storebrand

Interim Report 2017

Storebrand Group

Contents

Storebrand Group

- **Group result[1] of NOK 773m for the 3rd quarter**
- **Increased operating result due to asset growth and strong insurance results**
- **Solvency II 160%**

Storebrand's ambition is to be the best provider of pension savings. The Group offers an integrated product range spanning from life insurance, P&C insurance, asset management and banking to private individuals, companies and public sector entities. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other.

GROUP RESULT[2]

	2017			2016		1.1 - 30.9		
(NOK million)	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Fee and administration income	1,103	1,079	1,019	1,138	1,040	3,201	3,097	4,235
Insurance result	320	290	275	251	238	885	694	945
Operational cost	-826	-805	-831	-861	-811	-2,462	-2,330	-3,191
Operating profit	**596**	**565**	**463**	**528**	**468**	**1,624**	**1,461**	**1,989**
Financial items and risk result life	177	313	208	384	209	698	540	924
Result before amortisation and longevity	**773**	**878**	**671**	**912**	**676**	**2,322**	**2,001**	**2,913**
Amortisation and write-downs of intangible assets	-101	-100	-98	-95	-101	-299	-311	-406
Profit before tax	**672**	**778**	**573**	**816**	**576**	**2,023**	**1,690**	**2,506**
Tax	27	-29	-109	-140	-135	-111	-224	-364
Profit after tax	**698**	**749**	**465**	**676**	**441**	**1,912**	**1,466**	**2,143**

The Group result before amortisation was NOK 773[3] (NOK 676m) in the 3rd quarter. The figures in parenthesis are from the correspon-ding period last year.

Total fee and administration income amounted to NOK 1 103m for 3rd quarter and has increased by 5% compared with the same period last year, when adjusted for foreign currency. Income within Guaranteed Pension declined, while Savings had increased revenues compared with the same period last year. The insurance result had a total combined ratio of 85% (91%).

Adjusted for the increased financial payroll tax and special items, the Groups costs have a flat development compared to last year.The additional financial payroll tax cost has increased by NOK 58m since the corresponding quarter last year. This has led to a 1.9% nomi-nal increase compared with the same period last year. The goal of reduced costs in 2018 remains in place. On the whole, the operating result increased by 27%, driven by revenue growth in actively sold products and a satisfying financial result.

[1] Earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting.
[2] The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.
[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

	2017	2016				1.1 - 30.9		
(NOK million)	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Savings - non-guaranteed	314	319	240	321	236	872	742	1,063
Insurance	221	184	171	143	161	576	432	575
Guaranteed pension	244	290	201	492	126	735	378	870
Other	-5	85	59	-45	154	140	449	405
Result before amortisation	**773**	**878**	**671**	**912**	**676**	**2,322**	**2,001**	**2,913**

The Savings segment reported a profit of NOK 314m for the 3rd quarter (NOK 236m). The earnings improvement was due to growth in assets under management in pension and growth in Storebrand Bank's lending volume. Operating costs are at the same level compared with the same period last year.

The Insurance segment reported a profit of NOK 221m (NOK 161m) in the quarter. The claims ratio has decreased from 75% to 68% compared with the same period last year. The combined ratio was reduced to 85% (91%) for the quarter. This is better than the target of 90-92%.

The Guaranteed Pension segment achieved a profit before amortisation of NOK 244m (NOK 126m) for the 3rd quarter. Fee and administration income fell by 6% compared with the same quarter last year. The products within Guaranteed Pension are in long-term decline and reduced earnings from this segment are expected.

The Other segment reported a profit of NOK - 5m (NOK 154m) for the 3rd quarter. The result was affected positively with approximately NOK 20m sale of minority share in Nordic Trustee.

CAPITAL SITUATION AND TAX

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 the transitional rules. The solvency margin for the Storebrand Group was calculated at 160% at the end of the 3rd quarter, including the transitional rules. Without transitional rules, the solvency margin was 150%. Storebrand uses the standard model for the calculation of Solvency II. Decrease in interest rates and volatility adjustment and increased equity stress levels all contribute negatively to the solvency margin in the quarter. Good investment results and withheld profits on the other hand, increases the solvency ratio. The combined effects gives a decrease of 2 percentage points in the quarter.

Income tax expense has been estimated based on an expected effective tax rate for 2017. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway, and it varies from quarter to quarter depending on each legal entity's contribution to the Group result. The tax rate is estimated to be in the range of 19-23% for the year. Sales of property concluded in the third quarter, have resulted in taxable temporary differences connected with these properties being reversed, which reduces the income tax expense as per 30 September. For more information on the calculation of the income tax for the quarter, see note 8 to the accounts.

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. The strengthening of reserves for increased longevity is expected to conclude in 2017.

MARKET AND SALES PERFORMANCE

Assets under management in the United Linked business in Norway increased by NOK 14.3bn (23%) relative to the 3rd quarter of 2016. 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 Unit Linked with 32% of the market share of gross premiums written. In SPP, customer assets increased by SEK 2.2bn (3%) in the 3rd quarter and SEK 11bn (9%) from the previous year. SPP has a market share of 14% in the Swedish market for other occupational pensions.

Sales of savings products and loans to private individuals are good. The lending volume at Storebrand Bank increased by 26% compared with the same period previous year. The proportion of private individuals with occupational pensions at Storebrand who have also purchased a private product is increasing.

EVENTS AFTER THE REPORTING PERIOD

On October 24th, Storebrand Livsforsikring AS has signed an agreement to acquire the Norwegian pension company Silver AS and its insurance portfolio for NOK 520m. The guaranteed defined benefit pensions in Silver will be converted to defined contribution with investment choice before the transaction. For further information, see Note 15 of the interim report.

On October 25th, Storebrand ASA signed an agreement to acquire the Norwegian asset management company Skagen AS. Skagen has a strong position in the Norwegian and Swedish savings market and international distribution of its funds. Skagen has a clear asset management philosophy and a strong brand name. Savings and pensions is Storebrand's core business. The acquisition increases the Storebrand Group's market share of private funds savings of NOK 221bn from 4 percent to 17 percent. For further information, see Note 15 of the interim report.

Financial targets	Target	Actual
Return on equity (after tax)[1]	> 10%	12.4%
Dividend [1]	> 35%	
Solvency II margin Storebrand Group	> 150%	160%

GROUP - KEY FIGURES

	2017			2016		1.1 - 30.9		
(NOK million)	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Earnings per share adjusted[1]	1.77	1.89	1.25	1.64	1.23	4.91	3.99	5.63
Equity	29,088	28,559	28,208	27,637	27,189	29,088	27,189	27,637
Quarterly adjusted ROE, annualised[1]	12.4%	13.4%	8.8%	11.9%	8.5%	10.9%	9.7%	9.5%
Solvency II	160%	163%	159%	157%	165%	160%	165%	157%

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

Savings

- **Increased earnings due to higher volumes**

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

SAVINGS - NON GUARENTEED

	2017		2016			1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Fee and administration income	763	747	700	744	681	2,210	2,014	2,758
Operational cost	-445	-438	-459	-426	-442	-1,342	-1,274	-1,700
Operating profit	**318**	**309**	**241**	**319**	**239**	**868**	**739**	**1,058**
Financial items and risk result life	-4	10	-2	3	-3	4	2	5
Profit before amortisation	**314**	**319**	**240**	**321**	**236**	**872**	**742**	**1,063**

RESULT

The Savings segment reported a profit before amortisation and tax of NOK 314m for the 3rd quarter which is equivalent to a profit increase of 33% for the quarter. Fee- and administration income increased by 12% for the quarter. Income growth is driven by good returns, customer conversion from defined benefit to defined contribution pension schemes, new business and higher savings rates. 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. Strong lending growth in the Bank's retail market and higher interest rate margins for the quarter have resulted in growth in net interest income compared with the previous year. For the quarter, net interest income was 1.23% of average total assets compared with 1.16% for the same period last year.

Operating expenses for the 3rd quarter are at the same level as for 3rd quarter last year. Operating expenses accumulated for 2016 include a positive effect of NOK 34m in connection with the transition to a new disability pension scheme for employees.

BALANCE SHEET AND MARKET TRENDS

The premiums for non-guaranteed occupational pensions were NOK 3.6bn in the 3rd quarter, an increase of 7% from the corresponding period year. Total reserves within the Unit Linked business have increased by 20% over the last year and amounted to NOK 158bn at the end of the quarter. Assets under management in the United Linked business in Norway increased by NOK 14.1bn (23%) relative to the 3rd quarter of 2016. The growth is driven by premium payments for existing contracts, returns and conversion from defined benefit schemes and increased savings levels. In Norway, Storebrand is the market leader in Unit Linked with 32% of the market share of gross premiums written (at the end of the 2nd quarter).

SPP has a market share of 14% in the Swedish market for other occupational pensions. Customer assets increased by SEK 2.2bn (3%) in the 3rd quarter and SEK 11bn (9%) from the previous year.
In Storebrand Asset Management the assets under management increased by NOK 5.3bn (1%) to NOK 626bn in the 3rd quarter and by NOK 55.5bn (10%) from the 3rd quarter of 2016. This growth was driven by good sales to institutional customers and returns.

The bank lending portfolio in the retail market is developing positively and grew by NOK 1.5bn (4%) in the 3rd quarter and NOK 8.5bn (28%) from the same period the previous year. The portfolio consists of low-risk home mortgages. NOK 12.6bn of the mortgages is booked on Storebrand Life Insurance's balance sheet.

SAVINGS - KEY FIGURES

	2017		2016		
(NOK million)	Q3	Q2	Q1	Q4	Q3
Unit linked Reserves	157,984	151,425	147,311	139,822	131,571
Unit linked Premiums	3,670	3,649	3,716	3,466	3,444
AuM Asset Management	625,840	620,584	599,111	576,704	570,362
Retail Lending	40,996	39,464	37,585	35,400	32,543

Insurance

- **Good underlying claims development**
- **Reserve releases and strong seasonal health claims increase results**
- **Growth initiatives increase costs**

The Insurance segment provides health[1)] insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market, and employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

INSURANCE

	2017		2016			1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Insurance premiums f.o.a.	993	971	940	957	962	2,904	2,871	3,828
Claims f.o.a.	-674	-681	-665	-706	-724	-2,019	-2,177	-2,883
Operational cost	-175	-171	-172	-168	-152	-519	-435	-602
Operating profit	**145**	**119**	**103**	**83**	**87**	**366**	**259**	**342**
Financial result	76	65	68	60	74	209	173	233
Contribution from SB Helseforsikring AS	*19*	*12*	*4*	*11*	*15*	*35*	*28*	39
Profit before amortisation	**221**	**184**	**171**	**143**	**161**	**576**	**432**	**575**
Claims ratio	68%	70%	71%	74%	75%	70%	76%	75%
Cost ratio	18%	18%	18%	18%	16%	18%	15%	16%
Combined ratio	85%	88%	89%	91%	91%	87%	91%	91%

FINANCIAL PERFORMANCE

In the 3rd quarter Insurance delivered a result before amortisation of NOK 221m (NOK 161m). The combined ratio for the quarter was 85% (91%). The results are stronger than expected on a normalised basis. Premium income increased 3% compared to the same quarter last year.

The 3rd quarter claims ratio was 68% (75%), and the underlying risk development is satisfactory. P&C insurance has a satisfactory claims development. The claims ratio was further improved due dissolution of reserves. Individual insurance coverage has a stable claims ratio. Group Life has delivered a good risk result on disability and mortality risk, and a solid return from the investment portfolio. Health Insurance is experiencing lower frequency of claims and improved results.

The risk result for Group Disability Pension is stable.

The cost ratio ended at 18% (16%) for the 3rd quarter. As planned, growth initiatives have resulted in higher costs for the insurance area.

Insurance's investment portfolio in Norway amounted to NOK 8.3bn at the close of the 3rd quarter, which is primarily invested in fixed income securities with a short to medium duration[2)].

1) Health insurance is owned 50% each by Storebrand ASA and Munich Health
2) NOK 2,7bn of the investment portfolio is linked to disability coverages where the investment result goes to the customer reserves and not as a result element in the P&L.

BALANCE SHEET AND MARKET TRENDS

Storebrand is aiming to grow in the retail market, but strong competition and a shift in distribution strategy resulted in lower growth than in the previous year. It is necessary to improve pricing, products, sales and service solutions to strengthen competitiveness. The Akademiker portfolio is an important driver of growth and performed as expected. Rema Forsikring has been established and the portfolio is being built up. The partner strategy is expected to contribute to cost effective growth in the coming years. Health-related insurance is growing and Storebrand is doing well in the market.

INSURANCE - KEY FIGURES

	2017			2016		1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
P&C & Individual life	1,750	1,732	1,725	1,729	1,739	1,750	1,739	1,729
Health & Group life 1)	1,541	1,532	1,504	1,507	1,512	1,541	1,512	1,507
Pension related disability insurance	1,183	1,176	1,184	1,266	1,268	1,183	1,268	1,266
Total written premiums	**4,474**	**4,400**	**4,413**	**4,502**	**4,519**	**4,474**	**4,519**	**4,502**

* 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 product run-off**
- **Strong profit sharing result during the quarter**

The Guaranteed Pension segment 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 insurances.

GUARANTEED PENSION

	2017			2016		1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Fee and administration income	380	369	358	376	403	1,108	1,190	1,566
Operational cost	-212	-216	-221	-260	-257	-649	-721	-981
Operating profit	**169**	**153**	**137**	**116**	**146**	**459**	**469**	**585**
Risk result life & pensions	9	6	34	-13	-18	49	-24	-37
Net profit sharing and loan losses	66	131	30	389	-2	227	-67	322
Profit before amortisation	**244**	**290**	**201**	**492**	**126**	**735**	**378**	**870**

RESULT

Guaranteed Pension achieved a profit before amortisation and strengthening of longevity reserves of NOK 244m (NOK 126m) for the 3rd quarter.

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 380m (NOK 403m) for the 3rd quarter. This is equivalent to a reduction of 6% in 2017 compared with the same quarter last year.

The operating costs were reduced due to the area being in long-term decline and amounted to NOK 212m (NOK 257m) for the 3rd quarter.

The risk result was NOK 9m (NOK -18m) for the 3rd quarter.The risk result was mainly generated in the Swedish business and is driven by positive mortality compared with the tariff.

In the quarter the profit sharing and financial effects amounted to NOK 66m (minus NOK 2m). The result was primarily generated in the Swedish business and during the quarter was driven by a positive development in the equity, property and credit portfolios, and generated profit sharing of NOK 49m in the quarter. The Norwegian business is prioritising the build-up of buffers and reserves prior to profit sharing between customers and owners. Nonetheless, during the quarter there was a profit sharing result in the Norwegian individual customer portfolio of NOK 17m.

BALANCE SHEET AND MARKET TRENDS

The majority of the 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. At the end of the 3rd quarter, customer reserves for guaranteed pensions amounted to NOK 262bn, which is the same level as at the 3rd quarter of 2016. The total premium income for guaranteed pensions (excluding transfers) was NOK 1.0bn (NOK 1.1bn) for the 3rd quarter. This corresponds to a decrease of 18% year to date.

In the Norwegian business, paid-up policies was the only guaranteed pension portfolio that experienced growth and amounted to NOK 128bn at the close of the 3rd quarter, an increase of NOK 13bn since the end of the year. From the beginning 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 6.4bn at the close of the 3rd quarter. Reserves for defined-benefit pensions in Norway amounted to NOK 36bn at the end of the 3rd quarter, a decline of NOK 11bn since the start of the year.

Guaranteed portfolios in the Swedish business totalled NOK 83bn at the close of the 3rd quarter, representing a stable level in recent quarters.

GUARANTEED PENSION - KEY FIGURES

	2017		2016			1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Guaranteed reserves	261,652	260,459	261,148	258,723	261,547	261,652	261,547	258,723
Guaranteed reserves in % of total reserves	62.4%	63.2%	63.9%	64.9%	66.5%	62.4%	66.5%	64.9%
Net transfers	-103	-199	-541	-245	-239	-842	-3,061	-842
Buffer capital in % of customer reserves Norway	5.2%	5.3%	5.4%	5.7%	5.6%	5.2%	5.6%	5.7%
Buffer capital in % of customer reserves Sweden	9.3%	8.9%	7.9%	6.7%	6.7%	9.3%	6.3%	6.7%

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

	2017		2016			1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Fee and administration income	19	23	21	43	31	63	102	145
Operational cost	-53	-39	-39	-33	-35	-132	-108	-141
Operating profit	**-35**	**-16**	**-18**	**10**	**-4**	**-69**	**-6**	**4**
Financial items and risk result life	30	102	77	-54	158	209	456	401
Profit before amortisation	**-5**	**85**	**59**	**-45**	**154**	**140**	**449**	**405**

ELIMINATIONS

	2017		2016			1.1 - 30.9		
NOK million	Q3	Q2	Q1	Q4	Q3	2017	2016	2016
Fee and administration income	-60	-60	-60	-25	-75	-180	-208	-233
Operational cost	60	60	60	25	75	180	208	233
Financial result								
Profit before amortisation								

The Other segment reported an operating profit of NOK -35m (NOK -4m) for the 3rd quarter. Fee and administration income declined in comparison with the same quarter last year due to corporate loans at Storebrand Bank being wound up.

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.

With the interest rate level at the end of the 3 rd quarter, interest expenses of approximately NOK 100m per quarter are expected. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 22.8bn at the end of the 3rd quarter.

The investments are primarily in interest-bearing securities, with short maturities, in Norway and Sweden. The Norwegian company portfolio reported a return of 0.56% for the quarter. The Swedish company portfolio provided a return of 0.10%.

Balance sheet, solidity and capital situation

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 160% (incl. transitional rules) at the end of the 3rd quarter, a decrease of 3 percentage points during the quarter.

STOREBRAND ASA

Storebrand ASA (holding company) held liquid assets of NOK 1.9 bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities with a good credit rating and bank deposits. Storebrand ASA's (holding company) total interest-bearing liabilities were NOK 2.3bn at the end of the quarter. This corresponds to a net debt-equity ratio of 1.95%. The next maturity date for bond debt is in October 2018. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 240m that runs until December 2019.

Storebrand ASA owned 0.22% (973 672) of the company's own shares at the end of the quarter.

STOREBRAND LIFE INSURANCE GROUP[1)]

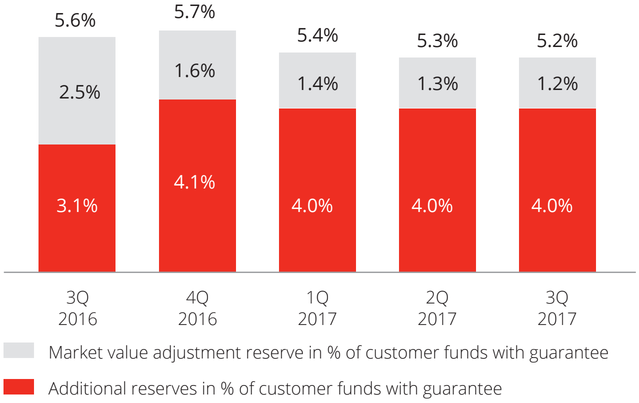
Solidity capital[2)] amounted to NOK 62.8bn at the end of 3rd quarter 2017, an increase of NOK 1.1bn in 3rd quarter and NOK 5.5bn year to date. The change in the quarter and year to date is due to positive profits, increased customer buffers in the Swedish business and reduction of customer buffers in the Norwegian business.

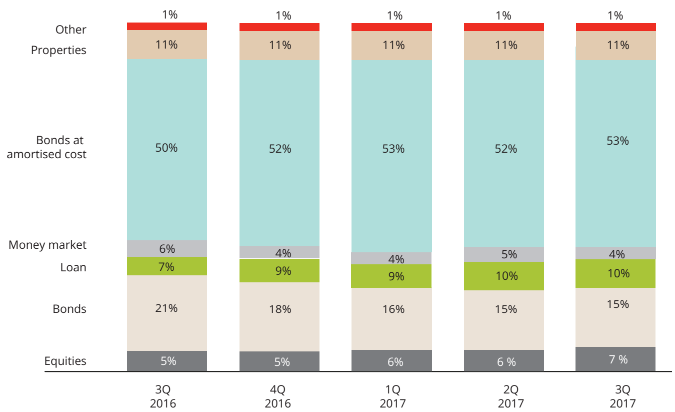
STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve remained stable during the 3rd quarter and has declined by NOK 0.6bn year to date, amounting to NOK 2.1bn at the end of the 3rd quarter of 2017. The additional statutory reserves remained unchanged during the quarter and amounted to NOK 6.7bn at the end of the 3rd quarter of 2017. The excess value of bonds and loans valued at amortised cost has been reduced by by NOK 0.2bn in the 3rd quarter and year to date and totaled NOK 8.6bn as per 3rd quarter. The excess value of bonds and loans at amortised cost is not included in the financial statements.

CUSTOMER BUFFERS

ALLOCATION OF GUARANTEED CUSTOMER ASSETS





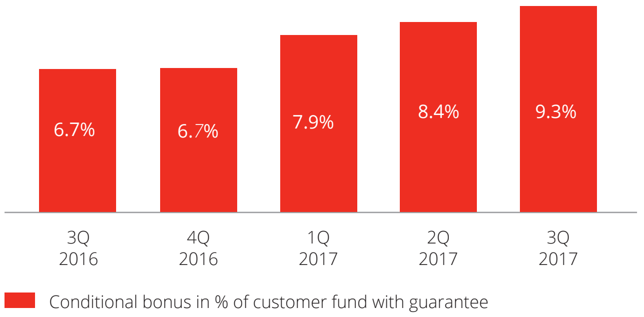
Customer assets increased by NOK 4.4bn in the 3rd quarter and NOK 11.8bn year to date due to positive returns. Customer assets totalled NOK 254bn at the end of the 3rd quarter of 2017. Customer assets within non-guaranteed savings increased by NOK 4.1bn during the 3 rd quarter and NOK 10.3bn for the year to date. Guaranteed customer assets increased by NOK 0.3bn during the 3rd quarter and NOK 1.5bn for the year to date.

1) Storebrand Life Insurance, SPP and BenCo.

2) 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.

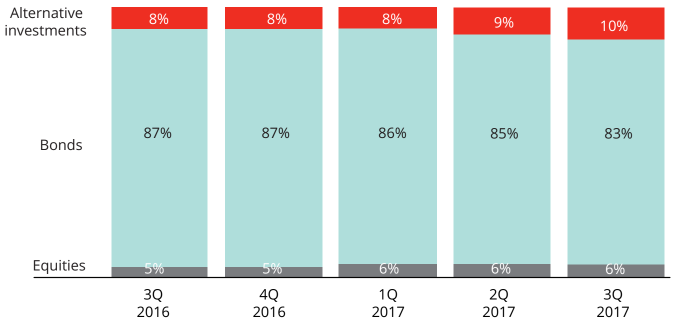
SPP

CUSTOMER BUFFERS - SPP



The buffer capital amounted to SEK 7.2bn (SEK 5.6bn) as of the 3rd quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management in SPP were SEK 167bn for the 3 rd quarter. This corresponds to an increase of 3,6% compared with the 3 rd quarter of 2016. For customer assets in non-guaranteed savings, assets under management totalled SEK 84.7bn in the 3rd quarter, which corresponds to an increase of 12.5%, compared with the 3 rd quarter of 2016.

STOREBRAND BANK

The lending portfolio in the retail market, including loans managed on behalf of Storebrand Livsforsikring AS amounted to NOK 41bn, of which NOK 28.4bn consisted of retail market loans at Storebrand Bank. The corporate market portfolio amounted to NOK 0.9bn.

The Storebrand Bank Group had a net capital base of NOK 2.4bn at the end of the quarter. The capital adequacy ratio was 18.1%, and the pure core capital adequacy ratio was 14.3% at the end of the quarter.

Outlook

FINANCIAL PERFORMANCE

Storebrand is the market leader for the sale of pension solutions to Norwegian businesses. Defined-contribution pension plans are the dominant solution for pension savings in Norway. The market for defined-contribution pensions is growing, and Storebrand's reserves within Unit Linked increased by 20% from the 3rd quarter of 2016. Good sales growth for defined-contribution pensions is expected in the future.

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 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 realise the ambitions in the retail market, sales must continue to increase.

Asset management is an important business area within the Savings segment. Asset management has had stable growth in reserves and good earnings development. The asset management platform is competitive and scalable for further growth.

The Guaranteed Pension segment is in long-term decline and the combined reserves for the Guaranteed business are decreasing. However, 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 portfolio of paid-up policies makes a limited contribution towards the Group results with the present interest rates. Guaranteed reserves represent an increasingly smaller share of the Group's total pension reserves and were 62% at the end of the quarter, a 4 percentage point reduction from the previous year.

It is targeted that nominal costs will be lower in 2018. Storebrand will still make selected investments in growth. Outsourcing is expected to provide lower costs for the Group in the coming years.

RISK

Market risk is the Group's biggest risk. In the Board's self-assessment of risk and solvency (ORSA) process, developments in interest rates, credit spreads, and equity and property values are considered to be 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 longevity 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.

TAX FAVORABLE INDIVIDUAL PENSION SAVINGS

The new scheme for individual pension savings (IPS) will take effect on 1 November 2017. Tax deductions are granted for savings up to NOK 40,000 per year. The tax rules are symmetrical with the same rate for deductions when contributions are made, and tax on disbursement. In addition, there are deferred tax on returns and exception for wealth tax. The increase in savings framework for self-employed workers from 4-6% has already entered into force.

EQUITY SAVINGS ACCOUNT

The equity savings account entered into force 1 September 2017. The Ministry of Finance proposed an expansion of the transitional period with a year, concluding at the end of 2018.

UNIT LINKED

In the national state budget the Government proposes new tax rules for Unit Linked accounts from 1 January 2019. The objective is that investments in shares and other securities through insurance based Unit Linked contracts, shall be taxed equally with investments in mutual funds when the insurance element is low (less than 50% of the balance). Compared with equity savings accounts, Unit Linked accounts offers the opportunity to invest in several asset classes, and the new rules also makes this an attractive savings platform.

PERSONAL PENSION ACCOUNT

The Ministry of Finance is drawing upon a concrete model for a system of personal pension accounts, which will then be sent for consultation. The Ministry is hereby following up on the interministerial working group's report from December 2016, which discussed various solutions for personal pension accounts. The purpose of personal pension account is to collect all pensions from current and former employers in a single account. A proposal from the Ministry is expected in December.

REPORT ON PAID-UP POLICIES

The Ministry of Finance will assess possible amendements to the rules for guaranteed paid-up policies. The assessment will be carried out by a working group with participants from the Ministry of Finance, the Ministry of Labour and Social Affairs and the Financial Supervisory Authority of Norway. A reference group will be established with participants from the labour marked parties and the industry. The work has not started yet.

TAX RULES FOR INSURANCE COMPANIES
In the national budget the Ministry of Finance announced that a proposal for changes in the taxation of insurance and pension companies will be sent for consultation this autumn.

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 above 150%, including transitional rules. The solvency ratio at the end of the 3rd quarter was 160%. 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 3rd quarter was 150%. The solvency level shows that the Group is robust for the risks the business faces. A gradual improvement is expected in the underlying solvency margin in the coming years. Reduction in capital requirements from guaranteed business and results from the Group is expected to improve solvency on a recurring basis. Volatilty from financial markets and change in regulatory input parameters can lead to short term movements in the solvency ratio. This is primarily due to the discontinuation of the strengthening of reserves for increased longevity, expected result generation in the Group, and reduced capital requirements from guaranteed business. The strengthening of reserves for increased longevity is expected to be concluded in 2017.

A dividend of more than 35% of the Group's result before amortisation after tax is expected for 2017. The expected development in the solvency margin indicates there will be a gradual increase in the dividend distribution rate.

Lysaker, 24 October 2017

Storebrand Group
Income statement

(NOK million)	Note	Q3 2017	Q3 2016	1.1 - 30.9 2017	1.1 - 30.9 2016	Full year 2016
Premium income		6,302	5,975	20,352	20,159	25,829
Net income from financial assets and real estate for the company:						
- equities and fund units at fair value		15	4	24	12	38
- bonds and other fixed-income securities at fair value		69	200	392	511	598
- financial derivatives at fair value		2	37	63	33	66
- loans at fair value		32	10	50	30	22
- bonds at amortised cost		28	30	107	91	122
- loans at amortised cost		162	173	493	538	702
- real estate					10	10
- profit from investments in associated companies and joint ventures		18	21	112	47	65
Net income from financial assets and real estate for the customers:						
- equities and fund units at fair value		2,598	6,196	10,017	4,902	11,609
- bonds and other fixed-income securities at fair value		805	509	2,429	3,513	3,640
- financial derivatives at fair value		1,562	1,844	1,836	6,534	2,570
- loans at fair value		56		82		18
- bonds at amortised cost		950	1,141	3,215	3,157	4,197
- loans at amortised cost		91	85	321	203	289
- real estate		348	658	1,563	1,883	2,295
- profit from investments in associated companies and joint ventures		61	39	172	131	167
Other income		419	625	1,863	2,096	3,017
Total income		**13,517**	**17,546**	**43,091**	**43,851**	**55,253**
Insurance claims		-5,908	-5,578	-19,260	-18,974	-25,313
Change in insurance liabilities		-5,216	-10,705	-16,671	-22,299	-23,748
Change in capital buffer		-481	674	-1,225	2,916	1,475
Operating expenses	7	-944	-916	-2,715	-2,571	-3,585
Other expenses		-25	-126	-222	-259	-249
Interest expenses		-171	-219	-676	-664	-920
Total expenses before amortisation		**-12,744**	**-16,870**	**-40,769**	**-41,850**	**-52,340**
Group profit before amortisation		**773**	**676**	**2,322**	**2,001**	**2,913**
Amortisation of intangible assets		-101	-101	-299	-311	-406
Group pre-tax profit		**672**	**576**	**2,023**	**1,690**	**2,506**
Tax expenses	8	27	-135	-111	-224	-364
Profit/loss for the period		**698**	**441**	**1,912**	**1,466**	**2,143**
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		695	438	1,902	1,445	2,118
Share of profit for the period - hybrid capital investors		3	3	8	8	11
Share of profit for the period - minority		1		2	14	14
Total		**698**	**441**	**1,912**	**1,466**	**2,143**
Earnings per ordinary share (NOK)		1.55	0.98	4.24	3.22	4.73
Average number of shares as basis for calculation (million)				448.5	448.1	448.2
There is no dilution of the shares						

Storebrand Group

Statement of comprehensive income

	Q3		1.1 - 30.09		Full year
(NOK million)	2017	2016	2017	2016	2016
Profit/loss for the period	**698**	**441**	**1,912**	**1,466**	**2,143**
Change in actuarial assumptions	-2	-13	-8	-23	-142
Adjustment of value of properties for own use	85	-15	432	67	102
Gains/losses from cash flow hedging	-21	-32	-2	-50	-60
Total comprehensive income elements allocated to customers	-85	15	-432	-67	-102
Tax on other result elements not to be classified to profit/loss					37
Total other comprehensive income elements not to be classified to profit/loss	**-23**	**-45**	**-10**	**-73**	**-166**
Translation differences foreign exchange	-142	-408	204	-876	-802
Unrealised gains on financial instruments available for sale			6	-3	6
Total other comprehensive income elements that may be classified to profit/loss	**-142**	**-408**	**210**	**-879**	**-796**
Total other comprehensive elements	**-164**	**-453**	**200**	**-952**	**-961**
Total comprehensive income	**534**	**-12**	**2,111**	**514**	**1,181**
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	532	-12	2,100	500	1,163
Share of total comprehensive income - hybrid capital investors	3	3	8	8	11
Share of total comprehensive income - minority		-3	3	6	7
Total	**534**	**-12**	**2,111**	**514**	**1,181**

Storebrand Group
Statement of financial position

(NOK million)	Note	30.9.17	30.9.16	31.12.16
Assets company portfolio				
Deferred tax assets		584	803	595
Intangible assets and excess value on purchased insurance contracts		4,714	4,962	4,858
Pension assets		3		
Tangible fixed assets		48	59	57
Investments in associated companies and joint ventures		278	448	458
Financial assets at amortised cost:				
- Bonds	6	3,350	3,397	3,398
- Loans to financial institutions	6	44	231	272
- Loans to customers	6,9	27,167	26,989	25,310
Reinsurers' share of technical reserves		25	59	40
Real estate at fair value	6	50	51	51
Biological assets		64	64	64
Accounts receivable and other short-term receivables		4,174	2,558	2,647
Financial assets at fair value:				
- Equities and fund units	6	61	106	121
- Bonds and other fixed-income securities	6	30,741	28,861	30,503
- Derivatives	6	1,241	1,675	1,206
- Loans to customers	6,9	2,030	1,499	1,958
Bank deposits		2,387	2,408	3,694
Minority interests in consolidated mutual funds		26,294	17,301	20,386
Total assets company portfolio		**103,254**	**91,469**	**95,619**
Assets customer portfolio				
Tangible fixed assets		452	417	433
Investments in associated companies and joint ventures		3,668	1,772	1,918
Receivables from associated companies		38	37	37
Financial assets at amortised cost:				
- Bonds	6	84,348	76,189	79,378
- Bonds held-to-maturity	6	15,720	15,725	15,644
- Loans to customers	6,9	19,735	12,864	16,727
Reinsurers' share of technical reserves		71	105	106
Real estate at fair value	6	25,387	23,572	24,110
Real estate for own use	6	3,383	2,853	2,863
Biological assets		730	696	702
Accounts receivable and other short-term receivables		960	3,770	1,053
Financial assets at fair value:				
- Equities and fund units	6	145,902	119,706	129,416
- Bonds and other fixed-income securities	6	134,385	152,008	141,334
- Derivatives	6	2,793	6,797	3,621
- Loans to customers	6,9	4,260	871	2,346
Bank deposits		4,267	7,297	4,375
Total assets customer portfolio		**446,101**	**424,680**	**424,065**
Total assets		**549,355**	**516,149**	**519,684**

Continue next page

Storebrand Group
Statement of financial position (continue)

(NOK million)	Note	30.9.17	30.9.16	31.12.16
Equity and liabilities				
Paid-in capital		11,729	11,726	11,726
Retained earnings		17,078	14,972	15,631
Hybrid capital		226	226	226
Minority interests		55	265	54
Total equity		**29,088**	**27,189**	**27,637**
Subordinated loan capital	5,6	7,671	7,521	7,621
Capital buffer	10	17,983	15,731	16,719
Insurance liabilities		426,116	400,648	405,257
Pension liabilities		282	312	289
Deferred tax		176	173	175
Financial liabilities:				
- Liabilities to financial institutions	5,6	405	414	407
- Deposits from banking customers	6	15,149	15,608	15,238
- Securities issued	5,6	17,241	16,561	16,219
- Derivatives company portfolio		228	358	326
- Derivatives customer portfolio		1,459	929	1,868
Other current liabilities		7,262	13,404	7,542
Minority interests in consolidated mutual funds		26,294	17,301	20,386
Total liabilities		**520,267**	**488,961**	**492,047**
Total equity and liabilities		**549,355**	**516,149**	**519,684**

Storebrand Group
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Total paid in equity	Currency translation differences	Other equity [2]	Total retained earnings	Hybrid capital[3]	Minority interests	Total equity
	Majority's share of equity									
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						2,118	2,118	11	14	2,143
Total other comprehensive income elements					-789	-166	-955		-7	-961
Total comprehensive income for the period					**-789**	**1,952**	**1,163**	**11**	**7**	**1,181**
Equity transactions with owners:										
Own shares		2		2		26	26			28
Hybrid capital classified as equity						3	3			3
Paid out interest hybrid capital								-11		-11
Dividend paid									-14	-14
Purchase of minority interests						-18	-18		-459	-478
Other						-19	-19			-19
Equity at 31 December 2016	**2,250**	**-8**	**9,485**	**11,726**	**1,042**	**14,590**	**15,631**	**226**	**54**	**27,637**
Profit for the period						1,902	1,902	8	2	1,912
Total other comprehensive income elements					203	-4	199		1	200
Total comprehensive income for the period					**203**	**1,898**	**2,100**	**8**	**3**	**2,111**
Equity transactions with owners:										
Own shares		3		3		44	44			47
Hybrid capital classified as equity						2	2			2
Paid out interest hybrid capital								-8		-8
Dividend paid						-695	-695		-1	-696
Purchase of minority interests						2	2			2
Other						-7	-7		-1	-9
Equity at 30 September 2017	**2,250**	**-5**	**9,485**	**11,729**	**1,245**	**15,833**	**17,078**	**226**	**54**	**29,088**

[1]) 449,909,891 shares with a nominal value of NOK 5.
[2]) Includes undistributable funds in the risk equalisation fund amounting to NOK 146 million and security reserves amounting NOK 50 million.
[3]) Perpetual hybrid tier 1 capital classified as equity.

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 comprehensive income 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**

Storebrand Group
Statement of cash flow

(NOK million)	1.1 - 30.9 2017	2016
Cash flow from operational activities		
Net receipts premium - insurance	18,146	20,912
Net payments compensation and insurance benefits	-14,481	-14,213
Net receipts/payments - transfers	-2,721	-3,786
Net change insurance liabilities	-444	-1,593
Receipts - interest, commission and fees from customers	1,878	2,111
Payments - interest, commission and fees to customers	-211	-499
Taxes paid	-5	
Payments relating to operations	-2,474	-2,246
Net receipts/payments - other operational activities	-59	-376
Net cash flow from operations before financial assets and banking customers	**-371**	**309**
Net receipts/payments - loans to customers	-6,778	-6,917
Net receipts/payments - deposits bank customers	-150	-2,287
Net receipts/payments - securities	6,943	10,661
Net receipts/payments - real estate investments	-821	1,727
Net change in bank deposits insurance customers	440	-3,265
Net cash flow from financial assets and banking customers	**-366**	**-82**
Net cash flow from operational activities	**-737**	**227**
Cash flow from investment activities		
Net receipts - sale of subsidaries		64
Net payments - purchase of group companies	243	-7
Net receits/payments - sale/purchase of fixed assets	-65	-93
Net cash flow from investment activities	**178**	**-36**
Cash flow from financing activities		
Payments - repayments of loans	-4,599	-3,941
Receipts - new loans	4,895	3,699
Payments - interest on loans	-248	-280
Receipts - subordinated loan capital	150	
Payments - repayment of subordinated loan capital	-150	
Payments - interest on subordinated loan capital	-332	-324
Net receipts/payments - lending to and claims from other financial institutions	-1	-2
Receipts - issuing of share capital / sale of shares to own employees	36	14
Payments - dividends	-695	-14
Payments - interest on hybrid capital	-8	-8
Net cash flow from financing activities	**-951**	**-856**
Net cash flow for the period	**-1,510**	**-665**
- of which net cash flow in the period before financial assets and banking customers	-1,145	-583
Net movement in cash and cash equivalents	-1,510	-665
Cash and cash equivalents at start of the period for new/sold out companies		-13
Cash and cash equivalents at start of the period	3,965	3,132
Currency translation differences	-24	185
Cash and cash equivalents at the end of the period 1)	**2,431**	**2,639**
[1] Consist of:		
Loans to financial institutions	44	231
Bank deposits	2,387	2,408
Total	**2,431**	**2,639**

Notes to the interim accounts Storebrand Group

Note 01 Accounting policies

The Group's interim financial statements include Storebrand ASA, subsidiaries, associated companies and joint ventures. 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 2016 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

During the quarter and year to date, changes were made to the classification of certain types of transactions in the income statement, and comparable figures have been restated. The changes has no effect on the Group result or the classification in the segment note. Below are the most significant result lines that are included in the changes:

- net interest income Bank (this line has been removed from the statement)
- loans at fair value
- loans at amortised cost
- other income
- change in insurance liabilities
- operating expenses
- other expenses
- interest expenses

A change was also made to the classification of depreciation of IT systems as of 31 December 2016, and comparable figures have been restated. The change has an effect on the operating expenses and amortisation of intangible assets lines, as well as classification in the segment note.

There is no new or amended accounting standards that entered into effect as at 1 January 2017 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 is included in the 2016 annual report in note 2, strengthening longevity reserves for Storebrand Life Insurance in note 3, insurance risk in note 8, valuation of financial instruments at fair value is described in note 13 and in the interim financial statements note 12 Solvency II.

Note 03 Profit by segments

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

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

Insurance
The insurance segment 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 employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

Guaranteed pension
The Guaranteed Pension segment 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 insurances.

Other
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 loans to commercial enterprises by Storebrand Bank and the activities at BenCo are reported in this segment. 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
Profit in the segments are reconciled with the corporate profit and loss account before tax. The corporate profit and loss account includes gross income and gross expenses linked to both the insurance customers and owners. The various segments are to a large extent followed up on net profit margins, including risk and administration results. The profit lines that are used in segment reporting will therefore not be identical with the profit lines in the corporate profit and loss account.

	Q3		1.1 - 30.9		Year
(NOK million)	2017	2016	2017	2016	2016
Savings	314	236	872	742	1,063
Insurance	221	161	576	432	575
Guaranteed pension	244	126	735	378	870
Other	-5	154	140	449	405
Group profit before amortisation	**773**	**676**	**2,322**	**2,001**	**2,913**
Amortisation of intangible assets	-101	-101	-299	-311	-406
Group pre-tax profit	**672**	**576**	**2,023**	**1,690**	**2,506**

SEGMENT INFORMATION AS OF Q3

	Savings Q3		Insurance Q3		Guaranteed pension Q3	
(NOK million)	2017	2016	2017	2016	2017	2016
Fee and administration income	763	681			380	403
Insurance result			320	238		
- Insurance premiums for own account			*993*	*962*		
- Claims for own account			*-674*	*-724*		
Operational cost	-445	-442	-175	-152	-212	-257
Operating profit	**318**	**239**	**145**	**87**	**169**	**146**
Financial items and risk result life & pension	-4	-3	76	74	75	-20
Group profit before amortisation	**314**	**236**	**221**	**161**	**244**	**126**
Amortisation of intangible assets [1]						
Group pre-tax profit						

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

(NOK million)	Other Q3 2017	Other Q3 2016	Storebrand Group Q3 2017	Storebrand Group Q3 2016
Fee and administration income	-41	-44	1,103	1,040
Insurance result			320	238
- Insurance premiums for own account			*993*	*962*
- Claims for own account			*-674*	*-724*
Operational cost	6	40	-826	-811
Operating profit	**-35**	**-4**	**596**	**468**
Financial items and risk result life & pension	30	158	177	209
Group profit before amortisation	**-5**	**154**	**773**	**676**
Amortisation of intangible assets[1)]			-101	-101
Group pre-tax profit			**672**	**575**

SEGMENT INFORMATION AS OF 1.1 - 30.9

(NOK million)	Savings 30.9.17	Savings 30.9.16	Insurance 30.9.17	Insurance 30.9.16	Guaranteed pension 30.9.17	Guaranteed pension 30.9.16
Fee and administration income	2,210	2,014			1,108	1,190
Insurance result			885	694		
- Insurance premiums for own account			*2,904*	*2,871*		
- Claims for own account.			*-2,019*	*-2,177*		
Operational cost	-1,342	-1,274	-519	-435	-649	-721
Operating profit	**868**	**739**	**366**	**259**	**459**	**469**
Financial items and risk result life & pension	4	2	209	173	276	-91
Group profit before amortisation	**872**	**742**	**576**	**432**	**735**	**378**
Amortisation of intangible assets[1)]						
Group pre-tax profit						

(NOK million)	Other 30.9.17	Other 30.9.16	Storebrand Group 30.9.17	Storebrand Group 30.9.16
Fee and administration income	-117	-106	3,201	3,097
Insurance result			885	694
- Insurance premiums for own account			2,904	2,871
- Claims for own account			-2,019	-2,177
Operational cost	48	100	-2,462	-2,330
Operating profit	**-69**	**-6**	**1,624**	**1,461**
Financial items and risk result life & pension	209	456	698	540
Group profit before amortisation	**140**	**449**	**2,322**	**2,001**
Amortisation of intangible assets[1)]			-299	-311
Group pre-tax profit			**2,023**	**1,690**

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

KEY FIGURES BY BUSINESS AREA

(NOK million)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Group								
Earnings per ordinary share [1]	4.24	2.69	1.03	4.73	3.22	2.25	0.67	2.63
Equity	29,088	28,559	28,208	27,637	27,189	27,000	26,538	26,946
Savings								
Premium income Unit Linked [2]	3,670	3,649	3,716	3,466	3,444	3,541	3,693	3,185
Unit Linked reserves	157,984	151,425	147,311	139,822	131,571	127,876	125,434	128,117
AuM asset management	625,840	620,584	599,111	576,704	570,362	568,956	567,218	571,425
Retail lending	40,996	39,464	37,585	35,400	32,543	30,775	28,425	26,861
Insurance								
Total written premiums	4,474	4,440	4,413	4,502	4,519	4,464	4,401	4,327
Claims ratio [2]	68%	70%	71%	74%	75%	75%	77%	85%
Cost ratio [2]	18%	18%	18%	18%	16%	14%	15%	16%
Combined ratio [2]	85%	88%	89%	91%	91%	90%	92%	101%
Guaranteed pension								
Guaranteed reserves	261,652	260,459	261,148	258,723	261,547	265,300	265,931	266,811
Guaranteed reseves in % of total reserves	62.4%	63.2%	63.9%	64.9%	66.5%	67.5%	67.9%	67.6%
Net transfer out of guaranteed reserves [2]	103	199	541	245	239	621	2,200	398
Capital buffer in % of customer reserves Storebrand Life Group [3]	5.2%	5.3%	5.4%	5.7%	5.6%	6.3%	5.9%	5.8%
Capital buffer in % of customer reserves SPP [4]	9.3%	8.4%	7.9%	6.7%	6.7%	6.3%	6.6%	7.6%
Solidity								
Solvency II [5]	160%	163%	159%	157%	165%	172%	175%	
Solidity capital (Storebrand Life Group) [6]	62,751	61,640	58,844	57,260	61,490	61,439	60,513	61,011
Capital adequacy Storebrand Bank	18.1%	18.2%	17.9%	17.7%	18.1%	17.7%	17.3%	17.1%
Core Capital adequacy Stobrand Bank	16.0%	16.1%	15.8%	15.7%	16.2%	15.8%	15.4%	15.2%

1) Accumulated
2) Quarterly figures
3) Additional statutory reserves + market value adjustment reserve
4) Conditional bonuses
5) See note 12 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 2016 in note 8 (Insurance risk), note 9 (Financial market risk), note 10 (Liquidity risk), note 11 (Credit risk) 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 in 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 equity 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 (unit linked) 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 (unit linked) is at the customers' risk, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based mainly on the size of the reserves, while the costs tend to be fixed. Lower returns from 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 risk-sharing with customers depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the interest rate 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 by customer buffers.

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 strong both in the third quarter and for the first three quarters as a whole. The global index increased by 13% during the first three quarters, including a 4% rise during the third quarter. The Norwegian stock market increased by 15% during the first three quarters, of which 12% in the third quarter. The market for corporate bonds has also been good and there has been a reduction in credit spreads, particularly during the first half-year. Return from property investments was also good during the first three quarters.

Interest rates was minor changed during the third quarter. At the end of the third quarter the Norwegian 10-year interest swap rate remained largely unchanged from the level at the start of the year. The Swedish 10-year interest swap rate has increased by 0.2 percentage points since the start of the year. Due to the majority of the interest rate investments in the Norwegian customer portfolios being held at amortized cost, the changes in interest rates have 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. Higher interest rates are a positive factor for the solvency position. The Norwegian krone has strengthened against the American dollar since the start of the year, particularly during the third quarter. On the other hand the Norwegian krone has weakened against the Euro and Swedish krone. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and risk.

There is minor change in investment allocations during the first three quarters of the year.

Guaranteed portfolios in Norway provided returns that were better than the average accumulated guarantee during the first three quarters. Based on the current strategy, any returns that exceed the guarantee in Norway will be primarily used for strengthening reserves or for additional statutory reserves, and the return therefore has little impact on the result. The remaining strengthening of reserves for longevity reserve is expected to be covered by the surplus return and loss of profit sharing. The strengthening of reserves for longevity is expected to conclude in 2017. Investment return on customer portfolios year to date provides an expected strengthening of additional statutory reserves at year-end. The market value adjustment reserve fell during the first three quarters of the year, while excess values of portfolios at amortized cost remained largely unchanged. Guaranteed portfolios in Sweden gave returns that were higher than the increase in value of insurance liabilities. This led to a positive financial result and an increase in the buffer (conditional bonus) during the first three quarters of the year.

On average, unit linked insurance customers had good returns during the first three quarters of the year. The main reason is strong equity markets.

Insurance risk is the risk of higher than expected payments and/or an unfavorable 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. Changes in longevity is the greatest risk because higher longevity means that the guaranteed benefits must be paid over a longer period. There are also risks related to disability and early death.

The insurance risk is minor changed 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	1,504
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	1,000
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	737
Storebrand Livsforsikring AS	750	SEK	Variable	2021	3,055
Storebrand Bank ASA	125	NOK	Variable	2019	126
Storebrand Bank ASA	150	NOK	Variable	2022	150
Total subordinated loans and hybrid tier 1 capital 30.9.17					**7,671**
Total subordinated loans and hybrid tier 1 capital 30.9.16					7,521
Total subordinated loans and hybrid tier 1 capital 30.12.16					7,621

[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)	30.9.17	30.9.16	31.12.16
Maturity			
2016		414	
2017	405		407
Total liabilities to financial institutions	**405**	**414**	**407**

SPECIFICATION OF SECURITIES ISSUED

	Book value		
(NOK million)	30.9.17	30.9.16	31.12.16
Call date			
2017	301	3,600	3,051
2018	2,882	4,063	4,062
2019	3,221	2,767	2,692
2020	4,328	3,431	3,417
2021	3,506	2,699	2,997
2022	3,002		
Total securities issued	**17,241**	**16,561**	**16,219**

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

Covered bonds
For issued covered bonds, a regulatory requirement for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent for bonds issued before 21 June 2017 apply.

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

Facilities for Storebrand Boligkreditt AS
Storebrand Bank ASA has issued two credit facilities to Storebrand Boligkreditt AS. One of these is an ordinary overdraft facility, with a ceiling of NOK 6 billion. This has no expired date, but can be terminated by the bank with 15 months' notice. The other facility may not be terminated by Storebrand Bank until at least 3 months after the maturity date of the covered bond and the associated derivates with the longest period to maturity. Both agreements provide a minimum capacity to cover at least interests and payments on covered bonds and derivatives the following 31 days.

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 annual report for 2016.

The company has established valuation models and gathers information from a wide range of well-informed sources with a view to minimizing the uncertainty of valuations.

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 30.9.17	Fair value 31.12.16	Book value 30.9.17	Book value 31.12.16
Financial assets				
Loans to and due from financial institutions	44	272	44	272
Loans to customers - corporate	7,837	8,474	7,859	8,518
Loans to customers - retail	39,043	33,520	39,044	33,520
Bonds held to maturity	17,615	17,537	15,720	15,644
Bonds classified as loans and receivables	94,427	89,677	87,697	82,777
Total financial assets 30.9.17	**158,966**		**150,364**	
Total financial assets 31.12.16		149,480		140,730
Financial liabilities				
Debt raised by issuance of securities	17,388	16,290	17,241	16,219
Liabilities to financial institutions	55	5	55	5
Deposits from banking customers	15,149	15,238	15,149	15,238
Subordinatd loan capital	7,790	7,720	7,671	7,621
Total financial liabilities 30.9.17	**40,382**		**40,116**	
Total financial liabilities 31.12.16		39,254		39,083

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 30.9.17	Total fair value 31.12.16
Assets:					
Equities and fund units					
- Equities	20,107	567	748	21,423	21,950
- Fund units	191	116,741	7,607	124,540	107,586
Total equities and fund units 30.9.17	**20,299**	**117,308**	**8,355**	**145,962**	
Total equities and fund units 31.12.16	20,615	99,814	9,107		129,537
Loans to customers[1)]					
- Loans to customers - corporate			4,260	4,260	2,346
- Loans to customers - retail			2,030	2,030	1,959
Loans to customers 30.9.17 [1)]			**6,290**	**6,290**	
Loans to customers 31.12.16 [1)]			4,304		4,304
Bonds and other fixed-income securities					
- Government bonds	21,548	24,902		46,449	47,696
- Corporate bonds	157	33,437	124	33,717	33,154
- Structured notes		74		74	29
- Collateralised securities		29,690		29,690	33,216
- Bond funds	533	54,663		55,196	57,742
Total bonds and other fixed-income securities 30.9.17	**22,237**	**142,765**	**124**	**165,126**	
Total bonds and other fixed-income securities 31.12.16	23,337	148,251	249		171,837
Derivatives:					
- Interest derivatives		1,072	1,499	2,571	3,291
- Currency derivatives		-158	-67	-225	-657
Total derivatives 30.9.17		**914**	**1,432**	**2,346**	
- of which derivatives with a positive market value		1,791	2,243	4,034	4,828
- of which derivatives with a negative market value		-877	-811	-1,687	-2,193
Total derivatives 31.12.16		2,635			2,635
Real Estate:					
Investment properties			25,437	25,437	24,161
Owner-occupied properties			3,383	3,383	2,863
Total real estate 30.9.17			**28,820**	**28,820**	
Total real estate 31.12.16			27,024		27,024
Liabilities:					
Liabilities to financial institutions [1)]		350		350	402
Total liabilities 30.9.17 [1)]		350		350	
Total liabilities 31.12.16 [1)]		402			402

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

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

FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE - LEVEL 3

(NOK million)	Equities	Fund units	Loans to customers	Corporrate bonds	Investment properties	Owner-occupied properties
Book value 1.1.17	**1,059**	**8,050**	**4,304**	**249**	**24,163**	**2,863**
Net gains/losses on financial instruments	-41	415	-24	-3,699		
Additions	-186	544	2,310	3,664	2,373	138
Sales	-97	-1,471	-427	-96	-1,856	
Currency translation differences	13	69	69	6		
Other			57		757	382
Book value 30.9.17	**748**	**7,607**	**6,290**	**124**	**25,437**	**3,383**

As of 30.9.17, Storebrand Livsforsikring had NOK 3.626 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26, Oslo. The investments are classified as "Investment in associated Ccmpanies and joint ventures" in the Consolidated Financial Statements.

SENSITIVITY ASSESSMENTS

Sensitivity assessments of investments on level 3 are described in note 13 in the 2016 annual report. There is no significant change in sensitivity in this quarter.

Note 07 Operating costs

	Q3		1.1 - 30.9		Total year
(NOK million)	2017	2016	2017	2016	2016
Personnel expenses	-492	-499	-1,429	-1,349	-1,741
Amortisation/write-downs	-43	-47	-126	-138	-275
Other operating expenses	-409	-370	-1,160	-1,084	-1,569
Total operating expenses	**-944**	**-916**	**-2,715**	**-2,571**	**-3,585**

Note 08 Tax

Income tax expense has been estimated based on an expected effective tax rate per legal entity for 2017. There will be uncertainty associated with these estimates. The effective tax rate is affected by the fact that the Group has operations in countries with tax rates that are different from Norway, and will vary from quarter to quarter depending on the individual legal entities' contribution to earnings. The net income tax expense for the quarter and year to date reflects effects that each give a higher or lower effective tax rate.

In the third quarter, non-taxable 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 September.

Note 09 Loans

(NOK million)	30.9.17	30.9.16	31.12.16
Corporate market[1]	17,725	9,728	10,907
Retail market	35,582	32,557	35,508
Gross loans	**53,308**	**42,285**	**46,415**
Write-down of loans losses	-116	-63	-73
Net loans [2]	**53,192**	**42,222**	**46,342**
[1] Of which Storebrand Bank	813	1,889	1,550
[2] Of which Storebrand Bank	29,195	28,486	27,268
Of which Storebrand Livsforsikring	23,998	13,736	19,074

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	30.9.17	30.9.16	31.12.16
Non-performing and loss-exposed loans without identified impairment	157	101	107
Non-performing and loss-exposed loans with identified impairment	85	96	88
Gross non-performing loans	**241**	**197**	**195**
Individual write-downs	-30	-28	-27
Net non-performing loans[1]	**211**	**169**	**167**

[1] The figures apply in their entirety Storebrand Bank

Note 10 Capital buffer

(NOK million)	30.9.17	30.9.16	31.12.16
Additional statutory reserves	6,721	5,190	6,794
Market adjustment reserves	2,104	4,220	2,684
Conditional bonuses	9,158	6,322	7,241
Total	**17,983**	**15,731**	**16,719**

Note 11 Contingent liabilities

(NOK million)	30.9.17	30.9.16	31.12.16
Guarantees	22	49	24
Unused credit facilities	3,503	3,797	3,548
Uncalled residual liabilities re limited partnership	7,901	2,985	2,971
Loan commitment retail market	3,174	2,762	3,524
Total contingent liabilities	**14,600**	**9,593**	**10,067**

Guarantees essentially encompass payment and contract guarantees. Unused credit facilities encompass granted and any unused credit accounts and credit cards, as well as, any unused flexible mortgage facilities.

Storebrand Group companies are engaged in extensive activities in Norway and abroad and may become a party in legal disputes, see also note 2 and note 45 in the 2016 annual report.

Note 12 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.

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 the value of the customers guarantees and options. The assumptions and estimates are reviewed on an ongoing basis and re based on historical experience and expexctations of future events and represent the management's best judgement 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.

[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

NOK million	30.9.17 Total	30.9.17 Group 1 unlimited	30.9.17 Group 1 limited	30.9.17 Group 2	30.9.17 Group 3	31.12.16 Total
Share capital	2,250	2,250				2,250
Share premium	9,485	9,485				9,485
Reconciliation reserve	25,839	25,839				23,524
Including the effect of the transitional arrangement	2,547	2,547				3,073
Subordinated loans	7,402		2,644	4,759		7,198
Deferred tax assets	85				85	102
Risk equalisation reserve	146			146		140
Minority interests	47				47	46
Unavailable minority interests	-31				-31	-30
Deductions for CRD IV subsidiaries	-2,679	-2,179	-225	-275		-2,690
Expected paid out diividend[2)]	-774	-774				-695
Total basic solvency capital	**41,770**	**34,620**	**2,419**	**4,630**	**101**	**39,331**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	2,679					2,690
Total solvency capital	**44,449**					**42,020**
Total solvency capital available to cover the minimum capital requirement	**38,946**	**34,620**	**2,419**	**1,907**		**36,726**

[2)] Consist of proposed dividend for 2016 and calclulated dividend according to dividend policy on profit in 2017.

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.

SOLVENCY CAPITAL REQUIREMENTS AND - MARGIN

NOK million	30.9.17	31.12.16
Market	24,444	24,175
Counterparty	590	529
Life	10,180	8,773
Health	728	731
P&C	296	295
Operational	1,467	1,449
Diversification	-7,026	-6,340
Loss-absorbing tax effect	-5,328	-5,363
Total solvency capital requirement - insurance company	**25,351**	**24,249**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,468	2,537
Total solvency capital requirement	27,819	26,786
Solvency margin with transitional rules	**160%**	**157%**
Minimum capital requirement	**9,537**	**10,010**
Minimum margin	**408%**	**367%**

Note 13 Cross-sectoral financial group

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 the same primary capital and essentially the same capital requirements.

NOK million	30.9.17	31.12.16
Capital requirements for CRD IV companies	2,611	2,700
Solvency captial requirements for insurance	25,351	24,249
Total capital requirements	**27,963**	**26,950**
Net primary capital for companies included in the CRD IV report	2,679	2,690
Net primary capital for insurance	41,770	39,331
Total net primary capital	**44,449**	**42,020**
Overfunding	**16,486**	**15,070**

Under Solvency II, the capital requirement from the CRD IV companies in the Group is included in accordance with their respective capital requirements. In a multi-sectoral financial group, all the capital requirements of the CRD IV companies are calculated based on their respective applicable requirements, including buffer requirement for the largest company in the Group (Storebrand Bank). This increases the total requirement from the CRD IV companies in relation to what is included in the Solvency II calculation. As at 30 September 2017, the difference amounted to NOK 143 million.

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 49 in the 2016 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 2017.

Note 15 Events after the Reporting Period

Storebrand Livsforsikring AS has signed an agreement to acquire the Norwegian pension company Silver AS and its insurance portfolios

On October 24th, Storebrand Livsforsikring AS signed an agreement with the administration board of Silver to acquire Silver AS and its insurance portfolio for NOK 520 million. The purchase is financed by the company portfolio in Storebrand Livsforsikring AS. The purchase price will be added to the pension accounts of Silver's customers.

The guaranteed defined benefit pensions in Silver will be converted to defined contribution with investment choice before the transaction. The agreement encompasses Silver's 21,000 policies and NOK 10 billion in pension assets.

The agreement with the administration board presupposes that no more than 20 percent of Silver's customers object to the solution by the deadline set by Silver and is further dependent upon public approvals.

The transaction is expected to be completed during January 2018.

Storebrand ASA has signed an agreement to acquire Skagen AS

On October 25th, Storebrand ASA signed an agreement to acquire 90.95 percent of the shares in Skagen AS. The purchase price of the acquisition is threefold:

1. A payment of NOK 1,629 million at the closing of the transaction
2. An earn-out payment of up to NOK 371 million based on the achievement of certain financial goals over the period 2017-2019
3. A split of performance fees between seller and buyer in the period 2017-2022. The net result performance fees will be shared with 50% to the sellers initially and increasing up to 70% with extraordinary performance, with a maximum potential payment of NOK 1.5 billion

The initial purchase price is divided between a cash payment of NOK 407 million and the remaining paid in Storebrand ASA shares. The shares will be issued as a private placement of 17,904,091 shares in Storebrand ASA at NOK 68.24 per share to the sellers. The issue of shares is in accordance to the authority given to the board of directors from the general meeting on April 5 2017.

The agreement to acquire Skagen AS is dependent upon public approvals in Norway and Sweden.

The transaction is expected to be completed during 4th quarter of 2017.

Storebrand ASA
Income statement

(NOK million)	3Q 2017	3Q 2016	1.1. - 30.9 2017	1.1. - 30.9 2016	Full year 2016
Operating income					
Income from investments in subsidiaries			37	12	899
Net income and gains from financial instruments:					
- bonds and other fixed-income securities	8	12	32	42	48
- financial derivatives/other financial instruments	-1	-5	-2	-3	-7
Other financial instruments			2	54	55
Operating income	**7**	**7**	**68**	**105**	**996**
Interest expenses	-14	-20	-54	-65	-85
Other financial expenses	-2	3	-9	-6	-6
Operating costs					
Personnel costs	-25	-11	-48	-26	-27
Amortisation			-1	-1	-1
Other operating costs	-15	-8	-39	-32	-48
Total operating costs	**-41**	**-19**	**-87**	**-58**	**-76**
Total costs	**-57**	**-37**	**-150**	**-129**	**-167**
Pre-tax profit	**-50**	**-29**	**-82**	**-24**	**829**
Tax	13	7	30	22	-91
Profit for the period	**-38**	**-22**	**-53**	**-2**	**738**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

(NOK million)	3Q 2017	3Q 2016	1.1. - 30.9 2017	1.1. - 30.9 2016	Full year 2016
Profit for the period	**-38**	**-22**	**-53**	**-2**	**738**
Other total comprehensive income elements not to be classified to profit/loss					
Change in estimate deviation pension					-41
Tax on other comprehensive income elements					10
Total other comprehensive income elements					**-31**
Total comprehensive income	**-38**	**-22**	**-53**	**-2**	**707**

Storebrand ASA
Statement of financial position

(NOK million)	30.9.17	30.9.16	31.12.16
Fixed assets			
Deferred tax assets	266	339	236
Tangible fixed assets	28	29	29
Shares in subsidiaries	17,100	17,102	17,102
Total fixed assets	**17,394**	**17,470**	**17,367**
Current assets			
Owed within group		3	891
Other current receivables	40	21	11
Investments in trading portfolio:			
- equities and other units	3		
- bonds and other fixed-income securities	1,871	2,178	2,123
- financial derivatives/other financial instruments	29	35	20
Bank deposits	45	61	72
Total current assets	**1,988**	**2,298**	**3,117**
Total assets	**19,382**	**19,768**	**20,484**
Equity and liabilities			
Share capital	2,250	2,250	2,250
Own shares	-5	-8	-8
Share premium reserve	9,485	9,485	9,485
Total paid in equity	**11,729**	**11,726**	**11,726**
Other equity	5,110	5,115	5,129
Total equity	**16,839**	**16,841**	**16,855**
Non-current liabilities			
Pension liabilities	159	157	159
Securities issued	2,282	2,712	2,698
Total non-current liabilities	**2,441**	**2,869**	**2,857**
Current liabilities			
Debt within group	1		7
Provision for dividend			695
Other current liabilities	101	58	71
Total current liabilities	**102**	**59**	**773**
Total equity and liabilities	**19,382**	**19,768**	**20,484**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2015	**2,250**	**-10**	**9,485**	**5,105**	**16,829**
Profit for the period				738	738
Total other comprehensive income elements				-31	-31
Total comprehensive income				**707**	**707**
Provision for dividend				-695	-695
Own share bought back [2]		2		26	28
Employee share [2]				-14	-14
Equity at 31. December 2016	**2,250**	**-8**	**9,485**	**5,129**	**16,855**
Profit for the period				-53	-53
Total comprehensive income				**-53**	**-53**
Own share bought back [2]		3		44	47
Employee share [2]				-11	-11
Equity at 30. September 2017	**2,250**	**-5**	**9,485**	**5,110**	**16,839**

[1] 449 909 891 shares with a nominal value of NOK 5.
[2] In 2017, 657 715 shares were sold to our own employees. Holding of own shares 30. September 2017 was 973 672.

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**

Storebrand ASA
Statement of cash flow

	1.1 - 30.9	
(NOK million)	2017	2016
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	40	37
Net receipts/payments - securities at fair value	247	60
Payments relating to operations	-91	-88
Net receipts/payments - other operational activities	924	522
Net cash flow from operational activities	**1,120**	**532**
Cash flow from investment activities		
Net receipts - sale of subsidiaries		64
Net payments - sale/capitalisation of subsidiaries	-2	-81
Net receipts/payments - sale/purchase of property and fixed assets	1	
Net cash flow from investment activities		**-17**
Cash flow from financing activities		
Payments - repayments of loans	-1,425	-555
Receipts - new loans	1,000	1
Payments - interest on loans	-64	-76
Receipts - sold own shart to employees	36	14
Payments - dividends	-695	
Net cash flow from financing activities	**-1,146**	**-615**
Net cash flow for the period	**-27**	**-100**
Net movement in cash and cash equivalents	-27	-100
Cash and cash equivalents at start of the period	72	161
Cash and cash equivalents at the end of the period	**45**	**61**

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 2016. The accounting policies are described in the 2016 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	30.9.17	30.9.16	31.12.16
Bond loan 2013/2020 [1]	Fixed	NOK	300	330	335	321
Bond loan 2012/2017	Variable	NOK	624		627	627
Bond loan 2013/2018	Variable	NOK	450	452	452	452
Bond loan 2014/2019	Variable	NOK	500	500	499	499
Bond loan 2017/2020	Variable	NOK	500	501		
Bond loan 2017/2022	Variable	NOK	500	500		
Bank loan 2015/2018	Variable	NOK	800		799	799
Total [2]				**2,282**	**2,712**	**2,698**

[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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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 2017, 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, 24 October 2017
Deloitte AS

Henrik Woxholt

Henrik Woxholt
State Authorized Public Accountant (Norway)

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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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