

Interim report 2015

Storebrand Group

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STOREBRAND ASA

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

Storebrand Group

- **Group result¹⁾ of NOK 459m for the 2nd quarter and NOK 909m year to date**
- **Growth of 8% in fee and administration income relative to second quarter last year**
- **Estimated solvency II margin of 154%**

Storebrand's ambition is to be the best provider of pension savings. The Group offers a broad range of products within life insurance, property and casualty insurance, asset management and banking, to companies, public sector entities and private individuals. The Group is divided into the segments Savings, Insurance and Guaranteed Pension and Other.

GROUP RESULT²⁾

(NOK million)	2015		2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014
Fee and administration income	1,065	1,044	1,116	1,045	986	2,109	1,999	4,160
Risk result life & pensions	54	9	323	37	45	63	120	480
Insurance premiums f.o.a.	947	867	802	773	770	1,813	1,540	3,115
Claims f.o.a.	-683	-652	-613	-564	-558	-1,334	-1,050	-2,226
Operational cost	-799	-803	-207	-732	-764	-1,602	-1,506	-2,446
Financial result	76	81	-21	95	155	158	275	349
Result before profit sharing and loan losses	661	546	1,400	655	634	1,207	1,377	3,431
Net profit sharing and loan losses	-51	59	-356	67	206	8	280	-8
Provision longevity	-151	-154	-121	-90	-90	-306	-180	-391
Result before amortisation and write-downs	459	450	923	632	750	909	1,477	3,032
Amortisation and write-downs of intangible assets	-103	-105	-105	-108	-108	-208	-218	-431
Result before tax	356	346	818	524	642	701	1,259	2,601
Tax	-97	-87	-115	-147	-146	-184	-253	-516
Sold/liquidated business	-	-	-	-	-	-	-	-1
Profit after tax	258	258	703	376	496	517	1,006	2,085

Group result before amortisation was NOK 459m³⁾ (750m) in the 2nd quarter and NOK 909m year to date. The figures in parentheses are from the corresponding period last year. Fee and administration income increased 8% compared with the same quarter last year. Adjusted for discontinued business, the annual growth rate was 11.5%⁴⁾ year to date. The growth is especially strong in savings and insurance. Premium income for non-guaranteed savings has increased by 23% 1st. half 2015 compared with same period in 2014.

Storebrand has set a target for costs as a percentage of income of under 60%. In the second quarter, 12 month rolling average was 58.8 %⁵⁾. Customer growth has resulted in increased sales and customer service costs. Total operating costs increased by NOK 35m, an increase of 4.6% compared with the corresponding period last year. Strengthening of competitiveness through continued efficiency improvement is a prioritised task.

¹⁾ Earnings before amortisation and tax.

²⁾ The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.

³⁾ The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.

⁴⁾ Adjusted for discontinued business and foreign exchange

⁵⁾ Operating cost/ (fee- and administration income, risk result life and pension, insurance premium and claims).

GROUP RESULT BY RESULT AREA

(NOK million)	2015		2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014
Savings - non-guaranteed	237	218	469	240	189	455	382	1,091
Insurance	192	159	159	135	154	351	381	675
Guaranteed pension	32	81	227	233	313	113	614	1,074
Other result	-3	-8	68	24	94	-10	100	193
Profit before amortisation	459	450	923	632	750	909	1,477	3,032

The Savings (non-guaranteed) segment reported a result of NOK 237m (189m) for the quarter and NOK 455m year to date as a result of volume growth. The Insurance segment reported a result of NOK 192m (154m) for the quarter and NOK 351m year to date, driven by good sales of property and casualty insurance to the retail market. Guaranteed Pension reported a result of NOK 32m (313m) for the quarter and NOK 113m year to date. The result is charged with higher costs for increased longevity and reduced profit sharing compared to same period last year.

MARKET AND SALES PERFORMANCE

The Savings and Insurance segments reported strong sales. In Norway, Storebrand is the market leader in defined contribution schemes with 31% of the market share of gross premiums written. In the second quarter, customers chose to move NOK 1.2bn to paid-up policies with investment choice. SPP is the third largest actor in the Swedish unit linked insurance market in the area of Other Occupational Pension with a market share of 15% of new contracts¹⁾.

CAPITAL SITUATION AND TAXES

The Storebrand Life Insurance Group's solvency margin was 183% at the end of the quarter. This is an increase of 9.9 percentage points during the quarter. The increase was mainly attributed to higher interest rates in Sweden. Higher interest rates reduce the Swedish insurance liabilities in the solvency calculations.

The Solvency II regulations will be introduced from January 2016. The Group's target solvency margin in accordance with the new regulations is 130%, including use of the transitional rules. At the end of the 2nd quarter 2015, the estimated solvency margin in accordance with the Solvency II regulations was 154% (without the transitional rules the solvency margin is estimated at 114%). This is an increase of 2 and 16 percentage points, respectively, and is attributed to the fact that the long-term interest rates rose during the period. Under Solvency II, all liabilities are discounted by the market interest rate. A standard model and the company's interpretation of the proposed transitional rules from Finanstilsynet (The Financial Supervisory Authority of Norway) have been used. There may be changes to the regulations, methods and interpretations of this up until the date of implementation.

The income tax expense year to date has been estimated based on an expected effective tax rate for 2015. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway (27%), and it varies from quarter to quarter depending on each legal entity's contribution to the Group result. The tax rate is calculated to be in the range of 20-25% for the year.

¹⁾ Premium income as at 1st quarter 2015. Source: Finance Norway and Insurance Sweden.

STRENGTHENING RESERVES FOR A HIGHER PROJECTED LIFE EXPECTANCY

Storebrand needs to strengthen its reserves for increased longevity by NOK 12.4bn. At the end of the first half of 2015, NOK 8.1bn has been allocated preliminarily and the remaining required strengthening of reserves is NOK 4.3bn. The direct contribution of NOK 90m for the quarter is an estimate of the overall required strengthening of reserves for the period from 2014 to 2020 with the current portfolio composition. The total contribution to strengthening the reserves for increased longevity, including the direct contribution (NOK 90m), cost of conversion to paid-up policies with investment options (NOK 61m),

lost profit sharing and risk result (NOK 102m) was NOK 253m in the 2nd quarter. The total charge was NOK 528m at the end of the first half year.

Financial targets	
ROE	>10 %
Solvency II margin	> 130 %
Dividend on result after tax before amortisation ¹⁾	>35 %
Rating level (Storebrand Life Group)	A

GROUP - KEY FIGURES

(NOK million)	2015		2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014
Earnings per share adjusted (NOK) ¹⁾	0.80	0.78	1.78	1.08	1.33	1.58	2.70	5.57
ROE, annualised	25,275	24,745	24,741	23,618	23,528	23,080	22,775	24,741
Equity	5.9 %	6.0 %	13.6 %	8.9 %	11.2 %	5.9 %	11.2 %	10.8 %
Solvency I margin (Storebrand Life Group)	183%	173%	175%	182%	178%	182%	176%	175%

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

Savings

Solid earnings growth due to higher volume. Solid excess return for asset management.

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

SAVINGS

(NOK million)	2015		2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014
Fee and administration income	627	628	679	588	559	1,255	1,108	2,375
Risk result life & pensions	4	-4	-10	7	-7	-	-8	-11
Operational cost	-394	-408	-214	-354	-363	-802	-720	-1,289
Financial result	-	-	-	-	-	-	-	-
Result before profit sharing and loan losses	238	216	455	240	189	453	380	1,075
Net profit sharing and loan losses	-	2	14	-1	-	2	3	16
Result before amortisation	237	218	469	240	189	455	382	1,091

RESULTS

The result for Savings corresponds to growth of 25% compared with the same quarter last year. The result has improved 19% year to date, driven by volume growth. Fee and administration income increased 12% during the first half year.

The customers' conversion from defined-benefit to defined-contribution pension schemes increased the premium payments. In combination with good sales and a good return, this contributed to growth in customer assets, and income from Unit Linked in Norway and Sweden was 25% higher at the end of the first half year relative to the corresponding period in 2014.

The customers' excess return in the asset management business was NOK 0.4 bn. in the 2nd quarter, 1.3 bn year to date. Performance-based fees are not recognised until 31 December 2015 and amount to NOK 58m year to date.

Increased competition contributed to a reduction in the net interest income in the Bank's retail market for the quarter. Net interest income as a percentage of the average total assets was 1.23%, compared with 1.36% for the 2nd quarter 2014.

Higher selling costs and higher volume-driven costs explain the cost increase in the Savings segment compared with the same period last year. Cost income and unit costs are reduced in the period.

BALANCE SHEET AND MARKET TRENDS

Premium income for non-guaranteed savings was NOK 3bn in the 2nd quarter, an increase of 29% compared with the 2nd quarter 2014. Total reserves within unit linked insurance have increased 26% over the last year.

Assets under management in the Norwegian Unit Linked business increased NOK 12bn (31%) relative to 2nd quarter 2014. The growth is driven by premium payments for existing contracts, a good return and conversion from defined benefit schemes. Storebrand has also been very successful in the launch of paid-up policies with investment choice, and there were reserves of NOK 3.7bn in this product at the end of the 2nd quarter.

In Norway, Storebrand is the market leader in defined contribution schemes with over 30% of the market share of gross premiums written.

The customers' capital increased NOK 13bn (23%) in the Swedish unit linked insurance business last year. The volume increase is driven by a good return and good new sales. Transfers out declined compared with the same period last year.

SPP is the third largest actor in the Swedish unit linked insurance market in the segment Other Occupational Pension with a market share of 15% of new contracts.

Storebrand Asset Management's assets under management increased by NOK 17,1bn in the first half of the year to NOK 552bn. Growth in the first quarter is driven by high sales and a good return. As a result of the falling market, the value of the assets declined by NOK 6,4bn during the 2nd quarter.

The lending portfolio in the retail market bank reported a positive development in the 2nd quarter. This portfolio primarily consists of low-risk home mortgages.

SAVINGS - KEY FIGURES

(NOK million)	2015			2014	
	2Q	1Q	4Q	3Q	2Q
Unit linked Reserves	117,452	115,816	105,369	93,976	92,899
Unit linked Premiums	3,035	2,871	2,594	2,483	2,347
AuM Asset Management	551,587	557,989	534,523	502,840	501,539
Retail Lending	24,833	24,100	24,441	24,391	24,103

Insurance

Solid top line growth attributed to good sales.

Insurance has responsibility for the Group's risk products in Norway and Sweden¹⁾. The unit provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employee-related and pension-related insurance in the Norwegian and Swedish corporate markets.

INSURANCE

(NOK million)	2015		2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014
Insurance premiums f.o.a. ²⁾	947	867	802	773	770	1,813	1,540	3,115
Claims f.o.a. ²⁾	-683	-652	-613	-564	-558	-1,334	-1,050	-2,226
Operational cost	-136	-128	-9	-122	-131	-264	-256	-387
Financial result	64	72	-22	48	74	136	147	173
Result before amortisation	192	159	159	135	154	351	381	675
Claims ratio	72%	75%	76%	73%	73%	74%	68%	71%
Cost ratio	15%	15%	1%	16%	17%	15%	17%	13%
Combined ratio	87%	90%	78%	89%	90%	88%	85%	84%

RESULTS

Insurance delivered a result before amortisation of NOK 192m (154m) in the 2nd quarter, and NOK 351m (381m) year to date, with a total combined ratio of 87% (90%). Premium income increased 18% year to date, compared with the corresponding period last year. The solid premium growth is driven by good sales of individual property and casualty insurance policies and the new agreement with Akademikerne (Federation of Norwegian Professional Associations).

The risk result for the quarter was good with a claims ratio of 72% (73%). The P&C insurance portfolio showed a good underlying risk performance, and the portfolio reported good results. The risk result in Norway was positively influenced by the accrual of premium income between the 1st and 2nd quarters and negatively influenced by new incidents of disability. The Swedish risk result is weak, but within the natural variation.

The cost percentage was 15% (17%) for the 2nd quarter.

The investment portfolio of Insurance in Norway amounts to NOK 6.1 billion, which is primarily invested in fixed income securities with a short to medium duration. Financial income is good in the quarter due to a good booked return.

BALANCE SHEET AND MARKET TRENDS

In the retail market, Storebrand has been very successful, and the premium income increased 17 % year to date. During the quarter, the P&C insurance exceeded 100,000 customers. This is an important milestone for the company. This shows that we have competitive prices, and simple and relevant products, as well as good cover.

¹⁾ Health insurance is owned 50 per cent each by Storebrand ASA and Munich Health and is consolidated according to the equity method.

²⁾ For own account

The new agreement with Akademikerne (Federation of Norwegian Professional Associations), which entered into force on 1 January 2015, also ensures Storebrand of a solid position in the organisational market and contributes to growth.

Health-related insurance is growing and Storebrand is succeeding well in the market. The companies' desire to reduce the costs of absence due to illness is a key driver of the growth. In addition, growth is driven by the increased demand among the employees for benefits of this type.

For risk cover in connection with defined contribution pensions in Norway, growth is driven by conversions from defined benefit to defined contribution pensions. A new regulatory framework for disability pensions may result in a lower premium volume in the future. In addition, competition is strong in pension-related group disability insurance, with increasing pressure on the margins.

INSURANCE - KEY FIGURES

(NOK million)	2015			2014	
	2Q	1Q	4Q	3Q	2Q
P&C & Individual life*	1,607	1,531	1,407	1,375	1,341
Health & Group life**	1,471	1,451	1,235	1,228	1,206
Pension related disability insurance Nordic***	1,096	1,071	1,057	1,054	1,041
Total written premiums	4,174	4,053	3,699	3,657	3,588
Investment portfolio	6,124	6,080	5,683	5,415	5,160

* Individual life disability, property and casualty insurance. ** Group disability, workers comp. and health insurance. *** Defined contribution risk premium.

Guaranteed pension

Substantial strengthening of reserves for increased longevity. Lower profit sharing result as a result of the financial market performance.

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

GUARANTEED PENSION

(NOK million)	2015		2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014
Fee and administration income	457	432	457	471	439	889	913	1,842
Risk result life & pensions	47	16	331	26	48	63	126	483
Operational cost	-281	-277	-84	-275	-281	-558	-562	-921
Financial result	-	-	-	-	-	-	-	-
Result before profit sharing and loan losses	223	171	705	222	206	394	478	1,404
Net profit sharing and loan losses	-40	64	-357	101	197	24	317	61
Provision longevity	-151	-154	-121	-90	-90	-306	-180	-391
Result before amortisation	32	81	227	233	313	113	614	1,074

RESULTS

Fee and administration income has performed consistent with the fact that a large part of the portfolio is mature and in long-term decline. Income was NOK 457m (439m) in the 2nd quarter and NOK 889m (913m) year to date. This corresponds to a reduction of 2.6% for the first half year, compared with the corresponding period in 2014.

The operating costs are stable compared with the same quarter last year. The risk result was NOK 47m (NOK 48m) in the 2nd quarter and NOK 63m (NOK 126m) year to date. In the Norwegian business, most of the result that would have normally passed to the owner through the risk equalisation reserve was allocated to the longevity reserve during the quarter. In the Swedish business, the risk result showed a good trend for the quarter and year to date.

The degree of consolidation have been sufficient to provide indexing fee of NOK 38 m. in the Swedish defined benefit portfolio. For the other financial result in the Swedish guaranteed portfolio, higher interest rates, higher credit spreads and weak equity markets have

produced negative returns. This has led to a reversal of previously profit sharing. Furthermore, the persistent low interest rates is a negative running contribution. Overall, this gives a negative financial result of NOK 40 m. in the quarter.

The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners. At the end of the 2nd quarter, NOK 1,4m of the profit for the year from the financial and risk results was preliminarily allocated to strengthen the longevity reserves. The owner's result has been charged NOK 90m in the 2nd quarter and NOK 180m year to date to increase the longevity reserves. There is an additional cost to the owner of NOK 126m year to date as a result of the conversion of paid-up policies to paid-up policies with investment choice, which requires Ireserve strengthening of converted contracts. The total cost to the owner of strengthening the reserves, including lost profit sharing and foregone risk profits, was NOK 253m in the 2nd quarter and NOK 528m year to date.

BALANCE SHEET AND MARKET TRENDS

The majority of products are closed for new business, and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy. Customer reserves for guaranteed pensions amounted to NOK 259bn at the end of the 2nd quarter, which corresponds to a reduction of NOK 5.5bn and 2% since the end of the year. Paid-up policies is the only guaranteed portfolio that is growing, and it totalled NOK 98.4bn at the end of the 2nd quarter, which corresponds to an increase of NOK 5.8bn and 6% since the end of the year. Defined benefit pensions in Norway have declined NOK 7.9bn year to date, which corresponds to 12%, and amounted to NOK 59.9bn at the end of the 2nd quarter.

Transfers out from guaranteed pensions have totalled NOK 3.7bn (7.2bn) year to date and NOK 0.3bn (0.1bn) in the 2nd quarter mainly from the public sector. From the 4th quarter of 2014, the customers were given an offer to convert from paid-up policies to paid-up policies with investment choice. Insurance reserves for paid-up policies with investment choice rose by NOK 1.2 billion in the 2nd quarter and NOK 2.8 billion the year to date. Total premium income was NOK 5.1bn (6.5bn) year to date and NOK 1.7bn (2.2bn) in the 2nd quarter. This represents a decline of 21% year to date.

GUARANTEED PENSION - KEY FIGURES

(NOK million)	2015			2014	
	2Q	1Q	4Q	3Q	2Q
Guaranteed reserves	258,825	261,277	264,290	257,425	263,370
Guaranteed reserves in % of total reserves	68.8 %	69.3 %	71.5 %	73.3 %	73.9 %
Net transfers	-1,432	-5,038	-2,229	-5,452	-72
Buffer capital in % of customer reserves Norway	5.7 %	6.5 %	6.6 %	4.8 %	4.6 %
Buffer capital in % of customer reserves Sweden	12.4 %	12.5 %	11.7 %	15.0 %	15.1 %

Other

The result for Storebrand ASA is reported under Other, as well as the result for smaller subsidiaries and the company portfolios of Storebrand Life Insurance and SPP. In addition, the results associated with lending to commercial enterprises by Storebrand Bank and the activities at BenCo are reported in this segment.

OTHER RESULT

(NOK million)	2015			2014			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2015	2014	2014	
Fee and administration income	-20	-16	-20	-14	-11	-35	-22	-57	
- whereof eliminations	-55	-61	-80	-71	-64	-116	-139	-289	
Risk result life & pensions	3	-4	2	4	3	-0	2	8	
Operational cost	12	11	99	20	11	23	32	151	
- whereof eliminations	55	59	80	71	64	114	139	289	
Financial result	12	9	0	48	82	22	127	175	
Result before profit sharing and loan losses	8	0	81	57	85	8	139	278	
Net profit sharing and loan losses	-11	-8	-13	-33	9	-19	-39	-85	
Result before amortisation	-3	-8	68	24	94	-10	100	193	

In the Other segment, the decline in fee and administration income is linked to the discontinuation of the corporate lending operation. The total operating costs have declined correspondingly by NOK 10m.

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. The Group's company portfolios amounted to NOK 21,7bn at the end of the 1st quarter. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

¹⁾ The costs have been reduced by NOK 54m as a result of the introduction of a new pension scheme. This is a non-recurring effect for the quarter.

Balance sheet, solidity and capital adequacy

Solvency margin of 183%, NOK 62.3bn in solvency capital

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

STOREBRAND ASA

Storebrand ASA held liquid assets of approximately NOK 2.3 bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities. Storebrand ASA's total interest-bearing liabilities were NOK 3.1 bn at the end of the quarter. This corresponds to a net debt-equity ratio of 4.6%. The next maturity date for bond debt is in April 2016. Storebrand ASA owned 0.46% (2,062,721) of the company's treasury shares at the end of the quarter.

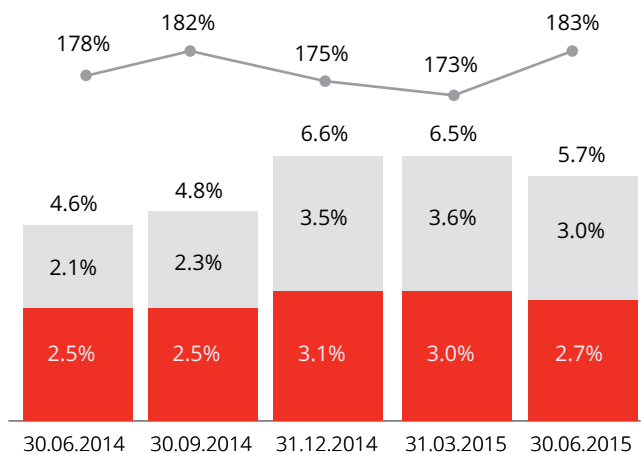
Capital adequacy and the core (tier 1) capital ratio for the Storebrand Group at the end of the 1st quarter were 13.6% and 11.1%, respectively.

STOREBRAND LIFE INSURANCE GROUP¹⁾

The Storebrand Life Insurance Group's solvency margin was 183% at the end of the first half year, an increase of 9.9 percentage points for the quarter and 8.3 percentage points for the year to date. The increase was mainly attributed to higher interest rates in Sweden. Higher interest rates reduce the Swedish insurance liabilities in the solvency calculations.

The solvency capital²⁾ totalled NOK 62.3bn at the end of the first half year of 2015, a decline of NOK 3.8bn in the 2nd quarter as a result of lower customer buffers and a positive result. The decline for the first half year was NOK 2.4bn.

SOLIDITY

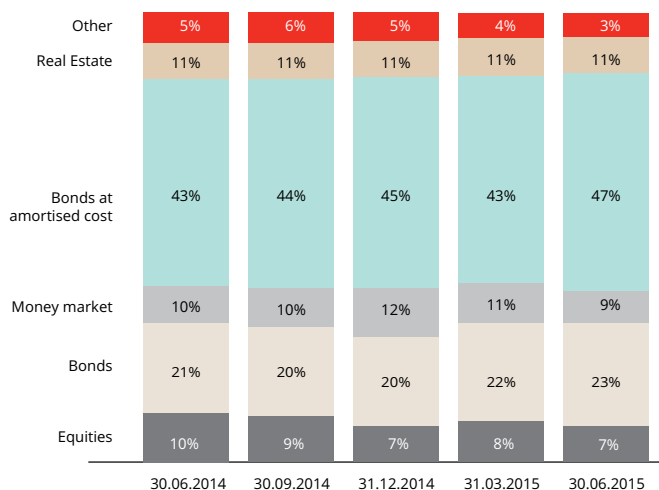


■ Additional statutory reserves in % of customer funds with guarantee
■ Market value adjustment reserve in % of customer funds with guarantee
—●— Solvency margin Storebrand Life Group

STOREBRAND LIVSFORSIKRING AS

The market value adjustment fund declined NOK 0.9bn year to date and amounted to NOK 4.9bn at the end of the first half of 2015. The additional statutory reserves declined NOK 0.4bn in the 2nd quarter and NOK 0.6bn year to date, which is primarily attributed to conversion to paid-up policies with investment choice. The additional statutory reserves totalled NOK 4.5bn at the end of the first half of 2015. Excess value of held-to-maturity bonds that are assessed at amortised cost declined by NOK 3.1bn in the 2nd quarter and NOK 3.6bn year to date due to rising interest rates, and amounted to NOK 9.7bn at the end of the first half year. The excess value of bonds at amortised cost is not included in the financial statements.

ASSET ALLOCATION IN CUSTOMER PORTFOLIOS WITH INTEREST RATE GUARANTEE



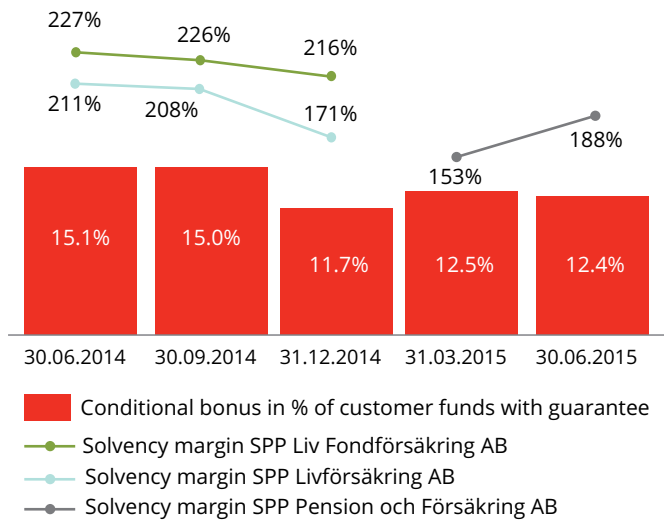
Customer assets increased NOK 2.2bn in the 2nd quarter and NOK 5.1 bn year to date and amounted to NOK 224bn at the end of the first half of 2015. Customer assets within non-guaranteed Savings increased NOK 2.6bn in the 2nd quarter and NOK 7.5bn for the first half of 2015.

¹⁾ Storebrand Life Insurance, SPP and BenCo.

²⁾ The term solvency capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

SPP

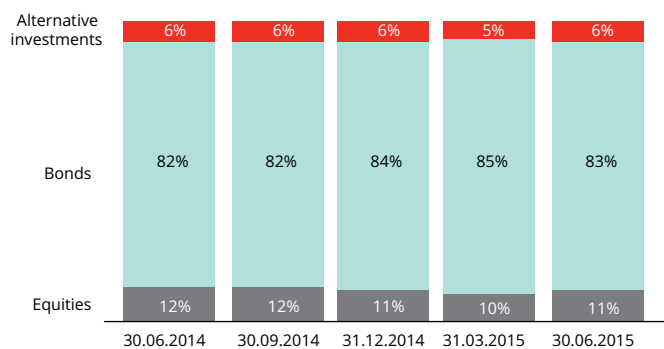
SOLIDITY



The solvency margin of SPP Pension og Försäkring AB was 188% at the end of the 2nd quarter. SPP Livförsäkring AB and SPP Livfondförsäkring AB merged effective 1 January 2015.

The buffer capital totalled NOK 9.3bn (10.8bn) at the end of the 2nd quarter. The decline is attributed primarily to a lower return on the customer portfolio.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS IN SPP



Total assets under management in SPP were NOK 149.2bn at the end of the 2nd quarter 2015. This corresponds to a decline of 2% compared with the first quarter of 2015. For unit linked insurance, the assets under management totalled NOK 68.0bn in the second quarter, which corresponds to a decline of 1.3%, compared with the first quarter of 2015.

STOREBRAND BANK

The loan portfolio in the retail market increased in the 2nd quarter and the corporate lending portfolio continues to shrink as planned. Gross lending to customers totalled NOK 28.0bn (28.5bn) at the end of the first half year. The volume syndicated to Storebrand Life Insurance amounted to NOK 3.0bn (4.6bn) at the end of the first half year. The remaining volume of the corporate lending portfolio amounted to NOK 3.1bn.

The bank has had declining risk-weighted assets throughout the year as a result of the planned downscaling of the corporate lending portfolio. The Storebrand Bank Group had a net capital base of NOK 2.5bn at the end of the first half of the year. The capital adequacy ratio was 16.3% and the core (tier 1) capital ratio was 14.5% at the end of the first half of 2015, compared with 15.0% and 13.3%, respectively, at the end of 2014.

Outlook

EARNINGS PERFORMANCE

Strong growth in insurance and savings are strengthening Storebrand's market position. Storebrand's ambition is to be the best provider of pension savings. Continued growth is expected in the Savings and Insurance segments as a result of new customers, general wage inflation and the possibility of higher savings rates in Norway.

The financial markets have been marked by major fluctuations in the second quarter. The central banks in both Norway and Sweden have lowered their key rates during the quarter, while rising interest rates were observed at the same time on long-term loans. The share markets also fell in several countries, including Sweden, while there was a more stable performance in Norway. The uncertainty has continued in the third quarter and is marked in particular by the debt negotiations in Greece and the share market in China. It is expected that the macroeconomic conditions will mark the financial markets this autumn. An improvement in the US economy and expectations of rising interest rates in the US will also be important to the development of the economy.

Storebrand has adapted to the historically low interest rates through building up buffer capital, risk reduction on the investments and changes to the products. The solvency level improved during the period, which shows that the Group is robust in relation to low interest rates in the long term. The level of the annual interest rate guarantee will decline over time. A change in the interest rate level will affect the value of the products for which Storebrand is required to cover an annual interest rate guarantee, and it will be reflected in the sensitivity of the solvency level to interest rate changes.

Conversions from defined benefit to defined contribution pension schemes entail the issuance of paid-up policies, which reduces the Group's earnings. The termination of activities related to defined benefit pensions for the public sector and the corporate lending portfolio will also result in lower income for a transitional period. The cost performance must be adapted to the earnings performance, and it is expected that the cost ratio will be 60% of the income in the coming years.

During the period from 2014 to 2020, Storebrand's results will be burdened by a minimum of 20% of the costs associated with the strengthening of reserves for increased longevity. The final amount will, among other things, depend on risk results and returns in the customer portfolios. The building up of reserves for increased longevity is described in further detail in the introduction.

Sales of pensions and insurance have been good in the second quarter. Through reduced costs, adjustments to new solvency requirements, and growth in non-guaranteed savings and insurance, the Group has a solid foundation for continued profitable growth.

RISK

Storebrand is exposed to several types of risk through its business areas. Trends in interest rates and the property and equity markets are deemed to be the most significant risk factors that can affect the Group's result. Over time, it is important to be able to deliver a return that exceeds the interest rate guarantees of the products. Risk management is therefore a prioritised core area for the group. In addition, the disability and life expectancy trends are key risks.

REGULATORY CHANGES

SOLVENCY II

The new European solvency regulations Solvency II will enter into force on 1 January 2016 and will apply to all the insurance companies in the EEA. In Norway, Solvency II will be implemented by the Act on Financial Undertakings and regulations. The regulations have been circulated for consultation with a deadline of 20 March 2015, and they will be issued by the Ministry of Finance. The regulations will contain, for example, the Norwegian implementation of the permanent measures and transitional rules in the Omnibus II Directive to facilitate adaptation to Solvency II for products with long guarantees. The Financial Supervisory Authority of Norway has recommended that companies be given the opportunity to apply a yield curve spread to discount insurance liabilities (volatility adjustment). Another opportunity is for a transitional period of 16 years for the valuation of insurance liabilities. This transitional rule entails that an increase in the insurance liabilities as a result of Solvency II can be phased in over a period of maximum 16 years. This transitional rule should ease the transition to Solvency II for companies with long-term guaranteed annual returns, and it will have a significantly positive effect on paid-up policies.

TAX

The Ministry of Finance has circulated a proposal for a tax deduction for insurance reserves for consultation. The deadline for submissions was set to 2 July 2015. The proposal entails that the Solvency II reserves shall be used as the basis for a tax deduction for life insurance and property and casualty insurance. The Ministry of Finance has stated in this proposal that it will have limited effect on life insurance companies. In its consultation comments, Finance Norway has recommended continuation of the current law for life insurance, in which the tax deduction corresponds to the insurance reserves pursuant to the Insurance Activity Act.

Finance Norway points out that it is not necessary on a regulatory basis to introduce Solvency II for the calculation of the tax deduction for life insurance companies, since the provisions concerning insurance reserves will be continued in the business regulations for customer accounts, and the continuation is proposed for the valuation of the insurance liabilities in the financial statements.

If the Solvency II reserves are introduced as a basis for the tax deduction, this will entail the deduction being calculated as the present value of future cash flows. This will for Storebrand imply increased volatility for the tax deduction, even if the underlying liabilities to the customers remain unchanged.

NEW REGULATIONS FOR DISABILITY PENSIONS

The Norwegian Parliament has adopted new rules for disability pensions in the occupational pension schemes in the private sector. The Ministry of Finance has requested that the Financial Supervisory Authority of Norway propose regulations for transitional rules etc. by 25 September. The Financial Supervisory Authority of Norway was also requested to consider the timing of the entry into force. The Ministry assumes, however, that the new rules will not take effect any earlier than 1 January 2016.

Lysaker, 14 July 2015

Storebrand Group

Income statement

(NOK million)	Note	2Q		01.01 - 30.06		Full year
		2015	2014	2015	2014	2014
Net premium income		5,814	5,767	14,040	14,183	25,220
Net interest income - banking activities		95	115	188	243	462
<i>Net income from financial assets and real estate for the company:</i>						
- equities and other units at fair value		5	10	3	12	17
- bonds and other fixed-income securities at fair value		30	163	98	561	774
- financial derivatives at fair value		29	-2	53	-230	-208
- bonds at amortised cost		25	22	47	42	90
- real estate		36	14	68	32	92
- profit from investments in associated companies/joint controlled operation		3	-2	3	4	40
<i>Net income from financial assets and real estate for the customers:</i>						
- equities and other units at fair value		-3,059	6,557	8,091	8,236	20,735
- bonds and other fixed-income securities at fair value		-677	3,159	1,885	5,398	9,516
- financial derivatives at fair value		-1,362	280	-2,479	1,875	-1,328
- bonds at amortised cost		925	944	1,824	1,866	3,784
- interest income lending		28	44	65	73	171
- real estate		750	302	1,268	583	1,582
- profit from investments in associated companies		38	-8	62	9	25
Other income		718	751	1,429	1,280	2,698
Total income		3,397	18,117	26,643	34,166	63,669
Insurance claims for own account		-5,168	-5,320	-14,276	-18,482	-35,918
Change in insurance liabilities		2,226	-9,460	-9,389	-12,199	-21,417
To/from buffer capital		1,141	-1,487	253	175	781
Losses from lending/reversal of previous losses		-10	7	-17	-37	-74
Operating costs	7	-906	-906	-1,810	-1,711	-2,913
Other costs		-115	-34	-251	-102	-498
Interest expenses		-107	-168	-245	-332	-597
Total costs before amortisation		-2,938	-17,368	-25,734	-32,689	-60,637
Group profit before amortisation		459	750	909	1,477	3,032
Amortisation of intangible assets		-103	-108	-208	-218	-431
Group pre-tax profit		356	642	701	1,259	2,601
Tax cost	8	-97	-146	-184	-253	-516
Profit after tax sold/wound up business						-1
Profit/loss for the period		258	496	517	1,006	2,085
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		255	485	501	992	2,063
Share of profit for the period - hybrid capital investors		3		3		
Share of profit for the period - minority			11	13	14	22
Total		258	496	517	1,006	2,085
Earnings per ordinary share (NOK)		0.57	1.08	1.12	2.22	4.61
Average number of shares as basis for calculation (million)				447.6	447.3	447.4
There is no dilution of the shares						

Storebrand Group

Statement of comprehensive income

(NOK million)	2Q		01.01 - 30.06		Full year
	2015	2014	2015	2014	2014
Profit/loss for the period	258	496	517	1,006	2,085
Change in actuarial assumptions	1	-8	-4	-11	-522
Adjustment of value of properties for own use	45	4	5	28	51
Gains/losses available-for-sale bonds					168
Total comprehensive income elements allocated to customers	-45	-4	-5	-28	-22
Gains/losses from cash flow hedging	-48		-67		
Tax on other result elements not to be classified to profit/loss	13		18		80
Total other result elements not to be classified to profit/loss	-33	-8	-53	-11	-245
Translation differences	105	-51	-124	-251	138
Tax on other result elements that may be classified to profit/loss	2		2	1	-1
Total other result elements that may be classified to profit/loss	107	-51	-122	-250	137
Total other result elements	73	-58	-175	-261	-109
Total comprehensive income	331	438	341	744	1,976
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	326	427	326	732	1,950
Share of total comprehensive income - hybrid capital investors	3		3		
Share of total comprehensive income - minority	3	11	12	12	26
Total	331	438	341	744	1,976

Storebrand Group

Statement of financial position

(NOK million)	Note	30.6.15	30.6.14	31.12.14
Assets company portfolio				
Deferred tax assets			1	
Intangible assets and excess value on purchased insurance contracts		5,475	5,647	5,710
Pension assets			1	
Tangible fixed assets		80	105	91
Investments in associated companies		421	349	381
<i>Financial assets at amortised cost:</i>				
- Bonds	6	2,798	2,826	2,883
- Bonds held-to-maturity			347	
- Lending to financial institutions	6	231	551	207
- Lending to customers	6, 9	26,798	29,711	27,479
Reinsurers' share of technical reserves		141	155	144
Real estate at fair value	6	681	3,625	4,456
Real estate for own use	6	73	67	68
Biological assets		64	64	64
Accounts receivable and other short-term receivables		2,313	1,963	1,522
<i>Financial assets at fair value:</i>				
- Equities and other units	6	89	94	109
- Bonds and other fixed-income securities	6	28,503	24,963	26,699
- Derivatives	6	1,112	1,154	1,741
- Lending to customers	6.9	1,163	1,126	989
Bank deposits		2,869	3,879	5,266
Minority interests in consolidated securities funds		23,921	13,169	17,036
Total assets company portfolio		96,730	89,796	94,846
Assets customer portfolio				
Tangible fixed assets		371	359	363
Investments in associated companies		1,187	41	40
Receivables from associated companies		11	180	11
<i>Financial assets at amortised cost:</i>				
- Bonds	6	67,493	64,312	64,136
- Bonds held-to-maturity	6	15,108	14,766	15,131
- Lending to customers	6, 9	2,941	4,209	4,679
Real estate at fair value	6	22,082	21,771	21,963
Real estate for own use	6	2,669	2,429	2,514
Biological assets		635	631	646
Accounts receivable and other short-term receivables		1,467	2,434	3,928
<i>Financial assets at fair value:</i>				
- Equities and other units	6	120,028	100,899	118,334
- Bonds and other fixed-income securities	6	160,364	159,093	157,576
- Derivatives	6	3,205	2,371	4,714
Bank deposits		4,618	6,532	3,405
Total assets customer portfolio		402,180	380,029	397,441
Total assets		498,910	469,825	492,287

Continue next page

Storebrand Group

Statement of financial position (continue)

(NOK million)	Note	30.6.15	30.6.14	31.12.14
Equity and liabilities				
Paid-in capital		11,724	11,722	11,722
Retained earnings		12,987	11,445	12,652
Hybrid capital		226		
Minority interests		339	361	366
Total equity		25,275	23,528	24,741
Subordinated loan capital	5	7,281	7,466	7,826
Buffer capital	10	21,551	21,768	22,213
Insurance liabilities		377,630	355,426	369,963
Pension liabilities		533	976	555
Deferred tax		1,237	1,010	1,228
<i>Financial liabilities:</i>				
- Liabilities to financial institutions	5	6	7	19
- Deposits from banking customers		18,764	20,968	19,358
- Securities issued	5	13,853	14,872	13,986
- Derivatives company portfolio		657	582	884
- Derivatives customer portfolio		1,827	1,398	3,941
Other current liabilities		6,376	8,656	10,537
Minority interests in consolidated securities funds		23,921	13,169	17,036
Total liabilities		473,635	446,297	467,546
Total equity and liabilities		498,910	469,825	492,287

Storebrand Group

Statement of changes in equity

(NOK million)	Majority's share of equity							Hybrid capital	Minority interests	Total equity
	Share capital ¹⁾	Own shares	Share premium	Total paid in equity	Restatement differences	Other equity ²⁾	Total retained earnings			
Equity at 31 December 2013	2,250	-14	9,485	11,720	945	9,760	10,705		350	22,775
Profit for the period						2,063	2,063		22	2,085
Total other profit elements					133	-246	-112		4	-109
Total comprehensive income for the period					133	1,817	1,950		26	1,976
Equity transactions with owners:										
Own shares		2		2		18	18			20
Dividend paid									-2	-2
Purchase of minority interests						-21	-21			-21
Other						-1	-1		-7	-8
Equity at 31 December 2014	2,250	-12	9,485	11,722	1,078	11,574	12,652		366	24,741
Profit for the period						501	501	3	13	517
Total other profit elements					-121	-53	-174		-1	-175
Total comprehensive income for the period					-121	448	326	3	12	341
Equity transactions with owners:										
Own shares		2		2		21	21			23
Hybrid capital classified as equity ³⁾						-1	-1	226		225
Paid out interest hybrid capital								-3		-3
Dividend paid									-16	-16
Purchase of minority interests									-25	-25
Other						-12	-12		1	-11
Equity at 30 June 2015	2,250	-10	9,485	11,724	957	12,030	12,987	226	339	25,275

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

²⁾ Includes undistributable funds in the risk equalisation fund amounting to NOK 866 million and security reserves amounting NOK 283 million.

³⁾ Storebrand Bank ASA has two hybrid tier 1 capital bonds that were issued in 2013 and 2014 for NOK 150m and NOK 75m, respectively. The instruments are perpetual, but the bank can repay the capital at given times, not before 5 years after issuance at the earliest. The interest rate on the loans is adjustable plus a margin of 3.95% and 3.30%, respectively. The instruments are included in the core (tier 1) capital and are hybrid capital instruments in accordance with Section 3a of the Calculation Regulations. Storebrand Bank ASA has the right to not pay interest to the investors. These hybrid tier 1 capital bonds are included as hybrid capital within the Group's equity as of the 2nd quarter 2015. The interest is not presented as an interest expense in the income statement, but as a reduction of the equity. Accrued interest is included in the hybrid capital in the equity until the interest has been paid.

Equity at 31 December 2013	2,250	-14	9,485	11,720	945	9,760	10,705		350	22,775
Profit for the period						992	992		14	1,006
Total other profit elements					-249	-11	-260		-2	-261
Total comprehensive income for the period					-249	981	732		12	744
Equity transactions with owners:										
Own shares		2		2		18	18			20
Dividend paid									-2	-2
Purchase of minority interests						-5	-5			-5
Other						-5	-5			-5
Equity at 30 June 2014	2,250	-12	9,485	11,722	696	10,749	11,445		361	23,528

Storebrand Group

Statement of cash flow

	01.01 - 30.06	
(NOK million)	2015	2014
Cash flow from operational activities		
Net receipts premium - insurance	16,714	13,980
Net payments compensation and insurance benefits	-10,474	-9,764
Net receipts/payments - transfers	-3,953	-7,412
Receipts - interest, commission and fees from customers	575	829
Payments - interest, commission and fees to customers	-56	-114
Payments relating to operations	-1,609	-1,542
Net receipts/payments - other operational activities	-898	1,874
Net cash flow from operations before financial assets and banking customers	299	-2,148
Net receipts/payments - lending to customers	2,197	2,122
Net receipts/payments - deposits bank customers	-728	-299
Net receipts/payments - mutual funds	-2,037	8,625
Net receipts/payments - real estate investments	-312	-356
Net change in bank deposits insurance customers	-1,210	-2,916
Net cash flow from financial assets and banking customers	-2,090	7,176
Net cash flow from operational activities	-1,791	5,028
Cash flow from investment activities		
Net payments - sale/capitalisation of group companies	-41	-4
Net receipts/payments - sale/purchase of fixed assets	-81	-87
Net receipts/payments - sale of insurance portfolios		-1,289
Net receipts/payments - sale/purchase of associated companies and joint ventures	3	-27
Net cash flow from investment activities	-119	-1,407
Cash flow from financing activities		
Payments - repayments of loans	-2,453	-1,729
Receipts - new loans	2,504	
Payments - interest on loans	-208	-311
Receipts - subordinated loan capital	997	1,737
Payments - repayment of subordinated loan capital	-1,000	-1,700
Payments - interest on subordinated loan capital	-378	-395
Payments - interest on hybrid capital	-3	
Net receipts/payments - lending to and claims from other financial institutions	-13	
Net receipts/payments - deposits from Norges Bank and other financial institutions		-1,021
Receipts - issuing of share capital / sale of shares to own employees	10	11
Payments - dividends	-16	-2
Net cash flow from financing activities	-560	-3,411
Net cash flow for the period	-2,470	210
- of which net cash flow in the period before financial assets and banking customers	-377	-6,965
Net movement in cash and cash equivalents	-2,467	210
Cash and cash equivalents at start of the period	5,569	4,219
Currency translation differences	-1	
Cash and cash equivalents at the end of the period ¹⁾	3,100	4,430
1) Consist of:		
Lending to financial institutions	231	551
Bank deposits	2,869	3,879
Total	3,100	4,430

Notes to the interim accounts

Storebrand Group

Note 01 | Accounting policies

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

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2014 annual report, and the interim financial statements are prepared with respect to these accounting policies.

There is none new or amended accounting standards that entered into effect as at 1 January 2015 that have caused significant effects on Storebrand's interim financial statements.

Note 02 | Estimates

Critical accounting estimates and judgements for the 2014 annual financial statements are described in note 2, building-up reserves for long life expectancy for Storebrand Life Insurance in note 3, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 14.

Strengthening longevity reserves for Storebrand Life Insurance

As stated in note 3 in the 2014 annual report, which deals with the strengthening of reserves for increased longevity, the owner's contribution in the period for strengthening reserves will be contingent on a minimum level future returns in customer portfolios and other factors and assumptions. The estimated future contribution is still uncertain. There is a continued dialogue with the Financial Supervisory Authority of Norway concerning the final terms for the strengthening of reserves. Information at the end of the first half year does not indicate any significant change in the future contributions for the owner other than what is stated as an expectation in note 3 in the annual financial statements for 2014. Storebrand had a required strengthening of reserves of NOK 12.4 billion for the Norwegian operations. NOK 6.2 billion had been allocated at the end of 2014 and NOK 1.9 billion in the first half of 2015. The remaining required strengthening of reserves at the end of the first half year is NOK 4.3 billion.

In preparing the Group's financial statements the management are required to make judgements, estimates 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.

Note 03 | Segments

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

Changes in segments

Storebrand has made minor changes to the segment reporting as of the 2nd quarter 2015. Figures for previous periods have been restated, see the table with restated comparative figures at the bottom of the note.

Savings

Consists of products that include saving for retirement with no explicit interest rate guarantees. The area includes defined contribution pensions in Norway and Sweden, asset management and bank products to private individuals.

Insurance

Insurance is responsible for the group's risk products in Norway and Sweden. The unit provides treatment insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employee- and pension-related insurances in the Norwegian and Swedish corporate market.

Guaranteed pension

Guaranteed pension consists of products that include long-term saving for retirement, where customers have a guaranteed return or performance of savings funds. The area includes defined contribution pensions in Norway and Sweden, paid-up policies and individual capital and pension insurances.

Other

Under the Other category, the result from Storebrand ASA and the result from the company's portfolios in Storebrand Livsforsikring and SPP are reported. In addition, the results linked to lending to business activities in Storebrand Bank, the operation in BenCo and minority in securities' fund are included.

Reconciliation with the official profit and loss accounting

Results in the segments are reconciled with the corporate results before amortization and write-downs of intangible assets. The corporate profit and loss account includes gross income and gross costs linked to both the insurance customers and owners. In addition, the savings element is part of the premium income and in costs related to insurance. The various segments are to a large extent followed up in the follow-up of net profit margins, including follow-up of risk and administration results. The result lines that are used in segment reporting will therefore not be identical with the result lines in the corporate profit and loss account.

(NOK million)	2Q		1.1 - 30.6		Year
	2015	2014	2015	2014	2014
Savings	237	189	455	382	1,091
Insurance	192	154	351	381	675
Guaranteed pension	32	313	113	614	1,074
Other	-3	94	-10	100	193
Group profit before amortization	459	750	909	1,477	3,032
Amortization of intangible assets	-103	-108	-208	-218	-431
Group pre-tax profit	356	642	701	1,259	2,601

SEGMENT INFORMATION AS OF 2Q

(NOK million)	Savings		Insurance		Guaranteed pension	
	Q2		Q2		Q2	
	2015	2014	2015	2014	2015	2014
Fee and administration income	627	559			457	439
Risk result life & pensions	4	-7			47	48
Insurance premiums f.o.a			947	770		
Claims f.o.a			-683	-558		
Operational cost	-394	-363	-136	-131	-281	-281
Financial result			64	74		
Profit before profit sharing and loan losses	238	189	192	154	223	206
Net profit sharing and loan losses					-40	197
Provision longevity					-151	-90
Group profit before amortization	237	189	192	154	32	313
Amortization of intangible assets ¹⁾						
Group pre-tax profit						

¹⁾ Amortization of intangible assets are included in Storebrand Group

(NOK million)	Other		Storebrand Group	
	Q2		Q2	
	2015	2014	2015	2014
Fee and administration income	-20	-11	1,065	986
Risk result life & pensions	3	3	54	45
Insurance premiums f.o.a			947	770
Claims f.o.a			-683	-558
Operational cost	12	11	-799	-764
Financial result	12	82	76	155
Profit before profit sharing and loan losses	8	85	661	634
Net profit sharing and loan losses	-11	9	-51	206
Provision longevity			-151	-90
Group profit before amortization	-3	94	459	750
Amortization of intangible assets ¹⁾			-103	-108
Group pre-tax profit			356	642

SEGMENT INFORMATION AS OF 01.01 - 30.06

(NOK million)	Savings		Insurance		Guaranteed pension	
	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14
Fee and administration income	1,255	1,108			889	913
Risk result life & pensions		-8			63	126
Insurance premiums f.o.a			1,813	1,540		
Claims f.o.a			-1,334	-1,050		
Operational cost	-802	-720	-264	-256	-558	-562
Financial result			136	147		
Profit before profit sharing and loan losses	453	380	351	381	394	478
Net profit sharing and loan losses	2	3			24	317
Provision longevity					-306	-180
Group profit before amortization	455	382	351	381	113	614
Amortization of intangible assets ¹⁾						
Group pre-tax profit						
Assets	145,277	119,842	7,289	5,345	270,715	274,793
Liabilities	138,929	113,959	6,623	4,729	258,570	267,048
Equity	6,348	5,884	667	616	12,145	7,745

¹⁾ Amortization of intangible assets are included in Storebrand Group

(NOK million)	Other		Storebrand Group	
	30.06.15	30.06.14	30.06.15	30.06.14
Fee and administration income	-35	-22	2,109	1,999
Risk result life & pensions		2	63	120
Insurance premiums f.o.a			1,813	1,540
Claims f.o.a			-1,334	-1,050
Operational cost	23	32	-1,602	-1,506
Financial result	22	127	158	275
Profit before profit sharing and loan losses	8	139	1,207	1,377
Net profit sharing and loan losses	-19	-39	8	280
Provision longevity			-306	-180
Group profit before amortization	-10	100	909	1,477
Amortization of intangible assets ¹⁾			-208	-218
Group pre-tax profit			701	1,259
Assets	75,629	69,844	498,910	469,825
Liabilities	69,513	60,560	473,635	446,297
Equity	6,116	9,284	25,275	23,528

¹⁾ Amortization of intangible assets are included in Storebrand Group

RESTATED SEGMENT FIGURES

Profit and Loss

(NOK million)	2Q 2014			30/06/14			31/12/14		
	Reported figures	Change in segment	Restated figures	Reported figures	Change in segment	Restated figures	Reported figures	Change in segment	Restated figures
Savings	184	4	189	370	12	382	1,047	44	1,091
Insurance	154		154	381		381	675		675
Guaranteed pension	313		313	614		614	1,074		1,074
Other	99	-4	94	112	-12	100	236	-44	193
Group profit before amortization	750		750	1,477		1,477	3,032		3,032
Amortization of intangible assets	-108		-108	-218		-218	-431		-431
Group pre-tax profit	642		642	1,259		1,259	2,601		2,601

Statement of Financial Position

(NOK million)	30.06.14			31.12.14		
	Reported figures	Change IFRS	Restated figures	Reported figures	Change IFRS	Restated figures
Savings	119,564	278	119,842	132,052	657	132,709
Insurance	5,345		5,345	6,835		6,835
Guaranteed pension	274,793		274,793	276,806		276,806
Other	70,122	-278	69,844	76,594	-657	75,937
Assets	469,825		469,825	492,287		492,287
Savings	107,213	6,745	113,959	119,973	4,926	124,899
Insurance	4,729		4,729	6,144		6,144
Guaranteed pension	267,048		267,048	270,123		270,123
Other	67,306	-6,745	60,560	71,307	-4,926	66,381
Liabilities	446,297		446,297	467,546		467,546

KEY FIGURES BY BUSINESS AREA

(NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014	4Q 2013	3Q 2013
Group								
Earnings per ordinary share ¹⁾	1.12	0.55	4.61	3.06	2.22	1.13	4.41	3.52
Equity	25,275	24,745	24,741	23,618	23,528	23,080	22,775	22,520
Savings								
Premium income Unit Linked ⁵⁾	3,035	2,871	2,594	2,483	2,347	2,463	2,273	2,697
Unit Linked reserves	117,452	115,816	105,369	93,976	92,899	87,105	85,452	79,341
AuM asset management	551,557	557,989	534,523	502,840	501,539	495,244	487,384	471,278
Retail lending	24,833	24,100	24,441	24,391	24,103	23,743	24,389	24,110
Insurance								
Total written premiums	4,174	4,053	3,699	3,657	3,588	3,552	3,569	3,509
Claims ratio	72%	75%	76%	73%	73%	64%	76%	73%
Cost ratio	15%	15%	1%	16%	17%	16%	1%	16%
Combined ratio	87%	90%	78%	89%	90%	80%	78%	89%
Guaranteed pension								
Guaranteed reserves	258,825	261,277	264,290	257,425	263,370	259,799	264,125	262,468
Guaranteed reserves in % of total reserves	68.8%	69.3%	71.5%	73.3%	73.9%	74.9%	75.6%	76.8%
Net transfer out of guaranteed reserves ⁵⁾	1,432	5,038	2,229	5,452	72	7,070	415	477
Buffer capital in % of customer reserves Storebrand Life Group ²⁾	5.7%	6.5%	6.6%	4.8%	4.6%	4.2%	4.8%	4.0%
Buffer capital in % of customer reserves SPP ³⁾	12.4%	12.5%	11.7%	15.0%	15.1%	14.6%	15.1%	14.5%
Solidity								
Capital adequacy Storebrand Group	13.6%	12.9%	13.0%	13.3%	14.1%	14.4%	13.4%	13.4%
Solidity capital (Storebrand Life Group) ⁴⁾	62,293	66,052	64,664	61,904	60,850	55,472	54,102	51,717
Capital adequacy (Storebrand Life Group)	14.6%	13.8%	13.5%	14.1%	14.1%	14.8%	13.6%	13.9%
Solvency margin (Storebrand Life Group)	183%	173%	175%	182%	178%	182%	176%	178%
Solvency margin (SPP Life Insurance AB)	188%	153%	171%	209%	211%	230%	254%	285%
Capital adequacy Storebrand Bank	16.3%	15.8%	15.0%	17.9%	15.7%	15.0%	13.6%	13.1%
Core Capital adequacy Storebrand Bank	14.5%	14.0%	13.3%	16.2%	14.8%	14.1%	12.8%	12.4%

¹⁾ Accumulated

²⁾ Additional statutory reserves + market value adjustment reserve

³⁾ Conditional bonuses

⁴⁾ 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.

⁵⁾ Quarterly figures

Note 04 | Financial market risk and insurance risk

Risks are described in the annual report for 2014 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Lending and counterparty risk), note 11 (Currency exposure), note 12 (Credit exposure) and note 13 (Concentration of risk).

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

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

The market risk in the company portfolios has a direct impact on Storebrand's profit, as does the market risk from the financial assets of Storebrand ASA and the subsidiaries that are not life insurance companies or included in customer portfolios.

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

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

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

There have not been any significant changes to the investment allocation throughout the first half of the year. The stock market has shown a positive trend, particularly in the first quarter, while the second quarter has been more mixed. At around the end of the first half year, the situation in Greece caused increased uncertainty. The long-term interest rates have risen in the first half of the year, especially in May and June. Money market rates on the other hand fell during the first half of the year, and the 3-month money market rate in Sweden is negative.

For guaranteed portfolios in Norway, the return is positive, and higher than what has been used as the basis for the plan for the strengthening of reserves. Both equities and property have shown a good return in the first half of the year. The higher interest rates do not have a negative effect on the portfolios that are measured at amortised cost in the accounts. For the guaranteed portfolios in Sweden, particularly the portfolios with a small percentage of equities and high percentage of bonds, the return has been weak as a result of the rising interest rates. It reduces the probability of achieving profit sharing. Customer portfolios without a guarantee have shown a good return as a result of the performance of the equity market. The return on the company portfolios has been as expected.

The customer buffers declined somewhat during the first half of the year. The market value adjustment reserve has declined, primarily as a result of the rising interest rates. The additional statutory reserves have declined somewhat, primarily as a result of the low booked return in a paid-up policy profile, as well as the effect of a shift to paid-up policies with investment choice. The excess value in the portfolios at amortised cost has declined as a result of rising interest rates.

The 10-year interest swap rate increased close to 0.5 percentage points during the first half of the year in both Norway and Sweden. The increase is even greater in the second quarter in isolation. This is positive with respect to the solvency position under Solvency II, which will be in force from 1 January 2016. Higher interest rates also improve the opportunities for reinvestment at levels higher than the guarantee.

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

The insurance risk was almost unchanged during the first half-year.

Note 05 | Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital ¹⁾					
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,503
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	999
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,097
SPP Livförsäkring AB	700	SEK	Variable	2019	661
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,745
Storebrand Bank ASA	150	NOK	Variable	2017	151
Storebrand Bank ASA	125	NOK	Variable	2019	126
Total subordinated loans and hybrid tier 1 capital 30.06.15					7,281
Total subordinated loans and hybrid tier 1 capital 30.06.14					7,466
Total subordinated loans and hybrid tier 1 capital 31.12.14					7,826

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

SPECIFICATION OF LIABILITIES TO FINANCIAL INSTITUTIONS

(NOK million)	Book value		
	30.06.15	30.06.14	31.12.14
Maturity			
2014		7	
2015	6		19
Total liabilities to financial institutions	6	7	19

SPECIFICATION OF SECURITIES ISSUED

(NOK million)	Book value		
	30.06.15	30.06.14	31.12.14
Call date			
2014		1,028	
2015	52	2,398	1,706
2016	2,821	3,791	3,606
2017	4,539	4,518	4,542
2018	2,245	1,054	1,539
2019	2,266	1,761	2,267
2020	1,929	322	327
Total securities issued	13,853	14,872	13,986

The loan agreements contain standard covenants. Storebrand is in compliance with all relevant covenants in 2015. Under the loan programme in Storebrand Boligkreditt AS the company's overcollateralisation requirement of 109.5 per cent was fulfilled.

Credit facilities

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

Facilities for Storebrand Boligkreditt AS

The bank has two credit facilities with Storebrand Boligkreditt AS. One of these is an ordinary overdraft facility of up to NOK 6 billion. This has no fixed expiry date, but may be terminated by the bank with 15 months' notice. The other facility must at all times be sufficient to cover interest and principal on covered bonds and related derivatives for the next 12 months. The credit facility is not revocable by the bank until three months after the maturity of the longest covered bonds and related derivatives.

Note
06

Valuation of financial instruments and investment properties

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 14 in the financial statements for 2014.

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

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value	Fair value	Book value	Book value
	30.06.15	31.12.14	30.06.15	31.12.14
Financial assets				
Loans to and due from financial institutions	231	207	231	207
Lending to customers	29,703	32,107	29,740	32,158
Bonds held to maturity	17,067	17,794	15,108	15,131
Bonds classified as loans and receivables	78,032	77,727	70,291	67,019
Total	125,034	127,835	115,369	114,515
Financial liabilities				
Debt raised by issuance of securities	13,987	14,156	13,853	13,986
Liabilities to financial institutions	6	19	6	19
Deposits from banking customers	18,764	19,358	18,764	19,358
Subordinated loan capital	7,342	8,072	7,282	7,826
Total	40,100	41,606	39,904	41,190

VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE

(NOK million)	Level 1	Level 2	Level 3	30.06.15	31.12.14
	Quoted prices	Observable assumptions	Non-observable assumptions		
Assets:					
Equities and units					
- Equities	20,762	653	2,302	23,716	20,659
- Other fund units	340	85,935	9,398	95,673	96,832
- Real estate fund			727	727	952
Total equities and units	21,102	86,588	12,427	120,117	
Total equities and units 2014	17,776	87,942	12,724		118,443
Lending to customers ¹⁾					
Lending to customers 2014 ¹⁾			989	1,163	989
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	32,118	19,871		51,989	56,213
- Credit bonds	26	27,679	368	28,073	25,282
- Mortgage and asset backed securities		45,891		45,891	45,194
- Supranational organisations	27	4,875		4,902	6,699
- Bond funds	859	57,154		58,012	50,886
Total bonds and other fixed-income securities	33,030	155,469	368	188,867	
Total bonds and other fixed-income securities 2014	36,435	147,501	339		184,275
Derivatives:					
- Interest derivatives		2,031		2,031	4,744
- Currency derivatives		-198		-198	-3,113
Total derivatives		1,833		1,833	
- of which derivatives with a positive market value		4,317		4,317	6,457
- of which derivatives with a negative market value		-2,484		-2,484	-4,826
Total derivatives 2014		1,631			1,631
Real Estate:					
Investment properties			22,763	22,763	26,419
Owner-occupied properties			2,742	2,742	2,583
Total real estate			25,504	25,504	
Total real estate 2014			29,001		29,001

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

MOVEMENTS BETWEEN QUOTED PRICES AND OBSERVABLE ASSUMPTIONS

(NOK million)	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	33	113

Movements from level 1 to level 2 reflect reduced sales value in the relevant equities and bonds in the last measuring period. On the other hand, movements from level 2 to level 1 indicate increased sales value in the relevant equities and bonds in the last measuring period.

FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE - LEVEL 3

(NOK million)	Equities	Other fund units	Real estate fund	Lending to customers	Credit bonds	Investment properties	Owner-occupied properties
Book value 01.01.15	2,414	9,359	952	989	339	26,419	2,583
Net gains/losses on financial instruments	-21	316	25	-19	4	44	77
Supply	18	629	1	385	13	646	9
Sales	-52	-751	-250	-193	14	-105	
Transferred to/from non-observable assumptions to/from observable assumptions	-52	-132					
Translation differences	-5	-23			-3	-30	-11
Other *)						-4,212	85
Book value 30.06.15	2,302	9,398	727	1,163	368	22,762	2,742

*) Includes derecognition of NOK -4927 million in Storebrand Eiendomsfond Norge KS. As of 30.06.15, Storebrand Life Insurance had NOK 1210 million invested in Storebrand Eiendomsfond Norge KS. This investment is classified as "Investment in Associated Companies" in the Consolidated Financial Statements. Storebrand Eiendomsfond Norge KS invests exclusively in real estate at fair value.

SENSITIVITY ASSESSMENTS

Equities

It is primarily investments in forests that are classified under equity at level 3. Forestry investments are characterised by, among other things, very long cash flow periods. There can be some uncertainty associated with future cash flows due to future income and costs growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discount rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return. As a reasonable alternative assumption with regard to the required rate of return used, a change in the discount rate of 0.25 per cent would result in an estimated change of around 3.25 per cent in value, depending on the maturity of the forest and other factors.

(NOK million)	Change in value at change in discount rate	
	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 30.06.15	-92	99
Change in fair value per 31.12.14	-72	77

Other fund units

Large portions of the portfolio are priced using comparable listed companies, while smaller portions of the portfolio are listed. The valuation of the private equity portfolio will thus be sensitive to fluctuations in global equity markets. The private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.5.

(NOK million)	Change MSCI World	
	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.06.15	413	-413
Change in fair value per 31.12.14	291	-291

Real estate fund

The valuation of indirect property investments will be sensitive to a change in the required rate of return and the expected future cash flow. The indirect property investments are leveraged structures. The portfolio is leveraged 55 per cent on average.

(NOK million)	Change in value underlying real estates	
	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.06.15	222	-219
Change in fair value per 31.12.14	250	-247

Lending to customers

Fixed-rate lending is valued at fair value. The value of these is determined by discounting future contractual cash flows using a discount rate that takes into account margin requirements (market spread).

The assumption for calculating the margin requirement is based on an assessment of market conditions at the end of the accounting period, and an assessment that would form the basis for an external investor's investment in a corresponding portfolio.

(NOK million)	Change in marketspread	
	+ 10 bp	- 10 bp
Change in fair value per 30.06.15	-4	4
Change in fair value per 31.12.14	-3	3

Credit bonds

Level 3 financial and corporate bonds include microfinance funds, private equity debt funds and convertible bonds.

They are not priced by a discount rate as bonds normally are, and therefore these investments are included in the same sensitivity test as private equity.

(NOK million)	Change MSCI World	
	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.06.15	16	-16
Change in fair value per 31.12.14	15	-15

Real estate

The sensitivity assessment for real estate includes both investments properties and owner occupied properties.

The valuation of property is particularly sensitive to a change in the required rate of return and the expected future cash flow. A change of 0.25 per cent in the required rate of return when everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 4.5 per cent. About 25 per cent of the property's cash flow is linked to lease contracts that have been entered into. This entails that the changes in the uncertain parts of the cash flow of 1 per cent will mean a change in value of 0.75 per cent.

(NOK million)	Change in required rate of return	
	+0,25%	-0,25%
Change in fair value per 30.06.15	-1,167	1,101
Change in fair value per 31.12.14	-1,288	1,203

Note
07

Operating costs

(NOK million)	2Q		1.1 - 30.6		Year
	2015	2014	2015	2014	2014
Personnel costs	-516	-502	-1,048	-1,018	-1,433
Amortisation	-37	-21	-68	-59	-113
Other operating costs	-353	-383	-694	-634	-1,367
Total operating costs	-906	-906	-1,810	-1,711	-2,913

Due to a change in commission structures with an expectation of lower up-front commissions than previously, while the proportion of commissions expensed directly will increase, decreased activation of sales costs in the Swedish operations is anticipated. The Swedish operations had activated NOK 502 million in sales costs (DAC) as of 30.06.15 (NOK 509 million as of 31.12.14 and NOK 489 million as of 30.06.14).

Note
08

Tax

The tax expenses have been estimated based upon an expected effective tax rate per legal entity for the year of 2015. There will be uncertainty associated with these estimates.

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

Note
09

Lending

(NOK million)	30.06.15	30.06.14	31.12.14
Corporate market	3,085	6,764	3,970
Retail market	27,890	28,425	29,230
Gross lending	30,974	35,189	33,200
Write-down of lending losses	-72	-143	-54
Net lending	30,903	35,046	33,147

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	30.06.15	30.06.14	31.12.14
Non-performing and loss-exposed loans without identified impairment	98	113	76
Non-performing and loss-exposed loans with identified impairment	104	264	77
Gross non-performing loans	202	377	153
Individual write-downs	-49	-122	-33
Net non-performing loans	153	255	120

Note
10

Buffer capital

(NOK million)	30.06.15	30.06.14	31.12.14
Additional statutory reserves	4,505	4,310	5,118
Market adjustment reserves	4,930	3,701	5,815
Conditional bonuses	12,115	13,757	11,281
Total	21,551	21,768	22,213

The excess value of held-to-maturity bonds valued at amortised cost totalled NOK 9.695 million at the end of the 2nd quarter 2015 - a decrease of NOK 3.668 million since the turn of the year.

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

Note
11

Contingent liabilities

(NOK million)	30.06.15	30.06.14	31.12.14
Guarantees	72	194	90
Unused credit limit lending	3,746	3,983	2,050
Uncalled residual liabilities re limited partnership	3,486	4,436	4,321
Other liabilities/lending commitments	21	40	31
Total contingent liabilities	7,325	8,653	6,491

Guarantees principally concern payment guarantees and contract guarantees.

Unused credit facilities concern granted and unused overdrafts and credit cards, as well as unused facility for credit loans secured by property.

Storebrand Group companies are engaged in extensive activities in Norway and abroad and may become a party in legal disputes. Please also refer to note 2 and note 51 in the 2014 annual report.

Note 12

Capital requirements and solvency requirements

The Storebrand Group is a cross-sectoral financial group with capital requirements pursuant to Basel I/II (capital cover) and capital adequacy rules on a consolidated basis. According to the rules on solvency, margin requirements are calculated for the insurance companies in the Group, while for the other companies a capital requirement in relation to the capital adequacy rules is calculated. The calculations in the tables below are in accordance with the §7 of the Regulations concerning capital ratios on a consolidated basis etc.

Primary capital may consist of core capital and supplementary capital. According to the Regulations for calculating primary capital, core capital is significantly different from shareholders' equity in the accounts. The table below shows a reconciliation of core capital relative to equity. Issued hybrid tier 1 capital may account for 15 per cent of the core (tier 1) capital, while any amount exceeding 15 per cent may be included in the tier 2 capital. The core capital will be adjusted for the valuations that are used as the basis for credit calculations at a national level for foreign companies. (§4, 7th paragraph of the Regulations concerning capital adequacy.) For Storebrand Holding AB this will entail an adjustment of SPP AB's estimated insurance liabilities for which a different yield curve is used for credit assessment than is used in the financial accounts. Supplementary capital that consists of subordinated debt may not exceed 100 per cent of core capital, while time limited subordinated debt may not exceed 50 per cent of core capital.

The Basel Committee's standards for capital and liquidity management ("Basel III") have been made applicable to credit institutions and securities firms in the EEA area through the EU Capital Requirements Directive ("CRD IV"). Overall requirements for core capital and primary capital for companies covered by CRD IV are 10 and 13.5 percent respectively. The requirements for core capital and primary capital will be increased by 1 percent from 30 June 2015 through the introduction of a countercyclical capital buffer.

Insurance companies in the Group are included in the capital adequacy with a capital requirement under the Basel I regulations.

In a cross-sectoral financial group, the sum of primary capital and other solvency margin capital, covers the sum of the solvency margin requirement for insurance operations and primary capital requirements for credit institutions and securities business.

In the solvency margin requirement used for the insurance companies, this requirement is calculated as 4 per cent of gross insurance fund. This applies to both Norwegian and Swedish operations. In Sweden, the requirement also includes 1 per cent of the conditional bonus and 0.1-0.3 per cent of mortality risk in the insurance funds. The solvency margin capital for insurance differs slightly from the primary capital that is used in the capital cover. The solvency capital includes a proportion of additional provisions and the risk equalization fund.

PRIMARY CAPITAL IN CAPITAL ADEQUACY

(NOK million)	30.06.15	31.12.14
Share capital	2,250	2,250
Other equity	23,026	22,491
Equity	25,275	24,741
Hybrid tier 1 capital	1,500	1,725
Interest rate adjustment of insurance obligations	-1,502	-2,170
Goodwill and other intangible assets	-5,587	-5,844
Deferred tax assets	-432	-437
Risk equalisation fund	-866	-829
Deductions for investments in other financial institutions	-1	-1
Security reserves	-344	-318
Minimum requirement reinsurance allocation	-4	-4
Other	-273	-33
Excess capital from third parties	-483	-245
Core (tier 1) capital	17,285	16,584
Perpetual subordinated capital	2,100	2,100
Ordinary primary capital	2,513	2,513
Deductions for investments in other financial institutions	-1	-1
Excess capital from third parties	-654	-271
Tier 2 capital	3,958	4,341
Net primary capital	21,243	20,925
Adjustment capital from third parties	1,102	509
Net primary capital conglomerate capital requirements	22,344	21,434

CALCULATION BASIS

(NOK million)	30.06.15	31.12.14
Insurance companies	138,508	142,066
Other companies	17,682	18,838
Total calculation basis for capital adequacy	156,190	160,904
Capital requirements		
Insurance companies	11,081	11,365
Other companies	2,387	2,543
Total capital requirements	13,468	13,908
Capital adequacy ratio	13.6%	13.0%
Core (tier 1) capital ratio	11.1%	10.3%

SOLVENCY REQUIREMENTS FOR CROSS-SECTORAL FINANCIAL GROUPS

(NOK million)	30.06.15	31.12.14
Requirements re primary capital and solvency capital		
Capital requirements excluding insurance (13,5 %)	2,387	2,543
Requirements re solvency margin capital insurance	12,737	12,815
Total requirements re primary capital and solvency capital	15,124	15,358
Primary capital and solvency capital		
Net primary capital	22,344	21,434
<i>Change in solvency capital for insurance in relation to primary capital</i>		
Other solvency capital	2,967	3,111
Total primary capital and solvency capital	25,311	24,546
Surplus solvency capital	10,187	9,188

Note 13 | 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 26 and 54 in the 2014 annual report.

Storebrand had not carried out any material transactions other than normal business transactions with related parties at the close of the first half-year 2015.

Storebrand ASA

Income statement

(NOK million)	2Q		01.01. - 30.06		Full year
	2015	2014	2015	2014	2014
Operating income					
Income from investments in subsidiaries	21		21	13	490
<i>Net income and gains from financial instruments:</i>					
- bonds and other fixed-income securities	14	11	22	25	45
- financial derivatives/other financial instruments	-6	4	-8	4	6
Other financial instruments			1	1	1
Operating income	29	15	35	42	543
Interest expenses	-26	-37	-55	-74	-136
<i>Other financial expenses</i>	-4	-4	-9	-10	-19
Operating costs					
Personnel costs	-8	-7	-15	-14	11
Amortisation					-1
Other operating costs	-13	-11	-27	-23	-48
Total operating costs	-22	-18	-42	-37	-38
Total costs	-51	-59	-107	-121	-193
Pre-tax profit	-23	-44	-72	-79	351
Tax	12	12	25	25	-77
Profit for the period	-11	-32	-47	-54	273

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	2Q		01.01. - 30.06		Full year
	2015	2014	2015	2014	2014
Profit for the period	-11	-32	-47	-54	273
<i>Other result elements not to be classified to profit/loss</i>					
Change in estimate deviation pension					-93
Tax on other result elements					25
Total other result elements					-68
Total comprehensive income	-11	-32	-47	-54	206

Storebrand ASA

Statement of financial position

(NOK million)	30.06.15	30.06.14	31.12.14
Fixed assets			
Deferred tax assets	425	482	400
Pension assets		1	
Tangible fixed assets	30	30	30
Shares in subsidiaries	17,038	17,245	17,041
Total fixed assets	17,492	17,758	17,470
Current assets			
Owed within group	3	3	752
Lending to group companies	18	18	17
Other current receivables	31	24	32
Investments in trading portfolio:			
- bonds and other fixed-income securities	2,275	2,097	1,635
- financial derivatives/other financial instruments	33	63	31
Bank deposits	46	80	82
Total current assets	2,406	2,285	2,548
Total assets	19,898	20,043	20,018
Equity and liabilities			
Share capital	2,250	2,250	2,250
Own shares	-10	-12	-12
Share premium reserve	9,485	9,485	9,485
Total paid in equity	11,724	11,722	11,722
Other equity	4,820	4,600	4,859
Total equity	16,544	16,322	16,581
Non-current liabilities			
Pension liabilities	168	156	168
Securities issued	3,138	3,476	3,128
Total non-current liabilities	3,307	3,632	3,296
Current liabilities			
Debt within group			43
Other current liabilities	47	89	98
Total current liabilities	48	89	141
Total equity and liabilities	19,898	20,043	20,018

Storebrand ASA

Statement of changes in equity

(NOK million)	Share capital ¹⁾	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2013	2,250	-14	9,485	4,644	16,365
Profit for the period				273	273
Total other result elements				-68	-68
Total comprehensive income				206	206
Own share bought back ²⁾		2		18	20
Employee share ²⁾				-9	-9
Equity at 31. December 2014	2,250	-12	9,485	4,859	16,581
Profit for the period				-47	-47
Total other result elements					
Total comprehensive income				-47	-47
Own share bought back ²⁾		2		21	23
Employee share ²⁾				-12	-12
Equity at 30. June 2015	2,250	-10	9,485	4,820	16,544

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

²⁾ In 2015, 348 071 shares were sold to our own employees. Holding of own shares 30. June 2015 was 2 062 721.

Equity at 31. December 2013	2,250	-14	9,485	4,644	16,365
Profit for the period				-54	-54
Total other result elements					
Total comprehensive income				-54	-54
Own share bought back				20	20
Employee share				-9	-9
Equity at 30. June 2014	2,250	-14	9,485	4,601	16,322

Storebrand ASA

Statement of cash flow

(NOK million)	01.01 - 30.06	
	2015	2014
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	10	63
Net receipts/payments - securities at fair value	-651	-344
Payments relating to operations	-69	-58
Net receipts/payments - other operational activities	763	524
Net cash flow from operational activities	53	186
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-41	-35
Net cash flow from investment activities	-41	-35
Cash flow from financing activities		
Payments - repayments of loans		
Receipts - new loans	4	
Payments - interest on loans	-61	-118
Receipts - sold own share to employees	10	11
Net cash flow from financing activities	-47	-107
Net cash flow for the period	-35	43
Net movement in cash and cash equivalents	-35	43
Cash and cash equivalents at start of the period	82	37
Cash and cash equivalents at the end of the period	46	80

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 2014. The accounting policies are described in the 2014 annual report.

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 | Bonds issued

(NOK million)	Interest rate	Currency	Net nominal value	30/06/15	30/06/14	31/12/14
Bond loan 2009/2014 ¹⁾	Fixed	NOK	540		540	
Bond loan 2009/2014 ¹⁾	Fixed	NOK	297		310	
Bond loan 2013/2020 ¹⁾	Fixed	NOK	300	327	322	327
Bond loan 2011/2016	Variable	NOK	1000	1,007	998	999
Bond loan 2012/2017	Variable	NOK	850	853	853	853
Bond loan 2013/2018	Variable	NOK	450	452	452	452
Bond loan 2014/2019	Variable	NOK	500	499		496
Total ²⁾				3,138	3,476	3,128

¹⁾ Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.

²⁾ Loans are booked at amortised cost and include earned not due interest. Signed loan agreements have standard covenant requirements. The terms and conditions have been redeemed pursuant to signed loan agreements. Storebrand ASA has an unused drawing facility for EUR 240 million.

Storebrand ASA

Statement from the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer have today considered and approved the Interim report and Interim financial statements for Storebrand ASA and the Storebrand Group for the first six months of 2015 (Report for the first six months, 2015).

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

In the best judgement of the Board and the CEO, the financial statements for the first six months of 2015 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the parent company's and Group's assets, liabilities, financial standing and results as a whole as at 30 June 2015. In the best judgement of the Board and the CEO, the six-month report provides a fair and true overview of important events during the accounting period and their effects on the financial statements for the first six months for Storebrand ASA and the Storebrand Group. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the Group faces in the remaining six months, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, Norway, 14 July 2015
Board of Directors of Storebrand ASA

Birger Magnus
Chairman of the Board

Monica Caneman

Laila S. Dahlen

Gyrid Skalleberg Ingerø

Martin Skancke

Nils Are Karstad Lysø

Karin Bing Orgland

Arne Fredrik Håstein

Knut Dyre Haug

Heidi Storruste

Odd Arild Grefstad
Chief Executive Officer

Translation from the original Norwegian version

To the Board of Directors of Storebrand ASA

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand ASA (the Group) as of 30 June 2015, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Oslo, 14 July 2015
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

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Financial calendar 2015



11 February	Results 4Q 2014
15 April	Annual General Meeting
16 April	Ex dividend date
29 April	Results 1Q 2015
	Embedded Value 2014
15 July	Results 2Q 2015
28 October	Results 3Q 2015
February 2016	Results 4Q 2015

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