



Second quarter and first half report 2017

Storebrand Group

Contents

FINANCIAL PERFORMANCE BUSINESS AREAS

Storebrand Group	3
Savings	6
Insurance	7
Guaranteed pension	9
Other	11
Balance sheet, solidity and capital adequacy	12
Outlook	14

FINANCIAL STATEMENTS/ NOTES STOREBRAND GROUP

Income statement	16
Statement of comprehensive income	17
Statement of financial position	18
Statement of changes in equity	20
Statement of cash flow	21
Notes	22

STOREBRAND ASA

Income statement	35
Statement of financial position	36
Statement of changes in equity	37
Statement of cash flow	38
Notes	39
Statement from the Board of Directors and the CEO.	41
Auditor's review	42

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 macro-economic 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. This document contains alternative performance measures (APM) as defined by The European Securities and Market Authority (ESMA). An overview of APM can be found at www.storebrand.com/ir.

Storebrand Group

- Group result¹⁾ of NOK 878m for the 2nd quarter and NOK 1,549m year to date
- Increased operating result due to good sales and good cost control
- Solvency II 163%

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 RESULT²⁾

(NOK million)	2017			2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016	
Fee and administration income	1,079	1,019	1,138	1,040	1,005	2,098	2,058	4,235	
Insurance result	290	275	251	238	237	565	455	945	
Operational cost	-805	-831	-861	-811	-707	-1,636	-1,519	-3,191	
Operating profit	565	463	528	468	535	1,028	994	1,989	
Financial items and risk result life	313	208	384	209	254	521	331	924	
Result before amortisation and longevity	878	671	912	676	788	1,549	1,325	2,913	
Amortisation and write-downs of intangible assets	-100	-98	-95	-101	-104	-198	-210	-406	
Profit before tax	778	573	816	576	684	1,351	1,114	2,506	
Tax	-29	-109	-140	-135	31	-138	-89	-364	
Profit after tax	749	465	676	441	715	1,213	1,025	2,143	

The Group result before amortization was NOK 878m³⁾ (NOK 788m) in the 2nd quarter and NOK 1,549m (NOK 1,325m) year to date. The figures in parenthesis are from the corresponding period last year.

Total fee and administrative income amounted to NOK 2,098m year to date and has increased by 4% 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 88% (91%) year to date.

The financial tax has, in isolation, increased costs by NOK 30m year to date. Overall, costs have decreased compared with the previous quarter and the goal of reduced costs in 2018 compared with 2015 remains in place. On the whole, the operating result was driven by revenue growth in actively sold products, combined with good cost control.

The financial result is characterised by good returns in the corporate portfolios and the result is positively affected by NOK 88m due to the sale of the ownership stake in Formuesforvaltning AS.

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

(NOK million)	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Savings - non-guaranteed	319	240	321	236	234	558	506	1,063
Insurance	184	171	143	161	152	355	272	575
Guaranteed pension	290	201	492	126	237	491	252	870
Other	85	59	-45	154	166	144	295	405
Result before amortisation	878	671	912	676	788	1,549	1,325	2,913

The Savings segment reported a profit of NOK 319m for the 2nd quarter (NOK 234m) and NOK 558m (NOK 506m) year to date. The earnings improvement was due to growth in assets under management in pension and asset management and growth in Storebrand Bank's lending volume. Costs in this segment increased due to increased sales and marketing activities.

The Insurance segment reported a profit of NOK 184m (NOK 152m) in the quarter and NOK 355m (NOK 272m) year to date. The claims ratio has decreased from 75% to 70% compared with the same period last year. The combined ratio was reduced to 88% (90%) for the quarter and 88% (91%) year to date. This is better than the target of 90-92%. The growth in the segment is lower than target due to the restructuring of distribution and introduction of a new disability product in Norway that reduces the need for insurance coverage for people with low salaries.

The Guaranteed Pension segment achieved a profit before amortisation of NOK 290m (NOK 237m) for the 2nd quarter and NOK 491m year to date (NOK 252m). Fee and administration income fell by 8% 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 result for the segment is increased due to better financial results.

The Other segment reported a profit of NOK 85m (NOK 166m) for the 2nd quarter and NOK 144m (NOK 295m) year to date. The financial performance was due to good returns in the company portfolios and NOK 88m associated with the sale of shares in Formuesforvaltning AS.

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 163% at the end of the 2. quarter, including the transitional rule. Without transitional rules, the solvency margin is 152%. Storebrand uses the standard model for the calculation of Solvency II. During the quarter, the solvency margin without transitional rules strengthened due to good investment results, increased interest rates and withheld profits.

Tax costs in the first six months are 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 calculated to be in the range of 19-23% for the year. For more information on the calculation of the income tax expense 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. Customer returns were strong in the 2nd quarter. The strengthening of reserves for increased life expectancy is expected to conclude in 2017.

MARKET AND SALES PERFORMANCE

Assets under management in the United Linked business in Norway increased NOK 13.2bn (23%) relative to the 2nd 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 2nd quarter and SEK 13bn (18%) from the previous year. SPP has a market share of 9% in the Swedish market for defined contribution.

Sales of savings products and loans to private individuals are good. The lending volume at Storebrand Bank increased 28% 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.

Financial targets	Target	Actual
Return on equity (after tax) ¹⁾	> 10%	13.4%
Dividend ¹⁾	> 35%	
Solvency II margin Storebrand Group	> 150%	163%

GROUP - KEY FIGURES

(NOK million)	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Earnings per share ¹⁾	1.89	1.25	1.64	1.23	1.83	3.13	2.76	5.63
Equity	28,559	28,208	27,637	27,189	27,000	28,559	27,000	27,637
ROE, annualised ¹⁾	13.4%	8.8%	11.9%	8.5%	13.0%	10.9%	9.7%	9.5%
Solvency II	163%	159%	157%	165%	172%	163%	172%	157%

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

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

NOK million	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Fee and administration income	747	700	744	681	636	1,447	1,333	2,758
Operational cost	-438	-459	-426	-442	-414	-897	-833	-1,700
Operating profit	309	241	319	239	222	551	500	1,058
Financial items and risk result life	10	-2	3	-3	12	8	6	5
Profit before amortisation	319	240	321	236	234	558	506	1,063

RESULT

The Savings segment reported a profit before amortisation and tax of NOK 319m for the 2nd quarter and NOK 558m year to date, which was equivalent to a profit increase of 36% for the quarter and 10% year to date. Fee- and administration income increased by 18% during the quarter and have increased by 9% year to date. 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 during the quarter have resulted in growth in net interest income compared with the previous year. For the quarter, net interest income was 1.22% of average total assets compared with 1.16% for the same period last year. Corresponding figures year to date are 1.17% and 1.18%.

Operating expenses during the 2nd quarter and accumulated for the first half-year 2016 include a positive effect of NOK 34m in connection with the transition to a new disability pension scheme for the employees. In addition to growth in volumes for savings products, this contributed to increased operating expenses during the quarter and for the year to date compared with the previous year.

BALANCE SHEET AND MARKET TRENDS

The premiums for non-guaranteed occupational pensions were NOK

3.6bn in the 2nd quarter, an increase of 3% for the same period last year. Total reserves within the Unit Linked business have increased by 18% over the last year and amounted to NOK 151bn at the end of the quarter. Assets under management in the United Linked business in Norway increased NOK 13.2bn (23%) relative to the 2nd 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 (at the end of the 1st quarter).

In the Swedish market, SPP is the sixth largest actor in the Other Occupational Pensions segment with a market share of 9% measured by premium income from Unit Linked. Customer assets increased by SEK 2.2bn (3%) in the 2nd quarter and SEK 13bn (18%) from the previous year.

Storebrand Asset Management's assets under management increased by NOK 21bn (4%) to NOK 621bn in the 2nd quarter and NOK 52bn (9%) from the 2nd quarter of 2016. This growth was driven by good sales and returns.

The lending portfolio in the retail market is developing positively and grew by NOK 1.9bn (5%) in the 2nd quarter and NOK 8.7bn (28%) from the same period previous year. The portfolio consists of low-risk home mortgages. NOK 12.9bn of the mortgages is managed in Storebrand Life Insurance's balance sheet.

SAVINGS - KEY FIGURES

(NOK million)	2017		2016		
	2Q	1Q	4Q	3Q	2Q
Unit linked Reserves	151,425	147,311	139,822	131,571	127,876
Unit linked Premiums	3,649	3,716	3,466	3,444	3,541
AuM Asset Management	620,584	599,111	576,704	570,362	568,956
Retail Lending	39,464	37,585	35,400	32,543	30,775

Insurance

- **Good underlying risk performance**
- **New disability product and altered distribution give low growth**

Insurance is responsible for the Group's risk products in Norway and Sweden¹⁾. 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 employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

INSURANCE

NOK million	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Insurance premiums f.o.a.	971	940	957	962	962	1,911	1,909	3,828
Claims f.o.a.	-681	-665	-706	-724	-726	-1,346	-1,453	-2,883
Operational cost	-171	-172	-168	-152	-137	-344	-283	-602
Operating profit	119	103	83	87	99	222	173	342
Financial result	65	68	60	74	52	133	99	233
<i>Contribution from SB Helseforsikring AS</i>	12	4	11	15	9	15	13	39
Profit before amortisation	184	171	143	161	152	355	272	575
Claims ratio	70 %	71 %	74 %	75 %	75 %	70 %	76 %	75 %
Cost ratio	18 %	18 %	18 %	16 %	14 %	18 %	15 %	16 %
Combined ratio	88 %	89 %	91 %	91 %	90 %	88 %	91 %	91 %

FINANCIAL PERFORMANCE

In the 2nd quarter, Insurance delivered a result before amortization of NOK 184m (NOK152m). The total combined ratio for the quarter was 88% (90%). Premium income increased 1% compared with the same quarter last year.

The combined risk result gives a claims ratio of 70% (75%) and the underlying risk development is satisfactory. P&C insurance and individual insurance coverage have a stable claims ratio. Health and Group Life have delivered a result positively characterised by the dissolution of reserves within employer's liability compared with the first half-year of the previous year. The risk result for group disability pension improved compared to the same period last year.

The cost percentage ended at 18% (14%) for the 2nd quarter. As planned, growth ambitions have resulted in higher costs for the insurance area.

The investment portfolio of Insurance in Norway amounted to NOK 8.2bn as of the 2nd quarter²⁾, which is primarily invested in fixed income securities with a short to medium duration.

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 stronger competition in the market combined with a shift in Storebrand's distribution strategy resulted in lower growth than in the previous year. It is necessary to continually improve prices, products and sales and service solutions to strengthen competitiveness. The Akademiker portfolio is an important driver of growth and the rate of sales is stable. 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 succeeding well in the market.

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

INSURANCE - KEY FIGURES

NOK million	2017	2016			
	2Q	1Q	4Q	3Q	2Q
P&C & Individual life	1,732	1,725	1,729	1,739	1,726
Health & Group life 1)	1,532	1,504	1,507	1,512	1,485
Pension related disability insurance	1,176	1,184	1,266	1,268	1,253
Total written premiums	4,440	4,413	4,502	4,519	4,464
Investment portfolio	8,158	7,184	6,798	6,980	6,743

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

GUARANTEED PENSION

NOK million	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Fee and administration income	369	358	376	403	383	727	787	1,566
Operational cost	-216	-221	-260	-257	-192	-437	-464	-981
Operating profit	153	137	116	146	191	290	323	585
Risk result life & pensions	6	34	-13	-18	-10	40	-6	-37
Net profit sharing and loan losses	131	30	389	-2	57	161	-65	322
Profit before amortisation	290	201	492	126	237	491	252	870

RESULT

Guaranteed Pension achieved a profit before amortisation and strengthening of longevity reserves of NOK 290m (NOK 237m) for the 2nd quarter and NOK 491m year to date (NOK 252m).

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 369m (NOK 383m) for the 2nd quarter and NOK 727m year to date (NOK 787m). This is equivalent to a reduction of 8% in 2017 compared with the same quarter in the previous year.

The operating costs were reduced due to the area being in long-term decline and amounted to NOK 216m (NOK 192m) for the 2nd quarter and NOK 437m year to date (NOK 464m). Expenses were positively influenced by the non-recurring effect relating to Storebrand's own pension scheme during the 2nd quarter of 2016.

The risk result was NOK 6m (minus NOK 10m) for the 2nd quarter

and NOK 40m for the year to date (minus NOK 6m). The risk result was generated in the Swedish business and is driven by positive mortality compared with the tariff. The risk result in the Norwegian business was restricted due to reserve strengthening based on the introduction of a new group disability pension and the general disability development in the population.

The result from profit sharing and loan losses consists of profit sharing and financial effects. The result was NOK 131m (NOK 57m) for the 2nd quarter and NOK 161m for the year to date (minus NOK 65m). 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. The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners, but during the quarter there was a profit sharing result in the Norwegian individual customer portfolio of NOK 12m.

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 2nd quarter, customer reserves for guaranteed pensions amounted to NOK 261bn, which is a decrease of approximately NOK 5bn since the 2nd quarter of 2016. The total premium income for guaranteed pensions (excluding transfers) was NOK 1.3bn (NOK 1.3bn) for the 2nd quarter and NOK 3.2bn year to date (NOK 4.0bn). This corresponds to a decrease of 20% year to date.

In the Norwegian business, paid-up policies were the only guaranteed pension portfolio experiencing growth and amounted to NOK

126bn as of the 2nd quarter, an increase of NOK 11bn since the end of the year, which is equivalent to 9%. From and including 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 6.1bn as of the 2nd quarter. Reserves for defined-benefit pensions in Norway amounted to NOK 37bn at the end of the 2nd quarter, a decline of NOK 9bn since the start of the year.

Guaranteed portfolios in the Swedish business totalled NOK 83bn as of the 2nd quarter, which is the same level as at the start of the year.

GUARANTEED PENSION - KEY FIGURES

NOK million	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Guaranteed reserves	260,459	261,148	258,723	261,547	265,300	260,459	265,300	258,723
Guaranteed reserves in % of total reserves	63.2%	63.9%	64.9%	66.5%	67.5%	63.2%	67.5%	64.9%
Net transfers	-199	-541	-245	-239	-621	-739	-2 822	-739
Buffer capital in % of customer reserves Norway	5.3%	5.4%	5.7%	5.6%	6.3%	5.3%	6.3%	5.7%
Buffer capital in % of customer reserves Sweden	8.9%	7.9%	6.7%	6.7%	6.3%	8.9%	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

NOK million	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Fee and administration income	23	21	43	31	53	44	70	145
Operational cost	-39	-39	-33	-35	-30	-79	-72	-141
Operating profit	-16	-18	10	-4	23	-34	-2	4
Financial items and risk result life	102	77	-54	158	143	179	298	401
Profit before amortisation	85	59	-45	154	166	144	295	405

ELIMINATIONS

NOK million	2017		2016			01.01 - 30.06		
	2Q	1Q	4Q	3Q	2Q	2017	2016	2016
Fee and administration income	-60	-60	-25	-75	-66	-120	-133	-233
Operational cost	60	60	25	75	66	120	133	233
Financial result								
Profit before amortisation								

The Other segment reported a profit of NOK 85m (NOK 166m) for the 2nd quarter and NOK 144m year to date. The result for the 2nd quarter 2016 includes changes in the pension scheme for own employees. Fee and administration income declined in comparison with the first half-year of 2016 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 2nd 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 23.3bn at the end of the 2nd quarter.

The investments are primarily in interest-bearing securities in Norway and Sweden with short maturities. The Norwegian company portfolio reported a return of 0.62% for the quarter. The Swedish company portfolio provided a return of 0.20%. The financial result is positively affected by NOK 88m from sale of ownership in Formuesforvaltning AS.

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 163% at the end of the 2nd quarter, an increase of 4 percentage points during the quarter.

STOREBRAND ASA

Storebrand ASA (holding company) held liquid assets of NOK 1.95bn 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 1.9%. During the quarter, the company issued two bond loans totalling NOK 1.0bn and redeemed a bond loan of NOK 625m and a bank loan of NOK 800m. 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.

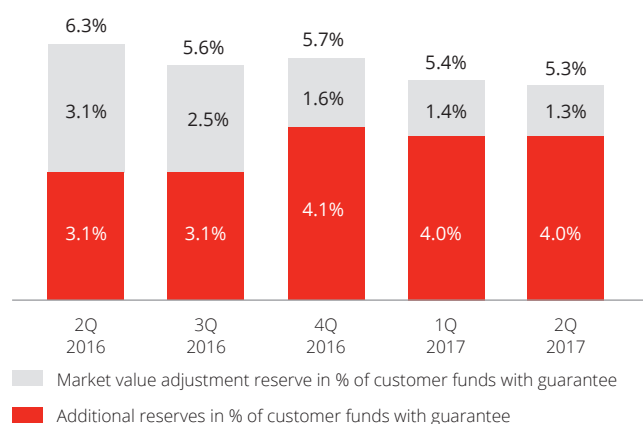
STOREBRAND LIFE INSURANCE GROUP¹⁾

Solidity capital²⁾ amounted to NOK 61.6bn at the end of the 2nd quarter of 2017, an increase of NOK 2.8bn in the 2nd quarter and NOK 4.4bn year to date. The change during the quarter was due to the positive result, increased customer buffers in the Swedish business.

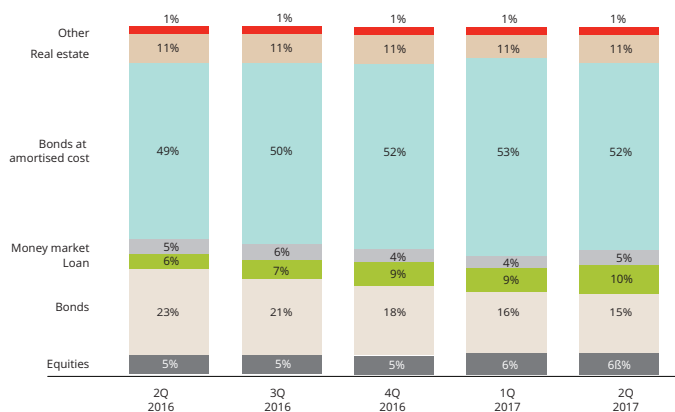
STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve declined by NOK 0.2bn during the 2nd quarter and NOK 0.5bn year to date, and amounted to NOK 2.2bn at the end of the 2nd quarter of 2017. The additional statutory reserves remained largely unchanged during the quarter and for the year to date and amounted to NOK 6.7bn at the end of the 2nd quarter of 2017. The excess value of held-to-maturity bonds and loans valued at amortised cost has been unchanged since the start of the year and was NOK 8.8bn as of the 2nd 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



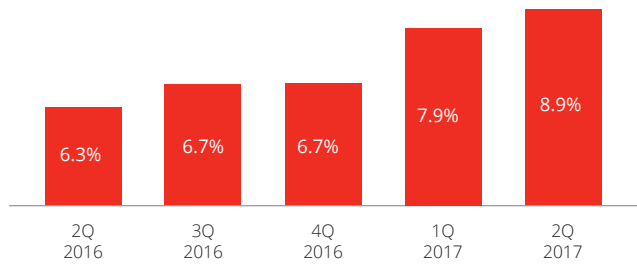
Customer assets increased by NOK 3.4bn in the 2nd quarter and NOK 7.4bn year to date due to positive returns. Customer assets totalled NOK 249bn at the end of the 1st half-year of 2017. Customer assets within non-guaranteed savings increased NOK 3.4bn during the 2nd quarter and NOK 6.2bn for the year to date. Guaranteed customer assets remained unchanged during the 2nd quarter and have increased by NOK 1.2bn 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

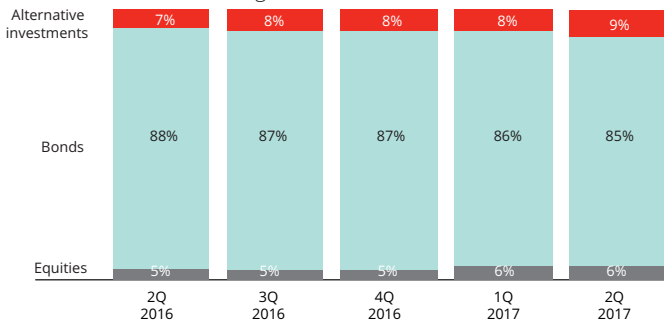


■ Conditional bonus in % of customer fund with guarantee

The buffer capital amounted to SEK 6.8bn (SEK 5.4bn) as of the 2nd quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS

Total assets under management in SPP were SEK 165.8bn. This



corresponds to an increase of 6.1% compared with the 2nd quarter of 2016. For customer assets in non-guaranteed savings, assets under management totalled SEK 83.3bn in the 2nd quarter, which corresponds to an increase of 8.2%, compared with the 2nd quarter of 2016.

STOREBRAND BANK

The lending portfolio in the retail market, including loans managed on behalf of Storebrand Livsforskring AS amounted to NOK 39.4bn, of which NOK 26.5bn consisted of retail market loans at Storebrand Bank. The corporate market portfolio amounted to NOK 1.2bn.

The Storebrand Bank Group had a net capital base of NOK 2.4bn at the end of the quarter. The capital adequacy ratio was 18.2% and the pure core capital adequacy ratio was 14.4% at the end of the quarter, compared with 17.7% and 14.0%, respectively, at the end of 2016.

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 23% from the 2nd quarter of 2016. Storebrand also has a strong challenger role for the sale of pension solutions to Swedish businesses and Unit Linked reserves at SPP have increased by 14% in the past year. Good sales growth for defined-contribution pensions is expected in the future. Work is being carried out to improve profitability within this area.

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's results with the present interest rates. Guaranteed reserves represent an increasingly smaller share of the Group's total pension reserves and were 63% at the end of the quarter.

It is targeted that nominal costs will 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.

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 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 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.

REGULATORY UPDATE

Individual pension savings

In connection with the revised national budget for 2017, the Norwegian Parliament agreed to a new scheme for tax-favourable, individual pension savings (IPS). Tax deductions are granted in ordinary income for savings of 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 disbursements (ordinary income, 24%). In addition to this there are deferred tax on returns and exemption for wealth tax.

Storebrand's assessment is that the IPS scheme will be a very attractive form of long-term pension saving. Compared with previous schemes, the amount that can be saved has increased significantly, from NOK 15,000 to NOK 40,000. However, what is most important is that the new scheme will be tax-favourable for everyone, regardless of age and time horizon. There is broad political agreement about the new scheme which shall apply from and including the 2017 tax year and enter into force on 1 November 2017.

The Norwegian Parliament has also approved an increase in the savings framework for pension savings for self-employed people from 4% to 6%. The change has entered into force and also applies from and including the 2017 tax year.

Separate pension account

The Ministry of Finance shall assess a specific model for separate pension accounts. This will then be sent for consultation. The Ministry is following up the inter-ministerial working group's report from December 2016 that discussed different solutions for separate pension accounts.

The objective of a separate pension account is to combine pension earnings from current and previous employers into one account. The time frame for the Ministry's report is yet to be determined.

Report on paid-up policies

The Ministry of Finance will assess possible amendments to the regulations for guaranteed paid-up policies.

The assessment will be carried out by a working group with participants from the Ministry of Finance, Ministry of Labour and Social Affairs and the Financial Supervisory Authority of Norway. A reference group with representatives from the parties and the industry will be established.

The time frame and mandate for the report have yet to be determined.

Ownership restriction: Proposal to remove the 15 per cent rule

The Ministry of Finance has sent for consultation a proposal to remove the ownership restriction of 15 per cent for companies that manage non-insurance operations. The background to the proposal is the introduction of Solvency II which does not permit national restrictions on companies' investment opportunities. Reference is also made to the rule having restricted the ability of companies to invest in infrastructure.

Pan European Personal Pension Product (PEPP)

On 29 June, the European Commission presented a proposal for a new Pan European Personal Pension Product (PEPP). The objective is that standardised rules shall make it easier for customers to transfer their pension savings between EU countries, while also strengthening competition for pension savings. However, regulations relating to savings, payments and tax shall still be decided by the member countries. The proposal will now be addressed by the European Parliament. It is expected to enter into force two years after having been approved.

Equity savings account and fund account

Equity savings account expected to be introduced from 1 September 2017. The scheme involves individuals being able to trade in shares and equity funds within the framework of an equity savings account. Profits will not be taxable until amounts are withdrawn from the equity savings account. The Ministry of Finance has sent proposed regulations regarding equity savings accounts for consultation. It is assumed that there will be a transitional period until the end of 2017, whereby existing shares and equity funds can be transferred to a share savings account without this resulting in capital gains tax.

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 2nd quarter was 163%. 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 2nd quarter was 152%. 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. This is primarily due to the discontinuation of the strengthening of reserves for increased life expectancy, expected result generation in the Group, and reduced capital requirements from guaranteed business. The strengthening of reserves for increased life expectancy is expected to conclude in 2017.

A dividend of more than 35% of the Group 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. The Board continuously assesses the Group's dividend policy as the business model turns to more capital-efficient products.

Lysaker, 12 July 2017

Storebrand Group

Income statement

(NOK million)	Note	2Q		01.01 - 30.6		Full year
		2017	2016	2017	2016	2016
Premium income		6,491	5,899	14,050	14,185	25,829
<i>Net income from financial assets and real estate for the company:</i>						
- equities and other units at fair value		3	17	8	8	38
- bonds and other fixed-income securities at fair value		145	179	323	311	598
- financial derivatives at fair value		41	50	61	-3	66
- lending at fair value		1	7	18	20	22
- bonds at amortised cost		27	30	80	61	122
- lending at amortised cost		170	181	334	370	719
- real estate			13		10	10
- profit from investments in associated companies/joint controlled operation		92	16	94	26	65
<i>Net income from financial assets and real estate for the customers:</i>						
- equities and other units at fair value		1,636	2,740	7,419	-1,294	11,609
- bonds and other fixed-income securities at fair value		294	1,957	1,624	3,004	3,640
- financial derivatives at fair value		177	1,229	274	4,691	2,570
- lending at fair value		13		27		18
- bonds at amortised cost		1,017	961	2,265	2,017	4,197
- lending at amortised cost		124	66	230	118	289
- real estate		568	564	1,214	1,225	2,295
- profit from investments in associated companies		43	51	111	92	167
Other income		786	485	1,439	1,465	3,002
Total income		11,629	14,447	29,571	26,304	55,255
Insurance claims		-5,732	-5,770	-13,352	-13,752	-25,313
Change in insurance liabilities		-3,161	-6,924	-11,396	-11,238	-23,748
To/from buffer capital		-625	-1	-745	2,242	1,475
Losses from lending/reversal of previous losses		1	3	-3	-5	-17
Operating costs	7	-861	-677	-1,771	-1,654	-3,585
Other costs		-125	-63	-250	-127	-234
Interest expenses		-248	-227	-505	-445	-920
Total costs before amortisation		-10,751	-13,659	-28,022	-24,979	-52,342
Group profit before amortisation		878	788	1,549	1,325	2,913
Amortisation of intangible assets		-100	-104	-198	-210	-406
Group pre-tax profit		778	684	1,351	1,114	2,506
Tax cost	8	-29	31	-138	-89	-364
Profit/loss for the period		749	715	1,213	1,025	2,143
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		746	705	1,207	1,007	2,118
Share of profit for the period - hybrid capital investors		3	3	5	5	11
Share of profit for the period - minority			7	1	13	14
Total		749	715	1,213	1,025	2,143
Earnings per ordinary share (NOK)		1.66	1.57	2.69	2.25	4.73
Average number of shares as basis for calculation (million)				448.3	448.0	448.2
There is no dilution of the shares						

Storebrand Group

Statement of comprehensive income

(NOK million)	2Q		01.01 - 30.6		Full year
	2017	2016	2017	2016	2016
Profit/loss for the period	749	715	1,213	1,025	2,143
Change in actuarial assumptions	-2	-11	-6	-11	-142
Adjustment of value of properties for own use	254	149	347	171	205
Gains/losses from cash flow hedging	24	-9	18	-18	-60
Total comprehensive income elements allocated to customers	-254	-149	-347	-171	-205
Tax on other result elements not to be classified to profit/loss					37
Total other result elements not to be classified to profit/loss	22	-19	13	-29	-166
Translation differences foreign exchange	233	-231	346	-468	-802
Unrealised gains on financial instruments available for sale	6	-3	6	-3	6
Total other result elements that may be classified to profit/loss	239	-234	352	-471	-796
Total other result elements	260	-254	364	-499	-961
Total comprehensive income	1,009	461	1,578	526	1,181
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	1,004	454	1,569	512	1,163
Share of total comprehensive income - hybrid capital investors	3	3	5	5	11
Share of total comprehensive income - minority	2	5	3	9	7
Total	1,009	461	1,578	526	1,181

Storebrand Group

Statement of financial position

(NOK million)	Note	30.6.17	30.6.16	31.12.16
Assets company portfolio				
Deferred tax assets		517	918	595
Intangible assets and excess value on purchased insurance contracts		4,889	5,319	4,858
Pension assets		3		
Tangible fixed assets		53	61	57
Investments in associated companies		256	429	458
<i>Financial assets at amortised cost:</i>				
- Bonds	6	3,527	3,396	3,398
- Lending to financial institutions	6	393	326	272
- Lending to customers	6,9	25,654	27,688	25,310
Reinsurers' share of technical reserves		31	144	40
Real estate at fair value	6	51	51	51
Biological assets		64	64	64
Accounts receivable and other short-term receivables		3,120	3,060	2,647
<i>Financial assets at fair value:</i>				
- Equities and other units	6	122	112	121
- Bonds and other fixed-income securities	6	30,863	28,612	30,503
- Derivatives	6	1,242	1,551	1,206
- Lending to customers	6,9	2,084	1,449	1,958
Bank deposits		3,091	3,055	3,694
Minority interests in consolidated securities funds		30,634	16,130	20,386
Total assets company portfolio		106,593	92,365	95,619
Assets customer portfolio				
Tangible fixed assets		457	467	433
Investments in associated companies		1,904	1,797	1,918
Receivables from associated companies		39	39	37
<i>Financial assets at amortised cost:</i>				
- Bonds	6	83,643	74,145	79,378
- Bonds held-to-maturity	6	15,615	15,620	15,644
- Lending to customers	6,9	20,081	10,596	16,727
Reinsurers' share of technical reserves		68		106
Real estate at fair value	6	25,558	22,326	24,110
Real estate for own use	6	3,359	2,894	2,863
Biological assets		740	719	702
Accounts receivable and other short-term receivables		1,511	3,128	1,053
<i>Financial assets at fair value:</i>				
- Equities and other units	6	142,170	117,212	129,416
- Bonds and other fixed-income securities	6	137,816	161,064	141,334
- Derivatives	6	3,458	5,778	3,621
- Lending to customers	6,9	4,126		2,346
Bank deposits		4,834	5,209	4,375
Total assets customer portfolio		445,379	420,994	424,065
Total assets		551,972	513,360	519,684

Fortsetter neste side

Storebrand Group

Statement of financial position (continue)

(NOK million)	Note	30.6.17	30.6.16	31.12.16
Equity and liabilities				
Paid-in capital		11,729	11,726	11,726
Retained earnings		16,546	14,984	15,631
Hybrid capital		226	226	226
Minority interests		57	65	54
Total equity		28,559	27,000	27,637
Subordinated loan capital	5.6	7,681	7,611	7,621
Buffer capital	10	17,704	16,748	16,719
Insurance liabilities		424,233	399,939	405,257
Pension liabilities		286	351	289
Deferred tax		179	184	175
<i>Financial liabilities:</i>				
- Liabilities to financial institutions	5.6	5	505	407
- Deposits from banking customers	6	15,005	16,575	15,238
- Securities issued	5.6	17,226	16,697	16,219
- Derivatives company portfolio		375	350	326
- Derivatives customer portfolio		1,323	1,367	1,868
Other current liabilities		8,761	9,902	7,542
Minority interests in consolidated securities funds		30,634	16,130	20,386
Total liabilities		523,413	486,360	492,047
Total equity and liabilities		551,972	513,360	519,684

Storebrand Group

Statement of changes in equity

(NOK million)	Majority's share of equity									
	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 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 profit 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						1,207	1,207	5	1	1,213
Total other profit elements					343	19	362		3	364
Total comprehensive income for the period					343	1,226	1,569	5	3	1,578
Equity transactions with owners:										
Own shares		3		3		44	44			47
Hybrid capital classified as equity						1	1			1
Paid out interest hybrid capital								-5		-5
Dividend paid						-695	-695			-695
Purchase of minority interests						2	2			2
Other					-3	-3	-7		1	-6
Equity at 30 June 2017	2,250	-5	9,485	11,729	1,382	15,165	16,546	226	57	28,559

¹⁾ 449,909,891 shares with a nominal value of NOK 5.

²⁾ Includes undistributable funds in the risk equalisation fund amounting to NOK 144 million and security reserves amounting NOK 51 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						1,007	1,007	5	13	1,025
Total other profit elements					-464	-31	-495		-4	-499
Total comprehensive income for the period					-464	976	512	5	9	526
Equity transactions with owners:										
Own shares		2		2		26	26			28
Hybrid capital classified as equity						1	1			1
Paid out interest hybrid capital								-5		-5
Dividend paid									-5	-5
Purchase of minority interests						-18	-18		-460	-478
Other						-14	-14			-14
Equity at 30 June 2016	2,250	-8	9,485	11,726	1,367	13,617	14,983	226	65	27,000

Storebrand Group

Statement of cash flow

1.1 - 30.6

(NOK million)	2017	2016
Cash flow from operational activities		
Net receipts premium - insurance	12,359	15,231
Net payments compensation and insurance benefits	-9,210	-9,649
Net receipts/payments - transfers	-2,468	-3,293
Net change insurance liabilities	179	-868
Receipts - interest, commission and fees from customers	1,409	1,353
Payments - interest, commission and fees to customers	-248	-352
Payments relating to operations	-1,564	-1,479
Net receipts/payments - other operational activities	-1,295	1,416
Net cash flow from operations before financial assets and banking customers	-838	2,360
Net receipts/payments - lending to customers	-4,691	-4,422
Net receipts/payments - deposits bank customers	-273	-1,299
Net receipts/payments - mutual funds	7,485	2,075
Net receipts/payments - real estate investments	-1,127	2,947
Net change in bank deposits insurance customers	88	-1,114
Net cash flow from financial assets and banking customers	1,481	-1,813
Net cash flow from operational activities	643	547
Cash flow from investment activities		
Net receipts - sale of subsidiaries		93
Net payments - purchase of group companies	-2	-7
Net receipts/payments - sale/purchase of fixed assets	-62	-156
Net receipts/payments - sale/purchase of associated companies and joint ventures	245	
Net cash flow from investment activities	180	-70
Cash flow from financing activities		
Payments - repayments of loans	-4,599	-3,630
Receipts - new loans	4,896	3,700
Payments - interest on loans	-207	-194
Receipts - subordinated loan capital	150	
Payments - repayment of subordinated loan capital	-150	
Payments - interest on subordinated loan capital	-284	-282
Net receipts/payments - lending to and claims from other financial institutions	-402	90
Receipts - issuing of share capital / sale of shares to own employees	36	14
Payments - dividends	-695	-5
Payments - interest on hybrid capital	-5	-5
Net cash flow from financing activities	-1,260	-312
Net cash flow for the period	-437	164
- of which net cash flow in the period before financial assets and banking customers	-1,917	1,978
Net movement in cash and cash equivalents	-437	164
Cash and cash equivalents at start of the period for new/sold out companies		-13
Cash and cash equivalents at start of the period	3,966	3,132
Currency translation differences	-45	99
Cash and cash equivalents at the end of the period ¹⁾	3,485	3,381
¹⁾ Consist of:		
Lending to financial institutions	393	326
Bank deposits	3,091	3,055
Total	3,485	3,381

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 2016 annual report, and the interim financial statements are prepared with respect to these accounting policies.

During the quarter, changes were made to the classification of certain types of transactions in the income statement, and comparable figures have been restated. This has resulted in some minor changes between lines in the income statement, but 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)
- lending at fair value
- lending at amortised cost
- other income
- change in insurance liabilities
- operating costs
- other costs
- 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 none 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 appears in the 2016 annual financial statements 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 | Segments

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

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

The results in the segments are reconciled against the Group result before amortisation and write-downs of intangible assets. The corporate income statement includes gross income and costs linked to both the insurance customers and owners (shareholders). The alternative statement of the result only includes result elements relating to owners (shareholders) which are the result elements that the Group has performance measures and follow-up for. The result lines that are used in reporting segment will therefore not be identical with the result lines in the corporate profit and loss account. For further description of the individual result lines, see note 5 in the 2016 annual financial statements.

(NOK million)	2Q		01.01 - 30.6		Year
	2 017	2 016	2 017	2 016	2 016
Savings	319	234	558	506	1,063
Insurance	184	152	355	272	575
Guaranteed pension	290	237	491	252	870
Other	85	166	144	295	405
Group profit before amortisation	878	788	1,549	1,325	2,913
Amortisation of intangible assets	-100	-104	-198	-210	-406
Group pre-tax profit	778	684	1,351	1,114	2,506

SEGMENT INFORMATION AS OF 2Q

(NOK mill.)	Savings		Insurance		Guaranteed pension	
	Q2	Q2	Q2	Q2	Q2	Q2
	2017	2016	2017	2016	2017	2016
Fee and administration income	747	636			369	383
Insurance result			290	237		
- Insurance premiums f.o.a.			971	962		
- Claims f.o.a.			-681	-726		
Operational cost	-438	-414	-171	-137	-216	-192
Operating profit	309	222	119	99	153	191
Financial itmens and risk result life & pension	10	12	65	52	137	46
Group profit before amortisation	319	234	184	152	290	237
Amortisation of intangible assets ¹⁾						
Group pre-tax profit						

(NOK million)	Other		Storebrand Group	
	Q2	Q2	Q2	Q2
	2017	2016	2017	2016
Fee and administration income	-37	-14	1,079	1,005
Insurance result			290	237
- Insurance premiums f.o.a.			971	962
- Claims f.o.a.			-681	-726
Operational cost	21	36	-805	-707
Operating profit	-16	23	565	535
Financial itmens and risk result life & pension	102	143	313	254
Group profit before amortisation	85	166	878	788
Amortisation of intangible assets ¹⁾			-100	-104
Group pre-tax profit			778	684

SEGMENT INFORMATION AS OF 1.1 - 30.6

(NOK million)	Savings		Insurance		Guaranteed pension	
	30.06.17	30.06.16	30.06.17	30.06.16	30.06.17	30.06.16
Fee and administration income	1,447	1,333			727	787
Insurance result			565	455		
- Insurance premiums f.o.a.			1,911	1,909		
- Claims f.o.a.			-1,346	-1,453		
Operational cost	-897	-833	-344	-283	-437	-464
Operating profit	551	500	222	173	290	323
Financial itmens and risk result life & pension	8	6	133	99	201	-71
Group profit before amortisation	558	506	355	272	491	252
Amortisation of intangible assets ¹⁾						
Group pre-tax profit						

¹⁾Amortisation of intangible assets are included in Storebrand Group

(NOK million)	Other		Storebrand Group	
	30.06.17	30.06.16	30.06.17	30.06.16
Fee and administration income	-76	-62	2,098	2,058
Insurance result			565	455
- Insurance premiums f.o.a.			1,911	1,909
- Claims f.o.a.			-1,346	-1,453
Operational cost	42	60	-1,636	-1,519
Operating profit	-34	-2	1,028	994
Financial itmens and risk result life & pension	179	298	521	331
Group profit before amortisation	144	295	1,549	1,325
Amortisation of intangible assets ¹⁾			-198	-210
Group pre-tax profit			1,351	1,115

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

KEY FIGURES BY BUSINESS AREA

(NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015
Group								
Earnings per ordinary share ¹⁾	2.69	1.03	4.73	3.22	2.25	0.67	2.63	1.25
Equity	28,559	28,208	27,637	27,189	27,000	26,538	26,946	25,982
Savings								
Premium income Unit Linked ²⁾	3,649	3,716	3,466	3,444	3,541	3,693	3,185	3,168
Unit Linked reserves	151,425	147,311	139,822	131,571	127,876	125,434	128,117	118,695
AuM asset management	620,584	599,111	576,704	570,362	568,956	567,218	571,425	562,136
Retail lending	39,464	37,585	35,400	32,543	30,775	28,425	26,861	25,417
Insurance								
Total written premiums	4,440	4,413	4,502	4,519	4,464	4,401	4,327	4,275
Claims ratio ²⁾	70%	71%	74%	75%	75%	77%	85%	75%
Cost ratio ²⁾	18%	18%	18%	16%	14%	15%	16%	16%
Combined ratio ²⁾	88%	89%	91%	91%	90%	92%	101%	91%
Guaranteed pension								
Guaranteed reserves	260,459	261,148	258,723	261,547	265,300	265,931	266,811	263,035
Guaranteed reseves in % of total reserves	63.2%	63.9%	64.9%	66.5%	67.5%	67.9%	67.6%	68.9%
Net transfer out of guaranteed reserves ²⁾	199	541	245	239	621	2,200	398	855
Buffer capital in % of customer reserves Storebrand Life Group ³⁾	5.3%	5.4%	5.7%	5.6%	6.3%	5.9%	5.8%	5.4%
Buffer capital in % of customer reserves SPP ⁴⁾	8.9%	7.9%	6.7%	6.7%	6.3%	6.6%	7.6%	11.1%
Solidity								
Solvency II ⁵⁾	163%	159%	157%	165%	172%	175%		
Solidity capital (Storebrand Life Group) ⁶⁾	61,640	58,844	57,260	61,490	61,439	60,513	61,011	64,020
Capital adequacy Storebrand Bank	18.2%	17.9%	17.7%	18.1%	17.7%	17.3%	17.1%	16.7%
Core Capital adequacy Stobrand Bank	16.1%	15.8%	15.7%	16.2%	15.8%	15.4%	15.2%	14.9%

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.

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 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 good in both the second quarter and the first-half year as a whole. The global index increased 8% during the first half-year, including a 3% rise during the second quarter. The Norwegian stock market increased by 2% in the first half-year. Most of this increase was in the second quarter. The market for corporate bonds has also been good and there has been a reduction in credit spreads in both the second quarter and the first half-year as a whole. During the second quarter there was a particularly large reduction in credit spreads for the financial sector. Property returns were good in both the first and second quarters. Interest rates increased slightly in the second quarter, however 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 amortised 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, but 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 were minor changes in investment allocations in the first half year.

Guaranteed portfolios in Norway provided returns that were better than the average accumulated guarantee during the first half-year. 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 reserve strengthening for increased life expectancy is expected to be covered by the surplus return and loss of profit sharing. The strengthening of reserves for increased life expectancy is expected to conclude in 2017. The market value adjustment reserve fell

during the first half-year, while excess values of portfolios at amortised cost remained largely unchanged. Guaranteed portfolios in Sweden gave returns that were higher than the increase in value of insurance liabilities. This gave a positive financial result and an increase in the buffer (conditional bonus) during the first half-year.

On average, unit linked insurance customers had good returns in the first half-year, which were driven by good equity markets.

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	1,504
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	999
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,099
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,051
Storebrand Livsforsikring AS	750	SEK	Variable	2021	751
Storebrand Bank ASA	125	NOK	Variable	2019	126
Storebrand Bank ASA	150	NOK	Variable	2022	150
Total subordinated loans and hybrid tier 1 capital 30.6.17					7,681
Total subordinated loans and hybrid tier 1 capital 30.6.16					7,611
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

(NOK million)	30.6.17	30.6.16	31.12.16
Book value			
Maturity			
2016		505	
2017	5		407
Total liabilities to financial institutions	5	505	407

SPECIFICATION OF SECURITIES ISSUED

(NOK million)	Book value		
	30.6.17	30.6.16	31.12.16
Call date			
2016		200	
2017	301	4,119	3,051
2018	2,884	4,065	4,062
2019	3,212	2,775	2,692
2020	4,325	3,234	3,417
2021	3,503	2,303	2,997
2022	3,002		
Total securities issued	17,226	16,697	16,219

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

Covered bonds

For covered bonds which are allocated to the company's security, 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 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 is not revocable by the bank until three months after the maturity of the longest covered bonds and related derivatives. Both facilities must at all times be sufficient to cover interest and principal on covered bonds and related derivatives for the next 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 financial statements for 2016.

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 minimizing the uncertainty of valuations.

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 30.06.17	Fair value 31.12.16	Book value 30.06.17	Book value 31.12.16
Financial assets				
Loans to and due from financial institutions	393	272	393	272
Lending to customers - corporate	8,205	8,474	8,248	8,518
Lending to customers - retail	37,487	33,520	37,487	33,520
Bonds held to maturity	17,529	17,537	15,615	15,644
Bonds classified as loans and receivables	94,090	89,677	87,170	82,777
Total financial assets 30.6.17	157,704		148,914	
Total financial assets 31.12.16		149,480		140,730
Financial liabilities				
Debt raised by issuance of securities	17,354	16,290	17,226	16,219
Liabilities to financial institutions	5	5	5	5
Deposits from banking customers	15,005	15,238	15,005	15,238
Subordinated loan capital	8,210	7,720	7,681	7,621
Total financial liabilities 30.6.17	40,574		39,918	
Total financial liabilities 31.12.16		39,254		39,083

VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE

(NOK million)	Level 1	Level 2	Level 3	Total fair value 30.06.17	Total fair value 31.12.16
	Quoted prices	Observable assumptions	Non-observable assumptions		
Assets:					
Equities and units					
- Equities	18,781	609	845	20,234	21,950
- Units	188	114,089	7,780	122,057	107,586
Total equities and units 30.6.17	18,968	114,698	8,625	142,291	
Total equities and units 31.12.16	20,615	99,814	9,107		129,537
Lending to customers¹⁾					
- Lending to customers - corporate			4,125	4,125	2,346
- Lending to customers - retail			2,084	2,084	1,959
Lending to customers 30.6.17¹⁾			6,209	6,209	
Lending to customers 31.12.16 ¹⁾			4,304		4,304
Bonds and other fixed-income securities					
- Government bonds	25,622	25,382		51,004	47,696
- Corporate bonds	161	34,025	175	34,362	33,154
- Structured notes		54		54	29
- Collateralised securities		29,241		29,241	33,216
- Bond funds	552	53,467		54,018	57,742
Total bonds and other fixed-income securities 30.6.17	26,335	142,169	175	168,680	
Total bonds and other fixed-income securities 31.12.16	23,337	148,251	249		171,837
Derivatives:					
- Interest derivatives		2,740		2,740	3,290
- Currency derivatives		263		263	-657
Total derivatives 30.6.17		3,003		3,003	
- of which derivatives with a positive market value		4,701		4,701	4,827
- of which derivatives with a negative market value		-1,699		-1,699	-2,194
Total derivatives 31.12.16		2,634			2,634
Real Estate:					
Investment properties			25,608	25,608	24,161
Owner-occupied properties			3,359	3,359	2,863
Total real estate 30.6.17			28,968	28,968	
Total real estate 31.12.16			27,024		27,024
Liabilities:					
Liabilities to financial institutions ¹⁾					402
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 movements between level 1 and level 2 in this quarter.

FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE - LEVEL 3

(NOK million)	Equities	Units	Lending to customers	Corporate bonds	Investment properties	Owner-occupied properties
Book value 01.01.17	1,059	8,050	4,304	249	24,163	2,863
Net gains/losses on financial instruments	-27	564	-1,579	-3,677	146	17
Supply	-189	272	3,718	3,664	526	94
Sales	-18	-1,221	-347	-70		
Translation differences	21	114	113	10	232	61
Other					541	325
Book value 30.06.17	845	7,780	6,209	175	25,608	3,359

As of 30.6.17, Storebrand Life Insurance had NOK 1 856 million invested in Storebrand Eiendomsfond Norge KS. The investment is classified as "Investment in Associated Companies" in the Consolidated Financial Statements. Storebrand Eiendomsfond Norge KS invests exclusively in real estate at fair value.

SENSITIVITY ASSESSMENTS

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

Note 07 | Operating costs

(NOK million)	2Q		01.01 - 30.6		Year
	2 017	2 016	2 017	2 016	2 016
Personnel costs	-464	-352	-937	-850	-1,741
Amortisation/write-downs	-42	-45	-83	-91	-275
Other operating costs	-355	-279	-752	-714	-1,569
Total operating costs	-861	-677	-1,771	-1,654	-3,585

Note 08 | Tax

The 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.

Since the balance sheet date, tax-free sales of investment properties have been carried out where previously allocations have been made for deferred tax. Reversal of this deferred tax will be taken into account in the tax expense for the third quarter of 2017.

Note
09

Lending

(NOK million)	30.6.17	30.6.16	31.12.16
Corporate market ¹⁾	12,460	8,922	10,907
Retail market	39,598	30,874	35,508
Gross lending	52,058	39,796	46,415
Write-down of lending losses	-114	-64	-73
Net lending²⁾	51,944	39,732	46,342
1) Of which Storebrand Bank	1,151	1,983	1,550
2) Of which Storebrand Bank	27,737	29,135	27,268
Of which Storebrand Livsforsikring	24,208	10,597	19,074

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	30.6.17	30.6.16	31.12.16
Non-performing and loss-exposed loans without identified impairment	140	89	107
Non-performing and loss-exposed loans with identified impairment	90	98	88
Gross non-performing loans	231	188	195
Individual write-downs	-30	-29	-27
Net non-performing loans	201	159	167

Note
10

Buffer capital

(NOK million)	30.6.17	30.6.16	31.12.16
Additional statutory reserves	6,736	5,198	6,794
Market adjustment reserves	2,158	5,244	2,684
Conditional bonuses	8,809	6,306	7,241
Total	17,704	16,748	16,719

Note
11

Contingent liabilities

(NOK million)	30.6.17	30.6.16	31.12.16
Guarantees	22	49	24
Unused credit limit lending	3,552	3,844	3,548
Uncalled residual liabilities re limited partnership	5,668	3,944	2,971
Loan commitment retail market	3,556	3,157	3,524
Total contingent liabilities	12,799	10,994	10,067

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 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.

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 the value of the customers guarantees and options. 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 reserve¹⁾. 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 reduced with expected paid out dividend. Storebrand has the goal of paying annual dividends of 35 % of the Group profit after tax, adjusted for amortisation costs. The value of future profits is implicitly included as a consequence of the valuation of the insurance liability.

SOLVENCY CAPITAL

NOK million	Total	30.6.17				31.12.16 Total
		Group 1 unlimited	Group 1 limited	Group 2	Group 3	
Share capital	2,250	2,250				2,250
Share premium	9,485	9,485				9,485
Reconciliation reserve	25,442	25,442				23,524
<i>Including the effect of the transitional arrangement</i>	3,126	3,126				3,073
Subordinated loans	7,426		2,618	4,808		7,198
Deferred tax assets	90				90	102
Risk equalisation reserve	144			144		140
Minority interests	49				49	46
Unavailable minority interests	-33				-33	-30
Deductions for CRD IV subsidiaries	-2,681	-2,181	-225	-275		-2,690
Expected paid out dividend ²⁾	-494	-494				-695
Total basic solvency capital	41,677	34,501	2,393	4,677	106	39,331
Subordinated capital for subsidiaries regulated in accordance with CRD IV	2,681					2,690
Total solvency capital	44,358					42,020
Total solvency capital available to cover the minimum capital requirement	38,797	34,501	2,393	1,903		36,726

²⁾ Consist of proposed dividend for 2016 and calculated 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	30.6.17	31.12.16
Market	23,905	24,175
Counterparty	521	529
Life	9,596	8,773
Health	734	731
P&C	293	295
Operational	1,484	1,449
Diversification	-6,695	-6,340
Loss-absorbing tax effect	-5,141	-5,363
Total solvency capital requirement - insurance company	24,698	24,249
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,453	2,537
Total solvency capital requirement	27,150	26,786
Solvency margin with transitional rules	163%	157%
Minimum capital requirement	9,517	10,010
Minimum margin	408%	367%

**Note
13****Cross-sectoral financial group**

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 the same primary capital and essentially the same capital requirements.

NOK million	30.6.17	31.12.16
Capital requirements for CRD IV companies	2,596	2,700
Solvency capital requirements for insurance	24,698	24,249
Total capital requirements	27,294	26,950
Net primary capital for companies included in the CRD IV report	2,681	2,690
Net primary capital for insurance	41,677	39,331
Total net primary capital	44,358	42,020
Overfunding	17,064	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 June 2017, the difference amounted to NOK 144 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 1st half year 2017.

Storebrand ASA

Income statement

(NOK million)	2Q		01.01. - 30.06		Full year
	2 017	2 016	2 017	2 016	2 016
Operating income					
Income from investments in subsidiaries	1		37	12	899
Net income and gains from financial instruments:					
- bonds and other fixed-income securities	10	12	24	30	48
- financial derivatives/other financial instruments	-1	-1	-2	2	-7
Other financial instruments	2		2	54	55
Operating income	11	11	61	97	996
Interest expenses	-20	-20	-40	-45	-85
Other financial expenses	-2	-2	-6	-9	-6
Operating costs					
Personnel costs	-10	-6	-23	-14	-27
Amortisation					-1
Other operating costs	-13	-12	-24	-24	-48
Total operating costs	-23	-19	-47	-39	-76
Total costs	-46	-41	-93	-92	-167
Pre-tax profit	-34	-30	-32	5	829
Tax	9	21	17	15	-91
Profit for the period	-26	-9	-15	20	738

STATEMENT OF TOTAL COMPREHENSIVE INCOME

(NOK million)	2Q		01.01. - 30.06		Full year
	2 017	2 016	2 017	2 016	2 016
Profit for the period	-26	-9	-15	20	738
Other result elements not to be classified to profit/loss					
Change in estimate deviation pension					-41
Tax on other result elements					10
Total other result elements					-31
Total comprehensive income	-26	-9	-15	20	707

Storebrand ASA

Statement of financial position

(NOK million)	30.06.17	30.06.16	31.12.16
Fixed assets			
Deferred tax assets	254	332	236
Tangible fixed assets	28	29	29
Shares in subsidiaries	17,100	17,102	17,102
Total fixed assets	17,382	17,463	17,367
Current assets			
Owed within group			891
Other current receivables	13	59	11
Investments in trading portfolio:			
- equities and other units	3		
- bonds and other fixed-income securities	1,876	2,187	2,123
- financial derivatives/other financial instruments	26	38	20
Bank deposits	71	86	72
Total current assets	1,988	2,370	3,117
Total assets	19,370	19,833	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	5,147	5,137	5,129
Total equity	16,877	16,863	16,855
Non-current liabilities			
Pension liabilities	159	157	159
Securities issued	2,279	2,713	2,698
Total non-current liabilities	2,438	2,869	2,857
Current liabilities			
Debt within group			7
Provision for dividend			695
Other current liabilities	55	100	71
Total current liabilities	56	100	773
Total equity and liabilities	19,370	19,833	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 result 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				-15	-15
Total comprehensive income				-15	-15
Own share bought back ²⁾		3		44	47
Employee share ²⁾				-11	-11
Equity at 30. June 2017	2,250	-5	9,485	5,147	16,877

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. June 2017 was 973 672.

Equity at 31. December 2015	2,250	-10	9,485	5,105	16,829
Profit for the period				20	20
Total comprehensive income				20	20
Own share bought back ²⁾		2		26	28
Employee share ²⁾				-14	-14
Equity at 30. June 2016	2,250	-8	9,485	5,137	16,863

Storebrand ASA

Statement of cash flow

(NOK million)	01.01 - 30.06	
	2017	2016
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	30	24
Net receipts/payments - securities at fair value	241	52
Payments relating to operations	-65	-61
Net receipts/payments - other operational activities	924	522
Net cash flow from operational activities	1,130	536
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	-1	-17
Cash flow from financing activities		
Payments - repayments of loans	-1,425	-555
Receipts - new loans	1,000	1
Payments - interest on loans	-47	-54
Receipts - sold own share to employees	36	14
Payments - dividends	-695	
Net cash flow from financing activities	-1,130	-594
Net cash flow for the period	-1	-75
Net movement in cash and cash equivalents	-1	-75
Cash and cash equivalents at start of the period	72	161
Cash and cash equivalents at the end of the period	71	86

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	31.03.17	31.03.16	31.12.16
Bond loan 2013/2020 ¹⁾	Fixed	NOK	300	327	337	321
Bond loan 2012/2017	Variable	NOK	624		626	627
Bond loan 2013/2018	Variable	NOK	450	452	452	452
Bond loan 2014/2019	Variable	NOK	500	499	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		798	799
Total ²⁾				2,279	2,713	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 and include earned not due interest.

Signed loan agreements have standard covenant requirements. The terms and conditions have been redeemed pursuant to signed loan agreements. Storebrand ASA has an unused drawing facility for EUR 240 million.

Storebrand ASA

Statement from the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer have today considered and approved the Interim report and Interim financial statements for Storebrand ASA and the Storebrand Group for the first six months of 2017 (Report for the first six months, 2017).

The Interim report has been prepared in accordance with the requirements of IAS, 34 Interim Financial Reporting as adopted by the EU and additional Norwegian requirements pursuant to the the Norwegian Securities Trading Act.

In the best judgement of the Board and the CEO, the financial statements for the first six months of 2017 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the parent company's and Group's assets, liabilities, financial standing and results as a whole as at 30 June 2017. In the best judgement of the Board and the CEO, the six-month report provides a fair and true overview of important events during the accounting period and their effects on the financial statements for the first six months for Storebrand ASA and the Storebrand Group. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the Group faces in the remaining six months, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, Norway, 12 July 2017
Board of Directors of Storebrand ASA

Didrik Munch
Chairman of the Board

Karin Bing Orgland

Laila S. Dahlen

Gyrid Skalleberg Ingerø

Martin Skancke

Håkon Reistad Fure

Jan Chr. Opsahl

Arne Fredrik Håstein

Heidi Storruste

Ingvild Pedersen

Odd Arild Grefstad
Chief Executive Officer



Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
Fax: +47 23 27 90 01
www.deloitte.no

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 June 2017, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-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, 12 July 2017
Deloitte AS

Henrik Woxholt

State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

HOVEDKONTOR:

Storebrand ASA
Professor Kohts vei 9
Postboks 500
1327 Lysaker, Norge
Tlf.: 22 31 50 50
www.storebrand.no

Kundesenter: 08880

ØVRIGE SELSKAPER I KONSERNET:

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

Storebrand Livsförsäkring AS
- filial Sverige
Vasagatan 10
S-105 39 Stockholm, Sverige
Tlf.: +46 8 700 22 00
www.storebrand.se

Storebrand Kapitalforvaltning AS -
filial Sverige
Vasagatan 10
S-105 39 Stockholm, Sverige
Tlf.: +46 8 614 24 00
www.storebrand.se

Storebrand Helseforsikring AS
Professor Kohts vei 9
Postboks 464
1327 Lysaker, Norge
Tlf.: 22 31 13 30
www.storebrandhelse.no

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

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

Investor Relations contacts



Kjetil Ramberg Krøkje
Lars Løddesøl

Head of IR
CFO

kjetil.r.krokje@storebrand.no
lars.loddesol@storebrand.no

+47 9341 2155
+47 2231 5624