Interim Report Storebrand Livsforsikring

3rd quarter 2011

storebrand

Interim report for Storebrand Livsforsikring Group 3rd quarter 2011

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 3Q result please refer to the Storebrand Group's interim report for the 3rd quarter 2011.

The official financial statements of the Storebrand Group are prepared in accordance with the International Financial Reporting Standards (IFRS), while the official consolidated financial statements of Storebrand Livsforsikring AS are prepared in accordance with the Annual Accounts Regulations for Insurance Companies.

The tables below summarises the information in the consolidated financial statements for Storebrand Livsforsikring AS based on IFRS principles.

OUTLOOK

The quarter was characterised by serious instability in the international capital markets. The uncertainty surrounding the debt situations in a number of Southern European countries and the political authorities' ability and possibility to manage this is producing large market fluctuations. The expected growth in Europe has been adjusted downwards and economic growth in the USA is also poor. Economic growth in Storebrand's home markets, Norway and Sweden, is expected to be good in the next few years, but will in the short-term be weakened to some extent due to the downturn internationally.

The interest rate on ten-year government bonds fell in 3Q. In the longer term this represents a challenging situation for an insurance company that has to cover an annual interest guarantee. At the same time, Storebrand believes there are still good investment opportunities in the market with expected returns that exceed the average interest guarantee of 3.5 per cent.

Economic growth provides a basis for continued growth in Storebrand's core markets. Wages growth in Norway is strong and expected to be around 4 per cent in 2011. The life and pensions market is expected to grow well overall in the next few years. The growth will be characterised by demand moving away from defined benefit- based pensions with an interest guarantee to defined contribution-based products without an interest guarantee. The growth in assets under management for defined benefits products is expected to be low while the growth in defined contribution pensions will be sustained.

The movement towards products in which financial performance is less influenced by short-term market fluctuations will gradually strengthen the quality of the Group's earnings. The instability that can be observed in the market will affect the short-term result development in Storebrand, but the financial targets remain firm.

Solvency II is a new common set of European regulations for insurance. Solvency II will result in new, risk-based capital requirements, comprehensive rules for risk management and internal control, and define the information that must be disclosed to the supervisory authorities and market. One important change is that insurance obligations will have to be valued at market value. According to the current timetable, the Solvency II regulations will be introduced from 2013, but some of the requirements may be postponed until 2014. Solvency II will result in a need to change risk limits and risk management methods, especially in Norway.

The Ministry of Finance has asked the Banking Law Commission to study the changes in business rules for life insurance due to Solvency II. Norwegian business rules are poorly suited to Solvency II, especially with regard to paid-up policies. The problem is reinforced of the historically low interest rate level. The Banking Law Commission is expected to submit a Norwegian Official Report that discusses the regulations for paid-up policies and capital requirements, and propose some legislative amendments around year-end 2011.

The life insurance industry in Norway is facing comprehensive regulatory changes because the rules for occupational pension schemes are about to be adapted to the pensions reform. The Banking Law Commission is working on new regulations for occupational pensions. The reports from this work are expected to be presented in the summer of 2012.

Storebrand is monitoring these processes closely and is maintaining an active dialogue with the authorities with the aim of establishing general conditions that preserve effective long-term management of customers' assets.

RISKS

Storebrand is exposed to several types of risk through its business areas. The development of interest rates and the real estate and equity markets are regarded as the most important risk factors that may affect the Group's result, in addition to trends in life expectancy and sickness benefits. The level of investment return is important with respect to being able to deliver a return that exceeds the interest guarantee in the products over time. Risk management is a prioritised core area in the Group. The risk management systems have proved to function well during periods of market instability. During the preceding last quarters Storebrand actively built up buffer capital in order to cope with the type of market instability that is currently being observed.

RESULT

Presentation of Storebrand Life Insurance and SPP is shown excluding internal transactions.

Result Storebrand Livsforsikring Group IFRS

	3Q		01.01 - 30.09		Year
NOK million	2011	2010	2011	2010	2010
Storebrand Life Insurance		257	289	469	730
Insurance	80	60	169	107	148
SPP	-203	304	357	250	463
Asset Management	35	36	75	75	90
Profit before amortisation	**-87**	**657**	**890**	**900**	**1,430**
Amortisation intangible assets	-89	-89	-272	-260	-351
Pre-tax profit/loss	**-176**	**568**	**618**	**640**	**1,079**
Tax	3	-5	59	-42	388
Profit/loss	**-174**	**563**	**677**	**598**	**1,467**

Discussed on the next pages results in respectively Storebrand Life Insurance, SPP and Insurance. Figures in brackets refer to the previous year.

Storebrand Life Insurance

- **The result was charged with longevity reservation of net NOK 127 million in the quarter**
- **The return in excess of guaranteed interest resulted in undistributed profits to customers of NOK 0.9 billion as per 3Q**
- **The risk result, price of the interest guarantee and profit risk provided a solid and stabilising contribution to the result**

The business area Storebrand Life Insurance[1)] offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals.

Result

Financial performance Storebrand Life Insurance

	3Q		01.01 - 30.09		Full year
NOK million	2011	2010	2011	2010	2010
Administration result	16	20	46	36	58
Risk result	47	20	71	141	131
Financial result[2)]	-172	91	-197	-81	34
Price of interest guarantee and profit risk	131	139	395	415	557
Other	-21	-14	-27	-43	-43
Pre-tax profit/loss	0	257	289	469	730

Administration result

Administration income was negatively affected by the fall in equity markets in 2Q and 3Q, which reduced the assets under management in defined contribution pensions. The implemented efficiency measures and focus on costs still contributed to an improvement in the administration results of NOK 10 million year-to-date.

Risk result

The risk result of NOK 47 million for the quarter represents an improvement compared to the two previous quarters. A total of NOK 52 million was set aside in the risk equalisation fund in 3Q. As per 3Q, NOK 146 million had been allocated.

Financial result

The quarter was characterised by great instability in the financial markets and falling equity markets in Norway and internationally. Long-term rates have fallen significantly, while the uncertainty associated with the financial markets has resulted in wider credit spreads. Lower interest rates have a positive effect on returns in the short-term as the value of bonds increases, while wider credit spreads have a negative effect on returns.

Return on investment portfolios with an interest guarantee

	3Q 2011		3Q 2010		01.01-30.09 2011		01.01-30.09 2010		Full year 2010	
Portolio	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return
Total Group (DB)	-1.5%	0.1%	2.7%	1.5%	1.1%	2.9%	4.2%	3.1%	6.4%	4.6%
Paid-up policies	-0.3%	0.8%	2.4%	1.6%	2.3%	3.2%	4.1%	3.2%	6.0%	4.9%
Individual	-1.0%	-0.3%	2.5%	1.6%	1.7%	2.1%	3.9%	3.4%	6.0%	6.0%

The booked return for all portfolios was sufficient to cover the average guaranteed interest, and provide undistributed profits for customers of NOK 0.9 billion year-to-date. The average annual interest guarantee in the various customer portfolios is between 3.3 per cent and 3.8 per cent.

There is a need to build up reserves for individual pension insurance and paid-up policies because of assumed lower mortality in the future. As per 3Q, NOK 231 million had been allocated: NOK 77 million was allocated in the quarter in line with plans. At the close of 3Q, the remaining reservation need was calculated to around NOK 300 million: around NOK 280 million for individual pension insurance and around NOK 20 million for paid-up policies. The plan is to complete the longevity reservation by the end of 2012. This build up of reserves can be covered by positive booked return. If the booked return for the individual portfolio is higher than 5.8 per cent, the reservation will take place at no direct cost to the owner. The longevity reservation for individual pension insurance and the reversal of previously calculated profit sharing of NOK 127 million in 3Q and NOK 133 million year-to-date led to a net result charge for the owner in the quarter.

Market return defined contribution pensions

	3Q		01.01 - 30.09		Full year
Profile	2011	2010	2011	2010	2010
Careful profile	-1.6%	3.5%	0.1%	4.2%	6.7%
Balanced profile	-7.3%	6.7%	-6.1%	4.5%	10.3%
Aggressive profile	-12.0%	9.9%	-11.9%	4.4%	13.4%

[1)] Includes the companies in the Storebrand Life Insurance Group, except Storebrand Eiendom Group, Storebrand Realinvesteringer AS and Storebrand Holding AB, and personal risk and employee cover in Storebrand Livsforsikring AS.
[2)] Investment result and profit sharing.

Profitability in the business is characterised by increased robustness despite the weak value adjusted return in the quarter due to the previous building up of buffer capital and good risk management.

Storebrand Life Insurance is normally funded by a combination of equity and subordinated loans. The proportion of subordinated loans is around 30 per cent and amounted to NOK 6.7 billion at the close of 3Q. The interest costs on subordinated loans will amount to around a net NOK 130 million per quarter for the next 12 months. The company portfolio experienced a gross return of 0.9 per cent in 3Q and 3.8 per cent year-to-date. The quarter's return was negatively affected by wider credit spreads in the banking sector. The net financial costs experienced a net result of minus NOK 57 million (NOK 20 million) in 3Q and minus NOK 79 million (minus NOK 29 million) year-to-date.

Price of interest rate guarantee and profit risk

NOK 131 million was recognised as income from upfront pricing of the interest rate guarantee and profit from risk for group defined benefit in 3Q. NOK 395 million has been recognised as income year-to-date, a reduction of NOK 20 million compared to the same period last year due to implemented and previously communicated price changes.

Balance sheet

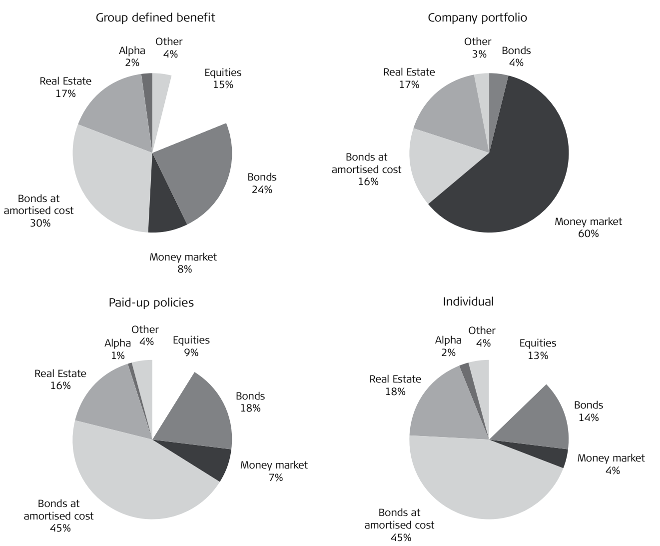
The proportion of equities in customer portfolios with guarantee has decreased in the quarter and year-to-date. This was paralleled by an increase in allocations to bonds at amortised cost.

Equity proportion customer portfolios with an interest guarantee

Portfolio	30.09.11	30.06.11	31.12.10
Aggressive profile	20%	26%	25%
Standard profile	15%	21%	18%
Careful profile	9%	10%	9%
Paid-up policies	9%	12%	11%
Individual	13%	18%	12%

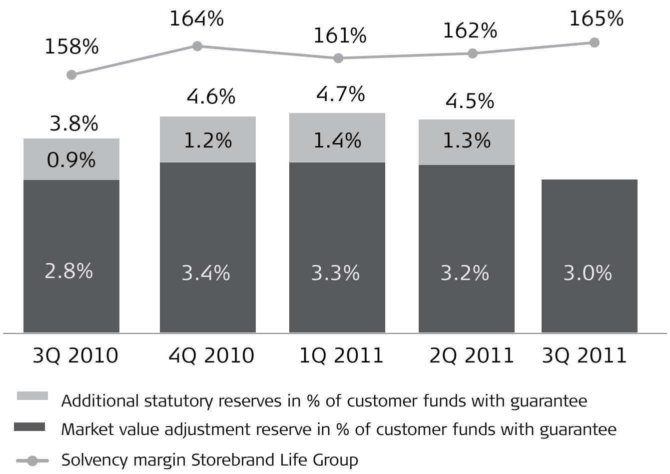
Allocations to bonds at amortised cost also increased in the company portfolio in the quarter and year-to-date. The money market portfolio was reduced correspondingly.

Asset profile



Because of the turbulence in the financial markets the assets under management in 3Q decreased by around NOK 3 billion to NOK 198 billion. Assets under management have increased by around NOK 2 billion year-to-date.

Solvency



The Storebrand Life Insurance Group's capital adequacy was 14.6 per cent at the close of 3Q, an increase of 1 percentage point in the quarter. The Storebrand Life Insurance Group had a solvency margin of 165 per cent, an increase of 3 percentage points in the quarter.

The increase in the solvency margin was due to permission from Finanstilsynet to change the treatment of investments in real estate with an ownership interest of between 10 and 15 per cent. The change applies from 3Q 2011. This change involved an improvement of 5 percentage points in the solvency margin for Storebrand Life Insurance Group as at the close of the quarter.

Additional statutory reserves amounted to NOK 4.8 billion at the close of 3Q, a decrease of NOK 0.3 billion in 3Q and NOK 0.6 billion year-to-date. In 3Q and the year-to-date a withdrawal from additional statutory reserves of NOK 0.4 billion to cover the interest guarantee for customers has been calculated. The market value adjustment reserve was reduced by NOK 2.2 billion in 3Q and amounted to NOK 0 million at the close of 3Q. Because of the fall in interest rates, the excess value on bonds at amortised cost grew by NOK 1.6 billion in 3Q and year-to-date. The excess value on bonds at amortised cost amounted to NOK 2.4 billion at the close of 3Q, and has not been included in the financial statements. Solidity capital[1)] decreased by NOK 4.2 billion in 3Q due to reduced customer buffers and amounted to NOK 40.3 billion at the close of 3Q. Solidity capital has decreased by NOK 2.4 billion year-to-date.

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

Market

Premium income[1)]

NOK million	3Q 2011	3Q 2010	01.01 - 30.09 2011	01.01 - 30.09 2010	Full year 2010
DB (fee based)	2,076	1,820	7,661	7,092	8,154
DC (unit linked based)	987	788	2,865	2,633	3,409
Total occupational pension	3,063	2,608	10,527	9,725	11,563
Paid-up policies	18	20	101	78	98
Traditional individual life and pensions	126	135	444	604	761
Unit linked (retail)	179	218	756	1,441	1,993
Total individual pension and savings	323	372	1,302	2,122	2,852
Total	3,386	2,981	11,828	11,847	14,415

Underlying premium income from group defined benefit pensions will gradually be reduced due to the transition to defined contribution pensions. The increase year-to-date was due to factors such as high salary inflation. The growth in premium income in defined contribution-based schemes for companies is higher on an annual basis than shown in the table because of a change from annual to monthly billing. New subscriptions are no longer being sold for pension accounts and life accounts, which also decreased premium income from traditional individual pensions compared to the year before. The fall in premium income for individual pensions with investment choice was due to good sales of the product "guarantee accounts" last year not continuing at the same pace this year.

Sales

In 2010, three local authorities decided to transfer their pension schemes from Storebrand with accounting effect from 1 January 2011. The net booked transfer to Storebrand was minus NOK 763 million (minus NOK 402 million) for 3Q, whereas NOK 332 million was paid up policies, and minus NOK 4,049 million (NOK 1,543 million) year-to-date.

Reported net sales in the corporate market as per 3Q were positive for group pensions. The corporate market is still characterised by a transition to defined contribution pensions, and this is expected to continue.

Sales in the retail market in the quarter were affected by the market turbulence and associated poor savings sales. Meanwhile, the level of activity in the sales organisation is high and the number of meetings per adviser has increased. The higher level of activity is expected to result in greater customer satisfaction and increased sales.

New premiums (APE) worth NOK 144 million (NOK 109 million) were signed in 3Q, and NOK 599 million (NOK 1,209 million) year-to-date. The reduction year-to-date was primarily due to lower APE for group defined benefit pensions and defined contribution pensions.

- Guaranteed products: NOK 36 million (NOK 41 million) for the quarter and NOK 301 million (NOK 654 million) year-to-date.
- Unit linked insurance: NOK 87 million (NOK 47 million) for the quarter and NOK 224 million (NOK 385 million) year-to-date.

[1)] *Excluding transfer of premium reserves.*

SPP

- **Administration result strengthened in the quarter**
- **Financial result weakened by unstable financial markets**
- **Premium income in unit linked has grown by 7 per cent year-to-date**

The business area SPP[1)] offers pension and insurance solutions, and advice to companies in the competitive segment of the occupational pensions market. The company also offers private pension savings, and sickness and health insurance.

Result

Financial performance SPP

	3Q		01.01 - 30.09		Full year
NOK million	2011	2010	2011	2010	2010
Administration result	44	39	128	73	84
Risk result	49	106	168	260	311
Financial result	-322	146	-46	-106	31
Other	27	13	107	23	38
Result before amortisation	-203	304	357	250	464
Amortisation intangible assets	-88	-88	-269	-258	-348
Pre-tax profit/loss	-290	216	88	-8	116

Administration result

The administration result amounted to NOK 44 million (NOK 39 million) for 3Q and NOK 128 million (NOK 73 million) year-to-date. The NOK 55 million improvement in the result was due to a 9 per cent increase in income and a 3 per cent increase in costs[2)]. The fall in the equity markets has reduced the assets under management within unit linked. This resulted in a smaller increase in income than expected. The increase in costs was primarily due to higher fee and commission expenses because of increased sales.

Risk result

The risk result was NOK 49 million (NOK 106 million) for the quarter and NOK 168 million (NOK 260 million) year-to-date. The sickness result, which constitutes the largest part of the risk result, remains good. The sickness result fell during the quarter due to a reduction in dissolved reserves.

Financial result

The financial result was minus NOK 322 million (NOK 146 million) for the quarter and minus NOK 46 million (minus NOK 106 million) year-to-date. SPP has delivered competitive returns to the customers year-to-date.

Falling equity markets and lower market interest rates in 3Q had a negative effect on SPP's financial result. In portfolios with a high proportion of equities, returns were negatively affected by the fall in equity markets, and NOK 30 million in profit sharing in P250 and NOK 54 million in indexation fee in the DB portfolio have been reversed. Returns were good in portfolios with a high proportion of interest-bearing papers providing gross profit sharing of NOK 122 million.

Falling market interest rates increase the value of the insurance liabilities in the financial statements. Returns in the quarter were insufficient to cover this increase. Together with an open equity exposure, this resulted in a deferred capital contribution (DCC) from the owner of NOK 587 million.

There is a hedging portfolio which is used to reduce the effect of falling equity markets. This resulted in a return of NOK 211 million in 3Q. Other effects in the financial result totalled NOK 14 million.

Total return on assets SPP

	3Q		01.01 - 30.09		Full year
Portfolio	2011	2010	2011	2010	2010
Defined Benefit (DB)	2.5%	3.6%	6.0%	7.1%	6.0%
Defined Contribution (DC)					
P250*	-2.1%	3.7%	0.5%	5.3%	7.0%
P300*	1.9%	3.2%	5.3%	6.0%	5.3%
P 520*	6.6%	2.1%	10.5%	7.1%	3.4%
RP (Retirement Pension)	1.2%	0.1%	2.1%	0.2%	0.1%

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

Other result

The other result was NOK 27 million (NOK 13 million) for the quarter and NOK 107 million (NOK 23 million) year-to-date. The result primarily consists of the return in the company portfolio, which is entirely invested in short-term interest-bearing securities. The return in 3Q was somewhat lower than in the previous quarter due to the widening of credit spreads.

Balance sheet

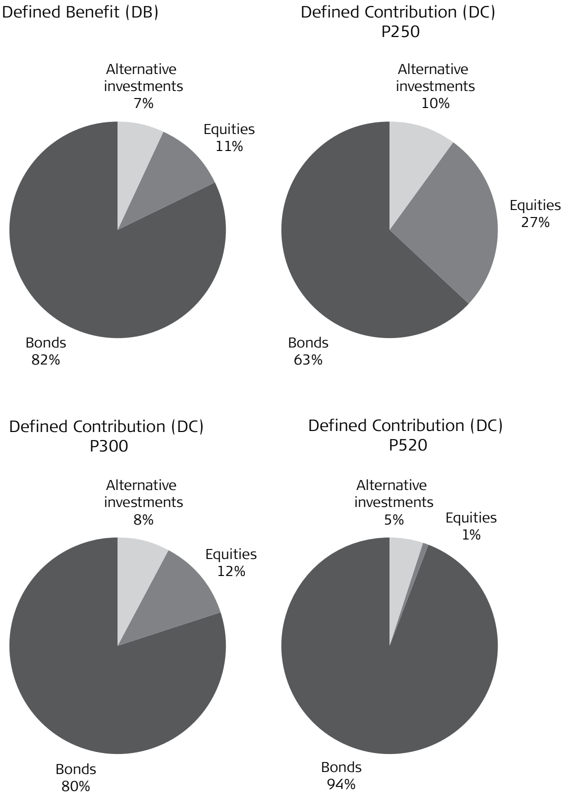
SPP adjusts its exposure to equities in line with developments in the market and risk bearing capacity in the portfolios with so-called dynamic risk management. The proportion of equities was reduced in all portfolios in the quarter:

Equity proportion in portfolios with a guaranteed return

Portfolio	30.09.11	30.06.11	31.12.10
Defined Benefit	11%	28%	28%
DC P250	27%	46%	46%
DC P300	12%	27%	28%
DC P520	1%	6%	5%

[1)] SPP includes all legal entities in Storebrand Holding Group except SPP Fonder, which is included in Asset Management.
[2)] All percentage changes are in local currency (SEK).

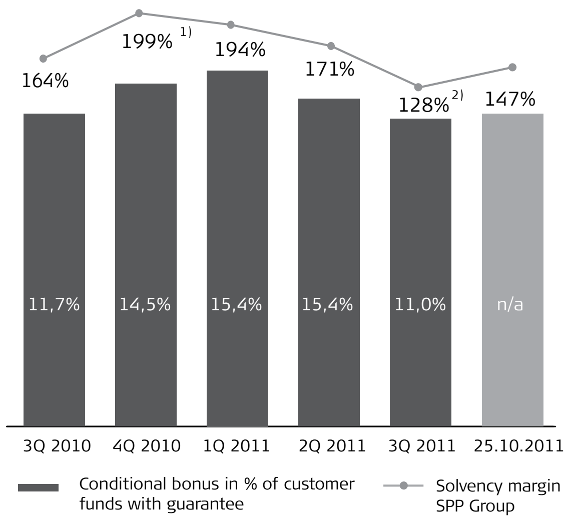
Asset profile customer portfolios with a guarantee



The buffer capital (conditional bonus) decreased by NOK 2.9 billion in the quarter, and at the close of the quarter amounted to NOK 9.1 billion. The decrease was due to falling equity markets and lower market interest rates.

Solvency

SPP's solvency margin at the close of the quarter was 128 per cent. In solvency calculations in Sweden, insurance liabilities are discounted by a market interest rate. Interest rates fell markedly in Sweden in 3Q, which resulted in increased liabilities in the solvency accounts and reduced solvency margin. To ensure a robust solvency margin in volatile interest rate markets it was decided to strengthen capital in the company via a capital injection of NOK 0,9 billion. SPP Group has also reallocated unpaid dividend to SPP Livförsäkring AB of NOK 338 million. It is identified further measures to ensure that all available capital can be included in the calculation. This is expected to strengthen the solvency margin further.



1) *Before group contributions.*
2) *Inclusive temporary capital contribution.*
3) *Excluding transfer of premium reserves.*

Solidity

Total assets amounted to NOK 120 billion (NOK 120 billion) at the close of the quarter, a reduction in the quarter of NOK 5 billion (increase of NOK 2 billion). The reduction was primarily due to reduced capital within unit linked insurance in which the exposure to equities is significantly greater than in traditional insurance. Around 70 per cent of customers assets in unit linked are exposed to shares.

Market

Premium income[3)]

NOK million	3Q 2011	3Q 2010	01.01 - 30.09 2011	01.01 - 30.09 2010	Full year 2010
Guaranteed products	704	655	1,993	2,390	3,030
Unit linked	762	724	2,884	2,694	3,388
BenCo	171	142	540	573	759
Total	1,637	1,521	5,417	5,658	7,177

The movement away from guaranteed to unit linked business is continuing. Premium income amounted to NOK 1.6 billion (NOK 1.5 billion) in the quarter and NOK 5.4 billion (NOK 5.7 billion) year-to-date. This reduction was entirely due to a fall in guaranteed business. Premium income from unit linked insurance continues to increase and was 7 per cent higher than in the same period last year. Unit linked insurance accounted for 59 per cent (53 per cent) of SPP's premium income (excluding BenCo).

New subscriptions

New sales measured in APE amounted to NOK 237 million (NOK 196 million) for the quarter, an increase of 22 per cent. New sales amounted to NOK 806 million (NOK 765 million) year-to-date. The increase comes both from own sales and from sales via the broker channel. Unit linked insurance accounted for 69 per cent (68 per cent) of total new contracts in the year-to-date (excluding BenCo).

New premiums (APE):

- Guaranteed products: NOK 70 million (NOK 63 million) for the quarter and NOK 237 million (NOK 209 million) year-to-date.
- Unit linked insurance: NOK 152 million (NOK 127 million) for the quarter and NOK 530 million (NOK 518 million) year-to-date.
- BenCo: NOK 15 million (NOK 5 million) for the quarter and NOK 39 million (NOK 37 million) year-to-date.

INSURANCE

- **Improved risk result**

The business area offers personal risk products in the Norwegian retail market, and employee cover in the corporate market in Norway.

Financial performance

Financial performance Insurance

	3Q		01.01 - 30.09		Full year
NOK million	2011	2010	2011	2010	2010
Premiums earned, net	291	274	866	825	1,099
Claims incurred, net	-189	-189	-629	-624	-845
Operating costs	-50	-48	-142	-159	-199
Insurance result	51	37	95	42	55
Net financial result	29	22	74	65	93
Result before amortisation	80	60	169	107	148
Amortisation intangible assets					
Profit before tax	80	60	169	107	148

	Q3		01.01 - 30.09		Full year
In %	2011	2010	2011	2010	2010
Claims ratio*	65	69	73	76	77
Cost ratio*	17	18	16	19	18
Combined ratio*	82	86	89	95	95

* *For own account.*

New subscriptions

Risk products: NOK 22 million (21 million) in 3Q and NOK 74 million (170 million) as at 30.09.2011.

RECONCILIATION TABLES TOWARDS PROFIT AND LOSS ACCOUNT

The following table shows reconciliation between the profit and loss tables in this interim report showing Storebrand Livsforsikring Group according to IFRS, and profit and loss to local Annual Accounts Regulations for Insurance Companies (NGAAP). The official financial statements for Storebrand Livsforsikring AS are prepared in accordance with local Annual Accounts Regulations for Insurance Companies (NGAAP).

NOK million	30.09.11	30.09.10	31.12.10
Profit and Loss	618	640	1,079
Charge from the additional statutory reserves	-364	-2	
Change in administration reserve p&c insurance	5		-1
Change in security reserves p&c insurance	25	-12	-11
Profit and loss Storebrand Livsforsikring Group before tax	285	625	1,067

Lysaker, 25. October 2011
The Board of Directors of Storebrand Livsforsikring AS

Storebrand Livsforsikring AS

PROFIT AND LOSS ACCOUNT

	3Q		01.01 - 30.09		
NOK million	2011	2010	2011	2010	Year 2010
TECHNICAL ACCOUNT:					
Gross premiums written	3,562	3,170	12,873	12,887	15,592
Reinsurance premiums ceded	-3	-26	-48	-70	-74
Premium reserves transferred from other companies	261	331	2,070	4,303	5,358
Premiums for own account	**3,819**	**3,475**	**14,895**	**17,120**	**20,876**
Income from investments in subsidiaries, associated companies and joint-controlled companies	404	315	1,449	912	1,366
of which from investment in real estate companies	409	314	1,461	915	1,336
Interest income and dividends etc. from financial assets	1,187	1,132	3,565	3,565	4,893
Changes in investment value	-2,932	2,230	-2,865	1,349	1,835
Realised gains and losses on investments	-161	245	697	684	1,596
Total net income from investments in the collective portfolio	**-1,502**	**3,922**	**2,846**	**6,510**	**9,690**
Income from investments in subsidiaries, associated companies and joint-controlled companies	31	24	109	67	98
of which from investment in real estate companies	31	23	110	65	97
Interest income and dividends etc. from financial assets	52	94	134	164	340
Changes in investment value	-1,591	807	-2,066	601	1,072
Realised gains and losses on investments	-80	145	413	146	526
Total net income from investments in the investment selection portfolio	**-1,587**	**1,069**	**-1,410**	**977**	**2,035**
Other insurance related income	**22**	**39**	**104**	**108**	**162**
Gross claims paid	-2,733	-2,672	-7,904	-7,906	-11,145
Claims paid - reinsurance	2	2	10	5	6
Gross change in claims reserve	-21	-24	52	-66	-79
Premium reserves etc. transferred to other companies	-1,030	-737	-6,136	-2,761	-3,522
Claims for own account	**-3,782**	**-3,430**	**-13,978**	**-10,728**	**-14,742**
To (from) premium reserve, gross	-145	-422	-349	-6,292	-6,934
To/from additional statutory reserves in connection with claims/repurchase	-2	58	156	80	-759
Change in value adjustment fund	2,156	-1,503	1,971	-1,472	-1,940
Change in premium fund, deposit fund and the pension surplus fund	-17	-26	-78	-76	-97
To/from technical reserves for non-life insurance business	5	2	-53	-62	-45
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	6	4	17	17	22
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	**2,002**	**-1,889**	**1,665**	**-7,805**	**-9,753**
Change in premium reserve	679	-1,382	-1,818	-3,340	-5,060
Change in other provisions	28	-113	-22	-122	-178
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	**707**	**-1,495**	**-1,840**	**-3,463**	**-5,238**
Profit on investment result					-304
The risk profit allocated to the insurance agreements					-70
Other allocation of profit					-133
Unallocated profit	495	-619	-927	-947	
Funds allocated to insurance contracts	**495**	**-619**	**-927**	**-947**	**-507**

Storebrand Livsforsikring AS

PROFIT AND LOSS ACCOUNT CONTINUE

NOK million	3Q 2011	3Q 2010	01.01 - 30.09 2011	01.01 - 30.09 2010	Year 2010
Management expenses	-29	-34	-92	-105	-137
Selling expenses	-96	-125	-245	-397	-527
Change in pre-paid direct selling expenses					
Insurance-related administration expenses (incl. commissions for reinsurance received)	-221	-180	-674	-545	-719
Insurance-related operating expenses	**-346**	**-339**	**-1,012**	**-1,047**	**-1,384**
Other insurance related expenses after reinsurance share	**-47**	**-21**	**-133**	**-136**	**-217**
Technical insurance result	**-218**	**712**	**210**	**590**	**922**
NON-TECHNICAL ACCOUNT					
Income from investments in subsidiaries, associated companies and joint-controlled companies	20	16	73	50	138
of which from investment in real estate companies	21	16	74	48	69
Interest income and dividends etc. from financial assets	182	158	536	460	605
Changes in investment value	-31	23	-27	-38	-68
Realised gains and losses on investments	11	62	68	178	218
Net income from investments in company portfolio	**182**	**259**	**650**	**649**	**892**
Other income	**4**		**4**		
Management expenses	-3	-5	-8	-16	-18
Other costs	-116	-144	-383	-394	-517
Total management expenses and other costs linked to the company portfolio	**-119**	**-149**	**-391**	**-410**	**-536**
Profit or loss on non-technical account	**67**	**110**	**263**	**239**	**357**
Profit before tax	**-151**	**822**	**473**	**829**	**1,279**
Tax costs					
Profit before other comprehensive income	-151	822	473	829	1,279
Actuarial gains and losses on defined benefit pensions - benefits to employees					-202
Other comprehensive income and costs					**-202**
COMPREHENSIVE INCOME	**-151**	**822**	**473**	**829**	**1,077**

Storebrand Livsforsikring Group

PROFIT AND LOSS ACCOUNT

NOK million	3Q 2011	3Q 2010	01.01 - 30.09 2011	01.01 - 30.09 2010	Year 2010
TECHNICAL ACCOUNT:					
Gross premiums written	5,089	4,756	18,290	18,738	23,015
Reinsurance premiums ceded	-56	-90	-210	-263	-321
Premium reserves transferred from other companies	330	382	2,312	4,461	5,582
Premiums for own account	**5,362**	**5,047**	**20,391**	**22,935**	**28,277**
Income from investments in subsidiaries, associated companies and joint-controlled companies	24	1	33	8	58
Interest income and dividends etc. from financial assets	1,861	1,692	5,834	5,351	7,453
Net operating income from property	343	261	908	832	1,144
Changes in investment value	-2,122	4,236	-771	3,393	2,949
Realised gains and losses on investments	665	235	1,628	2,036	2,312
Total net income from investments in the collective portfolio	**772**	**6,425**	**7,632**	**11,620**	**13,916**
Interest income and dividends etc. from financial assets	789	702	897	796	990
Net operating income from property	25	20	66	59	82
Changes in investment value	-5,569	867	-6,737	766	2,943
Realised gains and losses on investments	-162	-183	378	131	466
Total net income from investments in the investment selection portfolio	**-4,917**	**1,406**	**-5,395**	**1,752**	**4,481**
Other insurance related income	**171**	**237**	**731**	**670**	**935**
Gross claims paid	-4,162	-3,758	-12,458	-12,173	-16,877
Claims paid - reinsurance	32	17	67	44	47
Gross change in claims reserve	-19	-62	58	-102	-118
Premium reserves etc. transferred to other companies	-1,355	-1,048	-7,012	-3,403	-4,575
Claims for own account	**-5,504**	**-4,851**	**-19,344**	**-15,634**	**-21,524**
To (from) premium reserve, gross	-5,441	-419	-5,967	-9,707	-6,852
To/from additional statutory reserves in connection with claims/repurchase	-2	58	156	80	-759
Change in value adjustment fund	2,156	-1,503	1,971	-1,472	-1,940
Change in premium fund, deposit fund and the pension surplus fund	-17	-26	-78	-76	-97
To/from technical reserves for non-life insurance business	5	2	-53	-62	-45
Change in conditional bonus	3,547	-1,341	2,742	-606	-2,427
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	6	4	17	17	22
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	**254**	**-3,227**	**-1,212**	**-11,826**	**-12,097**
Change in premium reserve	3,478	-2,731	315	-5,854	-9,618
Change in other provisions	28	-113	-22	-122	-178
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	**3,506**	**-2,843**	**293**	**-5,977**	**-9,796**
Profit on investment result					-304
The risk profit allocated to the insurance agreements					-70
Other allocation of profit					-133
Unallocated profit	495	-619	-927	-947	
Funds allocated to insurance contracts	**495**	**-619**	**-927**	**-947**	**-507**

Storebrand Livsforsikring Group

PROFIT AND LOSS ACCOUNT CONTINUE

	3Q		01.01 - 30.09		
NOK million	2011	2010	2011	2010	Year 2010
Management expenses	-75	-86	-232	-245	-274
Selling expenses	-146	-169	-386	-531	-702
Change in pre-paid direct selling expenses	12	7	39	44	59
Insurance-related administration expenses (incl. commissions for reinsurance received)	-372	-321	-1,176	-1,017	-1,391
Reinsurance commissions and profit participation	46	34	173	143	198
Insurance-related operating expenses	**-534**	**-534**	**-1,582**	**-1,605**	**-2,109**
Other insurance related expenses after reinsurance share	**-58**	**-35**	**-162**	**-176**	**-272**
Technical insurance result	**-454**	**1,006**	**424**	**812**	**1,302**
NON-TECHNICAL ACCOUNT					
Income from investments in subsidiaries, associated companies and joint-controlled companies		1	3	6	4
Interest income and dividends etc. from financial assets	115	88	363	242	333
Net operating income from property	17	14	45	44	60
Changes in investment value	-37	26	-2	-53	-45
Realised gains and losses on investments	4	66	57	205	240
Net income from investments in company portfolio	**99**	**195**	**467**	**443**	**591**
Other income	**140**	**144**	**415**	**364**	**474**
Management expenses	-8	-10	-21	-30	-36
Other costs	-318	-352	-999	-965	-1,264
Management expenses and other costs linked to the company portfolio	**-326**	**-362**	**-1,020**	**-995**	**-1,301**
Profit or loss on non-technical account	**-86**	**-24**	**-138**	**-187**	**-236**
Profit before tax	**-540**	**982**	**285**	**625**	**1,067**
Tax costs	**3**	**-5**	**59**	**-42**	**388**
Profit before other comprehencive income	**-537**	**977**	**344**	**583**	**1,455**
Actuarial gains and losses on defined benefit pensions - benefits to employees	16		6	10	-233
Change in value adjustment reserve own buildings	-9	12	23	35	-57
Re-statement differences	21	4	-1	4	29
Adjustment of insurance liabilities	9	-12	-23	-35	57
Other comprehensive income and costs	**38**	**4**	**4**	**14**	**-204**
COMPREHENSIVE INCOME	**-500**	**981**	**349**	**597**	**1,251**
PROFIT IS DUE TO:					
Minority share of profit	2	2	6	4	9
Majority share of profit	-539	976	338	579	1,445
COMPREHENSIVE INCOME IS DUE TO:					
Minority share of profit	3	5	6	4	
Majority share of profit	-503	976	343	593	1,251

Storebrand Livsforsikring

STATEMENT OF FINANCIAL POSITION

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
31.12.10	30.09.11	NOK million	30.09.11	31.12.10
		ASSETS		
		ASSETS IN COMPANY PORTFOLIO		
740	732	Goodwill		
5,499	5,175	Other intangible assets	87	82
6,239	**5,907**	**Total intangible assets**	**87**	**82**
1,188	1,238	Properties and real estate		
352	373	Properties for own use		
123	129	Equities and units in subsidiaries, associated companies and joint-controlled companies	7,761	7,722
		of which investment in real estate companies	1,412	1,338
39	69	Loans to and securities issued by subsidiaries, associated companies	8,068	8,141
7	6	Loans	6	7
	147	Bonds held to maturity	147	
299	1,225	Bonds at amortised cost	1,225	299
341	395	Equities and other units at fair value	180	168
13,839	14,371	Bonds and other fixed-income securities at fair value	5,127	5,565
538	260	Derivatives at fair value	251	536
317	246	Other financial assets	185	254
17,042	**18,459**	**Total investments**	**22,951**	**22,692**
176	**216**	**Reinsurance share of insurance obligations**	**216**	**176**
1,119	1,767	Receivables in connection with direct business transactions	1,199	996
78	68	Receivables in connection with reinsurance transactions		
21	28	Receivables with group company	29	82
1,615	4,768	Other receivables	2,357	493
2,834	**6,631**	**Total receivables**	**3,584**	**1,571**
109	78	Plants and equipment	65	95
1,605	769	Cash, bank	-193	488
589	615	Other assets designated according to type		
2,303	**1,463**	**Total other assets**	**-128**	**582**
349	384	Pre-paid direct selling expenses		
84	97	Other pre-paid costs and income earned and not received	43	35
433	**481**	**Total pre-paid costs and income earned and not received**	**43**	**35**
29,027	**33,157**	**Total assets in company portfolio**	**26,755**	**25,138**
24,239	25,539	Properties and real estate		
1,229	1,240	Properties for own use		
60	149	Equities and units in subsidiaries, associated companies and joint-controlled companies	28,207	26,860
		of which investment in real estate companies	27,740	26,433
227	303	Loans to and securities issued by subsidiaries, associated companies		
	6,962	Bonds held to maturity	6,962	
47,895	57,804	Bonds at amortised cost	57,804	47,895
3,109	3,181	Loans	3,181	3,109
52,921	44,928	Equities and other units at fair value	24,826	26,003
121,282	114,549	Bonds and other fixed-income securities at fair value	45,737	59,839
3,338	5,128	Financial derivatives at fair value	236	1,531
4,898	3,673	Other financial assets	1,328	2,538
259,199	**263,457**	**Total investments in collective portfolio**	**168,281**	**167,776**

Storebrand Livsforsikring

STATEMENT OF FINANCIAL POSITION CONTINUE

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
31.12.10	30.09.11	NOK million	30.09.11	31.12.10
1,632	1,844	Properties and real estate		
88	93	Properties for own use		
		Equities and units in subsidiaries, associated companies and joint-controlled companies	2,118	1,853
		of which investment in real estate companies	2,101	1,838
	24	Bonds held to maturity	24	
	213	Bonds at amortised cost	213	
110	117	Loans	117	110
39,571	35,955	Equities and other units at fair value	11,109	11,171
16,449	19,238	Bonds and other fixed-income securities at fair value	13,071	11,332
341	16	Financial derivatives at fair value	18	338
1,020	738	Other financial assets	708	995
59,210	**58,240**	**Total investments in investment selection portfolio**	**27,377**	**25,800**
318,409	**321,697**	**Total assets in customer portfolio**	**195,658**	**193,575**
347,436	**354,853**	**TOTAL ASSETS**	**222,413**	**218,713**
		EQUITY AND LIABILITIES		
3,430	3,430	Share capital	3,430	3,430
9,271	9,271	Share premium reserve	9,271	9,271
12,701	**12,701**	**Total paid in equity**	**12,701**	**12,701**
287	448	Risk equalisation fund	448	287
2,377	2,352	Other earned equity	3,060	3,075
	198	Earned profit	327	
207	181	Minority's share of equity		
2,871	**3,179**	**Total earned equity**	**3,834**	**3,362**
5,326	5,265	Perpetual subordinated loan capital	5,265	5,326
1,500	1,500	Perpetual capital	1,500	1,500
6,825	**6,765**	**Total subordinate loan capital etc.**	**6,765**	**6,825**
233,176	236,815	Premium reserves	154,033	153,607
5,173	4,909	Additional statutory reserves	4,909	5,173
1,971		Market value adjustment reserve		1,971
810	751	Claims allocation	666	718
3,700	3,433	Premium fund, deposit fund and the pension surplus fund	3,433	3,700
11,503	9,110	Conditional bonus		
	919	Unallocated profit to insurance contracts	919	
559	652	Other technical reserve	652	559
256,892	**256,588**	**Total insurance obligations in life insurance - contractual obligations**	**164,612**	**165,727**
58,129	57,307	Premium reserve	26,579	24,762
1		Claims allocation		1
266	302	Additional statutory reserves	302	266
620	320	Premium fund, deposit fund and the pension surplus fund	320	620
	8	Unallocated profit to insurance contracts	8	
59,016	**57,938**	**Total insurance obligations in life insurance - investment portfolio separately**	**27,210**	**25,648**

Storebrand Livsforsikring

STATEMENT OF FINANCIAL POSITION CONTINUE

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
31.12.10	30.09.11	NOK million	30.09.11	31.12.10
982	957	Pension liabilities etc.	738	738
226	155	Period tax liabilities		
82	49	Other provisions for liabilities	31	57
1,290	**1,162**	**Total provisions for liabilities**	**769**	**794**
1,302	1,243	Liabilities in connection with direct insurance	384	857
9	-1	Liabilities in connection with reinsurance	-1	9
880	2,745	Financial derivatives	2,194	679
874	12	Liabilities to group companies	39	875
4,319	12,193	Other liabilities	3,732	944
7,385	**16,192**	**Total liabilities**	**6,347**	**3,364**
456	329	Other accrued expenses and received, unearned income	175	291
456	**329**	**Total accrued expenses and received, unearned income**	**175**	**291**
347,436	**354,853**	**TOTAL EQUITY AND LIABILITIES**	**222,413**	**218,713**
		ITEMS NOT ON BALANCE SHEET		
5,635	5,327	Contingent liabilities	3,752	3,193

Storebrand Livsforsikring

RECONCILIATION OF CHANGE IN EQUITY STOREBRAND LIVSFORSIKRING AS

NOK million	Share capital[1)]	Share premium reserves	Total paid in equity	Risk equaliastion fund	Other earned equity	Total equity
Equity at 31.12.2010	**3,430**	**9,271**	**12,701**	**287**	**3,075**	**16,063**
Profit				146	327	473
Comprehensive income:						
Re-statement differences						
Pension experience adjustments						
Total revenue and costs for the period				**146**	**327**	**473**
Equity transactions with owner:						
Group contributions						
Share issue						
Other				15	-15	
Equity at 30.09.2011	**3,430**	**9,271**	**12,701**	**448**	**3,387**	**16,535**

1) 34.304.200 shares of NOK 100 par value

RECONCILIATION OF CHANGE IN EQUITY STOREBRAND LIVSFORSIKRING GROUP

	Majority's share of equity						
NOK million	Share capital	Share premium reserves	Total paid in equity	Risk equalisation fund	Other earned equity	Minority interests	Total equity
Equity at 31.12.2010	**3,430**	**9,271**	**12,701**	**287**	**2,377**	**207**	**15,572**
Profit				146	192	6	344
Comprehensive income:							
Re-statement differences					-1	-1	-1
Pension experience adjustments					6		6
Total revenue and costs for the period				**146**	**197**	**6**	**349**
Equity transactions with owner:							
Share issue						3	3
Other				15	-24	-36	-45
Equity at 30.09.2011	**3,430**	**9,271**	**12,701**	**448**	**2,550**	**181**	**15,880**

Storebrand Livsforsikring

CASH FLOW ANALYSIS

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
30.09.2010	30.09.2011	NOK million	30.09.2011	30.09.2010
		Cash flow from operational activities		
16,684	18,092	Net received - direct insurance	13,810	11,231
-13,130	-12,605	Net claims/benefits paid - direct insurance	-8,500	-8,626
1,058	-4,562	Net receipts/payments - policy transfers	-3,929	1,543
-1,605	-1,582	Net receipts/payments - other operational activities	-1,012	-1,047
2,668	4,597	Net receipts/payments operations	-633	-1,687
5,675	**3,940**	**Net cash flow from operational activities before financial assets**	**-262**	**1,414**
309	-79	Net receipts/payments - lendings to customers	-79	309
-3,340	-4,198	Net receipts/payments - financial assets	-520	-511
-1,107	-582	Net receipts/payments - real estate activities		
-1,521	1,507	Net change bank deposits insurance customers	1,498	-381
-5,659	**-3,352**	**Net cash flow from operational activities from financial assets**	**899**	**-583**
16	**588**	**Net cash flow from operational activities**	**636**	**832**
		Cash flow from investment activities		
-2	-138	Net payments - purchase/capitalisation of subsidiaries and associated companies	-67	-551
-47	-39	Net receipts/payments - sale/purchase of fixed assets		-7
-49	**-177**	**Net cash flow from investment activities**	**-68**	**-558**
		Cash flow from financing activities		
-485	-468	Payments - interest on subordinated loan capital	-468	-485
-610	-850	Payments - group contribution dividends	-850	-610
-1,095	**-1,318**	**Net cash flow from financing activities**	**-1,318**	**-1,095**
-1,128	**-907**	**Net cash flow for the period**	**-749**	**-821**
4,530	2,445	of which net cash flow for the period before financial assets	-1,648	-239
-1,128	-907	Net movement in cash and cash equivalent assets	-749	-821
2,284	1,922	Cash and cash equivalent assets at start of the period	742	1,032
1,155	**1,016**	**Cash and cash equivalent assets at the end of the periode**	**-8**	**211**

Notes to the interim accounts

NOTE 1: ACCOUNTING POLICIES

The Group's interim financial statements include Storebrand Livsforsikring AS together with subsidiaries and associated companies. The interims financial statements have been prepared in accordance with the 'Regulation on the annual accounts etc. of insurance companies', which was revised with effect from 1 January 2008 to correspond with the international financial reporting standards (IFRS). The financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required in full annual financial statements.

The Group has not made any changes to the accounting policies applied in 2011. A description of the accounting policies applied in the preparation of the financial statements is provided in the 2010 annual report.

NOTE 2: ESTIMATES

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, costs and information in the notes to the financial statements, as well as the information provided on contingent liabilities. A certain degree of uncertainty is associated with estimates and assumptions and actual figures may deviate from the estimates used.

Storebrand continuously builds up reserves based on new tariffs in connection with increased life expectancy in life insurance, in which the building up of reserves in a time-limited period can be charged to the running return. Any deficient future return in connection with this may reduce the profit allocated to the owner.

Insurance obligations with an interest guarantee are recognized in the consolidated financial statements. The principles applied to the Norwegian and Swedish businesses differ. An intangible asset (value-of-business-in-force: "VIF") associated with insurance contracts in the Swedish business is also recognized. A number of factors can affect the magnitudes of the insurance obligations including VIF. These include biometric factors such as life expectancy and disability trends, and legal factors such as legislative amendments and the outcomes of court cases, etc. The insurance obligations in the Swedish business are also affected by changes in market interest rates. Low interest rates will in the long-term represent a challenge for insurance contracts with an interest guarantee, and can, together with reduced customer buffers, affect the magnitude of the recognized amount linked to the insurance contracts. Please also see note 5 in the 2010 annual financial statements in which the sufficiency test for insurance obligations including "Value-in-Force" is discussed.

Please also refer to the discussions in note 3 of the 2010 annual report.

NOTE 3: TAX

The Storebrand Group has a significant tax-related deficit linked to the Norwegian life insurance activities. This is due to the fact that there are major differences between accounting-related and tax-related income and losses associated with investments in equities within the EEA area. Deferred tax assets associated with the deficits that can be carried forward are not recognized in the balance sheet since there is some uncertainty about whether or not taxable income will reach a level that enables the deficits that can be carried forward to be used.

Because of this, the Group's tax is low in relation to the accounting result before tax.

NOTE 4: INFORMATION ABOUT CLOSE ASSOCIATES

Storebrand conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with senior employees and close associates are stipulated in notes 19 and 44 in the 2010 annual report.

With the exception of these transactions, Storebrand had not carried out any material transactions with close associates at the end of 3Q.

Notes to the interim accounts

NOTE 5: FINANCIAL RISK

3Q was characterized by great instability in the financial markets. There is a great deal of uncertainty concerning whether or not a number of the Euro countries will be able to service their national debt. Greece's situation is the most critical, although Portugal and Ireland also have to pay high interest mark-ups. It is also feared that Italy and Spain are in exposed positions. A direct consequence of the payment problems will be that the banking sector will be impacted because it has made large loans to these exposed nations. An indirect consequence will be that the required austerity measures will impact economic growth and thus company earnings. The problems in Europe come on top of a weak economic outlook in the USA.

The equity markets have experienced a fall of around 20 per cent, in both Norway and Sweden, in the first three quarters of the year, most of which occurred in 3Q. On average international markets have fallen by approximately 15 per cent. Short-term interest rates rose in both Norway and Sweden, while long-term interest rates fell heavily and are, at the close of 3Q, at historically low levels. Government finances are solid in both Norway and Sweden, and have functioned as a safe port in troubled times. This has pushed the price of government securities up and interest rates down. The Norwegian 10 year base rate has fallen to 2.4 per cent from 3.7 per cent at the start of the year. The Swedish 10 year base rate has fallen to 1.7 per cent from 3.2 per cent at the start of the year.

Weak equity markets have a negative impact on returns in customer portfolios. Falling interest rates produce good returns on bonds, and this makes a positive contribution to customer returns. Nonetheless, low interest rates have a negative effect on risk in the business. A large proportion of the insurance obligations in both Norway and Sweden are subject to a nominal interest guarantee. Higher interest rates reduce the likelihood of the owner being charged for any insufficient fulfillment of the interest guarantees.

In the Swedish life insurance business, future calculated insurance payments are stated at market value by the payments being discounted by calculated swap interest rates. The fall interest rates have increased the value of the insurance obligations. As far as financial statements are concerned, the effect is largely countered by the value of fixed income securities in the customer portfolios having increased. As far as solvency is concerned, where the insurance obligations are discounted by an interest rate based on an average of the government bond rates and mortgage rates, the interest rate sensitivity is greater and falls in interest rates reduce the solvency capital.

In the Norwegian life insurance business, the calculated payments, for products with an interest guarantee, are discounted by an interest rate fixed by regulations (around 3.5 per cent on average). Consequently, neither the insurance obligations in the financial statements nor the solvency capital requirements are affected by changes in market interest rates.

The capital requirements due to Solvency II are expected to apply from 1 January 2014. Under Solvency II, a capital requirement will have to be calculated for all material risk to which the business is exposed, both from investments and as a consequence of concluded insurance obligations. This could result in an overall capital requirement that is higher than the current requirement under Solvency I. At the same time, the way in which solvency capital is calculated will change. Under Solvency II, both assets and insurance obligations will be stated at fair value (for solvency calculation purposes) and as a main principle the difference between the value of assets and the value of obligations will be included in the solvency capital. The introduction of market value valuations of the insurance obligations also means that the value will vary as interest rates change. This may imply a greater interest risk in solvency calculations. Given the current investment portfolio, a fall in interest rates will result in a fall in the solvency margin under Solvency II.

Notes to the interim accounts

NOTE 6: SEGMENT INFORMATION - ANALYSIS OF PROFIT AND LOSS BY BUSINESS AREA

	Storebrand Life Insurance		SPP		Asset mangement		Insurance		Storebrand Livsforsikring Group	
	3Q		3Q		3Q		3Q		3Q	
NOK million	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	2,811	7,020	684	4,654	58	60	187	216	3,740	11,951
Profit before tax	-364	670	-291	216	34	36	80	60	-540	982
Assets	-455	1,215	3,125	9,506	104	46	-130	-41	2,645	10,726
Liabilities	-290	-2,217	3,530	11,983	78	13	-130	-41	3,188	9,738

	Storebrand Life Insurance		SPP		Asset mangement		Insurance		Storebrand Livsforsikring Group	
NOK million	30.09.11	30.09.10	30.09.11	30.09.10	30.09.11	30.09.10	30.09.11	30.09.10	30.09.11	30.09.10
Revenue	18,023	22,708	7,118	12,350	169	148	1,071	1,059	26,381	36,265
Profit before tax	-76	460	87	-8	72	72	201	101	285	625
Assets	208,127	199,543	144,140	144,931	291	169	2,295	2,122	354,853	346,765
Liabilities	197,477	188,812	139,006	139,984	195	74	2,295	2,122	338,974	330,991

Revenue
Revenue includes the total premium income including savings premiums and transferred premium reserve from other companies, net financial return and other income.

Storebrand Life Insurance
Includes the companies in the Storebrand Livsforsikring Group, except Storebrand Eiendom Group, Storebrand Realinvesteringer AS and Storebrand Holding Group, and personal risk and employee cover in Storebrand Livsforsikring AS. Storebrand Life Insurance offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals. Storebrand Life Insurance's branch in Sweden provides occupational pensions products based on Norwegian law in the Swedish market.

SPP
Includes companies in SPP Group (Storebrand Holding Group excluding SPP Fonder). SPP offers a wide range of pension solutions to companies, organisations and private individuals in Sweden. SPP holds a particularly strong position in traditional products - policies with guaranteed interest rates - in the Swedish corporate market. BenCo offers via Nordben and Euroben pension products to multinational companies.

Asset management
Storebrand's asset management activities include the companies Storebrand Eiendom Group (property management), Storebrand Realinvesteringer AS and SPP Fonder AB (fund management) .

Insurance
Includes personal risk insurance in the Norwegian retail market and employee insurance in the corporate market in Norway, which is included in Storebrand Livsforsikring AS.

Notes to the interim accounts

NOTE 7: VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The Group carries out a comprehensive process to ensure that the values established for financial instruments are as in line with the market as possible. Listed financial instruments are valued on the basis of official final prices on bourses obtained via Reuters and Bloomberg. Fund units are generally stated at the updated official NAV prices where these exist. As a general rule, bonds are valued on the basis of prices from Reuters and Bloomberg. Bonds that are not quoted regularly will normally be valued on the basis of recognised theoretical models. The latter is particularly true for bonds denominated in NOK. These sorts of valuations are based on discount rates consisting of swap interest rates plus a credit premium. The credit premium will often be issuer specific and normally based on a consensus of credit spreads quoted by a selected brokerage house.

Unlisted derivatives, including primarily interest rate and currency instruments, are also valued theoretically. The money market rates, swap rates, exchange rates, and volatilities that provide the basis for valuations are obtained from Reuters, and Bloomberg.

The Group continuously performs controls to ensure the quality of the market data obtained from external sources. Generally such controls involve comparing multiple sources and controlling the test of reasonableness of abnormal changes.

The Group categorises financial instruments valued at fair value on three different levels, which are described in more detail in the 2010 annual report. The levels express the differing degree of liquidity and different measuring methods. Increased market volatility in the last quarter, larger price divergence between different sources and generally increased bid-ask spreads, entails increased uncertainty. In connection with this, a review of the classification principles used to analyse the need for any reclassification of various instrument segments was conducted. This primarily involved reviewing the principles used for the classification of credit bonds. Given that adequate routines and models have been established for obtaining market information from a broad number of well-informed sources as a basis for valuations, the conclusion is that we have managed to eliminate the most significant elements of the relevant uncertainty. Routines have been established for valuing bonds based on consensus models for segments within level 2, which are normally characterised by a lower degree of liquidity and transparency, primarily Norwegian credit bonds.

	Non-observable assumptions	
NOK million	Storebrand Livsforsikring AS	Storebrand Livsforsikring Group
Assets:		
Equities and units		
- Equities	1,633	3,243
- Fund units	1,188	2,223
- Private Equity fund investments	4,623	5,184
- Hedge fund	28	28
- Indirect real estate fund		2,123
Total equities and units	**7,472**	**12,800**
Bonds and other fixed income securities		
- Credit bonds	809	1,141
- Mortage and asset backed bonds	805	805
Total bonds and other fixed income securities	**1,614**	**1,946**

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

NOK million	Equities	Fund units	Private Equity fund investments	Hedge fund	Indirect real estate fund	Credit bonds	Mortage and asset backed bonds
Balance 01.01.11	1,839	1,117	4,180		38	696	1,114
Net profit/loss at financial instruments	-8	19	420		-7	10	58
Additions/purchases	13	71	221	39		133	
Sales/overdue/settlement	-210	-19	-197	-12	-31	-30	-367
Balance 30.09.11	**1,633**	**1,188**	**4,623**	**28**		**809**	**805**

Notes to the interim accounts

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

NOK million	Equities	Fund units	Private Equity fund invest-ments	Hedge fund	Indirect real estate fund	Credit bonds	Mortage and asset backed bonds
Balance 01.01.11	3,167	1,832	4,661		2,113	1,042	1,114
Net profit/loss at financial instruments	223	-60	436		129	23	58
Additions/purchases	104	500	290	39	-88	137	
Sales/overdue/settlement	-239	-41	-199	-12	-31	-58	-367
Re-statement differences	-13	-8	-3			-4	
Other							
Balance 30.09.11	**3,243**	**2,223**	**5,184**	**28**	**2,123**	**1,141**	**805**

NOTE 8: NET INCOME FROM PROPERTIES

	3Q		01.01 -30.09		
NOK million	2011	2010	2011	2010	Year 2010
Rent income from properties[1]	472	372	1,318	1,149	1,623
Operating costs (including maintenance and repairs) relating to properties that have provided rent income[2]	-49	-77	-230	-214	-337
Minority interest recorded as debt	-37		-69		
Net operating income from properites	**386**	**295**	**1,019**	**934**	**1,286**
Realised gains/losses	10		11	-2	15
Change in fair value of properties	-59	4	358	14	154
Total income from properties	**336**	**298**	**1,389**	**947**	**1,455**
[1] Properties for own use	39	17	76	50	67
[2] Properties for own use	-10	-3	-13	-9	-12

Changes in value real estate investments

	3Q		01.01 -30.09		
NOK million	2011	2010	2011	2010	Year 2010
Wholly owned real estate investments	37	4	358	14	154
Reclassifications etc for wholly owned real estate investments	-95				
Property equities and units in Norway and Sweden[1]	7	29	25	79	96
Property units abroad[1]	85	49	208	40	87
Total value changes investment properties	**33**	**82**	**592**	**133**	**337**
Properties for own use	-6		-14		-104
Total value changes real estate investment	**27**	**82**	**578**	**133**	**233**
Realised gains/losses sold properities	**-27**		**-25**	**-2**	**16**

[1] Are in the statement of financial position classified as equities and units

Notes to the interim accounts

NOTE 9: PROPERTIES

Book value of investment properties in the statement of financial position[1)]

NOK million	30.09.11	Year 2010
Carrying amount as per 1 Jan	27,059	24,160
Supply due to purchases	2,044	2,503
Supply due to additions	598	476
To owner used properties		
From owner used properties		
Disposals	-1,415	-152
Net write-ups/write-downs	345	50
Exchange rate changes	-8	22
Carrying amount	**28,622**	**27,059**

[1)] *Consists of investment properties in Storebrand Livsforsikring Group*

Property type

NOK million	30.09.11	ear 2010	Diration of lease (years)	m2	Leased amount in %[1)]
Office buildings (including parking and storage):					
- Oslo- Vika/Fillipstad Brygge	5,744	4,930	5	166,624	91
- Rest of Greater Oslo	7,788	6,180	5	453,213	95
- Rest of Norway	2,811	3,856	14	186,852	98
Shopping centres (including parking and storage)	10,387	10,656	3	538,104	94
Multi-storey car parks	687	696	5	44,101	100
Office buildings in Sweden	806	387	8	37,000	60
Cultural/conference centres in Sweden	399	355	20	18,500	89
Total investment properties	**28,622**	**27,059**		**1,444,394**	
Properties for own use other	1,706	1,668	8	55,612	93
Total properties	**30,328**	**28,727**		**1,500,006**	

[1)]*The leased amount is calculated in relation to floor space*

Geographical location:

NOK million	30.09.11	Year 2010
Oslo- Vika/Fillipstad Brygge	6,431	5,625
Rest of Greater Oslo	9,601	7,560
Rest of Norway	12,781	14,512
Sweden	1,205	742
Other	310	289
Total properties	**30,328**	**28,727**

No further property purchases/sales are agreed in 2011.
NOK 312 million in Storebrand and SEK 241 million in SPP has been committed but not drawn on in international real estate funds.

Calculation of fair value for properties
Investment properties are valued at fair value. Fair value is the amount an asset could be sold for in a transaction at arm's length between well informed, voluntary parties..

Notes to the interim accounts

Cash flow

An internal cash flow model is used to calculate fair value. The individual properties' net cash flows are discounted by an individual required rate of return. In the case of office buildings, a future income and costs picture is estimated for the first 10 years, and a final value calculated at the end of that 10 year period, based on market rents and normal operating costs for the property. The net income stream takes into account existing and future reductions in income resulting from vacancy, necessary investments and an assessment of the future changes in market rents. Storebrand's average occupancy rate in its office properties portfolio is 95-98 per cent. Most contracts are for 5 or 10 years. The cash flows from these tenancy agreements (contractual rent) are included in the valuations. A forecast model has been developed to estimate long-term, future non-contractual rent. The model is based on historical observations from Dagens Næringsliv's property index (adjusted by CPI). A long-term, time-weighted average is calculated for the annual observations in which the oldest observations are afforded the least weight. Short-term, non-contractual rent forecasts are based on current market rents and conditions.

Required rate of return

An individual required rate of return is set for each property. The required rate of return should be viewed in relation to the property's cash flow. Cash flows are determined on the basis of data about the market's required rate of return, including transactions and valuations.
The required rate of return is divided into the following components:

Composition of the required rate of return:
Risk free interest rate
Risk markup, adjusted for:
- Type of property
- Location
- Standard
- Contract duration
- Quality of tenant
- All other information about property values, the market and the individual property

In the case of shopping centres, the property's value is calculated based on a market yield. In cases where it is known significant changes will occur to the expected cash flow in later years, this is taken account of in the valuation.

External valuations:

To ensure that every property will be taxated as a minimum every third year, there is a methodic approach in order to choose a representative selection of property to taxate every quarter. As per 30 September 2011, valuations had been obtained for approximately 17 per cent of Storebrand's property portfolio in Norway.

The properties are valued on the basis of the following effective required rate of return (incl. 2.5 per cent inflation):

	Required rate of return %		Volum	
Segment	30.09.11	31.12.10	30.09.11	31.12.10
Office buildings (including parking and storage):				
- Oslo- Vika/Fillipstad Brygge	7,50 - 8,75	7,50 - 8,50	6,431	5,625
- Rest of Greater Oslo	7,87 - 9,75	8,25 - 10.00	9,185	7,560
- Rest of Norway	8,20 - 11,25	8,75 - 9,75	2,811	3,856
Shopping centre portfolio	8,00 - 9,35	8,00 - 9,25	10,387	10,656
Culture and conference Sweden	7,00 - 9,00	7,00 - 9,00	1,205	742
Other			310	289

Sensitivities

Valuations are particularly sensitive to changes in the required rate of return and assumed future cash flows. A change of 0.25 per cent in the required rate of return, where everything else remains the same, would result in a change in value in the real estate portfolio of NOK 1001 million, which is equivalent to 3.48 per cent. Around 25 per cent of a property's cash flow is linked to signed leases. This means that changes in the uncertain components of the cash flow of 1 per cent result in a change in value of 0.75 per cent.

Notes to the interim accounts

NOTE 10: FINANCIAL LIABILITES AND SPESIFICATION OF BORROWING

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate (fixed/variable)	Call date	Booked value
Issuer					
Hybrid tier 1 capital					
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,501
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2013	2,498
Storebrand Livsforsikring AS	1,700	NOK	Variable	2014	1,703
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,063
Total subordinated loan capital and hybrid tier 1 capital 30.09.2011					**6,765**
Total subordinated loan capital and hybrid tier 1 capital 31.12.2010					**6,825**

NOTE 11: CONTIGENT LIABILITIES

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	30.09.11	31.12.10	30.09.11	31.12.10
Undrawn amounts of committed lending facilities	1,696	1,794	1,696	1,794
Uncalled residual liabilities concerning Limitied Partnership	3,752	3,193	5,327	5,635
Total contigent liabilities	**5,447**	**4,987**	**7,022**	**7,429**

Notes to the interim accounts

NOTE 12: CAPITAL ADEQUACY

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	30.09.11	31.12.10	30.09.11	31.12.10
Share capital	3,430	3,430	3,430	3,430
Other equity	13,105	12,632	12,449	12,142
Equity	**16,535**	**16,063**	**15,880**	**15,572**
Hybrid tier 1 capital	1,500	1,500	1,500	1,500
Conditional bonus			2,971	3,359
Goodwill and other intangible assets	-87	-82	-6,073	-6,317
Risk equalisation fund	-448	-287	-448	-287
Capital adequacy reserve			-107	-399
Deduction for investments in other financial institutions	-22	-55	-13	-44
Other	-21	-24	134	106
Core (tier 1) capital	**17,457**	**17,115**	**13,845**	**13,492**
Hybrid tier 1 capital				
Perpetual subordinated loan capital	5,063	5,039	5,063	5,039
Dated subordinated loan capital				
Capital adequacy reserve			-107	-399
Deductions for investments in other financial institutions	-22	-55	-11	-44
Tier 2 capital	**5,041**	**4,984**	**4,946**	**4,597**
Net primary capital	**22,498**	**22,100**	**18,790**	**18,088**
Risk weighted calculation base	**105,112**	**104,650**	**129,045**	**133,164**
Capital adequacy ratio	**21.4 %**	**21.1 %**	**14.6 %**	**13.6 %**
Core (tier 1) capital ratio	**16.6 %**	**16.4 %**	**10.7 %**	**10.1 %**

Storebrand Livsforsikring AS has some 10 to 15 per cent ownership interests in undertakings that invest in real estate. A capital adequacy reserve of 100 per cent of the carrying amount has previously been allocated in primary capital for these investments. An authority approved calculation method was adopted as per the close of 3Q in which proportional consolidation is used for these investments. The new calculation method provides a more comprehensive picture of the underlying risk. The change results is an improvement of 0.3 per cent in capital adequacy and an improvement of 5 per cent in the solvency margin in the figures as per 30 September 2011 compared with the previously used method.

NOTE 13: SOLVENCY MARGIN

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	30.09.11	31.12.10	30.09.11	31.12.10
Solvency margin requirements	7,208	7,094	11,259	10,766
Solvency margin capital	23,743	23,522	18,523	17,644
Solvency margin	**329.4 %**	**331.6 %**	**164.5 %**	**163.9 %**

Specification of solvency margin capital

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	30.09.11	31.12.10	30.09.11	31.12.10
Net primary capital	22,498	22,100	18,790	18,088
50% of additional statutory reserves	2,424	2,719	2,424	2,719
50% of risk equalisation fund	224	143	224	143
Counting security reserve	56	52	56	52
Conditional bonus			-2,971	-3,359
Reduction in Tier 2 capital eligible for inclusion in solvency capital	-1,460	-1,492		
Solvency capital	**23,743**	**23,522**	**18,523**	**17,644**

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Translation from the original Norwegian version

To the board of Storebrand Livsforsikring AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated balance sheet of Storebrand Livsforsikring AS (the Group) as of September 30, 2011, and the related statement of 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 condensed interim financial information in accordance with the rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway. Our responsibility is to express a conclusion on this interim financial information based on our review.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information for the Group is not prepared, in all material aspects, in accordance with the rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway.

Oslo, 25 October 2011
Deloitte AS

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