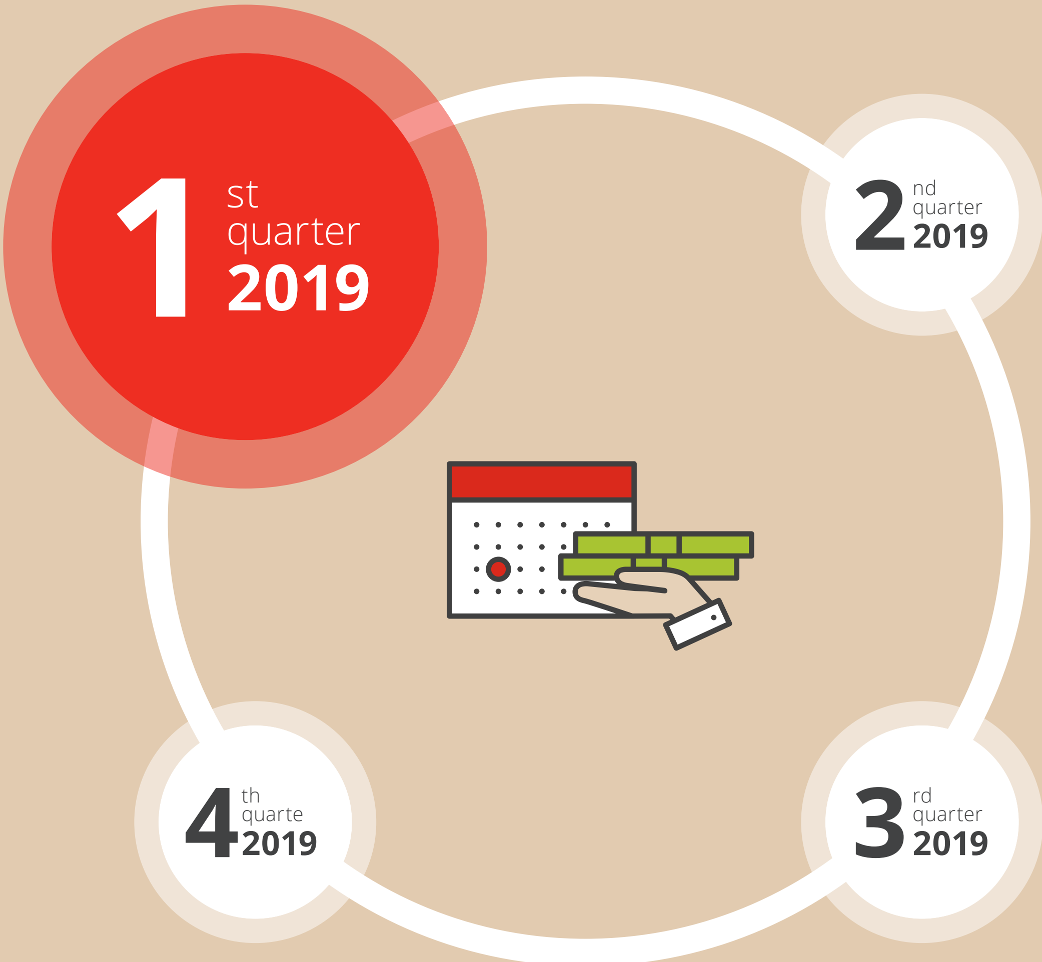
storebrand



Interim report 1st quarter 2019

Storebrand Group

Contents

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Storebrand Group

- **Group result[1)] of NOK 733m for the 1st quarter**
- **Solvency II ratio 173%**
- **Strong cost control**

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

GROUP RESULT [2)]

	2019	2018				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
Fee and administration income	1,215	1,301	1,246	1,245	1,220	1,215	1,220	5,011
Insurance result	245	282	316	358	335	245	335	1,291
Operational cost	-929	-1,031	-877	-958	-919	-929	-919	-3,786
Operating profit	**531**	**551**	**685**	**645**	**635**	**531**	**635**	**2,516**
Financial items and risk result life	202	11	168	167	296	202	296	642
Profit before amortisation	**733**	**563**	**853**	**812**	**931**	**733**	**931**	**3,158**
Amortisation and write-downs of intangible assets	-99	-99	-98	-98	-64	-99	-64	-360
Profit before tax	**634**	**464**	**755**	**714**	**866**	**634**	**866**	**2,799**
Tax	-139	1,392	-229	-126	-139	-139	-139	898
Profit after tax	**494**	**1856**	**526**	**587**	**728**	**494**	**728**	**3,696**

The Group result before amortisation was NOK[3)] 733m (NOK 931m) in the 1st quarter. The figures in brackets are from the corresponding period last year.

Total fee and administration income amounted to NOK 1 215m (NOK 1 220m) in the 1st quarter. This is an increase of 0.5% compared to the same period last year, when adjusted for currency changes. Income within the segment Guaranteed Pension decreased by 1% compared to same period last year. This is in line with the run off of the Guaranteed Pension schemes, while the Savings segment increased income by 2%, adjusted for currency changes.

The Insurance result had a total combined ratio of 90% (81%) in the quarter. This is in line with the targeted range of 90-92%.

The Group's operating costs are in line with last year. The underlying cost control is strong and the Group maintains the target of reduced nominal costs in 2020 compared to 2015, adjusted for the costs from Skagen.

Overall, the operating profit decreased in the quarter compared to last year. Strong insurance results in Q1 2018 is the main explanation for the difference compared to last year. The 'financial items and risk result life' was strong in the quarter due to high returns in company portfolios. The return was generated by a higher interest rate level in the short end of the curve and tighter credit spreads.

Amortisation of intangible assets amounted to NOK 99m in the quarter. Normal amortisation of intangible assets is expected to remain at around NOK 100m per. quarter.

The Group reported a tax cost of NOK 139m for the quarter. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway, and it varies from quarter to quarter depending on each legal entity's contribution to the Group result. The tax rate is estimated to be in the range of 21-23% for 2019.

[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 layout of the statutory reporting.
[3)] The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughtout the report.

GROUP RESULT BY RESULT AREA

(NOK million)	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	01.01 - 31.03 2019	01.01 - 31.03 2018	Full Year 2018
Savings - non-guaranteed	290	325	334	304	294	290	294	1,257
Insurance	103	97	214	230	207	103	207	748
Guaranteed pension	249	217	295	236	401	249	401	1,148
Other profit	91	-76	10	41	29	91	29	5
Profit before amortisation	**733**	**563**	**853**	**812**	**931**	**733**	**931**	**3,158**

The Savings segment reported a profit before amortisation of NOK 290m (NOK 294m) for the 1st quarter. Structural growth and positive equity markets within Unit linked savings and growth in Storebrand Bank's lending volume contribute positively to the result. Asset management is negatively affected by lower AuM going into the quarter.

The Insurance segment reported a profit of NOK 103m (NOK 207m) in the quarter. The cost ratio was unchanged while the claims ratio increased from 65% to 74% compared to last year resulting in a combined ratio of 90% (81%) for the 1st quarter. Run-off gains in the previous year contributed to the result last year. Over time, the combined ratio is targeted to be in the range 90-92%.

The Guaranteed Pension segment achieved a profit before amortisation of NOK 249m (NOK 401m) for the 1st quarter. Dissolution of longevity reserves in the 1st quarter last year explains the reduced results in the quarter. Fee and administration income is reduced by 2% compared to last year. The products within Guaranteed Pension are in long-term runoff and reduced earnings from this segment are to be expected over time.

The Other segment reported a profit of NOK 91m (NOK 29m) in the quarter. Credit spreads tightening affects results positively.

[1)] Tax rate based on profit before amortisation

CAPITAL SITUATION

Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target solvency margin in accordance with the Solvency II regulations is a minimum of 150%, including use of the transitional rules. The solvency margin was 173% at the end of the 1st quarter 2019, unchanged from year end 2018. The Solvency margin without transitional rules was 171%. Strong asset returns increases buffer capital in the guaranteed business lines and strengthens the solvency position. Volatility reducing factors in the solvency regulations (volatility adjustment, symmetrical equity adjustment) in combination with lower interest rates contributes negatively to the solvency position.

DIVIDEND

The Annual General Meeting of Storebrand approved a dividend of NOK 3.0 pr. share for 2018. Shareholders as of 10 April 2019 where eligible for dividend and the dividend was paid out 24 April.

MARKET AND SALES PERFORMANCE

The growth in Unit linked savings is driven by premiums from existing contracts, investment returns and conversion from defined benefit schemes and increased savings rates. Assets under management in the Unit Linked business in Norway and Sweden increased by NOK 19bn (11%) relative to the same period in 2018. In Norway, Storebrand is the market leader in Unit Linked occupational pension with 31% of the market share of gross premiums written (at the end of the 4th quarter 2018). SPP has a market share of 14% in the Swedish market for other occupational pensions ("Övrig Tjänstepension", at the end of 4th quarter).

The Storebrand Group has a 12.5% market share (Pr.31.03.2019) within retail mutual funds in Norway. The lending volume at Storebrand Bank increased by 8% compared to last year.

GROUP - KEY FIGURES

	2019	2018				01.01 - 31.03		Full year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
Earnings per share adjusted[1)]	1.26	4.18	1.33	1.46	1.69	1.26	1.69	8.66
Equity	33,177	32,873	30,742	30,227	31,140	33,177	31,140	32,873
Quarterly adjusted ROE, annualised	7.9 %	29.0 %	8.6 %	9.6 %	11.3 %	7.9 %	11.3 %	13.7 %
Solvency II	173%	173%	169%	167%	165%	173%	165%	173%

Financial targets	Target	Actual (Q4)
Return on equity (after tax)[1)]	> 10%	7.9%
Dividend (after tax)[2)]	> 50%	N/A
Solvency II margin Storebrand Group	> 150%	173%

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

Savings

- **Strong growth in the Unit Linked business in the quarter**
- **Increased costs due to underlying growth in the business**

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

SAVINGS - NON GUARENTEED

	2019	2018				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
Fee and administration income	896	1,006	905	909	889	896	889	3,709
Operational cost	-615	-652	-565	-602	-586	-615	-586	-2,405
Operating profit	281	354	340	307	303	281	303	1,303
Financial items and risk result life	9	-29	-5	-2	-9	9	-9	-46
Profit before amortisation	**290**	**325**	**334**	**304**	**294**	**290**	**294**	**1257**

FINANCIAL PERFORMANCE

The Savings segment reported a profit before amortisation and tax of NOK 290m (NOK 294m) for the 1st quarter.

Turbulent market conditions in the 4th quarter 2018 lead to lower assets under management at the beginning of 2019, but good returns in the 1st quarter has contributed to growth.

The fee- and administration income increased by 2% compared to the 1st quarter last year, adjusted for currency changes. Returns, customer conversion from defined-benefit to defined-contribution pension schemes, new business and higher savings rates drive income growth. Increased competition contributes to moderate margin pressure both for the Norwegian and the Swedish Unit Linked products. In Asset Management there is a shift in the asset mix to more index based products that leads to lower net margins. The interest margin in Storebrand Bank was negatively influenced by competitive pricing and increased interbank rates. Net interest income as a percentage of average total assets was 1.16% (1.28%) in the 1st quarter.

Operating expenses in the quarter increase compared to the same quarter 2018 due to underlying growth in the business.

BALANCE SHEET AND MARKET TRENDS

The Unit Linked premiums were NOK 4.2bn at the end of 1st quarter, growing by 7% in the quarter and 11% from the 1st quarter last year. The total assets under management in Unit Linked have increased by 19bn (7%) compare to last year and amounted to NOK 191bn at the end of the quarter. In the Norwegian Unit Linked business the assets under management increased by NOK 6bn (7%) in the quarter and NOK 11 bn (11%) last year. The underlying 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 31% of the market share of gross premiums written (at the end of the 4th quarter).

In the Swedish market, SPP is the fourth largest supplier in the Other Occupational Pensions segment with a market share of 14% measured by premium income from Unit Linked. Customer assets increased by SEK 10.2bn (12%) both in the 1st quarter and compared to the same period last year.

Assets under management in Storebrand Asset Management increased by NOK 22bn (3%) both in the quarter and over the last year. Adjusted for currency changes the growth would have been NOK 13bn higher.

The bank lending portfolio in the retail market grew by NOK 3.4bn (8%) from the same quarter previous year, but developed flat in the quarter due to high competition in the market. The portfolio consists of low-risk home mortgages with an average LTV of 58%. Storebrand Life Insurance manages NOK 17.2bn of the mortgages on its balance sheet.

SAVINGS - KEY FIGURES

	2019	2018			
(NOK million)	Q1	Q4	Q3	Q2	Q1
Unit linked Reserves	190,980	179,299	187,016	178,498	171,749
Unit linked Premiums	4,237	4,086	4,096	3,892	3,947
AuM Asset Management	728,712	707,297	725,171	707,118	707,102
Retail Lending	46,476	46,526	45,669	44,325	43,054

Insurance

- **Satisfactory risk development in most product areas**
- **High claims frequency in Group Life decreases the segment result**
- **Continued cost control keeps the operational costs stable**

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

INSURANCE

	2019		2018			01.01 - 31.03		Full year
NOK million	Q1	Q4	Q3	Q2	Q1	2019	2018	2016
Insurance premiums f.o.a.	948	1,003	949	946	955	948	955	3,854
Claims f.o.a.	-703	-721	-633	-588	-620	-703	-620	-2,562
Operational cost	-150	-175	-136	-147	-156	-150	-156	-614
Operating profit	**95**	**107**	**181**	**211**	**179**	**95**	**179**	**677**
Financial result	8	-9	33	19	28	8	28	71
Contribution from SB Helseforsikring AS	*1*	*6*	*15*	*7*	*3*	*1*	*3*	*32*
Profit before amortisation	**103**	**97**	**214**	**230**	**207**	**103**	**207**	**748**
Claims ratio	74%	72%	67%	62%	65%	74%	65%	66%
Cost ratio	16%	17%	14%	16%	16%	16%	16%	16%
Combined ratio	90%	89%	81%	78%	81%	90%	81%	82%

FINANCIAL PERFORMANCE

In the 1st quarter, Insurance delivered a result before amortization of NOK 103m (NOK 207m). The combined ratio for the quarter was 90% (81%).

The 1st quarter claims ratio was 74% (65%) and is weaker due to Group Life development. P&C insurance has had a satisfying claims development, but a result decline due to run-off gains in the previous year. Individual insurance coverage has stable claims ratio compared to last year. Group Life delivers weak risk results due to high claims frequency and a number of specific large claims. Measures will be taken to improve profitability going forward and repricing measures has been implemented. The risk result for Group Disability Pension is driven by a good disability development, but competition and price pressure are high in the market. The Swedish disability result is stronger than expected due to good disability development.

Health insurance experiences slightly higher claim rates in Sweden and Norway than previous year.

The cost ratio is 16% (16%) in the 1st quarter, and cost control has been satisfactory in the period.

Insurance's investment portfolio in Norway amounted to NOK 8.6bn as of the 1st quarter, which primarily is invested in fixed income securities with a short to medium duration. The negative return in Q4 2018 was explained by widening credit spreads, which are now reversing.

BALANCE SHEET AND MARKET TRENDS

Storebrand aims to grow in the retail market. The competition is strong, but a shift in distribution strategy last year has started to pay off with acceptable sales growth in the 1st quarter. It is necessary to improve pricing, products, sales and service solutions to strengthen competitiveness. Health related insurance is growing and Storebrand is succeeding well in the market.

INSURANCE PREMIUMS

	2019	2018				01.01 - 31.03		Full year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
P&C & Individual life[1)]	1,769	1,743	1,717	1,714	1,707	1,769	1,707	1,743
Health & Group life[2)]	1,548	1,574	1,538	1,548	1,555	1,548	1,555	1,574
Pension related disability insurance[3)] Nordic	1,124	1,138	1,153	1,155	1,163	1,124	1,163	1,138
Total written premiums	**4,442**	**4,455**	**4,408**	**4,417**	**4,424**	**4,442**	**4,424**	**4,455**
Investment Portfolio	8,627	8,084	8,292	8,447	8,290	8,627	8,525	8,290

[1)] Individual life and accident, property and casualty insurance
[2)] Group accident, occupational injury and health insurance
[3)] Nordic disability cover related to defined contribution pensions

Guaranteed pension

- **Income reduction in line with strategy and product run-off**
- **Decreasing cost level**
- **Moderate risk and financial results**

GUARANTEED PENSION

	2019	2018				01.01 - 31.03		Full year
NOK million	Q1	Q4	Q3	Q2	Q1	2019	2018	2016
Fee and administration income	361	333	369	370	368	361	368	1,440
Operational cost	-186	-223	-179	-215	-200	-186	-200	-816
Operating profit	**174**	**111**	**190**	**155**	**168**	**174**	**168**	**624**
Risk result life & pensions	61	58	91	-140	183	61	183	191
Net profit sharing and loan losses	13	48	13	221	51	13	51	333
Profit before amortisation	**249**	**217**	**295**	**236**	**401**	**249**	**401**	**1,148**

FINANCIAL PERFORMANCE

Guaranteed Pension achieved a profit before amortisation of NOK 249m (NOK 401m) in the 1st quarter. Dissolution of longevity reserves last year contribute to the result development.

Fee and administration income has performed in line with the fact that a large part of the portfolio is mature and in long-term decline. Income was NOK 361m (NOK 368m) in the 1st quarter. This is equivalent to a decline of 1% compared with the previous year, adjusted for currency changes.

Operating costs amounted to NOK 186m (NOK 200m) in the 1st quarter. Operating costs are being reduced over time as a result of the area being in long-term runoff.

The risk result amounted to NOK 61m (NOK 183) in the 1st quarter. In 2018 the result was positively affected by dissolution of NOK 149m of longevity reserves. The risk result was mainly generated by good results in the Norwegian paid-up policy portfolio while other products areas had moderate results.

The result from profit sharing in the Guaranteed Pension segment consists of profit sharing and mark to market financial effects. The result was NOK 13m (NOK 51m) in the 1st quarter. The result was generated in the Swedish business. The result is moderate but with underlying strong profit sharing due to good financial returns offset by strenghtening of deferred capital contribution (DCC) due to lower interest rate in Sweden.

BALANCE SHEET AND MARKET TRENDS

The majority of products are closed for new business, and the customers' choice of transferring from guaranteed to non-guaranteed products is in line with the Group's strategy. As of the 1st quarter, customer reserves for guaranteed pensions amounted to NOK 261bn, which is in line with the previous quarter and an increase of NOK 1.1bn compared to the same quarter last year. The increase is due to financial markets in the quarter. The premium income for guaranteed pensions (excluding transfers) was NOK 1.8bn (NOK 2.0bn) for the 1st quarter.

In the Norwegian business, paid-up policies was the only guaranteed pension portfolio experiencing growth, with a total portfolio amounting to NOK 136bn as of the 1st quarter. This is an increase of NOK 3.1bn year to date. Since 2014, customers have been given the choice to convert from traditional paid-up policies to paid-up policies with investment choice. Reserves for defined-benefit pensions in Norway amounted to NOK 32bn at the end of the 1st quarter, a decline of NOK 0.8bn year to date. Guaranteed portfolios in the Swedish business totalled NOK 79bn as of the 1st quarter, a reduction of NOK 2.2bn year to date. The reduction is attributed to changes in the SEK/NOK exchange rate.

GUARANTEED PENSION - KEY FIGURES

	2019	2018				01.01 - 31.03		Full year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
Guaranteed reserves	260,560	260,573	257,570	257,783	259,426	260,560	259,426	260,573
Guaranteed reserves in % of total reserves	57.7 %	59.2 %	57.9 %	59.1 %	60.2 %	57.7 %	60.2 %	59.2 %
Net transfers	-20	-10	-24	-13	-118	-20	-118	-165
Buffer capital in % of customer reserves Norway	7.4 %	6.4 %	6.6 %	6.5 %	6.2 %	7.4 %	6.2 %	6.4 %
Buffer capital in % of customer reserves Sweden	9.4 %	8.7 %	9.5 %	8.8 %	9.0 %	9.4 %	9.0 %	8.7 %

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 activities at BenCo are reported in this segment. Group eliminations are reported in a separate table below.

RESULT EXCLUDING ELIMINATIONS

	2019	2018				01.01 - 31.03		Full year
NOK million	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
Fee and administration income	14	23	32	25	21	14	21	102
Operational cost	-33	-42	-58	-54	-36	-33	-36	-190
Operating profit	-19	-20	-25	-29	-15	-19	-15	-89
Financial items and risk result life	111	-56	35	70	80	111	80	128
Profit before amortisation	**91**	**-76**	**10**	**41**	**64**	**91**	**64**	**40**

ELIMINATIONS

	2019	2018				01.01 - 31.03		Full year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2019	2018	2018
Fee and administration income	-55	-61	-60	-60	-58	-55	-58	-239
Operational cost	55	61	60	60	58	55	58	239
Financial result					-35		-35	-35
Profit before amortisation					-35		-35	-35

The Other segment reported a profit of NOK 91 (NOK 64m) in the quarter. Fee and administration income was reduced in comparison with the same quarter last year due to run off of the corporate bank.

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. Given the interest rate level at the end of the 1st quarter, interest expenses of approximately NOK 80m per quarter are expected. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 23,3bn at end of the quarter.

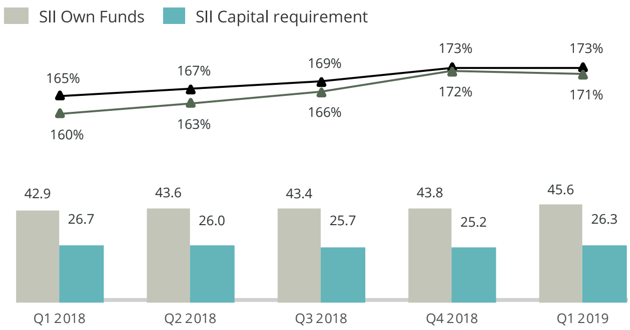
The investments are primarily in interest-bearing securities, with short maturities, in Norway and Sweden. The Norwegian company portfolio reported a return of 0.91% for the quarter. The Swedish company portfolio provided a return of 0.29 % in the quarter.

Balance sheet, solidity and capital situation

Continuous monitoring and active risk management is core to Storebrand's business. Risk and capital adequacy are monitored at both Group level and in the legal entities. Regulatory requirements for capital adequacy and risk management follow the legal entities. The section is thus divided by legal entities.

STOREBRAND GROUP

The Solvency II framework is the most material capital regulation for the Storebrand Group. The solvency margin was calculated to 173% at the end of the 1st quarter of 2019, including a two percentage points effect from transitional ruled. This is an increase of 1 percentage point during the quarter. The solvency margin was 173% at the end of the 1st quarter 2019, unchanged from year end 2018. The Solvency margin without transitional rules was 171%. Strong asset returns increases buffer capital in the guaranteed business lines and strengthens the solvency position. Volatility reducing factors in the solvency regulations (volatility adjustment, symmetrical equity adjustment) in combination with lower interest rates contributes negatively to the solvency position.



STOREBRAND ASA

Storebrand ASA (holding company) held liquid assets of NOK 2.2 bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities with a good credit rating and bank deposits. Storebrand ASA's total interest-bearing liabilities were NOK 1.8bn at the end of the quarter. This corresponds to a net debt-equity ratio of -1.8%. The next maturity date for bond debt is in September 2019. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 200m that runs until December 2023.

Storebrand ASA owned 0.31% (1 431 140) of the company's own shares at the end of the quarter.

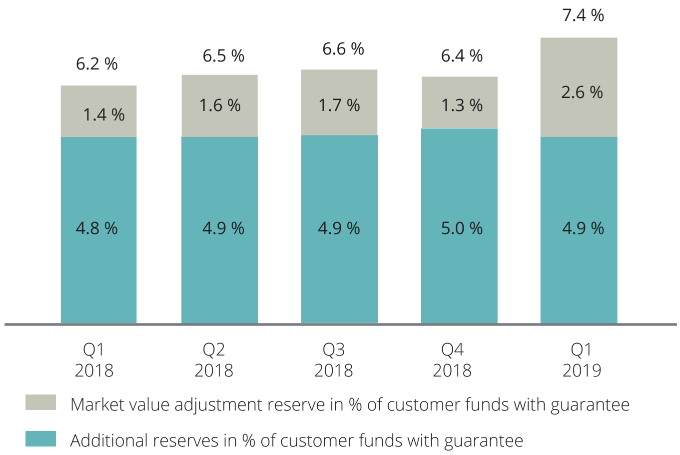
STOREBRAND LIFE INSURANCE GROUP[1)]

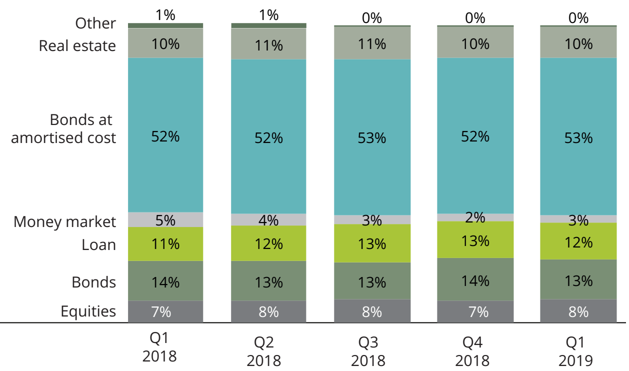
The Solidity capital[2)] measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 58.6bn at the end of 1st quarter 2019, a decrease of NOK 0.4bn in 1st quarter. The change in the quarter is due to increased customer buffers in the Swedish and Norwegian business and approved dividend to Storebrand ASA.

STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve increased during the 1st quarter by NOK 2.1bn and amounted to NOK 4.3bn at the end of the 1st quarter of 2019. The additional statutory reserves decreased during 1st quarter by NOK 0.2bn due to weak booked return and amounted to NOK 8.2bn at the end of the 1st quarter 2019. The excess value of bonds and loans valued at amortised cost increased by NOK 0.9bn in the 1st quarter and amounted to NOK 5.9bn at the end of the 1st quarter 2019 due to increases in interest rates. The excess value of bonds and loans at amortised cost is not included in the financial statements.

CUSTOMER BUFFERS





ALLOCATION OF GUARANTEED CUSTOMER ASSETS

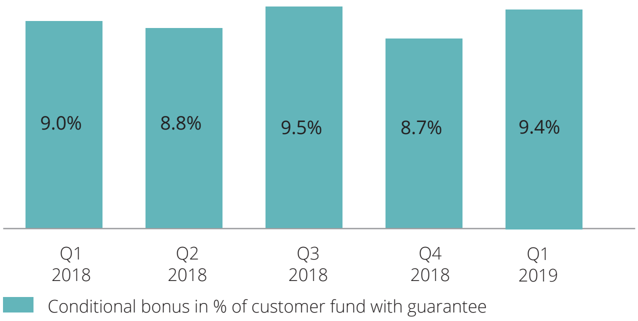
Customer assets increased by NOK 8.7bn in the 1st quarter due to positive investment returns. Customer assets totaled NOK 281bn at the end of the 1st quarter 2019. Customer assets within non-guaranteed savings increased NOK 6.5bn during the 1st quarter and amounted to 100bn at the end of 1st quarter 2019. Guaranteed customer assets increased by NOK 2.2bn in the 1st quarter and amounted to NOK 181bn at the end of 1st quarter 2019.

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

[2)] Consists of equity, subordinated loan capital, market value adjustment reserve, risk equalisation reserve, unrealised gains/losses on bonds and loans at amortised cost, additional statutory reserves, conditional bonuses.

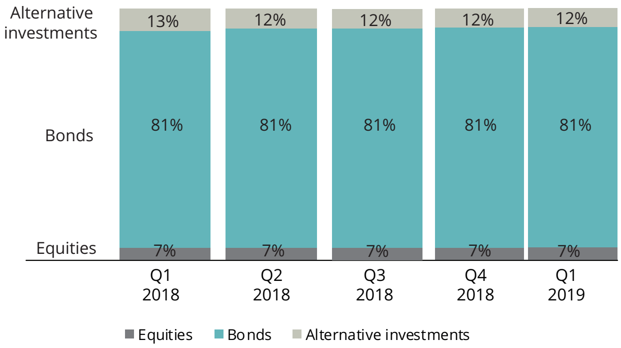
SPP

CUSTOMER BUFFERS - SPP



The buffer capital amounted to SEK 7,3bn (SEK 6,6bn in the 4th quarter) at the close of the 1st quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management in SPP were SEK 180bn (SEK 174bn) for the 1st quarter. This corresponds to an increase of 3.4% compared with the 1st quarter of 2018. For customer assets in non-guaranteed savings, assets under management totaled SEK 98bn (SEK 88bn) at the end of 1st quarter, which corresponds to an increase of 11.5%, compared with the 1st quarter of 2018.

STOREBRAND BANK

The loan portfolio, including loans managed on behalf of Storebrand Livsforsikring AS, amounted to NOK 46.5 billion (NOK 43.1 billion) at the end of the 1st quarter, of which the share to Storebrand Livsforsikring AS was NOK 17.2 billion (NOK 15.3 billion). Lending to customers in the bank group totalled NOK 29.3 billion (NOK 27.8 billion) at the end of the quarter.

The Storebrand Bank Group had a net capital base of NOK 2.5 billion at the end of the quarter. The capital adequacy ratio was 19.2 per cent and the Core Equity Tier 1 (CET1) ratio was 14.5 per cent at the end of the quarter, compared with 18.9 per cent and 15.2 per cent, respectively, at the end of 2018. The combined requirements for capital and CET1 were 17.3 per cent and 13.8 per cent respectively at the end of the 1st quarter. The countercyclical capital buffer requirement will increase by 0.5 per cent from 31 December 2019.

Outlook

STRATEGY

Storebrand follows a twofold strategy. First, Storebrand aims to build a world class Savings Group supported by Insurance. Storebrand is the market leader in pension solutions to Norwegian businesses and a challenger in the Swedish market, and uniquely positioned in the growing retail savings market. Storebrand Asset Management has a strong competitive position and clear growth ambitions. Second, through cost control and disciplined use of capital, Storebrand aims to increase return to shareholders. Storebrand expects to start capital release as dividends and/or share buy backs when the solvency margin is above 180%. The solvency margin is expected to grow 5 percentage points annually after dividends from today's level. The guaranteed business in long term run off is projected to release NOK 10bn in the next eight years until 2027.

FINANCIAL PERFORMANCE

The market for defined-contribution pensions is growing, and Storebrand's total reserves within Unit Linked increased by 11% in the last 12 months. Continued good growth for defined-contribution pensions is expected in the future. The loyalty program for employees at companies that have a pension scheme at Storebrand remains an important area of focus. The sale of banking products and P&C insurance contributes to growth within the Savings and Insurance segments. The competition in the market has resulted in pressure on margins within these segments. This in turn sets requirements for cost reductions and efficiency improvements in distribution and product solutions to achieve continued profitable growth. In order to realize the ambitions in the retail market, sales must continue to increase.

Asset management is an important business area within the Savings segment. With the acquisition of Skagen, Storebrand became a top three mutual fund provider in Norway. The asset management platform is competitive and scalable for further growth. With the acquisition of Cubera as of 1 April Storebrand is one the path of having one of the strongest offering of Private Equity in the Nordics.

The Guaranteed Pension segment is in long term runoff and the reserves for the Guaranteed Defined Benefit solutions 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 next few years 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 to the Group results with the present interest rates. Guaranteed reserves represent a declining share of the Group's total pension reserves and were 57.7% at the end of the quarter, a 2%-point reduction from the previous year.

The Board observes margin pressure in many parts of the group operations. The group has a strong track record on cost control. To ensure profitability, the group continues a strict reign on cost and invests in digital solutions to improve scalability and efficiency. Storebrand delivered a nominally lower cost base in 2018 compared to the level at the end of 2015 according to plan. The cost base is expected to remain at a nominal flat level towards 2020. The cost ambition is excluding any performance related costs in Asset Management. Storebrand will still make selected investments in growth. Lower cost through automation, digitalization and the partnership with Cognizant is expected to cover normal investments in business growth and inflation the coming years.

RISK

Market risk is the Group's biggest risk. In the Board's self-assessment of risk and solvency (ORSA) process, developments in interest rates, credit spreads, and equity and property values are considered to be the biggest risks that influence the solvency of the Group. Storebrand has adapted to the low interest rates by increasing duration in portfolios and building up buffer capital. The level of the average annual interest rate guarantee is gradually reduced as older policies with higher guarantees are phased out. In the long term, continued low interest rates will represent a risk for products with guaranteed high interest rates. Storebrand has adjusted its asset allocation by building a robust portfolio with bonds at amortised cost to achieve the guaranteed interest rate. For insurance risk, increased longevity and the development in disability are the factors that have greatest influence on solvency. Operational risk may have an effect on solvency. The risk is closely monitored.

INDIVIDUAL PENSION ACCOUNT

The Storting (parliament) has passed the bill on individual pension accounts. The new scheme is based on existing pension accounts in active defined contribution schemes. Defined contribution capital certificates issued by previous employers ("pensjonskapitalbevis") will be transferred into the active scheme unless the holder of a certificate makes an active choice to stay with his or her current provider ("negative acceptance"). Individuals will be able to transfer the pension account (both current and former earnings) to other providers.

Merging management of the active schemes and capital certificates will increase margin pressure. Storebrand currently has a higher market share for active defined contribution schemes than for certificates from such schemes. We would therefore expect some new net inflows of certificates as a result of the proposed changes.

We expect the scheme to be introduced in 2021.

NEW PUBLIC SERVICE PENSION

The Ministry of Labour and Social Affairs has reached an agreement with the labour market parties on a new occupational pension schemes for the public sector. The existing defined benefit scheme will be closed, so that only employees born in 1962 and earlier will continue in the old scheme. Employees born in 1963 and later will earn new pension rights in a hybrid-based scheme from 2020. The market is larger than the private sector market Storebrand is active in today. Storebrand will re-enter the market if sufficient competition is allowed.

GUARANTEED PENSION REGULATIONS

The Ministry of Finance has asked the Financial Supervisory Authority to provide proposals for changes in guaranteed pension regulation to follow up the Working Group Report which was published in September 2018.

The Working Group assessed the regulations for profit sharing and buffer building, as well as rules regulating the transfer of pension assets between providers. Changes in these parameters leading to more long term investment strategies are expected to have positive effects for customers and shareholders. The Financial Supervisory Authority has been asked to consider all regulatory changes considered by the working group, also those that were not recommended by the working group such as making it possible for life insurers to cover annual interest rate guarantees with contingent equity if returns or buffers are not adequate. The Financial Supervisory Authority's proposals shall be ready by summer 2019. We expect that The Ministry of Finance will then consider which proposals to present for the Storting (parliament) after a public hearing.

MORTGAGE LOANS HELD BY LIFE INSURANCE COMPANIES

The Financial Supervisory Authority has proposed changes capital requirements for mortage loans held by life insurance companies. The proposal will have limited effect on Storebrand's solvency margin. We expect the Ministry of Finance to consider the proposals after a public hearing.

DIVIDEND POLICY

Storebrand has established a framework for capital management that links dividends to the solvency margin. The dividend policy intends to reflect the strong growth in fee based earnings, the more volatile financial markets related earnings and the future capital release from the guaranteed book. The Board's ambition is to pay a stable and growing base dividend combined with special dividends to reflect financial markets volatility and capital release. The expected capital release will lead to increased payout ratio over time. Storebrand aims to pay a dividend of more than 50% of Group result after tax. The Board of Directors' ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year. Ordinary dividends are subject to a sustainable solvency margin of above 150%. If the solvency margin is above 180%, the Board of Directors intends to propose special dividends or share buy backs.

Lysaker, 7 May 2019.

Storebrand Group
Income statement

(NOK million)	Note	01.01 - 31.03 2019	2018	Full year 2018
Premium income		8,783	8,221	29,631
Net income from financial assets and real estate for the company:				
- equities and fund units at fair value		4	-5	-10
- bonds and other fixed-income securities at fair value		179	100	286
- financial derivatives at fair value		21	-3	50
- loans at fair value		2	-2	4
- bonds at amortised cost		53	27	116
- loans at amortised cost		187	165	665
- profit from investments in associated companies and joint ventures		8	15	46
Net income from financial assets and real estate for the customers:				
- equities and fund units at fair value		16,632	-2,416	-5,249
- bonds and other fixed-income securities at fair value		1,889	-628	912
- financial derivatives at fair value		1,392	977	-2,288
- loans at fair value		38	35	140
- bonds at amortised cost		978	955	4,254
- loans at amortised cost		186	129	541
- properties		327	402	1,487
- profit from investments in associated companies and joint ventures		115	160	303
Other income		919	1,245	4,930
Total income		**31,713**	**9,378**	**35,819**
Insurance claims		-8,126	-6,945	-25,142
Change in insurance liabilities		-18,742	-1,465	-3,042
Change in capital buffer		-2,549	1,450	1,730
Operating expenses	8	-1,106	-1,108	-4,542
Other expenses		-241	-169	-851
Interest expenses		-217	-211	-813
Total expenses before amortisation		**-30,980**	**-8,447**	**-32,661**
Group profit before amortisation		**733**	**931**	**3,158**
Amortisation of intangible assets		-99	-64	-360
Group pre-tax profit		**634**	**866**	**2,799**
Tax expenses	9	-139	-139	898
Profit/loss for the period		**494**	**728**	**3,697**
Profit/loss for the period attributable to:				
Share of profit for the period - shareholders		491	724	3,684
Share of profit for the period - hybrid capital investors		2	3	9
Share of profit for the period - minority		1	1	3
Total		**494**	**728**	**3,697**
Earnings per ordinary share (NOK)		1.05	1.55	7.89
Average number of shares as basis for calculation (million)		467.1	466.8	467.2
There is no dilution of the shares				

Storebrand Group
Statement of comprehensive income

	01.01 - 31.03		Full year
(NOK million)	2019	2018	2018
Profit/loss for the period	**494**	**728**	**3,697**
Change in actuarial assumptions	-2	-2	-26
Adjustment of value of properties for own use	-33	-78	48
Gains/losses from cash flow hedging	-21	-20	-23
Total comprehensive income elements allocated to customers	33	78	-48
Tax on other comprehensive income elements not to be classified to profit/loss			1
Total other comprehensive income elements not to be classified to profit/loss	**-24**	**-23**	**-48**
Translation differences foreign exchange	-195	-451	-318
Total other comprehensive income elements that may be classified to profit/loss	**-195**	**-451**	**-318**
Total other comprehensive income elements	**-218**	**-474**	**-366**
Total comprehensive income	**276**	**254**	**3,331**
Total comprehensive income attributable to:			
Share of total comprehensive income - shareholders	275	254	3,320
Share of total comprehensive income - hybrid capital investors	2	3	9
Share of total comprehensive income - minority	-2	-3	2
Total	**276**	**254**	**3,331**

Storebrand Group
Statement of financial position

(NOK million)	Note	31.03.19	31.03.18	31.12.18
Assets company portfolio				
Deferred tax assets		1,724	917	1,972
Intangible assets and excess value on purchased insurance contracts		5,853	6,220	6,106
Pension assets		5	3	5
Tangible fixed assets		1,084	50	43
Investments in associated companies and joint ventures		263	222	255
Financial assets at amortised cost:				
- Bonds	7	8,724	3,607	8,349
- Loans to financial institutions	7	214	368	318
- Loans to customers	7,10	28,906	27,200	28,236
Reinsurers' share of technical reserves		32	34	21
Investment properties at fair value	7	50	50	50
Biological assets		67	64	67
Accounts receivable and other short-term receivables		6,625	8,129	7,005
Financial assets at fair value:				
- Equities and fund units	7	202	304	295
- Bonds and other fixed-income securities	7	25,498	28,460	24,055
- Derivatives	7	1,373	1,436	1,226
- Loans to customers	7,10	319	517	220
Bank deposits		3,704	5,094	3,633
Minority interests in consolidated mutual funds		32,613	29,826	29,290
Total assets company portfolio		**117,256**	**112,502**	**111,145**
Assets customer portfolio				
Tangible fixed assets			330	
Investments in associated companies and joint ventures		4,127	3,208	4,406
Receivables from associated companies			37	
Financial assets at amortised cost:				
- Bonds	7	88,783	84,829	86,374
- Bonds held-to-maturity	7	14,433	15,166	14,403
- Loans to customers	7,10	23,910	21,445	25,270
Reinsurers' share of technical reserves		86	63	48
Investment properties at fair value	7	27,924	27,339	28,217
Properties for own use	7	1,314	1,347	1,420
Biological assets			779	
Accounts receivable and other short-term receivables		848	944	732
Financial assets at fair value:				
- Equities and fund units	7	169,376	154,112	157,066
- Bonds and other fixed-income securities	7	129,096	135,449	133,531
- Derivatives	7	4,253	2,573	3,701
- Loans to customers	7,10	5,283	4,885	5,708
Bank deposits		7,383	4,679	5,457
Total assets customer portfolio		**476,816**	**457,184**	**466,331**
Total assets		**594,072**	**569,686**	**577,476**

Continue next page

Storebrand Group
Statement of financial position (continue)

(NOK million)	Note	31.03.19	31.03.18	31.12.18
Equity and liabilities				
Paid-in capital		12,853	12,855	12,858
Retained earnings		19,997	17,924	19,782
Hybrid capital		271	262	176
Minority interests		55	98	57
Total equity		**33,177**	**31,140**	**32,873**
Subordinated loan capital	6,7	8,139	9,480	8,224
Capital buffer	11	20,956	18,945	18,983
Insurance liabilities		453,978	436,171	444,218
Pension liabilities		313	332	322
Deferred tax		263	335	258
Financial liabilities:				
- Liabilities to financial institutions	6,7	2	1	2
- Deposits from banking customers	7	14,583	14,876	14,419
- Securities issued	6,7	18,454	17,243	17,529
- Derivatives company portfolio		90	110	460
- Derivatives customer portfolio		1,248	2,065	4,147
- Other non-current liabilities		1,045		
Other current liabilities		9,213	9,161	6,751
Minority interests in consolidated mutual funds		32,613	29,826	29,290
Total liabilities		**560,896**	**538,546**	**544,604**
Total equity and liabilities		**594,072**	**569,686**	**577,476**

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	Currency translation differences	Other equity [2]	Total retained earnings	Hybrid capital[3]	Minority interests	Total equity
Equity at 31 December 2017	**2,339**	**-5**	**10,521**	**12,855**	**4**	**17,648**	**17,652**	**226**	**99**	**30,832**
Profit for the period						3,684	3,684	9	3	3,697
Total other comprehensive income elements					-317	-48	-365		-1	-366
Total comprehensive income for the period					**-317**	**3,636**	**3,320**	**9**	**2**	**3,331**
Equity transactions with owners:										
Own shares		3		3		48	48			50
Issue of shares									4	4
Hybrid capital classified as equity						2	2	-50		-48
Paid out interest hybrid capital								-9		-9
Dividend paid						-1,167	-1,167		-2	-1,169
Purchase of minority interests						-82	-82		-38	-120
Other						9	9		-8	1
Equity at 31 December 2018	**2,339**	**-2**	**10,521**	**12,858**	**-312**	**20,094**	**19,782**	**176**	**57**	**32,873**
Profit for the period						491	491	2	1	494
Total other comprehnsive income elements					-192	-24	-216		-3	-218
Total comprehensive income for the period					**-192**	**468**	**275**	**2**	**-2**	**276**
Equity transactions with owners:										
Own shares		-5		-5		-63	-63			-68
Hybrid capital classified as equity						1	1	95		96
Paid out interest hybrid capital								-2		-2
Other						3	3			3
Equity at 31 March 2019	**2,339**	**-7**	**10,521**	**12,853**	**-504**	**20,502**	**19,997**	**271**	**55**	**33,177**

[1]) 467 813 982 shares with a nominal value of NOK 5.
[2]) Includes undistributable funds in the risk equalisation fund amounting to NOK 295 million and security reserves amounting NOK 56 million.
[3]) Perpetual hybrid tier 1 capital classified as equity.

Equity at 31 December 2017	**2,339**	**-5**	**10,521**	**12,855**	**4**	**17,648**	**17,652**	**226**	**99**	**30,832**
Profit for the period						724	724	3	1	728
Total other comprehensive income elements					-447	-23	-470		-4	-474
Total comprehensive income for the period					**-447**	**702**	**254**	**3**	**-3**	**254**
Equity transactions with owners:										
Issue of shares									4	4
Hybrid capital classified as equity						1	1	36		37
Paid out interest hybrid capital								-3		-3
Other						17	17		-1	16
Equity at 31 March 2018	**2,339**	**-5**	**10,521**	**12,855**	**-443**	**18,368**	**17,924**	**262**	**98**	**31,140**

Storebrand Group

Statement of cash flow

(NOK million)	01.01 - 31.03 2019	2018
Cash flow from operational activities		
Net receipts premium - insurance	7,178	7,214
Net payments compensation and insurance benefits	-5,847	-5,482
Net receipts/payments - transfers	-1,029	-601
Net change insurance liabilities	-577	-5,630
Receipts - interest, commission and fees from customers	767	771
Payments - interest, commission and fees to customers	-86	-75
Taxes paid	-10	-15
Payments relating to operations	-1,144	-1,142
Net receipts/payments - other operational activities	4,351	-1,411
Net cash flow from operations before financial assets and banking customers	**3,604**	**-6,371**
Net receipts/payments - loans to customers	728	-2,693
Net receipts/payments - deposits bank customers	146	211
Net receipts/payments - securities	-3,361	8,110
Net receipts/payments - investment properties	165	54
Net change in bank deposits insurance customers	-2,045	281
Net cash flow from financial assets and banking customers	**-4,367**	**5,963**
Net cash flow from operational activities	**-762**	**-408**
Cash flow from investment activities		
Net receipts - sale of subsidaries		33
Net payments - purchase of group companies	-5	-527
Net receits/payments - sale/purchase of fixed assets	-34	156
Net receipts/payments - sale of insurance portfolios	-146	
Net cash flow from investment activities	**-186**	**-337**
Cash flow from financing activities		
Payments - repayments of loans	-641	-614
Receipts - new loans	1,544	2,499
Payments - interest on loans	-82	-76
Receipts - subordinated loan capital	125	847
Payments - repayment of subordinated loan capital	-70	-118
Payments - interest on subordinated loan capital	-38	-48
Net receipts/payments - loans to and claims from other financial institutions		-154
Payments - repayment of share capital	-68	
Receipts - hybrid capital	125	100
Payments - repayment of hybrid capital	-30	-64
Payments - interest on hybrid capital	-2	-3
Net cash flow from financing activities	**863**	**2,370**
Net cash flow for the period	**-85**	**1,625**
- of which net cash flow in the period before financial assets and banking customers	4,282	-4,338
Net movement in cash and cash equivalents	-85	1,625
Cash and cash equivalents at start of the period for new/sold out companies		35
Cash and cash equivalents at start of the period	3,951	3,780
Currency translation differences	52	22
Cash and cash equivalents at the end of the period [1]	**3,918**	**5,461**
[1] Consist of:		
Loans to financial institutions	214	368
Bank deposits	3,704	5,094
Total	**3,918**	**5,461**

Notes to the interim accounts Storebrand Group

Note 01 Accounting policies

The Group's interim financial statements include Storebrand ASA, subsidiaries, associated companies and joint ventures. The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2018 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

There are new accounting standards that entered into effect in 2019.

IFRS 16
IFRS 16 Leases replaces the current IAS 17, and entered into force from 1 January 2019. IFRS 16 stipulates principles for recognition, measurement, presentation and disclosure for leases. The new leasing standard do not entail major changes for lessors, but significantly change accounting for lessees. IFRS 16 requires that lessees must, as a starting point, recognise all leases in the balance sheet according to a simplified model that resembles accounting of financial leases under IAS 17. The present value of total lease payments must be recognised as a lease liability and an asset that reflects the right of use of the asset during the lease period, with the exception of short-term agreements and agreements in which the asset has a low value. The `right of use`asset is amortised over the lease period and the depreciation expense is continually recognised in the income statement as an operating expense. Interest expense on the lease liability is recognised in the income statement as a financial expense.

IFRS 16 can be implemented either in accordance with the full retrospective method or modified retrospective method, and Storebrand has selected the modified retrospective method. This means that comparable figures are not restated and the effect is entered in the balance sheet for the implementation year of 2019. Upon implementation, the `right of use` asset and the lease liability is the same amount and have no effect on equity. The transition to IFRS 16 and effects in the first quarter of 2019 is showned in the table below.

Storebrand has used alternative loan rate as discount rate for calculating the present value of the lease payments, and this discount rate is adapted to the individual lease agreement duration. Leases that are shorter than 12 months as of 1 January 2019 and leases that include assets with a value lower than NOK 50,000 will not be recognised in the balance sheet but as an expense over the lease period.

BALANCE SHEET - LEASES

	Rent		Other equipment		Total	
(NOK million)	01.01.19	31.03.19	01.01.19	31.03.19	01.01.19	31.03.19
Right of use asset	1,009	984	62	58	1,071	1,042
Lease liability	1,009	987	62	58	1,071	1,045

INCOME STATEMENT- LEASES

(NOK million)	Rent Q1 2019	Other equipment Q1 2019	Total Q1 2019
Depreciation after IFRS 16	-30	-4	-35
Interest expenses after IFRS 16	-7		-8
Profit after IFRS 16	**-38**	**-4**	**-42**
Operating expenses (after IAS 17)	-34	-4	-38
Deviation operating expenses between IAS 17 and IFRS 16	4		4
Deviation profit (before tax) between IAS 17 and IFRS 16	-4		-4

Note 02 Estimates

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

Actual results may differ from these estimates.

A description of the most critical estimates and judgements that can affect recognised amounts is included in the 2018 annual report in note 2, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 12.

Note 03 Aquisition

On 11 February, Storebrand Asset Management AS entered into an agreement to acquire Cubera Private Equity AS [Cubera]. Cubera is a Nordic firm offering investors exposure to Nordic private equity primarily through the secondary market. The firm is a leading player within Nordic private equity and has around NOK 9 billion under management, mainly from international investors.

The purchase price of the acquisition was NOK 329 million and was settled with cash only. The purchase price may increase with up to NOK 225 million related to fundraising to new funds managed by Cubera.

The transaction was completed on 1 April 2019.

Note 04 Profit by segments

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

Savings
The savings segment includes products for retirement savings with no interest rate guarantees. The segment consists of defined contribution pensions in Norway and Sweden, asset management and retail banking products. In addition, certain other subsidiaries in Storebrand Livsforsikring and SPP are included in Savings.

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

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

Other
The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios and small subsidiaries of Storebrand Life Insurance and SPP. In addition, the results associated with loans to commercial enterprises by Storebrand Bank and the activities at BenCo are reported in this segment. The elimination of intra-group transactions that have been included in the other segments has also been included.

Reconciliation with the official profit and loss accounting
Profit in the segments are reconciled with the corporate profit and loss account before tax. The corporate profit and loss account

includes gross income and gross expenses linked to both the insurance customers and owners. The various segments are to a large extent followed up on net profit margins, including risk and administration results. The profit lines that are used in segment reporting will therefore not be identical with the profit lines in the corporate profit and loss account.

A description of the most important differences is included in the 2018 annual report in note 4 Segment reporting.

	01.01 - 31.03		Full year
(NOK million)	2019	2018	2018
Savings	290	294	1,257
Insurance	103	207	748
Guaranteed pension	249	401	1,148
Other	91	29	5
Group profit before amortisation	**733**	**931**	**3,158**
Amortisation of intangible assets	-99	-64	-360
Group pre-tax profit	**634**	**866**	**2,799**

SEGMENT INFORMATION AS OF 01.01 - 31.03

	Savings		Insurance		Guaranteed pension	
(NOK million)	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Fee and administration income	896	889			361	368
Insurance result			245	335		
- Insurance premiums for own account			*948*	*955*		
- Claims for own account			*-703*	*-620*		
Operating expense	-615	-586	-150	-156	-186	-200
Operating profit	**281**	**303**	**95**	**179**	**174**	**168**
Financial items and risk result life & pension	9	-9	8	28	74	233
Group profit before amortisation	**290**	**294**	**103**	**207**	**249**	**401**
Amortisation of intangible assets [1)]						
Group pre-tax profit						

	Other		Storebrand Group	
(NOK million)	31.03.19	31.03.18	31.03.19	31.03.18
Fee and administration income	-41	-37	1,215	1,220
Insurance result			245	335
- Insurance premiums for own account			*948*	*955*
- Claims for own account			*-703*	*-620*
Operating expense	22	22	-929	-919
Operating profit	**-19**	**-15**	**531**	**635**
Financial items and risk result life & pension	111	44	202	296
Group profit before amortisation	**91**	**29**	**733**	**931**
Amortisation of intangible assets [1)]			-99	-64
Group pre-tax profit			**634**	**866**

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

KEY FIGURES BY BUSINESS AREA

(NOK million)	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Group								
Earnings per ordinary share [1]	1.05	7.89	3.92	2.80	1.55	5.28	4.24	2.69
Equity	33,177	32,873	30,742	30,227	31,140	30,832	29,088	28,559
Savings								
Premium income Unit Linked [2]	4,237	4,086	4,096	3,892	3,947	3,934	3,661	3,695
Unit Linked reserves	190,980	179,299	187,016	178,498	171,749	167,849	157,984	151,425
AuM asset management	728,712	707,297	725,171	707,118	707,102	721,165	625,840	620,584
Retail lending	46,476	46,526	45,669	44,325	43,054	42,137	40,996	39,464
Insurance								
Total written premiums	4,442	4,455	4,408	4,417	4,424	4,462	4,474	4,440
Claims ratio [2]	74%	72%	67%	62%	65%	73%	68%	70%
Cost ratio [2]	16%	17%	14%	16%	16%	20%	18%	18%
Combined ratio [2]	90%	89%	81%	78%	81%	93%	85%	88%
Guaranteed pension								
Guaranteed reserves	260,560	260,573	257,570	257,783	259,426	264,320	261,652	260,459
Guaranteed reseves in % of total reserves	57.7%	59.2%	57.9%	59.1%	60.2%	61.2%	62.4%	63.2%
Net transfer out of guaranteed reserves [2]	20	10	24	13	118	174	114	172
Capital buffer in % of customer reserves Storebrand Life Group [3]	7.4%	6.4%	6.6%	6.5%	6.2%	7.2%	5.2%	5.3%
Capital buffer in % of customer reserves SPP [4]	9.4%	8.7%	9.5%	8.8%	9.0%	8.4%	7.9%	7.9%
Solidity								
Solvency II [5]	173%	173%	169%	167%	165%	172%	160%	163%
Solidity capital (Storebrand Life Group) [6]	58,606	58,978	57,702	57,869	58,849	63,972	59,332	58,875
Capital adequacy Storebrand Bank	19.2%	18.9%	18.4%	18.8%	18.8%	18.9%	18.1%	18.2%
Core Capital adequacy Stobrand Bank	16.6%	16.6%	16.1%	16.5%	16.6%	16.6%	16.0%	16.1%

[1] Accumulated
[2] Quarterly figures
[3] Additional statutory reserves + market value adjustment reserve
[4] Conditional bonuses
[5] See note 13 for specification of Solvency II
[6] The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

Note 05

Financial market risk and insurance risk

Risks are described in the annual report for 2018 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk) and note 11 (Concentrations of risk).

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

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

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

The market risk in the company portfolios has a direct impact on Storebrand's profit.

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

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

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

During the first quarter, the equity and credit markets were strong, regaining most of the sharp corrections during the fourth quarter of 2018. The global equity market rose 13 % during the quarter. The Norwegian equity market rose 8 %. The market for corporate bonds also recovered and credit spreads fell. Reduced spreads was positive for return during the quarter, but lower credit spreads are negative for expected return going forward.

Long term interest rates fell in the first quarter and the German 10 year bond-yield ended the quarter in negative territory. The Norwegian 10-year interest rate swap fell by 0.1 pp. The Swedish 10-year interest swap rate fell by 0.2 pp. But short term interest rates increased slightly, both in Norway and Sweden. Due to the majority of the interest rate investments in the Norwegian customer portfolios being held at amortized cost, changes in interest rates have a limited effect on booked returns in the short term. However, with the present interest rates, new bond investments provide a lower return than the average interest rate guarantee. Lower interest rate is a negative factor for the solvency position.

The Norwegian Krona strengthened during the first quarter. The strengthening was 5 % against the Swedish Krona, 1 % against the US dollar and 2 % against the Euro. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and risk.

During the first quarter, the investment allocation was not materially changed.

Return for guaranteed customer portfolios in Norway on average was higher than the guaranteed rate. Most of the excess return came in the form of increased unrealized gains and overvalues in portfolios held at amortized cost. Return for guaranteed customer portfolios in Sweden was positive and in excess of the increase in value for the liabilities. This lead to an increase in conditional bonuses.

Return for unit linked portfolios was good during the quarter, positively affected by the strong equity markets.

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

The insurance risk has only had minor changes during the quarter.

Note 06

Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	1,001
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Dated subordinated loan capital					
Storebrand Livsforsikring AS	1,000	SEK	Variable	2022	929
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,241
Storebrand Livsforsikring AS	750	SEK	Variable	2021	701
Storebrand Livsforsikring AS	900	SEK	Variable	2025	835
Storebrand Bank ASA	56	NOK	Variable	2019	56
Storebrand Bank ASA	150	NOK	Variable	2022	150
Storebrand Bank ASA	125	NOK	Variable	2025	125
Total subordinated loans and hybrid tier 1 capital 31.03.19					**8,139**
Total subordinated loans and hybrid tier 1 capital 31.03.18					9,480
Total subordinated loans and hybrid tier 1 capital 31.12.18					8,224

SPECIFICATION OF SECURITIES ISSUED

	Book value		
(NOK million)	31.03.19	31.03.18	31.12.18
Call date			
2018		2,266	
2019	2,138	3,152	2,779
2020	4,316	4,317	4,314
2021	4,922	3,506	4,414
2022	5,072	3,002	4,519
2023	2,005	1,000	1,503
Total securities issued	**18,454**	**17,243**	**17,529**

The loan agreements contain standard covenants.

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

Credit facilities
Storebrand ASA has an unused credit facility of EUR 200 million, expiration December 2023.

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

Note 07 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 12 in annual report for 2018.

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

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 31.03.19	Fair value 31.12.18	Book value 31.03.19	Book value 31.12.18
Financial assets				
Loans to and due from financial institutions	214	318	214	318
Loans to customers - corporate	6,717	6,981	6,704	6,999
Loans to customers - retail	46,114	46,508	46,114	46,508
Bonds held to maturity	15,733	15,679	14,433	14,403
Bonds classified as loans and receivables	102,085	98,485	97,508	94,723
Total financial assets 31.03.19	**170,862**		**164,971**	
Total financial assets 31.12.18		167,971		162,951
Financial liabilities				
Debt raised by issuance of securities	18,612	17,565	18,454	17,529
Liabilities to financial institutions	2	2	2	2
Deposits from banking customers	14,419	14,419	14,583	14,419
Subordinatd loan capital	8,161	8,218	8,139	8,224
Total financial liabilities 31.03.19	**41,194**		**41,178**	
Total financial liabilities 31.12.18		40,205		40,175

VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.03.19	31.12.18
Assets:					
Equities and fund units					
- Equities	25,126	397	639	26,162	24,038
- Fund units	239	134,615	8,561	143,415	133,323
Total equities and fund units 31.03.19	**25,366**	**135,012**	**9,200**	**169,577**	
Total equities and fund units 31.12.18	23,379	125,493	8,489		157,361
Loans to customers [1)]					
- Loans to customers - corporate			5,283	5,283	5,708
- Loans to customers - retail			319	319	220
Total Loans to customers 31.12.19 [1)]			**5,602**	**5,602**	
Total Loans to customers 31.12.18 [1)]			5,928		5,928

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

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.03.19	31.12.18
Bonds and other fixed-income securities					
- Government bonds	14,935	20,763		35,698	34,347
- Corporate bonds		64,981	49	65,030	50,890
- Structured notes		70		70	79
- Collateralised securities		3,738		3,738	22,793
- Bond funds		45,671	4,388	50,059	49,478
Total bonds and other fixed-income securities 31.03.19	**14,935**	**135,222**	**4,437**	**154,595**	
Total bonds and other fixed-income securities 31.12.18	**13,839**	140,370	3,377		157,586
Derivatives:					
- Equity derivatives		9		9	
- Interest derivatives		4,413		4,413	3,100
- Currency derivatives		-134		-134	-2,781
Total derivatives 31.03.19		**4,289**		**4,289**	
- of which derivatives with a positive market value		5,626		5,626	3,172
- of which derivatives with a negative market value		-1,338		-1,338	-2,853
Total derivatives 31.12.18		319			319
Properties:					
Investment properties			27,974	27,974	28,266
Properties for own use			1,314	1,314	1,420
Total properties 31.03.19			**29,288**	**29,288**	
Total properties 31.12.18			29,686		29,686

[1)] Includes loans 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	Fund units	Loans to custo-mers	Corporate bonds	Bond funds	Investment properties	Properties for own use
Book value 01.01.19	**640**	**7,849**	**5,929**	**56**	**3,321**	**28,266**	**1,420**
Net gains/losses on financial instruments	5	-439	110	1	9		
Additions	2	1,591	153		1,277	295	2
Sales		-317	-326	-7	-83		
Currency translation differences	-7	-124	-264	-2	-136	-598	-107
Other						11	
Book value 31.03.19	**639**	**8,561**	**5,602**	**49**	**4,388**	**27,974**	**1,314**

As at 31 March 2019, Storebrand Livsforisikring had NOK 4.126 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26, Oslo. The investments are classified as “Investment in associated Ccmpanies and joint ventures” in the Consolidated Financial Statements.

SENSITIVITY ASSESSMENTS

Sensitivity assessments of investments on level 3 are described in note 12 in the 2018 annual report. There is no significant change in sensitivity in this quarter.

Note 08 Operating expenses

	01.01 - 31.03		Full year
(NOK million)	2019	2018	2018
Personnel expenses	-535	-495	-2,143
Amortisation/write-downs	-56	-28	-147
Other operating expenses	-515	-585	-2,252
Total operating expenses	**-1,106**	**-1,108**	**-4,542**

Note 09 Tax

The tax rate for the Group will vary from quarter to quarter depending on the individual legal entities' contribution to earnings. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway. In addition, the Group includes Norwegian entities that are both subject to and not subject to the financial tax. Therefore, the company tax rate that applies for the individual Norwegian Group companies, i.e. 22% or 25%, is used in the consolidated financial statements.

Note 10 Loans

(NOK million)	31.03.19	31.03.18	31.12.18
Corporate market [1]	12,035	10,787	12,752
Retail market	46,451	43,331	46,746
Gross loans	**58,486**	**54,119**	**59,499**
Write-down of loans losses	-67	-71	-63
Net loans [2]	**58,419**	**54,048**	**59,436**
1) Of which Storebrand Bank	32	69	29
2) Of which Storebrand Bank	29,225	27,717	28,456
Of which Storebrand Livsforsikring	29,194	26,331	30,980

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	31.03.19	31.03.18	31.12.18
Non-performing and loss-exposed loans without identified impairment	48	59	71
Non-performing and loss-exposed loans with identified impairment	58	98	59
Gross non-performing loans	**106**	**157**	**129**
Individual write-downs	-20	-52	-21
Net non-performing loans [1]	**86**	**105**	**108**

[1] The figures apply in their entirety Storebrand Bank

Note 11 Capital buffer

(NOK million)	31.03.19	31.03.18	31.12.18
Additional statutory reserves	8,239	8,114	8,494
Market adjustment reserves	4,312	2,313	2,245
Conditional bonuses	8,404	8,518	8,243
Total	**20,956**	**18,945**	**18,983**

Note 12 Contingent liabilities

(NOK million)	31.03.19	31.03.18	31.12.18
Guarantees	2	17	1
Unused credit facilities	3,304	3,487	3,362
Uncalled residual liabilities re limited partnership	5,518	5,231	5,818
Loan commitment retail market	2,106	2,292	1,672
Total contingent liabilities	**10,930**	**11,027**	**10,853**

Guarantees essentially encompass payment and contract guarantees.

Unused credit facilities encompass granted and any unused credit accounts and credit cards, as well as, any unused flexible mortgage facilities.

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see note 2 and note 43 in the 2018 annual report.

Note 13 Solidity and capital management

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

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

Capital management

Storebrand places particular emphasis on continually and systematically adapting the levels of equity in the Group. The level is adapted to the financial risk and capital requirements in the business, where growth and the composition of segments are important motivating factors for the need for capital. The purpose of capital management is to ensure an efficient capital structure and provide for an appropriate balance between in-house goals and regulatory and rating company requirements. If there is a need for new capital, this is raised by the holding company Storebrand ASA, which is listed on the stock exchange and is the ultimate parent company.

The Storebrand companies are subject to various capital requirements depending on the type of business. In addition to the capital requirements for the Storebrand Group and insurance companies, the banking and asset management businesses have capital requirements in accordance with CRD IV. 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.

Storebrand has the goal of paying a dividend of more than 50% of the Group profit after tax. The board has the ambition of ordinary dividends per share being, at a minimum, at the same nominal level as the previous year. The normal dividend is paid with a sustainable solvency margin of more than 150%. If there is a solvency margin of more than 180%, the board's intention is to propose extraordinary dividends or share buy-backs. In general, equity in the Group can be controlled without material limitations if the capital requirement is met and the respective legal entities have sufficient solvency.

SOLVENCY CAPITAL

	31.03.19					
NOK million	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.18 Total
Share capital	2,339	2,339				2,339
Share premium	10,521	10,521				10,521
Reconciliation reserve	26,221	26,221				23,444
Including the effect of the transitional arrangement						
Subordinated loans	7,620		1,098	6,522		7,780
Deferred tax assets	348				348	873
Risk equalisation reserve	295			295		234
Minority interests	55				55	56
Unavailable minority interests	-36				-36	-37
Deductions for CRD IV subsidiaries	-3,446	-3,446				-3,311
Unpaid dividend 2018	-1,399	-1,399				-1,402
Expected dividend 2019	-350	-350				
Total basic solvency capital	**42,168**	**33,886**	**1,098**	**6,816**	**367**	**40,498**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,446					3,311
Total solvency capital	**45,614**					**43,808**
Total solvency capital available to cover the minimum capital requirement	**36,952**	**33,886**	**1,098**	**1,967**		**34,623**

SOLVENCY CAPITAL REQUIREMENTS AND - MARGIN

NOK million	31.03.19	31.12.18
Market	22,058	20,917
Counterparty	599	625
Life	10,468	10,412
Health	705	713
P&C	278	278
Operational	1,491	1,485
Diversification	-6,931	-6,838
Loss-absorbing tax effect	-4,895	-4,764
Total solvency capital requirement - insurance company	**23,773**	**22,827**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,566	2,482
Total solvency capital requirement	26,339	25,309
Solvency margin with transitional rules	**173%**	**173%**
Minimum capital requirement	**9,836**	**9,711**
Minimum margin	**376%**	**357%**

The Storebrand Group has also 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.

CAPITAL- AND CAPITAL REQUIREMENT IN ACCORDANCE WITH THE CONGLOMERATE DIRECTIVE

NOK million	31.03.19	31.12.18
Capital requirements for CRD IV companies	2,797	2,714
Solvency captial requirements for insurance	23,773	22,827
Total capital requirements	**26,570**	**25,541**
Net primary capital for companies included in the CRD IV report	3,446	3,311
Net primary capital for insurance	42,168	40,498
Total net primary capital	**45,614**	**43,808**
Overfunding	**19,044**	**18,267**

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 31 March 2019, the difference amounted to NOK 230 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 23 and 44 in the 2018 annual report.

Storebrand has not carried out any material transactions other than normal business transactions with related parties at the close of the 1st quarter 2019.

Storebrand ASA
Income statement

(NOK million)	01.01 - 31.03 2019	2018	Full year 2018
Operating income			
Income from investments in subsidiaries		39	4,131
Net income and gains from financial instruments:			
- equities and other units	-1		1
- bonds and other fixed-income securities	10	4	26
- financial derivatives/other financial instruments	-2	-4	-7
Other financial instruments		31	33
Operating income	**7**	**71**	**4,184**
Interest expenses	-13	-14	-60
Other financial expenses	-2	25	35
Operating expenses			
Personnel expenses	-9	-8	-41
Other operating expenses	-13	-9	-44
Total operating expenses	**-22**	**-17**	**-86**
Total expenses	**-37**	**-6**	**-111**
Pre-tax profit	**-29**	**65**	**4,074**
Tax	7	7	-111
Profit for the period	**-23**	**71**	**3,963**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

(NOK million)	Q1 2019	2018	Full year 2018
Profit for the period	**-23**	**71**	**3,963**
Other total comprehensive income elements not to be classified to profit/loss			
Change in estimate deviation pension			9
Tax on other comprehensive elements			-2
Total other comprehensive income elements			**6**
Total comprehensive income	**-23**	**71**	**3,969**

Storebrand ASA

Statement of financial position

(NOK million)	31.03.19	31.03.18	31.12.18
Fixed assets			
Deferred tax assets	54	141	47
Tangible fixed assets	26	28	26
Shares in subsidiaries and associated companies	19,283	18,718	19,286
Total fixed assets	**19,363**	**18,887**	**19,359**
Current assets			
Owed within group	3,592	1,192	4,092
Other current receivables	88	10	21
Investments in trading portfolio:			
- equities and other units	21	3	22
- bonds and other fixed-income securities	1,710	1,373	1,820
- financial derivatives/other financial instruments	11	16	9
Bank deposits	523	1,113	34
Total current assets	**5,945**	**3,707**	**5,998**
Total assets	**25,308**	**22,594**	**25,357**
Equity and liabilities			
Share capital	2,339	2,339	2,339
Own shares	-7	-5	-2
Share premium reserve	10,521	10,521	10,521
Total paid in equity	**12,853**	**12,855**	**12,858**
Other equity	8,310	5,864	8,395
Total equity	**21,163**	**18,720**	**21,253**
Non-current liabilities			
Pension liabilities	161	176	161
Securities issued	1,815	2,271	1,813
Total non-current liabilities	**1,976**	**2,447**	**1,974**
Current liabilities			
Debt within group	595	1	597
Provision for dividend	1,402	1,168	1,402
Other current liabilities	172	260	131
Total current liabilities	**2,170**	**1,428**	**2,130**
Total equity and liabilities	**25,308**	**22,594**	**25,357**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2017	**2,339**	**-5**	**10,521**	**5,793**	**18,648**
Profit for the period				3,963	3,963
Total other result elements				6	6
Total comprehensive income				**3,969**	**3,969**
Provision for dividend				-1,402	-1,402
Own share bought back [2]		3		48	50
Employee share [2]				-13	-13
Equity at 31. December 2018	**2,339**	**-2**	**10,521**	8,395	21,253
Profit for the period				-23	-23
Total comprehensive income				**-23**	**-23**
Own share bought back [2]		-5		-63	-68
Equity at 31. March 2019	**2,339**	**-7**	**10,521**	**8,310**	**21,163**

[1] 467 813 982 shares with a nominal value of NOK 5.
[2] In 2019, Storebrand ASA has bought 1 000 000 own shares. Holding of own shares 31. March 2019 was 1 431 140.

Equity at 31. December 2017	**2,339**	**-5**	**10,521**	**5,793**	**18,648**
Profit for the period				71	71
Total comprehensive income				**71**	**71**
Equity at 31. March 2018	**2,339**	**-5**	**10,521**	**5,864**	**18,720**

Storebrand ASA
Statement of cash flow

(NOK million)	01.01 - 31.03 2019	2018
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	11	12
Net receipts/payments - securities at fair value	110	
Payments relating to operations	-45	-17
Net receipts/payments - other operational activities	500	1,055
Net cash flow from operational activities	**576**	**1,049**
Cash flow from investment activities		
Net receipts - sale of subsidiaries		33
Net payments - sale/capitalisation of subsidiaries	-5	-7
Net cash flow from investment activities	**-5**	**27**
Cash flow from financing activities		
Payments - interest on loans	-14	-17
Receipts - sold own shart to employees	-68	
Net cash flow from financing activities	**-82**	**-16**
Net cash flow for the period	**489**	**1,060**
Net movement in cash and cash equivalents	489	1,060
Cash and cash equivalents at start of the period	34	53
Cash and cash equivalents at the end of the period	**523**	**1,113**

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 2018. The accounting policies are described in the 2018 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	31.03.19	31.03.18	31.12.18
Bond loan 2013/2020 [1]	Fixed	NOK	300	313	317	311
Bond loan 2013/2018	Variable	NOK	450		453	
Bond loan 2014/2019	Variable	NOK	500	500	500	500
Bond loan 2017/2020	Variable	NOK	500	501	501	501
Bond loan 2017/2022	Variable	NOK	500	501	500	501
Total [2]				**1,815**	**2,271**	**1,813**

[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 covenant requirements.
Storebrand ASA has an unused drawing facility for EUR 200 million.

pwc

To the Board of Directors of Storebrand ASA

Report on Review of interim balance sheet

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Storebrand ASA as of 31 March 2019, the income statement, the statement of total comprehensive income, the statement of changes in equity and the statement of cash flow for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. 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 (ISAs), 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 accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 31 March 2019, and its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 7 May 2019
PricewaterhouseCoopers AS

Magne Sem
State Authorised Public Accountant

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Financial calendar 2019

12th July	Results Q2 2019
23rd October	Results Q3 2019
February 2020	**Results Q4 2019**

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