figures	Change in segment	Revised figures	Reported figures	Change in segment	Revised figures
Savings	141	-12	129	312	-20	292	426	7	433
Insurance	90		90	417		417	502		502
Guaranteed pension	233		233	847		847	1,074		1,074
Other	79	12	92	276	20	296	377	-7	370
Group result before amortisation	543		543	1,852		1,852	2,379		2,379
Amortisation intangible assets	-93		-93	-284		-284	-380		-380
Pre-tax profit	450		450	1,567		1,567	1,999		1,999

Note 04 | Financial market risk and insurance risk

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

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

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

The market risk in the company portfolios and the subsidiaries that are not life insurance companies or included in the customer portfolios has a direct impact on Storebrand's profit.

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

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

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

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

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

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

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

The insurance risk was almost unchanged during the first three quarter.

Note 05

Liquidty risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

NOK million	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital					
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,502
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,502	NOK	Variable	2020	999
Storebrand Livsforsikring AS	1 100	NOK	Variable	2024	1,097
SPP Pension & Försäkring AB	700	SEK	Variable	2019	709
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,069
Total subordinated loan capital and hybrid tier 1 capital					7,376
30.09.2015					
Total subordinated loan capital and hybrid tier 1 capital					7,324
31.12.2014					

Note 06

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 14 in the financial statements for 2014.

The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

NOK million	Fair value 30.09.15	Fair value 31.12.14	Book value 30.09.15	Book value 31.12.14
Financial assets				
Lending to customers	2,554	4,671	2,558	4,682
Bonds held to maturity	17,774	17,794	15,730	15,131
Bonds classified as loans and receivables	80,820	76,713	71,742	66,012
Financial liabilities				
Subordinated loan capital	7,320	7,549	7,376	7,324

VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE STOREBRAND LIVSFORSIKRING GROUP

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 30.09.2015	Total 31.12.2014
Assets					
Equities and units					
- Equities	17,134	614	2,658	20,405	20,646
- Fund units	319	85,711	9,066	95,096	96,832
- Real estate fund			590	590	952
Total equities and units	17,452	86,325	12,314	116,091	
Total equities and units 31.12.14	17,776	87,929	12,724		118,429
Bonds and other fixed income securities					
- Government and government guaranteed bonds	33,140	20,789		53,929	54,687
- Credit bonds	29	27,678	387	28,094	24,162
- Mortgage and asset backed bonds		43,665		43,665	41,824
- Supranational and agency	44	4,980		5,024	6,575
- Bond funds	904	58,663		59,567	50,739
Total bonds and other fixed income securities	34,116	155,775	387	190,278	
Total bonds and other fixed income securities 31.12.14	36,171	141,476	339		177,987
Derivatives:					
- Interest rate derivatives		2,622		2,622	4,514
- Currency derivatives		-653		-653	-3,113
Total derivatives		1,969		1,969	
- derivatives with a positive market value		4,782		4,782	
- derivatives with a negative market value		-2,813		-2,813	
Total derivatives 31.12.14		1,401			1,401
Real estate:					
- real estate at fair value			23,238	23,238	26,419
- real estate for own use			2,900	2,900	2,583
Total real estate			26,137	26,137	
Total real estate 31.12.14			29,001		29,001

MOVEMENTS BETWEEN QUOTED PRICES AND OBSERVABLE ASSUMPTIONS

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	15	96

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

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real estate fund	Credit bonds	Real estate	Real estate for own use
Book value 01.01	2,414	9,359	952	339	26,419	2,583
Net profit/loss	130	873	81	37	41	111
Supply/disposal	282	709	1	15	825	15
Sales/overdue/settlement	-199	-2,078	-443	-21	-105	
To quoted prices and observable assumptions		60				
Translation differences	31	144		16	187	67
Other*)					-4,130	125
Book value 30.09.15	2,658	9,066	590	387	23,238	2,900

*) Includes derecognition of NOK 4,927 million in Storebrand Eiendomsfond Norge KS. As of 30.09.15, Storebrand Life Insurance had NOK 1,450 million invested in Storebrand Eiendomsfond Norge KS. This investment is classified as "Investment in Associated Companies" in the Consolidated Financial Statements. Storebrand Eiendomsfond Norge KS invests exclusively in real estate at fair value

SENSITIVITY ASSESSMENTS

STOREBRAND LIVSFORSIKRING GROUP

Equities

Equity level 3 consist primarily of forestry investments 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 cost 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 3.25 per cent in value, depending on the maturity of the forest and other factors.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Increase + 25 bp	Decrease - 25 bp	Increase + 25 bp	Decrease - 25 bp
Change in fair value as at 30.09.15	-91	98	-82	89
Change in fair value as at 31.12.14	-72	77	-63	68

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. Storebrand's private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.5.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 30.09.15	399	-399	316	-316
Change in fair value as at 31.12.14	291	-291	211	-211

Credit bonds

Credit bonds on level 3 consists of microfinance fund, private equity debt fund and convertible bonds. The pricing of these bonds do not follow the normal pricing of bonds by using the discount rate, but are included in the sensitivity test used on private equity investments.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 30.09.15	16	-16	4	-4
Change in fair value as at 31.12.14	15	-15	4	-4

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 51 per cent on average.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in value underlying real estates		Change in value underlying real estates	
	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 30.09.15	158	-157	158	-157
Change in fair value as at 31.12.14	250	-247	250	-247

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.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in required rate of return		Change in required rate of return	
	Increase + 0,25%	Decrease -0,25%	Increase + 0,25%	Decrease -0,25%
Change in fair value as at 30.09.15	-1,127	1,252	-953	1,047
Change in fair value as at 31.12.14	-1,288	1,203	-1,172	1,071

STOREBRAND LIVSFORSIKRING AS

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 30.09.2015	Total 31.12.2014
Assets					
Equities and units					
- Equities	10,889	123	1,701	12,713	11,321
- Fund units		20,946	6,611	27,557	33,041
- Real estate fund			590	590	952
Total equities and units	10,889	21,069	8,902	40,860	
Total equities and units 31.12.14	9,336	26,236	9,742		45,314
Bonds and other fixed income securities					
- Government and government guaranteed bonds	18,170			18,170	17,859
- Credit bonds		10,720	87	10,808	10,744
- Mortgage and asset backed bonds		11,113		11,113	9,777
- Supranational and agency		855		855	1,065
- Bond funds		45,256		45,256	39,374
Total bonds and other fixed income securities	18,170	67,944	87	86,202	
Total bonds and other fixed income securities 31.12.14	17,859	60,886	74		78,819
Derivatives:					
- Interest rate derivatives		147		147	1,013
- Currency derivatives		-464		-464	-2,782
Total derivatives		-317		-317	
- derivatives with a positive market value		1,292		1,292	
- derivatives with a negative market value		-1,609		-1,609	
Total derivatives 31.12.14		-1,769			-1,769

MOVEMENTS BETWEEN QUOTED PRICES AND OBSERVABLE ASSUMPTIONS

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	31	10

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

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real estate fund	Credit bonds
Book value 01.01	1,779	7,012	952	74
Net profit/loss		651	81	16
Supply/disposal	15	534	1	
Sales/overdue/settlement	-93	-1,646	-443	-3
From quoted prices and observable assumptions		60		
Book value 30.09.15	1,701	6,611	590	87

Note 07 | Tax

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

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

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

Note 08 | Contingent liabilities

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	30.09.15	31.12.14	30.09.15	31.12.14
Uncalled residual liabilities concerning Limited Partnership	4,048	4,321	3,254	3,212
Total contingent liabilities	4,048	4,321	3,254	3,212

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

Note 09 | Capital adequacy

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	30.09.15	31.12.14	30.09.15	31.12.14
Share capital	3,540	3,540	3,540	3,540
Other equity	19,201	18,393	18,654	17,485
Equity	22,741	21,934	22,195	21,025
Hybrid tier 1 capital	1,500	1,500	1,500	1,500
Goodwill and other intangible assets	-5,485	-5,519	-192	-176
Risk equalisation fund	-512	-829	-512	-829
Deduction for investments in other financial institutions	-1	-1	-1	-1
Interest adjustment insurance reserves SPP	-1,969	-2,170		
Security reserve		-153		
Other	-363	-31	-350	-71
Core (tier 1) capital	15,912	14,731	22,640	21,449
Perpetual subordinated loan capital	2,100	2,100	2,100	2,100
Dated subordinated loan capital	2,238	2,238	2,238	2,238
Deductions for investments in other financial institutions	-1	-1	-1	-1
Tier 2 capital	4,337	4,337	4,337	4,337
Net primary capital	20,249	19,068	26,977	25,786
Risk weighted calculation base	139,517	141,053	101,088	107,003
Capital adequacy ratio	14.5 %	13.5 %	26.7 %	24.1 %
Core (tier 1) capital ratio	11.4 %	10.4 %	22.4 %	20.0 %

Note 10 | Solvency margin

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	30.09.15	31.12.14	30.09.15	31.12.14
Solvency margin requirements	14.5 %	13.5 %	26.7 %	24.1 %
Solvency margin capital	11.4 %	10.4 %	22.4 %	20.0 %
Solvency margin	179.1 %	175.0 %	369.5 %	363.0 %

SPECIFICATION OF SOLVENCY MARGIN CAPITAL

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	30.09.15	31.12.14	30.09.15	31.12.14
Net primary capital	20,249	19,068	26,977	25,786
50% of additional statutory reserves	2,240	2,559	2,240	2,559
50% of risk equalisation fund	256	414	256	414
Counting security reserve	73	69	73	69
Adjustments in Tier 2 capital eligible for inclusion in solvency capital			-394	-427
Other adjustments	132			
Solvency capital	22,950	22,110	29,152	28,402

Note 11 | Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 25 and 49 in the 2014 annual report.

Storebrand Life Insurance at the end of the third quarter beyond normal commercial transactions had no significant transactions with related parties except that SPP Fonder AB is sold from Storebrand Holding AB to Storebrand Asset Management AS in January 2015.

Translation from the original Norwegian version

To the Board of Directors of Storebrand Livsforsikring AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand Livsforsikring AS (the Group) as of 30 September 2015, and the related statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Oslo, 27 October 2015
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

Financial calendar 2016



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

Investor Relations contacts



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

Storebrand Livsforsikring AS
Professor Kohts vei 9
P.O. Box 500, N-1327 Lysaker, Norway
Telephone 08880

storebrand.no