

Interim Report 2016

Storebrand Livsforsikring AS

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Important notice:

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

Storebrand Livsforsikring Group

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 1st quarter result please refer to the Storebrand Group's interim report for the 1st quarter of 2016.

PROFIT STOREBRAND LIVSFORSIKRING GROUP

NOK million	2016		2015			Full year 2015
	1Q	4Q	3Q	2Q	1Q	
Fee and administration income	781	815	828	829	811	3,283
Risk result life & pensions	24	-23	40	54	9	80
Insurance premiums f.o.a.	687	687	640	709	645	2,680
Claims f.o.a.	-540	-610	-483	-513	-471	-2,076
Operational cost	-634	-729	-600	-638	-645	-2,613
Financial result	101	252	-68	85	109	378
Profit before profit sharing	419	392	357	527	458	1,733
Net profit sharing and loan losses	-122	-247	-164	-41	63	-389
Profit before amortisation and provision longevity	297	145	193	486	521	1,344
Provision longevity	-	-1,362	-96	-151	-154	-1,764
Profit before amortisation	297	-1,217	96	335	366	-420

The result before amortisation was NOK 297m (366m) i Q1 2016. The figures in parentheses show the corresponding period last year. Fee and administration income in the 1st quarter increased 3.7% compared with the same quarter last year. Adjusted for discontinued business, the income decreased 0.7 % in the 1st quarter. Premium income for non-guaranteed savings was NOK 3.7bn in the 1st quarter, an increase of 27 % compared with the 1st quarter 2015.

The operating costs in the 1st quarter were NOK 634m (645m). Strengthening of competitiveness through continued efficiency improvement is a priority task. In the 4th quarter, Storebrand entered into strategic partnership with Cognizant. The aim of this partnership is to establish a foundation for customer-oriented development of the Group's IT solutions and enhance the efficiency of our operations.

PROFIT STOREBRAND LIVSFORSIKRING GROUP PER LINE OF BUSINESS

NOK million	2016		2015			Full year 2015
	1Q	4Q	3Q	2Q	1Q	
Savings	111	64	140	107	85	395
Insurance	71	-19	101	149	148	379
Guaranteed pensions	15	-110	20	183	236	329
Other	99	210	-68	47	52	241
Profit before amortisation and provision longevity	297	145	193	486	521	1,344
Provision longevity	-	-1,362	-96	-151	-154	-1,764
Profit before amortisation	297	-1,217	96	335	366	-420

The Savings segment reported a 1st quarter result of NOK 111m (85m). The earnings growth was driven by increases in volume in unit linked.

The Insurance segment delivered a result of NOK 71m (148m) in the quarter. The combined risk result gives a claims ratio for the quarter of 79% (73%) and a combined ratio of 94% (88%).

The result from the Guaranteed Pension segment was NOK 15m (236m) The fall in interest rates during the quarter caused a negative impact on the Swedish business.

The Other segment includes company portfolios an has been affected by the low interest rate level and credit marked development.

CAPITAL SITUATION AND TAXES

The Solvency II regulations were introduced on 1 January 2016. Storebrand uses the standard model for the calculation of Solvency II. Lower interest rates in Norway and a change in the yield curve have had a negative impact on the Solvency II margin. Changes to the regulations, methods and interpretations may be made occur that could affect the Solvency II margin in the future.

Tax costs in the 1st quarter are estimated based on an expected effective tax rate for 2016. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway (25%), 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 19-23% of the profit before amortisation for the year.

STRENGTHENING OF RESERVES FOR LONGEVITY

In the 4th quarter of 2015, Storebrand decided to charge the remaining estimated direct contribution to expected increased longevity. The remaining reserve strengthening is expected to be covered by the surplus return and loss of profit sharing

MARKET AND SALES PERFORMANCE

Sales of savings products, loans and insurance products are good. Storebrand has been successful with the sale of retail market products to employees with an occupational pension from Storebrand. In Norway, Storebrand is the market leader in defined contribution schemes with 34% of the market share of gross premiums written.

SPP is the fifth largest actor in the Other Occupational Pensions segment with a market share of 11% measured by premium income from unit linked insurance.

Savings

Earnings growth due to a 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	2016		2015			Full year 2015
	1Q	4Q	3Q	2Q	1Q	
Fee and administration income	355	333	372	345	343	1,393
Risk result life & pensions	-2	1	-5	4	-4	-3
Operational cost	-242	-270	-228	-243	-255	-996
Profit before profit sharing	111	64	140	107	84	395
Net profit sharing and loan losses						1
Profit before amortisation	111	64	140	107	85	395

PROFIT

The Savings segment reported a result of NOK 111m (184m.) in the 1st quarter. Fees and administration income increased by 3.5 % in the quarter compared to the same period last year. Adjusted for the sales of Storebrand Eiendom AS, the growth was 11.5 % in the 1st quarter.

Income growth is driven by the customers' conversion from defined benefit to defined contribution pension schemes in combination with good sales and higher savings rates.

Good cost control contributed to costs being at the same level as the 1st quarter of 2015.

MARKET AND SALES PERFORMANCE

Premium income for non-guaranteed savings was NOK 3.7bn in the 1st quarter, an increase of 27% on the same period last year.

Total reserves within unit linked insurance have increased by 12% over the last year and amounted to NOK 125bn at the end of the quarter. Assets under management in the United Linked business in Norway increased NOK 8.5bn (18%) relative to the 1st quarter of 2015. The growth is driven by premium payments for existing contracts, returns and conversion from defined benefit schemes. In Norway, Storebrand is the market leader in defined contribution schemes with 34% of the market share of gross premiums written.

In the Swedish market, SPP is the fifth largest actor in the Other Occupational Pensions segment with a market share of 11% measured by premium income from unit linked insurance. Turbulent equity markets and lower returns have contributed to a decline in the growth rate and from the 1st quarter of 2015, there was a reduction in customer assets of SEK 5bn.

SAVINGS- KEY FIGURES

NOK million	2016		2015		
	1Q	4Q	3Q	2Q	1Q
Unit Linked Reserves	125,434	128,117	118,695	117,452	115,816
Unit Linked Premiums	3,693	3,185	3,170	3,063	2,905

Insurance

Satisfactory margins, but lower growth

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.

NOK million	2016		2015			Full year 2015
	1Q	4Q	3Q	2Q	1Q	
Insurance premiums f.o.a.	687	687	640	709	645	2,680
Claims f.o.a.	-540	-610	-483	-513	-471	-2,076
Operational cost	-107	-111	-89	-99	-96	-395
Financial result	31	15	33	52	70	170
Profit before amortisation	71	-19	101	149	148	379

PROFIT

Insurance delivered a profit before amortization of NOK NOK 71 m (148m). Overall combined ratio for the quarter was 94 % (88 %). Premium income increased 6.6 % in the 1st quarter compared with the same quarter last year.

The combined risk result gives a claims ratio of 79 % (73 %) in the 1st quarter. Private and personal insurance in particular contributed to the result, while defined contribution pensions were characterised by higher than expected claims during the period. The market for defined contribution pensions is very competitive and the price for disability pension is a key competition parameter. In addition, the unemployment and disability rates are showing a negative trend. An effort is being made to strengthen the profitability, including repricing for unprofitable customers.

The cost percentage was 16 present (15 present) in the 1st quarter. This is at the expected level and the Insurance area has shown good cost control.

The investment portfolio of Insurance in Norway amounts to NOK 5.3bn, which is primarily invested in fixed income securities with a short or medium duration. The financial income shows a satisfactory return.

MARKET AND SALES PERFORMANCE

Premium for own account amounts to NOK 687m in the 1st quarter (645m.).

For risk cover in connection with defined contribution pensions in Norway, future growth is expected to be driven by conversions from defined benefit to defined contribution pensions. The new disability pension regulations, which entered into force on 1 January 2016, will entail a somewhat lower premium volume in the future.

INSURANCE - KEY FIGURES

NOK million	2016		2015		
	1Q	4Q	3Q	2Q	1Q
Individual life *	623	617	610	605	598
Group life **	901	943	941	942	935
Pension related disability insurance ***	1,204	1,159	1,141	1,098	1,071
Portfolio premium	2,728	2,719	2,692	2,646	2,604

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

NOK million	2016		2015		
	1Q	4Q	3Q	2Q	1Q
Claims ratio	79%	89%	76%	72%	73%
Cost ratio	16%	16%	14%	14%	15%
Combined ratio	94%	105%	89%	86%	88%

Guaranteed pension

Negative profit sharing result driven by development in the financial markets and historically low interest rates.

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

GUARANTEED PENSION

(NOK million)	2016		2015			Full year 2015
	1Q	4Q	3Q	2Q	1Q	
Fee and administration income	404	460	428	457	432	1,777
Risk result life & pensions	4	7	20	47	16	89
Operational cost	-271	-333	-266	-281	-277	-1,156
Profit before profit sharing	137	134	182	223	171	711
Net profit sharing and loan losses	-122	-244	-162	-40	64	-382
Profit before amortisation and provision longevity	15	-110	20	183	236	329
Provision longevity		-1,362	-96	-151	-154	-1,764
Profit before amortisation	15	-1,472	-76	32	81	-1,435

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 404m (NOK 432m) for the 1st quarter, a reduction of 6.6% compared with the previous year. Operating expenses during the 1st quarter were in line with previous quarters, but lower than the previous quarter, which was affected by provisions for restructuring costs.

The risk result was NOK 4m (NOK 16m) for the 1st quarter and was generated in the Swedish business. In the Norwegian business, the risk result was zero for the quarter due to reserve strengthening based in the introduction of a new group disability pension and the general disability development in the population.

The result from net profit sharing is generated in the Swedish business and amounted to minus NOK 122m (NOK 64m) in the 1st quarter. The profit sharing result primarily consists of equity provisions for contracts without sufficient customer assets (deferred capital contribution - DCC), as well as profit sharing and indexing fees. The weak market performance in the equity and credit markets as well as falling interest rates mean that the assets do not develop at the same rate as liabilities. This has resulted in increased equity provisions for contracts without adequate returns during the quarter.

The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners.

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 1st quarter, customer reserves for guaranteed pensions amounted to NOK 266bn, which is the same level as at the start of the year. The total premium income for guaranteed pensions (excluding transfers) was NOK 2.7bn (NOK 3.3bn) in the 1st quarter, which corresponds to a reduction of 17%. Transfers out from the guaranteed pension were NOK 2.2bn (NOK 5.0bn) in the 1st quarter.

In the Norwegian business, paid-up policies were the only guaranteed portfolio experiencing growth and amounted to NOK 109.2bn as of the 1st quarter, which corresponds to an increase of NOK 5.4bn in the quarter, which is equivalent to 5.2 per cent. From and including the 4th quarter of 2014, the customers were given an offer to convert from traditional paid-up policies to paid-up policies with investment

options. Paid-up policies with investment options, which are included in the Savings segment, totalled NOK 4.6bn as of the 1st quarter, which was the same level as at the start of the year. The reserves for defined benefit pensions amounted to NOK 50.9bn at the end of the 1st quarter, a decrease of NOK 5.0bn since the end of the year.

Guaranteed portfolios in the Swedish business totalled NOK 90.5bn, which corresponds to a decrease of NOK 1.2bn. Adjusted for foreign exchange fluctuations, there was a slight increase in the reserves during the quarter.

GUARANTEED PENSION - KEY FIGURES

(NOK million)	2016		2015		
	1Q	4Q	3Q	2Q	1Q
Guaranteed reserves	266,113	266,979	263,198	258,825	261,277
Guaranteed reserves in % of total reserves	68.0 %	67.6 %	68.9 %	68.8 %	69.3 %
Transfer out of guaranteed reserves	2,201	398	855	1,438	5,037
Buffer capital in % of customer reserves Storebrand	5.9 %	5.8 %	5.4 %	5.7 %	6.5 %
Buffer capital in % of customer reserves SPP	6.6 %	7.6 %	11.1 %	12.4 %	12.5 %

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	2016		2015			Full year 2015
	1Q	4Q	3Q	2Q	1Q	
Fee and administration income	22	22	28	27	36	113
Risk result life & pensions	22	-31	25	3	-4	-6
Operational cost	-14	-15	-18	-16	-16	-66
Financial result	70	236	-101	34	39	207
Profit before profit sharing	99	212	-66	48	54	249
Net profit sharing and loan losses		-2	-2	-1	-2	-7
Profit before amortisation	99	210	-68	47	52	241

In the Other segment, the decline in fee and administration income shows a declining trend due to BenCo's business being wound down over a long-term.

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. With the interest rate levels at the end of the 1st quarter of 2016, quarterly interest expenses of approximately NOK 90m are expected. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 20.4bn at the end of the 1st quarter.

The investments are primarily in interest-bearing securities in Norway and Sweden with short maturities. The Norwegian company portfolio reported a return of 0.9% for the quarter. The Swedish company portfolio gave an overall return of 0,01 % for the quarter.

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 Group level and in the legal entities. Regulatory requirements for solvency and risk management follow the legal entities to a large extent. The section is thus divided up by legal entities.

STOREBRAND LIFE INSURANCE GROUP

The solidity capital¹⁾ amounted to NOK 60.5bn at the end of the 1st quarter, a reduction of NOK 0.5bn. in the 1st quarter primarily as a result of lower customer buffers in the Swedish business and increased customer buffers in the Norwegian business.

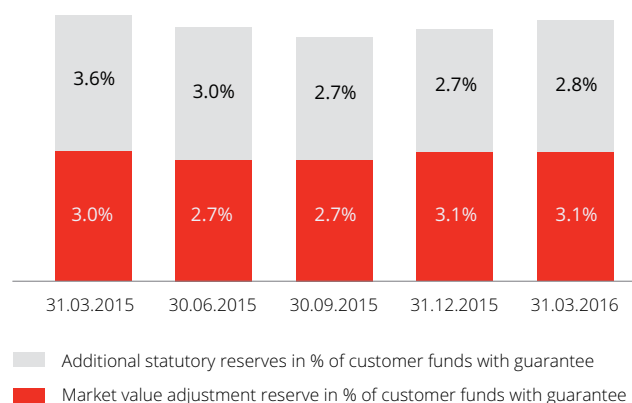
SOLVENCY II

The new European solvency regulations, Solvency II, entered into force on 1 January 2016 and will apply to all insurance companies in the EEA. The regulatory minimum level is 100%. As of the 1st quarter of 2016, Storebrand Livsforsikring AS had a solvency margin after transitional rules of 215%. The Storebrand Life Insurance Group is no longer required to report the solvency margin and the requirement at consolidated level applies for the Storebrand Group that reports a solvency margin of 175% (without transitional rules, the solvency margin is calculated at 117%).

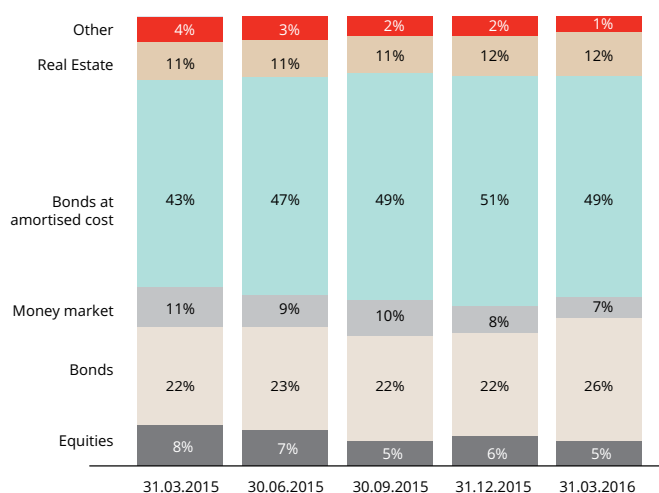
STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve increased by NOK 0.2bn during the 1st quarter, and amounted to NOK 4.7bn at the end of the 1st quarter of 2016. The additional statutory reserves are unchanged during the quarter. The additional statutory reserves amounted to NOK 5.1bn at the end of the 1st quarter of 2016, and were essentially unchanged for the quarter. The excess value of held-to-maturity bonds valued at amortised cost increased by NOK 1.4bn in the 1st quarter and totalled NOK 12.0bn as of the 1st quarter. This increase was due to lower interest rates. The excess value of bonds at amortised cost is not included in the financial statements.

CUSTOMER BUFFERS



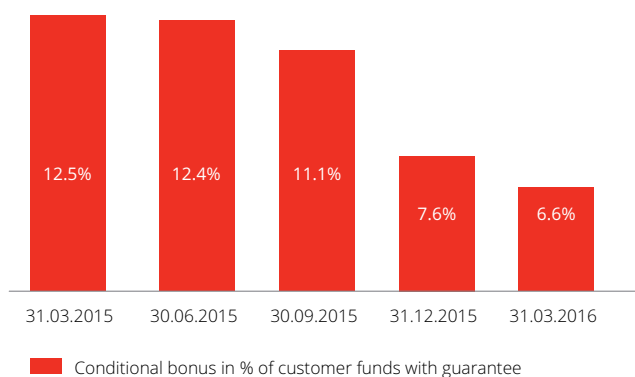
ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Customer assets increased by NOK 1.8bn in the 1st quarter due to positive returns. Customer assets totalled NOK 231bn at the end of the 1st quarter of 2016. Customer assets within non-guaranteed Savings increased NOK 1.4bn in the 1st quarter. Guaranteed customer assets increased NOK 0.4bn in the 1st quarter.

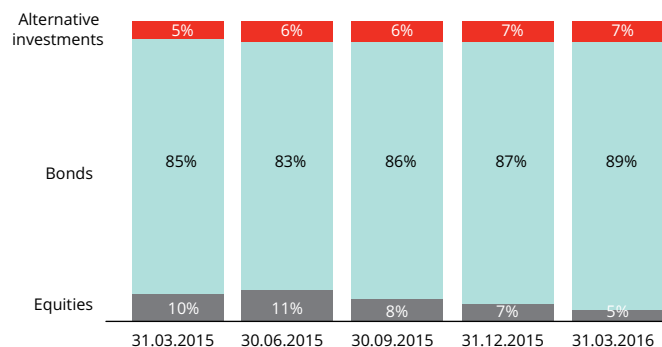
¹⁾ The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

SPP
CUSTOMER BUFFERS



The buffer capital amounted to NOK 5.4bn (NOK 9.6bn) in the 1st quarter. The decline is attributed primarily to the shift in the yield curve in the Swedish business and lower interest rates.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management in SPP were NOK 166bn. This corresponds to an increase of 10% compared with the 1st quarter of 2015. For customer assets in non-guaranteed savings, assets under management totalled NOK 74.2bn as of the 1st quarter, which corresponds to an increase of 17% compared with the 1st quarter of 2015.

Outlook

REPORT OF OCCUPATIONAL PENSIONS IN THE PRIVATE SECTOR

The wage settlement between the Norwegian United Federation of Trade Unions (LO) and the Federation of Norwegian Industries (NHO) was concluded on 3 April 2016. To contribute to an agreement being reached between the parties, the Government has committed to examining occupational pensions in the private sector. This work will include:

- If employees should be entitled to establish a personal pension account with a pension provider selected by the employee.
- An employee's right to individual additional savings.
- Issues relating to managing of pensions when changing jobs.
- The age and income from which contributions should start and the duration of the employment required to be able to receive contributions.

NEW PUBLIC SERVICE PENSION

In December 2015, the Ministry of Labour and Social Affairs presented a report proposing amendments to occupational pensions in the public sector. A net scheme with all-years accrual, lifelong disbursements, flexible withdrawals and complete freedom to combine working and drawing of pension was proposed. The proposed solution may resemble a hybrid pension pursuant to the Occupational Pension Act, but appears considerably more complicated because gender neutrality is desired not only when concerning benefits but also for premiums. Based on the report, the Government has agreed with the trade unions that there are grounds for commencing a process. A mandate and schedule are now being prepared for the continued work on this process. It is expected that negotiations for a new public sector occupational pension scheme will commence during the course of the year.

SOLVENCY

The new European solvency regulations, Solvency II, entered into force on 1 January 2016 and will apply to all insurance companies in the EEA. The regulatory minimum level is 100%. The solvency level shows that the Group is robust in relation to low interest rates for a long period of time. The investment strategy is adapted to the development of the insurance liabilities. The return is expected to exceed the risk-free interest and contribute to increased solvency over time. The development of interest rates, credit spreads, property and equity values affects the solvency margin. A gradual improvement is expected in the underlying solvency margin in the coming years. This is primarily due to strengthening of reserves for increased life expectancy and expected result achievement in the Group.

RISK

Trends in interest rate levels are deemed to be important risk factors that can affect the Group's results. Storebrand has adapted to the low interest rates through building up buffer capital, risk reduction on the investment side and changes to the products. Over time, the level of the annual interest rate guarantee will be reduced. In the long

term, enduring low interest rates will represent a risk for products with guaranteed interest rates running at a loss, and it is therefore important to deliver a return that exceeds the interest rate guarantee associated with the products. Storebrand has therefore adjusted its assets by building a robust portfolio with bonds at amortised cost to achieve the guaranteed interest rate. The performance of the property and equity markets is also considered a significant risk factor that affects the Group's results.

FINANCIAL PERFORMANCE

Storebrand is the market leader for the sale of pension solutions to Norwegian businesses. Defined contribution plans are the dominant solution for pension savings in Norway. The market for defined contribution pensions is growing and an increasing number of companies are choosing to increase pension savings for their employees. Storebrand also has a strong challenger role for the sale of pension solutions to Swedish businesses. Continued growth is expected in the Savings segment. Asset management is an important business area in this segment that contributes to growth.

Many businesses are choosing to convert existing defined benefit schemes to defined contribution schemes, which entails the issuance of paid-up policies that reduce the Group's earnings. Some of the companies choose to continue the defined benefit schemes for older employees, and the discontinuation of these schemes will therefore take place gradually over a longer period of time. The Guaranteed Pensions segment is in a long-term discontinuation process.

The loyalty programme for employees of companies who have a pension scheme with Storebrand contributes to growth in banking products and P&C insurance. Sales and advisory services for retail customers who are saving for a pension with Storebrand will be an important area of focus in the future. This contributes to expected growth within the Savings and Insurance segment.

The cost performance must be adapted to the earnings performance, and a target has been set that combined nominal costs shall be lower in 2018 compared with the level at the end of 2015. Storebrand will still make selected investments in growth. The partnership with Cognizant is expected to provide lower costs for the Group in the coming years. Cognizant will also contribute innovation and digital development that will provide better and more efficient customer service. There is margin pressure within the segments Savings and Insurance. Cost reductions and adaptations in the business will therefore establish a good foundation for profitable growth in the future.

Lysaker, 26 April 2016

Board of directors Storebrand Livsforsikring AS

Storebrand Livsforsikring Group

Statement of Comprehensive income

NOK million	01.01-31.03		Year
	2016	2015	2015
Technical account:			
Gross premiums written	7,617	7,357	22,770
Reinsurance premiums ceded	-41	-23	-107
Premium reserves transferred from other companies	451	670	1,835
Premiums for own account	8,027	8,004	24,497
Income from investments in subsidiaries, associated companies and joint-controlled companies	37	22	121
Interest income and dividends etc. from financial assets	1,853	1,789	7,138
Net operating income from real estate	246	238	829
Changes in investment value	1,839	1,580	-4,500
Realised gains and losses on investments	1,259	1,931	4,762
Total net income from investments in the collective portfolio	5,234	5,560	8,349
Income from investments in subsidiaries, associated companies and joint-controlled companies	4	2	13
Interest income and dividends etc. from financial assets	-5	-43	216
Net operating income from real estate	20	18	70
Changes in investment value	-3,320	8,179	732
Realised gains and losses on investments	341	364	3,462
Total net income from investments in the investment selection portfolio	-2,960	8,520	4,493
Other insurance related income	499	443	1,694
Gross claims paid	-4,478	-4,642	-17,693
Claims paid - reinsurance	2	3	29
Gross change in claims reserve	-316	-131	-140
Premium reserves etc. transferred to other companies	-2,997	-4,157	-6,698
Claims for own account	-7,788	-8,927	-24,502
To (from) premium reserve, gross	-3,789	1,299	451
To/from additional statutory reserves	187	211	-358
Change in value adjustment fund	-193	-41	1,295
Change in premium fund, deposit fund and the pension surplus fund	-3	-3	-9
To/from technical reserves for non-life insurance business	-29	-39	-40
Change in conditional bonus	2,249	-1,033	3,050
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds		-25	-57
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	-1,579	369	4,332
Change in premium reserve	511	-12,214	-16,011
Change in other provisions		443	
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	511	-11,771	-16,011
Profit on investment result			-329
Risk result allocated to insurance contracts			-53
Other allocation of profit	1		-6
Unallocated profit	-964	-1,100	
Funds allocated to insurance contracts	-964	-1,101	-388
Management expenses	-97	-93	-388
Selling expenses	-196	-179	-808
Change in pre-paid direct selling expenses	-10	-2	-1

Continue next page

Storebrand Livsforsikring Group

Statement of Comprehensive income continue

NOK million	01.01 - 31.03		Year
	2016	2015	2015
Insurance-related administration expenses (incl. commissions for reinsurance received)	-348	-390	-1,523
Insurance-related operating expenses	-651	-664	-2,720
Other insurance related expenses	-97	-118	-416
Technical insurance profit	231	315	-672
Non-technical account			
Income from investments in subsidiaries, associated companies and joint-controlled companies	5	5	77
Interest income and dividends etc. from financial assets	78	80	261
Net operating income from real estate	-3	21	225
Changes in investment value	58	20	-106
Realised gains and losses on investments	-10	22	99
Net income from investments in company portfolio	128	147	556
Other income	144	100	381
Management expenses	-7	-6	-22
Other costs	-303	-284	-1,049
Management expenses and other costs linked to the company portfolio	-310	-291	-1,072
Profit or loss on non-technical account	-38	-43	-134
Profit before tax	194	272	-806
Tax costs	-70	-66	1,967
Profit before other comprehensive income	123	206	1,161
Change in actuarial assumptions	-7	-6	-126
Change in value adjustment reserve own buildings	22	-39	180
Profit/loss cash flow hedging	-9	-19	27
Adjustment of insurance liabilities	-22	39	-180
Tax on other profit elements not to be classified to profit/loss		5	32
Total other profit elements not to be classified to profit/loss	-16	-20	-67
Translation differences	-238	-227	750
Total other profit elements that may be classified to profit /loss	-238	-227	750
Total other profit elements	-255	-246	683
TOTAL COMPREHENSIVE INCOME	-131	-40	1,844
Profit is attributable to:			
Minority share of profit	117	191	964
Majority share of profit	6	15	197
Comprehensive income is attributable to:			
Minority share of profit	-136	-52	1,640
Majority share of profit	5	12	204

Storebrand Livsforsikring Group

Statement of financial position

NOK million	31.03.2016	31.03.2015	31.12.2015
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Goodwill	814	747	837
Other intangible assets	4,363	4,350	4,602
Total intangible assets	5,177	5,097	5,439
Real estate at fair value	51	645	335
Real estate for own use		68	
Equities and units in subsidiaries, associated companies and joint-controlled companies	251	301	255
Lendings	1	2	2
Bonds at amortised cost	2,686	1,797	2,674
Equities and other units at fair value	78	101	87
Bonds and other fixed-income securities at fair value	19,903	22,464	22,604
Derivatives at fair value	1,206	882	1,264
Other financial assets	2,749	523	294
Total investments	26,926	26,784	27,513
Reinsurance share of insurance obligations	113	283	112
Receivables in connection with direct business transactions	1,174	1,163	2,596
Receivables in connection with reinsurance transactions	8	8	11
Receivables with group company	64	67	64
Other receivables	4,789	1,231	1,822
Total receivables	6,035	2,469	4,494
Tangible fixed assets	457	390	462
Cash, bank	2,951	2,293	2,117
Tax assets	474		551
Other assets designated according to type	782	683	789
Total other assets	4,665	3,366	3,919
Pre-paid direct selling expenses	535	495	557
Other pre-paid costs and income earned and not received	138	286	106
Total pre-paid costs and income earned and not received	673	781	663
Total assets in company portfolio	43,589	38,781	42,139
Assets in customer portfolios			
Real estate at fair value	19,963	19,533	22,035
Real estate for own use	2,706	2,416	2,732
Equities and units in subsidiaries, associated companies and joint-controlled companies	1,633	1,007	1,320
Loans to and securities issued by subsidiaries, associated companies	40	11	41
Bonds held to maturity	15,894	15,186	15,648
Bonds at amortised cost	71,746	61,667	73,434
Lendings	7,634	3,400	6,017
Equities and other units at fair value	18,150	29,500	22,737
Bonds and other fixed-income securities at fair value	138,274	142,619	135,733
Financial derivatives at fair value	4,678	4,985	2,978
Other financial assets	7,907	5,147	3,900
Total investments in collective portfolio	288,624	285,471	286,575

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Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	31.03.2016	31.03.2015	31.12.2015
Real estate at fair value	1,986	1,602	2,045
Real estate for own use	173	123	156
Equities and units in subsidiaries, associated companies and joint-controlled companies	181	93	146
Equities and other units at fair value	96,718	92,410	101,739
Bonds and other fixed-income securities at fair value	26,741	23,450	25,920
Financial derivatives at fair value	557	52	9
Other financial assets	395	356	264
Total investments in investment selection portfolio	126,751	118,086	130,279
Total assets in customer portfolio	415,375	403,558	416,854
TOTAL ASSETS	458,964	442,338	458,994
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	137	835	142
Other earned equity	9,593	7,376	9,724
Minority's share of equity	127	425	576
Total earned equity	9,857	8,637	10,442
Perpetual subordinated loan capital	2,808	4,011	2,829
Dated subordinated loan capital	3,207	2,440	3,158
Hybrid tier 1 capital	1,503	1,503	1,503
Total subordinated loan capital and hybrid tier 1 capital	7,519	7,953	7,489
Premium reserves	265,233	253,512	264,937
Additional statutory reserves	5,090	4,881	5,160
Market value adjustment reserve	4,713	5,856	4,520
Claims allocation	1,484	1,145	1,168
Premium fund, deposit fund and the pension surplus fund	2,528	2,565	2,713
Conditional bonus	7,034	11,787	9,336
Unallocated profit to insurance contracts	964	1,509	
Other technical reserve	685	664	655
Total insurance obligations in life insurance - contractual obligations	287,732	281,918	288,488
Premium reserve	126,950	117,753	129,741
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	126,951	117,754	129,742
Pension liabilities etc.	216	285	217
Deffered tax	192	1,700	200
Other provisions for liabilities	1	67	76
Total provisions for liabilities	409	2,052	493

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Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	31.03.2016	31.03.2015	31.12.2015
Liabilities in connection with direct insurance	1,159	1,557	1,356
Liabilities in connection with reinsurance	16	36	29
Financial derivatives	844	2,310	3,020
Liabilities to group companies	17	6	38
Other liabilities	10,654	6,218	4,041
Total liabilities	12,690	10,127	8,484
Other accrued expenses and received, unearned income	556	647	605
Total accrued expenses and received, unearned income	556	647	605
TOTAL EQUITY AND LIABILITIES	458,964	442,338	458,994

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		
Equity at 31.12.2014	3,540	9,711	13,251	829	7,432	421	21,933
Profit for the period				7	184	15	206
Total other profit elements					-243	-3	-246
Total comprehensive income for the period				7	-59	12	-40
Equity transactions with owner:							
Group contributions						-9	-9
Other					2		2
Equity at 31.03.2015	3,540	9,711	13,251	836	7,376	425	21,887
Profit for the period				-686	1,651	197	1,161
Total other profit elements					676	7	683
Total comprehensive income for the period				-686	2,326	204	1,844
Equity transactions with owner:							
Group contributions					-19	-25	-44
Derecognition minority						-25	-25
Other					-16		-16
Equity at 31.12.2015	3,540	9,711	13,251	142	9,724	576	23,693
Profit for the period				-5	122	6	123
Total other profit elements					-253	-2	-255
Total comprehensive income for the period				-5	-131	5	-131
Equity transactions with owner:							
Derecognition minority						-453	-453
Equity at 31.03.2016	3,540	9,711	13,251	137	9,593	127	23,108

Storebrand Livsforsikring

Statement of cash flow 1. January - 31. March

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2015	2016	NOK million	2015	2016
Cash flow from operational activities				
10,001	8,989	Net received - direct insurance	7,123	7,630
-5,824	-5,099	Net claims/benefits paid - direct insurance	-3,025	-3,210
-3,487	-2,546.5	Net receipts/payments - policy transfers	-2,149	-3,211
-664	-651	Net receipts/payments operations	-349	-363
1,726	3,115	Net receipts/payments - other operational activities	6,809	1,048
1,752	3,807	Net cash flow from operational activities before financial assets	8,409	1,893
1,280	-1,616	Net receipts/payments - lendings to customers	-1,616	1,280
-4,150	2,965	Net receipts/payments - financial assets	-1,476	-3,823
614	2,686	Net receipts/payments - real estate activities		
-2,095	-4,137	Net change bank deposits insurance customers	-2,060	-1,334
-4,352	-102	Net cash flow from operational activities from financial assets	-5,152	-3,877
-2,600	3,705	Net cash flow from operational activities	3,257	-1,984
Cash flow from investment activities				
	-344	Net payments - purchase/capitalisation associated companies		
-12	-31	Net receipts/payments - sale/purchase of fixed assets	-43	-12
-21	-375	Net cash flow from investment activities	-43	-12
Cash flow from financing activities				
997		Payment of subordinated loan capital		997
-116		Repayment of subordinated loan capital		-116
-221	-41	Payments - interest on subordinated loan capital	-41	-221
-9		Payment of dividend		
652	-41	Net cash flow from financing activities	-41	660
-1,969	3,289	Net cash flow for the period	3,174	-1,336
2,383	3,391	of which net cash flow for the period before financial assets	8,325	2,541
-1,969	3,289	Net movement in cash and cash equivalent assets	3,174	-1,336
4,785	2,411	Cash and cash equivalent assets at start of the period	1,234	2,336
2,816	5,700	Cash and cash equivalent assets at the end of the period	4,408	1,000

Storebrand Livsforsikring AS

Statement of Comprehensive income

NOK million	01.01 - 31.03		Year
	2016	2015	2015
Technical account:			
Gross premiums written	5,779	5,612	16,235
Reinsurance premiums ceded	-5	-5	-26
Premium reserves transferred from other companies	293	468	1,155
Premiums for own account	6,066	6,074	17,364
Income from investments in subsidiaries, associated companies and joint-controlled companies	495	355	2,157
of which from investment in real estate companies	484	384	2,105
Interest income and dividends etc. from financial assets	1,209	1,219	4,945
Changes in investment value	221	86	-1,201
Realised gains and losses on investments	647	874	1,768
Total net income from investments in the collective portfolio	2,571	2,534	7,669
Income from investments in subsidiaries, associated companies and joint-controlled companies	54	36	223
of which from investment in real estate companies	54	36	223
Interest income and dividends etc. from financial assets	-7	-43	203
Changes in investment value	-1,069	1,394	-2,075
Realised gains and losses on investments	346	368	3,315
Total net income from investments in the investment selection portfolio	-676	1,755	1,666
Other insurance related income	111	89	388
Gross claims paid	-2,526	-2,456	-9,432
Claims paid - reinsurance	2	4	17
Gross change in claims reserve	-319	-134	-144
Premium reserves etc. transferred to other companies	-2,442	-3,678	-4,776
Claims for own account	-5,284	-6,263	-14,335
To (from) premium reserve, gross	278	2,312	-24
To/from additional statutory reserves	187	45	-358
Change in value adjustment fund	-193	-41	1,295
Change in premium fund, deposit fund and the pension surplus fund	-3	-3	-9
To/from technical reserves for non-life insurance business	-29	-39	-40
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds		-25	-57
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	240	2,249	806
Change in premium reserve	-1,400	-4,898	-12,056
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	-1,400	-4,898	-12,056
Profit on investment result			-329
Risk result allocated to insurance contracts			-53
Unallocated profit	-964	-1,100	
Funds allocated to insurance contracts	-964	-1,100	-382
Management expenses	-41	-36	-152
Selling expenses	-79	-83	-361
Insurance-related administration expenses (incl. commissions for reinsurance received)	-229	-245	-974
Insurance-related operating expenses	-349	-363	-1,488
Other insurance related expenses after reinsurance share	-84	-103	-354
Technical insurance profit	231	-27	-723
Non-technical account			
Income from investments in subsidiaries, associated companies and joint-controlled companies	-201	81	1,306
of which from investment in real estate companies		20	105

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Storebrand Livsforsikring AS

Statement of Comprehensive income continue

NOK million	01.01 - 31.03		Year
	2016	2015	2015
Interest income and dividends etc. from financial assets	76	151	522
Changes in investment value	49	-8	-116
Realised gains and losses on investments	201	21	-297
Net income from investments in company portfolio	125	244	1,415
Other income	7	6	32
Management expenses	-4	-3	-13
Other costs	-64	-102	-337
Total management expenses and other costs linked to the company portfolio	-68	-105	-350
Profit or loss on non-technical account	65	145	1,098
Profit before tax	295	118	374
Tax costs	-74	-17	1,814
Profit before other comprehensive income	221	101	2,189
Change in actuarial assumptions			-145
Profit/loss cash flow hedging	-9	-19	27
Tax on other profit elements not to be classified to profit/loss		6	34
Total other profit elements not to be classified to profit/loss	-9	-13	-84
Tax on other profit elements not to be classified to profit/loss		6	34
Total other profit elements not to be classified to profit/loss	-9	-13	-84
Total other profit elements	-9	-16	-91
TOTAL COMPREHENSIVE INCOME	212	85	2,098

Storebrand Livsforsikring AS

Statement of financial position

NOK million	31.03.2016	31.03.2015	31.12.2015
Assets			
Assets in company portfolio			
Other intangible assets	184	174	201
Total intangible assets	184	174	201
Equities and units in subsidiaries, associated companies and joint-controlled companies	13,895	10,213	16,232
of which investment in real estate companies		1,033	
Loans to and securities issued by subsidiaries, associated companies		6,651	
Lendings	1	2	2
Bonds at amortised cost	2,686	1,797	2,674
Equities and other units at fair value	63	62	64
Bonds and other fixed-income securities at fair value	10,063	9,512	9,787
Derivatives at fair value	1,206	880	1,264
Other financial assets	2,747	452	246
Total investments	30,662	29,568	30,268
Reinsurance share of insurance obligations	113	122	112
Receivables in connection with direct business transactions	975	915	2,469
Receivables in connection with reinsurance transactions	8	5	11
Receivables with group company	64	28	66
Other receivables	2,711	343	129
Total receivables	3,757	1,292	2,677
Tangible fixed assets	13	17	14
Cash, bank	1,661	548	988
Tax assets	286		360
Total other assets	1,961	565	1,363
Other pre-paid costs and income earned and not received	35	41	12
Total pre-paid costs and income earned and not received	35	41	12
Total assets in company portfolio	36,712	31,763	34,632
Assets in customer portfolios			
Equities and units in subsidiaries, associated companies and joint-controlled companies	22,714	20,395	22,149
of which investment in real estate companies	21,352	19,700	21,352
Bonds held to maturity	15,894	15,186	15,648
Bonds at amortised cost	71,746	61,667	73,434
Lendings	7,634	3,400	6,017
Equities and other units at fair value	9,966	16,560	12,226
Bonds and other fixed-income securities at fair value	51,569	61,778	48,114
Financial derivatives at fair value	870	298	225
Other financial assets	4,060	2,491	2,002
Total investments in collective portfolio	184,452	181,774	179,815
Equities and units in subsidiaries, associated companies and joint-controlled companies	2,708	1,903	2,424
of which investment in real estate companies	2,424	1,903	2,424
Equities and other units at fair value	31,439	27,065	32,041
Bonds and other fixed-income securities at fair value	20,364	17,807	19,747
Financial derivatives at fair value	557	52	9
Other financial assets	181	238	179
Total investments in investment selection portfolio	55,249	47,066	54,400
Total assets in customer portfolios	239,701	228,840	234,215
TOTAL ASSETS	276,413	260,604	268,846

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Storebrand Livsforsikring AS

Statement of financial position continue

NOK million	31.03.2016	31.03.2015	31.12.2015
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	137	835	142
Other earned equity	10,062	7,139	9,845
Total earned equity	10,199	7,974	9,987
Perpetual subordinated loan capital	2,096	3,360	2,096
Dated subordinated loan capital	3,207	2,440	3,158
Hybrid tier 1 capital	1,503	1,503	1,503
Total subordinated loan capital and hybrid tier 1 capital	6,807	7,302	6,756
Premium reserves	165,504	163,160	165,921
Additional statutory reserves	5,090	5,048	5,160
Market value adjustment reserve	4,713	5,856	4,520
Claims allocation	1,357	1,028	1,038
Premium fund, deposit fund and the pension surplus fund	2,528	2,565	2,713
Unallocated profit to insurance contracts	964	1,100	
Other technical reserve	685	664	655
Total insurance obligations in life insurance - contractual obligations	180,841	179,421	180,006
Premium reserves	55,292	46,785	53,894
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	55,293	46,786	53,894
Pension liabilities etc.	196	174	196
Deferred tax		1,499	
Other provisions for liabilities			76
Total provisions for liabilities	196	1,673	271
Liabilities in connection with direct insurance	820	969	935
Liabilities in connection with reinsurance		3	
Financial derivatives	148	1,150	1,797
Liabilities to group companies	1,713	9	50
Other liabilities	6,919	1,859	1,647
Total liabilities	9,600	3,990	4,429
Other accrued expenses and received, unearned income	227	207	251
Total accrued expenses and received, unearned income	227	207	251
TOTAL EQUITY AND LIABILITIES	276,413	260,604	268,846

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 ²⁾	Total equity
Equity at 31.12.2014	3,540	9,711	13,251	828	7,061	21,140
Profit for the period				7	94	94
Total other profit elements					-16	-16
Total comprehensive income for the period				7	78	85
Equity at 31.03.2015	3,540	9,711	13,251	835	7,139	21,225
Profit for the period				-686	2,875	2,189
Total other profit elements					-91	-91
Total comprehensive income for the period				-686	2,785	2,098
Equity transactions with owner:						
Other					-1	-1
Equity at 31.12.2015	3,540	9,711	13,251	142	9,845	23,238
Profit for the period				-5	226	221
Total other profit elements					-9	-9
Total comprehensive income for the period				-5	217	212
Equity at 31.03.2016	3,540	9,711	13,251	137	10,062	23,450

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

²⁾ Changed accounting principles, see note 1.

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 2015 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 2016 that have caused significant effects on Storebrand's interim financial statements.

Storebrand Livsforsikring AS

With the exception of the handling of security reserves, the financial statements have been prepared in accordance with the accounting principles that were used in the annual financial statements for 2015. The new Annual Financial Statement Regulations that entered into force on 1 January 2016 entail that provisions for security reserves shall no longer be made in the company's financial statements. The change is handled as a change in accounting principle and security reserves are now included as equity in the company. Provisions are made for related deferred tax. Comparable figures have been restated.

COMPREHENSIVE INCOME

Storebrand Livsforsikring AS

NOK million	01.01.2015			Year 2015		
	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures
To/from technical reserves for non-life insurance business	-10	10		-4	4	
Profit before tax	109	10	118	371	4	374
Tax costs	-15	-2	-17	1,815	-1	1,814
Profit before other comprehensive income	94	7	101	2,186	3	2,189

STATEMENT OF FINANCIAL POSITION

Storebrand Livsforsikring AS

NOK million	01.01.2015			31.03.2015			31.12.2015		
	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures
Tax assets	88	-48	40				400	-48	351
Reinsurance share of insurance obligations	19	-19		19	-19		18	-18	
Total assets	257,537	-67	257,470	260,623	-19	260,604	268,903	-66	268,837
Egenkapital og gjeld									
Other earned equity	6,946	106	7,051	386	213	599	386	109	495
Total earned equity	7,774	106	7,880	422	213	635	422	109	531
Other technical reserve	173	-173		182	-182		175	-175	
Total insurance obligations in life insurance - contractual obligations	181,048	-173	180,875	179,603	-182	179,421	1,094	-175	920
Deferred tax				1,458	-50				
Total provisions for liabilities				1,632	-50				
Total equity and liabilities	257,537	-67	257,470	260,623	-19	260,604	268,903	-66	268,837

Note 02 | Estimates

In preparing the Group's financial statements the management are required to make estimates, judgements 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

A description of the most critical estimates and judgements that can affect recognised amounts appears in the 2015 annual financial statements in note 2, strengthening longevity reserves 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 and interim financial statements note 9 solvency II.

Note 03 | Segments – result by business area

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

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. 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.

RESULT BY BUSINESS AREA

NOK million	01.01 - 31.03		
	2016	2015	Year 2015
Savings	111	85	395
Insurance	71	148	379
Guaranteed pension	15	236	329
Other	99	52	241
Profit before amortisation and provision longevity	297	521	1,344
Provision longevity	0	-154	-1,764
Profit before amortisation	297	366	-420
Amortisation intangible assets	-103	-94	-386
Profit before tax	194	272	-806

SEGMENT INFORMATION AS AT 31.03

NOK million	Savings		Insurance		Guaranteed pension	
	2016	2015	2016	2015	2016	2015
Fee and administration income	355	343			404	432
Risk result life & pensions	-2	-4			4	16
Insurance premiums f.o.a.			687	645		
Claims f.o.a.			-540	-471		
Operational cost	-242	-255	-107	-96	-271	-277
Financial result			31	70		
Profit before profit sharing	111	84	71	148	137	171
Net profit sharing					-122	64
Profit before amortisation and provision longevity	111	85	71	148	15	236
Provision longevity						-154
Profit before amortisation	111	85	71	148	15	81
Amortisation of intangible assets						
Profit before tax	111	85	71	148	15	81

NOK million	Other		Storebrand Livsforsikring Group	
	2016	2015	2016	2015
Fee and administration income	22	36	781	811
Risk result life & pensions	22	-4	24	9
Insurance premiums f.o.a.			687	645
Claims f.o.a.			-540	-471
Operational cost	-14	-16	-634	-645
Financial result	70	39	101	109
Profit before profit sharing	99	54	419	458
Net profit sharing		-2	-122	63
Profit before amortisation and provision longevity	99	52	297	521
Provision longevity				-154
Profit before amortisation	99	52	297	366
Amortisation of intangible assets			-103	-94
Profit before tax	99	52	194	272

RESTATEMENT OF COMPARATIVE FIGURES

NOK million	Q1 2015		
	Reported figures	Change in segment	Revised figures
Savings	81	4	85
Insurance	148		148
Guaranteed pension	236		236
Other	56	-4	52
Profit before amortisation and provision longevity	521	0	521
Provision longevity	-154		-154
Profit before amortisation	366	0	366
Amortisation intangible assets	-94		-94
Profit before tax	272	0	272

Note 04 | Financial market risk and insurance risk

Risks are described in the annual report for 20154 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Lending and counterparty risk), note 11 (Credit exposure), note 12 (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 turbulent during the first quarter. In mid-February, most equity markets were down more than 10 per cent, however much of this fall was later reversed such that the global index fell 2 per cent in the first quarter. The credit market has experienced a similar trend with an increase and then subsequent decrease in credit spreads. Interest rates have fallen during the first quarter. The 10-year interest swap rate has fallen approximately 0.5 per cent in both Norway and Sweden. Short-term interest rates have also fallen, driven by new interest rate cuts by the central banks. Both the Norwegian and Swedish central bank rates were lowered to record-low levels during the first quarter and are currently at 0.5 per cent and minus 0.5 per cent, respectively.

The interest rate sensitivity (duration) of the investments has increased somewhat during the first quarter in both Norway and Sweden. Other than this, there have been minor changes in investment allocations.

For guaranteed portfolios in Norway, the return was positive in the first quarter, and adequate in relation to what has been used as the basis for the plan for the strengthening of reserves. Customer buffers (market value adjustment reserves, additional reserves) have also been strengthened somewhat. Lower interest rates have resulted in an increase in the excess value of bonds that are assessed at amortised cost. Guaranteed portfolios in Sweden have also had positive returns, but lower interest rates have resulted in the increased value of the liabilities being greater than the increased value of assets. This has given a negative financial result and a reduction in customer buffers (conditional bonus).

Insurance risk is the risk of higher than expected payments and/or unfavourable changes in the value of an insurance liability due to the actual development differing from what was expected when premiums or provisions were calculated. Most of the Group's insurance risk is related to life insurance. Longevity is the greatest risk, since longer life expectancy entails that guaranteed benefits must be paid for a longer period of time. There is also risk related to disability and death. Insurance risk remains largely unchanged throughout the first quarter.

Note 05 | Liquidity 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	1,503
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	999
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,097
SPP Livsforsikring AB	700	SEK	Variable	2019	712
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,207
Total subordinated loan capital and hybrid tier 1 capital 31.03.2016					7,519
Total subordinated loan capital and hybrid tier 1 capital 31.12.2015					7,489

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 13 in the financial statements for 2015.

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 31.03.16	Fair value 31.12.15	Book value 31.03.16	Book value 31.12.15
Financial assets				
Lending to customers	7,630	6,016	7,635	6,019
Bonds held to maturity	18,036	17,578	15,693	15,648
Bonds classified as loans and receivables	84,295	84,758	74,634	76,107
Financial liabilities				
Subordinated loan capital	7,453	7,432	7,519	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 31.03.2016	Total 31.12.2015
Assets					
Equities and units					
- Equities	15,434	551	1,229	17,214	20,651
- Fund units	254	88,970	8,181	97,404	103,550
- Real estate fund			329	329	362
Total equities and units	15,687	89,521	9,739	114,947	
Total equities and units 31.12.15	17,890	94,444	12,228		124,563
Bonds and other fixed income securities					
- Government and government guaranteed bonds	31,190	21,698		52,888	50,121
- Credit bonds	29	24,374	291	24,694	25,784
- Mortgage and asset backed bonds		44,425		44,425	44,415
- Supranational and agency	44	4,506		4,550	5,501
- Bond funds	813	57,547		58,360	58,437
Total bonds and other fixed income securities	32,076	152,550	291	184,917	
Total bonds and other fixed income securities 31.12.15					184,257
Derivatives:					
- Interest rate derivatives		4,422		4,422	1,775
- Currency derivatives		1,175		1,175	-544
Total derivatives		5,597		5,597	
- derivatives with a positive market value		6,441		6,441	
- derivatives with a negative market value		-844		-844	
Total derivatives 31.12.15		1,232			
Real estate:					
- real estate at fair value			22,000	22,000	24,415
- real estate for own use			2,878	2,878	2,887
Total real estate			24,879	24,879	
Total real estate 31.12.15			27,302		27,302

There is no significant movement between level 1 and level 2 in this quarter.

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	-103	-626	-20	-14	9	2
Supply/disposal	-187	167			156	8
Sales/overdue/settlement	-929	-684	-13	-49	-2,863	
To quoted prices and observable assumptions		-2				
Translation differences	-15	-73		-8	-114	-38
Other					396	18
Book value 31.03.16	1,180	8,141	919	269	24,002	2,574

SENSITIVITY ASSESSMENTS

Sensitivity assessments of investments on level 3 are described in note 13 in the 2015 annual financial statements. There is no significant change in sensitivity in this quarter.

STOREBRAND LIVSFORSIKRING AS

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 31.03.2016	Total 31.12.2015
Assets					
Equities and units					
- Equities	11,673	124	750	12,547	14,114
- Fund units		22,551	6,040	28,591	29,855
- Real estate fund			329	329	362
Total equities and units	11,673	22,676	7,118	41,467	
Total equities and units 31.12.15		26,236	9,742		44,330
Bonds and other fixed income securities					
- Government and government guaranteed bonds	16,964			16,964	13,215
- Credit bonds		8,364	57	8,421	8,908
- Mortgage and asset backed bonds		10,633		10,633	10,623
- Supranational and agency		483		483	511
- Bond funds		45,495		45,495	44,390
Total bonds and other fixed income securities	16,964	64,976	57	81,996	
Total bonds and other fixed income securities 31.12.15					77,647
Derivatives:					
- Interest rate derivatives		1,473		1,473	178
- Currency derivatives		1,012		1,012	-476
Total derivatives		2,485		2,485	
- derivatives with a positive market value		2,633		2,633	
- derivatives with a negative market value		-148		-148	
Total derivatives 31.12.15		-298			-298

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real	
			estate fund	Credit bonds
Book value 01.01	1,780	6,822	362	80
Net profit/loss	-102	-584	-20	-9
Supply/disposal		123		
Sales/overdue/settlement	-928	-321	-13	-14
Book value 31.03.16	750	6,040	329	57

Note 07

Tax

The tax expenses have been estimated based upon an expected effective tax rate per legal entity for the year of 2016. 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 08

Contigent liabilities

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Uncalled residual liabilities concerning Limited Partnership	3,621	3,922	2,863	3,145
Total contingent liabilities	3,621	3,922	2,863	3,145

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

Note 09

Solvency II

Storebrand Livsforsikring is an insurance company with capital requirements in accordance with Solvency II.

Solvency II entered into force on 1 January 2016. In accordance with the Solvency II regulations, the first complete Solvency II annual report for 2016 will be reported to the financial markets in the first 6 months of 2017.

The calculations below are for Storebrand Livsforsikring AS, when Storebrand Livsforsikring Group is no longer required to report solvency. The requirement on consolidated level only applies Storebrand Group.

The solvency capital requirement and minimum capital requirement are calculated in accordance with Section 8 and 22 of the Solvency II Regulations using the standard method and include the effect of the transitional arrangement for shares pursuant to Section 58 of the Solvency II Regulations.

The models used as a basis for the calculation of capital requirements and solvency capital are based on a number of requirements and assumptions that are partly specified in the regulations and partly interpreted by Storebrand based on the regulations. The most important assumptions and estimates in the calculation relate to the risk-reducing capacity of deferred tax, future margins and reserve developments, as well as modelling of future developments in the financial markets. The assumptions and estimates are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statement were prepared. Changes to the regulations, methods and interpretations may be made that could affect the Solvency II margin in the future.

The solvency capital largely appears as net assets in the Solvency II balance sheet with the addition of eligible subordinated loans and deducted for own shares and ineligible minority interests. The solvency capital is therefore significantly different to book equity in the financial statements. Technical insurance reserves are calculated in accordance with the standard method and include the effect of the transitional arrangement pursuant to Section 56 (1) - (6) of the Solvency II Regulations. The transitional arrangement entails that the increase in the value of the technical insurance reserves is phased in gradually over a period of 16 years. The composition of solvency capital appears in the table below.

The solvency capital is divided into three capital groups in accordance with Section 6 of the Solvency II Regulations. Group 1 capital consists of paid-in capital and reconciliation reserve¹⁾. It also includes perpetual subordinated loans (perpetual hybrid Tier 1 capital) with up to 20 per cent of Group 1 capital.

Other subordinated loans (time limited) and risk equalisation reserve are categorised as Group 2 capital. Group 2 capital can cover up to 50 per cent of the solvency capital requirement and up to 20 per cent of the minimum capital requirement. Eligible minority interests and deferred tax assets are categorised as Group 3 capital. Group 3 capital can cover up to 15 per cent of the solvency capital requirement. Group 3 capital cannot be used to cover the minimum capital requirement.

Subordinated loans issued prior to 17 January 2015 are covered by a transitional arrangement that will continue until 2026 and during this period these loans will qualify as Group 1 capital despite them not fully satisfying the requirements for viable capital in the Solvency II regulations.

SOLVENCY CAPITAL

NOK million	31.03.16				
	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3
Share capital	3,540	3,540			
Share premium	9,711	9,711			
Reconciliation reserve	22,461	22,461			
Of which effect of the transitional arrangement	14,725	14,725			
Subordinated loans	6,646		2,524	4,122	
Deferred tax assets	864				864
Risk equalisation reserve	137			137	
Total solvency capital	43,360	35,712	2,524	4,259	864
Total solvency capital available to cover minimum capital requirement	39,501	35,712	2,524	1,264	

¹⁾ Profit earned that is included as equity in the financial statements must be replaced by the reconciliation reserve in the solvency balance. The reconciliation reserve also includes profit earned, but based on the valuation of assets and liabilities in the solvency balance. The reconciliation reserve will also include the present value of future profits. The value of future profits is implicitly included as a consequence of the valuation of the insurance liability.

The capital requirement in Solvency II appears as the total of changes in solvency capital calculated under different types of stress, less diversification. The largest part of the capital requirement appears from financial market stress and particularly relates to changes in interest rates and falls in the equity markets, as well as increased credit spreads. There is also the insurance risk, for which the most important capital requirement comes from stress relating to the transfer of existing customers within defined contribution pensions. The solvency capital requirement appears in the table below.

SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK million	31.03.16
Market	20,921
Counterparty	389
Life	6,729
Health	612
P&C	-
Operational	971
Diversification	-4,821
Loss-absorbing tax effect	-4,652
Total solvency requirement	20,148
Solvency margin with transitional rules	215.2%
Minimum capital requirement	6,320
Minimum margin	625%

Note 10 | Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 24 and 46 in the 2015 annual report.

Storebrand Life Insurance has not carried out any material transactions other than normal business transactions with related parties at the close of the 1st quarter, other than Storebrand Livsforsikring AS having acquired mortgages from the sister company Storebrand Bank ASA. The mortgages were transferred on commercial terms. The portfolio of loans that was transferred in the 1st quarter of 2016 totalled NOK 1.4 billion.

Note 11 | Dividends Storebrand Holding AB

During the 1st quarter, Storebrand Livsforsikring AS received dividends from Storebrand Holding AB of SEK 2,080 million. The equity value of Storebrand Holding is correspondingly written down in the financial statements of Storebrand Livsforsikring AS. These items are presented on a net basis on the line for income from investments in subsidiaries.

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 31 March 2016, and the related statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this 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, 26 April 2016
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

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