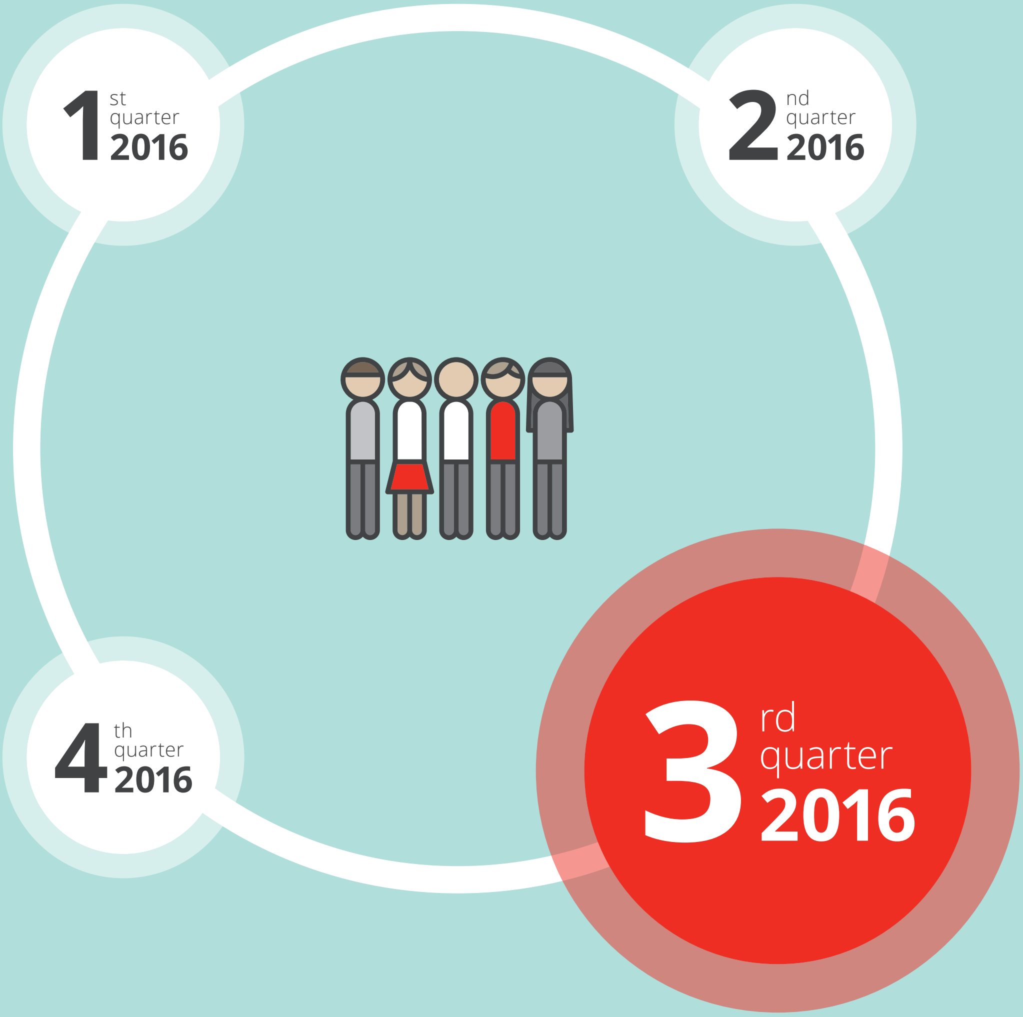


Interim report 2016

Storebrand Group

Contents

Important notice:

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

Storebrand Group

- **Group result of NOK 690 million[1] for the third quarter.**
- **Result characterised by good cost control and good financial result**
- **Solvency margin of 165 %**

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]

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Fee and administration income	1,040	1,005	1,052	1,160	1,046	3,097	3,157	4,317
Insurance result	238	237	219	143	198	694	677	820
Operational cost	-797	-698	-803	-912	-755	-2,299	-2,357	-3,268
Operating profit	**481**	**544**	**468**	**392**	**489**	**1,492**	**1,477**	**1,869**
Financial items and risk result life	209	254	78	-117	-217	542	10	-107
Profit before amortisation and longevity	**690**	**798**	**546**	**275**	**272**	**2,034**	**1,487**	**1,762**
Provision longevity	-	-	-	-1,362	-96	-	-402	-1,764
Amortisation and write-downs of intangible assets	-114	-114	-115	-120	-108	-344	-316	-437
Result before tax	**576**	**684**	**430**	**-1207**	**67**	**1,690**	**768**	**-438**
Tax	-135	31	-120	2,008	-3	-224	-187	1,821
Sold/liquidated business	-	-	-	-0	-0	-	-0	-0
Profit after tax	**441**	**715**	**311**	**801**	**64**	**1,466**	**581**	**1,382**

The Group result before amortisation was NOK 690m[3] (NOK 272m) in the 3rd quarter. The figures in parentheses are from the corresponding period last year.

Fee and administration income during the 3rd quarter was NOK 1,040m (NOK 1,046m), and adjusted for the exchange rate this represents a reduction of 3.7%. Income is characterised by the reduction within the guaranteed business. Income within non-guaranteed savings and insurance has increased compared with the previous year. The insurance result has increased by 20% compared to the same period last year, with a total combined ratio of 91% for the quarter. Operating costs were reduced by 1.4 % adjusted for foreign currency effects compared to the same period last year. Storebrand has launched an ambitious programme to digitalise and improve the efficiency of the operations and NOK 61m was allocated to restructuring in the quarter. Costs are also positively affected by NOK 34m because of a change in the pension scheme for Storebrand employees. In sum this gives net NOK 27m higher costs than normal in the quarter. The net effects on the cost line will be commented on per segment.

[1] Result before strengthening of longevity reserves, amortisation and taxes.
[2] The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout. The statement is changed in 3rd quarter 2016. Changes are referred to in note 3.
[3] The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.

GROUP RESULT BY RESULT AREA

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Savings - non-guaranteed	246	241	279	301	264	766	720	1,020
Insurance	163	153	122	17	120	438	471	488
Guaranteed pension	126	237	15	-110	20	378	439	329
Other result	155	167	130	68	-133	453	-143	-75
Result[1)]	**690**	**798**	**546**	**275**	**272**	**2,034**	**1,487**	**1,762**

The Savings segment reported a profit of NOK 246m in the 3rd quarter (NOK 264m). This corresponds to a decrease of 6.8% compared with the same quarter last year, but an overall earnings growth of 6.4%[2)] for the year to date. The volume growth in the segment and new method for allocating costs contribute to increased allocated costs compared with the previous year and explain the fall in earnings for the quarter.

The Insurance segment reported a profit of NOK 163m (NOK 120m), an increase of 35% for the quarter. The claims ratio has decreased from 78% to 75% compared with the same period last year. The combined ratio is reduced to 91% (92%). In line with growth ambitions and new method for allocating costs, the cost percentage has increased and amounts to 16% (14%).

The Guaranteed Pension segment reported a profit of NOK 126m in the 3rd quarter (NOK 20m). During the quarter, fee and administration income fell by 5.8% due to the portfolio being in long-term decline. The profit increase is due to improved profit sharing results and reduced costs due to new method of cost allocation.

The financial performance in the Other segment of NOK 155m (minus NOK 133m) is caused by good returns in the company portfolios.

CAPITAL SITUATION AND TAXES

The Solvency II regulations were introduced on 1 January 2016. The Group's target solvency margin in accordance with the new regulations is a minimum of 150%, including use of transitional rules. The solvency margin for the Storebrand Group was calculated at 165% at the end of the 3rd quarter. Without transitional rules, the solvency margin is 131%. Storebrand uses the standard model for the calculation of Solvency II. During the quarter, the solvency ratio Awithout transitional rules was strengthened due to good returns and changed market conditions resulting in liabilities being discounted with a higher interest rate. The transitional rule is reduced as a result of accumulating reserves for increased life expectancy and that tax is now calculated on the transitional rules. Changes to the regulations, methods and interpretations may occur and could affect the Solvency II margin in the future.

The income tax expense has been estimated based on an expected effective tax rate for 2016. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway (25%), and it varies from quarter to quarter depending on each legal entity's contribution to the Group result. The tax rate is calculated to be in the range of 19-23% for the year. Sales of property completed this year, have resulted in taxable temporary differences connected with these properties being reversed, which reduces the income tax expense as of 30 September. For more information on the calculation of the income tax expense for the quarter, see Note 9 to the accounts.

RATING

Due to the cost programme, Storebrand has ended the agreement with Moody's Investors Service. In the future, Storebrand companies will only pay for credit ratings from Standard & Poor's Rating Services.

[1)] Before amortisation and longevity.
[2)] Adjusted for pension scheme effects and restructuring costs.

STRENGTHENING RESERVES FOR INCREASED LONGEVITY

In the 4th quarter of 2015, Storebrand decided to charge the remaining estimated direct contribution to expected increased longevity. The remaining reserve strengthening is expected to be covered by the surplus return and loss of profit sharing. At the end of the 3rd quarter, the estimated remaining required reserve strengthening was NOK 0.6bn

MARKET AND SALES PERFORMANCE

Sales of savings products, loans and insurance products are good. Storebrand has been successful with the sale of retail market products to employees with an occupational pension from Storebrand. In Norway, Storebrand is the market leader in defined contribution schemes with 34% of the market share of gross premiums written[2].

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

Financial targets	Target	Actua (1H)
Return on equity (after tax)[1]	> 10 %	9,1 %[3]
Dividend [1]	> 35 %	
Solvency II margin Storebrand Group	> 150 %	165 %

GROUP - KEY FIGURES

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Earnings per share[1]	1.23	1.83	0.93	1.65	0.37	3.99	1.96	3.61
Equity	27,189	27,000	26,538	26,946	25,982	27,189	25,982	26,946
ROE, annualised[1]	8.5 %	12.9 %	6.5 %	15.6 %	2.8 %	9.1 %	4.9 %	7.3 %
Solvency II	165%	172%	175%	168%				

[1] After tax, adjusted for write-downs and amortisation of intangible assets.
[2] Premium income per first quarter 2016. Source: Finans Norge and Svenska Forsäkring
[3] Year to date annualised

Savings

Increased earnings due to a higher volume

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

SAVINGS - NON GUARENTEED

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Fee and administration income	681	636	697	761	646	2,014	1,902	2,662
Operational cost	-431	-407	-412	-455	-381	-1,250	-1,183	-1,638
Operating profit	**249**	**229**	**285**	**306**	**266**	**763**	**719**	**1,025**
Financial items and risk result life	-3	12	-6	-5	-2	2	1	-4
Profit before amortisation	**246**	**241**	**279**	**301**	**264**	**766**	**720**	**1020**

RESULTS

The Savings segment reported a profit before amortisation and tax of NOK 246m for the 3rd quarter and NOK 766m year to date, which was equivalent to a decrease in profit of 6.9% for the quarter and 6.4% year to date. Fee and administration income increased by 5.3% during the quarter and 5.9% year to date compared to the same period last year. Income growth is driven by the customers' conversion from defined-benefit to defined-contribution pension schemes in combination with new business and higher savings rates. In addition, volume growth and transaction-based fees in asset management contributed to growth. Increased competition reduced the net interest income in the Bank's retail market. For the quarter, net interest income was 1.15% of average total assets compared with 1.23% for the same period last year. For the Norwegian Unit Linked products, increased competition contributes to pressure on margins, while there are relatively stable margins in the Swedish business and Asset Management.

The volume growth in the Savings segment contributes to increased costs compared with the previous year and explains the fall in profit for the quarter. In the 3rd quarter, costs include a net negative cost effect of NOK 12m linked to provisions for restructuring costs and the changes of pension scheme for the Group's employees.

BALANCE SHEET AND MARKET TRENDS

Premiums for non-guaranteed savings were NOK 3.4bn in the 3rd quarter, an increase of 7% on the same period last year. Total reserves within unit linked insurance have increased by 11% over the last year and amounted to NOK 132bn at the end of the quarter. Assets under management in the United Linked business in Norway increased NOK 11.3bn (22%) relative to the 3rd quarter of 2015. The growth is driven by premium payments for existing contracts, returns and conversion from defined-benefit schemes.

In Norway, Storebrand is the market leader in defined-contribution schemes with 34% of the market share of gross premiums written.

In the Swedish market, SPP is the fifth largest actor in the Other Occupational Pensions segment with a market share of 11% measured by premium income from unit linked insurance. Turbulent equity markets at the start of the year contributed to a slight decline in the growth rate and, from the 3rd quarter of 2015, there was an increase in customer assets of SEK 2bn (2.4%).

Storebrand Asset Management's assets under management have increased by NOK 8bn from the 3rd quarter last year to NOK 570bn, including a negative foreign currency effect of NOK 27bn year to date due to the strengthening of the Norwegian krone during the quarter. This growth was driven by sales and returns.

The lending portfolio in the retail market is developing positively and grew by NOK 5.4bn from the start of the year and NOK 6bn from the 3rd quarter of 2015. The portfolio consists of low-risk home mortgages. NOK 5.9bn of the mortgages is managed in Storebrand Life Insurance's balance sheet.

SAVINGS - KEY FIGURES

	2016			2015	
(NOK million)	3Q	2Q	1Q	4Q	3Q
Unit linked Reserves	131,571	127,876	125,434	128,117	118,695
Unit linked Premiums	3,444	3,541	3,693	3,241	3,207
AuM Asset Management	570,362	568,956	567,218	571,425	562,136
Retail Lending	32,543	30,775	28,425	26,861	25,417

Insurance

Satisfactory overall result. Sales through partners launched

Insurance has the 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

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Insurance premiums f.o.a.	962	962	947	934	894	2,871	2,708	3,642
Claims f.o.a.	-724	-726	-728	-791	-697	-2,177	-2,031	-2,822
Operational cost	-150	-135	-144	-151	-122	-429	-387	-538
Operating profit	**89**	**101**	**75**	**-8**	**76**	**265**	**290**	**282**
Financial result	74	52	47	25	45	173	181	206
Contribution from SB Helseforsikring AS	15	9	4	1	12	28	13	14
Profit before amortisation	**163**	**153**	**122**	**17**	**120**	**438**	**471**	**488**
Claims ratio	75%	75%	77%	85%	78%	76%	75%	77%
Cost ratio	16%	14%	15%	16%	14%	15%	14%	15%
Combined ratio	91%	90%	92%	101%	92%	91%	89%	92%

RESULTS

Insurance delivered a profit before amortisation of NOK 163m (NOK 120m) in the 3rd quarter. The total combined ratio for the quarter was 91% (92%). Premium income increased by 8% compared with the same quarter last year, and premium growth year to date has been 6% compared with the first three quarters of 2015.

The combined risk result gives a claims ratio of 75% (78%). The flood in August weakened the result for P&C insurance, and the underlying risk performance has been as expected. Group disability pension delivered a satisfactory result for the period, but was characterised by low premium incomes. The market for defined contribution pensions is very competitive and the price for disability pension is a key competition parameter. Efforts are still being made to strengthen profitability, including repricing of unprofitable customers. A good disability result caused a good result for insurance in Sweden.

As planned, increased volumes and ambitions of growth have resulted in higher allocated costs for the insurance area and the cost percentage was 16% (14%) in the 3rd quarter. Costs are affected by a net decrease of NOK 5 million due to restructuring and changes in own pension scheme.

The investment portfolio of Insurance in Norway amounts to NOK 7.2bn, which is primarily invested in fixed income securities with a short or medium duration. The lower credit spreads had a positive impact on financial income.

[1] Health insurance is owned 50% each by Storebrand ASA and Munich Health.

BALANCE SHEET AND MARKET TRENDS

Storebrand has been very successful in the retail market, and the premium income has increased by 8% year to date compared with the corresponding period in 2015. This growth is driven by competitive prices, and simple and relevant products, as well as good cover. The Akademiker portfolio is an important driver of continued growth and the rate of sales is stable. Rema Forsikring was launched during the quarter and the partner strategy is expected to give cost-effective growth in the years ahead. Health-related insurance is growing and Storebrand is succeeding well in the market.

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

INSURANCE - KEY FIGURES

	2016			2015	
(NOK million)	3Q	2Q	1Q	4Q	3Q
P&C & Individual life*)	1,739	1,726	1,700	1,675	1,657
Health & Group life **)	1,504	1,481	1,493	1,493	1,477
Pension related disability insurance Nordic***)	1,268	1,253	1,204	1,159	1,141
Total written premiums	**4,511**	**4,460**	**4,397**	**4,327**	**4,275**
Investment portfolio	7,186	6,946	6,950	6,399	6,512

* Individual life and accident, property and casualty insurance
** Group accident, occupational injury and health insurance
*** Nordic disability cover related to defined contribution pensions

Guaranteed pension

Income reduction in line with strategy and population trends. Weaker risk result during the quarter.

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

GUARANTEED PENSION

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Fee and administration income	403	383	404	460	428	1,190	1,317	1,777
Operational cost	-257	-192	-271	-333	-266	-721	-824	-1,156
Operating profit	**146**	**191**	**132**	**128**	**162**	**469**	**493**	**621**
Risk result life & pensions	-18	-10	4	7	20	-24	83	89
Net profit sharing and loan losses	-2	57	-122	-244	-162	-67	-137	-382
Profit before amortisation and longevity	**126**	**237**	**15**	**-110**	**20**	**378**	**439**	**329**
Provision longevity	-	-	-	-1,362	-96	-	-402	-1,764

RESULTS

Guaranteed Pension achieved a profit before amortisation and strengthening of longevity reserves of NOK 126m (NOK 20m) in the 3rd quarter and NOK 378m (NOK 439m) year to date.

Fee and administration income has performed consistent with the fact that a large part of the portfolio is mature and in long-term decline. Income was NOK 403m (NOK 428m) in the 3rd quarter and NOK 1,190m (NOK 1,317m) year to date. This is equivalent to a reduction for the year to date of 10% compared with the previous year.

The costs in the 3rd quarter include a net negative cost effect of NOK 10m linked to provisions for restructuring costs and the changes of pension scheme for the Group's employees.

The financial result and risk result life amounted to minus NOK 20m (minus NOK 142m) in the 3rd quarter and minus NOK 91m (minus NOK 55 million) in the year to date.

The financial result in the Guaranteed Pension segment consists of profit sharing effects. The result is generated in the Swedish business and amounted to minus NOK 2m (minus NOK 162m) in the 3rd quarter and minus NOK 67m (minus NOK 137m) in the year to date. The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners.

The risk result was minus NOK 18m (NOK 20m) in the 3rd quarter and minus NOK 24m (NOK 83m) in the year to date. The risk result for the year was primarily generated in the Swedish business and has been weak due to the weaker long life results. The risk result in the Norwegian business was restricted due to reserve strengthening based in the introduction of a new group disability pension and the general disability development in the population.

BALANCE SHEET AND MARKET TRENDS

The majority of products are closed for new business, and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy. As of the 3rd quarter, customer reserves for guaranteed pensions amounted to NOK 262bn, which is a decrease of NOK 1.4bn year to date. The total premium income for guaranteed pensions (excluding transfers) was NOK 1.1bn (NOK 1.3bn) in the 3rd quarter, which corresponds to a reduction of 9.9%. This is a decrease of 15.5% year to date. Net transfers out from guaranteed pension were NOK 3.1bn (NOK 7.3bn) year to date.

In the Norwegian business, paid-up policies were the only guaranteed pension portfolio experiencing growth and amounted to NOK 115bn as of the 3rd quarter, an increase of NOK 11bn year to date, which is equivalent to 10.4 %. From and including the 4th quarter of 2014, the customers were given an offer to convert from traditional paid-up policies to paid-up policies with investment choice. Paid-up policies with investment choice, which are included in the Savings segment, amounted to NOK 4.9bn as of the 3rd quarter. Reserves for defined-benefit pensions in Norway amounted to NOK 48bn at the end of the 3rd quarter, a decline of NOK 8bn since the start of the year.

Guaranteed portfolios in the Swedish business totalled NOK 84bn as of the 3rd quarter, which corresponds to a decrease of NOK 7bn year to date. The decrease is largely due to the exchange rate.

GUARANTEED PENSION - KEY FIGURES

		2016		2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Guaranteed reserves	261,753	265,504	266,113	266,979	263,198	261,753	263,198	266,979
Guaranteed reserves in % of total reserves	66.5 %	67.5 %	68.0 %	67.6 %	68.9 %	66.5 %	68.9 %	67.6 %
Net transfers	-239	-621	-2,200	-398	-855	-3,062	-7,331	-3,062
Buffer capital in % of customer reserves Norway	5.6 %	6.3 %	5.9 %	5.8 %	5.4 %	5.6 %	5.4 %	5.8 %
Buffer capital in % of customer reserves Sweden	6.7 %	6.3 %	6.6 %	7.6 %	11.1 %	6.7 %	11.1 %	7.6 %

Other/Eliminations

The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios and small subsidiaries 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. Group eliminations are reported in a separate table below.

RESULT EXCLUDING ELIMINATIONS

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Fee and administration income	31	53	17	17	31	102	111	129
Operational cost	-35	-30	-42	-50	-46	-107	-137	-188
Operating profit	**-3**	**23**	**-25**	**-33**	**-15**	**-5**	**-26**	**-59**
Financial items and risk result life	159	144	155	101	-118	457	-117	-16
Profit before amortisation	**155**	**167**	**130**	**68**	**-133**	**453**	**-143**	**-75**

Excluding eliminations

ELIMINATIONS

	2016			2015		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2016	2015	2015
Fee and administration income	-75	-66	-66	-78	-60	-208	-174	-251
Operational cost	75	66	66	78	60	208	174	251
Financial result								
Result before profit sharing and loan losses								

In the Other segment, the improvement in the result is due to effects of the financial markets. Fee and administration income is stable compared with the same quarter last year.

The financial result for the Other segment includes the company portfolios of SPP and Storebrand Life Insurance, and the financial result of Storebrand ASA.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Following the end of the quarter, Storebrand Livsforsikring issued a subordinated loan of SEK 750m. With the interest rate levels at the end of the 3rd quarter of 2016, interest expenses are approximately NOK 100m per quarter. The company portfolios in the life insurance companies totalled NOK 21.5bn at the end of the 3rd quarter.

The investments are primarily in interest-bearing securities in Norway and Sweden with short maturities. The Norwegian company portfolio reported a return of 1.0 % for the quarter. The Swedish company portfolio provided a total return of 0.4% during the quarter. The return was due to the increase in value resulting from reduced credit spreads on bonds.

Balance sheet, solidity and capital adequacy

Solvency margin of 165 %

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

STOREBRAND GROUP

The Solvency II margin in the Storebrand Group was 165% at the end of the 3rd quarter, a decrease of 7 percentage points during the quarter.

STOREBRAND ASA

Storebrand ASA held liquid assets of approximately NOK 2,2bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities with a good credit rating. Storebrand ASA's total interest-bearing liabilities were NOK 2.7bn at the end of the quarter. This corresponds to a net debt-equity ratio of 2.7%. The next maturity date for bond debt is in May 2017. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 240m that runs until December 2019.

Storebrand ASA owned 0.36% (1,631,387) of the company's treasury shares at the end of the quarter.

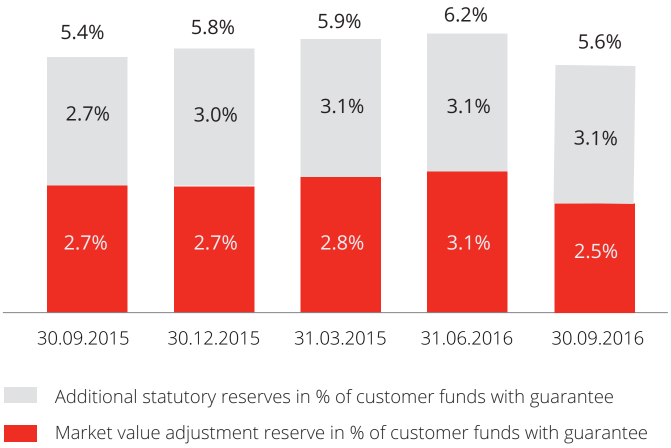
STOREBRAND LIVSFORSIKRING GROUP[1)]

The solvency capital[1)] amounted to NOK 61.5bn at the end of the 3rd quarter of 2016, an increase of NOK 0.1bn in the 3rd quarter, and NOK 0.5bn for the year to date and was principally the result of reduced customer buffers in the Swedish business, but offset by positive retained earnings.

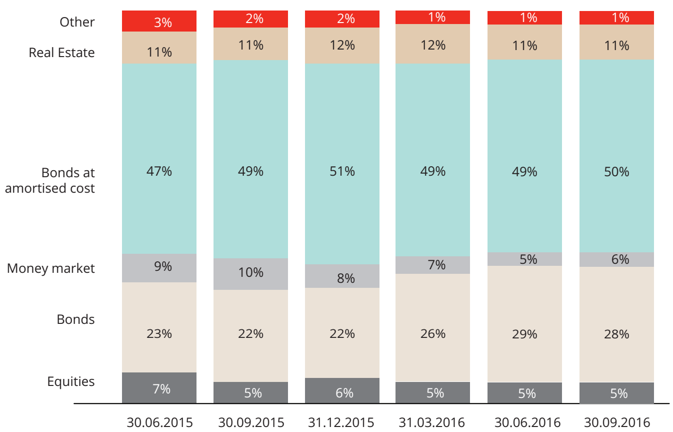
STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve decreased by NOK 1.0bn during the 3rd quarter and NOK 0.3bn for the year to date, and amounted to NOK 4.2bn at the end of the 3rd quarter of 2016. The additional statutory reserves remained unchanged during the quarter and for the year to date and amounted to NOK 5.2bn at the end of the 3rd quarter of 2016. The excess value of held-to-maturity bonds valued at amortised cost declined by NOK 0.9bn in the 3rd quarter and has increased by NOK 1.0bn year to date. The excess value at amortised cost was NOK 11.6bn as of the 3rd quarter. The increase year to date is due to lower interest rates. The excess value of bonds at amortised cost is not included in the financial statements.

CUSTOMER BUFFERS



ALLOCATION OF GUARANTEED CUSTOMER ASSETS

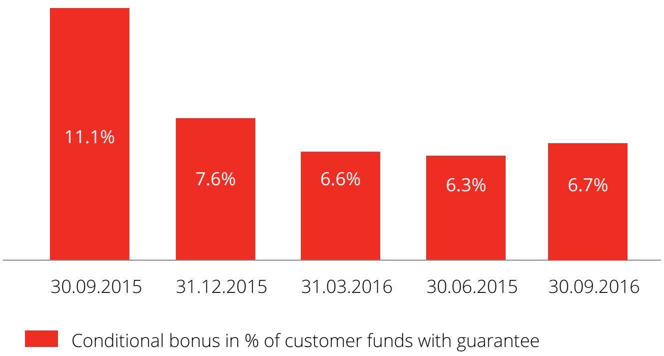


Customer assets increased by NOK 4.0bn in the 3rd quarter and NOK 9.7bn year to date due to positive returns. Customer assets totalled NOK 239bn at the end of the 3rd quarter of 2016. Customer assets within non-guaranteed savings increased NOK 3.2bn during the 3rd quarter and NOK 7.4bn year to date. Guaranteed customer assets increased by NOK 0.8bn during the 3rd quarter and NOK 2.2bn year to date.

[1)] Storebrand Life Insurance, SPP and BenCo.

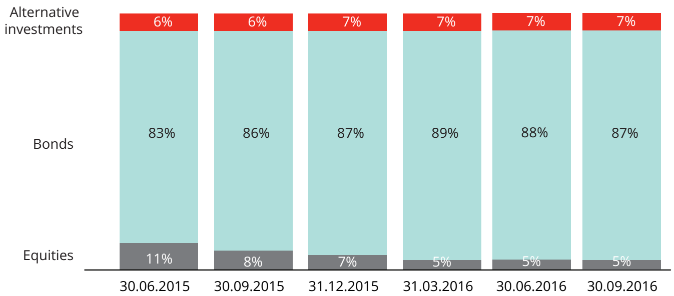
SPP

CUSTOMER BUFFERS - SPP



The buffer capital amounted to NOK 6.0bn (NOK 8.4bn) as of the 3rd quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management in SPP were NOK 172bn. This corresponds to an increase of 12% compared with the 2nd quarter of 2016. For customer assets in non-guaranteed savings, assets under management totalled NOK 80.7bn in the 3rd quarter, which corresponds to an increase of 15.7%, compared with the 2nd quarter of 2016.

STOREBRAND BANK

The lending portfolio in the retail market, including loans managed on behalf of Storebrand Livsforsikring AS, increased year to date by NOK 5.6bn to NOK 32.6bn at the end of the quarter. Retail market loans amounted to NOK 26.6bn. The corporate market portfolio continues to decline as planned. The volume of corporate market loans syndicated to Storebrand Livsforsikring AS amounted to NOK 1.6bn (NOK 2.1bn) at the end of the quarter. Gross lending to customers totalled NOK 28.5bn (NOK 29.4bn) at the end of the quarter.

The bank experienced a decrease in risk-weighted assets of NOK 0.9bn in the year to date. The Storebrand Bank Group had a net capital base of NOK 2.6bn at the end of the quarter. The capital adequacy ratio was 18.1% and the pure core capital adequacy ratio was 14.6% at the end of the 3rd quarter of 2016, compared with 17.1% and 13.8%, respectively, at the end of 2015. The overall requirements for pure core capital and subordinated capital are 11.5% and 15% respectively as of 30 September 2016 after an increase in the requirement for counter-cyclical capital buffer of 0.5% from 30 June 2016.

Outlook

FINANCIAL PERFORMANCE

Storebrand is the market leader among pension providers to Norwegian businesses. Defined-contribution plans are the dominant solution for pension savings in Norway. At the end of 2015, 87% of employees in private sector in Norway had pension plans for defined-contribution pensions. The market for defined-contribution pensions is growing and Storebrand's reserves within Unit Linked pension have increased on average by 22% in the past five years. Storebrand also has a strong challenger role as a pension provider to Swedish businesses. Continued growth is expected in the Savings segment. Asset management is also an important business area in this segment that contributes to growth.

The loyalty programme for employees with companies that have a pension scheme at Storebrand will be an important area of focus in the future. The sale of banking products and P&C insurance contributes to expected growth within the Savings and Insurance segment. The competition in the market has resulted in pressure on margins within these segments that in turn sets requirements for cost reductions and adaptations in distribution and product solutions to achieve continued profitable growth in order to realize the ambitions within the retail market, the sales will have to further increase going forward.

The Guaranteed Pensions segment is in a long-term run-off process. There is continued growth in the reserves linked to paid-up policies due to companies choosing to convert existing defined-benefit schemes to defined-contribution schemes. It is expected that the growth in paid-up policies will decline in the future and that there will be flat growth in reserves over several years before the reserves start to fall. The paid-up portfolio does not contribute to the Group's results with the present interest rates. Guaranteed reserves represent an increasingly smaller share of the Group's total reserves and were 67% at the end of the quarter.

A target has been set for total nominal costs to be lower in 2018 compared with the level at the end of 2015. Storebrand will still make selected investments in growth. The partnership with Cognizant is expected to provide lower costs for the Group in the coming years. Cognizant will also contribute to innovation and digital development that will provide better and more efficient customer service.

MARKET TRENDS

There has been a twofold development in the interest rate market during the quarter. It is expected that interest rates in the USA will increase. The Norwegian ten-year interest rate has increased by approximately 0.15 percentage points during the quarter, and is up by approximately 0.28 percentage points from its lowest level in the quarter. Swedish interest rates are influenced by expansive monetary policy and the ten-year interest rate is down by 0.10 percentage points.

The European credit markets are strongly influenced by monetary policy. The European Central Bank is purchasing large numbers of corporate bonds. During the quarter, the Central Bank continued to purchase senior bonds issued by European insurance companies. This has resulted in a collapse in the credit spreads for this type of debt. The finance sector is also characterised by the weak capitalisation of some European banks in combination with weakened credit portfolios. The development at Deutsche Bank has influenced the pricing of bonds in the European finance sector during the quarter. Measures to remedy weak economic growth in Europe and the continued increas of monetary stimulus will most likely cause continued low interest rates in the future.

Brexit has thus far had a limited effect on the financial markets. In the long-term, the United Kingdom's exit from the EU may result in changes to the internal market concerning the free flow of services and people, which may weaken financial development in Europe. The American election could create short-term instability in the markets and weaken the international economy if a more protectionist trade policy is implemented.

RISK

Market risk is the Group's biggest risk. In the board's ORSA (self-assessment of risk and solvency) process, developments in interest rates, credit spreads, and equity and property values are the biggest risks that influence the solvency of the Group. Storebrand has adapted to the low interest rates by building up buffer capital. Over time the level of the annual interest rate guarantee will be reduced. In the long term, continued low interest rates will represent a risk for products with guaranteed high interest rates running at a loss, and it is therefore important to achieve a return that exceeds the interest rate guarantee associated with the products. Storebrand has therefore adjusted its assets by building a robust portfolio with bonds at amortised cost to achieve the guaranteed interest rate. For insurance risk, increased life expectancy and the development in disability are the factors that have greatest influence on solvency. Operational risk is closely monitored and may also have a significant effect on solvency.

CONSULTATION – ULTIMATE FORWARD RATE IN SOLVENCY II

The European Insurance and Occupational Pensions Authority (EIPOA) is conducting a consultation process regarding the methodology for determining the Ultimate Forward Rate (UFR) which, together with market interest rates, is used to determine the discount rates in Solvency II. The UFR is the total of an expected real interest rate (common for all currencies) and expected inflation (currency specific). Changes are proposed that, as a whole, entail that the UFR for NOK is reduced from 4.2% to 3.7%. It is proposed that this reduction is phased in by a maximum of 20 basis points annually such that the level will not be 3.7 until June 2019. If the proposal is approved, this will result in a lower solvency margin for Storebrand. The effect will depend on the interest rates.

EIPOA has proposed the use of ”buckets” for expected inflation which, for Norway, will involve rounding the inflation component down from 2.5% to 2%. If a country-specific inflation target was used as a basis, this would increase the UFR for NOK by 0.5% compared with the current proposal. The matter is being assessed by EIPOA. Clarification of this issue is expected in the New Year.

REPORT OF OCCUPATIONAL PENSIONS IN THE PRIVATE SECTOR

In connection with the wage settlement in the private sector, the Government has committed to conducting a report on occupational pensions in cooperation with the parties in business and industry. This work will include:

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

A working group has been established with representatives from the Ministry of Finance, Ministry of Labour and Social Affairs and the Financial Supervisory Authority of Norway. This working group shall prepare a report by 1 December 2016. Employee and employer organisations, the financial services industry and the Consumer Council of Norway are invited to participate in a reference group for the work. Storebrand has pointed out that an arrangement with individual pension accounts can be introduced based on existing pension accounts in defined-contribution pension schemes.

TAX

In the 2017 national budget, the government submitted a proposal for a tax for the finacial services industry with two elements.

- Pay-roll. This is set at 5% and will follow rules for employer's National Insurance contributions.
- The tax on the ordinary income for financial undertakings will be continued at the 2016 level (25 per cent), while it will otherwise be reduced to 24 per cent.

Total revenues from the special tax on the financial services industry are estimated at NOK 2.25bn. Finance Norway has advocated that the entire finance tax should be levied on to the company tax. This can be done by setting the income tax at 26.5 per cent for the financial services industry.

The government's supporting parties, Venstre (Liberal Party) and Krf (Christian Democratic Party), have been critical of the proposal and have given notice that they will review the content of the finance tax in connection with the budget negotiations. Final clarification of the content of the finance tax is expected when the Standing Committee on Finance and Economic Affairs presents its budget proposal on 18 November 2016.

CAPITAL MANAGEMENT AND DIVIDENDS

Storebrand has established a framework for capital management that links dividends to the solvency ratio. The goal is a solvency ratio of over 150%, including transitional rules. The solvency ratio at the end of the third quarter was 165%. A minimum level for dividends is a solvency ratio without transitional rules of 110%. The solvency ratio without transitional rules at the end of the third quarter was 131%. The solvency level shows that the Group is robust in relation to the risks the business faces. A gradual improvement is expected in the underlying solvency margin in the coming years. This is primarily due to the discontinuation of the strengthening of reserves for increased life expectancy and expected result achievement in the Group.

Dividends will normally be more than 35% of the Group result before amortisation and after tax. A minimum half dividend is expected for 2016.

Lysaker, 25 October 2016

Storebrand Group
Income statement

(NOK million)	Note	3Q 2016	3Q 2015	01.01 - 30.09 2016	01.01 - 30.09 2015	Full year 2015
Premium income		5,975	5,954	20,159	19,994	25,459
Net interest income - banking activities		96	92	279	281	377
Net income from financial assets and real estate for the company:						
- equities and other units at fair value		4	-3	12		5
- bonds and other fixed-income securities at fair value		189	-106	480	-8	7
- financial derivatives at fair value		64	41	73	94	127
- bonds at amortised cost		27	17	80	63	89
- real estate			15	10	83	294
- profit from investments in associated companies/joint controlled operation		21	114	47	116	34
Net income from financial assets and real estate for the customers:						
- equities and other units at fair value		6,196	-5,274	4,902	2,817	7,072
- bonds and other fixed-income securities at fair value		509	306	3,513	2,192	4,426
- financial derivatives at fair value		1,844	-1,295	6,534	-3,775	-5,179
- bonds at amortised cost		1,141	1,023	3,157	2,847	4,083
- interest income lending		85	28	203	93	108
- real estate		658	337	1,883	1,605	2,407
- profit from investments in associated companies		39	-51	131	10	134
Other income		574	538	1,994	1,967	2,500
Total income		**17,422**	**1,736**	**43,457**	**28,379**	**41,945**
Insurance claims		-5,631	-5,406	-19,369	-19,681	-25,247
Change in insurance liabilities		-10,646	3,372	-21,706	-6,017	-15,998
To/from buffer capital		674	1,558	2,916	1,811	3,930
Losses from lending/reversal of previous losses		-3	-7	-8	-24	-45
Operating costs	7, 8	-891	-851	-2,503	-2,662	-3,686
Other costs		-123	-127	-430	-378	-439
Interest expenses		-112	-99	-323	-344	-462
Total costs before amortisation		**-16,732**	**-1,560**	**-41,423**	**-27,294**	**-41,947**
Group profit before amortisation		**690**	**176**	**2,034**	**1,085**	**-2**
Amortisation of intangible assets		-114	-108	-344	-316	-437
Group pre-tax profit		**576**	**67**	**1,690**	**768**	**-438**
Tax cost	9	-135	-3	-224	-187	1,821
Profit/loss for the period		**441**	**64**	**1,466**	**581**	**1,382**
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		438	59	1,445	560	1,178
Share of profit for the period - hybrid capital investors		3	3	8	6	9
Share of profit for the period - minority			2	14	15	196
Total		**441**	**64**	**1,466**	**581**	**1,382**
Earnings per ordinary share (NOK)		0.98	0.13	3.22	1.25	2.63
Average number of shares as basis for calculation (million)				448.1	447.6	447.6
There is no dilution of the shares						

Storebrand Group
Statement of comprehensive income

	3Q		01.01 - 30.09		Full year
(NOK million)	2016	2015	2016	2015	2015
Profit/loss for the period	**441**	**64**	**1,466**	**581**	**1,382**
Change in actuarial assumptions	-13	-5	-23	-9	-187
Adjustment of value of properties for own use	12	10	183	15	180
Gains/losses from cash flow hedging	-32	90	-50	23	27
Total comprehensive income elements allocated to customers	-12	-10	-183	-15	-180
Tax on other result elements not to be classified to profit/loss		-24		-6	49
Total other result elements not to be classified to profit/loss	-45	61	-73	8	-111
Translation differences foreign exchange	-408	592	-876	468	760
Unrealised gains on financial instruments available for sale			-3		9
Tax on other result elements that may be classified to profit/loss				2	2
Total other result elements that may be classified to profit/loss	-408	592	-879	470	771
Total other result elements	**-453**	**653**	**-952**	**478**	**660**
Total comprehensive income	**-12**	**718**	**514**	**1,059**	**2,042**
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	-12	707	500	1,033	1,830
Share of total comprehensive income - hybrid capital investors	3	3	8	6	9
Share of total comprehensive income - minority	-3	8	6	20	203
Total	**-12**	**718**	**514**	**1,059**	**2,042**

Storebrand Group
Statement of financial position

(NOK million)	Note	30.09.16	30.09.15	31.12.15
Assets company portfolio				
Deferred tax assets		803	132	957
Intangible assets and excess value on purchased insurance contracts		4,962	5,740	5,810
Tangible fixed assets		59	73	71
Investments in associated companies		448	446	385
Financial assets at amortised cost:				
- Bonds	6	3,397	2,806	3,454
- Lending to financial institutions	6	231	281	123
- Lending to customers	6,10	26,989	27,006	28,049
Reinsurers' share of technical reserves		59	22	22
Real estate at fair value	6	51	693	335
Real estate for own use	6		75	
Biological assets		64	64	64
Accounts receivable and other short-term receivables		2,611	3,094	2,722
Financial assets at fair value:				
- Equities and other units	6	106	151	114
- Bonds and other fixed-income securities	6	28,861	28,395	29,123
- Derivatives	6	1,675	1,593	1,715
- Lending to customers	6,10	1,499	1,160	1,215
Bank deposits		2,408	2,822	3,009
Minority interests in consolidated securities funds		17,301	18,103	23,044
Total assets company portfolio		**91,522**	**92,657**	**100,212**
Assets customer portfolio				
Tangible fixed assets		417	392	429
Investments in associated companies		1,772	1,419	1,465
Receivables from associated companies		37	12	41
Financial assets at amortised cost:				
- Bonds	6	76,189	69,942	73,434
- Bonds held-to-maturity	6	15,725	15,730	15,648
- Lending to customers	6,10	12,864	2,556	6,017
Reinsurers’ share of technical reserves		105	156	112
Real estate at fair value	6	23,572	22,545	24,081
Real estate for own use	6	2,853	2,825	2,887
Biological assets		696	696	725
Accounts receivable and other short-term receivables		3,770	2,381	2,999
Financial assets at fair value:				
- Equities and other units	6	119,706	115,955	124,476
- Bonds and other fixed-income securities	6	152,008	168,440	161,653
- Derivatives	6	6,797	3,740	2,988
- Lending to customers	6,10	871		
Bank deposits		7,297	3,700	4,164
Total assets customer portfolio		**424,680**	**410,490**	**421,118**
Total assets		**516,202**	**503,147**	**521,329**

Continue next page

Storebrand Group
Statement of financial position (continue)

(NOK million)	Note	30.09.16	30.09.15	31.12.15
Equity and liabilities				
Paid-in capital		11,726	11,724	11,724
Retained earnings		14,972	13,695	14,477
Hybrid capital		226	226	226
Minority interests		265	337	520
Total equity		**27,189**	**25,982**	**26,946**
Subordinated loan capital	5, 6	7,521	7,653	7,766
Buffer capital	11	15,731	20,933	19,016
Insurance liabilities		400,648	385,046	400,211
Pension liabilities		312	527	465
Deferred tax		173	1,379	200
Financial liabilities:				
- Liabilities to financial institutions	5, 6	414	359	416
- Deposits from banking customers	6	15,608	18,492	17,825
- Securities issued	5, 6	16,561	14,323	15,475
- Derivatives company portfolio		358	802	851
- Derivatives customer portfolio		929	2,367	2,501
Other current liabilities		13,457	7,180	6,614
Minority interests in consolidated securities funds		17,301	18,103	23,044
Total liabilities		**489,014**	**477,165**	**494,383**
Total equity and liabilities		**516,202**	**503,147**	**521,329**

Storebrand Group
Statement of changes in equity

	Majority's share of equity									
(NOK million)	Share capital [1)]	Own shares	Share premium	Total paid in equity	Restatement differences	Other equity [2)]	Total retained earnings	Hybrid capital[3)]	Minority interests	Total equity
Equity at 31 December 2014	**2,250**	**-12**	**9,485**	**11,722**	**1,078**	**11,574**	**12,652**		**366**	**24,741**
Profit for the period						1,178	1,178	9	196	1,382
Total other profit elements					753	-100	653		7	660
Total comprehensive income for the period					**753**	**1,078**	**1,830**	**9**	**203**	**2,042**
Equity transactions with owners:										
Own shares		2		2		21	21			23
Hybrid capital classified as equity						2	2	226		228
Paid out interest hybrid capital								-9		-9
Dividend paid									-25	-25
Purchase of minority interests									-25	-25
Other						-28	-28		1	-28
Equity at 31 December 2015	**2,250**	**-10**	**9,485**	**11,724**	**1,831**	**12,646**	**14,477**	**226**	**520**	**26,946**
Profit for the period						1,445	1,445	8	14	1,466
Total other profit elements					-868	-76	-945		-7	-952
Total comprehensive income for the period					**-868**	**1,368**	**500**	**8**	**6**	**514**
Equity transactions with owners:										
Own shares		2		2		26	26			28
Hybrid capital classified as equity						2	2			2
Paid out interest hybrid capital								-8		-8
Dividend paid									-14	-14
Purchase of minority interests						-18	-18		-248	-266
Other						-14	-14			-14
Equity at 30 September 2016	**2,250**	**-8**	**9,485**	**11,726**	**962**	**14,010**	**14,972**	**226**	**265**	**27,189**

[1)] 449,909,891 shares with a nominal value of NOK 5.
[2)]Includes undistributable funds in the risk equalisation fund amounting to NOK 139 million and security reserves amounting NOK 48 million.
[3)] Perpetual hybrid tier 1 capital classified as equity.

Equity at 31 December 2014	**2,250**	**-12**	**9,485**	**11,722**	**1,078**	**11,574**	**12,652**		**366**	**24,741**
Profit for the period						560	560	6	15	581
Total other profit elements					465	8	473		5	478
Total comprehensive income for the period					**465**	**568**	**1,033**	**6**	**20**	**1,059**
Equity transactions with owners:										
Own shares		2		2		21	21			23
Hybrid capital classified as equity						1	1	226		227
Paid out interest hybrid capital								-6		-6
Dividend paid									-25	-25
Purchase of minority interests									-25	-25
Other						-12	-12			-11
Equity at 30 September 2015	**2,250**	**-10**	**9,485**	**11,724**	**1,543**	**12,152**	**13,695**	**226**	**338**	**25,982**

Storebrand Group
Statement of cash flow

(NOK million)	1.1 - 30.09 2016	2015
Cash flow from operational activities		
Net receipts premium - insurance	20,912	21,070
Net payments compensation and insurance benefits	-14,213	-14,863
Net receipts/payments - transfers	-3,786	-4,313
Net change insurance liabilities	-1,593	-1,178
Receipts - interest, commission and fees from customers	2,111	2,157
Payments - interest, commission and fees to customers	-499	-427
Payments relating to operations	-2,246	-2,272
Net receipts/payments - other operational activities	-376	-1,587
Net cash flow from operations before financial assets and banking customers	**309**	**-1,412**
Net receipts/payments - lending to customers	-6,917	2,376
Net receipts/payments - deposits bank customers	-2,287	-1,051
Net receipts/payments - mutual funds	10,661	-2,308
Net receipts/payments - real estate investments	1,727	543
Net change in bank deposits insurance customers	-3,265	-292
Net cash flow from financial assets and banking customers	**-82**	**-732**
Net cash flow from operational activities	**227**	**-2,144**
Cash flow from investment activities		
Net receipts - sale of subsidaries	64	7
Net payments - purchase of group companies	-7	-2
Net receits/payments - sale/purchase of fixed assets	-93	-137
Net cash flow from investment activities	**-36**	**-133**
Cash flow from financing activities		
Payments - repayments of loans	-3,941	-2,504
Receipts - new loans	3,699	2,604
Payments - interest on loans	-280	-293
Receipts - subordinated loan capital		997
Payments - repayment of subordinated loan capital		-1,033
Payments - interest on subordinated loan capital	-324	-425
Net receipts/payments - lending to and claims from other financial institutions	-2	341
Receipts - issuing of share capital / sale of shares to own employees	14	10
Payments - dividends	-14	-16
Payments - interest on hybrid capital	-8	-6
Net cash flow from financing activities	**-856**	**-324**
Net cash flow for the period	**-665**	**-2,601**
- of which net cash flow in the period before financial assets and banking customers	-583	-1,869
Net movement in cash and cash equivalents	-665	-2,601
Cash and cash equivalents at start of the period for new/sold out companies	-13	
Cash and cash equivalents at start of the period	3,132	5,569
Currency translation differences	185	134
Cash and cash equivalents at the end of the period [1)]	**2,639**	**3,102**
1) Consist of:		
Lending to financial institutions	231	281
Bank deposits	2,408	2,822
Total	**2,639**	**3,102**

Notes to the interim accounts Storebrand Group

Note 01 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 2015 annual report, and the interim financial statements are prepared with respect to these accounting policies.

There is none new or amended accounting standards that entered into effect as at 1 January 2016 that have caused significant effects on Storebrand's interim financial statements.

Note 02 Estimates

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

Actual results may differ from these estimates

A description of the most critical estimates and judgements that can affect recognised amounts appears in the 2015 annual financial statements in note 2, strengthening longevity reserves for Storebrand Life Insurance in note 3, insurance risk in note 7, valuation of financial instruments at fair value is described in note 13 and in the interim financial statements note 13 Solvency II.

Note 03 Segments

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

Change in profit and loss statement
A change has been made to the alternative profit and loss statement in the 3rd quarter of 2016. The purpose of the change was to more clearly differentiate between the result elements from operations and result elements from finance.

A new term, "operating profit", has been incorporated that is prior to the financial results from the company portfolios and risk results from the guaranteed life insurance activities.

In the new profit and loss statement, "financial items and risk result life & pension" includes the following lines from the statement that was used up until 30 June 2016:
- Risk result life and pensions
- Financial result
- Net profit sharing and loan losses

Savings
Consists of products that include 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 in Norway and Sweden. 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- 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 and minor subsidiaries 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. The elimination of intra-group transactions that have been included in the other segments has also been 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 savings element is part of the premium income and in costs related to insurance. The various segments are to a large extent followed up in the follow-up of net profit margins, including follow-up of risk and administration results. The result lines that are used in segment reporting will therefore not be identical with the result lines in the corporate profit and loss account.

	3Q		01.01 - 30.09		Year
(NOK million)	2016	2015	2016	2015	2015
Savings	246	264	766	720	1,020
Insurance	163	120	438	471	488
Guaranteed pension	126	20	378	439	329
Other	155	-133	453	-143	-75
Group profit before amortisation and longevity	**690**	**272**	**2,034**	**1,487**	**1,762**
Provision longevity		-96		-402	-1,764
Group profit before amortisation	**690**	**176**	**2,034**	**1,085**	**-2**
Amortisation of intangible assets	-114	-108	-344	-316	-437
Group pre-tax profit	**576**	**67**	**1,690**	**768**	**-438**

SEGMENT INFORMATION AS OF 3Q

	Savings		Insurance		Guaranteed pension	
	Q3		Q3		Q3	
(NOK million)	2016	2015	2016	2015	2016	2015
Fee and administation income	681	646			403	428
Insurance result			238	198		
- Insurance premiums f.o.a.			*962*	*894*		
- Claims f.o.a.			*-724*	*-697*		
Operational cost	-431	-381	-150	-122	-257	-266
Operating profit	**249**	**266**	**89**	**76**	**146**	**162**
Financial itmens and risk result life & pension	-3	-2	74	45	-20	-142
Group profit before amortisation and longevity	**246**	**264**	**163**	**120**	**126**	**20**
Provision longevity						-96
Group profit before amortisation	**246**	**264**	**163**	**120**	**126**	**-76**
Amortisation of intangible assets [1)]						
Group pre-tax profit						

[1)] Amortization of intangible assets are included in Storebrand Group

	Other		Storebrand Group	
	Q3		Q3	
(NOK million)	2016	2015	2016	2015
Fee and administration income	-44	-29	1,040	1,046
Insurance result			238	198
- Insurance premiums f.o.a.			*962*	*-697*
- Claims f.o.a.			*-724*	*-122*
Operational cost	40	14	-797	-755
Operating profit	**-3**	**-15**	**481**	**489**
Financial itmens and risk result life & pension	159	-118	209	-217
Group profit before amortisation and longevity	**155**	**-133**	**690**	**272**
Provision longevity				-96
Group profit before amortisation	**155**	**-133**	**690**	**176**
Amortisation of intangible assets [1]			-114	-108
Group pre-tax profit			**576**	**67**

SEGMENT INFORMATION AS OF 01.01 - 30.09

	Savings		Insurance		Guaranteed pension	
(NOK million)	30.09.16	30.09.15	30.09.16	30.09.15	30.09.16	30.09.15
Fee and administration income	2,014	1,902			1,190	1,317
Insurance result			694	677		
- Insurance premiums f.o.a.			*2,871*	*2,708*		
- Claims f.o.a.			*-2,177*	*-2,031*		
Operational cost	-1,250	-1,183	-429	-387	-721	-824
Operating profit	**763**	**719**	**265**	**290**	**469**	**493**
Financial itmens and risk result life & pension	2	1	173	181	-91	-55
Group profit before amortisation and longevity	**766**	**720**	**438**	**471**	**378**	**439**
Provision longevity						-402
Group profit before amortisation	**766**	**720**	**438**	**471**	**378**	**37**
Amortisation of intangible assets [1]						
Group pre-tax profit						

	Other		Storebrand Group	
(NOK million)	30.09.16	30.09.15	30.09.16	30.09.15
Fee and administration income	-106	-62	3,097	3,157
Insurance result			694	677
- Insurance premiums f.o.a.			*2,871*	*2,708*
- Claims f.o.a.			*-2,177*	*-2,031*
Operational cost	101	36	-2,299	-2,357
Operating profit	**-5**	**-26**	**1,492**	**1,477**
Financial itmens and risk result life & pension	457	-117	542	10
Group profit before amortisation and longevity	**453**	**-143**	**2,034**	**1,487**
Provision longevity				-402
Group profit before amortisation	**453**	**-143**	**2,034**	**1,085**
Amortisation of intangible assets [1]			-344	-316
Group pre-tax profit			**1,690**	**768**

[1] Amortization of intangible assets are included in Storebrand Group

KEY FIGURES BY BUSINESS AREA

(NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014
Group								
Earnings per ordinary share [1]	3.22	2.25	0.67	2.63	1.25	1.12	0.55	4.61
Equity	27,189	27,000	26,538	26,946	25,982	25,275	24,745	24,741
Savings								
Premium income Unit Linked [2]	3,444	3,541	3,693	3,241	3,207	3,028	2,865	2,594
Unit Linked reserves	131,571	127,876	125,434	128,117	118,695	117,452	115,816	105,369
AuM asset management	570,362	568,956	567,218	571,425	562,136	551,587	557,989	534,523
Retail lending	32,543	30,775	28,425	26,861	25,417	24,833	24,100	24,441
Insurance								
Total written premiums	4,511	4,460	4,397	4,327	4,275	4,176	4,053	3,699
Claims ratio [2]	75%	75%	77%	85%	78%	72%	75%	85%
Cost ratio [2]	16%	14%	15%	16%	14%	15%	15%	16%
Combined ratio [2]	91%	90%	92%	101%	92%	87%	90%	101%
Guaranteed pension								
Guaranteed reserves	261,753	265,504	266,113	266,979	263,198	258,825	261,277	264,290
Guaranteed reseves in % of total reserves	66.5%	67.5%	68.0%	67.6%	68.9%	68.8%	69.3%	71.5%
Net transfer out of guaranteed reserves [2]	239	621	2,200	398	855	1,438	5,037	2,229
Buffer capital in % of customer reserves Storebrand Life Group [3]	5.6%	6.3%	5.9%	5.8%	5.4%	5.7%	6.5%	6.6%
Buffer capital in % of customer reserves SPP [4]	6.7%	6.3%	6.6%	7.6%	11.1%	12.4%	12.5%	15.0%
Solidity								
Solvency II [5]	165%	172%	175%					
Solidity capital (Storebrand Life Group) [6]	61,490	61,439	60,513	61,011	64,020	62,293	66,052	64,664
Capital adequacy Storebrand Bank	18.1%	17.7%	17.3%	17.1%	16.7%	16.3%	15.8%	15.0%
Core Capital adequacy Stobrand Bank	16.2%	15.8%	15.4%	15.2%	14.9%	14.5%	14.0%	13.3%

1) Accumulated
2) Quarterly figures
3) Additional statutory reserves + market value adjustment reserve
4) Conditional bonuses
5) See note 13 for specification of Solvency II
6) 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.

Note 04 Financial market risk and insurance risk

Risks are described in the annual report for 2015 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Lending and counterparty risk), note 11 (Credit exposure) and note 12 (Concentration of risk).

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

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

The market risk in the company portfolios 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.

The stock market was turbulent during the first half year, with significant price falls both early in the year and in June. The stock market was positive during the third quarter. The global index increased 5 per cent during the third quarter, which gives an overall increase of 4 per cent for the year to date. The credit market has experienced an almost identical trend to the stock market and the credit spreads have been slightly reduced in both the third quarter and since the start of the year.

Interest rates showed a mixed development during the third quarter, with a slight increase in Norway and slight decrease in Sweden. The interest rate increase in Norway must be viewed in connection with the central bank of Norway (Norges Bank) having signalled that interest rates may have reached their lowest point. Interest rates have fallen since the start of the year. The 10-year interest swap rate has fallen by approximately 0.3 per cent in Norway and 1 per cent in Sweden to nearly record low levels. Short-term interest rates have also fallen, driven by new interest rate cuts and other stimulus measures by the central banks. Due to the majority of the interest rate investments in the Norwegian customer portfolios being held at amortised cost, the fall in interest rates has a limited effect on expected returns in the short term. However, with the present interest rates, new bond investments provide a lower return than the average interest rate guarantee.

The Norwegian krone has strengthened against most other currencies in both the third quarter and since the start of the year. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have had a modest effect on results and risk.

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

Guaranteed portfolios in both Norway and Sweden have had good returns in the third quarter and so far during the year due to well stock markets, price appreciation for bonds and good returns on property investments. In Norway, the return is more than adequate in relation to what has been used as the basis for the plan for the strengthening of reserves. The interest rate increase in Norway in the third quarter has resulted in a decrease in the excess value of bonds that are assessed at amortised cost, but the excess value is still greater than it was at the start of the year. In Sweden, the increase in value of the insurance liabilities has been somewhat higher than the increase in value of assets due to the fall in interest rates. This has primarily manifested itself in the form of reduced customer buffers (conditional bonuses)

Insurance risk is the risk of higher than expected payments and/or an unfavourable change in the value of an insurance liability due to actual developments deviating from what was expected when premiums or provisions were calculated. Most of the insurance risk for the group is related to life insurance. Long life expectancy is the greatest risk because increased longevity means that the guaranteed benefits must be paid over a longer period. There are also risks related to disability and death.

The insurance risk is almost unchanged during the year.

Note 05 Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital [1)]					
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,503
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	999
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,098
SPP Pension & Försäkring AB	700	SEK	Variable	2019	651
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,992
Storebrand Bank ASA	150	NOK	Variable	2017	152
Storebrand Bank ASA	125	NOK	Variable	2019	126
Total subordinated loans and hybrid tier 1 capital 30.09.16					**7,521**
Total subordinated loans and hybrid tier 1 capital 30.09.15					7,653
Total subordinated loans and hybrid tier 1 capital 31.12.15					7,766

[1)] In addition, Storebrand Bank ASA has issued hybrid tier 1 capital bonds/hybrid capital that is classified as equity. See the statement of changes in equity.

SPECIFICATION OF LIABILITIES TO FINANCIAL INSTITUTIONS

	Book value		
(NOK million)	30.09.16	30.09.15	31.12.15
Maturity			
2015		359	
2016	414		416
Total liabilities to financial institutions	**414**	**359**	**416**

SPECIFICATION OF SECURITIES ISSUED

	Book value		
(NOK million)	30.09.16	30.09.15	31.12.15
Call date			
2016		2,740	1,922
2017	3,600	4,538	4,311
2018	4,063	2,345	4,068
2019	2,767	2,311	2,246
2020	3,431	2,390	2,928
2021	2,699		
Total securities issued	**16,561**	**14,323**	**15,475**

The loan agreements contain standard covenants. Storebrand is in compliance with all relevants covenants in 2016.

Covered bonds
For covered bonds issued by Storebrand Boligkreditt AS ascribed to the company's cover pool, an overcollateralization requirement of 109,5 per cent applies. This means that the company must at all times have assets in its cover pool that exceed at least 109,5 per cent of the total outstanding covered bonds.

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

Facilities for Storebrand Boligkreditt AS
Storebrand Bank has two credit facilities with Storebrand Boligkreditt AS. One of these is an ordinary overdraft facility of up to NOK 6 billion. This has no fixed expiry date, but may be terminated by the bank with 15 months' notice. The other facility must at all times be sufficient to cover interest and principal on covered bonds and related derivatives for the next 31 days. The credit facility is not revocable by the bank until three months after the maturity of the longest covered bonds and related derivatives.

Note 06 Valuation of financial instruments and investment properties

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 13 in the financial statements for 2015.

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

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 30.09.16	Fair value 31.12.15	Book value 30.09.16	Book value 31.12.15
Financial assets				
Loans to and due from financial institutions	231	123	231	123
Lending to customers	39,812	34,032	39,852	34,066
Bonds held to maturity	18,076	17,578	15,725	15,648
Bonds classified as loans and receivables	88,800	85,540	79,586	76,888
Total	**146,918**	**137,273**	**135,394**	**126,725**
Financial liabilities				
Debt raised by issuance of securities	16,652	15,428	16,561	15,475
Liabilities to financial institutions	263	12	263	12
Deposits from banking customers	15,608	17,825	15,608	17,825
Subordinatd loan capital	7,535	7,826	7,521	7,766
Total	**40,057**	**41,091**	**39,952**	**41,078**

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	Total fair value 30.09.16	Total fair value 31.12.15
Assets:					
Equities and units					
- Equities	17,678	556	1,118	19,352	20,661
- Other fund units	234	92,132	7,899	100,265	103,566
- Real estate fund			195	195	362
Total equities and units	**17,912**	**92,688**	**9,212**	**119,813**	
Total equities and units 2015	17,890	94,461	12,237		124,589
Lending to customers [1]			**2,370**	**2,370**	
Lending to customers 2015 [1]			1,215		1,215
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	26,854	21,777		48,631	51,117
- Credit bonds	6	21,445	269	21,719	27,504
- Mortage and asset backed securities		43,666		43,666	48,000
- Supranational organisations	37	4,527		4,565	5,575
- Bond funds	709	61,579		62,288	58,579
Total bonds and other fixed-income securities	**27,606**	**152,994**	**269**	**180,869**	
Total bonds and other fixed-income securities 2015	28,792	161,626	358		190,776
Derivatives:					
- Interest derivatives		5,687		5,687	1,895
- Currency derivatives		1,497		1,497	-543
Total derivatives		**7,184**		**7,184**	
- of which derivatives with a positive market value		8,472		8,472	4,703
- of which derivatives with a negative market value		-1,288		-1,288	-3,351
Total derivatives 2015		1,352			1,352
Real Estate:					
Investment properties			23,623	23,623	24,415
Owner-occupied properties			2,853	2,853	2,887
Total real estate			**26,477**	**26,477**	
Total real estate 2015			27,302		27,302
Liabilities:					
Liabilities to financial institutions [1]		151		151	404
Liabilities 2015 [1]		404			404

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

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

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 01.01.16	**2,473**	**9,399**	**362**	**1,215**	**361**	**24,417**	**2,887**
Net gains/losses on financial instruments	-79	-625	-59	16	-14	38	3
Supply	-183	664		1,311	-5	415	11
Sales	-1,031	-1,121	-108	-172		-2,863	
Transferred to/from non-observable assumptions to/from observable assumptions		-131			-42		
Translation differences	-61	-287			-31	-450	-150
Other						2,066	102
Book value 30.09.16	**1,118**	**7,899**	**195**	**2,370**	**269**	**23,623**	**2,853**

SENSITIVITY ASSESSMENTS

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

Note 07 Operating costs

(NOK million)	3Q 2016[1]	3Q 2015	01.01 - 30.09 2016[1]	01.01 - 30.09 2015	Year 2015
Personnel costs	-499	-514	-1,349	-1,562	-2,181
Amortisation	-33	-34	-105	-103	-137
Other operating costs	-358	-303	-1,049	-997	-1,368
Total operating costs	**-891**	**-851**	**-2,503**	**-2,662**	**-3,686**

[1] *During the 3rd quarter of 2016, NOK 66 million was allocated to restructuring and NOK 37 million was recognised as income for the change in the pension scheme. NOK 143 million has been recognised as income for the change in the pension scheme for all of 2016. See also note 8.*

Note 08 Pension scheme for own employees

In 2014, the defined benefit pension scheme for employees at Storebrand in Norway was changed after the decision was made to transition to a defined contribution pension scheme. These pension liabilities were largely derecognised in 2014. Reference is made to the specific information regarding this in the notes to the financial statements for 2014 and 2015.

In connection with new rules for disability pensions in the Norwegian Occupational Pensions Act, Storebrand has altered the disability pension scheme for own employees in Norway in 2016. In the 3rd quarter of 2016, NOK 37 million was recognised as income before tax relating to allocated liabilities for previous coverage, which is recognised in the income statement as reduced costs.

Note 09 Tax

The income tax expense has been estimated based on an expected effective tax rate per legal entity for 2016. There will be uncertainty associated with these estimates.

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

The net income tax expense for the quarter and the year reflects effects that each give a higher or lower effective tax rate.

In the first half of the year, tax-free sales of properties were carried out where previously allocations have been made for deferred tax. Consideration was made of the reversal of deferred tax in its entirety as of 30 June. In addition, previous estimates for the 2015 tax year were updated in accordance with the submitted tax assessment documents and received tax assessment. These effects do not, in themselves, have any impact on the income tax expense for the 3rd quarter, but are reflected in the income tax cost for the year to date.

Note 10 Lending

(NOK million)	30.09.16	30.09.15	31.12.15
Corporate market[1)]	9,728	5,384	8,399
Retail market	32,557	25,418	26,981
Gross lending	**42,285**	**30,802**	**35,379**
Write-down of lending losses	-63	-79	-98
Net lending [2)]	**42,222**	**30,723**	**35,281**
1) Of which Storebrand Bank	1,889	2,828	2,372
2) Of which lending in customer portfolio	13,735	2,556	6,017

Per 30.09.16, Storebrand Bank ASA sold mortgages totalling NOK 6.8 billion to sister company Storebrand Livsforsikring AS. The mortgages were sold on commercial terms.

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	30.09.16	30.09.15	31.12.15
Non-performing and loss-exposed loans without identified impairment	101	80	87
Non-performing and loss-exposed loans with identified impairment	96	107	166
Gross non-performing loans	**197**	**187**	**253**
Individual write-downs	-28	-48	-63
Net non-performing loans	**169**	**139**	**190**

Note 11 Buffer capital

(NOK million)	30.09.16	30.09.15	31.12.15
Additional statutory reserves	5,190	4,479	5,160
Market adjusment reserves	4,220	4,352	4,520
Conditional bonuses	6,322	12,101	9,336
Total	**15,731**	**20,933**	**19,016**

The excess value of held-to-maturity bonds valued at amortised cost totalled NOK 11.562 million at the end of the 3th quarter 2016 - an increase of NOK 981 million since the turn of the year.

The excess value of bonds at amortised cost is not included in the financial statements.

Note 12 Contingent liabilities

(NOK million)	30.09.16	30.06915	31.12.15
Guarantees	49	67	49
Unused credit limit lending	3,797	3,711	3,763
Uncalled residual liabilities re limited partnership	2,985	4,048	4,264
Loan commitment retail market	2,762		1,981
Loan commitment corporate market		21	
Total contingent liabilities	**9,593**	**7,846**	**10,058**

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 45 in the 2015 annual report.

Note 13 Solvency II

The Storebrand Group is an insurance-dominated, cross-sectoral financial group with capital requirements in accordance with Solvency II. Storebrand calculates Solvency II according to the standard method as defined in the Solvency II Regulations.

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

Consolidation is carried out in accordance with Section 18-2 of the Norwegian Act relating to Financial Undertakings and Financial Groups.
The solvency capital requirement and minimum capital requirement for the group are calculated in accordance with Section 46 (1)-(3) of the Solvency II Regulations using the standard method and include the effect of the transitional arrangement for shares pursuant to Section 58 of the Solvency II Regulations.

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

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

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

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

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

The companies in the group governed by CRD IV are included in the group's solvency capital and solvency capital requirements with their respective primary capital and capital requirements.

SOLVENCY CAPITAL

	30.09.16				
NOK million	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3
Share capital	2,250	2,250			
Share premium	9,485	9,485			
Reconciliation reserve	24,308	24,308			
Including the effect of the transitional arrangement	8,216	8,216			
Subordinated loans	6,652		2,565	4,087	
Deferred tax assets	506				506
Risk equalisation reserve	139			139	
Minority interests	45				45
Unavailable minority interests	-30				-30
Deductions for CRD IV subsidiaries	-2,899	-2,399	-225	-275	
Total basic solvency capital	**40,456**	**33,643**	**2,340**	**3,951**	**521**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	2,899				
Total solvency capital	**43,355**				
Total solvency capital available to cover the minimum capital requirement	**38,045**	**33,643**	**2,340**	**2,062**	

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

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

SOLVENCY CAPITAL REQUIREMENTS AND - MARGIN[1)]

NOK million	30.09.16
Market	22,640
Counterparty	471
Life	8,994
Health	747
P&C	282
Operational	1,466
Diversification	-6,323
Loss-absorbing tax effect	-4,486
Total solvency capital requirement - insurance company	**23,792**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,475
Total solvency capital requirement	26,267
Solvency margin with transitional rules	**165%**
Minimum capital requirement	**10,309**
Minimum margin	**369%**

[1)] The Storebrand Group has a requirement to report capital adequacy in a multi-sectoral financial group (conglomerate directive). The calculation in accordance with the Solvency II regulations and capital adequacy calculation in accordance with the conglomerate directive give essentially the same capital requirements and available capital.

Note 14 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 48 in the 2015 annual report.

Storebrand had not carried out any material transactions other than normal business transactions with related parties at the close of the 3rd quarter 2016.

Storebrand ASA
Income statement

(NOK million)	3Q 2016	3Q 2015	01.01 - 30.09 2016	01.01 - 30.09 2015	Full year 2015
Operating income					
Income from investments in subsidiaries			12	21	519
Net income and gains from financial instruments:					
- bonds and other fixed-income securities	12	-1	42	21	33
- financial derivatives/other financial instruments	-5	8	-3		-4
Other financial instruments			54	1	1
Operating income	**7**	**8**	**105**	**43**	**550**
Interest expenses	-20	-24	-65	-80	-109
Other financial expenses	3	-3	-6	-12	-15
Operating costs					
Personnel costs	-11	-6	-26	-21	-29
Amortisation			-1	-1	-1
Other operating costs	-8	-13	-32	-40	-63
Total operating costs	**-19**	**-20**	**-58**	**-62**	**-93**
Total costs	**-37**	**-47**	**-129**	**-154**	**-217**
Pre-tax profit	**-29**	**-39**	**-24**	**-112**	**333**
Tax	7	11	22	36	-81
Profit for the period	**-22**	**-29**	**-2**	**-76**	**252**

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	3Q 2016	3Q 2015	01.01 - 30.09 2016	01.01 - 30.09 2015	Full year 2015
Profit for the period	**-22**	**-29**	**-2**	**-76**	**252**
Other result elements not to be classified to profit/loss					
Change in estimate deviation pension					-18
Tax on other result elements					5
Total other result elements					**-14**
Total comprehensive income	**-22**	**-29**	**-2**	**-76**	**238**

Storebrand ASA
Statement of financial position

(NOK million)	30.09.16	30.09.15	31.12.15
Fixed assets			
Deferred tax assets	339	435	317
Tangible fixed assets	29	29	29
Shares in subsidiaries	17,102	17,038	17,095
Total fixed assets	**17,470**	**17,502**	**17,441**
Current assets			
Owed within group	3		511
Other current receivables	21	37	21
Investments in trading portfolio:			
- bonds and other fixed-income securities	2,178	2,261	2,231
- financial derivatives/other financial instruments	35	42	28
Bank deposits	61	43	161
Total current assets	**2,298**	**2,383**	**2,952**
Total assets	**19,768**	**19,886**	**20,393**
Equity and liabilities			
Share capital	2,250	2,250	2,250
Own shares	-8	-10	-10
Share premium reserve	9,485	9,485	9,485
Total paid in equity	**11,726**	**11,724**	**11,724**
Other equity	5,115	4,792	5,105
Total equity	**16,841**	**16,515**	**16,829**
Non-current liabilities			
Pension liabilities	157	168	157
Securities issued	2,712	3,149	3,261
Total non-current liabilities	**2,869**	**3,318**	**3,418**
Current liabilities			
Debt within group			76
Other current liabilities	58	52	71
Total current liabilities	**59**	**53**	**147**
Total equity and liabilities	**19,768**	**19,886**	**20,393**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2014	**2,250**	**-12**	**9,485**	**4,859**	**16,581**
Profit for the period				252	252
Total other result elements				-14	-14
Total comprehensive income				**238**	**238**
Own share bought back [2]		2		21	23
Employee share [2]				-12	-12
Equity at 31. December 2015	**2,250**	**-10**	**9,485**	**5,105**	**16,829**
Profit for the period				-2	-2
Total comprehensive income				**-2**	**-2**
Own share bought back [2]		2		26	28
Employee share [2]				-14	-14
Equity at 30. September 2016	**2,250**	**-8**	**9,485**	**5,115**	**16,841**

[1] 449 909 891 shares with a nominal value of NOK 5.
[2] In 2016, 431 334 shares are sold to own emplyees. Holding of own shares 30. June 2016 was 1 631 387 .

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2014	**2,250**	**-12**	**9,485**	**4,859**	**16,581**
Profit for the period				-76	-76
Total comprehensive income				**-76**	**-76**
Own share bought back [2]		2		21	23
Employee share [2]				-12	-12
Equity at 30. September 2016	**2,250**	**-10**	**9,485**	**4,792**	**16,515**

Storebrand ASA
Statement of cash flow

	01.01 - 30.09	
(NOK million)	2016	2015
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	37	21
Net receipts/payments - securities at fair value	60	-639
Payments relating to operations	-88	-92
Net receipts/payments - other operational activities	522	766
Net cash flow from operational activities	**532**	**56**
Cash flow from investment activities		
Net receipts - sale of subsidiaries	64	
Net payments - sale/capitalisation of subsidiaries	-81	-23
Net cash flow from investment activities	**-17**	**-23**
Cash flow from financing activities		
Payments - repayments of loans	-555	
Receipts - new loans	1	4
Payments - interest on loans	-76	-85
Receipts - sold own shart to employees	14	10
Net cash flow from financing activities	**-615**	**-71**
Net cash flow for the period	**-100**	**-38**
Net movement in cash and cash equivalents	-100	-38
Cash and cash equivalents at start of the period	161	82
Cash and cash equivalents at the end of the period	**61**	**43**

Notes to the financial statements Storebrand ASA

Note 01 Accounting policies

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2015. The accounting policies are described in the 2015 annual report. Storebrand ASA does not apply IFRS to the parent company's financial statements.

Note 02 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 03 Bond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	30.09.16	30.09.15	31.12.15
Bond loan 2013/2020 [1]	Fixed	NOK	300	335	338	327
Bond loan 2011/2016	Variable	NOK	554		1,007	558
Bond loan 2012/2017	Variable	NOK	624	627	853	627
Bond loan 2013/2018	Variable	NOK	450	452	452	452
Bond loan 2014/2019	Variable	NOK	500	499	499	499
Bank loan 2015/2018	Variable	NOK	800	799		798
Total [2]				**2,712**	**3,149**	**3,261**

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 zand 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.

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Translation from the original Norwegian version

To the Board of Directors of Storebrand ASA

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand ASA (the Group) as of 30 September 2016, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Oslo, 25 October 2016
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

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Financial calendar 2017

8 February	Results 4Q 2016
5 April	Annual General Meeting
6 April	Ex dividend date
27 April	Results 1Q 2017
13 July	Results 2Q 2017
25 October	Results 3Q 2017
February 2018	Results 4Q 2017

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