Interim report

Storebrand Group

(unaudited)

storebrand

Interim report - 4Q 2014:

Storebrand Group

Contents

FINANCIAL PERFORMANCE BUSINESS AREAS

Storebrand Group 3

Savings 6

Insurance 8

Guaranteed pension 10

Other 12

Balance sheet, solidity and capital adequacy 13

Outlook 15

FINANCIAL STATEMENTS/ NOTES

Storebrand Group

Profit and Loss Account 16

Consolidated Statement of Comprehensive Income 17

Statement of financial position 18

Reconciliation of Group´s Equity 20

Cash Flow Statement 21

Notes 22

Storebrand ASA

Profit and Loss Account 41

Statement of financial position 42

Recounciliation of equity 43

Cash Flow Statement 44

Notes 45

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

Storebrand Group

- **Group result[1] of NOK 923m for the 4th quarter and NOK 3,032m for 2014**
- **Strong earnings growth in Savings**
- **Reserve strenghtening for increased longevity reduced to 4.4% of the reserves**

Storebrand's ambition is to be the best provider of pension savings. The group offers a broad range of products within life insurance, property and casualty insurance, asset management and banking, to companies, public sector entities and private individuals. The group is divided into the segments Savings, Insurance and Guaranteed pension and Other.

Group result[2]

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Fee and administration income	1,090	1,096	1,028	1,057	1,114	4,272	4,253
Risk result life & pensions	323	37	45	75	17	480	17
Insurance premiums f.o.a.	802	773	770	770	796	3,115	3,034
Claims f.o.a.	-613	-564	-558	-492	-569	-2,226	-1,940
Operational cost	-269	-768	-795	-785	-494	-2,617	-2,938
Financial result	7	85	150	121	10	363	97
Result before profit sharing and loan losses	1,340	660	640	747	875	3,387	2,522
Net profit sharing and loan losses	-297	62	200	71	180	36	416
Provision longevity	-121	-90	-90	-90	-	-391	-
Result before amortisation and write-downs	**923**	**632**	**750**	**728**	**1,055**	**3,032**	**2,938**
Amortisation and write-downs of intangible assets	-105	-108	-108	-111	-417	-431	-739
Result before tax	818	524	642	617	638	2,601	2,199
Tax	-115	-147	-146	-108	-236	-516	-209
Sold/liquidated business	-0	-0	-0	-0	-2	-1	-4
Profit after tax	**703**	**376**	**496**	**509**	**400**	**2,085**	**1,987**

The group result before amortisation was NOK 923m[3] (NOK 1055m) in the 4th quarter of 2014 and NOK 3032m (NOK 2938m) for the full year. The figures in parentheses are from the corresponding period last year. Fee and administration income declined 2.1% compared with the same quarter last year, but increased 0.5% for the full year. Adjusted for discontinued business, the annual growth rate is 5%. The dissolution of reserves in the Swedish business in the fourth quarter had a positive impact on the risk result for life and pension.

The operating costs declined by NOK 571m due to the transition from a defined benefit to defined contribution pension scheme in the Norwegian organization. The underlying operating costs for 2014 declined 2% compared with the previous year[4]. The cost program contributed to a reduction of the operating costs for the year. Since 2012, Storebrand has successfully reduced its operating costs by NOK 400m in accordance with the announced targets.

The profit sharing and loan losses in the Swedish business have been effected by changes in the actuarial assumptions and a revaluation of guaranteed liabilities due to the good return, which reduced the result by NOK 322m overall. The underlying profit sharing result was strong in 2014. Reservestrengthening for increased longevity is charged directly to the result in the amount of NOK 391m for 2014 (NOK 31m of which is related to the conversion of paid-up policies with investment choice) and indirectly by means of lost profit sharing amounting to NOK 229m.

1) Earnings before amortisation and tax.
2) Changes in the principles in accounting standards and changes between segments entailed a restatement of the comparison figures. For more information, see Notes 1 and 6.
3) The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.
4) Adjusted for the non-recurring effects related to pensions in 2014 and pensions and restructuring in 2013. Without adjustment for these effects, the cost reduction would be 11%. The new pension scheme had an effect of NOK 105m on equity. For an overview of changes related to the pension scheme, see Note 9.

Group result by result area

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Savings - non-guaranteed	436	241	184	186	296	1,047	670
Insurance	159	135	154	226	182	675	774
Guaranteed pension	227	233	313	302	448	1 074	1 376
Other result	102	23	99	14	128	236	119
Result before amortisation and write-downs	923	632	750	728	1,055	3,032	2,938

Savings has been defined as a growth area for the Group. The result for the segment was 44% higher in 2014. The earnings growth is driven by higher assets under management and good sales[1]. Defined contribution pensions continue to grow in Norway and Sweden since an increasing number of companies are choosing to convert from defined benefit schemes to defined contribution schemes. In addition, a solid return of 23% contributed to growth in customer reserves. The unit linked business area in Norway showed earnings growth of 15% in the 4th quarter and 24% for the full year. The corresponding earnings growth for the Swedish business was 18 and 21%, respectively.

Insurance reports a total combined ratio of 84% for the quarter (79%). The risk result during the quarter was weak with a loss ratio of 76% (71%). For the full year 2014, the loss ratio was 71% (64%). A higher than normal number of new incidents of disability during the quarter gave a weaker risk result for the life risk products in both Norway and Sweden.

Throughout 2014, fee and administration income for Guaranteed Pension has performed consistent with the fact that a large part of the portfolio is mature and in long-term decline. Income was NOK 457m (NOK 535m) for the 4th quarter and NOK 1,842m (NOK 2,013m) for the full year. In 2014, income fell by 8.5% compared with last year. The reduction in income is attributed, to the fact that Storebrand is exiting insured solutions in the public sector in Norway. The result from net profit sharing is generated in the Swedish business and amounted to minus NOK 357m in the 4th quarter and NOK 61m for 2014. The Norwegian business is prioritizing the build-up of buffers and reserves instead of profit sharing between customers and owners. For the full year, NOK 2,282m has been allocated to strengthening the longevity reserves. NOK 121m has been charged to the result for the owner in the 4th quarter and NOK 391m has been charged for the full year for increased longevity.

Market and sales performance

The shift from products with guaranteed interest rates to unit linked insurance products continues in the life insurance businesses. Storebrand started to allow the conversion of paid-up policies into paid-up policies with investment choice on 15 October. Altogether, 3,500 customers and just under NOK 1b was converted to paid-up policies with investment choice.

In Norway, Storebrand is the market leader in defined contribution schemes, with 30% of the market share of gross premiums written[2]. There is strong competition in the market for defined contribution pensions. Storebrand signed a letter of intent in the 4th quarter to provide Statoil with a defined contribution pension scheme. SPP is the third largest actor in the Swedish unit linked insurance market in the segment Other Occupational Pension with a market share of 14% of new contracts.

Capital situation and taxes

The Storebrand Life Insurance Group's solvency margin was 175% at the end of the quarter. This represents a decline of 6.8 percentage points during the quarter. This decline is attributed primarily to the fall in long-term interest rates in Sweden, as well as the exclusion of a subordinated loan of SEK 700m in the solvency capital. 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, is implemented. Measures such as risk reduction, reserve strengthening for longevity and strong buffer building through 2014 makes Storebrand Life Group more robust in relation to future solvency regulation. For 2014, Solvency II margin is estimated at 148 percent, including current interpretation of the proposed transition rules.

Capital adequacy and core capital adequacy for the Storebrand Group at the end of the 4th quarter were 13% and 10.3%, respectively, a decrease of 0.3% and increase of 0.1%, respectively, during the quarter.

The income tax cost for 2014 was NOK 516m. 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 between the quarters give a low income tax expense of NOK 115 for the 4th quarter.

[1] Adjusted for the positive non-recurring effects related to pensions in 2014 and pensions in 2013. Without adjustment for these effects, the increase would be 56%.
[2] Premium income as at the 3rd quarter of 2014. Source: Finance Norway and Insurance Sweden.

Group - Key figures

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Earnings per share adjusted (NOK)[1)]	1,78	1,08	1,33	1,38	1,82	5,57	6,06
ROE, annualised[1)]	13,6%	8,9%	11,2%	11,4%	10,5%	10,8%	12,1%
Equity	24,741	23,618	23,528	23,080	22,775	24,741	22,775
Solvency margin (Storebrand Life Group)	175%	182%	178%	182%	176%	175%	176%

Strenghtening reserves for a higher projected life expectancy

For 2014, NOK 2.7b was set aside for increased expected longevity, which entails that the remaining need to strengthen reserves for group pensions is estimated to be NOK 6.2 billion or around 4% of the premium reserves as at 31 December 2014. The company started strengthening the reserves in the accounts in 2011. The strengthening of reserves for increased longevity has been charged directly to the Guaranteed Pension result in the amount of NOK 121m for the quarter and NOK 391m for the full year 2014, and indirectly by means of lost profit sharing in the amount of NOK 229m for 2014. In addition, the risk result of NOK 98m for 2014, which was added to the company's risk equalization reserve earlier, is excluded.

Dividend

The Storebrand Group has a need to strengthen reserves for higher expected longevity and is in the process of adapting to Solvency II. Consequently, the Board has decided to propose to the AGM that no dividend be paid for the year 2014, and that net profit is booked to other equity.

Financial targets

ROE	>10%
Solvency margin (Storebrand Life Group)	>150%
Dividend on result after tax before amortisation[1)]	>35%
Rating (Storebrand Life Group)	A

[1)] *After tax, adjusted for amortization and write-downs of intangible assets.*

Savings

Good earnings growth driven primarily by growth in assets under management. Good cost control and solid excess return for asset management.

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.

Savings

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Fee- og administrasjonsinntekter	563	554	522	509	489	2 148	1 888
Risikoresultat liv og pensjon	-10	7	-7	-2	3	-11	7
Driftskostnader	-191	-314	-325	-321	-294	-1 151	-1 279
Finansresultat	-	-	-	-	-	-	-
Resultat før overskuddsdeling og utlånstap	**362**	**248**	**191**	**186**	**199**	**987**	**616**
Netto overskuddsdeling og utlånstap	73	-6	-6	-0	98	60	54
Resultat før amortisering	**436**	**241**	**184**	**186**	**296**	**1 047**	**670**

Results

Savings reported a good result for the 4th quarter and full year 2014, compared with the same periods last year. Adjusted for the cost effects related to the Group's transition to defined contribution pensions for its own employees, the result is NOK 249m for the 4th quarter and NOK 860m for the full year 2014[1]. Volume growth in all parts of the business and a good average margin for banking throughout the year accounts for the income growth. Cost-reducing measures also give a positive effect, while increasing volume entails higher selling costs.

Defined contribution pensions are growing in Norway and Sweden since more and more companies are converting to defined contribution schemes. In addition, good return rates contributed to growth in customer reserves. Income from non-guaranteed life insurance-related savings in the 4th quarter and for the full year has been 17% and 23% higher than the corresponding periods last year.

Strong interest rate margins at the start of the year have given an average interest rate margin of 1.22% in 2014 (unchanged from 2013). This entails good interest income growth for the retail market in Storebrand Bank. The reversal of prior provisions gives a reversal of lending losses for private individuals of NOK 1.3m in 2014.

The asset management business has outperformed the benchmark for the customers by NOK 324m in the 4th quarter. This gives a total excess return of close to NOK 2.2bn for 2014. Performance-based fees of NOK 64m were recognized in December 2004.

Total fee- and administration income increased by 14% in 2014 compared with the same period last year. Efficiency improvement and savings according to the Group's cost program reduces the cost growth, despite higher volumes. Selling costs and shared corporate costs increased, however, as a result of the increasing volume. The result for 2014 shows an improvement of 56% compared with last year. Adjusted for non-recurring effects related to pension costs, the result improvement is 44%.

Balance sheet and market trends

Premium income for non-guaranteed life insurance-related savings was NOK 2.6b for the 4th quarter and NOK 9.9b for the full year 2014. The volume is marginally higher than the same periods last year as a result of a lower conversion volume and negative migration in the Swedish business. New sales are 4% higher than in 2013. Total reserves within unit linked insurance have increased 23% over the last year.

In Norway, Storebrand is the market leader in defined contribution schemes with 30% of the market share of gross premiums written. Higher maximum limits for company savings for employees have contributed to growth in 2014, in addition to an increasing portfolio and wage adjustments. There is strong competition in the market for defined contribution pensions, and Storebrand expects that this will continue.

[1] The costs have been reduced by NOK 187m as a result of the introduction of a new pension scheme. This is a non-recurring effect for the quarter.

Savings - Key figures

	2014				2013
NOK million	4Q	3Q	2Q	1Q	4Q
Unit Linked Reserves	105,369	93,976	92,899	87,105	85,452
Unit linked Premiums	2,594	2,483	2,347	2,463	2,273
AuM Asset Management	534,523	502,840	501,539	495,244	487,384
Retail Lending	23,894	24,286	23,939	23,537	23,906

SPP is the third largest actor in the Swedish unit linked insurance market in the segment Other Occupational Pension with a market share of 14% of new contracts. In 2013, SPP was chosen to be one of several suppliers in the largest pension platform in Sweden (ITP scheme), and this has had a significant positive effect on new sales in 2014. Sales through other sales channels have, however, declined overall, and new sales is at approximately the same level as in 2013.

Storebrand Asset Management's assets under management have increased NOK 31.7bn in the 4th quarter to NOK 534.5bn. This gives total growth of NOK 47.1bn for 2014. The growth is driven by new sales, foreign exchange and a good return on customer assets.

The loan portfolio in the retail market for banking products has remained stable throughout 2014. The portfolio consists primarily of low-risk home mortgages.

Insurance

Significant positive non-recurring effects from the transition to a new pension scheme. Weaker risk result due to higher incidents of disability. Negative financial result for the quarter, but a satisfactory return for the full year.

Insurance has responsibility for the Group's risk products in Norway and Sweden[1]. The unit provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employee-related and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Insurance premiums f.o.a.	802	773	770	770	796	3,115	3,034
Claims f.o.a.	-613	-564	-558	-492	-569	-2,226	-1,940
Operational cost	-9	-122	-131	-125	-77	-387	-463
Financial result	-22	48	74	74	31	173	143
Contribution from SB Helseforsikring AS	14	8	0	3	-0	25	15
Result before profit sharing and loan losses	**159**	**135**	**154**	**226**	**182**	**675**	**774**
Result before amortisation	**159**	**135**	**154**	**226**	**182**	**675**	**774**
Claims ratio	76%	73%	73%	64%	71%	71%	64%
Cost ratio	1%	16%	17%	16%	10%	13 %	15%
Combined ratio	**78%**	**89%**	**90%**	**80%**	**81%**	**84%**	**79%**

Results

For the 4th quarter, Insurance delivered a result before amortization of NOK 159m (NOK 182m), and NOK 675m (NOK 774m) for the full year with a total combined ratio of 84% (79%).

The combined risk result for the quarter was weaker with a loss ratio of 76% (71%), 71% (64%) for the full year 2014. A higher than normal number of new incidents of disability during the quarter reduced the risk result for the life risk products in both Norway and Sweden. It was a good quarter for Property and Casualty Insurance, since there were no major fires and good driving conditions in the central region of Eastern Norway.

The cost percentage comprised 1% (10%) for the 4th quarter, and 13% (15%) for the full year. Adjusted for non-recurring effects related to the new pension scheme in Norway, the cost percentage for the quarter was 16%[2].

The investment portfolio of Insurance in Norway amounts to NOK 5.7bn, which is primarily invested in fixed income securities with a short to medium duration. The booked return for the quarter has been weak, but strong for the year. Some of the reserves are co-invested with the group portfolio Storebrand Livsforsikring AS, which gives a higher expected return over time.

Balance sheet and market trends

In the 4th quarter, Storebrand signed an agreement with Akademikerne [Federation of Norwegian Professional Associations] to provide insurance for 11 out of 13 of the federation's organizations. The agreement encompasses approximately 110,000 members, and it ensures Storebrand of a solid position in the organizational market. The contract entered into force on 1 January 2015 and will make a positive contribution to future growth.

Premium income increased 9% in the retail market, compared with the corresponding quarter last year. The P&C insurance business has shown good growth in the quarter and the full year 2014.

Health-related insurance is growing and Storebrand is succeeding well in the market. The companies' desire to reduce absence due

** Individual life disability, property and casualty insurance. ** Group disability, workers comp. and health insurance. *** DC risk premium.*
[1] Health insurance is owned 50 per cent each by Storebrand ASA and Munich Health and is consolidated according to the equity method.
[2] The costs have been reduced by NOK 120m as a result of the introduction of a new pension scheme. This is a non-recurring effect for the quarter.

to illness, increase work satisfaction and reduce the overall insurance costs. In addition, growth is driven by the increased demand among the employees for benefits of this type.

For risk cover in connection with defined contribution pensions in Norway, growth is expected in future that is driven by conversions from defined benefit to defined contribution pensions. Changes in the regulatory framework may result in changes in the 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 period of time, which has led to reduced premiums in general.

Insurance - Key figures

	2014				2013
NOK million	4Q	3Q	2Q	1Q	4Q
P&C & Individual life	1,407	1,375	1,341	1,314	1,297
Health & Group life	1,235	1,228	1,206	1,212	1,227
Pension related disability insurance Nordic	1,057	1,054	1,041	1,027	1,046
Total written premiums	3,699	3,657	3,588	3,552	3,569
Reserves	5,347	5,095	4,938	4,871	4,794

Guaranteed pension

Quarter marked by special effects in the risk and profit sharing result

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

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Fee and administration income	457	471	439	474	535	1,842	2,013
Risk result life & pensions	331	26	48	78	16	483	7
Operational cost	-84	-275	-281	-281	-199	-921	-1,016
Financial result	-	-	-	-	-	-	-
Result before profit sharing and loan losses	705	222	206	272	352	1,404	1,003
Net profit sharing and loan losses	-357	101	197	120	96	61	373
Provision longevity	-121	-90	-90	-90	-	-391	-
Result before amortisation	227	233	313	302	448	1,074	1,376

Fee and administration income has performed throughout 2014 consistent with the fact that a large part of the portfolio is mature and in long-term decline. Income was NOK 457m (NOK 535m) for the 4th quarter and NOK 1,842m (NOK 2,013m) for the full year 2014. In 2014, income fell by 8.5% compared with last year. The reduction in income ispartially attributed, to the fact that Storebrand is exiting insured solutions in the public sector in Norway. After transfers carried out early in 2015, NOK 2.7 billion remains in the reserves in public sector occupational pension schemes.

Operating costs for the quarter have been influenced by positive effects related to changes in the Group's pension scheme[1)].

The risk result was NOK 331m (NOK 16m) for the 4th quarter and NOK 483m (NOK 7m) for the full year. A dissolution of reserves in SPP amounting to NOK 322m was carried out in the 4th quarter. In the Norwegian business, NOK 98m of the risk result that would have normally gone to the risk equalization reserve was allocated to the longevity reserve during the quarter. In addition, a strengthening of the disability reserve was also carried out in the 3rd quarter. The underlying death, disability and longevity risk has been stable during the quarter.

The result from net profit sharing is generated in the Swedish business and amounted to minus NOK 357m in the 4th quarter and NOK 61m for 2014. In the 4th quarter, the profit sharing result was affected negatively by the new mortality assumptions for individual age groups and adjusted for the expected investment income tax. These changes strengthen future financial performance and solvency. This entailed overall a negative contribution to the result from deferred capital contributions of NOK 253m. The underlying profit sharing result for SPP is strong and amounted to NOK 313m for the year. This is attributed to the positive performance of the equity and credit portfolios.

The Norwegian business is prioritizing the build-up of buffers and reserves instead of profit sharing between customers and owners. For the full year, NOK 2,282m of the profit for the year from the financial and risk results has been allocated to strengthening the longevity reserve. NOK 121m has been charged to the result for the owner in the 4th quarter and NOK 391m has been charged for the full year 2014 for increased longevity. A longevity reserve of NOK 31m for paid-up policies as a result of conversion to paid-up policies with investment options has been included in the 4th quarter.

[1)] The costs have been reduced by NOK 210m as a result of the introduction of a new pension scheme. This is a non-recurring effect for 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. As at the 4th quarter, customer reserves for guaranteed pensions totalled NOK 264bn (NOK 264bn), which represents an increase of NOK 6.8bn overall for the 4th quarter and a flat performance for 2014. Transfers from guaranteed pensions totaled NOK 14.2bn (NOK 9.0bn) for the full year, and they took place primarily in the 1st and 3rd quarters in connection with migration in the public sector in Norway. From the 4th quarter of 2014, the customers were given an offer to convert from paid-up policies to paid-up policies with investment choice, and insurance reserves of NOK 0.9bn were converted by the end of 2014. The premium income for the 4th quarter was NOK 1.6bn (NOK 1.9bn) and NOK 9.9bn (NOK 10.9bn) for the full year, which corresponds to a decline of 10% in 2014.

Guaranteed pension - Key figures

	2014				2013
NOK million	4Q	3Q	2Q	1Q	4Q
Guaranteed reserves	264,290	257,425	263,370	259,799	264,125
Guaranteed reserves in % of total reserves	71.5%	73.3%	73.9%	74.9%	75.6%
Transfer out of guaranteed reserves	1,496	5,506	104	7,095	816
Buffer capital in % of customer reserves Storebrand	6.6%	4.8%	4.6%	4.2%	4.8%
Buffer capital in % of customer reserves SPP	11.7%	15.0%	15.1%	14.6%	15.1%

Other

The result for Storebrand ASA is reported under Other, as well as the result for smaller subsidiaries and the company portfolios of Storebrand Life Insurance and SPP. In addition, the results associated with lending to commercial enterprises by Storebrand Bank and the activities at BenCo are reported in this segment.

Other result

	2014				2013	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2014	2013
Fee and administration income	69	71	67	74	90	282	353
Risk result life & pensions	2	4	3	-1	-2	8	3
Operational cost	14	-56	-58	-58	75	-158	-180
Financial result	29	38	76	47	-21	190	-46
Result before profit sharing and loan losses	115	56	89	62	143	322	129
Net profit sharing and loan losses	-13	-33	9	-48	-14	-85	-11
Result before amortisation	102	23	99	14	128	236	119

The decline in fee and administration income is associated with lending to corporate customers, and this area is under liquidation. The operating costs have been reduced 14% in 2014, adjusted for changes in the pension scheme in 2014 and 2013, as a result of the effects of the cost program and downscaling of the corporate bank[1].

The financial result for the Other segment includes the company portfolios of SPP and Life and the financial result of Storebrand ASA, as well as the net result for subsidiaries currently being wound up and started up at SPP.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. The proportion of subordinated loans of approximately 24% and interest costs comprise a net amount of approximately NOK 100m for the quarter at the current interest rate level. The company portfolios comprised NOK 21.4bn at the end of the 4th quarter. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

[1] *The costs have been reduced by NOK 54m as a result of the introduction of a new pension scheme. This is a non-recurring effect for the quarter.*

Balance sheet, solidity and capital adequacy

Solvency margin of 175% in the Life Group, NOK 64.7bn in solvency capital

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 the legal entities to a large extent. The section is thus divided up by legal entities.

Storebrand ASA

Storebrand ASA held liquid assets of approximately NOK 1.7 billion at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities. Storebrand ASA's total interest-bearing liabilities were NOK 3.1 billion at the end of the quarter. During the quarter, the company redeemed bond debt totaling NOK 297m. The next maturity date for bond debt is in April 2016. On 18 December, Storebrand ASA signed a new agreement for a credit facility of EUR 240m. The new agreement will expire in December 2019. Storebrand ASA owned 0.53% (2,410,792) of the company's own shares at the end of the quarter.

Storebrand Life Insurance Group[1)]

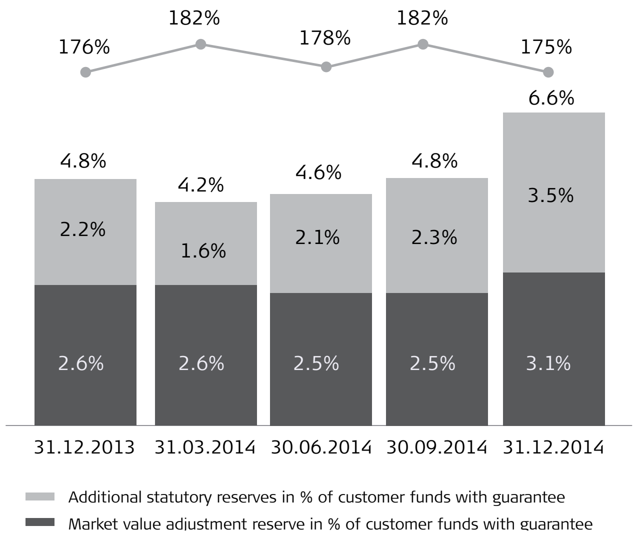
The Storebrand Life Insurance Group's solvency margin was 175% at the end of the quarter. This represents a decline of 7.2 percentage points during the quarter. This decline is attributed primarily to the fall in long-term interest rates in Sweden, as well as the exclusion of a subordinated loan of SEK 700m from the solvency capital. The Swedish Financial Supervisory Authority decided on 5 December to withdraw permission to include a subordinated loan of SEK 700m in the solvency capital. Storebrand has appealed this decision to the Administrative Court of Appeals in Sweden. Until a final decision has been made, the loan cannot be included as primary capital. If Storebrand is successful in its appeal, the solvency margin will be strengthened by approximately 5 percentage points. Growth in additional statutory reserves and the quarterly result have had a positive effect on the solvency margin during the quarter.

The solvency margin declined 1.4 percentage points during the year. The main reason for this weakening occurred during the fourth quarter and is attributed to the exclusion of the loan granted by SPP and falling interest rates in Sweden. A fall in the interest rate level increases the insurance liabilities in the solvency calculations.

Capital adequacy and core (tier 1) capital adequacy for the Storebrand Group at the end of the 4th quarter were 13.0% and 10.3%, respectively, a decrease of 0.3% and increase of 0.1%, respectively, during the quarter.

The solvency capital[2)] comprised NOK 64.7bn at the end of the 4th quarter of 2014, an increase of NOK 2.8bn during the 4th quarter and NOK 10.6bn for the year as a result, among other things, of increased customer buffers and the profit for the year. The conditional bonus declined by NOK 1.8bn.

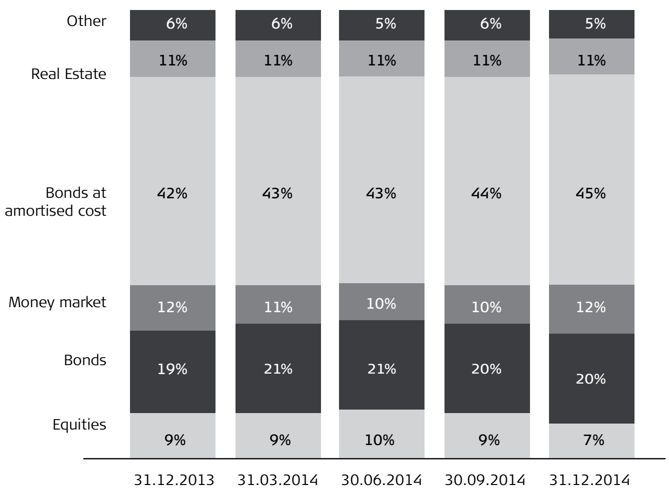
Solidity



Storebrand Livsforsikring AS

The additional statutory reserves totaled NOK 5.1bn at the end of the year, which is an increase of NOK 0.7bn for the year that is attributed primarily to allocation of the profit for the year. Excess value of held-to-maturity bonds that are assessed at amortized cost increased NOK 8.2bn during the year and totaled NOK 13.4bn as at 31 December. The excess value of held-to-maturity bonds is not included in the financial statements. The longevity reserves as at 31 December 2014 totaled NOK 4.5bn and are not included in the solvency capital.

Asset allocation in customer portfolios with interest rate guarantee

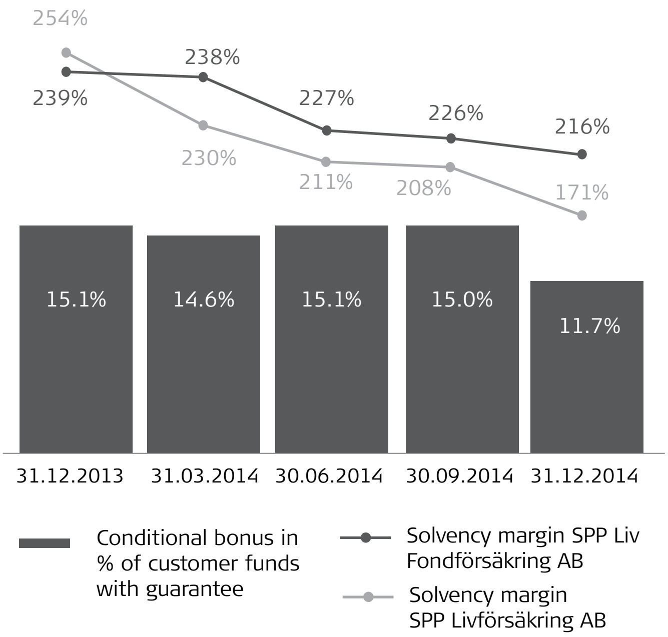


[1)] *Storebrand Life Insurance, SPP and BenCo.*
[2)] *Consists of equity, subordinated loan capital, market value adjustment reserve, risk equalization reserve, unrealized gains/losses on bonds at amortized cost, additional statutory reserves, conditional bonuses and retained earnings.*

Customer assets increased by NOK 3.2bn during the 4th quarter and NOK 4.4bn for the full year and amounted to NOK 218bn at the end of the 4th quarter of 2014. Customer assets within non-guaranteed savings increased by NOK 3.3bn during the 4th quarter and NOK 7.8bn for the full year 2014 and total NOK 42bn.

SPP

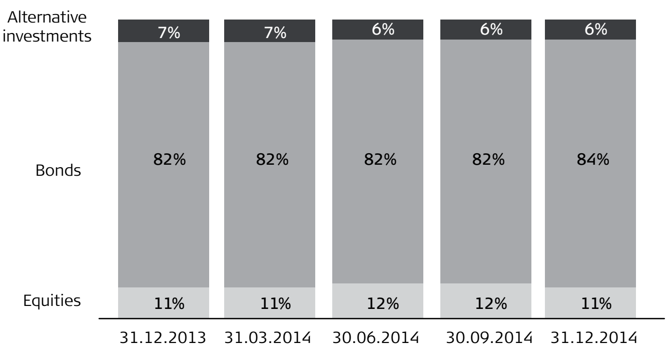
Solidity



The solvency margin of SPP Livförsäkring AB was 171% (254%) and 216% (239%) in SPP Liv Fondförsäkring AB at the end of the year. The solvency margin of SPP Livförsäkring AB weakened from 254% to 208% during the year, compared with the 4th quarter of 2013. Lower interest rates and changes in the capital base are the reason for this, in addition to a group contribution of SEK 0.6bn in the 4th quarter, which has contributed to a reduction of the solvency.

The buffer capital (conditional bonus) declined during the quarter and totals SEK 9.5bn.

Asset allocation in customer portfolios with interest rate guarantee



Total customer assets in SPP were NOK 151bn in the 4th quarter, an increase of 11% during the quarter. This increase is attributed to a good return, premiums received and foreign exchange effects between NOK and SEK. Non-guaranteed customer assets increased 15% to NOK 63.4bn during the quarter.

Storebrand Bank

The loan portfolio in the retail market declined somewhat in the 4th quarter, and the corporate market portfolio continues to decline as planned. Gross lending to customers as at the end of 2014 comprises NOK 28.5bn (NOK 33.7bn). The volume syndicated to Storebrand Livsforsikring amounted to NOK 4.6bn at the end of 2014.

The bank has had declining risk-weighted assets throughout the year as a result of the planned downscaling of the corporate market portfolio. A group contribution with a net capital effect of NOK 400m has been set aside. In addition, the bank had a subordinated loan of NOK 245m that matured in the 4th quarter. This reduces the capital adequacy in the 4th quarter.

The Storebrand Bank Group had net primary capital of NOK 3.0bn at the end of the year. The capital adequacy ratio is 15% and the core (tier 1) capital ratio is 13.3%, compared with 13.6% and 12.8%, respectively, at the end of 2013.

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 is expected to continue to increase 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 10-year swap rate is at historically low levels in both Norway and Sweden. The interest rate level has continued to fall in January as a result of the expansive monetary policy in Europe. Storebrand has adapted to the lower rates through building buffer capital, risk reduction in investments, and changes to the 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 will during the period from 2014 to 2020 be burdened by a minimum of 20% of the costs associated with the strengthening of reserves for higher projected life expectancy. The final amount will, among other things, depend on risk results and returns in the customer portfolios. The strengthening of reserves for higher projected life expectancy is described in further detail in the introduction and in Note 3.

Storebrand is going through a period with large changes to the regulatory framework and in the marked for life and pensions. The sale has been good and the customers have had a good performance on their pension assets. Storebrand has implemented a cost program over recent years which has reduced the group's annual costs by NOK 400m. Cost reductions and adaption of the business have made a solid foundation for profitable growth going forward.

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

Act on financial undertakings and financial groups
The Ministry of Finance introduced a bill for a new Act on financial undertakings and financial groups in June 2014. The Storting is expected to consider and adopt this bill in the first quarter of 2015.

The bill entails a comprehensive structural reorganization of much of Norway's financial legislation. It also implements the new Solvency II regulations in Norwegian law. Substantive changes are also proposed to rules on the use of names by financial undertakings, banks' obligations regarding the handling of cash, the organization of customer service and the handling of customer information in financial groups. In addition the bill proposes repealing the current requirements regarding supervisory boards and control committees. The rules on outsourcing were implemented on 1 July 2014.

Solvency II
The new European solvency regulations enter into force on 1 January 2016 and apply to all the insurance companies in the EU and EEA. In the autumn of 2014, the Financial Supervisory Authority of Norway announced its recommendations for the use of the permanent measures and transitional rules in the Omnibus II Directive to facilitate adaptation to Solvency II for products with long guarantees. The directive recommends a yield curve spread to discount insurance liabilities (volatility adjustment) and a transitional period of 16 years with regard to the valuation of insurance liabilities. This transitional rule entails that an increase in the insurance liabilities 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 significantly positive effect on paid-up policies. The Financial Supervisory Authority of Norway has prepared draft regulations that the Ministry of Finance has circulated for consultative comments until 20 March 2015. The final regulations will be issued by the Ministry of Finance.

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 schemes in the private sector. It is expected that the bill will be considered by the Storting in the spring of 2015 and that new regulations will enter into force by the end of 2015. The new disability product will give the right to a disability pension regardless of earnings after the period of service, 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 6 G. The Ministry of Finance proposes that company-paid disability pensions can also account for up to 3% of employment income up to 12 G, in addition to a supplement of 0.25 G limited to 6% of the member's pay basis. As in the National Insurance scheme, it introduces curtailment for earned income over 0.4 G. In addition, it is planned that prior accrued rights, both from the public sector and the private sector, will be coordinated with the new disability pension.

Lysaker, 10 February 2015

Storebrand Group

PROFIT AND LOSS ACCOUNT

		4Q		01.01 - 31.12	
NOK million	Note	2014	2013 [1]	2014	2013 [1]
Net premium income		5,771	5,623	25,220	28,656
Net interest income - banking activities		110	139	462	547
Net income from financial assets and real estate for the company:					
- equities and other units at fair value		3	2	17	8
- bonds and other fixed-income securities at fair value		95	101	774	417
- financial derivatives at fair value		-7	17	-208	22
- bonds at amortised cost		26	7	90	59
- real estate		18	14	92	52
- result from investments in associated companies/joint controlled operation		19	-1	40	89
Net income from financial assets and real estate for the customers:					
- equities and other units at fair value		10,089	5,866	20,735	16,772
- bonds and other fixed-income securities at fair value		2,246	1,351	9,516	2,942
- financial derivatives at fair value		-3,754	-225	-1,328	-3,598
- bonds at amortised cost		998	960	3,784	3,526
- interest income lending		53	31	171	130
- real estate		646	233	1,582	907
- result from investments in associated companies		10	10	25	29
Other income		806	482	2,698	2,316
Total income		**17,128**	**14,610**	**63,669**	**52,874**
Insurance claims for own account		-6,698	-5,841	-35,918	-29,851
Change in insurance liabilities		-8,648	-5,088	-21,417	-12,369
To/from buffer capital		-120	-1,884	781	-3,568
Losses from lending/reversal of previous losses		-3	-12	-74	-11
Operating costs	12	-300	-480	-2,913	-3,265
Other costs		-261	-158	-498	-296
Interest expenses		-176	-94	-597	-576
Total costs before amortisation and write-downs		**-16,206**	**-13,556**	**-60,637**	**-49,937**
Profit before amortisation and write-downs		**923**	**1,055**	**3,032**	**2,938**
Amortisation and write-downs of intangible assets		-105	-417	-431	-739
Group pre-tax profit		**818**	**638**	**2,601**	**2,199**
Tax cost	10	-115	-236	-516	-209
Result after tax sold/wound up business			-2	-1	-4
Profit/loss for the period		**703**	**400**	**2,085**	**1,987**
Profit/loss for the period due to:					
Majority's share of profit		694	397	2,063	1,971
Minority's share of profit		8	3	22	16
Total		**703**	**400**	**2,085**	**1,987**
Earnings per ordinary share (NOK)		1.55	0.89	4.61	4.41
Average number of shares as basis for calculation (million)				447.4	447.1
There is no dilution of the shares					

[1] *In consequence of the changes to the principles, the comparative figures have been restated. See further information in note 1 Accounting policies.*

Storebrand Group

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	4Q		01.01 - 31.12	
NOK million	2014	2013	2014	2013
Profit/loss for the period	**703**	**400**	**2,085**	**1,987**
Change in estimate deviation pension	-509	-347	-522	-340
Adjustment of value of properties for own use		95	51	154
Gains/losses on cash flow hedging	168		168	
Total comprehensive income elements allocated to customers	30	-95	-22	-154
Tax on other result elements not to be classified to profit/loss	80	104	80	104
Total other result elements not to be classified to profit/loss	-232	-243	-245	-236
Translation differences	646	75	138	840
Tax on other result elements that may be classified to profit/loss	1		-1	
Total other result elements that may be classified to profit/loss	647	75	137	840
Total other result elements	**415**	**-168**	**-109**	**604**
Total comprehensive income	**1,118**	**232**	**1,976**	**2,591**
Total comprehensive income due to:				
Majority's share of total comprehensive income	1,101	228	1,950	2,564
Minority's share of total comprehensive income	16	4	26	27
Total	**1,118**	**232**	**1,976**	**2,591**

Storebrand Group

STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.12.14	31.12.13 [1]	01.01.13 [1]
Assets company portfolio				
Deferred tax assets			1	38
Intangible assets and excess value on purchased insurance contracts		5,710	5,987	6,096
Pension assets			1	152
Tangible fixed assets		91	118	143
Investments in associated companies		381	333	251
Receivables from associated companies				69
Financial assets at amortised cost:				
- Bonds		2,883	3,052	2,146
- Bonds held to maturity			347	222
- Lending to financial institutions		207	152	255
- Lending to customers	8	27,426	32,348	34,065
Reinsurers' share of technical reserves		144	151	155
Real estate at fair value		4,456	3,581	3,459
Real estate for own use		68	66	58
Biological assets		64	64	64
Accounts receivable and other short-term receivables		1,575	1,833	2,125
Financial assets at fair value:				
- Equities and other units	8	109	82	53
- Bonds and other fixed-income securities	8	26,699	23,294	21,312
- Derivatives	8	1,741	1,090	1,313
- Lending to customers		989	1,289	1,241
Bank deposits		5,266	4,067	3,279
Minority interests in consolidated securities funds		17,036	12,863	5,909
Total assets company		**94,846**	**90,720**	**82,406**
Assets customer portfolio				
Tangible fixed assets		363	354	303
Investments in associated companies		40	34	115
Receivables from associated companies		11	186	596
Financial assets at amortised cost:				
- Bonds		64,136	63,919	54,557
- Bonds held to maturity		15,131	14,773	10,496
- Lending to customers	8	4,679	3,508	3,842
Real estate at fair value		21,963	20,856	25,504
Real estate for own use		2,514	2,425	2,173
Biological assets		646	626	535
Accounts receivable and other short-term receivables		3,928	3,531	2,699
Financial assets at fair value:				
- Equities and other units	8	118,334	102,613	78,535
- Bonds and other fixed-income securities	8	157,576	155,074	157,839
- Derivatives	8	4,714	1,129	2,745
Bank deposits		3,405	3,619	3,859
Total assets customers		**397,441**	**372,648**	**343,799**
Total assets		**492,287**	**463,367**	**426,205**

[1] *In consequence of the changes to the principles, the comparative figures have been restated. See further information in note 1 Accounting policies.*

Continues on next page

Storebrand Group

STATEMENT OF FINANCIAL POSITION CONTINUE

NOK million	Note	31.12.14	31.12.13 [1]	01.01.13 [1]
Equity and liabilities				
Paid in capital		11,722	11,720	11,718
Retained earnings		12,652	10,705	8,119
Minority interests		366	350	337
Total equity		**24,741**	**22,775**	**20,175**
Subordinated loan capital	6	7,826	7,409	7,075
Buffer capital	14	22,213	22,447	18,037
Insurance liabilities		369,963	348,204	323,996
Pension liabilities		555	953	1,234
Deferred tax		1,228	825	717
Financial liabilities:				
- Liabilities to financial institutions	8	19	1,028	2,499
- Deposits from banking customers		19,358	20,728	19,860
- Securities issued	8	13,986	17,000	18,033
- Derivatives company portfolio		884	632	632
- Derivatives customer portfolio		3,941	1,911	725
Other current liabilities		10,537	6,592	7,315
Minority interests in consolidated securities funds		17,036	12,863	5,909
Total liabilities		**467,546**	**440,592**	**406,029**
Total equity and liabilities		**492,287**	**463,367**	**426,205**

[1] In consequence of the changes to the principles, the comparative figures have been restated. See further information in note 1 Accounting policies.

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

NOK million	Majority's share of equity: Paid in capital: Share capital [1]	Own shares	Share premium	Total paid in equity	Restatement differences	Other equity [2]	Total retained earnings	Minority interests	Total equity [3]
Equity at 31 December 2012	**2,250**	**-16**	**9,485**	**11,718**	**116**	**8,004**	**8,119**	**337**	**20,175**
Profit for the period						1,971	1,971	16	1,987
Total other profit elements					829	-236	593	11	604
Total comprehensive income for the period					**829**	**1,735**	**2,564**	**27**	**2,591**
Equity transactions with owners:									
Own shares		2		2		24	24		26
Share issue								-27	-27
Purchase of minority interests						-5	-5		-5
Other						1	1	13	14
Equity at 31 December 2013	**2,250**	**-14**	**9,485**	**11,720**	**945**	**9,760**	**10,705**	**350**	**22,775**
Profit for the period						2,063	2,063	22	2,085
Total other profit elements					133	-246	-112	4	-109
Total comprehensive income for the period					**133**	**1,817**	**1,950**	**26**	**1,976**
Equity transactions with owners:									
Own shares		2		2		18	18		20
Provision for dividend								-2	-2
Purchase of minority interests						-21	-21		-21
Other						-1	-1	-7	-8
Equity at 31 December 2014	**2,250**	**-12**	**9,485**	**11,722**	**1,078**	**11,574**	**12,652**	**366**	**24,741**

[1] 449,909,891 shares with a nominal value of NOK 5.
[2] Includes undistributable funds in the risk equalisation fund amounting to NOK 829 million and security reserves amounting NOK 270 million.
[3] In consequence of the changes to the principles, the comparative figures have been restated. See further information in note 1 Accounting policies.

Storebrand Group

CASH FLOW ANALYSIS

NOK million	01.01 - 31.12 2014	2013
Cash flow from operational activities		
Net receipts premium - insurance	22,693	18,460
Net payments compensation and insurance benefits	-20,457	-19,103
Net receipts/payments - transfers	-14,742	-5,927
Receipts - interest, commission and fees from customers	1,352	1,697
Payments - interest, commission and fees to customers	-523	-556
Payments relating to operations	-2,679	-2,791
Net receipts/payments - other operational activities	3,894	1,163
Net cash flow from operations before financial assets and banking customers	**-10,463**	**-7,057**
Net receipts/payments - lending to customers	4,181	2,011
Net receipts/payments - deposits bank customers	-1,370	795
Net receipts/payments - mutual funds	15,944	2,394
Net receipts/payments - real estate investments	-850	5,562
Net change in bank deposits insurance customers	210	241
Net cash flow from financial assets and banking customers	**18,116**	**11,003**
Net cash flow from operational activities	**7,653**	**3,945**
Cash flow from investment activities		
Net payments - sale/capitalisation of group companies	15	
Net receipts/payments - sale/purchase of property and fixed assets	-4	-6
Net receits/payments - sale/purchase of fixed assets	-168	-251
Net receipts/payments - sale of insurance portfolios	-1,585	
Net receits/payments - sale/purchase of associated companies and joint ventures	131	407
Net cash flow from investment activities	**-1,612**	**150**
Cash flow from financing activities		
Payments - repayments of loans	-3,295	-2,156
Receipts - new loans	496	1,250
Payments - interest on loans	-495	-557
Receipts - subordinated loan capital	1,965	2,372
Payments - repayment of subordinated loan capital	-1,976	-2,366
Payments - interest on subordinated loan capital	-484	-473
Net receipts/payments - lending to and claims from other financial institutions	-1,002	-1,470
Receipts - issuing of share capital / sale of shares to own employees	11	9
Payments - dividends	-2	-26
Net cash flow from financing activities	**-4,783**	**-3,416**
Net cash flow for the period	**1,244**	**679**
- of which net cash flow in the period before financial assets and banking customers	-16,858	-10,324
Net movement in cash and cash equivalents	1,259	679
Cash and cash equivalents at start of the period	4,213	3,539
Currency translation differences	2	2
Cash and cash equivalents at the end of the period [1)]	**5,473**	**4,219**
1) Consist of:		
Lending to financial institutions	207	152
Bank deposits	5,266	4,067
Total	**5,473**	**4,219**

Notes to the interim accounts Storebrand Group

NOTE 1: ACCOUNTING POLICIES

The Group's interim financial statements include Storebrand ASA, subsidiaries, and associated companies. The financial statements are prepared 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 2013 annual report. The interim financial statements are prepared using the same accounting policies, with the exceptions discussed in more detail below.

There are new and amended accounting standards with effect from 1 January 2014, and Storebrand has implemented IFRS 10 and IFRS 11 with effect from the same date. Their effect for the Group is discussed in more detail below.

IFRS 10 – Consolidated financial statements
IFRS 10 replaces the parts of IAS 27 that address consolidated financial statements and include in addition companies for special purposes that were previously addressed in SIC-12.

I IFRS 10 establish a model for evaluating control that will apply to all companies, and the content of the control concept has changed in IFRS 10 in relation to IAS 27 and will entail an increased degree of assessment of units that are controlled by the company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Group's financial statements, securities funds in which Storebrand has an ownership percentage of around 40 per cent or more, and which are also managed by management companies within the Storebrand Group, are consolidated 100 per cent on the balance sheet. Minority interests in consolidated securities funds are presented on a single line for assets and correspondingly on a single line for liabilities. As a consequence of the other investors being able to redeem their ownership interests in the respective funds, the minority interests are classified as liabilities in Storebrand's consolidated financial statements.

One of the investments in the Group, which was previously treated as a joint venture, is now assessed to be a subsidiary in accordance with IFRS 10. Pursuant to IFRS 10, this company is consolidated 100 per cent.

IFRS 11 – Joint Arrangements
In accordance with IFRS 11, the equity method will be used for the accounting of joint ventures. When the equity method is used, the profit after tax is presented on a single line, and this changes the profit before tax and tax expense as opposed to using the proportionate consolidation method. This has resulted in a change in the accounting of Storebrand Helseforsikring AS, which was previously consolidated using the proportionate consolidation method.

IFRS 12 – Disclosure of Interests in Other Entities
IFRS 12 applies to entities that have interests in subsidiaries, joint ventures and associates. This standard replaces the disclosure requirements that previously followed from IAS 27, IAS 28 and IAS 31.

Changes to other accounting standards
There are also other amendments to the IFRS regulations with effect from, or that can voluntary be applied from 1 January 2014. These changes have not had any material impact on Storebrand's interim financial statements.

Notes to the interim accounts Storebrand Group

The tables below show the effect of IFRS 10/11 for the lines in the accounts that are affected of the changes.

Profit and Loss

	4 Q 2013			01.01 - 31.12 2013		
NOK million	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures
Net premium income	5,693	-69	5,623	28,675	-19	28,656
Bonds and other fixed-income securities at fair value	102	-1	101	422	-5	417
Financial derivatives at fair value	18		17	24	-3	22
Net income from real estate	12	2	14	41	11	52
Result from investments in associated companies/joint controlled operation	-1		-1	74	15	89
Other income	482		482	2,316		2,316
Insurance claims for own account	-5,887	46	-5,841	-30,004	152	-29,851
Change in insurance liabilities	-5,102	14	-5,088	-12,176	-193	-12,369
Operating costs	-489	9	-480	-3,310	45	-3,265
Other costs	-158		-158	-296	1	-296
Profit before amortisation and write-downs	**1,054**		**1,055**	**2,935**	**3**	**2,938**
Amortisation and write-downs of intangible assets	-417	1	-417	-741	2	-739
Group pre-tax profit	**637**	**1**	**638**	**2,194**	**5**	**2,199**
Tax cost	-237	1	-236	-214	6	-209
Profit/loss for the period	**398**	**2**	**400**	**1,976**	**11**	**1,987**

Statement of Financial Position

	31.12.13			31.12.12		
NOK million	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures	Reported figures	Effect IFRS 10 and IFRS 11	Restated figures
Intangible assets	5,993	-6	5,987	6,102	-6	6,096
Tangible fixed assets	119	-1	118	144	-1	143
Investments in associated companies	205	128	333	121	130	251
Lending to customers at amortised cost	33,637	-1,289	32,348	35,306	-1,241	34,065
Real estate at fair value	24,175	262	24,437	28,723	240	28,963
Accounts receivable and other short-term receivables	1,890	-57	1,833	2,172	-47	2,125
Bonds and other fixed-income securities	23,485	-191	23,294	21,496	-184	21,312
Derivatives	1,091	-1	1,090	1,313		1,313
Lending to customers at fair value		1,289	1,289		1,241	1,241
Bank deposits	4,077	-10	4,067	3,297	-18	3,279
Minority interests in consolidated securities funds		12,863	12,863		5,909	5,909
Total assets	**450,381**	**12,986**	**463,367**	**420,182**	**6,022**	**426,205**
Equity and liabilities						
Minority interests	88	262	350	98	240	337
Total equity	**22,514**	**262**	**22,775**	**19,936**	**240**	**20,175**
Insurance liabilities	348,314	-110	348,204	324,089	-94	323,996
Pension liabilities	958	-5	953	1,239	-6	1,234
Deferred tax	833	-9	825	721	-5	717
Other current liabilities	6,605	-14	6,591	7,327	-22	7,305
Minority interests in consolidated securities funds		12,863	12,863		5,909	5,909
Total equity and liabilities	**450,381**	**12,986**	**463,367**	**420,182**	**6,023**	**426,205**

NOTE 2: ESTIMATES

In preparing the Group's financial statements the management is 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.

The Group's critical estimates and judgements that could result in material adjustment of recognised amounts are discussed below:

Life insurance in general
In the consolidated accounts, insurance liabilities with a guaranteed interest rate are included, but using different principles in the Norwegian and the Swedish activities. An immaterial asset (value of business in-force – VIF) linked to the insurance contracts in the Swedish activities is also included. This asset relates to Storebrand's purchase of SPP (acquisition of a business). There are several factors that may have an impact on the size of the insurance liabilities including VIF, such as biometric factors relating to higher life expectancy, future returns and invalidity, as well as the development of future costs and legal aspects, such as amendments to legislation and judgments handed down in court cases, etc. In the long term, a low interest rate will represent a challenge for insurance contracts with a guaranteed interest rate and, together with a reduced customer buffer, may have an impact on the amount recorded that is linked to the insurance contracts. The Norwegian insurance contracts with guaranteed interest rates are discounted at the premium calculation rate (around 3.3 per cent on average). For the Swedish insurance liabilities with a guaranteed interest rate, the discount is based on an estimated swap yield curve, where portions of the yield curve are not liquid. The non-liquid portion of the yield curve has been estimated based on long-term expectations regarding real interest rates and inflation.

In accordance with the accounting standard IFRS 4 Insurance Contracts, the insurance liabilities that are included shall be adequate and a liability adequacy test shall be performed. The Norwegian insurance liabilities are calculated in accordance with special Norwegian rules, including the Insurance Activity Act and regulations. For the Norwegian life insurance liabilities a test is performed at a general level by conducting an analysis based on the Norwegian premium reserve principles. The established analysis is based on assumptions that apply to the calculation of embedded value, in which the company uses the best estimates for the future basic elements based on the current experience. The test entails then that the company analyses the current margins between the assumptions used as a basis for reserves and the assumptions in the Embedded Value analysis. This test was also performed for the introduction of IFRS..

Upon the acquisition of the Swedish insurance group SPP, excess values and goodwill related to the value of the SPP Group's insurance contracts were capitalised, while the SPP Group's recognised insurance reserves were maintained in Storebrand's consolidated financial statements. These excess values (Value of business in-force) are tested for their adequacy together with the associated capitalised selling costs and insurance liabilities. The test is satisfied if the recognised liabilities in the financial statements are greater than or equal to the net liabilities valued at an estimated market value, including the expected owner's profit. In this test, the embedded value calculations and IAS 37 are taken into account. A key element of this assessment involves calculating future profit margins using embedded value calculations. Embedded value calculations will be affected by, among other things, volatility in the financial markets, interest rate expectations and the amount of buffer capital. Storebrand satisfies the adequacy tests for 2014, and they have thus no impact on the financial statements for 2014. There will be uncertainty related to the valuation of these capitalised values and the value of related technical insurance reserves.

In Storebrand's life insurance activities, a change in the estimates related to technical insurance reserves, financial instruments or investment properties allocated to life insurance customers will not necessarily affect the owner's result, but a change in the estimates and valuations may affect the owner's result. A key factor will be whether the assets of the life insurance customers, including the return for the year, exceed the guaranteed liabilities. This will apply in particular to the guaranteed Norwegian obligations that are being built up to meet increased life expectancy in the future. Read more about this in note 3.

In the Norwegian life insurance activities, a significant share of the insurance contracts have a series of annual interest rate guarantees. Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the market value adjustment reserve and additional statutory reserves, so that the effect on the owner's result may be limited. Correspondingly, increases in values could, to a large extent, increase the size of such funds.

In the Swedish activities (SPP) there are no contracts with an annual interest rate guarantee. However, there are insurance contracts with a terminal value guarantee. These contracts are discounted by a market-based calculated interest rate where parts of the yield curve used are not liquid. Changes in the discount rate may have a significant impact on the size of the insurance liabilities. If the associated customer assets have a higher value than the recognized value of these insurance liabilities, then the difference will represent a conditional customer allocated fund – conditional bonus (buffer capital). Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the conditional bonus, so that the effect on the owner's result may be limited. If the value of the individual insurance contract is higher than the associated customer assets, the owner will have to cover the deficient capital.

Notes to the interim accounts Storebrand Group

There are also insurance contracts without an interest guarantee in the life insurance activities in which customers bear the return guarantee. Changes in estimates and valuations may entail a change in the return on the associated customer portfolios. The recognition of such value changes does not directly affect the owner's result.

Investment properties
Investment properties are valued at fair value. The commercial real estate market in Norway is not particularly liquid, nor is it transparent. Uncertainty will be linked to the valuations, and they require exercise of professional judgement, especially in periods with turbulent finance markets.

Key elements included in valuations that require professional judgement are:
- Market rent and vacancy trends
- Quality and duration of rental income
- Owners' costs
- Technical standard and any need for upgrading
- Discount rates for both certain and uncertain cash flows, as well as residual value

Financial instruments at fair value
There will be some uncertainty associated with the pricing of financial instruments, particularly instruments that are not priced in an active market. This is particularly true for the types of securities priced on the basis of non-observable assumptions, and for these investments various valuation techniques are applied in order to fix fair value. These include private equity investments, investments in foreign properties, and other financial instruments where theoretical models are used in pricing. Any changes to the assumptions could affect recognized amounts. The majority of such financial instruments are included in the customer portfolio.

There is uncertainty linked to fixed-rate loans recorded at fair value, due to variation in the interest rate terms offered by banks and since individual borrowers have different credit risk.

Financial instruments at amortised cost
Financial instruments valued at amortised cost are assessed on the reporting date to see whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A certain degree of judgement must be used in assessing whether impairment has occurred and the amount of the impairment loss. Uncertainty grows when there is turmoil in financial markets. The assessments include credit, market and liquidity risk. Changes in assumptions for these factors will affect an assessment of whether impairment is indicated. There will thus be uncertainty concerning the recognised amounts of individual and group write-downs. This will apply to provisions relating to loans in the private and the corporate markets and to bonds that are recognised at amortised cost.

Other intangible assets with undefined useful economic life
Goodwill and other intangible assets with undefined useful economic lives are tested annually for impairment. Goodwill is allocated to the Group's cash generating units. The test's valuation method involves estimating cash flows arising in the relevant cash flow generating unit, as well as applying the relevant discount rate. Tangible fixed assets and other intangible assets are assessed annually to ensure that the method and time period used correspond with economic realities.

Pensions for own employees
The present value of pension obligations depends upon the financial and demographic assumptions used in the calculation. The assumptions must be realistic, mutually consistent and up to date as they should be based on a cohesive set of estimates about future financial performance. The Group has both secured and unsecured pension schemes (pension over operations). There will be uncertainty associated with these estimates.

Deferred tax
The consolidated accounts contain significant temporary differences between the values of assets and liabilities for accounting purposes and for tax purposes. The current Norwegian tax regulations have been applied when calculating deferred tax in the Norwegian business. This will apply, for example, in particular to investments in foreign companies assessed as partnerships and investments in property.
The actual income tax expense will also depend on the form in which the underlying assets will be realised, including whether there will be future input and share transactions. There are also different tax rules between companies that are part of the Norwegian business, whereby the Norwegian tax exemption method does not apply for life insurance companies. Calculations of deferred tax and tax expenses are based on estimates. Actual figures may differ from estimates.

Contingent liabilities
The companies in the Storebrand Group operate an extensive business in Norway and abroad, and may become a party to litigations. Contingent liabilities are assessed in each case and will be based on legal considerations.

NOTE 3: STRENGTHENING LONGEVITY RESERVES FOR STOREBRAND LIFE INSURANCE

In a letter dated 8 March 2013, the Financial Supervisory Authority of Norway (Finanstilsynet) determined that a new mortality basis, K2013, would be introduced for group pension insurance schemes in life insurance companies and pension funds with effect from 2014. This requires increased premiums and higher insurance technical reserves to cover future liabilities.

On 2 April 2014 the Norwegian Financial Supervisory Authority published guidelines for escalation plans for provisions for long life, based on a letter from the Norwegian Ministry of Finance dated 27 March 2014. Guidelines for building up longevity reserves:

- The period for building up reserves may have a duration of up to seven years (up to and including 2020). Applications for build-up periods for reserves must be approved by the Financial Supervisory Authority of Norway.
- The building up of reserves may be funded with excess returns in customer portfolios. Surplus return in one contract cannot be used to strengthen reserves on other contracts (no "solidarity").
- The insurance companies should contribute at least 20 per cent of the increase in reserves. Allocations shall be made to every contract.
- The strengthening of reserves must as a minimum be linear over the course of the escalation period.

In April 2014 Storebrand applied to the Financial Supervisory Authority of Norway for a seven-year escalation plan to cover the strengthening of reserves required as a result of the introduction of the new mortality basis.

In addition the authorities have stipulated that conversion of paid-up policies into paid-up policies with investment options must be done on full reserves, i.e. that the reserves for paid-up policies must be fully built up before the paid-up policies can be converted. Storebrand has decided that deficient reserves can be boosted by contracts where the owner wishes to convert to a policy with investment options and the contract has inadequate reserves prior to the expiry of the seven-year escalation plan. Since the launch of paid-up policies with investment options in the fourth quarter of 2014, Storebrand has injected approximately NOK 31 million in connection with conversion.

On 27 October the Financial Supervisory Authority of Norway sent a letter to all the life insurance companies and pension funds about the more detailed guidelines on strengthening reserves and the use of excess return in customer portfolios and equity contributions. Storebrand has asked for clarification regarding equity contributions for contracts that were already fully built up on 31 December 2013. The Financial Supervisory Authority of Norway has clarified that reserves for contracts that are fully built up shall be given the equity contribution "as soon as possible" and not via an escalation plan of up to seven years. Storebrand has assumed three years.

When switching from a group pension insurance contract to another pension plan, the insurance cash value of the contract shall as a minimum correspond to the level in the escalation plan that the ceding company will have achieved at the time of transition.

NOK 2.3 billion is being allocated from the financial and risk results for 2014, NOK 2.1 billion of which is from the financial result. Both the risk result and the risk equalisation reserve may be used to strengthen the longevity reserves. The risk equalisation reserve has not been used to strengthen the reserves in 2014, and NOK 0.1 billion less has been allocated to the risk equalisation reserve due to the fact that the risk result for the year has been used to strengthen the reserves. The remaining required build-up of reserves for group pensions is estimated to be NOK 6.2 billion or around 4 per cent of the premium reserves at 31 December 2014. The company started strengthening the reserves in the accounts in 2011. In 2012, 2013 and 2014 Storebrand set aside as much as possible of its profits from financial and risk. It must also be expected that during the period in which the reserves are being built-up, all available profit will be set aside for strengthening reserves.

It is expected that a minimum of 20 per cent or NOK 2.5 billion of the total required build-up of reserves shall be covered by the owner. It is assumed that some of this will be funded through the loss of profit for paid-up policies during the reserve strengthening period with the present profit sharing model (20 per cent to the owner). The size of the owner's contribution depends on the length of the escalation plan, the principles for building up the reserves, and the return and risk surpluses during the escalation period. The pension scheme's portion of the build-up of reserves may thus exceed 20 per cent of the reserve requirement.

Notes to the interim accounts Storebrand Group

The table below shows the estimated effects on net profit for owners for different average recognised expected returns during the period. If booked annual returns were lower than 4 per cent, the owner's charges would increase significantly. The effect on net profit is estimated on the basis of a simulation model calibrated such that the average annual return corresponds to the returns in the table. The estimate assumes that the annual expected risk outcome for customers can be used to strengthen the reserves in cases where the equity contribution is higher than 20 per cent. The expected total and annual effect on net profit does not include loss of anticipated profit sharing related to paid-up policies. There is a degree of uncertainty associated with the estimates.

Annual booked return	Expected total result effect before tax	Annual total result effect before tax
4.0%	~ 2 950	~ 420
4.5%	~ 1 640	~ 230
5.0%	~ 930	~ 130

The strengthening of reserves for increased longevity is charged directly to the result in the amount of NOK 391 million for 2014 (NOK 31 million of which was in connection with the conversion of paid-up policies with investment options)
and indirectly by means of lost profit sharing amounting to NOK 229 million. The actual charge of NOK 360 million in the annual financial statements for 2014 is based on the same method that has also been used to calculate the sensitivities in the table above.

NOTE 4: SEGMENT REPORTING

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

Changes in segments
Beginning 1 January 2014, certain follow-ups including sickness insurance, one-year life assurance and survivor insurance at SPP have been transferred from the Guaranteed Pension segment to Insurance. The result for these products will beginning 1 January 2014 be reported under Insurance. In addition, new the accounting standards IFRS 10 and IFRS 11 have been implemented, which is described in further detail in note 1 Accounting policies. Figures for previous periods have been restated, see the table with restated comparative figures at the bottom of the note.

Savings
Consists of products that include long-term saving for retirement with no explicit interest rate guarantees. The area includes defined contribution pensions in Norway and Sweden, asset management and bank products to private individuals.

Insurance
Insurance is responsible for the group's risk products. The unit provides treatment insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal
risk products in the Norwegian 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 other category, the result from Storebrand ASA and the result from the company's portfolios in Storebrand Livsforsikring and SPP are reported. In addition, the results linked to lending to business activities in Storebrand Bank, the operation in BenCo and minority in securities' fund are included.

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, the saving elements in premium income and in costs related to insurance are included. 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.

Notes to the interim accounts Storebrand Group

	4Q		01.01 - 31.12	
NOK million	2014	2013	2014	2013
Savings	436	296	1,047	670
Insurance	159	182	675	774
Guaranteed pension	227	448	1,074	1,376
Other	102	128	236	119
Group result	**923**	**1,055**	**3,032**	**2,938**
Write-downs and amortization of intangible assets	-105	-417	-431	-739
Group pre-tax profit	**818**	**638**	**2,601**	**2,199**

Segment information as of 4Q

	Savings		Insurance		Guaranteed pension	
	Q4		Q4		Q4	
NOK million	2014	2013	2014	2013	2014	2013
Fee and administation income	563	489			457	535
Risk result life & pensions	-10	3			331	16
Insurance premiums f.o.a			802	796		
Claims f.o.a			-613	-569		
Operational cost	-191	-294	-9	-77	-84	-199
Financial result			-22	31		
Result before profit sharing and loan losses	**362**	**199**	**159**	**182**	**705**	**352**
Net profit sharing and loan losses	73	98			-357	96
Provision longevity					-121	
Group result before amortization	**436**	**296**	**159**	**182**	**227**	**448**
Write-downs and amortization of intangible assets [1]						
Group pre-tax profit						

	Other		Storebrand Group	
	Q4		Q4	
NOK million	2014	2013	2014	2013
Fee and administation income	69	90	1,090	1,114
Risk result life & pensions	2	-2	323	17
Insurance premiums f.o.a			802	796
Claims f.o.a			-613	-569
Operational cost	14	75	-269	-494
Financial result	29	-21	7	10
Result before profit sharing and loan losses	**115**	**143**	**1,340**	**875**
Net profit sharing and loan losses	-13	-14	-297	180
Provision longevity			-121	
Group result before amortization	**102**	**128**	**923**	**1,055**
Write-downs and amortization of intangible assets [1]			-105	-417
Group pre-tax profit			**818**	**638**

[1] *Write-downs and amortization of intangible assets are included in Storebrand Group*

Notes to the interim accounts Storebrand Group

Segment information as of 01.01 - 31.12

	Savings		Insurance		Guaranteed pension	
NOK million	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
Fee and administation income	2,148	1,888			1,842	2,013
Risk result life & pensions	-11	7			483	7
Insurance premiums f.o.a			3,115	3,034		
Claims f.o.a			-2,226	-1,940		
Operational cost	-1,151	-1,279	-387	-463	-921	-1,016
Financial result			173	143		
Result before profit sharing and loan losses	**987**	**616**	**675**	**774**	**1,404**	**1,003**
Net profit sharing and loan losses	60	54			61	373
Provision longevity					-391	
Group result before amortization	**1,047**	**670**	**675**	**774**	**1,074**	**1,376**
Write-downs and amortization of intangible assets [1]						
Group pre-tax profit						
Assets	132,052	110,067	6,835	5,395	276,806	274,406
Liabilities	119,973	96,951	6,144	4,806	270,123	266,303
Equity	12,079	13,116	691	588	6,683	8,104

	Other		Storebrand Group	
NOK million	31.12.14	31.12.13	31.12.14	31.12.13
Fee and administation income	282	353	4,272	4,253
Risk result life & pensions	8	3	480	17
Insurance premiums f.o.a			3,115	3,034
Claims f.o.a			-2,226	-1,940
Operational cost	-158	-180	-2,617	-2,938
Financial result	190	-46	363	97
Result before profit sharing and loan losses	**322**	**129**	**3,387**	**2,522**
Net profit sharing and loan losses	-85	-11	36	416
Provision longevity			-391	
Group result before amortization	**236**	**119**	**3,032**	**2,938**
Write-downs and amortization of intangible assets [1]			-431	-739
Group pre-tax profit			**2,601**	**2,199**
Assets	76,594	73,499	492,287	463,367
Liabilities	71,307	72,532	467,546	440,592
Equity	5,287	967	24,741	22,775

[1] *Write-downs and amortization of intangible assets are included in Storebrand Group*

Notes to the interim accounts Storebrand Group

RESTATED SEGMENT FIGURES

Profit and Loss

	4Q 2013				31.12.13			
NOK million	Reported figures	Change IFRS	Change in segment	Restated figures	Reported figures	Change IFRS	Change in segment	Restated figures
Savings	296			296	670			670
Insurance	150	-2	33	182	492	-8	289	774
Guaranteed pension	481		-33	448	1,665		-289	1,376
Other	126	2		128	108	11		119
Group result before amortization	**1,054**			**1,055**	**2,935**	**3**		**2,938**
Write-downs and amortization of intangible assets	-417	1		-417	-741	2		-739
Group pre-tax profit	**637**	**1**		**638**	**2,194**	**5**		**2,199**

Statement of Financial Position

	31.12.13		
NOK million	Reported figures	Change IFRS	Restated figures
Savings	110,067		110,067
Insurance	5,533	-138	5,395
Guaranteed pension	274,406		274,406
Other	60,374	13,124	73,499
Assets	**450,381**	**12,986**	**463,367**
Savings	96,951		96,951
Insurance	4,944	-138	4,806
Guaranteed pension	266,303		266,303
Other	59,669	12,863	72,532
Liabilities	**427,867**	**12,725**	**440,592**

Notes to the interim accounts Storebrand Group

Key figures by business area

NOK million	4Q 2014	3Q 2014	2Q 2014	1Q 2014	4Q 2013	3Q 2013	2Q 2013	1Q 2013
Group								
Earnings per ordinary share [1]	4.61	3.06	2.22	1.13	4.41	3.52	1.99	0.80
Equity	24,741	23,618	23,528	23,080	22,775	22,520	21,547	20,939
Savings								
Premium income Unit Linked [5]	2,594	2,483	2,347	2,463	2,273	2,697	2,321	2,318
Unit Linked reserves	105,369	93,976	92,899	87,105	85,452	79,341	73,542	70,458
AuM asset management	534,523	502,840	501,539	495,244	487,384	471,278	455,701	453,828
Retail lending	23,894	24,286	23,939	23,537	23,906	24,110	24,036	23,922
Insurance								
Total written premiums	3,699	3,657	3,588	3,552	3,569	3,509	3,448	3,366
Claims ratio	76%	73%	73%	64%	71%	49%	61%	75%
Cost ratio	1%	16%	17%	16%	10%	16%	19%	17%
Combined ratio	78%	89%	90%	80%	81%	65%	80%	92%
Guaranteed pension								
Guaranteed reserves	264,290	257,425	263,370	259,799	264,125	262,468	259,048	261,502
Guaranteed reseves in % of total reserves	71.5%	73.3%	73.9%	74.9%	75.6%	76.8%	77.9%	78.8%
Transfer out of guaranteed reserves [5]	1,496	5,506	104	7,095	816	609	954	7,279
Buffer capital in % of customer reserves Storebrand Life Group [2]	6.6%	4.8%	4.6%	4.2%	4.8%	4.0%	3.7%	4.1%
Buffer capital in % of customer reserves SPP [3]	11.7%	15.0%	15.1%	14.6%	15.1%	14.5%	13.5%	13.1%
Solidity								
Capital adequacy Storebrand Group	13.0%	13.3%	14.1%	14.4%	13.4%	13.4%	13.1%	12.8%
Solidity capital (Storebrand Life Group) [4]	64,664	61,904	60,850	55,472	54,102	51,717	49,718	49,513
Capital adequacy (Storebrand Life Group)	13.5%	14.1%	14.1%	14.8%	13.6%	13.9%	13.7%	13.5%
Solvency margin (Storebrand Life Group)	175%	182%	178%	182%	176%	178%	174%	165%
Solvency margin (SPP Life Insurance AB)	171%	209%	211%	230%	254%	285%	262%	250%
Capital adequacy Storebrand Bank	15,0%	17.9%	15.7%	15.0%	13.6%	13.1%	12.9%	11.9%
Core Capital adequacy Stobrand Bank	13.3%	16.2%	14.8%	14.1%	12.8%	12.4%	12.2%	11.2%

1) Accumulated
2) Additional statutory reserves + market value adjustment reserve
3) Conditional bonuses
4) The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.
5) Quarterly figures

NOTE 5: FINANCIAL MARKET RISK AND INSURANCE RISK

Risks are described in the annual report for 2013 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk), and note 11 (Concentration risk). Conditions that affect the risks are also described in note 2 (Significant accounting estimates and approximate valuations).

As regards strengthening longevity reserves for Storebrand Life Insurance, this is described in note 3 (Strengthening longevity reserves for Storebrand Life Insurance).

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

The most significant market risks for Storebrand are share market risk, credit risk, property price risk, interest rate risk and exchange rate risk.

For the life insurance companies, the financial assets are invested in a variety of sub-portfolios. Market risk affects Storebrand's income and profit differently in the different portfolios. There are three main types of sub-portfolio: company portfolios, customer portfolios without a guarantee and customer portfolios with a guarantee.

The market risk in the company portfolios has a direct impact on Storebrand's profit, as does the market risk from the financial assets of Storebrand ASA and the subsidiaries that are not life insurance companies.

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. Long-term interest rates have fallen a great deal throughout 2014, both in Norway and Sweden. In Sweden, short-term interest rates have fallen greatly. The central banks in both Norway and Sweden have indicated that interest rates will be kept low throughout 2015.

The fall in interest rates has increased the risk that the return in future years will be lower than the interest rate guarantee. Paid-up policies have a particularly high risk in a low interest rate scenario, because there are very limited opportunities for changing the price or terms. In Norway, the effect of low interest rates is reduced by a large proportion of hold-to-maturity portfolios that will benefit greatly from securities purchased at interest rate levels higher than the current levels.

Insurance risk remains mainly unchanged throughout the year.

NOTE 6: LIQUIDITY RISK

Liquidity risk is the risk that the company is unable to fulfil its obligations without incurring substantial additional expenses in the form of reduced prices for assets that must be realised, or in the form of especially expensive financing.

For the life insurance companies, the insurance liabilities are long term and the cash flows are usually known long before they fall due. A robust liquidity buffer is nevertheless important to be able to withstand unforeseen events.

Liquidity risk is one of the most important risk factors in banking activities. The company's risk strategy establishes general limits for how much liquidity risk the bank group is willing to accept. A policy has been drawn up specifying principles for liquidity management, minimum liquidity reserves and financing indicators for measuring liquidity risk. In addition to this, an annual funding strategy and funding plan are being drawn up that set out the overall limits for the bank's funding activities.

Separate liquidity strategies have been drawn up for the subsidiaries, in line with statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategies define limits for allocations to various asset types and mean the companies have money market investments, bonds, equities and other liquid investments that can be disposed of as required.

In addition to clear strategies and the risk management of liquidity reserves in each subsidiary, the Group's holding company has established a liquidity buffer. The development of the liquid holdings is continuously monitored at the Group level in relation to internal limits. A particular risk is that during certain periods the financial markets can be closed for new borrowing. Measures for minimising the liquidity risk are to maintain a regular maturity structure for the loans, low costs, an adequate liquidity buffer and credit agreements with banks which the company can draw on if necessary.

Notes to the interim accounts Storebrand Group

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	150	NOK	Variable	2018	150
Storebrand Bank ASA	75	NOK	Variable	2019	76
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,503
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,067
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,096
SPP Livförsäkring AB	700	SEK	Variable	2019	667
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,991
Storebrand Bank ASA	150	NOK	Variable	2017	151
Storebrand Bank ASA	125	NOK	Variable	2019	126
Total subordinated loans and hybrid tier 1 capital 31.12.14					**7,826**
Total subordinated loans and hybrid tier 1 capital 31.12.13					7,409

Specification of liabilities to financial institutions

	Book value	
NOK million	31.12.14	31.12.13
Maturity		
2014		1,028
2015	19	
Total liabilities to financial institutions	**19**	**1,028**

Specification of securities issued

	Book value	
NOK million	31.12.14	31.12.13
Call date		
2014		2,454
2015	1,706	3,206
2016	3,606	3,875
2017	4,542	4,520
2018	1,539	952
2019	2,267	1,687
2020	327	306
Total securities issued	**13,986**	**17,000**

The loan agreements contain standard covenants. Storebrand is in compliance with all relevants covenants in 2014. Under the loan programme in Storebrand Boligkreditt AS the company's overcollateralisation requirement of 109.5 per cent was fulfilled.

Credit facilities
Storebrand ASA has an unused credit facility of EUR 240 million.

Facilities for Storebrand Boligkreditt AS
Storebrand Bank has issued two overdraft facilities to Storebrand Boligkreditt AS. One of the agreements is used for general operations, such as the acquisition of home mortgages from Storebrand Bank. The other agreement may be used for repayment of interest and principal on bonds with pre-emptive rights and related derivatives. At all times, the size of the available credit facility should cover the interest and repayment of bonds with pre-emptive rights for the coming 12 months.

Notes to the interim accounts Storebrand Group

NOTE 7: LENDING AND COUNTERPARTY RISK

Storebrand is exposed to risk of losses as a result of counterparties not fulfilling their debt obligations. This risk includes losses on lending in the bank, but also losses related to bank deposits or failure of counterparties to perform under reinsurance agreements or financial derivatives. Credit losses related to the securities portfolio are categorised as market risk and are discussed in note 5 financial market risk.

Please also refer to note 10 Credit risk in the 2013 annual report.

NOTE 8: VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 13 in the financial statements for 2013.

Valuation of financial instruments to amortised cost

NOK million	Fair value 31.12.14	Fair value 31.12.13	Book value 31.12.14	Book value 31.12.13
Financial assets				
Loans to and due from financial institutions	207	152	207	152
Lending to customers	32,055	35,771	32,105	35,856
Bonds held to maturity	17,794	15,942	15,131	15,120
Bonds classified as loans and receivables	77,727	71,313	67,019	66,971
Financial liabilities				
Debt raised by issuance of securities	14,156	17,228	13,986	17,000
Liabilities to financial institutions	19	31	19	31
Deposits from banking customers	19,358	20,728	19,358	20,728
Subordinatd loan capital	8,072	7,956	7,826	7,409

Notes to the interim accounts Storebrand Group

Valuation of financial instruments and real estate at fair value

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.12.14	31.12.13
Assets:					
Equities and units					
- Equities	17,500	746	2,414	20,659	16,708
- Other fund units	276	87,197	9,359	96,832	84,770
- Real estate fund			952	952	1,217
Total equities and units	**17,776**	**87,942**	**12,724**	**118,443**	
Total equities and units 2013	13,136	77,615	11,945		102,695
Lending to customers [1)]			989	**989**	
Lending to customers 2013 [1)]			1,289		1,289
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	32,931	21,166		54,096	62,312
- Credit bonds	276	25,522	339	26,137	25,966
- Mortage and asset backed securities		45,194		45,194	45,433
- Supranational organisations	819	7,703		8,522	7,313
- Bond funds		50,326		50,326	37,344
Total bonds and other fixed-income securities	**34,026**	**149,910**	**339**	**184,275**	
Total bonds and other fixed-income securities 2013	27,270	149,429	1,669		178,368
Derivatives:					
- Interest derivatives		4,744		4,744	-358
- Currency derivatives		-3,113		-3,113	35
Total derivatives		**1,631**		**1,631**	
- of which derivatives with a positive market value		6,457		6,457	2,211
- of which derivatives with a negative market value		-4,826		-4,826	-2,533
Total derivatives 2013		-323			-323
Real Estate:					
Investment properties			26,419	26,419	24,437
Owner-occupied properties			2,583	2,583	2,491
Total real estate			**29,001**	**29,001**	
Total real estate 2013			26,928		26,928
Liabilities:					
Liabilities to financial institutions[1)]					997
Liabilities 2013 [1)]		997			997

[1)] *Includes lending to customers/liabilities to financial institutions classified at fair value through profit and loss*

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	11	237
Bonds and other fixed-income securities		738

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

Notes to the interim accounts Storebrand Group

Financial instruments and real estate at fair value - level 3

NOK million	Equities	Other fund units	Real estate fund	Lending to customers	Credit bonds	Investment properties	Owner-occupied properties
Book value 01.01.14	**3,273**	**7,541**	**1,217**	**1,289**	**1,669**	**24,176**	**2,491**
Net gains/losses on financial instruments	460	2,327	149	20	34	-54	3
Supply	98	817	15	28	73	1,998	41
Sales	-1,442	-1,630	-429	-348	-1,445	-486	-9
Transferred to/from non-observable assumptions to/from observable assumptions	4	282					
Translation differences	20	21			8	21	15
Other						764	41
Book value 31.12.14	**2,414**	**9,359**	**952**	**989**	**339**	**26,419**	**2,583**

SENSITIVITY ASSESSMENTS

Equities

Under equity, it is primarily forests that are investments at level 3. Forestry investments are 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 costs growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discount rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return. As a reasonable alternative assumption with regard to the required rate of return used, a change in the discount rate of 0.25 per cent would result in an estimated change of around 3.75 per cent in value, depending on the maturity of the forest and other factors.

	Change in value at change in discount rate	
NOK million	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 31.12.14	-72	77

Other fund units

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

	Change MSCI World	
NOK million	Increase + 10 %	Decrease - 10 %
Change in fair value per 31.12.14	291	-291

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 65 per cent on average.

	Change in value underlying real estates	
NOK million	Increase + 10 %	Decrease - 10 %
Change in fair value per 31.12.14	250	-247

Lending to customers

Fixed-rate lending is valued at fair value. The value of these is determined by discounting future contractual cash flows using a discount rate that takes into account margin requirements (market spread). The assumption for calculating the margin requirement is based on an assessment of market conditions at the end of the accounting period, and an assessment that would form the basis for an external investor's investment in a corresponding portfolio.

	Change in marketspread	
NOK million	+ 10 bp	- 10 bp
Change in fair value per 31.12.14	-3	3

Credit bonds
Level 3 financial and corporate bonds include microfinance funds, private equity debt funds and convertible bonds.
They are not priced by a discount rate as bonds normally are, and therefore these investments are included in the same sensitivity test as private equity.

	Change MSCI World	
NOK million	Increase + 10 %	Decrease - 10 %
Change in fair value per 31.12.14	15	-15

Properties
The sensitivity assessment for properties includes both investments properties and owner occupied 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.

	Change in required rate of return	
NOK million	+0.25%	-0.25%
Change in fair value per 31.12.14	-1,288	1,203

NOTE 9: PENSION SCHEMES FOR OWN EMPLOYEES

On 28 October 2014 the Board of Directors of Storebrand ASA decided to change the Norwegian pension scheme for its own employees from a defined-benefit to a defined-contribution plan with effect from 1 January 2015. Up until 31 December 2014, Storebrand in Norway has had both a defined-contribution and a defined-benefit scheme. The defined-benefit scheme was closed to new members from 1 January 2011, and a defined-contribution scheme was established from the same point in time. In connection with the transition to a defined-contribution pension the employees will be issued with a traditional paid-up policy for the rights accrued in the guaranteed pension scheme. This has been taken into account in the pension liabilities at 31 December 2014. There are certain obligations related to people on sick leave and partially disabled employees for whom the defined-benefit scheme will continue to apply for a period.

According to IAS 19 assets and liabilities linked to the defined-benefit scheme shall be derecognised when a non-reversible decision has been made to discontinue a defined-benefit scheme (and it is not replaced by a similar scheme). The assumptions used in the calculations must be updated and the effects of this must be recognised in total comprehensive income. Effects that were recognised in total comprehensive income in previous periods shall not be reclassified to profit or loss (IAS 19.122). Gains and losses on derecognition are recognised through profit or loss.

The change in the pension scheme and effect of the new assumptions for the calculation of the pension liabilities accounts for approximately NOK 100 million in increased equity.

For the uninsured insurance liabilities for salaries over 12 G, employees have been offered cash release of the accrued rights, payable at the beginning of 2015, with the exception of executive management employees, who will receive payments spread over five years. These uninsured insurance liabilities were included in the statement of financial position at 31 December 2014. There are also defined-benefit liabilities in the statement of financial position related to direct pensions for certain former employees and former board members.

The new defined-contribution scheme that comes into effect from 1 January 2015 has the following components and premiums:
- Saving starts from the first krone of salary
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" is NOK 88,370 at 31 December 2014)
- In addition 13 per cent of salary between 7.1 and 12 G is saved
- Savings rate for salary over 12 G is 20 per cent

For the defined-contribution scheme up until 31 December 2014 the saving rates were 5 per cent of salary between 1 and 6 G, 8 per cent of salary between 6 and 12 G, plus a defined-contribution scheme funded through operations that amounts to 20 per cent of the contribution basis for salaries above 12 G per year.

Notes to the interim accounts Storebrand Group

Main assumptions used when calculating net pension liability 31.12

	Storebrand Life Insurance		SPP	
NOK million	2014	2013	2014	2013
Discount rate[1)]	3.0 %	4.0 %	3.0 %	4.0 %
Expected earnings growth	3.0 %	3.3 %	3.5 %	3.5 %
Expected annual increase in social security pensions	3.0 %	3.5 %	3.0 %	3.0 %
Expected annual increase in pensions payment	0.1 %	0.1 %	2.0 %	2.0 %
Disability table	KU	KU	0.0 %	0.0 %
Mortality table	K2013BE	K2013BE	DUS14	DUS06

1) For the Norwegian companies it is used a discount rate of 2.5% for parts of the pension liabilities.

NOTE 10: TAX

The tax cost for 2014 is NOK 516 million. 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 per cent). The accrual effects between the quarters gives in isolation a low income tax expense of NOK 115 in the 4th quarter.

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 55 in the 2013 annual report.

Storebrand had not carried out any material transactions other than normal business transactions with related parties at the close of the fourth quarter 2014.

NOTE 12: OPERATING COSTS

	4Q		01.01 - 31.12	
NOK million	2014	2013	2014	2013
Personnel costs [1)]	95	-148	-1,433	-1,797
Amortisation	-23	-48	-113	-144
Other operating costs	-371	-284	-1,367	-1,324
Total operating costs	**-300**	**-480**	**-2,913**	**-3,265**

1) Includes net income from the change in the pension scheme of NOK 649 million in 2014 (includes cost compensation) and NOK 407 million in 2013.

NOTE 13: LENDING

NOK million	31.12.14	31.12.13
Corporate market	9,251	13,318
Retail market	23,896	23,940
Gross lending	**33,148**	**37,258**
Write-down of lending losses	-54	-113
Net lending	**33,094**	**37,145**

Non-performing and loss-exposed loans

NOK million	31.12.14	31.12.13
Non-performing and loss-exposed loans without identified impairment	76	111
Non-performing and loss-exposed loans with identified impairment	77	356
Gross non-performing loans	**153**	**468**
Individual write-downs	-33	-83
Net non-performing loans	**120**	**385**

Notes to the interim accounts Storebrand Group

NOTE 14: BUFFER CAPITAL

NOK million	31.12.14	31.12.13
Additional statutory reserves	5,118	4,458
Market adjusment reserves	5,815	3,823
Conditional bonuses	11,281	14,167
Total	**22,213**	**22,447**

The excess value of held-to-maturity bonds valued at amortised cost totalled NOK 13.364 million at the end of the 4th quarter 2014 - an increase of NOK 8.204 million since the turn of the year.
The excess value of bonds at amortised cost is not included in the financial statements.

NOTE 15: CONTINGENT LIABILITIES

NOK million	31.12.14	31.12.13
Guarantees	90	242
Unused credit limit lending	2,050	4,060
Uncalled residual liabilities re limited partnership	4,321	4,038
Other liabilities/lending commitments	31	77
Total contingent liabilities	**6,491**	**8,417**

Guarantees principally concern payment guarantees and contract guarantees.
Unused credit facilities concern granted and unused overdrafts and credit cards, as well as unused facility for credit loans secured by property.

Storebrand Group companies are engaged in extensive activities in Norway and abroad and may become a party in legal disputes. Please also refer to note 2 and note 52 in the 2013 annual report.

NOTE 16: CAPITAL REQUIREMENTS AND SOLVENCY REQUIREMENTS

The Storebrand Group is a cross-sectoral financial group with capital requirements pursuant to Basel I/II (capital cover) and capital adequacy rules on a consolidated basis. According to the rules on solvency, margin requirements are calculated for the insurance companies in the Group, while for the other companies a capital requirement in relation to the capital adequacy rules is calculated. The calculations in the tables below are in accordance with the §7 of the Regulations concerning capital ratios on a consolidated basis etc.

Primary capital may consist of core capital and supplementary capital. According to the Regulations for calculating primary capital, core capital is significantly different from shareholders' equity in the accounts. The table below shows a reconciliation of core capital relative to equity. Issued hybrid tier 1 capital may account for 15 per cent of the core (tier 1) capital, while any amount exceeding 15 per cent may be included in the tier 2 capital. The core capital will be adjusted for the valuations that are used as the basis for credit calculations at a national level for foreign companies. (§4, 7th paragraph of the Regulations concerning capital adequacy.) For Storebrand Holding AB this will entail an adjustment of SPP AB's estimated insurance liabilities for which a different yield curve is used for credit assessment than is used in the financial accounts. Supplementary capital that consists of subordinated debt may not exceed 100 per cent of core capital, while time limited subordinated debt may not exceed 50 per cent of core capital.

The Basel Committee's standards for capital and liquidity management ("Basel III") have been made applicable to credit institutions and securities firms in the EEA area through the EU Capital Requirements Directive ("CRD IV"), and they are effective from 1 July 2014. For companies that are encompassed by CRD IV, the primary capital requirement is 13.5 per cent.Insurance companies in the Group are included in the capital adequacy with a capital requirement under the Basel I regulations.

In a cross-sectoral financial group, the sum of primary capital and other solvency margin capital, covers the sum of the solvency margin requirement for insurance operations and primary capital requirements for credit institutions and securities business.

In the solvency margin requirement used for the insurance companies, this requirement is calculated as 4 per cent of gross insurance fund. This applies to both Norwegian and Swedish operations. In Sweden, the requirement also includes 1 per cent of the conditional bonus and 0.1-0.3 per cent of mortality risk in the insurance funds. The solvency margin capital for insurance differs slightly from the primary capital that is used in the capital cover. The solvency capital includes a proportion of additional provisions and the risk equalization fund.

Notes to the interim accounts Storebrand Group

Primary capital in capital adequacy

NOK million	31.12.14	31.12.13[1)]
Share capital	2,250	2,250
Other equity	22,491	20,264
Equity	**24,741**	**22,514**
Hybrid tier 1 capital	1,725	1,927
Interest rate adjustment of insurance obligations	-2,170	-1,081
Goodwill and other intangible assets	-5,844	-6,111
Deferred tax assets	-437	-1
Risk equalisation fund	-829	-776
Deductions for investments in other financial institutions	-1	-1
Security reserves	-318	-301
Minimum requirement reassurance allocation	-4	-4
Capital adequacy reserve		-96
Other	-33	-31
Core (tier 1) capital	**16,829**	**16,038**
Perpetual subordinated capital	2,100	2,700
Ordinary primary capital	2,513	2,388
Deductions for investments in other financial institutions	-1	-1
Capital adequacy reserve		-96
Tier 2 capital	**4,612**	**4,990**
Net primary capital	**21,441**	**21,029**
Excess capital from third parties	-516	
Net primary capital after third party deductions	**20,925**	**21,029**

Calculation basis

NOK million	31.12.14	31.12.13[1)]
Insurance companies	142,066	135,163
Other companies	18,838	22,023
Total calculation basis for capital adequacy	**160,904**	**157,185**
Capital requirements		
Insurance companies	11,365	10,813
Other companies	2,543	2,753
Total capital requirements	**13,908**	**13,566**
Capital adequacy ratio	**13.0%**	**13.4%**
Core (tier 1) capital ratio	**10.3%**	**10.2%**

Solvency requirements for cross-sectoral financial groups

NOK million	31.12.14	31.12.13[1)]
Requirements re primary capital and solvency capital		
Capital requirements excluding insurance (13,5 %)	2,543	2,753
Requirements re solvency margin capital insurance	12,815	12,140
Total requirements re primary capital and solvency capital	**15,358**	**14,892**
Primary capital and solvency capital		
Net primary capital	21,441	21,029
Change in solvency capital for insurance in relation to primary capital		
Other solvency capital	3,111	2,750
Total primary capital and solvency capital	**24,553**	**23,779**
Surplus solvency capital	**9,195**	**8,886**

[1)] *Corresponding figures are not changed.*

Storebrand ASA

PROFIT AND LOSS ACCOUNT

	4Q		Full year	
NOK million	2014	2013	2014	2013
Operating income				
Income from investments in subsidiaries	478	512	490	626
Net income and gains from financial instruments:				
- bonds and other fixed-income securities	10	6	45	49
- financial derivatives/other financial instruments	2	-2	6	-14
Other financial instruments			1	2
Operating income	**490**	**516**	**543**	**663**
Interest expenses	-31	-36	-136	-136
Other financial expenses	-5	-141	-19	-156
Operating costs				
Personnel costs	31	116	11	83
Amortisation			-1	-1
Other operating costs	-15	-19	-48	-76
Total operating costs	**17**	**96**	**-38**	**6**
Total costs	**-19**	**-81**	**-193**	**-286**
Pre-tax profit	**471**	**435**	**351**	**377**
Tax	-113	-144	-77	-96
Profit for the period	**357**	**291**	**273**	**281**

Statement of total comprehensive income

	4Q		Full year	
NOK million	2014	2013	2014	2013
Profit for year	**357**	**291**	**273**	**281**
Other result elements not to be classified to profit/loss				
Change in estimate deviation pension			-93	-317
Tax on other result elements			25	82
Total other result elements			**-68**	**-235**
Total comprehensive income	**357**	**291**	**206**	**46**

Storebrand ASA

STATEMENTS OF FINANCIAL POSITION

NOK million	31.12.14	31.12.13
Fixed assets		
Deferred tax assets	400	458
Pension assets		1
Tangible fixed assets	30	30
Shares in subsidiaries	17,041	17,241
Total fixed assets	**17,470**	**17,729**
Current assets		
Owed within group	752	519
Lending to group companies	17	17
Other current receivables	32	23
Investments in trading portfolio:		
- bonds and other fixed-income securities	1,635	1,757
- financial derivatives/other financial instruments	31	33
Bank deposits	82	37
Total current assets	**2,548**	**2,386**
Total assets	**20,018**	**20,115**
Equity and liabilities		
Share capital	2,250	2,250
Own shares	-12	-14
Share premium reserve	9,485	9,485
Total paid in equity	**11,722**	**11,720**
Other equity	4,859	4,644
Total equity	**16,581**	**16,365**
Non-current liabilities		
Pension liabilities	168	156
Securities issued	3,128	3,476
Total non-current liabilities	**3,296**	**3,632**
Current liabilities		
Financial derivatives		10
Debt within group	43	34
Other current liabilities	98	74
Total current liabilities	**141**	**118**
Total equity and liabilities	**20,018**	**20,115**

Storebrand ASA

RECOUNCILIATION OF EQUITY

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2012	**2,250**	**-16**	**9,485**	**4,591**	**16,310**
Profit for the period				281	281
Total other result elements				-235	-235
Total comprehensive income				**46**	**46**
Own share bought back [2]		2		24	26
Employee share [2]				-17	-17
Equity at 31. December 2013	**2,250**	**-14**	**9,485**	**4,644**	**16,365**
Profit for the period				273	273
Total other result elements				-68	-68
Total comprehensive income				**206**	**206**
Own share bought back [2]		2		18	20
Employee share [2]				-9	-9
Equity at 31. December 2014	**2,250**	**-12**	**9,485**	**4,859**	**16,581**

[1] 449 909 891 shares with a nominal value of NOK 5.
[2] In 2014, 305 481 shares were sold to our own employees. Holding of own shares 31. December 2014 was 2 410 792.

Storebrand ASA

CASH FLOW STATEMENT

NOK million	2014	2013
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	61	44
Net receipts/payments - securities at fair value	97	-10
Payments relating to operations	-107	-128
Net receipts/payments - other operational activities	524	334
Net cash flow from operational activities	**576**	**240**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-35	-119
Net cash flow from investment activities	**-36**	**-119**
Cash flow from financing activities		
Payments - repayments of loans	-837	-743
Receipts - new loans	496	750
Payments - interest on loans	-166	-148
Receipts - sold own shart to employees	11	9
Net cash flow from financing activities	**-495**	**-132**
Net cash flow for the period	**45**	**-11**
Net movement in cash and cash equivalents	45	-11
Cash and cash equivalents at start of the period	37	48
Cash and cash equivalents at the end of the period	**82**	**37**

Notes to the financial statements Storebrand ASA

NOTE 1: ACCOUNTING POLICIES

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2013. The accounting policies are described in the 2013 annual report.

NOTE 2: ESTIMATES

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, and costs, and information in the notes to the financial statements. The final values realised may differ from these estimates.

NOTE 3: INCOME FROM INVESTMENTS IN SUBSIDIARIES

NOK million	31.12.14	31.12.13
Storebrand Bank ASA	190	253
Storebrand Asset Management AS	237	275
Storebrand Finansiell Rådgivning AS		85
Storebrand Forsikring AS	45	
Storebrand Baltic UAB	6	
Storebrand Helseforsikring AS	13	14
Total	**490**	**626**

NOTE 4: BONDS ISSUED

NOK million	Interest rate	Currency	Net nominal value	31.12.14	31.12.13
Bond loan 2009/2014 [1)]	Fixed	NOK	540		563
Bond loan 2009/2014 [1)]	Fixed	NOK	297		304
Bond loan 2013/2020 [1)]	Fixed	NOK	300	327	306
Bond loan 2011/2016	Variable	NOK	1000	999	998
Bond loan 2012/2017	Variable	NOK	850	853	853
Bond loan 2013/2018	Variable	NOK	450	452	452
Bond loan 2014/2019	Variable	NOK	500	496	
Total [2)]				**3,128**	**3,476**

[1)] Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.
[2)] Loans are booked at amortised cost and include earned not due interest. Signed loan agreements have standard covenant requirements. The terms and conditions have been redeemed pursuant to signed loan agreements. Storebrand ASA has an unused drawing facility for EUR 240 million.

HEADQUARTERS:

Storebrand ASA
Professor Kohts vei 9
P.O. Box 500
N-1327 Lysaker, Norway
Tel.: +47 22 31 50 50
www.storebrand.no

Call center:
+47 08880

OTHER GROUP COMPANIES:

SPP Livförsäkring AB
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 451 70 00
www.spp.se

Storebrand Livsforsikring AS,
- Swedish branch
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 700 22 00
www.storebrand.se

Storebrand Kapitalforvaltning AS
- Swedish branch
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 614 24 00
www.storebrand.se

Storebrand Helseforsikring AS
Professor Kohts vei 9
P.O. Box 464
N-1327 Lysaker, Norway
Tel.: +47 22 31 13 30
www.storebrandhelse.no

DKV Hälsa
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 619 62 00
www.dkvhalsa.se

Financial calender 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

Investor Relations contacts

KJETIL RAMBERG KRØKJE	Head of IR	kjetil.r.krokje@storebrand.no	+47 9341 2155
SIGBJØRN BIRKELAND	Finance Director	sigbjorn.birkeland@storebrand.no	+47 9348 0893
LARS LØDDESØL	CFO	lars.loddesol@storebrand.no	+47 2231 5624

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Storebrand ASA
Professor Kohtsvei 9, P.O. Box 500, N-1327 Lysaker, Norway
Telephone: +47 22 31 50 50, www.storebrand.com/ir