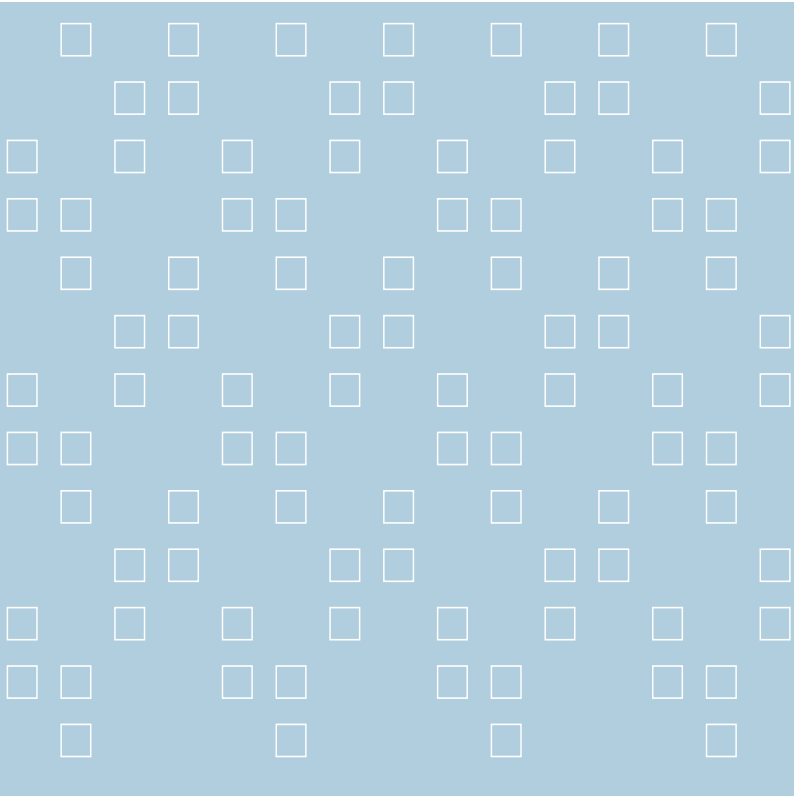


# Interim Report Storebrand Livsforsikring

3<sup>rd</sup> quarter 2010



# Interim report for Storebrand Livsforsikring Group

## - Q3 2010

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's Q3 result please refer to the Storebrand Group's interim report for the Q3 of 2010.

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 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 based on IFRS principles.

### OUTLOOK

Storebrand has implemented a number of streamlining measures in recent years aimed at reducing the relative costs level in both the Norwegian and Swedish businesses. The work on streamlining operations and reducing costs will continue, and will benefit both customers and owners.

Major changes will take place in the general conditions that Storebrand works under in the coming years, due to both the Pensions Reform in Norway from 2011 and new solvency rules, Solvency II, expected to be introduced towards the end of 2012.

Storebrand is progressing with its preparations for new legal conditions, and is focusing on product development and system adaptations. The company also has an active dialogue with the authorities with the aim of establishing conditions for handling long-term customer assets in an effective way that will maximise value.

### RISKS

Storebrand is exposed to several types of risk through its business areas. Continuous monitoring and active risk management are therefore integral core areas of the group's activities and organisation. Developments in the level of interest rates and the property and equity markets are considered the most important risk factors that could affect the group's result. Biometric risk, i.e. the risk

associated with disability, death and longer life expectancy, is another significant risk for the Group. Storebrand has long experience of adapting to changing market conditions through dynamic risk management, which aims to tailor financial risk to the company's risk bearing capacity.

### THE PENSION REFORM

On the 5th May, the Banking Law Commission proposed changes to the acts covering occupational pension schemes in the private sector. The new regulation will enter into force on the 1st January 2011 at the same time as the pension reform enters into force. This is the first report from the Banking Law Commission (phase I). The report proposes legal amendments that open up flexible withdrawal of occupational pensions from the age of 62 at the same time as providing continued earnings on further work. The amendments of the 1st January 2011 thereby initially apply to employees and their choice of options. Storebrand is ready for an increased influx and need for advice from both businesses and employees, and has developed a new net-based advice tool. Comprehensive measures for businesses and employees with Storebrand occupational pension schemes are also being performed. The Banking Law Commission has started work on phase II of the adaptation of occupational pension acts for the pension reform, and a proposal concerning more fundamental product amendments (adaptation of contribution based occupational pensions to a new National Insurance, new hybrid products and increased saving margins in defined contribution based pensions) is expected in the summer 2011.

### SOLVENCY II

The Financial Supervisory Authority is working on amendments to Norwegian business rules for life insurance companies in light of the Solvency II regulation, and will present a proposal in the 1st quarter 2011. The Financial Supervisory Authority has indicated increased flexibility in and the area of application of buffer funds, and amendment to the rules for profit allocation with the introduction of reversible customer allocations, as being relevant changes.

### Result Life and Pension <sup>1)</sup>

NOK million	Q3		01.01-30.09		Full year
	2010	2009	2010	2009	2009
Life and Pension Norway	316	409	576	566	759
Life and Pension Sweden	304	484	250	180	487
<b>Profit life group before amortisation cost</b>	<b>621</b>	<b>893</b>	<b>826</b>	<b>747</b>	<b>1,246</b>
Amortisation	-88	-90	-258	-257	-340
Impairment					
<b>Pre-tax profit/loss life group</b>	<b>533</b>	<b>803</b>	<b>568</b>	<b>490</b>	<b>906</b>
Tax	2	6	-29	9	30
<b>Profit/loss</b>	<b>535</b>	<b>810</b>	<b>539</b>	<b>499</b>	<b>936</b>

<sup>1)</sup> Encompasses Storebrand Life Group excluding Storebrand Eiendom AS and SPP Fonder AB.

# LIFE AND PENSIONS - NORWAY

- **Good investment returns and positive administration results in the quarter**
- **Life Group solvency margin of 158 per cent**
- **NOK 1,9 billion increased buffer capital in the quarter**

The Life and Pensions Norway business area consists of Storebrand Life Insurance which offers a wide range of products within occupational pensions, private pension savings, and life insurance to companies, public sector entities, and private individuals.

## Financial performance - Life and Pensions Norway

NOK million	3Q		01.01-30.09		Full year
	2010	2009	2010	2009	2009
Administration result	8	-38	1	-150	-169
Risk result	60	50	206	167	229
Financial result <sup>1)</sup>	118	255	-16	185	201
Price of interest guarantee and profit risk	139	118	415	353	478
Other	-8	24	-31	11	20
<b>Pre-tax profit/loss</b>	<b>316</b>	<b>409</b>	<b>576</b>	<b>566</b>	<b>759</b>

<sup>1)</sup> investment result and profit sharing.

## Main features

The result allocated to the owner in Life and Pensions Norway amounts to NOK 316 million for the quarter and NOK 576 million for the year-to-date. The amount that will be allocated to insurance customers for the quarter has been calculated at NOK 2.1 billion, NOK 0.7 billion of which is profit in excess of the guaranteed return. The calculated amounts for the year-to-date are NOK 5.2 billion and NOK 1.1 billion respectively.

The market return in the group portfolio amounts to 2.5 per cent for 3Q and 4.1 per cent for the year-to-date. The market value adjustment reserve grew by NOK 1.5 billion in the quarter. The financial markets have developed positively, especially towards the end of the quarter.

NOK 23 million in 3Q and NOK 135 million in the year-to-date have been charged directly to the owner because sufficient booked return was not achieved in the individual portfolio to cover the building up of reserves for long life. The final allocation of the build up of reserves between the customers and owners will take place at year-end 2010 based on the booked return at that time.

The transfer balance was negative in the amount of NOK 0.4 billion in the quarter, but is positive in the amount of NOK 1.5 billion for the year-to-date.

Costs have been reduced further and the administration result improved. The new generation of products without guarantees (defined contribution pensions and unit linked) also contributed positive results totalling NOK 43 million for the quarter and NOK 148 for the year-to-date.

Unstable financial markets and continuing low interest rates may in the long-term present challenges in relation to the guaranteed interest in the group portfolio. Potential changes may involve modifying the rules for profit sharing and enhancing flexibility with respect to buffer funds, which would facilitate greater risk equalisation and better long-term asset management. Concrete proposals concerning changes to the business rules are expected to be presented in 1Q 2011. Storebrand views this work positively 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.

## Administration result

The administration result was NOK 8 million (minus NOK 38 million) for 3Q and NOK 1 million (minus NOK 150 million) year-to-date. A number of cost improvement measures have been implemented in the last year involving staffing reductions, outsourcing, and lower purchasing costs. The underlying growth in income within defined contribution pensions and unit linked is good.

## Risk result

The risk result was NOK 60 million (NOK 50 million) for the quarter and NOK 206 million (NOK 167 million) year-to-date. The disability result in the quarter improved compared to the same period last year.

NOK 22 million was set aside in the risk equalisation fund for group pensions in 3Q. NOK 68 million has been allocated year-to-date. The risk equalisation fund for group pensions amounted to NOK 249 million at the close of 3Q.

The risk equalisation fund for paid-up policies amounted to NOK 47 million at the close of 3Q, an increase of NOK 6 million in 3Q and NOK 5 million year-to-date.

The risk result for funds-based products and other risk products amounts to NOK 29 million (NOK 29 million) for 3Q and NOK 132 million (NOK 103 million) year-to-date.

## Financial result

The financial result was NOK 118 million (NOK 255 million) for the quarter and minus NOK 16 million (NOK 185 million) year-to-date. The financial result year-to-date was affected by the building up of long life reserves for individual pension insurance and paid-up policies.

The market return in portfolios with an interest guarantee was 2.5 per cent for the quarter and 4.1 per cent year-to-date. The market return in the quarter was good due to the positive development of the equity markets and good returns in the fixed income portfolios. Unrealised gains increased by NOK 1.5 billion during the quarter and amounted to NOK 1.5 billion at the close of 3Q. The value of the directly owned property portfolio remained unchanged during the quarter. The excess value on loans and receivables in the quarter increased by NOK 0.3 billion due to decline in interest rates and amounted to NOK 1.7 billion at the end of September.

## Return on investment portfolios with interest rate guarantee

Portfolio	2Q 2010		2Q 2009		01.01-30.06 2010		01.01-30.06 2009		Full year 2009	
	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return
Total	2.5%	1.5%	1.4%	1.4%	4.1%	3.2%	2.9%	2.9%	4.6%	4.6%
Total Group (DB)	2.6%	1.5%	1.2%	1.2%	4.2%	3.2%	2.9%	2.9%	4.8%	4.8%
Paid-up policies	2.4%	1.6%	1.7%	1.7%	4.1%	3.2%	3.1%	3.1%	4.5%	4.6%
Individual	2.5%	1.6%	1.6%	1.6%	3.9%	3.4%	2.8%	2.8%	4.3%	4.0%

The booked return was 1.5 per cent for the quarter and 3.2 per cent year-to-date. The average annual interest guarantee lies between 3.5 per cent and 3.8 per cent in the various customer portfolios. NOK 421 million in calculated deductions from additional statutory reserves to cover interest guarantees were reversed in the quarter. As per 3Q, the calculated deductions from additional statutory reserves amounted to NOK 2 million. The financial result for risk products amounts to NOK 21 million for 3Q and NOK 65 million year-to-date.

### Profit sharing

Profit sharing made a net contribution of NOK 23 million in 3Q. Individual endowment insurance and paid-up policies made a positive contribution of NOK 50 million, while NOK 27 million was charged to the result allocated to owner due to the building up of long life reserves for individual pension insurance. The profit sharing as per 3Q amounted to net minus NOK 115 million.

There is a need to build up reserves for individual pension insurance and paid-up policies due to assumptions concerning lower mortality in the future. NOK 79 million has been allocated to build up reserves in 3Q and NOK 237 million year-to-date. NOK 135 million of this has been provisionally charged to the result allocated to the owner year-to-date. At the close of the quarter, the amount by which the reserves still need to be built up was calculated at around NOK 700 million: around NOK 500 million for individual pension insurance and around NOK 200 million for paid-up policies. The plan is to complete the build up of the reserves by the end of 2012. The company has applied for permission to extend this period to 2014. This build up of reserves can be covered by positive booked return results, but an annual booked return of lower than 5.8 per cent could result in a charge against the owners' capital.

### Company portfolio

The company portfolio's result was NOK 20 million (NOK 96 million) for the quarter and minus NOK 29 million (NOK 62 million) for the year-to-date. The company portfolio is principally invested in low risk asset classes and saw a gross return of 1.3 per cent for the quarter and 2.4 per cent for the year-to-date. The money market portfolio, which accounts for just under 80 percent of the investment portfolio, saw a good return in 3Q. Storebrand Life Insurance's loan interest costs will amount to around a net NOK 130 million per quarter for the next 12 months. Total interest-bearing liabilities amounted to NOK 6.7 billion at the close of 3Q.

### Price of interest guarantee and profit on risk

NOK 139 million was recognised as income from upfront pricing of the interest guarantee and profit from risk for group defined benefit in 3Q. This is an increase of NOK 21 million compared to the same period last year. A total of NOK 415 million was recognised as income in 3Q.

### Other result

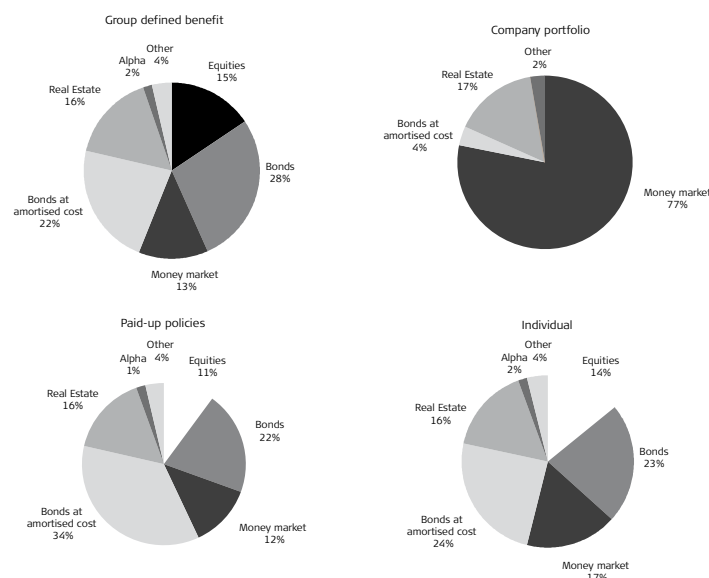
The other result was minus NOK 8 million (NOK 24 million) for 3Q and primarily consists of the result from subsidiaries and changes in administration and security reserves. The other result was minus NOK 31 million (NOK 11 million) year-to-date.

### Balance sheet

The diagrams to the right show the risk-adjusted allocations (including derivatives). The proportion of equities in portfolios with a guarantee increased in 3Q. Changes in equity allocations corresponded to changes in short-term bonds and money market allocations.

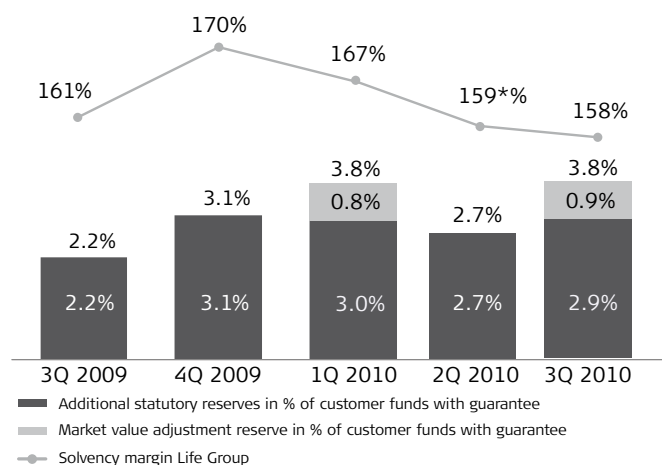
- Bold profile had a 23 per cent proportion of equities at the close of 3Q compared to 19 per cent at the close of 2Q.
- Standard profile had a 16 per cent proportion of equities at the close of 3Q compared to 13 per cent at the close of 2Q.
- Careful profile had a 9 per cent proportion of equities at the close of 3Q, no change in relation to the close of 2Q.
- Paid-up Policy profiles had on average an 11 per cent proportion of equities at the close of 3Q compared to 10 per cent at the close of 2Q.
- Individual portfolio had a 14 per cent proportion of equities at the close of 3Q compared to 13 per cent at the close of 2Q.

### Assets profile



Total assets under management increased by around NOK 2 billion in 3Q and amounted to NOK 215 billion at the close of the quarter. This represents an increase of NOK 12 billion year-to-date. The increase is due to good growth in customer assets due, among other things, to a net inflow of customer assets and positive returns in the period.

#### Solvency



\* Corrected from 2Q

The NOK 40.4 billion solidity capital<sup>1)</sup> was increased by NOK 4.3 billion in the quarter due to positive result development and strengthened customer buffers. The solidity capital has increased by NOK 5.1 billion year-to-date. At the close of 3Q, the additional statutory reserves amounted to NOK 4.6 billion, an increase of NOK 0.4 million in 3Q due to the reversal of deductions made in 2Q. The market value adjustment reserve was strengthened by NOK 1.5 billion in 3Q, which was also its balance at the close of the quarter. Unrealised gains on bonds at amortised cost amounted to NOK 1.7 billion at the close of 3Q.

The Storebrand Life Insurance Group's capital adequacy at the close of 3Q was 13.9 per cent. The year-to-date capital adequacy fell slightly due to the increased risk-weighted balance sheet and increased proportion of equities. The Storebrand Life Insurance Group had a solvency margin of 158 per cent. The reduction of 1 percentage point in 3Q was due to increased requirement due to growth in customer funds and also as a consequence of that the effect of the allocation to additional statutory reserves will be implemented in 4Q.

#### Market

##### Premium income <sup>2)</sup>

Million NOK	2Q		01.01-30.06		Full year 2009
	2010	2009	2010	2009	
Group Defined Benefit	1,305	1,586	5,272	5,709	8,286
Paid-up policies	12	12	58	59	101
Group with investment choice	724	656	1,845	1,676	3,068
Individual endowment insurance and pensions	240	419	469	909	1,506
Individual with investment choice	715	209	1,223	412	2,073
Risk products without profit sharing	239	255	807	681	1,040
<b>Total</b>	<b>3,235</b>	<b>3,137</b>	<b>9,673</b>	<b>9,446</b>	<b>16,073</b>

<sup>2)</sup> Exclusive transfer of premium reserves.

Total premium income remains unchanged as per 3Q compared to the same period last year. The development of premium income in the quarter was affected by a change in the adjustment of wage inflation in the occupational pensions market from 2Q 2009 to 3Q 2010. The portfolio in defined contribution schemes for companies has developed well in the year-to-date.

#### Sales

The booked net outflow from Storebrand was NOK 406 million (NOK 472 million) in 3Q. The net transfer balance year-to-date amounted to a net inflow to Storebrand of NOK 1,543 million (NOK 525 million) at the close of 3Q.

Net sale of the product 'garantikonto' in the retail market amounted to NOK 0.1 billion in the quarter and NOK 1.1 billion accumulated at the close of 3Q.

#### New subscriptions

New premiums (APE) worth NOK 109 million (NOK 201 million) were signed in 3Q. APE as per 3Q amounted to NOK 1,209 million (NOK 778 million). The increase as per 3Q from 2009 was primarily due to an increase in APE for group defined benefit pensions. The company won a number of large tender competitions towards year-end 2009, and reserves for these have been transferred which resulted in increased APE in 2010.

New premiums (APE) in the period:

- Guaranteed products: NOK 41 million (NOK 48 million) for the quarter, NOK 654 million (NOK 319 million) year-to-date.
- Unit linked insurance: NOK 47 million (NOK 126 million) for the quarter, NOK 385 million (NOK 302 million) year-to-date.
- Risk products: NOK 21 million (NOK 28 million) for the quarter, NOK 170 million (NOK 157 million) year-to-date.

#### Return for defined contribution pensions

The investment portfolios for defined contribution pensions delivered good returns in 3Q. The returns for the recommended investment choices for defined contribution pensions were higher than the benchmark for all profiles.

- 3.5 per cent (4.2 per cent) for the quarter and 4.2 per cent (8.1 per cent) as per 3Q for Careful pensions.
- 6.7 per cent (8.3 per cent) for the quarter and 4.5 per cent (15.4 per cent) as per 3Q for Balanced pensions.
- 9.9 per cent (12.2 per cent) for the quarter and 4.4 per cent (22.1 per cent) as per 3Q for Bold pensions.

<sup>1)</sup> 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.

<sup>3)</sup> Guarantees a specified amount annually.

# LIFE AND PENSIONS SWEDEN

- **Improved administration result**
- **Strong equity market produced positive financial result**
- **Sales in unit linked insurance remain good**

The business area Life and Pensions Sweden (SPP) 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 - Life and Pensions Sweden <sup>1)</sup>

NOK million	3Q		01.01-30.09		Full year
	2010	2009	2010	2009	2009
Administration result	39	-4	73	-64	-101
Risk result	106	59	260	170	253
Financial result	146	372	-106	15	260
Other	13	57	23	60	74
<b>Result before amortisation</b>	<b>304</b>	<b>484</b>	<b>250</b>	<b>180</b>	<b>487</b>
Amortisation intangible assets	-88	-90	-258	-257	-340
<b>Pre-tax profit/loss</b>	<b>216</b>	<b>394</b>	<b>-8</b>	<b>-76</b>	<b>147</b>

<sup>1)</sup> Nordben was included in the result from and including June 2009.

### Administration result

The administration result was NOK 39 million (minus NOK 4 million) for 3Q and NOK 73 million (minus NOK 64 million) year-to-date. The continued positive development of the administration result is primarily due to the restructuring and operational measures that have been implemented, lower consultant costs in the quarter and an increase in income. Compared to the previous year, income increased by 16 per cent and costs decreased by 5 per cent. The improvement in the result year-to-date compared to the same period last year amounts to NOK 137 million.

### Risk result

The risk result was NOK 106 million (NOK 59 million) for the quarter and NOK 260 million (NOK 170 million) year-to-date. The underlying risk result is developing positively. The period's result was also affected by the rate of recovery from illness being higher than expected. This resulted in the dissolution of sickness reserves and a good risk result in the period.

### Financial result

The financial result was NOK 146 million (NOK 372 million) for the quarter and NOK 106 million (NOK 15 million) year-to-date. The improvement in the quarter was largely due to the positive development of the equity market.

The return for the customers was affected positively by the development of the equity markets and lower interest rates. The returns ranged from 2.17 per cent and 3.73 per cent in the quarter for the various investment portfolios.

Financial return

Portfolio	3Q		01.01-30.09		Full year
	2010	2009	2010	2009	2009
Defined Benefit (DB)	3.73%	3.93%	7.07%	2.56%	4.12%
Defined Contribution (DC)	2.97%	4.47%	6.17%	3.32%	5.00%
P250*	3.71%	5.97%	5.29%	7.06%	9.59%
P300*	3.26%	4.39%	6.03%	3.08%	4.77%
P 520*	2.17%	3.74%	7.12%	1.69%	2.86%
RP (Retirement Pension)	0.11%	0.62%	0.17%	-0.34%	1.27%

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

### Profit sharing

The good returns in the quarter resulted in profit sharing for portfolios with an interest guarantee. The total contribution to the result from profit sharing was NOK 124 million for the quarter and NOK 260 million year-to-date.

The good development of the equity market also helped ensure that the return on investment was higher than the increase in insurance liabilities. This resulted in a reduction in deferred capital contribution (DCC) of NOK 171 million in the quarter, which had a positive effect on the result. The company portfolio contains a hedging portfolio to reduce the effect of equity market fluctuations on the result. This made a negative contribution to the financial result amounting to NOK 136 million in the quarter.

### Other result

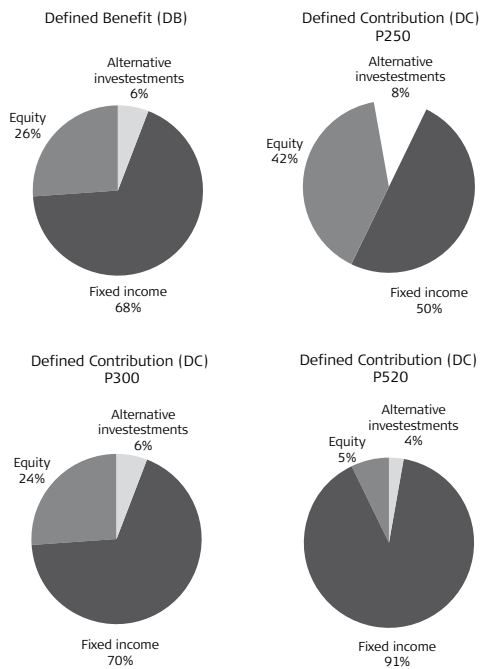
The other result was NOK 13 million (NOK 57 million) for the quarter and NOK 23 million (NOK 60 million) year-to-date. The result consists of the return in the company portfolio, which is entirely invested in interest-bearing securities.

### Balance sheet

SPP adjusts its exposure to equities in line with developments in the market via so-called dynamic risk management. The proportions of equities increased in all portfolios in the quarter with the exception of P520, in which it remained unchanged.

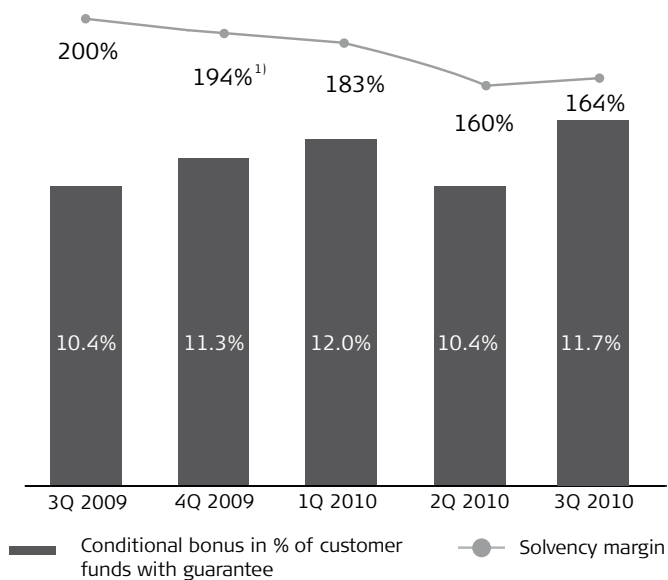
- The proportion of equities in the DB portfolio increased by 3 percentage points.
- The proportion of equities in P250 increased by 2 percentage points.
- The proportion of equities in P300 increased by 3 percentage points.
- The proportion of equities in P520 increased was unchanged.

## Asset profile customer portfolios with guaranteed return



The buffer capital (conditional bonus) increased by 18 per cent in the quarter and 15 per cent year-to-date. The increase was due to good returns in the customer portfolios. At the close of the quarter the buffer capital amounted to NOK 10.0 billion (NOK 8.2 billion). The solvency margin in the SPP Group was 164 per cent at the close of 3Q, which is an improvement of 4 per cent since the previous quarter.

### Solvency



<sup>1)</sup> After pro forma group contribution.

Total assets amounted to NOK 119.8 billion at the close of the quarter, which represents an increase of NOK 1.9 billion for the quarter and NOK 11.0 billion year-to-date. The increase was due to continued good premium growth within unit linked insurance and good returns in the customer portfolios. The SEK has strengthened markedly against the NOK since the start of the year, which has had a positive effect on the assets under management measured in NOK.

## Market

### Premium income <sup>2)</sup>

NOK million	3Q		01.01-30.09		Full year 2009
	2010	2009	2010	2009	
Guaranteed products	655	835	2,390	2,702	3,524
Unit Link	724	659	2,694	2,391	3,016
BenCo	142	186	573	716	857
<b>Total</b>	<b>1,521</b>	<b>1,679</b>	<b>5,658</b>	<b>5,809</b>	<b>7,397</b>

<sup>2)</sup> Exclusive transfer of premium funds

Premium income within unit linked, which represents 48 per cent of SPP's total premium income, developed positively with a 7 per cent increase compared to the same period in 2009. Premium income was NOK 5.7 billion, which represents a decrease of 3 per cent compared to the same period last year. This was primarily due to a decrease in guaranteed business.

### New subscriptions

New sales within unit linked insurance are developing positively. Sales of unit linked insurance increased compared to last year and account for 68 per cent of total new sales year-to-date. New sales measured by APE increased in the quarter by 6 per cent measured in local currency. New sales measured in APE year-to-date amount to NOK 763 million (NOK 706 million). The streamlining of sales and market activities is expected to result in increased new sales going forward. SPP is working on strengthening the sales organisation through new recruitments.

New premiums (APE) in the quarter:

- Guaranteed products: NOK 62 million (NOK 64 million) for the quarter, NOK 209 million (NOK 271 million) year-to-date.
- Unit linked insurance: NOK 126 million (NOK 88 million) for the quarter, NOK 517 million (NOK 403 million) year-to-date.
- BenCo: NOK 6 million (NOK 2 million) for the quarter, NOK 37 million (NOK 32 million) year-to-date.

## RECONCILIATION TABLES TOWARDS PROFIT AND LOSS ACCOUNT

The following table shows reconciliation between the profit and loss tables above showing the business area Life and Pension 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 IFRS.

NOK million	30.09.10	30.09.09	31.12.09
Profit and Loss Life and Pension	568	490	905
Charge from the additional statutory reserves	-2	-35	
Change in administration reserve p&c insurance		3	3
Change in security reserves p&c insurance	-12	-11	-18
Profit and loss Storebrand Eiendom (real estate management)	25	32	45
Profit and loss SPP Fonder (asset management)	47	11	17
<b>Profit and loss Storebrand Livsforsikring Group before tax</b>	<b>625</b>	<b>490</b>	<b>952</b>

Lysaker, 26 October 2010

The Board of Directors of Storebrand Livsforsikring AS



# Storebrand Livsforsikring AS

## PROFIT AND LOSS

NOK million	Q3		01.01 - 30.09		
	2010	2009	2010	2009	Year 2009
<b>TECHNICAL ACCOUNT:</b>					
Gross premiums written	3,170	3,380	12,887	12,863	16,136
Reinsurance premiums ceded	-26	-3	-70	-39	-63
Premium reserves transferred from other companies	331	364	4,303	2,306	2,683
<b>Premiums for own account</b>	<b>3,475</b>	<b>3,742</b>	<b>17,120</b>	<b>15,130</b>	<b>18,757</b>
Income from investments in subsidiaries, associated companies and joint-controlled companies	315	-83	912	-178	16
of which from investment in real estate companies	314	-60	915	-151	67
Interest income and dividends etc. from financial assets	1,132	1,111	3,565	3,607	4,421
Changes in investment value	2,230	1,325	1,349	619	1,012
Realised gains and losses on investments	245	122	684	645	1,378
<b>Total net income from investments in the collective portfolio</b>	<b>3,922</b>	<b>2,475</b>	<b>6,510</b>	<b>4,693</b>	<b>6,828</b>
Income from investments in subsidiaries, associated companies and joint-controlled companies	24	-4	67	-8	1
of which from investment in real estate companies	23	-4	65	-7	5
Interest income and dividends etc. from financial assets	94	35	164	145	508
Changes in investment value	807	723	601	1,658	1,968
Realised gains and losses on investments	145	175	146	-128	-101
<b>Total net income from investments in the investment selection portfolio</b>	<b>1,069</b>	<b>929</b>	<b>977</b>	<b>1,667</b>	<b>2,375</b>
<b>Other insurance related income</b>	<b>39</b>	<b>25</b>	<b>108</b>	<b>59</b>	<b>98</b>
Gross claims paid	-2,672	-2,337	-7,906	-6,813	-9,161
Claims paid - reinsurance	2	1	5	2	6
Gross change in claims reserve	-24	-29	-66	-37	-144
Premium reserves etc. transferred to other companies	-737	-822	-2,761	-1,781	-2,628
<b>Claims for own account</b>	<b>-3,430</b>	<b>-3,187</b>	<b>-10,728</b>	<b>-8,629</b>	<b>-11,928</b>
To (from) premium reserve, gross	-422	424	-6,292	-5,401	-5,334
To/from additional statutory reserves in connection with claims/repurchase	58	10	80	-41	-1,232
Change in value adjustment fund	-1,503		-1,472		-31
Change in premium fund, deposit fund and the pension surplus fund	-26	-26	-76	-98	-111
To/from technical reserves for non-life insurance business	2	5	-62	-66	-56
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	4	14	17	23	27
<b>Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations</b>	<b>-1,889</b>	<b>426</b>	<b>-7,805</b>	<b>-5,583</b>	<b>-6,737</b>
Change in premium reserve	-1,382	-2,590	-3,340	-4,909	-6,927
Change in other provisions	-113	-55	-122	-32	-81
<b>Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately</b>	<b>-1,495</b>	<b>-2,644</b>	<b>-3,463</b>	<b>-4,941</b>	<b>-7,008</b>
Profit on investment result	-516	-543	-756	-563	-5
The risk profit allocated to the insurance agreements	-26	-30	-71	-100	-79
Other allocation of profit	-77	-99	-119	-99	-2
<b>Funds allocated to insurance contracts, contractual obligations</b>	<b>-619</b>	<b>-672</b>	<b>-947</b>	<b>-762</b>	<b>-87</b>

NOK million	Q3		01.01 - 30.09		Year 2009
	2010	2009	2010	2009	
Management expenses	-34	-29	-105	-89	-122
Selling expenses	-125	-129	-397	-406	-336
Change in pre-paid direct selling expenses					
Insurance-related administration expenses (incl. commissions for reinsurance received)	-180	-192	-545	-596	-1,026
<b>Insurance-related operating expenses</b>	<b>-339</b>	<b>-350</b>	<b>-1,047</b>	<b>-1,090</b>	<b>-1,484</b>
<b>Other insurance related expenses after reinsurance share</b>	<b>-21</b>	<b>-47</b>	<b>-136</b>	<b>-120</b>	<b>-178</b>
<b>Technical insurance result</b>	<b>712</b>	<b>696</b>	<b>590</b>	<b>422</b>	<b>636</b>
<b>NON-TECHNICAL ACCOUNT</b>					
Income from investments in subsidiaries, associated companies and joint-controlled companies	16	-5	50	-33	37
of which from investment in real estate companies	16	-4	48	-10	3
Interest income and dividends etc. from financial assets	158	133	460	506	686
Changes in investment value	23	87	-38	88	73
Realised gains and losses on investments	62	23	178	213	259
<b>Net income from investments in company portfolio</b>	<b>259</b>	<b>237</b>	<b>649</b>	<b>774</b>	<b>1,055</b>
<b>Other income</b>					
Management expenses	-5	-6	-16	-14	-19
Other costs	-144	-114	-394	-410	-534
<b>Total management expenses and other costs linked to the company portfolio</b>	<b>-149</b>	<b>-120</b>	<b>-410</b>	<b>-424</b>	<b>-553</b>
<b>Profit or loss on non-technical account</b>	<b>110</b>	<b>117</b>	<b>239</b>	<b>350</b>	<b>502</b>
<b>Profit before tax</b>	<b>822</b>	<b>813</b>	<b>829</b>	<b>772</b>	<b>1,138</b>
<b>Tax costs</b>					
<b>Profit before other comprehensive income</b>	<b>822</b>	<b>813</b>	<b>829</b>	<b>772</b>	<b>1,138</b>
Actuarial gains and losses on defined benefit pensions - benefits to employees					75
Re-statement differences		-5		-22	-14
<b>Other comprehensive income and costs</b>		<b>-5</b>		<b>-22</b>	<b>61</b>
<b>COMPREHENSIVE INCOME</b>	<b>822</b>	<b>808</b>	<b>829</b>	<b>750</b>	<b>1,199</b>

# Storebrand Livsforsikring Group

## PROFIT AND LOSS

NOK million	Q3		01.01 - 30.09		
	2010	2009	2010	2009	Year 2009
<b>TECHNICAL ACCOUNT:</b>					
Gross premiums written	4,756	5,101	18,738	18,851	23,722
Reinsurance premiums ceded	-90	-47	-263	-186	-253
Premium reserves transferred from other companies	382	381	4,461	2,350	2,754
<b>Premiums for own account</b>	<b>5,047</b>	<b>5,435</b>	<b>22,935</b>	<b>21,014</b>	<b>26,223</b>
Income from investments in subsidiaries, associated companies and joint-controlled companies	1		8	-1	
Interest income and dividends etc. from financial assets	1,692	1,722	5,351	5,777	7,225
Net operating income from property	261	271	832	842	1,125
Changes in investment value	4,236	2,676	3,393	-1,488	-953
Realised gains and losses on investments	235	983	2,036	1,747	2,910
<b>Total net income from investments in the collective portfolio</b>	<b>6,425</b>	<b>5,652</b>	<b>11,620</b>	<b>6,877</b>	<b>10,308</b>
Income from investments in subsidiaries, associated companies and joint-controlled companies					
Interest income and dividends etc. from financial assets	702	936	796	1,088	1,561
Net operating income from property	20	18	59	40	86
Changes in investment value	867	1,011	766	4,092	5,758
Realised gains and losses on investments	-183	175	131	-127	-225
<b>Total net income from investments in the investment selection portfolio</b>	<b>1,406</b>	<b>2,140</b>	<b>1,752</b>	<b>5,093</b>	<b>7,181</b>
<b>Other insurance related income</b>	<b>237</b>	<b>186</b>	<b>670</b>	<b>575</b>	<b>790</b>
Gross claims paid	-3,758	-3,616	-12,173	-11,166	-14,917
Claims paid - reinsurance	17	10	44	34	30
Gross change in claims reserve	-62	-28	-102	-31	-136
Premium reserves etc. transferred to other companies	-1,048	-990	-3,403	-2,383	-3,343
<b>Claims for own account</b>	<b>-4,851</b>	<b>-4,623</b>	<b>-15,634</b>	<b>-13,546</b>	<b>-18,366</b>
To (from) premium reserve, gross	-419	-494	-9,707	-5,101	-5,051
To/from additional statutory reserves in connection with claims/repurchase	58	10	80	-41	-1,232
Change in value adjustment fund	-1,503		-1,472		-31
Change in premium fund, deposit fund and the pension surplus fund	-26	-26	-76	-98	-111
To/from technical reserves for non-life insurance business	2	5	-62	-66	-56
Change in conditional bonus	-1,341	-1,684	-606	-1,372	-2,161
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	4	14	17	23	27
<b>Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations</b>	<b>-3,227</b>	<b>-2,176</b>	<b>-11,826</b>	<b>-6,655</b>	<b>-8,615</b>
Change in premium reserve	-2,731	-4,174	-5,854	-10,063	-13,636
Change in other provisions	-113	-55	-122	-32	-81
<b>Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately</b>	<b>-2,843</b>	<b>-4,229</b>	<b>-5,977</b>	<b>-10,095</b>	<b>-13,718</b>
Profit on investment result	-516	-543	-756	-563	-5
The risk profit allocated to the insurance agreements	-26	-30	-71	-100	-79
Other allocation of profit	-77	-99	-119	-99	-2
<b>Funds allocated to insurance contracts, contractual obligations</b>	<b>-619</b>	<b>-672</b>	<b>-947</b>	<b>-762</b>	<b>-87</b>

NOK million	Q3		01.01 - 30.09		Year 2009
	2010	2009	2010	2009	
Management expenses	-86	-74	-245	-225	-306
Selling expenses	-169	-176	-531	-544	-526
Change in pre-paid direct selling expenses	7	43	44	59	74
Insurance-related administration expenses (incl. commissions for reinsurance received)	-321	-361	-1,017	-1,105	-1,748
Reinsurance commissions and profit participation	34	18	143	50	87
<b>Insurance-related operating expenses</b>	<b>-534</b>	<b>-551</b>	<b>-1,605</b>	<b>-1,764</b>	<b>-2,419</b>
<b>Other insurance related expenses after reinsurance share</b>	<b>-35</b>	<b>-59</b>	<b>-176</b>	<b>-174</b>	<b>-256</b>
<b>Technical insurance result</b>	<b>1,006</b>	<b>1,103</b>	<b>812</b>	<b>563</b>	<b>1,043</b>
<b>NON-TECHNICAL ACCOUNT</b>					
Income from investments in subsidiaries, associated companies and joint-controlled companies of which from investment in real estate companies	1	-1	6	-2	-1
Interest income and dividends etc. from financial assets	88	65	242	381	426
Net operating income from property	14	16	44	52	46
Changes in investment value	26	153	-53	-31	62
Realised gains and losses on investments	66	9	205	194	278
<b>Net income from investments in company portfolio</b>	<b>195</b>	<b>242</b>	<b>443</b>	<b>594</b>	<b>811</b>
<b>Other income</b>	<b>144</b>	<b>615</b>	<b>364</b>	<b>809</b>	<b>467</b>
Management expenses	-10	-11	-30	-27	-39
Other costs	-352	-788	-965	-1,449	-1,330
<b>Total management expenses and other costs linked to the company portfolio</b>	<b>-362</b>	<b>-799</b>	<b>-995</b>	<b>-1,476</b>	<b>-1,369</b>
<b>Profit or loss on non-technical account</b>	<b>-24</b>	<b>58</b>	<b>-187</b>	<b>-74</b>	<b>-91</b>
<b>Profit before tax</b>	<b>982</b>	<b>1,161</b>	<b>625</b>	<b>490</b>	<b>952</b>
<b>Tax costs</b>	<b>-5</b>	<b>6</b>	<b>-42</b>	<b>9</b>	<b>13</b>
<b>Profit before other comprehensive income</b>	<b>977</b>	<b>1,168</b>	<b>583</b>	<b>499</b>	<b>965</b>
Actuarial gains and losses on defined benefit pensions - benefits to employees		-16	10	-14	104
Change in value adjustment reserve own buildings	12		35		-4
Re-statement differences	4	3	4	-31	-21
Adjustment of insurance liabilities	-12		-35		
<b>Other comprehensive income and costs</b>	<b>4</b>	<b>-13</b>	<b>14</b>	<b>-45</b>	<b>79</b>
<b>COMPREHENSIVE INCOME</b>	<b>981</b>	<b>1,154</b>	<b>597</b>	<b>454</b>	<b>1,044</b>
<b>PROFIT IS DUE TO:</b>					
Minority share of profit	2		4	9	7
Majority share of profit	976	1,167	579	490	959
<b>COMPREHENSIVE INCOME IS DUE TO:</b>					
Minority share of profit	4	-7	4	-7	-7
Majority share of profit	977	1,161	593	461	1,052

# Storebrand Livsforsikring

## STATEMENT OF FINANCIAL POSITION

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
31.12.09	30.09.2010	NOK million	30.09.2010	31.12.09
<b>ASSETS</b>				
<b>ASSETS IN COMPANY PORTFOLIO</b>				
694	744	Goodwill		
5,456	5,609	Other intangible assets	67	48
<b>6,150</b>	<b>6,354</b>	<b>Total intangible assets</b>	<b>67</b>	<b>48</b>
1,123	1,162	Properties and real estate		
336	352	Owner used properties		
114	122	Shares and units in subsidiaries, associated companies and joint-controlled companies	7,770	7,401
		of which investment in real estate companies	1,368	1,335
	38	Loans to and securities issued by subsidiaries, associated companies	8,103	7,605
9	7	Loans and receivables	7	9
325	308	Bonds at amortised cost	308	325
283	341	Shares and other units at fair value	190	167
14,793	14,613	Bonds and other fixed-income securities at fair value	6,048	6,983
431	302	Derivatives at fair value	301	429
248	252	Other financial assets	175	195
<b>17,661</b>	<b>17,497</b>	<b>Total investments</b>	<b>22,902</b>	<b>23,113</b>
<b>140</b>	<b>185</b>	<b>Reinsurance share of insurance obligations</b>	<b>185</b>	<b>140</b>
1,197	1,239	Receivables in connection with direct business transactions	1,232	1,181
42	38	Receivables in connection with reinsurance transactions		
29	26	Receivables with group company	29	127
1,366	1,346	Other receivables	705	657
<b>2,633</b>	<b>2,649</b>	<b>Total receivables</b>	<b>1,965</b>	<b>1,965</b>
129	109	Plants and equipment	95	118
2,036	904	Cash, bank	36	837
552	556	Other assets designated according to type	0	0
<b>2,717</b>	<b>1,569</b>	<b>Total other assets</b>	<b>131</b>	<b>954</b>
270	336	Pre-paid direct selling expenses		
82	112	Other pre-paid costs and income earned and not received	53	31
<b>352</b>	<b>447</b>	<b>Total pre-paid costs and income earned and not received</b>	<b>53</b>	<b>31</b>
<b>29,653</b>	<b>28,701</b>	<b>Total assets in company portfolio</b>	<b>25,305</b>	<b>26,252</b>
<b>ASSETS IN CUSTOMER PORTFOLIOS</b>				
21,655	23,307	Properties and real estate		
1,298	1,325	Owner used properties		
3	22	Shares and units in subsidiaries, associated companies and joint-controlled companies	26,977	25,763
		of which investment in real estate companies	26,583	25,368
156	163	Loans to and securities issued by subsidiaries, associated companies		
44,393	45,141	Bonds at amortised cost	45,141	44,393
3,541	3,237	Loans and receivables	3,237	3,541
41,253	50,656	Shares and other units at fair value	25,907	19,431
120,361	127,617	Bonds and other fixed-income securities at fair value	60,823	60,731
2,260	4,919	Financial derivatives at fair value	1,339	845
4,681	6,244	Other financial assets	2,659	2,231
<b>239,602</b>	<b>262,631</b>	<b>Total investments in collective portfolio</b>	<b>166,083</b>	<b>156,936</b>

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Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
31.12.09	30.09.2010	NOK million	30.09.2010	31.12.09
1,383	1,680	Properties and real estate		
84	94	Owner used properties		
		Shares and units in subsidiaries, associated companies and joint-controlled companies	1,986	1,657
		of which investment in real estate companies	1,972	1,643
		Bonds at amortised cost		
117	113	Loans and receivables	113	117
31,551	35,992	Shares and other units at fair value	9,828	8,572
14,440	16,301	Bonds and other fixed-income securities at fair value	10,832	9,077
89	236	Financial derivatives at fair value	235	86
1,059	1,016	Other financial assets	989	1,037
<b>48,722</b>	<b>55,433</b>	<b>Total investments in investment selection portfolio</b>	<b>23,984</b>	<b>20,546</b>
<b>288,324</b>	<b>318,064</b>	<b>Total assets in customer portfolio</b>	<b>190,067</b>	<b>177,482</b>
<b>317,977</b>	<b>346,765</b>	<b>TOTAL ASSETS</b>	<b>215,371</b>	<b>203,734</b>
		<b>EQUITY AND LIABILITIES</b>		
3,430	3,430	Share capital	3,430	3,430
9,271	9,271	Share premium reserve	9,271	9,271
<b>12,701</b>	<b>12,701</b>	<b>Total paid in equity</b>	<b>12,701</b>	<b>12,701</b>
225	299	Risk equalisation fund	299	225
2,046	2,053	Other earned equity	2,910	2,910
	508	Earned profit	754	
209	213	Minority's share of equity		
<b>2,480</b>	<b>3,073</b>	<b>Total earned equity</b>	<b>3,963</b>	<b>3,134</b>
5,432	5,330	Perpetual subordinated loan capital	5,330	5,432
1,486	1,499	Perpetual capital	1,499	1,486
<b>6,918</b>	<b>6,829</b>	<b>Total subordinate loan capital etc.</b>	<b>6,829</b>	<b>6,918</b>
220,423	236,902	Premium reserves	153,121	146,442
4,407	4,319	Additional statutory reserves	4,319	4,407
31	1,503	Market value adjustment reserve	1,503	31
683	795	Claims allocation	704	634
3,583	3,966	Premium fund, deposit fund and the pension surplus fund	3,966	3,583
8,689	10,009	Conditional bonus		
478	585	Other technical reserve	585	478
<b>238,294</b>	<b>258,079</b>	<b>Total insurance obligations in life insurance - contractual obligations</b>	<b>164,199</b>	<b>155,574</b>
48,193	54,519	Premium reserve	23,042	19,698
		Supplementary reserves		
5	1	Claims allocation	1	5
239	237	Additional statutory reserves	237	239
524	606	Premium fund, deposit fund and the pension surplus fund	606	524
<b>48,962</b>	<b>55,362</b>	<b>Total insurance obligations in life insurance - investment portfolio separately</b>	<b>23,885</b>	<b>20,466</b>

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Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
31.12.09	30.09.2010	NOK million	30.09.2010	31.12.09
749	733	Pension liabilities etc.	531	531
636	669	Period tax liabilities	4	3
81	50	Other provisions for liabilities	26	60
<b>1,466</b>	<b>1,453</b>	<b>Total provisions for liabilities</b>	<b>560</b>	<b>594</b>
1,690	1,139	Liabilities in connection with direct insurance	761	1,188
104	-23	Liabilities in connection with reinsurance	6	57
1,344	1,041	Financial derivatives	833	1,040
610	21	Liabilities to group companies	20	620
2,888	6,531	Other liabilities	1,377	1,152
<b>6,636</b>	<b>8,710</b>	<b>Total liabilities</b>	<b>2,998</b>	<b>4,056</b>
115	136	Received, unearned leasing income		
406	423	Other accrued expenses and received, unearned income	236	289
<b>520</b>	<b>559</b>	<b>Total accrued expenses and received, unearned income</b>	<b>236</b>	<b>289</b>
<b>317,977</b>	<b>346,765</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>215,371</b>	<b>203,734</b>
		<b>ITEMS NOT ON BALANCE SHEET</b>		
4,483	5,721	Contingent liabilities	3,353	3,053

# Storebrand Livsforsikring

## RECONCILIATION OF STOREBRAND LIVSFORSIKRING AS'S EQUITY

NOK million	Share capital <sup>1)</sup>	Share pre- mium reserves	Total paid in equity	Risk equaliaction fund	Other equity	Total equity
<b>Equity at 31.12.2009</b>	<b>3,430</b>	<b>9,271</b>	<b>12,701</b>	<b>225</b>	<b>2,910</b>	<b>15,835</b>
Profit				75	754	829
<b>Comprehensive income:</b>						
Re-statement differences						
Pension experience adjustments						
<b>Total revenue and costs for the period</b>				<b>75</b>	<b>754</b>	<b>829</b>
<b>Equity transactions with owner:</b>						
Group contributions						
Share issue						
<b>Equity at 30.09.2010</b>	<b>3,430</b>	<b>9,271</b>	<b>12,701</b>	<b>299</b>	<b>3,664</b>	<b>16,664</b>

<sup>1)</sup> 34.304.200 shares of NOK 100 par value.

## RECONCILIATION OF STOREBRAND LIVSFORSIKRING GROUP'S EQUITY

NOK million	Majority's share of equity				Other equity	Minority interests	Total equity
	Share capital	Share premium reserves	Total paid in equity	Risk equaliaction fund			
<b>Equity at 31.12.2009</b>	<b>3,430</b>	<b>9,271</b>	<b>12,701</b>	<b>225</b>	<b>2,106</b>	<b>209</b>	<b>15,181</b>
Profit				75	504	4	583
<b>Comprehensive income:</b>							
Re-statement differences					5	-1	4
Change in value adjustment reserve own buildings							
Pension experience adjustments					10		10
<b>Total revenue and costs for the period</b>				<b>75</b>	<b>519</b>	<b>4</b>	<b>597</b>
<b>Equity transactions with owner:</b>							
Share issue							
Issue costs							
Group contributions							
Other					-11		-11
<b>Equity at 30.09.2010</b>	<b>3,430</b>	<b>9,271</b>	<b>12,701</b>	<b>299</b>	<b>2,621</b>	<b>213</b>	<b>15,774</b>



# Storebrand Livsforsikring

## CASH FLOW ANALYSIS STOREBRAND LIVSFORSIKRING

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
30.09.09	30.09.10	NOK million	30.09.10	30.09.09
		<b>Cash flow from operational activities</b>		
11,707	16,684	Net received - direct insurance	11,231	12,438
-11,311	-13,130	Net claims/benefits paid - direct insurance	-8,626	-6,908
-33	1,058	Net receipts/payments - policy transfers	1,543	525
-1,764	-1,605	Net receipts/payments - other operational activities	-1,047	-1,090
-972	2,668	Net receipts/payments operations	-1,687	-3,230
<b>-2,373</b>	<b>5,675</b>	<b>Net cash flow from operational activities before financial assets</b>	<b>1,414</b>	<b>1,735</b>
126	309	Net receipts/payments - lendings to customers	309	100
-6,064	-3,340	Net receipts/payments - financial assets	-511	-5,176
627	-1,107	Net receipts/payments - real estate activities		
6,840	-1,521	Net change bank deposit insurance customers	-381	2,638
<b>1,529</b>	<b>-5,659</b>	<b>Net cash flow from operational activities from financial assets</b>	<b>-583</b>	<b>-2,438</b>
<b>-845</b>	<b>16</b>	<b>Net cash flow from operational activities</b>	<b>832</b>	<b>-703</b>
		<b>Cash flow from investmet activities</b>		
		Net receipts - sales of subsidiaries		
-67	-2	Net payments - purchase/capitalisation of subsidiaries	-551	
-31	-47	Net receipts/payments - sale/purchase of fixed assets	-7	-20
<b>-97</b>	<b>-49</b>	<b>Net cash flow from investment activities</b>	<b>-558</b>	<b>-20</b>
		<b>Cash flow from financing activities</b>		
981		Receipt - subordinated loan capital		981
-3,484		Payments - repayments of subordinated loan capital		-1,991
-581	-485	Payments - interest on subordinated loan capital	-485	-561
	-610	Payments - group contribution dividends	-610	
<b>-3,084</b>	<b>-1,095</b>	<b>Net cash flow from financing activities</b>	<b>-1,095</b>	<b>-1,572</b>
<b>-4,026</b>	<b>-1,128</b>	<b>Net cash flow for the period</b>	<b>-821</b>	<b>-2,295</b>
-5,555	4,530	of which net cash flow for the period before financial assets	-239	143
-4,026	-1,128	Net movement in cash and cash equivalent assets	-821	-2,295
4,879	2,284	Cash and cash equivalent assets at start of the period	1,032	1,939
<b>853</b>	<b>1,155</b>	<b>Cash and cash equivalent assets at the end of the periode</b>	<b>211</b>	<b>-355</b>

# Notes to the interim accounts

## NOTE 1: ACCOUNTING POLICIES

The accounts were prepared in accordance with the accounting policies applied in the 2009 annual accounts. A description of the accounting policies is provided in the 2009 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 accounts, as well as the information provided on contingent liabilities. The final values realised may differ from these estimates. Please refer to the discussions in notes 2 and 3 of the 2009 annual report.

Storebrand's pension obligations to their employees, are not affected by changes in the pension scheme as Storebrand pension scheme has not included AFP.

## NOTE 3: VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The valuation classification of financial instruments at fair value is based on the general policies the company applies and which are described in the 2009 annual report. The reclassification of financial instruments from the previous reporting period primarily applies to equities and has been carried out in accordance with the general policies. The background for reclassification will normally be changes in the equities' market liquidity.

The table below specifies level 3.

## STOREBRAND LIVSFORSIKRING AS

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

#### Shares and units

NOK million	Book value 31.12.09	Book value 30.09.10	Change	Of which reclassification with respect to pricing method to / from non-observable assumptions
Shares	1,702	1,772	70	
Fund units excluding hedge funds	1,052	1,136	84	
Private Equity fund investments	3,360	3,909	549	
Indirect real estate fund		39	39	
Hedge funds				
<b>Total</b>	<b>6,114</b>	<b>6,855</b>	<b>741</b>	

#### Bonds and other fixed-income securities

NOK million	Book value 31.12.09	Book value 30.09.10	Change	Of which reclassification with respect to pricing method to / from non-observable assumptions
Asset backed securities	1,373	1,199	-173	
Corporate bonds	658	680	22	
Finance, bank and insurance	10	21	10	
<b>Total</b>	<b>2,041</b>	<b>1,900</b>	<b>-141</b>	

# Notes to the interim accounts

## STOREBRAND LIVSFORSIKRING GROUP

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

#### Shares and units

NOK million	Book value 31.12.09	Book value 30.09.10	Change	Of which reclassification with respect to pricing method to / from non-observable assumptions
Shares	3,124	3,139	15	
Fund units excluding hedge funds	1,612	2,017	405	
Private Equity fund investments	3,555	4,259	704	
Indirect real estate fund	2,050	2,089	39	
Hedge funds				
<b>Total</b>	<b>10,342</b>	<b>11,504</b>	<b>1,162</b>	

#### Bonds and other fixed-income securities

NOK million	Book value 31.12.09	Book value 30.09.10	Change	Of which reclassification with respect to pricing method to / from non-observable assumptions
Asset backed securities	1,373	1,199	-173	
Corporate bonds	658	1,016	358	
Finance, bank and insurance	10	29	19	
Local authority, county	106		-106	
Bond funds				
<b>Total</b>	<b>2,147</b>	<b>2,245</b>	<b>98</b>	

# Notes to the interim accounts

## NOTE 4: SEGMENT INFORMATION - ANALYSIS OF PROFIT AND LOSS BY BUSINESS AREA

NOK million	Life and Pensions Norway		Life and Pensions Sweden		Asset management		Storebrand Livsforsikring Group	
	Q3		Q3		Q3		Q3	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	7,236	7,893	4,654	6,345	62	35	11,953	14,274
Profit before tax	731	753	216	394	35	14	982	1,161
Assets	1,174	5,740	9,506	4,435	46	-42	10,726	10,133
Liabilities	-2,258	4,929	11,983	4,105	13	-55	9,738	8,979

NOK million	Life and Pensions Norway		Life and Pensions Sweden		Asset management		Storebrand Livsforsikring Group	
	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09
	Revenue	23,767	24,107	12,350	11,942	148	100	36,265
Profit before tax	561	524	-8	-76	72	43	625	490
Assets	201,666	190,013	144,931	130,331	169	138	346,765	320,482
Liabilities	190,934	179,728	139,984	125,503	74	63	330,991	305,293

### Revenue

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

### Life and Pensions Norway

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. Includes companies in Storebrand Life Group excluding Storebrand Eiendom.

### Life and Pensions Sweden

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. Includes companies in SPP Group (Storebrand Holding Group excluding SPP Fonder).

### Asset management

Storebrand's asset management activities include the companies Storebrand Eiendom and SPP Fonder AB.

# Notes to the interim accounts

## NOTE 5: PROPERTIES

The following amounts are booked in the income statement:

NOK million	Q3		01.01 - 30.09		Year 2009
	2010	2009	2010	2009	
Rent income from properties <sup>1)</sup>	372	371	1,149	1,119	1,556
Operating costs (including maintenance and repairs) relating to properties that have provided rent income during the period <sup>2)</sup>	-85	-80	-214	-198	-299
<b>Total</b>	<b>286</b>	<b>292</b>	<b>934</b>	<b>921</b>	<b>1,258</b>
1) Hence properties for own use	17	25	50	74	94
2) Hence properties for own use	-3	-4	-9	-12	-18

### Write-downs/changes in value real estate investments

NOK million	Q3		01.01 - 30.09		Year 2009
	2010	2009	2010	2009	
Wholly owned property investments - investment properties	3	-225	15	-255	-254
Wholly owned property investments- properties for own use					55
Property equities and units in Norway <sup>1)</sup>	28	-3	79	-103	-76
Property units abroad <sup>1)</sup>	50	-165	40	-834	-974
<b>Total write-downs/value changes</b>	<b>81</b>	<b>-393</b>	<b>133</b>	<b>-1,162</b>	<b>-1,250</b>
<b>Realised gains / losses on properties sold</b>				<b>-2</b>	

<sup>1)</sup> Are in the statement of financial position classified as equities and units

### Book value of investment properties in the statement of financial position

NOK million	30.09.10	Year 2009
Carrying amount as per 1 Jan	24,160	23,000
Supply due to purchases	1,799	677
Supply due to additions	151	305
To owner used properties		-87
From owner used properties		1,128
Disposals		-635
Net write-ups/write-downs	14	-199
Exchange rate changes	25	-28
<b>Carrying amount</b>	<b>26,149</b>	<b>24,160</b>

### Property type

NOK million	30.09.10	Year 2009	30.09.10		
			Duration of lease (years)	m2	Leased amount in % <sup>1)</sup>
Office buildings (including parking and storage)	13,471	11,977	5	840,655	93
Shopping centres (including parking and storage)	11,268	11,180	3	386,723	93
Multi-storey car parks	692	692	6	44,085	100
Cultural/conference centres and commercial in Sweden	718	311			
<b>Total investment properties</b>	<b>26,149</b>	<b>24,160</b>		<b>1,271,463</b>	
Properties for own use other	1,771	1,718	10	50,000	91
<b>Total properties</b>	<b>27,920</b>	<b>25,878</b>		<b>1,321,463</b>	

<sup>1)</sup> The leased amount is calculated in relation to floor space.

# Notes to the interim accounts

## Geographical location:

NOK million	30.09.10	Year 2009
Oslo- Vika/Fillipstad Brygge	6,220	5,377
Rest of Greater Oslo	9,063	8,903
Rest of Norway	11,918	11,287
Sweden	718	311
<b>Total properties</b>	<b>27,920</b>	<b>25,878</b>

A further NOK 855 million was agreed for property purchases in Q3 2010, but the assumption of the risk and final conclusion of contracts will occur later in 2010 and NOK 400 million in Storebrand and SEK 1050 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. Observed market prices are taken into account when setting market rent and the required rate of return.

If applicable prices in an active market are unavailable, one looks at the following, among other things:

- applicable prices in an active market for property of another kind, with other conditions or in another location (or subject to other leases or other contracts), adjusted to take account of these differences,
- prices recently achieved for equivalent properties in less active markets, with adjustments that reflect any changes in economic conditions after the time the transactions took place at the aforementioned prices, and
- discounted cash flow prognoses based on reliable estimates of future cash flows, and supported by the terms and conditions in any existing leases and other contracts, as well as (where possible) external knowledge about applicable market rents for equivalent properties in the same location and under the same conditions, and the use of discount rates that reflect applicable market assessments of uncertainty in the cash flows amounts and timetable.

The individual required rate of return for the individual investment is used to discount future net cash flows.

The required rate of return is set on the basis of expected future risk free interest and an individually set risk premium. The following, among other things, is taken into account when setting the required rate of return:

- Transactions in the market
- Perceptions in the market
- Lease status (vacancy, tenant's solvency)
- Location
- Standard
- Rent level in relation to market rent
- Value per m<sup>2</sup>
- All other information about property values, the market and the individual property

The property's market values is assessed on the basis of a long-term income perspective. Office buildings and shopping centres account for a significant proportion of the properties. 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 rent 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 development in market rents. 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. A representative selection of properties is subject to an external valuation.

# Notes to the interim accounts

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

Segment	Required rate of return %	
	30.09.10	31.12.09
Office portfolio Oslo City Centre	7,75-9,25	7,75-9,25
Shopping centre portfolio	8,25-9,25	8,25-9,25
Other properties	8,75-10,00	8,75-10,00

## Sensitivities

Valuations are particularly sensitive to changes in the required rate of return and assumed future cash flows. A change of 0.25% 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 approx. MNOK 871 which corresponds to 3.36%.

## NOTE 6: RISK FACTORS

Note 19 of the 2009 annual report explains the group's financial risks in more detail and how Storebrand's assets and liabilities are affected by developments in the financial markets. Storebrand Life Insurance's financial risk is principally associated with its ability to meet the annual return guarantee for a large proportion of the company's balance sheet. Despite significant differences in products and general conditions in Norway and Sweden, SPP's financial risk is also principally associated with its ability to meet guarantees to customers. Falling equity markets and falls in interest rates that lead to lasting low interest rates below the guaranteed interest are important risk factors for both companies. The investment strategy and risk management in both companies comprises three main pillars:

- 1) asset allocation that results in a good return for customers and owners over time
- 2) the implementation of dynamic risk management measures in customer portfolios
- 3) tailored hedging of certain selected insurance policies in the company's portfolio (especially for SPP)

Long interest rates have fallen in the year-to-date and have at times been volatile in both Norway and Sweden, but have risen again somewhat after reaching their lowest levels at the end of August. All other things being equal, low interest rates contribute to increased risk for the life companies. Positive equity markets in the last quarter have had a positive effect on the companies' financial results, buffer situations and equity risk.

Note 45 of the 2009 annual report explains the group's insurance risks in more detail. Biometric risk, i.e. the risk associated with disability, death and longer life expectancy, is another significant risk for the Group.

## NOTE 7: FINANCIAL LIABILITIES AND SPECIFICATION OF BORROWING

### Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate (fixed/ variable)	Call date	Balance sheet 30.09.10
<b>Issuer</b>					
<b>Hybrid tier 1 capital</b>					
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,499
<b>Perpetual subordinated loan capital</b>					
Storebrand Livsforsikring AS	300	EUR	Fixed	2013	2,578
Storebrand Livsforsikring AS	1,700	NOK	Variable	2014	1,703
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,048
<b>Total subordinated loan capital and hybrid tier 1 capital 30.09.2010</b>					<b>6,829</b>
<b>Total subordinated loan capital and hybrid tier 1 capital 31.12.2009</b>					<b>6,918</b>

# Notes to the interim accounts

## NOTE 8: CONTIGENT LIABILITIES

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	30.09.10	31.12.09	30.09.10	31.12.09
Undrawn amounts of committed lending facilities	620	355	620	355
Uncalled residual liabilities concerning Limited Partnership	3,353	3,053	5,721	4,483
<b>Total contingent liabilities</b>	<b>3,973</b>	<b>3,408</b>	<b>6,341</b>	<b>4,838</b>

## NOTE 9: CAPITAL ADEQUACY

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	30.09.10	31.12.09	30.09.10	31.12.09
Share capital	3,430	3,430	3,430	3,430
Other equity	13,234	12,405	12,344	11,750
<b>Equity</b>	<b>16,664</b>	<b>15,835</b>	<b>15,774</b>	<b>15,181</b>
Hybrid tier 1 capital	1,500	1,486	1,500	1,486
Conditional bonus			3,153	2,755
Goodwill and other intangible assets	-67	-48	-6,429	-6,150
Risk equalisation fund	-299	-225	-299	-225
Portion of reset unamortised experience adjustments			-284	-254
Use of additional statutory reserves	2		2	
Deduction for investments in other financial institutions	-32		-22	
Other	-402	-41	-105	-150
<b>Core (tier 1) capital</b>	<b>17,366</b>	<b>17,008</b>	<b>13,291</b>	<b>12,643</b>
Hybrid tier 1 capital				
Perpetual subordinated loan capital	5,066	5,047	5,066	5,047
Capital adequacy reserve			-284	-254
Deductions for investments in other financial institutions	-32		-22	
<b>Tier 2 capital</b>	<b>5,034</b>	<b>5,047</b>	<b>4,761</b>	<b>4,793</b>
<b>Net primary capital</b>	<b>22,399</b>	<b>22,055</b>	<b>18,052</b>	<b>17,435</b>
<b>Risk weighted calculation base</b>	<b>105,106</b>	<b>97,029</b>	<b>130,151</b>	<b>117,336</b>
<b>Capital adequacy ratio</b>	<b>21.31%</b>	<b>22.73%</b>	<b>13.87%</b>	<b>14.86%</b>
<b>Core (tier 1) capital ratio</b>	<b>16.52%</b>	<b>17.53%</b>	<b>10.21%</b>	<b>10.77%</b>

## NOTE 10: SOLVENCY MARGIN

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	30.09.10	31.12.09	30.09.10	31.12.09
Solvency margin requirements	7,128	6,737	11,007	10,102
Solvency margin capital	23,376	22,855	17,378	17,159
<b>Solvency margin</b>	<b>327.9 %</b>	<b>339.3 %</b>	<b>157.9 %</b>	<b>169.9 %</b>

### Specification of solvency margin capital

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	30.09.10	31.12.09	30.09.10	31.12.09
Net primary capital	22,399	22,055	18,052	17,435
50% of additional statutory reserves	2,276	2,323	2,276	2,323
50% of risk equalisation fund	150	112	150	112
Counting security reserve	53	43	53	43
Conditional bonus			-3,153	-2,755
Reduction in Tier 2 capital eligible for inclusion in solvency capital	-1,502	-1,679		
<b>Solvency capital</b>	<b>23,376</b>	<b>22,855</b>	<b>17,378</b>	<b>17,159</b>



Translation from the original Norwegian version

To the board of Storebrand Livsforsikring AS

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the condensed consolidated financial statement of Storebrand Livsforsikring AS (the Group) as of September 30, 2010, showing a comprehensive income of MNOK 597. The condensed consolidated financial statement comprises the statement of income, the statement of financial position, the statement of cash flow, the statement of comprehensive income, the statement of changes in equity and selected explanatory notes by September 30, 2010. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard No 34 adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our 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.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information does not give a true and fair view of the financial position of the Group as at September 30, 2010, and of its financial performance and its cash flows and the changes in equity for the nine month period then ended in accordance with International Accounting Standard no 34 as adopted by EU.

Oslo, October 26, 2010  
Deloitte AS

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