

Interim Report 2015

Storebrand Livsforsikring AS

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Storebrand Livsforsikring Group

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 1st Quarter result please refer to the Storebrand Group's interim report for the 1st Quarter of 2015.

PROFIT STOREBRAND LIVSFORSIKRING GROUP

NOK million	2015		2014			Full year 2014
	1Q	4Q	3Q	2Q	1Q	
Fee and administration income	777	839	837	767	790	3,233
Risk result life & pensions	9	323	37	45	75	480
Insurance premiums f.o.a.	645	603	581	585	590	2,359
Claims f.o.a.	-471	-481	-431	-435	-347	-1,693
Operational cost	-614	-283	-580	-611	-587	-2,061
Financial result	112	6	91	167	136	399
Profit before profit sharing	458	1,007	535	519	656	2,717
Net profit sharing and loan losses	63	-359	99	196	118	54
Provision longevity	-154	-121	-90	-90	-90	-391
Profit before amortisation	366	527	543	625	684	2,379

Profit before amortization was NOK 366 million (NOK 684 million) in Q1 2015. The figures in parentheses show the development in the corresponding period last year. Fee and administration income declined by 1.6% compared with the same quarter last year. Adjusted for discontinued operations, there was an increase of 3%.

The operating costs increased by NOK 43m, and increase of 4.5% compared with the same period last year. The increase is largely due to the sales costs in SPP and the costs of establishing solutions and the cost for servicing customers from Akademikerne and Statoil.

Reserve strengthening for increased longevity is charged directly to the result in the amount of NOK 154m (90m) in the 1st quarter. The increase of NOK 64m was due to reserve strengthening on contracts which were converted to paid-up policies with investment choice. The indirect contribution to reserve strengthening for increased longevity due to lost profit-sharing and risk result was NOK 121m in the 1st quarter.

In the 1st quarter reserves of NOK 1 688m were converted to paid-up policies with investment choice. The total amount converted in this way since the middle of October was NOK 2 755m.

In connection with the first quarter, Market Consistent Embedded Value (MCEV) calculations for the year 2014 is published in a separate report which is available Storebrand's website. Embedded Value is a present value calculation of insurance contracts based on actuarial assumptions and shows a total value of NOK 31.4 bn.

PROFIT STOREBRAND LIVSFORSIKRING GROUP PER LINE OF BUSINESS

NOK million	2015		2014			Full year 2014
	1Q	4Q	3Q	2Q	1Q	
Savings	81	115	141	80	90	426
Insurance	148	85	90	117	210	502
Guaranteed pensions	81	227	233	313	302	1,074
Other	56	101	79	115	81	377
Profit before amortisation	366	527	543	625	684	2,379

The Savings segment (non-guaranteed) posted a profit of NOK 81 million (90 million). The reason for the decline is the sale of SPP Fonder AB from Storebrand Holding AB to Storebrand Asset Management AS, which is therefore no longer a part of Storebrand Life Insurance Group. The development in the Savings segment was driven by good growth in customer assets. The Insurance segment reported a profit of NOK 148 million (210 million), which is an improvement from the three preceding quarters due to an increase in income. The Guaranteed Pension segment returned a profit of NOK 81 million (302 million). The profit was hurt by higher costs for increased longevity. Risk result and profit sharing in SPP were lower than in previous quarters.

MARKET AND SALES PERFORMANCE

There are strong sales in the Savings and Insurance segments. In Norway, Storebrand is the market leader in defined contribution schemes, with 30% of the market share of gross premiums written. Increased maximum limits for company savings for own employees, from the beginning of 2014, contribute positively to the growth in current premium income. SPP is the number three provider in the Swedish unit-linked insurance market within Other Occupational Pensions, with a market share of 15% of all new contracts.

CAPITAL SITUATION AND TAXES

The Storebrand Life Insurance Group's solvency margin was 173% at the end of the quarter. This represents a decline of 1.6 percentage points during the quarter. The decline is attributed primarily to the fall in long-term interest rates in Sweden. A reduction in the level of interest rates increases the insurance liabilities in the solvency calculation for the Swedish part of the business.

In 2016, the new solvency regulation, Solvency II, will be implemented. The Group's ambition is a solvency margin of 130% including transition rules. At the end of the 1st quarter 2015 the estimated solvency margin under the Solvency II rules was 152% (without transitional rules the solvency margin is estimated to 98%). Storebrand uses the standard model, and the company's interpretation of the proposed transition rules from the Financial Supervisory Authority of Norway (FSA). Changes may be made in the regulations, methods and interpretations between now and the implementation date.

The income tax cost for the 1st quarter is based on the effective tax rate for the whole year 2015. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway (27%). The accrual effects vary from one quarter to the next depending on each legal entity's contribution to the Group result. The general tax rate is estimated to lie between 20-25% for the year.

STRENGTHENING OF RESERVES FOR LONGEVITY

Storebrand needs to strengthen its reserves by NOK 12.4bn. At year-end 2014 NOK 6.2bn, and in the 1st quarter 2015 additional NOK 1.2bn were set aside, resulting in a total provision of NOK 7.4bn. The owners' result in the 1st quarter was charged NOK 154m. The provisions of NOK 90m are based on an estimate of the total requirement of the reserve strengthening period of 2014 to 2020 assuming today's portfolio composition. Storebrand also has other buffers that can be used to strengthen the reserves for higher projected life-expectancy.

Savings

Good earnings growth driven by growth in customer assets under management and good return.

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

PROFIT

NOK million	2015	2014				Full year
	1Q	4Q	3Q	2Q	1Q	2014
Fee and administration income	309	323	329	299	285	1,236
Risk result life & pensions	-4	-10	7	-7	-2	-11
Operational cost	-224	-200	-195	-213	-194	-801
Profit before profit sharing	81	113	142	80	90	424
Net profit sharing and loan losses		1			1	2
Profit before amortisation	81	115	141	80	90	426

Savings achieved a profit of NOK 81 million (90 million) in Q1. There is significant growth in income driven by increased customer assets in Unit Linked (mutual fund-linked insurance). Total fee and administration income in Q1 increased by 8% from the same period last year, and taking into account the sale of SPP Fonder, the increase was 21%.

Operating costs increased in line with the growth in operations; sales expenses and the costs of establishing solutions for Akademikerne and Statoil are included.

Defined contribution pensions are growing in both Norway and Sweden alike, due to increased premium income, and that more companies are converting from defined benefit plans to defined contribution plans. Good return also contributes to the growth in the customer reserves. Income from Unit Linked in Norway and Sweden in the 1st quarter is 27% higher than for the same period last year.

BALANCE SHEET AND MARKET TRENDS

Premium income for non-guaranteed life insurance-related savings has increased by 17% from the 1st quarter 2014. Most of the increase came within the Norwegian business. The total reserves within unit-linked pension insurance have increased by 10% so far this year.

In Norway, Storebrand is the market leader in defined contribution schemes, with over 30% of the market share of gross premiums written. Higher maximum limits for company savings for employees since the start of 2014 have made a positive contribution to the growth in premium income. Paid-up policies with investment choice, which were launched in autumn 2014, have also returned good growth in volumes in the Norwegian unit-linked business.

As the third largest provider in the Swedish market segment for Other Occupational Pensions, SPP has a market share of 15% of new contracts. New sales are 6% higher than in the 1st quarter 2014, measured in SEK, although changes in exchange rates mean a negative trend if measured in Norwegian kroner (NOK). A number of tender invitations are in progress which we anticipate will provide a positive boost to premium income going forward.

SAVINGS- KEY FIGURES

NOK million	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Unit Linked Reserves	115,816	105,369	93,976	92,899	87,105
Unit Linked Premiums	2,871	2,594	2,483	2,347	2,463

Insurance

Solid top line growth driven by good sales.

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

PROFIT

NOK million	2015	2014				Full year
	1Q	4Q	3Q	2Q	1Q	2014
Insurance premiums f.o.a.	645	603	581	585	590	2,359
Claims f.o.a.	-471	-481	-431	-435	-347	-1,693
Operational cost	-96	7	-91	-100	-95	-279
Financial result	70	-44	31	66	63	115
Profit before profit sharing	148	85	90	117	210	502

In Q1, Insurance posted a profit before amortization of NOK 148 million (210 million) with a combined ratio of 88% (75%).

The overall risk result for the quarter shows a loss ratio of 73% (59%). More new cases of disability than expected during the quarter reduced the risk result for life insurance risk products in Norway.

The expense ratio amounted to 15% (16%) for Q1. Enhancing competitiveness through continued efficiency is a priority.

The investment portfolio of Insurance in Norway amounts to NOK 4.7 billion, primarily invested in fixed income securities of short-to-medium duration. Financial income was good in the quarter due to solid returns.

BALANCE SHEET AND MARKET TRENDS

Premium income for own account in Q1 was NOK 645 million (590 million).

In Q4 Storebrand signed an agreement with Akademikerne (the Federation of Norwegian Professional Associations) to provide insurance for eleven out of thirteen of the federation's member unions. This agreement embraces some 110 000 members, and ensures Storebrand a solid position in the trade union market. The contract entered into force on 01.01.2015.

For risk cover in connection with defined contribution pensions in Norway, growth is driven by conversions from defined benefit to defined contribution pension schemes. Changes in the framework conditions may result in a reduction in future premium volume. In addition, competition is strong, with increasing pressure on the margins. In Sweden, the disability trend has been downward for a long time, which has led to reduced premiums in general.

INSURANCE - KEY FIGURES

NOK million	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Individual life *	598	591	581	571	564
Group life **	935	734	741	731	754
Pension related disability insurance ***	1,101	1,087	1,084	1,081	1,027
Portfolio premium	2,634	2,413	2,406	2,383	2,344

* Individual life disability insurance

** Group disability, workers compensation insurance

*** DC disability risk premium Norway and disability risk Sweden

NOK million	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Claims ratio	73%	80%	74%	74%	59%
Cost ratio	15%	-1%	16%	17%	16%
Combined ratio	88%	79%	90%	91%	75%

Guaranteed pension

Robust strengthening of reserves for increased longevity due to customer surplus and company contributions.

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

GUARANTEED PENSION

(NOK million)	2015	2014				Full year
	1Q	4Q	3Q	2Q	1Q	2014
Fee and administration income	432	457	471	439	474	1,842
Risk result life & pensions	16	331	26	48	78	483
Operational cost	-277	-84	-275	-281	-281	-921
Financial result	-	-	-	-	-	-
Profit before profit sharing and loan losses	171	705	222	206	272	1,404
Net profit sharing and loan losses	64	-357	101	197	120	61
Provision longevity	-154	-121	-90	-90	-90	-391
Profit before amortisation	81	227	233	313	302	1,074

PROFIT

Fee and administration income has performed as expected since much of the portfolio is mature and in long-term decline. Insurance solutions for the public sector are being wound up in Norway. Income was NOK 432m (474m) in the 1st quarter, representing a reduction in income by 8.9% by comparison with the same quarter last year.

Operating costs are showing a decline and there is a strong focus on cost control.

The risk result was NOK 16m (78m) in the 1st quarter. In the Norwegian business, NOK 12m of the risk result that would normally accrue to the owners via the Risk Equalization Reserve (RUF) was instead allocated to the longevity reserve during the quarter. The underlying risk result has been as anticipated during the quarter.

The result from net profit sharing is generated in the Swedish business and amounted to NOK 64m (120m) in the 1st quarter.

The positive trend in the SPP share portfolio with an increase of 14% and steadily falling interest rate offers a good return for all portfolios. The result is profit-sharing on the IF portfolio (Defined Contribution), and an indexing charge on the KF portfolio (Defined Benefit).

The Norwegian business is prioritizing the build-up of buffers and reserves instead of profit-sharing by customers and owners. In the 1st quarter, NOK 895m of the profit for the year from the financial and risk results has been provisionally allocated to strengthening the longevity reserve. The owner's result has been charged NOK 90m in the 1st quarter for this strengthening. There is an additional cost to the owner of NOK 64m as the result of conversion of paid-up policies to paid-up policies with investment choice, since this requires an increase in the reserve for longevity. The total reserve strengthening exercise thus has a cost to the owner, including lost profit-sharing and allocations to the Risk Equalization Reserve, that totals NOK 275m in the quarter.

BALANCE SHEET AND MARKET TRENDS

The majority of products are closed for new business, and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy. Customer reserves for guaranteed pensions amounted in the 1st quarter to NOK 261bn, which is on par with the same quarter last year, and a decline of NOK 3bn since year's end. Paid up policies portfolio is the only guaranteed portfolio in growth, and amounts to NOK 97.8 bn in the 1st quarter, which represents an increase of NOK 5.2 bn. year to date. Defined benefit pension in Norway falls correspondingly with NOK 7.1 bn. and constitute 60.7 bn. pr. 1st quarter.

The transfer out from the guaranteed pension has been NOK 3.5bn (7.1bn) in the 1st quarter. Starting in the 4th quarter 2014, customers were offered the opportunity to convert their paid-up policies to paid-up policies with investment choice. The insurance reserves of NOK 1 685m were converted in the 1st quarter. Cumulatively since the launch a total of NOK 2 579m in insurance reserves have been so converted. Premium income in the 1st quarter was NOK 3.4bn (4.2bn), which represents a decline of 19%.

GUARANTEED PENSION - KEY FIGURES

(NOK million)	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Guaranteed reserves	261,276	264,290	257,425	263,370	259,799
Guaranteed reserves in % of total reserves	69.3 %	71.5 %	73.3 %	73.9 %	74.9 %
Net transfer out of guaranteed reserves	5,038	2,229	5,452	72	7,070
Buffer capital in % of customer reserves Norway	6.5 %	6.6 %	4.8 %	4.6 %	4.2 %
Buffer capital in % of customer reserves Sweden	12.5 %	11.7 %	15.0 %	15.1 %	14.6 %

Other

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

PROFIT

NOK million	2015	2014				Full year
	1Q	4Q	3Q	2Q	1Q	2014
Fee and administration income	36	59	37	30	30	156
Risk result life & pensions	-4	2	4	3	-1	8
Operational cost	-16	-7	-19	-17	-17	-60
Financial result	42	50	60	101	73	283
Profit before profit sharing	57	104	82	117	84	387
Net profit sharing and loan losses	-2	-3	-2	-1	-3	-10
Profit before amortisation	56	101	79	115	81	377

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

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. As of 4 March, Storebrand Livsforsikring AS issued a perpetual subordinated bond loan of face value NOK 1 000m at a coupon rate of 3M Nibor plus 3.05%. The loan will be used to refinance a subordinated loan with early repayment option in

June 2015. This causes a temporary increase in loan capital until June, but after repayment the proportion of subordinated loan will again be about 25% of total assets. The interest rate on the new loan is more favorable than the preexisting loan, and will reduce our interest costs in the future. The Group's company portfolios comprised NOK 20.7bn at the end of the 1st quarter. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

Balance sheet, solidity and capital adequacy

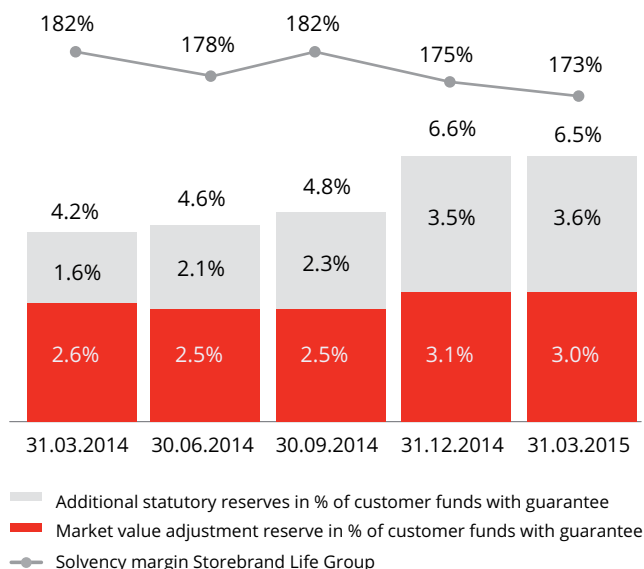
Continuous monitoring and active risk management is a core area of Storebrand's business. Risk and solidity are both followed up on at the Group level and in the legal entities. Regulatory requirements for financial strength and risk management follow to a large extent the legal entities. The section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

STOREBRAND LIFE INSURANCE GROUP

Storebrand Life Insurance Group's solvency margin was 173% at the end of the quarter. This represents a decline of 1.6 percentage points during the quarter. The decline is attributed primarily to the fall in long-term interest rates in Sweden. A fall in the interest rate level increases the insurance liabilities in the solvency calculations.

Storebrand Life Insurance Group's solvency capital (solidity capita) amounted to NOK 66.1bn at the end of the 1st quarter 2015, and increase of NOK 1.4bn in the 1st quarter, a consequence of the accumulated profit for the year.

SOLIDITET

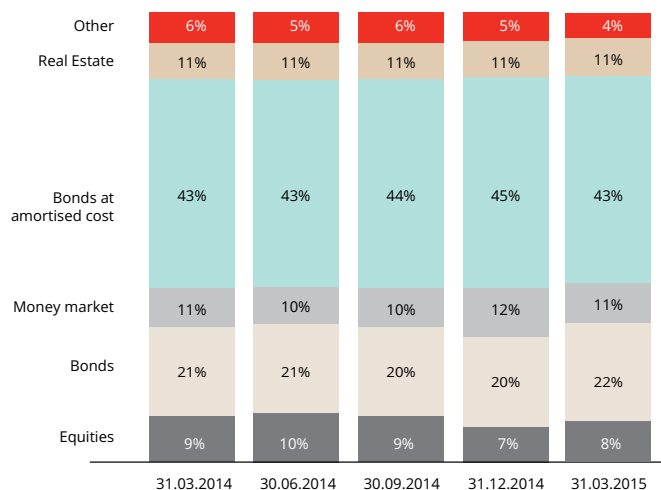


STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve was unchanged in the 1st quarter 2015 and amounted to NOK 5.9bn at the end of the quarter. Additional statutory reserves were reduced by 0.2bn in the quarter, because the yield was lower than the interest rate guarantee for a paid-up policy profile, and conversion to paid-up policies with investment choice. The additional statutory reserves were NOK 4.9bn at the end of the 1st quarter 2015. The excess value of held-to-maturity bonds that are assessed at amortized cost was reduced by NOK 0.5bn in the quarter, now amounting to NOK 12.8bn in the 1st quarter. The excess value of held-to-maturity bonds at amortized cost is not included in the financial statements.

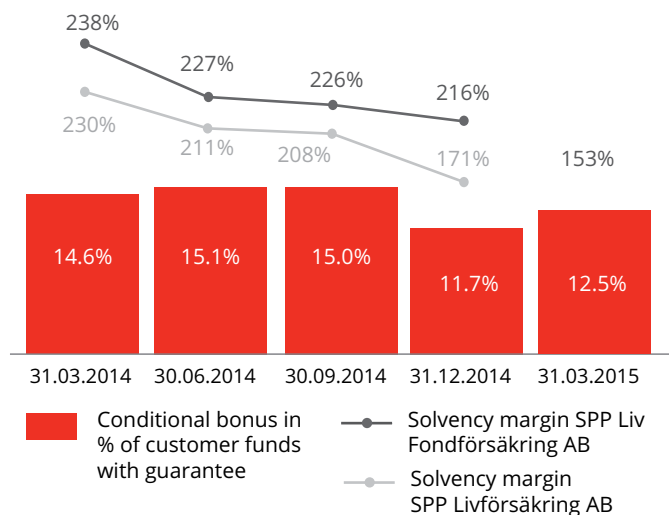
ASSET ALLOCATION IN CUSTOMER PORTFOLIOS WITH INTEREST RATE GUARANTEE

Customer assets increased by NOK 2.8bn in the 1st quarter 2015 and reached NOK 221bn by the end of the quarter. Customer assets within non-guaranteed saving increased by NOK 4.9bn in the 1st quarter.



SPP

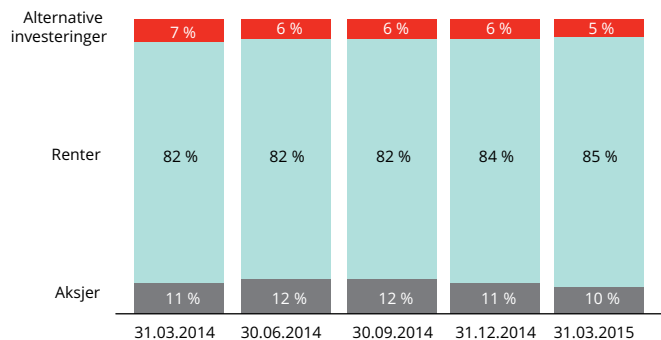
SOLIDITY



The solvency margin in SPP Pension og Försäkring AB was 153% for the 1st quarter. Effective 1 January 2015, the two companies SPP Livförsäkring AB and SPP Livfondförsäkring AB have merged.

The buffer capital (conditional bonus) amounted to NOK 9.6bn (10.4bn) in the 1st quarter. The decline was due primarily to changes in the assumptions about longevity and the tax on returns which was introduced in the 4th quarter 2014.

ASSET ALLOCATION IN CUSTOMER PORTFOLIOS WITH INTEREST RATE GUARANTEE



Total customer assets in SPP were NOK 152.2bn at the end of the 1st quarter 2015. That represents an increase of 5.7% by comparison with the 4th quarter 2014. For unit-linked assets the managed capital in SPP was NOK 68.9bn in the 1st quarter, equivalent to an increase of 11.5% compared with the 4th quarter 2014.

Outlook

EARNINGS PERFORMANCE

Storebrand has a strategy of pursuing growth in non-guaranteed products where the results are less affected by short-term fluctuations in the financial markets. In 2014, the premium income from non-guaranteed products exceeded for the first time the premium income from guaranteed products. Growth within defined contribution schemes continued in the 1st quarter. Growth is expected to increase in the Savings segment as a result of new customers, wage adjustments, and the possibility of higher savings rates in Norway.

Interest rates have fallen throughout 2014 and the ten-year swap rate is at historically low levels in both Norway and Sweden. The interest rate level is roughly unchanged from year's end in Norway. In Sweden the interest rate level has fallen by about 0.4 percentage points since year end, and swap forward rates have been negative for up to two years. The expansive monetary policy has resulted in a historically low interest rate in Europe. The stock market has exhibited strong growth, rising by roughly 14% so far this year in Norway and Sweden.

Storebrand has adapted to the falling interest rate by the build-up of buffer capital, reductions in risk on the investment side, and changes to our products. The solvency level has improved during this period, which shows that the Group is resilient for lower interest rates over a longer period. The level of the annual interest rate guarantee will decline over time. In the long run, low interest rates will be challenging for insurance companies that have to cover an annual interest rate guarantee.

Conversions from defined benefit to defined contribution pensions result in an issuance of paid-up policies which reduces the Group's earnings. Termination of activities related to defined benefit pensions for the public sector and commercial lending, is expected to negatively affect income in a transition period.

Storebrand's results during the period from 2014 to 2020 will be charged a minimum of 20% of the costs associated with the strengthening of reserves for higher projected life expectancy. The final amount will depend, among other things, on risk results and returns in the customer portfolios. The strengthening of reserves for higher projected life expectancy is described in fuller detail in the introduction.

Sales of pensions and insurance have been good. Customers have experienced good performance on their pension assets. Thanks to reduced costs, adjustments to new solvency requirements, and a commitment to non-guaranteed savings and insurance, the Group has forged a solid foundation for continued profitable growth.

RISK

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

REGULATORY CHANGES

FINANCIAL UNDERTAKINGS ACT

The Ministry of Finance introduced a bill for a new Act relating to Financial Undertakings and Financial Groups in June 2014. The Act has now been adopted by the Storting and comes into force on 1 January 2016. The Act entails a comprehensive structural reorganization of much of Norway's financial legislation. Other changes in the Act are new rules for the names of financial undertakings, the obligations of banks regarding the handling of cash, the organization of customer service and the handling of customer information in financial groups. In addition, the Act repeals the current requirements regarding supervisory boards and control committees. The rules on outsourcing were implemented earlier, on 1 July 2014.

SOLVENCY II

The new European Solvency Regulations, Solvency II, enter into force on 1 January 2016, and apply to all the insurance companies in the EU and EEA. In Norway, Solvency II will be implemented in the Financial Undertakings Act and a related regulation. The regulations have been circulated for consultative comments with a closing date of 20 March 2015, and will be laid down by the Ministry. Apart from anything else, the regulation will cover Norway's implementation of the Omnibus II Directive's permanent measures and transitional measures to facilitate the adaption of products with long guarantees to Solvency II. Norway's FSA announced its recommendation that companies be given the opportunity to apply a yield curve spread to discount insurance liabilities (volatility adjustment). Another opportunity is for a transitional period of 16 years for the valuation of insurance obligations. This transitional rule means that an increase in the insurance obligation as a result of Solvency II can be phased in on a linear basis over a period of maximum 16 years. This transitional rule should ease the transition to Solvency II for companies with long-term guaranteed annual returns, and it will have a significant positive effect on paid-up policies.

NEW REGULATIONS FOR DISABILITY PENSIONS

Before Christmas, the Ministry of Finance introduced a bill to establish new rules for disability pensions in the occupational pension plans in the private sector. The bill is being considered by the Storting now, and the new regulations will most likely enter into force by the end of 2015. The new disability product will entitle the holder to a disability pension regardless of earnings after the period of employment, as opposed to the current regulations. Upon resignation and termination of employment, the right to a paid-up policy with disability benefits will be cancelled unless this is agreed. The National Insurance disability benefit constitutes 66% of income up to six times the base rate (6G). The Ministry of Finance proposes that company-paid disability pensions can also account for up to 3% of employment income up to 12G, in addition to a supplement of 0.25G. The company can also insure up to 66% of income between 6G and 12G, where the National Insurance does not provide cover. In the National Insurance scheme, the plan is for a reduction of claim if the disabled person has an income from work exceeding 0.4G. Additionally, the plan is for already earned rights from both the public and private sector to be coordinated with the new disability pension.

Lysaker, 28 April 2015

Board of directors Storebrand Livsforsikring AS

Storebrand Livsforsikring Group

Statement of Comprehensive income

NOK million	01.01 - 31.03		Year
	2015	2014	2014
Technical account:			
Gross premiums written	7,357	7,552	22,106
Reinsurance premiums ceded	-23	-27	-76
Premium reserves transferred from other companies	670	782	2,434
Premiums for own account	8,004	8,308	24,464
Income from investments in subsidiaries, associated companies and joint-controlled companies	22	16	24
Interest income and dividends etc. from financial assets	1,789	2,206	8,149
Net operating income from real estate	238	276	1,127
Changes in investment value	1,580	852	8,573
Realised gains and losses on investments	1,931	1,746	4,303
Total net income from investments in the collective portfolio	5,560	5,096	22,176
Income from investments in subsidiaries, associated companies and joint-controlled companies	2		1
Interest income and dividends etc. from financial assets	-43	-23	249
Net operating income from real estate	18	13	62
Changes in investment value	8,179	304	11,032
Realised gains and losses on investments	364	1,338	904
Total net income from investments in the investment selection portfolio	8,520	1,632	12,248
Other insurance related income	443	353	1,739
Gross claims paid	-4,642	-4,877	-18,097
Claims paid - reinsurance	3	2	10
Gross change in claims reserve	-131	7	-122
Premium reserves etc. transferred to other companies	-4,157	-8,148	-17,176
Claims for own account	-8,927	-13,016	-35,386
To (from) premium reserve, gross	1,299	2,034	-2,450
To/from additional statutory reserves	211	16	-710
Change in value adjustment fund	-41	1,030	-1,992
Change in premium fund, deposit fund and the pension surplus fund	-3	-1	-14
To/from technical reserves for non-life insurance business	-39	-32	-29
Change in conditional bonus	-1,033	614	3,487
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	-25	2	-4
Changes in insurance obligations recognised in the Income statement - contractual obligations	369	3,663	-1,711
Change in premium reserve	-12,214	-2,975	-18,735
Change in other provisions	443		
Changes in insurance obligations recognised in the Income statement - investment portfolio separately	-11,771	-2,975	-18,735
Profit on investment result			-120
Risk result allocated to insurance contracts			-46
Other allocation of profit		-1	-25
Unallocated profit	-1,100	-1,837	
Funds allocated to insurance contracts	-1,101	-1,838	-190
Management expenses	-93	-95	-386
Selling expenses	-179	-209	-719
Change in pre-paid direct selling expenses	-2	4	2

Storebrand Livsforsikring Group

Statement of Comprehensive income continue

NOK million	01.01 - 31.03		Year
	2015	2014	2014
Insurance-related administration expenses (incl. commissions for reinsurance received)	-390	-312	-1,095
Insurance-related operating expenses	-664	-612	-2,198
Other insurance related expenses	-118	-28	-459
Technical insurance profit	315	582	1,949
Non-technical account			
Income from investments in subsidiaries, associated companies and joint-controlled companies	5	3	15
Interest income and dividends etc. from financial assets	80	125	439
Net operating income from real estate	21	12	62
Changes in investment value	20	18	60
Realised gains and losses on investments	22	53	187
Net income from investments in company portfolio	147	211	763
Non-technical account	100	105	510
Management expenses	-6	-9	-37
Other costs	-284	-304	-1,185
Management expenses and other costs linked to the company portfolio	-291	-313	-1,222
Profit or loss on non-technical account	-43	3	50
Profit before tax	272	586	1,999
Tax costs	-66	-100	-359
Profit before other comprehensive income	206	486	1,640
Change in actuarial assumptions	-6	-3	-344
Change in value adjustment reserve own buildings	-39	24	51
Profit/loss cash flow hedging	-19		168
Adjustment of insurance liabilities	39	-24	-22
Tax on other profit elements not to be classified to profit/loss	5		32
Total other profit elements not to be classified to profit/loss	-20	-3	-115
Translation differences	-227	-201	136
Total other profit elements that may be classified to profit /loss	-227	-201	136
Total other profit elements	-246	-204	22
Total comprehensive income	-40	282	1,661
Profit is attributable to:			
Minority share of profit	15	4	24
Majority share of profit	191	482	1,616
Comprehensive income is attributable to:			
Minority share of profit	-3	2	28
Majority share of profit	-37	280	1,634

Storebrand Livsforsikring Group

Statement of financial position

NOK million	31.03.2015	31.03.2014	31.12.2014
Assets			
Assets in company portfolio			
Goodwill	747	780	808
Other intangible assets	4,350	4,678	4,583
Total intangible assets	5,097	5,458	5,391
Real estate at fair value	645	3,602	4,456
Real estate for own use	68	67	68
Equities and units in subsidiaries, associated companies and joint-controlled companies	301	208	243
Lendings	2	3	2
Bonds held to maturity		348	
Bonds at amortised cost	1,797	1,526	1,877
Equities and other units at fair value	101	79	95
Bonds and other fixed-income securities at fair value	22,464	20,348	20,410
Derivatives at fair value	882	731	966
Other financial assets	523	173	217
Total investments	26,784	27,085	28,335
Reinsurance share of insurance obligations	283	140	124
Receivables in connection with direct business transactions	1,163	1,383	3,554
Receivables in connection with reinsurance transactions	8	25	3
Receivables with group company	67	11	21
Other receivables	1,231	1,902	793
Total receivables	2,469	3,321	4,372
Tangible fixed assets	390	411	408
Cash, bank	2,293	3,861	4,568
Minority interest in consolidated securities funds		649	4,109
Other assets designated according to type	683	682	710
Total other assets	3,366	5,603	9,796
Pre-paid direct selling expenses	495	493	509
Other pre-paid costs and income earned and not received	286	158	125
Total pre-paid costs and income earned and not received	781	652	634
Total assets in company portfolio	38,781	42,259	48,652
Assets in customer portfolios			
Pre-paid direct selling expenses	495	493	509
Other pre-paid costs and income earned and not received	286	158	125
Total pre-paid costs and income earned and not received	781	652	634
Total assets in company portfolio	38,781	42,259	48,652

Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	31.03.2015	31.03.2014	31.12.14
Real estate at fair value	19,533	19,796	20,392
Real estate for own use	2,416	2,347	2,430
Equities and units in subsidiaries, associated companies and joint-controlled companies	1,007	36	40
Loans to and securities issued by subsidiaries, associated companies	11	182	11
Bonds held to maturity	15,186	14,836	15,131
Bonds at amortised cost	61,667	64,720	64,136
Lendings	3,400	4,941	4,679
Equities and other units at fair value	29,500	33,964	35,108
Bonds and other fixed-income securities at fair value	142,619	131,805	134,957
Financial derivatives at fair value	4,985	1,730	4,669
Other financial assets	5,147	3,995	3,148
Total investments in collective portfolio	285,471	278,351	284,702
Real estate at fair value	1,602	931	1,571
Real estate for own use	123	67	84
Equities and units in subsidiaries, associated companies and joint-controlled companies	93		
Equities and other units at fair value	92,410	60,391	83,226
Bonds and other fixed-income securities at fair value	23,450	26,819	22,619
Financial derivatives at fair value	52	123	45
Other financial assets	356	148	260
Total investments in investment selection portfolio	118,086	88,480	107,805
Total assets in customer portfolio	403,558	366,831	392,508
Total assets	442,338	409,090	441,160
Equity and liabilities			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Total paid in equity	13,251	13,251	13,251
Risk equalisation fund	835	839	829
Other earned equity	7,177	5,639	7,433
Earned profit	199	423	
Minority's share of equity	425	407	421
Total earned equity	8,637	7,308	8,683
Perpetual subordinated loan capital	3,710	4,550	2,830
Dated subordinated loan capital	2,741	2,440	2,991
Hybrid tier 1 capital	1,502	1,502	1,503
Total subordinated loan capital and hybrid tier 1 capital	7,953	8,492	7,324
Premium reserves	253,512	250,614	257,358
Additional statutory reserves	4,881	4,443	5,118
Market value adjustment reserve	5,856	2,793	5,814
Claims allocation	1,145	885	1,016
Premium fund, deposit fund and the pension surplus fund	2,565	3,447	3,047
Conditional bonus	11,787	13,157	11,281
Unallocated profit to insurance contracts	1,509	1,837	
Other technical reserve	664	647	627
Total insurance obligations in life insurance - contractual obligations	281,918	277,822	284,261

Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	31.03.2015	31.03.2014	31.12.14
Premium reserve	117,753	88,876	107,103
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	117,754	88,876	107,103
Pension liabilities etc.	285	602	287
Period tax liabilities	1,700	1,533	1,736
Other provisions for liabilities	67	61	67
Total provisions for liabilities	2,052	2,196	2,090
Liabilities in connection with direct insurance	1,557	1,796	2,338
Liabilities in connection with reinsurance	36	65	31
Financial derivatives	2,310	1,221	4,279
Liabilities to group companies	6	33	22
Minority interest in consolidated securities funds		649	4,109
Other liabilities	6,218	7,001	7,051
Total liabilities	10,127	10,766	17,831
Other accrued expenses and received, unearned income	647	379	616
Total accrued expenses and received, unearned income	647	379	616
Total equity and liabilities	442,338	409,090	441,160

Storebrand Livsforsikring Group

Statement of change in equity

NOK million	Majority's share of equity					Minority interests	Total equity
	Share capital	Share premium	Total paid in equity	Risk equalisation fund	Other equity ¹⁾		
Equity at 31.12.2013	3,540	9,711	13,251	776	5,844	402	20,273
Profit for the period				64	419	4	486
Total other profit elements					-202	-2	-204
Total comprehensive income for the period				64	217	2	282
<i>Equity transactions with owner:</i>							
Other					1	2	3
Equity at 31.03.2014	3,540	9,711	13,251	839	6,061	407	20,559
Profit for the period				53	1,563	24	1,640
Total other profit elements					18	4	22
Total comprehensive income for the period				53	1,581	28	1,661
<i>Equity transactions with owner:</i>							
Group contributions						-2	-2
Other					8	-7	1
Equity at 31.12.2014	3,540	9,711	13,251	829	7,432	421	21,933
Profit for the period				7	184	15	206
Total other profit elements					-243	-3	-246
Total comprehensive income for the period				7	-59	12	-40
<i>Equity transactions with owner:</i>							
Group contributions dividend						-9	-9
Other					2		2
Equity at 31.03.2015	3,540	9,711	13,251	836	7,376	425	21,887

¹⁾ Includes undistributable funds in security reserves amounting NOK 163 million.

Storebrand Livsforsikring

Cash flow statement 1. January - 31. March

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2015	2014	NOK million	2015	2014
Cash flow from operational activities				
9,292	10,001	Net received - direct insurance	7,630	7,946
-4,422	-5,823	Net claims/benefits paid - direct insurance	-3,210	-2,223
-7,366	-3,487	Net receipts/payments - policy transfers	-3,211	-5,529
-612	-664	Net receipts/payments operations	-363	-349
2,495	1,726	Net receipts/payments - other operational activities	1,048	1,993
-613	1,752	Net cash flow from operational activities before financial assets	1,893	1,838
-1,432	1,280	Net receipts/payments - lendings to customers	1,280	-1,505
851	-4,150	Net receipts/payments - financial assets	-3,823	-719
419	614	Net receipts/payments - real estate activities	0.0	0.0
-524	-2,095	Net change bank deposits insurance customers	-1,334	-6
-687	-4,352	Net cash flow from operational activities from financial assets	-3,877	-2,230
-1,300	-2,600	Net cash flow from operational activities	-1,984	-392
Cash flow from investment activities				
-27	-8	Net payments - purchase/capitalisation associated companies		
	-12	Net receipts/payments - sale/purchase of fixed assets	-12	-10
-28	-21	Net cash flow from investment activities	-12	-10
Cash flow from financing activities				
1,741	997	Payment of subordinated loan capital	997	1,094
	-116	Repayment of subordinated loan capital	-116	
-202	-221	Payments - interest on subordinated loan capital	-221	-202
	-9	Payment of dividend		
1,539	652	Net cash flow from financing activities	660	892
211	-1,969	Net cash flow for the period	-1,336	490
898	2,382	of which net cash flow for the period before financial assets	2,541	2,720
211	-1,969	Net movement in cash and cash equivalent assets	-1,336	490
3,823	4,785	Cash and cash equivalent assets at start of the period	2,336	1,540
4,034	2,816	Cash and cash equivalent assets at the end of the period	1,000	2,030

Storebrand Livsforsikring AS

Statement of Comprehensive income

NOK million	01.01 - 31.03		Year
	2015	2014	2014
Technical account:			
Gross premiums written	5,612	5,776	15,495
Reinsurance premiums ceded	-5	-4	-25
Premium reserves transferred from other companies	468	375	1,088
Premiums for own account	6,074	6,146	16,559
Income from investments in subsidiaries, associated companies and joint-controlled companies	355	240	1,549
of which from investment in real estate companies	384	248	1,481
Interest income and dividends etc. from financial assets	1,219	1,574	5,497
Changes in investment value	86	-857	1,986
Realised gains and losses on investments	874	1,445	2,067
Total net income from investments in the collective portfolio	2,534	2,402	11,100
Income from investments in subsidiaries, associated companies and joint-controlled companies	36	13	92
of which from investment in real estate companies	36	13	91
Interest income and dividends etc. from financial assets	-43	-22	236
Changes in investment value	1,394	-855	2,373
Realised gains and losses on investments	368	1,338	792
Total net income from investments in the investment selection portfolio	1,755	474	3,492
Other insurance related income	89	64	256
Gross claims paid	-2,456	-2,723	-10,468
Claims paid - reinsurance	4	2	8
Gross change in claims reserve	-134		-132
Premium reserves etc. transferred to other companies	-3,678	-5,904	-12,722
Claims for own account	-6,263	-8,625	-23,315
To (from) premium reserve, gross	2,312	2,224	5,141
To/from additional statutory reserves	45	16	-710
Change in value adjustment fund	-41	1,030	-1,992
Change in premium fund, deposit fund and the pension surplus fund	-3	-1	-14
To/from technical reserves for non-life insurance business	-48	-36	-33
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	-25	2	-4
Changes in insurance obligations recognised in the Income statement - contractual obligations	2,239	3,236	2,389
Change in premium reserve	-4,898	-1,177	-7,788
Changes in insurance obligations recognised in the Income statement - investment portfolio separately	-4,898	-1,177	-7,788
Profit on investment result			-120
Risk result allocated to insurance contracts			-46
Other allocation of profit			-19
Unallocated profit	-1,100	-1,837	
Funds allocated to insurance contracts	-1,100	-1,837	-185
Management expenses	-36	-40	-134
Selling expenses	-83	-148	-312
Insurance-related administration expenses (incl. commissions for reinsurance received)	-245	-161	-587
Insurance-related operating expenses	-363	-349	-1,033
Other insurance related expenses after reinsurance share	-103	-36	-434
Technical insurance result	-36	297	1,041

Storebrand Livsforsikring AS

Statement of Comprehensive income continue

NOK million	01.01 - 31.03		Year
	2015	2014	2014
Non-technical account			
Income from investments in subsidiaries, associated companies and joint-controlled companies	81	12	-196
of which from investment in real estate companies	20	13	74
Interest income and dividends etc. from financial assets	151	195	699
Changes in investment value	-8	20	21
Realised gains and losses on investments	21	34	125
Net income from investments in company portfolio	244	260	649
Other income	6	7	26
Management expenses	-3	-3	-13
Other costs	-102	-98	-442
Total management expenses and other costs linked to the company portfolio	-105	-100	-456
Profit or loss on non-technical account	145	167	219
Profit before tax	109	464	1,260
Tax costs	-15	-125	-279
Profit before other comprehensive income	94	339	981
Change in actuarial assumptions			-264
Profit/loss cash flow hedging	-19		168
Adjustment of insurance liabilities			29
Tax on other profit elements not to be classified to profit/loss	6	1	18
Total other profit elements not to be classified to profit/loss	-13	1	-49
Translation differences	-3	-2	-3
Total other profit elements that may be classified to profit /loss	-3	-2	-3
Total other profit elements	-16	-2	-51
Total comprehensive income	78	337	930

Storebrand Livsforsikring AS

Statement of financial position

NOK million	31.03.2015	31.03.2014	31.12.2014
Assets			
Assets in company portfolio			
Other intangible assets	174	142	176
Total intangible assets	174	142	176
Equities and units in subsidiaries, associated companies and joint-controlled companies	10,213	10,483	10,193
of which investment in real estate companies	1,033	1,018	1,013
Loans to and securities issued by subsidiaries, associated companies	6,651	6,225	6,728
Lendings	2	3	2
Bonds at amortised cost	1,797	1,526	1,877
Equities and other units at fair value	62	53	63
Bonds and other fixed-income securities at fair value	9,512	9,720	8,451
Derivatives at fair value	880	731	964
Other financial assets	452	145	177
Total investments	29,568	29,234	28,454
Reinsurance share of insurance obligations	141	163	143
Receivables in connection with direct business transactions	915	1,351	3,204
Receivables in connection with reinsurance transactions	5	25	3
Receivables with group company	28	26	24
Other receivables	343	708	180
Total receivables	1,292	2,110	3,411
Tangible fixed assets	17	33	20
Cash, bank	548	1,885	2,159
Total other assets	565	1,919	2,178
Other pre-paid costs and income earned and not received	41	33	15
Total pre-paid costs and income earned and not received	41	33	15
Total assets in company portfolio	31,782	33,600	34,378
Assets in customer portfolios			
Equities and units in subsidiaries, associated companies and joint-controlled companies	20,395	20,876	20,185
of which investment in real estate companies	19,700	20,247	19,462
Bonds held to maturity	15,186	14,836	15,131
Bonds at amortised cost	61,667	64,720	64,136
Lendings	3,400	4,941	4,679
Equities and other units at fair value	16,560	20,019	21,884
Bonds and other fixed-income securities at fair value	61,778	55,161	53,118
Financial derivatives at fair value	298	406	246
Other financial assets	2,491	1,884	1,206
Total investments in collective portfolio	181,774	182,844	180,586
Equities and units in subsidiaries, associated companies and joint-controlled companies	1,903	1,028	1,721
of which investment in real estate companies	1,903	1,028	1,721
Equities and other units at fair value	27,065	18,612	23,367
Bonds and other fixed-income securities at fair value	17,807	14,988	17,250
Financial derivatives at fair value	52	123	45
Other financial assets	238	117	189

Storebrand Livsforsikring AS

Statement of financial position continue

NOK million	31.03.2015	31.03.2014	31.12.2014
Total investments in investment selection portfolio	47,066	34,868	42,573
Total assets in customer portfolios	228,840	217,712	223,159
Total assets	260,623	251,312	257,537
Equity and liabilities			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Total paid in equity	13,251	13,251	13,251
Risk equalisation fund	835	839	829
Other earned equity	6,930	6,068	6,946
Earned profit	87	275	
Total earned equity	7,852	7,182	7,774
Perpetual subordinated loan capital	3,059	3,907	2,163
Dated subordinated loan capital	2,741	2,440	2,991
Hybrid tier 1 capital	1,502	1,502	1,503
Total subordinated loan capital and hybrid tier 1 capital	7,302	7,849	6,656
Premium reserves	163,160	168,058	165,374
Additional statutory reserves	5,048	4,443	5,118
Market value adjustment reserve	5,856	2,793	5,814
Claims allocation	1,028	763	895
Premium fund, deposit fund and the pension surplus fund	2,565	3,447	3,047
Unallocated profit to insurance contracts	1,100	1,837	
Other technical reserve	846	822	799
Total insurance obligations in life insurance - contractual obligations	179,603	182,162	181,048
Premium reserves	46,785	35,278	41,892
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	46,786	35,279	41,893
Pension liabilities etc.	174	432	174
Period tax liabilities	1,458	1,314	1,449
Other provisions for liabilities	63	54	63
Total provisions for liabilities	1,695	1,800	1,686
Liabilities in connection with direct insurance	969	1,375	1,497
Liabilities in connection with reinsurance	3	8	
Financial derivatives	1,150	151	3,023
Liabilities to group companies	9	16	10
Other liabilities	1,796	2,057	374
Total liabilities	3,927	3,606	4,905
Other accrued expenses and received, unearned income	207	183	324
Total accrued expenses and received, unearned income	207	183	324
Total equity and liabilities	260,623	251,312	257,537

Storebrand Livsforsikring AS

Statement of change in equity

NOK million	Share capital ¹⁾	Share premium reserve	Total paid in equity	Risk equalisation fund	Other equity	Total equity
Equity at 31.12.2013	3,540	9,711	13,251	776	6,069	20,096
Profit for the period				63.6	275.5	339.1
Total other profit elements					-2	-2
Total comprehensive income for the period				64	274	337
Equity at 31.03.2014	3,540	9,711	13,251	839	6,343	20,433
Profit for the period				53	928	981
Total other profit elements					-51	-51
Total comprehensive income for the period				53	877	930
Equity at 31.12.2014	3,540	9,711	13,251	828	6,946	21,025
Profit for the period				7	87	94
Total other profit elements					-16	-16
Total comprehensive income for the period				7	71	78
Equity at 31.03.2015	3,540	9,711	13,251	835	7,017	21,103

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

Notes to the interim accounts

Note 01 | Accounting policies

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

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

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

Note 02 | Estimates

Critical accounting estimates and judgements for the 2014 annual financial statements are described in note 2, building-up reserves for long life expectancy for Storebrand Life Insurance in note 3, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 14.

As stated in note 3 in the 2014 annual report, which deals with the strengthening of reserves for increased longevity, the owner's contribution in the period for strengthening reserves will be contingent on a minimum level associated with future returns in customer portfolios and other factors and assumptions. The estimated future contribution is still uncertain. There is no significant new information as of Q1 2015 that indicates any significant change in future contributions for the owner than that the expectations stated in note 3 in the 2014 annual report. Storebrand has a required strengthening of reserves of NOK 12.4 billion for its Norwegian operations. NOK 6.2 billion had been allocated by the end of 2014 and a further NOK 1.2 billion in Q1 2015, giving overall total reserves of NOK 7.4 billion.

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

Actual results may differ from these estimates.

Note 03 | Segments – result by business area

SAVINGS

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

INSURANCE

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

GUARANTEED PENSION

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

OTHER

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

RECONCILIATION WITH THE OFFICIAL PROFIT AND LOSS ACCOUNTING

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

NOK million	1.1 - 31.3		Year
	2015	2014	2014
Savings	81	90	426
Insurance	148	210	502
Guaranteed pension	81	302	1,074
Other	56	81	377
Profit before amortisation	366	684	2,379
Amortisation of intangible assets	-94	-94	-380
Profit before tax	272	590	1,999

SEGMENT INFORMATION AS AT 31.3

NOK million	Savings		Insurance		Guaranteed pension	
	2015	2014	2015	2014	2015	2014
Fee and administration income	309	285			432	474
Risk result life & pensions	-4	-2			16	78
Insurance premiums f.o.a.			645	590		
Claims f.o.a.			-471	-347		
Operational cost	-224	-194	-96	-95	-277	-281
Financial result			70	63		
Profit before profit sharing	81	90	148	210	171	272
Net profit sharing		1			64	120
Provision longevity					-154	-90
Profit before amortisation	81	90	148	210	81	302
Amortisation of intangible assets						
Profit before tax	81	90	148	210	81	302
Assets	116,554	88,987	5,562	4,225	275,531	264,483
Liabilities	116,228	87,687	5,562	4,225	265,537	256,290

NOK million	Other		Storebrand Livsforsikring Group	
	2015	2014	2015	2014
Fee and administration income	36	30	777	790
Risk result life & pensions	-4	-1	9	75
Insurance premiums f.o.a.			645	590
Claims f.o.a.			-471	-347
Operational cost	-16	-17	-614	-587
Financial result	42	73	112	136
Profit before profit sharing	57	84	458	656
Net profit sharing	-2	-3	63	118
Provision longevity			-154	-90
Profit before amortisation	56	81	366	684

NOK million	Other		Storebrand Livsforsikring Group	
	2015	2014	2015	2014
Amortisation of intangible assets	-94	-98	-94	-98
Profit before tax	-38	-16	272	-586
Assets	44,691	51,394	442,338	409,090
Liabilities	33,124	40,329	420,451	388,531

Note 04 | Financial market risk and insurance risk

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

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

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

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

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

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of measures to reduce risk depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the return guarantee. If the investment return is not sufficiently high to meet the guaranteed interest rate, the shortfall will be met by using customer buffers in the form of risk capital built up from previous years' surpluses. Risk capital primarily consists of unrealised gains, additional statutory reserves and conditional bonuses. The owner is responsible for meeting any shortfall that cannot be covered.

For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Falling interest rates are positive for the investment return in the short term due to price appreciation for bonds, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee.

There have been no significant changes in investment allocations during the first quarter. The stock market has shown a positive trend and yielded good returns for customer portfolios, both in absolute terms and in relation to the accrued guarantee and the expectations forming the basis for the future cost of the strengthening of reserves for increased longevity. In Sweden, interest rates fell during the first quarter, while interest rates in Norway have not shown a clear trend.

The insurance risk is the risk of higher than expected payments and/or an unfavourable change in the value of an insurance liability due to actual developments deviating from what was expected when premiums or provisions were calculated.

Most of the insurance risk for the group is related to life insurance. Long life expectancy is the greatest risk because increased longevity means that the guaranteed benefits must be paid over a longer period. There are also risks related to disability and death.

The insurance risk was almost unchanged during the first quarter.

Note 05 | Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

NOK million	Nominal value	Currency	Interest rate (fixed/variable)	Call date	Book value
Issuer					
Hybrid tier 1 capital					
Storebrand Livsforsikring AS 08/18 FRN	1,500	NOK	Variable	2018	1,502
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	998
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,097
Storebrand Livsforsikring AS ^{*)}	885	NOK	Fixed	2015	964
SPP Livförsäkring AB	700	SEK	Variable	2019	651
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,741
Total subordinated loan capital and hybrid tier 1 capital 31.03.2015					7,954
Total subordinated loan capital and hybrid tier 1 capital 31.12.2014					7,324

Note 06 | Valuation of financial instruments and real estate

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 14 in the financial statements for 2014.

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

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

NOK million	Fair value 31.03.15	Fair value 31.12.14	Book value 31.03.15	Book value 31.12.14
Financial assets				
Lending to customers	3,397	4,671	3,402	4,682
Bonds held to maturity	17,762	17,794	15,186	15,131
Bonds classified as loans and receivables	73,723	76,713	63,463	66,012
Financial liabilities				
Subordinated loan capital	8,239	7,549	7,954	7,324

VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 31.03.2015	Total 31.12.2014
Assets					
Equities and units					
- Equities	14,258	633	2,350	17,241	20,646
- Fund units	317	94,111	9,590	104,018	96,832
- Real estate fund			752	752	952
Total equities and units	14,576	94,744	12,692	122,011	
Total equities and units 31.12.14	17,776	87,929	12,724		118,429
Bonds and other fixed income securities					
- Government and government guaranteed bonds	34,720	21,212		55,931	54,687
- Credit bonds	27	25,503	348	25,878	24,162
- Mortgage and asset backed bonds		44,113		44,113	41,824
- Supranational and agency	26	5,875		5,901	6,575
- Bond funds	851	55,859		56,710	50,739
Total bonds and other fixed income securities	35,624	152,562	348	188,533	
Total bonds and other fixed income securities 31.12.14	36,171	141,476	339		177,987
Derivatives:					
- Interest rate derivatives		4,618		4,618	4,514
- Currency derivatives		-1,009		-1,009	-3,113
Total derivatives		3,609		3,609	
- derivatives with a positive market value		5,919		5,919	
- derivatives with a negative market value		-2,310		-2,310	
Total derivatives 31.12.14		1,401			1,401
Real estate:					
- real estate at fair value			21,780	21,780	26,419
- real estate for own use			2,608	2,608	2,583
Total real estate				24,388	
Total real estate 31.12.14			29,001		29,001

MOVEMENTS BETWEEN QUOTED PRICES AND OBSERVABLE ASSUMPTIONS

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	12	63

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

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real estate fund	Credit bonds	Real estate	Real estate for own use
Book value 01.01	2,414	9,359	952	339	26,419	2,583
Net profit/loss	16	366	8	15	34	53
Supply/disposal	10	362			87	2
Sales/overdue/settlement	-78	-440	-208			
Translation differences	-12	-56		-6	-74	-26
Other					-4,687	-3
Book value 31.03.15	2,350	9,590	752	348	21,780	2,608

"Includes derecognition of NOK -4,927 million in SEN KS. As of 31.03.15, Storebrand Life Insurance had NOK 1,112 million invested in SEN KS. This investment is classified as "Investment in Associated Companies" in the Consolidated Financial Statements. SEN KS invests exclusively in real estate at fair value.

³⁾ Perpetual loan of 884,5 million that is planned to be redeemed in June 2015.

SENSITIVITY ASSESSMENTS

Equities

Equity level 3 consist primarily of forestry investments characterised by, among other things, very long cash flow periods. There can be some uncertainty associated with future cash flows due to future income and cost growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discount rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return. As a reasonable alternative assumption with regard to the required rate of return used, a change in the discount rate of 0.25 per cent would result in an estimated change of around 4.6 per cent in value, depending on the maturity of the forest and other factors.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in value at change in discount rate		Change in value at change in discount rate	
	Increase + 25 bp	Decrease - 25 bp	Increase + 25 bp	Decrease - 25 bp
Change in fair value as at 31.03.15	-73	79	-64	69
Change in fair value as at 31.12.14	-72	77	-63	68

Fund units and Private equity fund

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

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 31.03.15	287	-287	203	-203
Change in fair value as at 31.12.14	291	-291	211	-211

Credit bonds

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

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 31.03.15	16	-16	4	-4
Change in fair value as at 31.12.14	15	-15	4	-4

Real estate fund

The valuation of indirect property investments will be sensitive to a change in the required rate of return and the expected future cash flow. The indirect property investments are leveraged structures. The portfolio is leveraged 55 per cent on average.

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 31.03.15	209	-206	209	-206
Change in fair value as at 31.12.14	250	-247	250	-247

Properties

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

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in required rate of return		Change in required rate of return	
	0,25 %	-0,25%	0,25 %	-0,25%
Change in fair value as at 31.03.15	-1,247	1,377	-1,120	1,229
Change in fair value as at 31.12.14	-1,288	-1,203	-1,172	1,071

STOREBRAND LIVSFORSIKRING AS

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 31.03.2015	Total 31.12.2014
Assets					
Equities and units					
- Equities	6,512	157	1,727	8,396	11,321
- Fund units		27,400	7,139	34,539	33,041
- Real estate fund			752	752	952
Total equities and units	6,512	27,557	9,618	43,687	
Total equities and units 31.12.14	9,336	26,236	9,742		45,314
Bonds and other fixed income securities					
- Government and government guaranteed bonds	19,229			19,229	17,859
- Credit bonds		12,021	80	12,100	10,744
- Mortgage and asset backed bonds		12,749		12,749	9,777
- Supranational and agency		918		918	1,065
- Bond funds		44,102		44,102	39,374
Total bonds and other fixed income securities	19,229	69,789	80	89,097	
Total bonds and other fixed income securities 31.12.14	17,859	60,886	74		78,819
Derivatives:					
- Interest rate derivatives		987		987	1,013
- Currency derivatives		-908		-908	-2,782
Total derivatives		80		80	
- derivatives with a positive market value		1,229		1,229	
- derivatives with a negative market value		-1,150		-1,150	
Total derivatives 31.12.14		-1,769			-1,769

MOVEMENT BETWEEN QUOTED PRICES AND OBSERVABLE ASSUMPTIONS

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	10	4

Movements from level 1 to level 2 reflect reduced sales value in the relevant equities in the last measuring period.

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

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real estate fund	Credit bonds
Book value 01.01	1,779	7,012	952	74
Net profit/loss	-13	160	8	5
Supply/disposal		270		
Sales/overdue/settlement	-39	-302	-208	
Book value 31.3.15	1,727	7,139	752	80

Note 07 | Tax

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

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

Note 08 | Contingent liabilities

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	31.03.15	31.12.14	31.03.15	31.12.14
Uncalled residual liabilities concerning Limited Partnership	3,494	4,321	2,734	3,212
Total contingent liabilities	3,494	4,321	2,734	3,212

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

Note 09 | Capital adequacy

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	31.03.15	31.12.14	31.3.15	31.12.14
Share capital	3,540	3,540	3,540	3,540
Other equity	18,347	18,393	17,563	17,485
Equity	21,887	21,934	21,103	21,025
Hybrid tier 1 capital	1,500	1,500	1,500	1,500
Goodwill and other intangible assets	-5,223	-5,519	-174	-176
Risk equalisation fund	-835	-829	-835	-829
Deduction for investments in other financial institutions	-1	-1	-1	-1
Interest adjustment insurance reserves SPP	-2,477	-2,170		
Security reserve		-153		
Other	-218	-31	14	-71
Core (tier 1) capital	14,633	14,731	21,607	21,449
Perpetual subordinated loan capital ^{*)}	2,100	2,100	2,100	2,100
Dated subordinated loan capital	2,238	2,238	2,238	2,238
Deductions for investments in other financial institutions	-1	-1	-1	-1
Tier 2 capital	4,337	4,337	4,337	4,337
Net primary capital	18,970	19,068	25,944	25,786
Risk weighted calculation base	137,492	141,053	101,368	107,003
Capital adequacy ratio	13.8 %	13.5 %	25.6 %	24.1 %
Core (tier 1) capital ratio	10.6 %	10.4 %	21.3 %	20.0 %

^{*)} Perpetual loan of NOK 884,5 million that is planned to be redeemed in June 2015 is not included in viable perpetual primary capital.

Note 10 | Solvency margin

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	31.03.15	31.12.14	31.03.15	31.12.14
Solvency margin requirements	12,685	12,632	7,850	7,823
Solvency margin capital	21,992	22,110	28,463	28,402
Solvency margin	173.4 %	175.0 %	362.6 %	363.0 %

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	31.03.15	31.12.14	31.03.15	31.12.14
Net primary capital	18,970	19,068	25,944	25,786
50% of additional statutory reserves	2,441	2,559	2,441	2,559
50% of risk equalisation fund	418	414	418	414
Counting security reserve	73	69	73	69
Adjustments in Tier 2 capital eligible for inclusion in solvency capital			-413	-427
Other adjustments	90			
Solvency capital	21,992	22,110	28,463	28,402

Note 11 | Information about related parties

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

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

Translation from the original Norwegian version

To the Board of Directors of Storebrand Livsforsikring AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand Livsforsikring AS (the Group) as of 31 March 2015, and the related statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Oslo, 28 April 2015
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

Financial calendar 2015



11 February	Results 4Q 2014
15 April	Annual General Meeting
16 April	Ex dividend date
29 April	Results 1Q 2015
	Embedded Value 2014
15 July	Results 2Q 2015
28 October	Results 3Q 2015
February 2016	Results 4Q 2015

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