

Interim Report Storebrand Livsforsikring

1st quarter 2011

 storebrand



Interim report for Storebrand Livsforsikring Group

- Q1 2011

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's Q1 result please refer to the Storebrand Group's interim report for the Q1 of 2011.

The official financial statements of the Storebrand Group are prepared in accordance with the International Financial Reporting Standards (IFRS), while the official consolidated financial statements of Storebrand Livsforsikring AS are prepared in accordance with the Annual Accounts Regulations for Insurance Companies.

The tables below summarises the information in the consolidated financial statements for Storebrand Livsforsikring AS based on IFRS principles.

OUTLOOK

The life insurance industry in Norway is facing comprehensive regulatory changes because the rules for occupational pension schemes are about to be adapted to the pensions reform and the European Solvency II regulations are going to be introduced in Norway.

The first phase of the adaptation of the occupational pension schemes to the pensions reform involved the introduction from 1 January 2011 of flexible withdrawal in line with the same principles applied in the National Insurance Scheme. In the next phase, there will be changes to the product rules themselves. The Banking Law Commission is currently examining legislative amendments on behalf of the Ministry of Finance. Proposals will probably be presented during 2011.

On 10 March 2011, Finanstilsynet submitted proposed changes to the business rules for life insurance to the Ministry of

Finance. The proposals were submitted because of the need to adapt Norwegian business rules to Solvency II. They include the introduction of a new flexible buffer fund, which can also cover negative returns, and allowing the voluntary conversion of paid-up policies to policies with investment choice. Storebrand views this process positively and is maintaining an active dialogue with the authorities with the aim of establishing general conditions that preserve the effective long-term management of customers' assets.

The new group management model was introduced on 1 March 2011. The new model is intended to ensure the strength and pace of the implementation of the strategic choices made in 2010. As part of the retail customer efforts, all customer activities will be gathered in the life insurance companies. Furthermore, the expert groups linked to balance sheet management, web design and unit linked insurance will be gathered across Norway and Sweden. The changes are intended to ensure more efficient resource utilization and result in comprehensive customer service which will strengthen Storebrand's position in the market.

RISKS

Storebrand is exposed to several types of risk through its business areas. Continuous monitoring and active risk management are therefore prioritised core areas in the Group. The performance of both the equity and interest rate markets is important with respect to being able to deliver a return that exceeds the interest guarantee in the products over time. Developments in the level of interest rates and the property and equity markets are considered the most important risk factors that could affect the Group's result. Storebrand adapts to changing market conditions through dynamic risk management, which aims to tailor financial risk to the company's risk bearing capacity.

RESULT

Presentation of Storebrand Life Insurance and SPP is shown excluding internal transactions.

Result Storebrand Livsforsikring Group IFRS

| NOK million | 01.01 - 31.03 | | |
|--|---------------|------------|--------------|
| | 2011 | 2010 | Year 2010 |
| Storebrand Life Insurance | 139 | 153 | 730 |
| Insurance | 29 | 15 | 148 |
| SPP | 281 | 113 | 463 |
| Asset Management | 20 | 19 | 90 |
| Profit before amortisation cost | 471 | 300 | 1,430 |
| Amortisation | -92 | -85 | -351 |
| Pre-tax profit/loss | 378 | 215 | 1,079 |
| Tax | | -1 | 388 |
| Profit/loss | 379 | 214 | 1,467 |

STOREBRAND LIFE INSURANCE

- **Cost reductions and income growth produced better administration result**
- **Good return resulted in NOK 0.9 billion in excess of the guaranteed interest for customers**
- **Weak risk result for defined contribution pensions in the quarter**

The business area Storebrand Life Insurance¹⁾ offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals.

Financial performance

Financial performance Storebrand Life Insurance

| NOK million | 1Q | | Full year |
|---|------------|------------|------------|
| | 2011 | 2010 | 2010 |
| Administration result | 8 | -7 | 58 |
| Risk result | -1 | 40 | 131 |
| Financial result ²⁾ | 4 | -8 | 26 |
| Price of interest guarantee and profit risk | 134 | 138 | 557 |
| Other | -5 | -10 | -43 |
| Pre-tax profit/loss | 139 | 153 | 730 |

Administration result

The administration result is continuing to develop well. The productivity measures implemented through better work processes, staff reductions, the transfer of tasks, and lower purchasing costs are the main drivers behind the improvement in the result, together with income growth.

Risk result

The quarter's risk result is negatively impacted by an increase in the number of approved disability claims within defined contribution pensions. The development is especially influenced by the product being in a growth phase. During the quarter, the company has handled a significantly higher number of claims than normal, which resulted in reduced lead time. This implies that applicants reported off the sick list (reactivation) to a lesser extent are included. It has been implemented measures to adjust the price, pay out principles and reserving principles for defined contribution pensions to secure a more stable development going forward. The risk results for group pensions and paid-up policies were good, and NOK 62 million was allocated to the risk equalisation fund. Storebrand follows the development in Norway and Sweden closely, and we have observed over the last two years that the development in disability and sickness result is different and partly off-set each other.

Financial result

The financial markets developed positively during the quarter with good returns on Norwegian and global equities. Interest rates rose in both Norway and internationally in the quarter. Hikes in interest rates lower returns in the short-term, but produce higher expected returns going forward.

Financial return

| Portfolio | 1Q 2011 | | 1Q 2010 | | Full year 2010 | |
|------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| | Market return | Booked return | Market return | Booked return | Market return | Booked return |
| Total Group (DB) | 1.5 % | 1.4 % | 1.9 % | 0.9 % | 6.4 % | 4.9 % |
| Paid-up policies | 1.4 % | 1.3 % | 1.7 % | 1.1 % | 6.0 % | 4.9 % |
| Individual | 1.5 % | 1.4 % | 1.9 % | 1.1 % | 6.0 % | 6.0 % |

Profit sharing gave a net positive contribution of NOK 32 million to the owner in 1Q. There is a need to strengthen reserves for individual pension insurance and paid-up policies because of assumed lower mortality in the future. NOK 77 million was allocated in 1Q, in line with the plan. At the end of 1Q, the amount by which the reserves still need to be strengthened was calculated at around NOK 450 million: around NOK 380 million for individual pension insurance and around NOK 70 million for paid-up policies. The plan is to complete the build up of the reserves by the end of 2012. This build up of reserves can be covered by positive booked return results, and if the booked return for the individual portfolio is higher than 5.9 per cent this could result in profit sharing for the owner.

The booked return for all portfolios was sufficient to cover the guaranteed interest rate, and provide undistributed profits for customers of NOK 0.9 billion. The average annual interest rate guarantee in the various customer portfolios is between 3.3 per cent and 3.7 per cent.

The company portfolio's result was minus NOK 29 million (minus NOK 15 million) for the quarter. The company portfolio achieved a gross return of 1.4 per cent for the quarter. Storebrand Life Insurance's funding costs will amount to around a net NOK 140 million per quarter for the next 12 months. Total interest-bearing liabilities amounted to NOK 6.6 billion at the end of 1Q.

¹⁾ Storebrand Life Insurance includes the legal entity Storebrand Livsforsikring AS with the exception of results from one-year personal risk and employee insurance policies, which are included in Insurance. Results from the subsidiaries SPP and Storebrand Eiendom are not included either. These are included in Asset management.

²⁾ Investment result and profit sharing.

Market return defined contribution pensions

| NOK million | 1Q | | Full year |
|--------------------|------|------|-----------|
| | 2011 | 2010 | 2010 |
| Careful pension | 0.7% | 2.1% | 6.7% |
| Balanced pension | 1.0% | 3.2% | 10.3% |
| Aggressive pension | 1.2% | 3.9% | 13.4% |

Price of interest rate guarantee and profit risk

NOK 134 million was recognised as income from upfront pricing of the interest rate guarantee and profit from risk for group defined benefit in 1Q. This is a reduction of NOK 4 million compared to the same period the last year. The reduction was due to price changes that have been implemented because of the increased buffer capital.

Other result

The other result amounted to minus NOK 5 million (minus NOK 10 million) for 1Q, and primarily consists of the result from subsidiaries.

Balance sheet

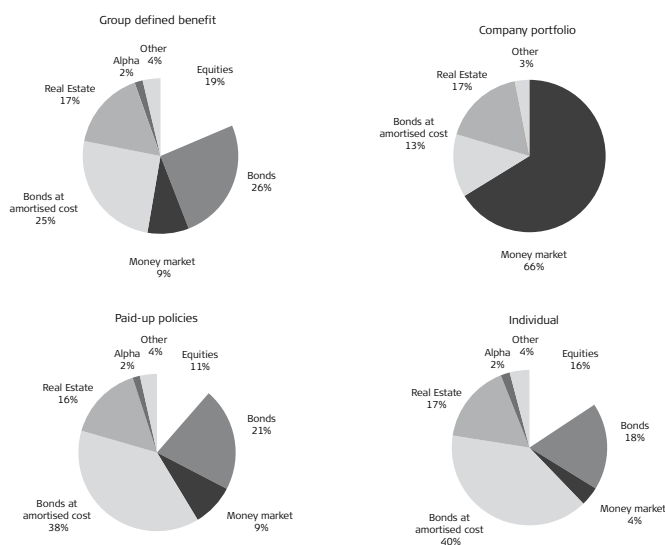
The proportion of equities in portfolios with a guarantee increased in the quarter. Changes in equity allocations corresponded to changes in short-term bond and money market allocations.

Equity proportion in customer portfolios with a guaranteed return

| | 31.03.2011 | 31.12.2010 |
|-------------------------|------------|------------|
| Aggressive profile | 24% | 25% |
| Standard profile | 20% | 18% |
| Careful profile | 14% | 9% |
| Paid-up policy profiles | 11% | 11% |
| Individual profiles | 16% | 12% |

An increase was allocated in loans and receivables for the company portfolio in the quarter.

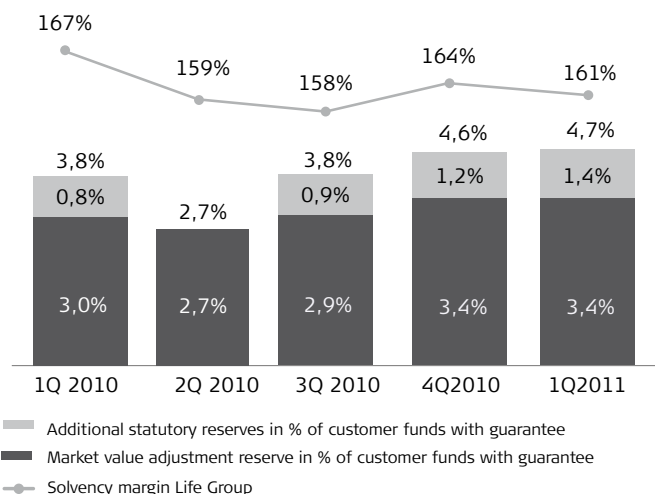
Asset profile



Assets under management increased by NOK 2 billion in the quarter and amounted to NOK 202 billion at the end of 1Q. The increase was due to the positive return in the quarter.

Finanstilsynet has reviewed the valuations of investment property in the regular reporting to some listed companies, among them Storebrand. The review was based on commercial office property in 2008. Investment property in Storebrand is carried at fair value and in note 16 to the quarterly accounts it is given a detailed description of methods and assumptions used for calculating the fair value.

Solvency



Solidity capital¹⁾ increased by NOK 0.7 billion in the quarter due to a positive financial performance and increased customer buffers. It amounted to NOK 43.4 billion at the end of 1Q. Additional statutory reserves amounted to NOK 5.4 billion at the end of 1Q, and were unchanged during the quarter. The market value adjustment reserve increased by NOK 0.3 billion during the quarter and amounted to NOK 2.2 billion at the end of 1Q. Excess value on loans and receivables in the quarter decreased by NOK 640 million due to hikes in interest rates, and amounted to NOK 92 billion at the end of 1Q.

Storebrand Life Insurance Group's capital adequacy was 13.3 per cent at the end of 1Q, a marginal reduction during the quarter due to balance sheet growth and higher proportions of equities. Storebrand Life Insurance Group achieved a solvency margin of 161 per cent, down 3 percentage points in the quarter.

¹⁾ The term solidity capital encompasses equity, subordinated loan capital, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

Market

Premium income¹⁾

| NOK million | 1Q | | Full year |
|---|--------------|--------------|---------------|
| | 2011 | 2010 | 2010 |
| Group Defined Benefit | 4,021 | 3,967 | 8,154 |
| Paid-up policies | 71 | 46 | 98 |
| Group with investment choice | 976 | 1,121 | 3,409 |
| Individual endowment insurance and pensions | 185 | 229 | 761 |
| Individual with investment choice | 271 | 508 | 1,993 |
| Total | 5,525 | 5,870 | 14,415 |

Premium income from group defined benefit pensions will gradually decline due to the transition to defined contribution pensions. The increase in the year-to-date was due to factors such as wages growth. Contribution-based schemes for companies experienced underlying growth in premium income. The decrease in premium income was due to the transition from annual to monthly invoicing. New subscriptions are no longer being sold for pension accounts and life accounts, which also decreased premium income from traditional individual pensions compared to the year before. The decrease in the result line 'Individual with investment choice' was due to good sales of guarantee accounts last year.

Sales

The net booked inflow to Storebrand amounted to minus NOK 2,390 million (NOK 1,653 million) in 1Q. The transfer balance within the public sector was weak because three municipalities chose to transfer their pension schemes with effect from 2011.

Reported net sales in 1Q were good for both group occupational pensions and one-year risk products. The market was characterised by the transition from defined benefit pensions to defined contribution pensions. Storebrand has maintained a strong position in the market.

Sales to the employees of our corporate customers are an important part of our overall distribution strategy. Sales continue to develop well in this area.

A new strategy for sales of savings, insurance, and bank products in the retail market is being drawn up. As part of this work, sales have been gathered in a new sales organisation and an improved customer follow-up programme is being established. The measures are expected to contribute to sales growth and profitability in the retail market.

New subscriptions

New premiums (APE) worth NOK 306 million (NOK 725 million) were signed in 1Q. The reduction in relation to 2010 was primarily due to lower APE for group defined benefit pensions and defined contribution pensions.

New premiums (APE) in the period:

- Guaranteed products: NOK 224 million (NOK 487 million) for the quarter.
- Unit linked insurance: NOK 82 million (NOK 238 million) for the quarter.

¹⁾ Exclusive transfer of premium reserves.

- **Result excluding financial result increased from NOK 98 million to NOK 160 million**
- **Administration result increased by NOK 37 million**
- **Named best unit-linked insurance company for third year in a row**

The business area SPP¹⁾ offers pension and insurance solutions, and advice to companies in the competitive segment of the occupational pensions market and private pension products in the Swedish market.

Result

Financial performance SPP

| NOK million | 1Q | | Full year |
|-----------------------------------|------------|------------|------------|
| | 2011 | 2010 | 2010 |
| Administration result | 44 | 7 | 84 |
| Risk result | 76 | 80 | 311 |
| Financial result | 121 | 15 | 31 |
| Other | 40 | 11 | 38 |
| Result before amortisation | 281 | 113 | 464 |
| Amortisation intangible assets | -91 | -84 | -348 |
| Pre-tax profit/loss | 190 | 29 | 116 |

Administration result

The administration result amounted to NOK 44 million (NOK 7 million) for 1Q. The result improved by NOK 37 million due to 14 per cent higher income and a stable cost base. The increase in income was due to both growth in customer assets and pricing adjustments.

Risk result

The risk result amounted to NOK 76 million (NOK 80 million) for the quarter. The sickness result, which is the dominant component of the risk result, was still good, but slightly lower than in previous quarters. The other components of the risk result, primarily mortality and longevity, also delivered positive figures for the quarter.

Financial result

The financial result amounted to NOK 121 million (NOK 15 million) for the quarter. The quarter was characterised by slightly improving equity markets and rising short-term market interest rates. The difference between swap and government rates increased in the quarter. Around half of the interest rate sensitivity on the asset side is towards government rates, while the rest is linked to swap-related rates. The liabilities side is evaluated using only swap rates. This resulted in the assets side increasing in value relative to the liabilities side and NOK 97 million of deferred capital contribution could be recovered.

The customer's return for the quarter was affected by slightly improving equity markets.

Financial return

| Portfolio | 1Q | | Full year |
|---------------------------|------|------|-----------|
| | 2011 | 2010 | 2010 |
| Defined Benefit (DB) | 0.8% | 3.3% | 5.9% |
| Defined Contribution (DC) | | | |
| P250* | 0.4% | 3.5% | 7.0% |
| P300* | 0.7% | 2.9% | 5.3% |
| P 520* | 0.5% | 2.6% | 3.4% |
| RP (Retirement Pension) | 0.1% | 0.0% | 0.1% |

* Maximum interest rate guarantee in the portfolios P250, P300 and P520 is 2.5%, 4% and 5.2% respectively.

Profit sharing amounts to NOK 29 million for the quarter. NOK 27 million of this was indexing fees for the defined benefit portfolio. As per 31 March, around 80 per cent of the defined benefit portfolio is indexed by the consumer price index. The rest of the profit sharing stemmed from pension insurance policies with a 1.25 per cent guarantee level.

Other result

The other result components amounted to NOK 40 million (NOK 11 million). The result consists of the return in the company portfolio, which is entirely invested in short-term interest-bearing securities. Market rates have risen significantly in the last year, producing a higher return in the company portfolio.

Balance sheet

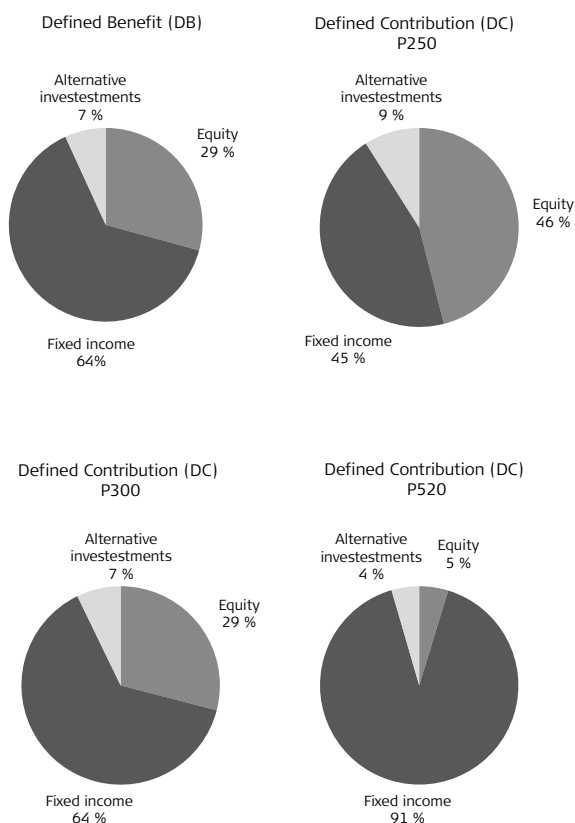
Equity exposure is adjusted in line with market trends via so-called dynamic risk management. Given the relatively flat trend in the equity markets, there was little change in the equity exposure in the customer portfolios.

Equity proportion in customer portfolios with a guaranteed return

| | 31.03.2011 | 31.12.2010 |
|---------|------------|------------|
| DB | 29% | 28% |
| DC P250 | 46% | 46% |
| DC P300 | 29% | 28% |
| DC P520 | 5% | 5% |

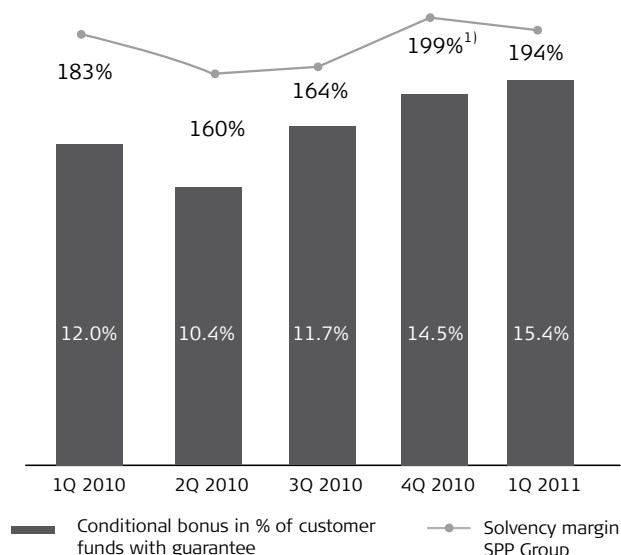
¹⁾ SPP includes all legal entities in Storebrand Holding Group excluding SPP Fonder which is included in Asset Management.

Asset profile customer portfolios with a guarantee



The buffer capital (conditional bonus) increased by 6 per cent in the quarter. The increase was due to rising interest rates which reduced the value of liabilities. At the end of the quarter, the buffer capital amounted to NOK 12.2 billion. SPP Group's solvency margin was 194 per cent at the end of 1Q, which is slightly lower than in the previous quarter because SPP payed group contributions in the first quarter.

Solvency



Total assets amounted to NOK 123 billion at the end of the quarter: up NOK 1 billion since year-end 2010 and up NOK 9 billion compared with the same period last year. The increase was due to continued good premium growth within unit linked

insurance and good returns in the customer portfolios. The SEK has also strengthened markedly against the NOK in the last year, which has had a positive effect on the capital under management measured in NOK.

Market

Premium income ²⁾

| NOK million | 1Q | | Full year |
|---------------------|--------------|--------------|--------------|
| | 2011 | 2010 | 2010 |
| Guaranteed products | 687 | 896 | 3,030 |
| Unit Link | 821 | 734 | 3,388 |
| BenCo | 170 | 273 | 759 |
| Total | 1,677 | 1,903 | 7,177 |

Premium income amounted to NOK 1.7 billion, down 12 per cent compared with the same period last year. This was due to a decrease in guaranteed business. Premium income from unit linked insurance continues to increase and was 12 per cent higher than in the same period last year. Unit linked insurance accounted for 54 per cent (45 per cent) of SPP's premium income (excluding BenCo).

New subscriptions

New sales measured in APE amounted to NOK 331 million (NOK 353 million) for the quarter. Unit linked insurance accounted for 68 per cent (69 per cent) of total new contracts. Given the high proportion of unit linked insurance, SPP was pleased to be named Sweden's best unit linked insurance provider by the independent pensions advisor Söderberg & Partners for the third year in a row.

New premiums (APE) in the quarter:

- Guaranteed products: NOK 95 million (NOK 82 million) for the quarter
- Unit linked insurance: NOK 223 million (NOK 229 million) for the quarter
- BenCo: NOK 13 million (NOK 42 million) for the quarter

¹⁾ Before group contributions.

²⁾ Excluding inflow of premium reserves.

INSURANCE

- **Positive but challenging risk result**
- **Stable growth in premium volume**

The business area offers personal risk products in the Norwegian retail market, and employee cover in the corporate market in Norway.

| NOK million | 1Q | | Full year |
|-----------------------------------|-----------|-----------|------------|
| | 2011 | 2010 | 2010 |
| Premiums earned, net | 271 | 266 | 1,099 |
| Claims incurred, net | -218 | -217 | -845 |
| Operating costs | -43 | -55 | -199 |
| Insurance result | 9 | -6 | 55 |
| Net financial result | 20 | 21 | 93 |
| Result before amortisation | 29 | 15 | 148 |
| Amortisation intangible assets | 0 | 0 | 0 |
| Profit before tax | 29 | 15 | 148 |

| In % | 1Q | | Full year |
|-----------------|------|------|-----------|
| | 2011 | 2010 | 2010 |
| Claims ratio* | 80% | 82% | 77% |
| Cost ratio* | 16% | 21% | 18% |
| Combined ratio* | 96% | 102% | 95% |

New subscriptions

Risk products: NOK 31 million (101 million) in Q1.

RECONCILIATION TABLES TOWARDS PROFIT AND LOSS ACCOUNT

The following table shows reconciliation between the profit and loss tables above showing Storebrand Livsforsikring Group according to IFRS, and profit and loss to local Annual Accounts Regulations for Insurance Companies (NGAAP). The official financial statements for Storebrand Livsforsikring AS are prepared in accordance with IFRS.

| NOK million | 31.03.11 | 31.03.10 | 31.12.10 |
|---|------------|------------|--------------|
| Profit and Loss | 379 | 214 | 1,079 |
| Charge from the additional statutory reserves | | -3 | |
| Change in administration reserve p&c insurance | 3 | 1 | -1 |
| Change in security reserves p&c insurance | -4 | 3 | -11 |
| Profit and loss Storebrand Livsforsikring Group before tax | 378 | 215 | 1,067 |

Lysaker, 10. May 2011

The Board of Directors of Storebrand Livsforsikring AS

Storebrand Livsforsikring AS

PROFIT AND LOSS

| NOK million | 01.01 - 31.03 | | |
|--|---------------|---------------|----------------|
| | 2011 | 2010 | Year 2010 |
| TECHNICAL ACCOUNT: | | | |
| Gross premiums written | 6,160 | 6,476 | 15,592 |
| Reinsurance premiums ceded | -39 | -38 | -74 |
| Premium reserves transferred from other companies | 1,592 | 3,143 | 5,358 |
| Premiums for own account | 7,713 | 9,581 | 20,876 |
| Income from investments in subsidiaries, associated companies and joint-controlled companies | 566 | 312 | 1,366 |
| of which from investment in real estate companies | 564 | 325 | 1,336 |
| Interest income and dividends etc. from financial assets | 1,130 | 1,185 | 4,893 |
| Changes in investment value | 113 | 1,204 | 1,835 |
| Realised gains and losses on investments | 634 | 165 | 1,596 |
| Total net income from investments in the collective portfolio | 2,443 | 2,867 | 9,690 |
| Income from investments in subsidiaries, associated companies and joint-controlled companies | 42 | 22 | 98 |
| of which from investment in real estate companies | 42 | 22 | 97 |
| Interest income and dividends etc. from financial assets | 44 | 30 | 340 |
| Changes in investment value | -72 | 471 | 1,072 |
| Realised gains and losses on investments | 226 | 91 | 526 |
| Total net income from investments in the investment selection portfolio | 240 | 614 | 2,035 |
| Other insurance related income | 39 | 29 | 162 |
| Gross claims paid | -2,607 | -2,495 | -11,145 |
| Claims paid - reinsurance | 5 | 3 | 6 |
| Gross change in claims reserve | 34 | -23 | -79 |
| Premium reserves etc. transferred to other companies | -3,988 | -1,500 | -3,522 |
| Claims for own account | -6,556 | -4,014 | -14,742 |
| To (from) premium reserve, gross | -325 | -5,202 | -6,934 |
| To/from additional statutory reserves in connection with claims/repurchase | 84 | 7 | -759 |
| Change in value adjustment fund | -257 | -1,271 | -1,940 |
| Change in premium fund, deposit fund and the pension surplus fund | -30 | -25 | -97 |
| To/from technical reserves for non-life insurance business | -60 | -56 | -45 |
| Transfer of additional statutory reserves and value adjustment fund from other insurance companies/ pension funds | 5 | 9 | 22 |
| Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations | -582 | -6,537 | -9,753 |
| Change in premium reserve | -1,823 | -1,632 | -5,060 |
| Change in other provisions | | -75 | -178 |
| Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately | -1,823 | -1,707 | -5,238 |
| Profit on investment result | | | -304 |
| The risk profit allocated to the insurance agreements | | | -70 |
| Other allocation of profit | | | -133 |
| Unallocated profit | -886 | -235 | |
| Funds allocated to insurance contracts | -886 | -235 | -507 |

| NOK million | 01.01 - 31.03 | | |
|--|---------------|-------------|---------------|
| | 2011 | 2010 | Year 2010 |
| Management expenses | -31 | -38 | -137 |
| Selling expenses | -86 | -132 | -527 |
| Insurance-related administration expenses (incl. commissions for reinsurance received) | -225 | -191 | -719 |
| Insurance-related operating expenses | -342 | -360 | -1,384 |
| Other insurance related expenses after reinsurance share | -50 | -53 | -217 |
| Technical insurance result | 198 | 186 | 922 |
| NON-TECHNICAL ACCOUNT | | | |
| Income from investments in subsidiaries, associated companies and joint-controlled companies | 29 | 16 | 138 |
| of which from investment in real estate companies | 29 | 17 | 69 |
| Interest income and dividends etc. from financial assets | 154 | 159 | 605 |
| Changes in investment value | 8 | -31 | -68 |
| Realised gains and losses on investments | 15 | 52 | 218 |
| Net income from investments in company portfolio | 206 | 197 | 892 |
| Management expenses | -3 | -6 | -18 |
| Other costs | -139 | -121 | -517 |
| Total management expenses and other costs linked to the company portfolio | -142 | -127 | -536 |
| Profit or loss on non-technical account | 65 | 70 | 357 |
| Profit before tax | 262 | 256 | 1,279 |
| Tax costs | | | |
| Profit before other comprehensive income | 262 | 256 | 1,279 |
| Actuarial gains and losses on defined benefit pensions - benefits to employees | | | -202 |
| Other comprehensive income and costs | | | -202 |
| COMPREHENSIVE INCOME | 262 | 256 | 1,077 |

Storebrand Livsforsikring Group

PROFIT AND LOSS

| NOK million | 01.01 - 31.03 | | |
|--|---------------|---------------|----------------|
| | 2011 | 2010 | Year 2010 |
| TECHNICAL ACCOUNT: | | | |
| Gross premiums written | 7,892 | 8,443 | 23,015 |
| Reinsurance premiums ceded | -94 | -102 | -321 |
| Premium reserves transferred from other companies | 1,682 | 3,186 | 5,582 |
| Premiums for own account | 9,481 | 11,526 | 28,277 |
| Income from investments in subsidiaries, associated companies and joint-controlled companies | 16 | 2 | 58 |
| Interest income and dividends etc. from financial assets | 1,798 | 1,718 | 7,453 |
| Net operating income from property | 255 | 275 | 1,144 |
| Changes in investment value | 322 | 2,185 | 2,949 |
| Realised gains and losses on investments | 670 | 1,027 | 2,312 |
| Total net income from investments in the collective portfolio | 3,062 | 5,207 | 13,916 |
| Interest income and dividends etc. from financial assets | 69 | 51 | 990 |
| Net operating income from property | 19 | 19 | 82 |
| Changes in investment value | -687 | 1,433 | 2,943 |
| Realised gains and losses on investments | -141 | 93 | 466 |
| Total net income from investments in the investment selection portfolio | -740 | 1,596 | 4,481 |
| Other insurance related income | 268 | 198 | 935 |
| Gross claims paid | -4,162 | -3,934 | -16,877 |
| Claims paid - reinsurance | 13 | 20 | 47 |
| Gross change in claims reserve | 37 | -23 | -118 |
| Premium reserves etc. transferred to other companies | -4,254 | -1,658 | -4,575 |
| Claims for own account | -8,367 | -5,594 | -21,524 |
| To (from) premium reserve, gross | 773 | -6,552 | -6,852 |
| To/from additional statutory reserves in connection with claims/repurchase | 84 | 7 | -759 |
| Change in value adjustment fund | -257 | -1,271 | -1,940 |
| Change in premium fund, deposit fund and the pension surplus fund | -30 | -25 | -97 |
| To/from technical reserves for non-life insurance business | -60 | -56 | -45 |
| Change in conditional bonus | -733 | -778 | -2,427 |
| Transfer of additional statutory reserves and value adjustment fund from other insurance companies/ pension funds | 5 | 9 | 22 |
| Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations | -217 | -8,665 | -12,097 |
| Change in premium reserve | -1,594 | -3,071 | -9,618 |
| Change in other provisions | | -75 | -178 |
| Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately | -1,594 | -3,146 | -9,796 |
| Profit on investment result | | | -304 |
| The risk profit allocated to the insurance agreements | | | -70 |
| Other allocation of profit | | | -133 |
| Unallocated profit | -886 | -235 | |
| Funds allocated to insurance contracts | -886 | -235 | -507 |

| NOK million | 01.01 - 31.03 | | |
|--|---------------|-------------|---------------|
| | 2011 | 2010 | Year 2010 |
| Management expenses | -76 | -83 | -274 |
| Selling expenses | -132 | -177 | -702 |
| Change in pre-paid direct selling expenses | 16 | 17 | 59 |
| Insurance-related administration expenses (incl. commissions for reinsurance received) | -394 | -347 | -1,391 |
| Reinsurance commissions and profit participation | 61 | 58 | 198 |
| Insurance-related operating expenses | -525 | -532 | -2,109 |
| Other insurance related expenses after reinsurance share | -59 | -65 | -272 |
| Technical insurance result | 423 | 292 | 1,302 |
| NON-TECHNICAL ACCOUNT | | | |
| Income from investments in subsidiaries, associated companies and joint-controlled companies | 2 | 1 | 4 |
| Interest income and dividends etc. from financial assets | 108 | 79 | 333 |
| Net operating income from property | 13 | 14 | 60 |
| Changes in investment value | 28 | -43 | -45 |
| Realised gains and losses on investments | 20 | 80 | 240 |
| Net income from investments in company portfolio | 170 | 131 | 591 |
| Other income | 138 | 114 | 474 |
| Management expenses | -7 | -10 | -36 |
| Other costs | -347 | -311 | -1,264 |
| Total management expenses and other costs linked to the company portfolio | -354 | -321 | -1,301 |
| Profit or loss on non-technical account | -46 | -76 | -236 |
| Profit before tax | 378 | 215 | 1,067 |
| Tax costs | | | 388 |
| Profit before other comprehensive income | 378 | 215 | 1,455 |
| Actuarial gains and losses on defined benefit pensions - benefits to employees | -10 | 7 | -233 |
| Change in value adjustment reserve own buildings | 12 | 11 | -57 |
| Re-statement differences | 21 | 42 | 29 |
| Adjustment of insurance liabilities | -12 | -11 | 57 |
| Other comprehensive income and costs | 10 | 49 | -204 |
| COMPREHENSIVE INCOME | 388 | 264 | 1,251 |
| PROFIT IS DUE TO: | | | |
| Minority share of profit | 2 | 1 | 9 |
| Majority share of profit | 376 | 214 | 1,445 |
| COMPREHENSIVE INCOME IS DUE TO: | | | |
| Minority share of profit | 4 | -1 | 0 |
| Majority share of profit | 383 | 265 | 1,251 |

Storebrand Livsforsikring

STATEMENT OF FINANCIAL POSITION

| Storebrand Livsforsikring Group | | | Storebrand Livsforsikring AS | |
|------------------------------------|----------------|---|------------------------------|----------------|
| 31.12.10 | 31.03.11 | NOK million | 31.03.11 | 31.12.10 |
| ASSETS | | | | |
| ASSETS IN COMPANY PORTFOLIO | | | | |
| 740 | 750 | Goodwill | | |
| 5,499 | 5,481 | Other intangible assets | 79 | 82 |
| 6,239 | 6,231 | Total intangible assets | 79 | 82 |
| 1,188 | 1,208 | Properties and real estate | | |
| 352 | 357 | Properties for own use | | |
| 123 | 127 | Equities and units in subsidiaries, associated companies and joint-controlled companies | 7,810 | 7,722 |
| | | of which investment in real estate companies | 1,367 | 1,338 |
| 39 | 38 | Loans to and securities issued by subsidiaries, associated companies | 7,991 | 8,141 |
| 7 | 6 | Loans | 6 | 7 |
| | 32 | Bonds held to maturity | 32 | |
| 299 | 1,027 | Bonds at amortised cost | 1,027 | 299 |
| 341 | 327 | Equities and other units at fair value | 165 | 168 |
| 13,839 | 13,397 | Bonds and other fixed-income securities at fair value | 5,043 | 5,565 |
| 538 | 481 | Derivatives at fair value | 481 | 536 |
| 317 | 223 | Other financial assets | 139 | 254 |
| 17 042 | 17 224 | Total investments | 22 693 | 22 692 |
| 176 | 205 | Reinsurance share of insurance obligations | 205 | 176 |
| 1,119 | 2,090 | Receivables in connection with direct business transactions | 1,958 | 996 |
| 78 | 37 | Receivables in connection with reinsurance transactions | | |
| 21 | 53 | Receivables with group company | 84 | 82 |
| 1,615 | 4,071 | Other receivables | 1,206 | 493 |
| 2,834 | 6,251 | Total receivables | 3,248 | 1,571 |
| 109 | 88 | Plants and equipment | 75 | 95 |
| 1,605 | 2,462 | Cash, bank | 646 | 488 |
| 589 | 639 | Other assets designated according to type | | |
| 2,303 | 3,190 | Total other assets | 721 | 582 |
| 349 | 370 | Pre-paid direct selling expenses | | |
| 84 | 142 | Other pre-paid costs and income earned and not received | 45 | 35 |
| 433 | 512 | Total pre-paid costs and income earned and not received | 45 | 35 |
| 29,027 | 33,613 | Total assets in company portfolio | 26,990 | 25,138 |
| 24,239 | 24,509 | Properties and real estate | | |
| 1,229 | 1,231 | Properties for own use | | |
| 60 | 64 | Equities and units in subsidiaries, associated companies and joint-controlled companies | 27,320 | 26,860 |
| | | of which investment in real estate companies | 26,870 | 26,433 |
| 227 | 303 | Loans to and securities issued by subsidiaries, associated companies | | |
| | 5,033 | Bonds held to maturity | 5,033 | |
| 47,895 | 50,115 | Bonds at amortised cost | 50,115 | 47,895 |
| 3,109 | 3,012 | Loans | 3,012 | 3,109 |
| 52,921 | 54,246 | Equities and other units at fair value | 27,142 | 26,003 |
| 121,282 | 114,082 | Bonds and other fixed-income securities at fair value | 52,391 | 59,839 |
| 3,338 | 2,451 | Financial derivatives at fair value | 1,025 | 1,531 |
| 4,898 | 4,105 | Other financial assets | 1,284 | 2,538 |
| 259,199 | 259,151 | Total investments in collective portfolio | 167,322 | 167,776 |

continue next page

| Storebrand Livsforsikring Group | | | Storebrand Livsforsikring AS | |
|---------------------------------|----------------|---|------------------------------|----------------|
| 31.12.10 | 31.03.11 | NOK million | 31.03.11 | 31.12.10 |
| 1,632 | 1,773 | Properties and real estate | | |
| 88 | 92 | Properties for own use | | |
| | | Equities and units in subsidiaries, associated companies and joint-controlled companies | 2,022 | 1,853 |
| | | of which investment in real estate companies | 2,006 | 1,838 |
| | 133 | Bonds held to maturity | 133 | |
| | 282 | Bonds at amortised cost | 282 | |
| 110 | 108 | Loans | 108 | 110 |
| 39,571 | 40,282 | Equities and other units at fair value | 12,083 | 11,171 |
| 16,449 | 17,677 | Bonds and other fixed-income securities at fair value | 12,091 | 11,332 |
| 341 | 102 | Financial derivatives at fair value | 101 | 338 |
| 1,020 | 929 | Other financial assets | 876 | 995 |
| 59,210 | 61,378 | Total investments in investment selection portfolio | 27,695 | 25,800 |
| 318,409 | 320,529 | Total assets in customer portfolio | 195,018 | 193,575 |
| 347,436 | 354,142 | TOTAL ASSETS | 222,008 | 218,713 |
| | | EQUITY AND LIABILITIES | | |
| 3,430 | 3,430 | Share capital | 3,430 | 3,430 |
| 9,271 | 9,271 | Share premium reserve | 9,271 | 9,271 |
| 12,701 | 12,701 | Total paid in equity | 12,701 | 12,701 |
| 287 | 363 | Risk equalisation fund | 363 | 287 |
| 2,377 | 2,360 | Other earned equity | 3,060 | 3,075 |
| | 316 | Earned profit | 201 | |
| 207 | 224 | Minority's share of equity | | |
| 2,871 | 3,264 | Total earned equity | 3,624 | 3,362 |
| 5,326 | 5,368 | Perpetual subordinated loan capital | 5,368 | 5,326 |
| 1,500 | 1,500 | Perpetual capital | 1,500 | 1,500 |
| 6,825 | 6,868 | Total subordinate loan capital etc. | 6,868 | 6,825 |
| 233,176 | 233,314 | Premium reserves | 153,942 | 153,607 |
| 5,173 | 5,063 | Additional statutory reserves | 5,063 | 5,173 |
| 1,971 | 2,228 | Market value adjustment reserve | 2,228 | 1,971 |
| 810 | 775 | Claims allocation | 684 | 718 |
| 3,700 | 3,134 | Premium fund, deposit fund and the pension surplus fund | 3,134 | 3,700 |
| 11,503 | 12,247 | Conditional bonus | | |
| | 837 | Unallocated profit to insurance contracts | 837 | |
| 559 | 647 | Other technical reserve | 647 | 559 |
| 256,892 | 258,244 | Total insurance obligations in life insurance - contractual obligations | 166,534 | 165,727 |
| 58,129 | 60,206 | Premium reserve | 26,586 | 24,762 |
| 1 | 1 | Claims allocation | 1 | 1 |
| 266 | 296 | Additional statutory reserves | 296 | 266 |
| 620 | 707 | Premium fund, deposit fund and the pension surplus fund | 707 | 620 |
| | 49 | Unallocated profit to insurance contracts | 49 | |
| 59,016 | 61,257 | Total insurance obligations in life insurance - investment portfolio separately | 27,637 | 25,648 |

continue next page

| Storebrand Livsforsikring Group | | | Storebrand Livsforsikring AS | |
|-----------------------------------|----------------|---|------------------------------|----------------|
| 31.12.10 | 31.03.11 | NOK million | 31.03.11 | 31.12.10 |
| 982 | 1 002 | Pension liabilities etc. | 738 | 738 |
| 226 | 228 | Period tax liabilities | | |
| 82 | 92 | Other provisions for liabilities | 71 | 57 |
| 1,290 | 1,321 | Total provisions for liabilities | 808 | 794 |
| 1,302 | 1,239 | Liabilities in connection with direct insurance | 136 | 857 |
| 9 | 27 | Liabilities in connection with reinsurance | 27 | 9 |
| 880 | 569 | Financial derivatives | 256 | 679 |
| 874 | 863 | Liabilities to group companies | 871 | 875 |
| 4,319 | 7,258 | Other liabilities | 2 192 | 944 |
| 7 385 | 9 957 | Total liabilities | 3 481 | 3 364 |
| 456 | 530 | Other accrued expenses and received, unearned income | 354 | 291 |
| 456 | 530 | Total accrued expenses and received, unearned income | 354 | 291 |
| 347,436 | 354,142 | TOTAL EQUITY AND LIABILITIES | 222,008 | 218,713 |
| ITEMS NOT ON BALANCE SHEET | | | | |
| 5,635 | 4,860 | Contingent liabilities | 2,935 | 3,193 |

Storebrand Livsforsikring

RECONCILIATION OF CHANGE IN EQUITY STOREBRAND LIVSFORSIKRING AS

| NOK million | Majority's share of equity | | | | | | Total equity |
|---|----------------------------|-----------------------------|-------------------------|------------------------------|------------------------|---------------|--------------|
| | Share capital ¹ | Share pre- mium reserves | Total paid in equity | Risk equalisation fund | Other earned equity | | |
| Equity at 31.12.2010 | 3,430 | 9,271 | 12,701 | 287 | 3,075 | 16,063 | |
| Profit | | | | 62 | 201 | 262 | |
| Comprehensive income: | | | | | | | |
| Re-statement differences | | | | | | | |
| Pension experience adjustments | | | | | | | |
| Total revenue and costs for the period | | | | 62 | 201 | 262 | |
| Equity transactions with owner: | | | | | | | |
| Other | | | | 15 | -15 | | |
| Equity at 31.03.2011 | 3,430 | 9,271 | 12,701 | 363 | 3,261 | 16,325 | |

¹34.304.200 shares of NOK 100 par value

RECONCILIATION OF CHANGE IN EQUITY STOREBRAND LIVSFORSIKRING GROUP

| NOK million | Majority's share of equity | | | | | | Minority interests | Total equity |
|---|----------------------------|-----------------------------|-------------------------|------------------------------|------------------------|------------|-----------------------|--------------|
| | Share capital | Share premi- um reserves | Total paid in equity | Risk equalisation fund | Other earned equity | | | |
| Equity at 31.12.2010 | 3,430 | 9,271 | 12,701 | 287 | 2,377 | 207 | 15,572 | |
| Profit | | | | 62 | 314 | 2 | 378 | |
| Comprehensive income: | | | | | | | | |
| Re-statement differences | | | | | 18 | 2 | 21 | |
| Pension experience adjustments | | | | | -10 | | -10 | |
| Total revenue and costs for the period | | | | 62 | 322 | 4 | 388 | |
| Equity transactions with owner: | | | | | | | | |
| Other | | | | 15 | -23 | 13 | 5 | |
| Equity at 31.03.2011 | 3,430 | 9,271 | 12,701 | 363 | 2,676 | 224 | 15,965 | |

Storebrand Livsforsikring

CASH FLOW ANALYSIS STOREBRAND LIVSFORSIKRING

| Storebrand Livsforsikring Group | | | Storebrand Livsforsikring AS | |
|---------------------------------|---------------|--|------------------------------|---------------|
| 31.03.2010 | 31.03.2011 | NOK million | 31.03.2011 | 31.03.2010 |
| | | Cash flow from operational activities | | |
| 5,897 | 5,916 | Net received - direct insurance | 4,353 | 2,485 |
| -1,336 | -4,245 | Net claims/benefits paid - direct insurance | -3,349 | -288 |
| 1,528 | -2,572 | Net receipts/payments - policy transfers | -2,396 | 1,644 |
| -532 | -525 | Net receipts/payments - other operational activities | -342 | -360 |
| 1,179 | 202 | Net receipts/payments operations | -10 | 224 |
| 6,737 | -1,224 | Net cash flow from operational activities before financial assets | -1,744 | 3,705 |
| 132 | 99 | Net receipts/payments - lendings to customers | 99 | 132 |
| -5,098 | 1,277 | Net receipts/payments - financial assets | 361 | -2,871 |
| 72 | -164 | Net receipts/payments - real estate activities | | |
| -1,109 | 885 | Net change bank deposits insurance customers | 1,373 | -591 |
| -6,003 | 2,097 | Net cash flow from operational activities from financial assets | 1,832 | -3,330 |
| 735 | 873 | Net cash flow from operational activities | 89 | 375 |
| | | Cash flow from investmet activities | | |
| 34 | -52 | Net payments - purchase/capitalisation of subsidiaries | | -1 |
| -22 | -3 | Net receipts/payments - sale/purchase of fixed assets | 10 | -22 |
| 12 | -55 | Net cash flow from investment activities | 10 | -23 |
| | | Cash flow from financing activities | | |
| -47 | -55 | Payments - interest on subordinated loan capital | -55 | -47 |
| -610 | | Payments - group contribution dividends | | -610 |
| -657 | -55 | Net cash flow from financing activities | -55 | -657 |
| 89 | 764 | Net cash flow for the period | 44 | -305 |
| 6,092 | -1,333 | of which net cash flow for the period before financial assets | -1,789 | 3,025 |
| 89 | 764 | Net movement in cash and cash equivalent assets | 44 | -305 |
| 2,284 | 1,922 | Cash and cash equivalent assets at start of the period | 742 | 1,032 |
| 2,373 | 2,686 | Cash and cash equivalent assets at the end of the periode | 785 | 727 |

Notes to the interim accounts

NOTE 1: ACCOUNTING POLICIES

The Group's interim financial statements include Storebrand Livsforsikring AS together with subsidiaries and associated companies. The interim financial statements have been prepared in accordance with the 'Regulation on the annual accounts etc. of insurance companies', which was revised with effect from 1 January 2008 to correspond with the international financial reporting standards (IFRS). The financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required in full annual financial statements.

The Group has not made any changes to the accounting policies applied in 2011. A description of the accounting policies applied in the preparation of the financial statements is provided in the 2010 annual report.

NOTE 2: ESTIMATES

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, costs and information in the notes to the financial statements, as well as the information provided on contingent liabilities. A certain degree of uncertainty is associated with estimates and assumptions and actual figures may deviate from the estimates used.

Storebrand continuously builds up reserves in connection with increased life expectancy in life insurance, including increased requirements associated with individual pension insurance in which the building up of reserves in a time-limited period can be charged to the running return. Any deficient future return in connection with this may reduce the profit allocated to the owner.

Please also refer to the discussions in notes 3 of the 2010 annual report.

NOTE 3: TAX

The Storebrand Group has a significant tax-related deficit linked to the Norwegian life insurance activities. This is due to the fact that there are major differences between accounting-related and tax-related income and losses associated with investments in equities within the EEA area. Deferred tax assets associated with the deficits that can be carried forward are not recognised in the balance sheet since there is some uncertainty about whether or not taxable income will reach a level that enables the deficits that can be carried forward to be used.

NOTE 4: INFORMATION ABOUT CLOSE ASSOCIATES

Storebrand conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The same terms that apply to Storebrand's other customers and encompass lending, bank deposits, insurance and asset management. The terms for transactions with senior employees and close associates are stipulated in notes 19 and 44 in the 2010 annual report.

With the exception of these transactions, Storebrand had not carried out any material transactions with close associates at the close of 1Q.

NOTE 5: FINANCIAL RISK

Financial risk is subscribed in the 2010 annual report in notes 6 (Market risk), 7 (Liquidity risk) and 8 (Credit risk).

Interest rates rose in Norway and Sweden during 1Q. This is positive with respect to risk. A large proportion of the insurance obligations in both Norway and Sweden are subject to a nominal interest guarantee. Higher rates increase the probability of being able to meet the interest guarantee.

Notes to the interim accounts

NOTE 6: SEGMENT INFORMATION - ANALYSIS OF PROFIT AND LOSS BY BUSINESS AREA

| NOK million | Life Insurance | | SPP | | Asset management | | Insurance | | Storebrand Livsforsikring Group | |
|-------------------|----------------|----------|----------|----------|------------------|----------|-----------|----------|---------------------------------|----------|
| | 31.03.11 | 31.03.10 | 31.03.11 | 31.03.10 | 31.03.11 | 31.03.10 | 31.03.11 | 31.03.10 | 31.03.11 | 31.03.10 |
| Revenue | 9,936 | 11,379 | 1,714 | 5,467 | 52 | 45 | 624 | 599 | 12,326 | 17,489 |
| Profit before tax | 139 | 154 | 190 | 29 | 20 | 18 | 29 | 15 | 378 | 215 |
| Assets | 207,150 | 199,971 | 144,375 | 134,198 | 179 | 148 | 2,438 | 2,020 | 354,142 | 336,336 |
| Liabilities | 196,824 | 189,576 | 138,791 | 129,195 | 124 | 100 | 2,438 | 2,020 | 338,177 | 320,891 |

Revenue

Revenue includes the total premium income including savings premiums and transferred premium reserve from other companies, net financial return and other income.

Life Insurance

Includes the companies in the Storebrand Livsforsikring Group, except Storebrand Eiendom AS, Storebrand Realinvesteringer AS and Storebrand Holding AB, and personal risk and employee cover in Storebrand Livsforsikring AS. Storebrand Life Insurance offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals. Swedish market. Storebrand Life Insurance's branch in Sweden provides occupational pensions products based on Norwegian law in the in the Swedish market.

SPP

Includes companies in Storebrand Holding Group excluding SPP Fonder AB. SPP offers a wide range of pension solutions to companies, organisations and private individuals in Sweden. SPP holds a particularly strong position in traditional products - policies with guaranteed interest rates - in the Swedish corporate market. BenCo offers via Nordben and Euroben pension products to multinational companies.

Asset management

Storebrand's asset management activities include the companies Storebrand Eiendom AS (property management), Storebrand Realinvesteringer AS and SPP Fonder AB (fund management).

Insurance

Includes personal risk insurance in the Norwegian retail market and employee insurance in the corporate market in Norway, which is included in Storebrand Livsforsikring AS.

NOTE 7: VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The valuation classification of financial instruments at fair value is based on the general policies the company applies and which are described in the 2010 annual report.

The table below specifies level 3.

| NOK million | Non-observable assumptions | |
|--|------------------------------|---------------------------------|
| | Storebrand Livsforsikring AS | Storebrand Livsforsikring Group |
| Assets: | | |
| Equities and units | | |
| - Equities | 1,741 | 3,199 |
| - Fund units | 1,158 | 1,820 |
| - Private Equity fund investments | 4,400 | 4,870 |
| - Hedge fund | 37 | 37 |
| - Indirect real estate fund | | 2,072 |
| Total equities and units | 7,336 | 11,998 |
| Bonds and other fixed income securities | | |
| - Government and government guaranteed bonds | 756 | 1,115 |
| - Credit bonds | 979 | 979 |
| Total bonds and other fixed income securities | 1,734 | 2,093 |

Notes to the interim accounts

Specification of papers pursuant to valuation techniques (non-observable assumptions) Storebrand Livsforsikring AS

| NOK million | Equities | Fund units | Private Equity fund investments | Hedge fund | Indirect real estate fund | Credit bonds | Mortgage and asset backed bonds |
|--|--------------|--------------|---------------------------------|------------|---------------------------|--------------|---------------------------------|
| Balance 01.01.11 | 1,839 | 1,117 | 4,180 | | 38 | 696 | 1,114 |
| Net profit/loss at financial instruments | -70 | -5 | 185 | -2 | -7 | -25 | 52 |
| Additions/purchases | 27 | 45 | 39 | 39 | | 86 | |
| Sales/Overdue/settlement | -55 | | -4 | | -31 | -1 | -187 |
| Balance 31.03.11 | 1,741 | 1,158 | 4,400 | 37 | 0 | 756 | 979 |

Specification of papers pursuant to valuation techniques (non-observable assumptions) Storebrand Livsforsikring Group

| NOK million | Equities | Fund units | Private Equity fund investments | Hedge fund | Indirect real estate fund | Credit bonds | Mortgage and asset backed bonds |
|--|--------------|--------------|---------------------------------|------------|---------------------------|--------------|---------------------------------|
| Balance 01.01.11 | 3,167 | 1,832 | 4,661 | | 2,113 | 1,042 | 1,114 |
| Net profit/loss at financial instruments | -79 | -77 | 179 | -2 | 120 | -19 | 52 |
| Additions/purchases | 141 | 55 | 61 | 39 | 11 | 88 | |
| Sales/Overdue/settlement | -59 | | -35 | | -173 | -1 | -187 |
| Re-statement differences | 17 | 10 | 4 | | | 5 | |
| Other | 13 | | | | | | |
| Balance 31.03.11 | 3,199 | 1,820 | 4,870 | 37 | 2,072 | 1,115 | 979 |

NOTE 8: NET INCOME FROM PROPERTIES

| NOK million | Q1 | | Year |
|---|------------|------------|-------------|
| | 2011 | 2010 | 2010 |
| Rent income from properties ¹⁾ | 411 | 382 | 1623 |
| Operating costs (including maintenance and repairs) relating to properties that have provided rent income ²⁾ | -93 | -74 | -337 |
| Minority interest recorded as debt | -31 | | |
| Net operating income from properties | 287 | 308 | 1286 |
| Realised gains/losses | -2 | -2 | 15 |
| Change in fair value of properties | 204 | 7 | 154 |
| Total income from properties | 489 | 313 | 1455 |
| ¹⁾ Properties for own use | 18 | 17 | 67 |
| ²⁾ Properties for own use | -1 | -3 | -12 |

Changes in value real estate investments

| NOK million | Q1 | | Year |
|--|------------|-----------|------------|
| | 2011 | 2010 | 2010 |
| Wholly owned real estate investments | 204 | 7 | 154 |
| Property equities and units in Norway and Sweden ¹⁾ | 11 | 23 | 96 |
| Property units abroad ¹⁾ | 114 | 19 | 87 |
| Total value changes investment properties | 329 | 49 | 336 |
| Properties for own use | | | -104 |
| Total value changes real estate investment | 329 | 49 | 233 |
| Realised gains/losses sold properties | -2 | -2 | 16 |

¹⁾ Are in the statement of financial position classified as equities and units

Notes to the interim accounts

NOTE 9: PROPERTIES

Book value of investment properties in the statement of financial position

| NOK million | 31.03.11 | 31.12.10 |
|------------------------------|---------------|---------------|
| Carrying amount as per 1 Jan | 27,059 | 24,160 |
| Supply due to purchases | 338 | 2,503 |
| Supply due to additions | 254 | 476 |
| Disposals | -375 | -152 |
| Net write-ups/write-downs | 204 | 50 |
| Exchange rate changes | 11 | 22 |
| Carrying amount | 27,491 | 27,059 |

Property type

| NOK million | 31.03.11 | 31.12.10 | Duration of lease (years) | m2 | Leased amount in % ¹⁾ |
|--|---------------|---------------|------------------------------|------------------|-------------------------------------|
| <i>Office buildings (including parking and storage):</i> | | | | | |
| - Oslo- Vika/Fillipstad Brygge | 5,150 | 4,930 | 6 | 110,610 | 92 |
| - Rest of Greater Oslo | 6,324 | 6,180 | 6 | 191,700 | 94 |
| - Rest of Norway | 3,876 | 3,856 | 7 | 509,790 | 93 |
| ¹⁾ Shopping centres (including parking and storage) | 10,689 | 10,656 | 3 | 467,095 | 92 |
| Multi-storey car parks | 696 | 696 | 6 | 44,085 | 100 |
| Office buildings in Sweden | 396 | 387 | 1 | 16,000 | 3 |
| Cultural/conference centres in Sweden | 361 | 355 | 19 | 18,500 | 86 |
| Total investment properties | 27,491 | 27,059 | | 1,357,780 | |
| Properties for own use other | 1,679 | 1,668 | 9 | 50,000 | 91 |
| Total properties | 29,170 | 28,727 | | 1,407,780 | |

¹⁾ Total properties

Geographical location:

| NOK million | 31.03.11 | 31.12.10 |
|------------------------------|---------------|---------------|
| Oslo- Vika/Fillipstad Brygge | 5,845 | 5,625 |
| Rest of Greater Oslo | 7,709 | 7,560 |
| Rest of Norway | 14,565 | 14,512 |
| Sweden | 757 | 742 |
| Other | 294 | 289 |
| Total properties | 29,170 | 28,727 |

A further NOK 387 million was agreed for property purchases in Q1 2011, but the assumption of the risk and final conclusion of contracts will occur later in 2011 and NOK 265 million in Storebrand and SEK 519 million in SPP has been committed but not drawn on in international real estate funds.

Calculation of fair value for properties

Investment properties are valued at fair value. Fair value is the amount an asset could be sold for in a transaction at arm's length between well informed, voluntary parties.

Notes to the interim accounts

Cash flow

An internal cash flow model is used to calculate fair value. The individual properties' net cash flows are discounted by an individual required rate of return. In the case of office buildings, a future income and costs picture is estimated for the first 10 years, and a final value calculated at the end of that 10 year period, based on market rents and normal operating costs for the property. The net income stream takes into account existing and future reductions in income resulting from vacancy, necessary investments and an assessment of the future changes in market rents. Storebrand's average occupancy rate in its office properties portfolio is 95-98 per cent. Most contracts are for 5 or 10 years. The cash flows from these tenancy agreements (contractual rent) are included in the valuations. A forecast model has been developed to estimate long-term, future non-contractual rent. The model is based on historical observations from Dagens Næringsliv's property index (adjusted by CPI). A long-term, time-weighted average is calculated for the annual observations in which the oldest observations are afforded the least weight. Short-term, non-contractual rent forecasts are based on current market rents and conditions.

Required rate of return

An individual required rate of return is set for each property. The required rate of return should be viewed in relation to the property's cash flow. Cash flows are determined on the basis of data about the market's required rate of return, including transactions and valuations. The required rate of return is divided into the following components:

Composition of the required rate of return:

Risk free interest rate

Risk markup, adjusted for:

- Type of property
- Location
- Standard
- Contract duration
- Quality of tenant
- All other information about property values, the market and the individual property

In the case of shopping centres, the property's value is calculated based on a market yield. In cases where it is known significant changes will occur to the expected cash flow in later years, this is taken account of in the valuation.

External valuations:

As per 31 March 2011, valuations had been obtained for approximately 12 per cent of Storebrand's property portfolio in Norway. As per 31 December 2010, valuations had been obtained for approximately 37 per cent of the property portfolio in Norway.

| Segment | Required rate of return % | | Volum | |
|---|---------------------------|--------------|----------|----------|
| | 31.03.11 | 31.12.10 | 31.03.11 | 31.12.10 |
| Office buildings (including parking and storage): | | | | |
| - Oslo- Vika/Fillipstad Brygge | 7,50 - 8,50 | 7,50 - 8,50 | 5,845 | 5,625 |
| - Rest of Greater Oslo | 8,25 - 10,00 | 8,25 - 10,00 | 7,709 | 7,560 |
| - Rest of Norway | 8,75 - 9,75 | 8,75 - 9,75 | 3,876 | 3,856 |
| Shopping centres (including parking and storage) | 8,00 - 9,25 | 8,00 - 9,25 | 10,689 | 10,656 |
| Multi-storey car parks | 7,00 - 9,00 | 7,00 - 9,00 | 757 | 742 |
| Other properties | | | 294 | 289 |

Sensitivities

Valuations are particularly sensitive to changes in the required rate of return and assumed future cash flows. A change of 0.25 per cent in the required rate of return, where everything else remains the same, would result in a change in value in the real estate portfolio of NOK 945 million, which is equivalent to 3.36 per cent. Around 25 per cent of a property's cash flow is linked to signed leases. This means that changes in the uncertain components of the cash flow of 1 per cent result in a change in value of 0.75 per cent.

Notes to the interim accounts

NOTE 10: FINANCIAL LIABILITIES AND SPECIFICATION OF BORROWING

Specification of subordinated loan capital

| NOK million | Nominal value | Currency | Interest rate (fixed/variable) | Call date | Booked value |
|--|---------------|----------|--------------------------------|-----------|--------------|
| Issuer | | | | | |
| Hybrid tier 1 capital | | | | | |
| Storebrand Livsforsikring AS | 1,500 | NOK | Variable | 2018 | 1,500 |
| Perpetual subordinated loan capital | | | | | |
| Storebrand Livsforsikring AS | 300 | EUR | Fixed | 2013 | 2,581 |
| Storebrand Livsforsikring AS | 1,700 | NOK | Variable | 2014 | 1,703 |
| Storebrand Livsforsikring AS | 1,000 | NOK | Fixed | 2015 | 1,084 |
| Total subordinated loan capital and hybrid tier 1 capital | | | | | 6,868 |
| 31.03.2011 | | | | | |
| Total subordinated loan capital and hybrid tier 1 capital | | | | | 6,825 |
| 31.12.2010 | | | | | |

NOTE 11: CONTINGENT LIABILITIES

| NOK million | Storebrand Livsforsikring AS | | Storebrand Livsforsikring Group | |
|--|------------------------------|--------------|---------------------------------|--------------|
| | 31.03.11 | 31.12.10 | 31.03.11 | 31.12.10 |
| Undrawn amounts of committed lending facilities | 1,855 | 1,794 | 1,855 | 1,794 |
| Uncalled residual liabilities concerning Limited Partnership | 2,935 | 3,193 | 4,860 | 5,635 |
| Total contingent liabilities | 4,790 | 4,987 | 6,715 | 7,429 |

Notes to the interim accounts

NOTE 12: CAPITAL ADEQUACY

| NOK million | Storebrand Livsforsikring AS | | Storebrand Livsforsikring Group | |
|--|------------------------------|----------------|---------------------------------|----------------|
| | 31.03.11 | 31.12.10 | 31.03.11 | 31.12.10 |
| Share capital | 3,430 | 3,430 | 3,430 | 3,430 |
| Other equity | 12,894 | 12,632 | 12,534 | 12,142 |
| Equity | 16,325 | 16,063 | 15,965 | 15,572 |
| Hybrid tier 1 capital | 1,500 | 1,500 | 1,500 | 1,500 |
| Conditional bonus | | | 3,378 | 3,359 |
| Goodwill and other intangible assets | -79 | -82 | -6,309 | -6,317 |
| Risk equalisation fund | -363 | -287 | -363 | -287 |
| Capital adequacy reserve | | | -432 | -399 |
| Deduction for investments in other financial institutions | -51 | -55 | -40 | -44 |
| Other | -225 | -24 | -262 | 106 |
| Core (tier 1) capital | 17,107 | 17,115 | 13,437 | 13,492 |
| Hybrid tier 1 capital | | | | |
| Perpetual subordinated loan capital | 5,055 | 5,039 | 5,055 | 5,039 |
| Capital adequacy reserve | | | -432 | -399 |
| Deductions for investments in other financial institutions | -51 | -55 | -40 | -44 |
| Tier 2 capital | 5,004 | 4,984 | 4,583 | 4,597 |
| Net primary capital | 22,111 | 22,100 | 18,021 | 18,088 |
| Risk weighted calculation base | 105,297 | 104,650 | 135,489 | 117,336 |
| Capital adequacy ratio | 21.0 % | 21.1 % | 13.3 % | 14.9 % |
| Core (tier 1) capital ratio | 16.2 % | 16.4 % | 9.9 % | 10.8 % |

NOTE 13: SOLVENCY MARGIN

| NOK million | Storebrand Livsforsikring AS | | Storebrand Livsforsikring Group | |
|------------------------------|------------------------------|----------------|---------------------------------|----------------|
| | 31.3.11 | 31.12.10 | 31.3.11 | 31.12.10 |
| Solvency margin requirements | 7,193 | 7,094 | 10,891 | 10,766 |
| Solvency margin capital | 23,567 | 23,522 | 17,557 | 17,644 |
| Solvency margin | 327.6 % | 331.6 % | 161.2 % | 163.9 % |

Specification of solvency margin capital

| NOK million | Storebrand Livsforsikring AS | | Storebrand Livsforsikring Group | |
|--|------------------------------|---------------|---------------------------------|---------------|
| | 31.03.11 | 31.12.10 | 31.03.11 | 31.12.10 |
| Net primary capital | 22,111 | 22,100 | 18,021 | 18,088 |
| 50% of additional statutory reserves | 2,679 | 2,719 | 2,679 | 2,719 |
| 50% of risk equalisation fund | 182 | 143 | 182 | 143 |
| Counting security reserve | 54 | 52 | 54 | 52 |
| Conditional bonus | | | -3,378 | -3,359 |
| Reduction in Tier 2 capital eligible for inclusion in solvency capital | -1,459 | -1,492 | | |
| Solvency capital | 23,567 | 23,522 | 17,557 | 17,644 |

Translation from the original Norwegian version

To the board of Storebrand Livsforsikring AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated balance sheet of Storebrand Livsforsikring AS (the Group) as of March 31, 2011, and the related statement of income, the statement of changes in equity, the statement of cash flow for the three month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway. 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 condensed interim financial information is not prepared, in all material aspects, in accordance with the rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway.

Oslo, May 10, 2011
Deloitte AS

Ingebret G. Hisdal (signed)
State Authorized Public Accountant (Norway)