

Interim Report 2016

Storebrand Livsforsikring AS

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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 Livsforsikring Group

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 1st half year result please refer to the Storebrand Group's interim report for the 1st half year of 2016.

PROFIT STOREBRAND LIVSFORSIKRING GROUP

NOK million	2016		2015			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2016	2015	2015
Fee and administration income	728	781	815	828	829	1 509	1 640	3 283
Risk result life & pensions	-6	24	-23	40	54	18	63	80
Insurance premiums f.o.a.	693	687	687	640	709	1 381	1 354	2 680
Claims f.o.a.	-540	-540	-610	-483	-513	-1 080	-984	-2 076
Operational cost	-537	-634	-729	-600	-638	-1 171	-1 283	-2 613
Financial result	175	101	252	-68	85	276	194	378
Profit before profit sharing	513	419	392	357	527	932	984	1 733
Net profit sharing and loan losses	55	-122	-247	-164	-41	-67	22	-389
Profit before amortisation and provision longevity	568	297	145	193	486	865	1 006	1 344
Provision longevity	-	-	-1 362	-96	-151	-	-306	-1 764
Profit before amortisation	568	297	-1 217	96	335	865	701	-420

The result before amortisation was NOK 568m (486m) in Q2 2016 and NOK 865m (1 006m) year to date. The figures in parentheses show the corresponding period last year. Fee and administration income in the 2nd quarter decreased 12% compared with the same quarter last year and 8% year to date. Adjusted for discontinued business, the income decreased 8% in the 2nd quarter and 4% year to date. The income decrease in guaranteed pension products in long-term retirement and lower incomes in Sweden. Premium income for non-guaranteed savings was NOK 3.5bn in the 2nd quarter, an increase of 16% compared with the 2nd quarter 2015.

The operating costs in the 1st quarter were NOK 537m (638m). Strengthening of competitiveness through continued efficiency improvement is a priority task. Costs have been impacted by a non-recurring effect relating to the dissolution of pension liabilities for Storebrand's own pension scheme of NOK 65m. Volume growth within the Savings and Insurance segments has resulted in a larger part of the Group's costs being allocated to the segments. The costs in the Guaranteed Pensions segment were correspondingly reduced.

PROFIT STOREBRAND LIVSFORSIKRING GROUP PER LINE OF BUSINESS

NOK million	2016		2015			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2016	2015	2015
Savings	87	111	64	140	107	199	192	395
Insurance	97	71	-19	101	149	168	297	379
Guaranteed pensions	237	15	-110	20	183	252	419	329
Other	147	99	210	-68	47	246	100	241
Profit before amortisation and provision longevity	568	297	145	193	486	865	1 006	1 344
Provision longevity	-	-	-1 362	-96	-151	-	-306	-1 764
Profit before amortisation	568	297	-1 217	96	335	865	701	-420

The Savings segment reported a 2nd quarter result of NOK 87m (107m) and NOK 199m (192m) year to date. The result was positively affected by the derecognition of pension liabilities. Otherwise, the result is reduced as a result of increased sales and distribution costs.

The Insurance segment delivered a result of NOK 97m (149m) in the quarter and NOK 168m (297m) year to date. The combined risk result gives a claims ratio for the quarter of 78% (72%) and a combined ratio of 91% (86%). The result was positively affected by the derecognition of pension reserves. Adjusted for this, the combined ratio was 94% for the quarter.

The Guaranteed Pension segment reported a profit of NOK 237m (NOK 183m) and NOK 252m (419m) year to date. The result was positively affected by the derecognition of pension reserves, adjusted cost allocation and a strong financial result in the Swedish business.

The Other segment includes the return in company portfolios are characterized by strong returns in company portfolios.

CAPITAL SITUATION AND TAXES

The Solvency II regulations were introduced on 1 January 2016. Storebrand uses the standard model for the calculation of Solvency II. Lower interest rates in Norway and a change in the yield curve have had a negative impact on the Solvency II margin. Changes to the regulations, methods and interpretations may be made occur that could affect the Solvency II margin in the future.

Tax costs in the first six months are estimated based on an expected effective tax rate for 2016. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway (25%), 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 18-22% for the year. Sales of property completed during the first half of the year have resulted in taxable temporary differences connected with these properties being reversed, which reduces the income tax expense as of 30 June. For more information on calculation of the income tax expense for the quarter, see Note 8 to the accounts.

STRENGTHENING OF RESERVES FOR LONGEVITY

In the 4th quarter of 2015, Storebrand decided to charge the remaining estimated direct contribution to expected increased longevity. The remaining reserve strengthening is expected to be covered by the surplus return and loss of profit sharing.

MARKET AND SALES PERFORMANCE

Sales of savings products, loans and insurance products are good. Storebrand has been successful with the sale of retail market products to employees with an occupational pension from Storebrand. In Norway, Storebrand is the market leader in defined contribution schemes with 34% of the market share of gross premiums written¹⁾.

SPP is the fifth largest actor in the Other Occupational Pensions segment with a market share of 11% measured by premium income from unit linked insurance.

1) Premium income per first quarter 2016. Source: Finans Norge and Svenska Forsäkring.

Savings

Increased earnings due to a higher volume

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

SAVINGS

NOK million	2016		2015			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2016	2015	2015
Fee and administration income	323	355	333	372	345	678	688	1 393
Risk result life & pensions	8	-2	1	-5	4	6		-3
Operational cost	-244	-242	-270	-228	-243	-486	-498	-996
Profit before profit sharing	87	111	64	140	107	199	191	395
Net profit sharing and loan losses								1
Profit before amortisation	87	111	64	140	107	199	192	395

PROFIT

The Savings segment reported a result of NOK 87m (107m.) in the 2nd quarter and NOK 199m (192m) year to date. Fees and administration income decreased by 6.4% in the quarter compared to the same period last year and 1.5% year to date. Adjusted for the sales of Storebrand Eiendom AS, the growth was 4.2% in the 2nd quarter and 8% year to date.

Income growth is driven by the customers' conversion from defined benefit to defined contribution pension schemes in combination with good sales and higher savings rates.

Costs are positively affected by the derecognition of pension liabilities but negatively impacted by increased sales and distribution costs.

MARKET AND SALES PERFORMANCE

Premium income for non-guaranteed savings was NOK 3.5bn in the 2nd quarter, an increase of 16% on the same period last year. Total

reserves within unit linked insurance have increased by 9% over the last year and amounted to NOK 128bn at the end of the quarter. Assets under management in the United Linked business in Norway increased NOK 8.7bn (18%) relative to the 2nd quarter of 2015. The growth is driven by premium payments for existing contracts, returns and conversion from defined benefit schemes. In Norway, Storebrand is the market leader in defined contribution schemes with 34% of the market share of gross premiums written.

In the Swedish market, SPP is the fifth largest actor in the Other Occupational Pensions segment with a market share of 11% measured by premium income from unit linked insurance. Turbulent equity markets and lower returns have contributed to a decline in the growth rate and from the 2nd quarter of 2015, there was an increase in customer assets of SEK 2bn (3%).

SAVINGS- KEY FIGURES

NOK million	2016			2015	
	2Q	1Q	4Q	3Q	2Q
Unit Linked Reserves	127 876	125 434	128 117	118 695	117 452
Unit Linked Premiums	3 541	3 693	3 185	3 170	3 063

Insurance

Weakened results within disability and death

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.

NOK million	2016		2015			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2016	2015	2015
Insurance premiums f.o.a.	693	687	687	640	709	1 381	1 354	2 680
Claims f.o.a.	-540	-540	-610	-483	-513	-1 080	-984	-2 076
Operational cost	-90	-107	-111	-89	-99	-197	-195	-395
Financial result	34	31	15	33	52	65	122	170
Profit before amortisation	97	71	-19	101	149	168	297	379

PROFIT

Insurance delivered a profit before amortization of NOK 97m (149m) in 2nd quarter and NOK 168m (297m) year to date. Overall combined ratio for the quarter was 91% (86%). Adjusted for positive cost effect, the combined ratio was 94% for the quarter. Premium income increased 2% in the 2nd quarter and decreased 2% year to date compared with the same quarter last year.

The combined risk result gives a claims ratio of 78% (72%) in the 2nd quarter. A weak risk result within disability and death characterised the combined risk result during the period. Group disability pension delivered a satisfactory result for the quarter, but was characterised by low premium income and has had a weak result year to date. The market for defined contribution pensions is very competitive and the price for disability pension is a key competition parameter. Efforts are still being made to strengthen the profitability, including repricing unprofitable customers. A strong disability result driven by a low number of reported injuries and gains from dissolution provided a good result for insurance in Sweden.

As planned, increased volumes and ambitions of growth have resulted in higher allocated costs for the insurance area. During the quarter, positive non-recurring effects relating to changes in the pension scheme. The cost percentage was 13% (14%) in the 2nd quarter.

The investment portfolio of Insurance in Norway amounts to NOK 5.2bn, which is primarily invested in fixed income securities with a short or medium duration. The financial income shows a satisfactory return.

MARKET AND SALES PERFORMANCE

Premium for own account amounts to NOK 693m (709m) in the 2nd quarter and NOK 1 381m (1 354m) year to date.

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

INSURANCE - ANNUAL PREMIUMS

NOK million	2016			2015	
	2Q	1Q	4Q	3Q	2Q
Individual life *	626	623	617	610	605
Group life **	890	901	943	941	942
Pension related disability insurance ***	1 253	1 204	1 159	1 141	1 098
Portfolio premium	2 769	2 728	2 719	2 692	2 646

* Individual life disability insurance ** Group disability, workers compensation insurance *** DC disability risk premium Norway and disability risk Sweden

KEY FIGURES	2016			2015	
	2Q	1Q	4Q	3Q	2Q
Claims ratio	78 %	79 %	89 %	76 %	72 %
Cost ratio	13 %	16 %	16 %	14 %	14 %
Combined ratio	91 %	94 %	105 %	89 %	86 %

Guaranteed pension

Income reduction in line with portfolio development. Profit sharing result in the quarter driven by good return.

Guaranteed pensions consist of products encompassing long-term savings for pensions, where the customers have a guaranteed return or benefit on the saved funds. The area includes defined benefit pensions in Norway and Sweden, paid-up policies and individual capital and pension insurance.

GUARANTEED PENSION

(NOK million)	2016		2015			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2016	2015	2015
Fee and administration income	383	404	460	428	457	787	889	1 777
Risk result life & pensions	-10	4	7	20	47	-6	63	89
Operational cost	-192	-271	-333	-266	-281	-464	-558	-1 156
Financial result								
Result before profit sharing and loan losses	180	137	134	182	223	317	394	711
Net profit sharing and loan losses	57	-122	-244	-162	-40	-65	24	-382
Result before amortisation and longevity	237	15	-110	20	183	252	419	329
Provision longevity			-1 362	-96	-151		-306	1 764

PROFIT

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 383m (NOK 457m) in the 2nd quarter and NOK 787m (NOK 889m) year to date, equivalent to a reduction of 11% year to date compared with the same period last year. Operating costs in the 2nd quarter and for the year to date were lower than previous quarters, driven by a positive disability effect of NOK 39m and lower sales and distribution costs.

The risk result was minus NOK 10m (NOK 47m) in the 2nd quarter and minus NOK 6m (NOK 63m) year to date. In the Norwegian business, the risk result was characterised by reserve strengthening based in the introduction of the new group disability pension and the general disability development in the portfolio. The risk result in

the Swedish business was lower in the 2nd quarter due to weaker longevity results.

The result from profit sharing is generated in the Swedish business and amounted to NOK 57m (minus NOK 40m) in the 2nd quarter and minus NOK 65m (NOK 24m) year to date. The profit sharing result primarily consists of the derecognition of equity provisions for contracts without sufficient customer assets (deferred capital contribution - DCC), as well as profit sharing. The good development in the credit and property portfolio and the development in long-term interest rates, resulted in reduced DCC provisions and good profit sharing in the 2nd quarter.

The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners.

BALANCE SHEET AND MARKET TRENDS

The majority of products are closed for new business, and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy. As of the 2nd quarter, customer reserves for guaranteed pensions amounted to NOK 266bn, which is the same level as the previous quarter and at the start of the year. The total premium income for guaranteed pensions (excluding transfers) was NOK 1.3bn (NOK 1.6bn) in the 2nd quarter, which corresponds to a reduction of 20%. This is a decrease of 18% for the year to date. Transfers out from the guaranteed pension were NOK 2.8bn (NOK 6.5bn) year to date.

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

NOK 112.1bn as of the 2nd quarter, an increase of NOK 8.3bn year to date, which is equivalent to 8.0%. From and including the 4th quarter of 2014, the customers were given an offer to convert from traditional paid-up policies to paid-up policies with investment choice. Paid-up policies with investment choice, which are included in the Savings segment, amounted to NOK 4.9bn as of the 2nd quarter. Reserves for defined benefit pensions amounted to NOK 49.2bn at the end of the 2nd quarter, a decline of NOK 6.7bn since the end of the year.

Guaranteed portfolios in the Swedish business totalled SEK 90.6bn as of the 2nd quarter, which corresponds to an increase of SEK 3.2bn year to date.

GUARANTEED PENSION - KEY FIGURES

(NOK million)	2016			2015	
	2Q	1Q	4Q	3Q	2Q
Guaranteed reserves	265 504	266 113	266 979	263 198	258 825
Guaranteed reserves in % of total reserves	67,5 %	68,0 %	67,6 %	68,9 %	68,8 %
Net transfers	-621	-2 201	-398	-855	-1 438
Buffer capital in % of customer reserves Norway	6,3 %	5,9 %	5,8 %	5,4 %	5,7 %
Buffer capital in % of customer reserves Sweden	6,3 %	6,6 %	7,6 %	11,1 %	12,4 %

Other

Under Other, the company portfolios and smaller daughter companies with Storebrand Life Insurance and SPP are reported. In addition, the result associated with the activities at BenCo is included.

NOK million	2016		2015			01.01 - 30.06		Full year
	2Q	1Q	4Q	3Q	2Q	2016	2015	2015
Fee and administration income	22	22	22	28	27	44	63	113
Risk result life & pensions	-4	22	-31	25	3	18		-6
Operational cost	-10	-14	-15	-18	-16	-23	-32	-66
Financial result	141	70	236	-101	34	210	72	207
Profit before profit sharing	149	99	212	-66	48	249	102	249
Net profit sharing and loan losses	-2	-0	-2	-2	-1	-2	-3	-7
Profit before amortisation	147	99	210	-68	47	246	100	241

PROFIT

Fee and administration income is associated to BenCo's business being wound down over a long-term.

The financial result for the Other includes the net return from the company portfolios of SPP and Storebrand Livsforsikring as well as the net result for subsidiaries.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. With the interest rate levels at the end

of the 1st half year 2016, quarterly interest expenses of approximately NOK 90m are expected. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 20.7bn at the end of the 1st half year.

The investments are primarily in interest-bearing securities in Norway and Sweden with short maturities. The Norwegian company portfolio reported a return of 0.8% for the quarter. The Swedish company portfolio gave an overall return of 0.4% for the quarter.

Balance sheet, solidity and capital situation

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

STOREBRAND LIFE INSURANCE GROUP

The solidity capital amounted to NOK 61.4bn at the end of the 1st half year, an increase of NOK 0.9bn in the 2nd quarter and 0.4bn year to date primarily as a result of lower customer buffers in the Swedish business and increased customer buffers in the Norwegian business.

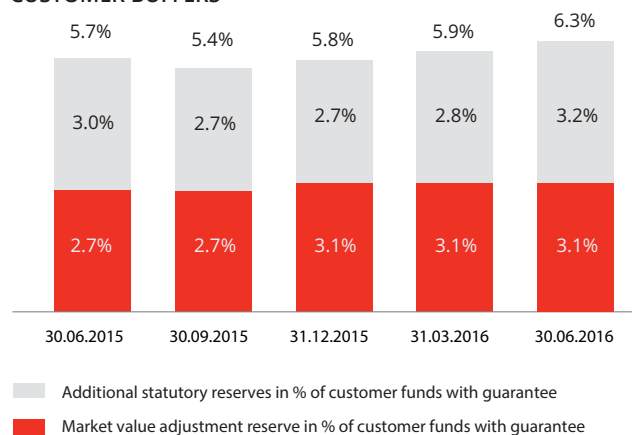
STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve increased by NOK 0.5bn during the 2nd quarter and NOK 0.7bn year to date, and amounted to NOK 5.2bn at the end of the 1st half of 2016. The additional statutory reserves increased by NOK 0.1bn during the quarter and are unchanged year to date. The additional statutory reserves totalled NOK 5.2bn at the end of the first half of 2016. Excess value of held-to-maturity bonds that are assessed at amortised cost are increased by NOK 0.4bn during the 2nd quarter and NOK 1.8bn year to date, comprising NOK 12.4bn year to date. The increase was due to lower interest rates. The excess value of bonds at amortised cost is not included in the financial statements.

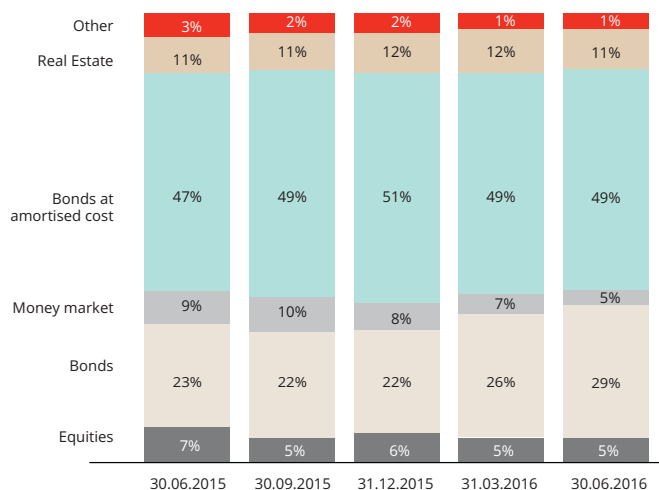
SOLVENCY II

The new European solvency regulations, Solvency II, entered into force on 1 January 2016 and will apply to all insurance companies in the EEA. The regulatory minimum level is 100%. As of the 1st half year 2016, Storebrand Livsforsikring AS had a solvency margin after transitional rules of 212% (without transitional rules, the solvency margin is calculated at 147%). The Storebrand Life Insurance Group is no longer required to report the solvency margin and the requirement at consolidated level applies for the Storebrand Group that reports a solvency margin of 172% (without transitional rules, the solvency margin is calculated at 122%).

CUSTOMER BUFFERS



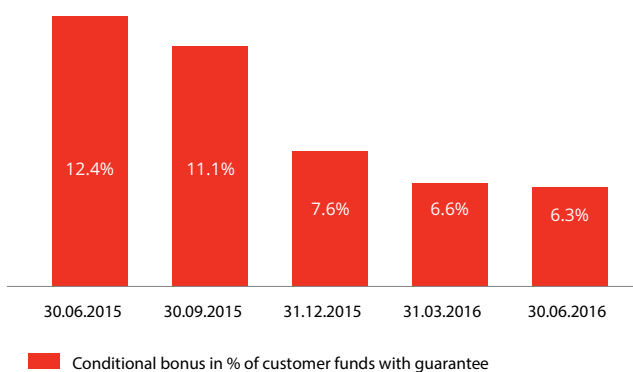
ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Customer assets increased by NOK 3.9bn in the 2nd quarter and NOK 5.7bn for the year to date due to positive returns. Customer assets totalled NOK 235bn at the end of the 1st half year of 2016. Customer assets within non-guaranteed savings increased NOK 2.8bn during the 2nd quarter and NOK 4.2bn for the year to date. Guaranteed customer assets increased by NOK 1.1bn during the 2nd quarter and NOK 1.5bn for the year to date.

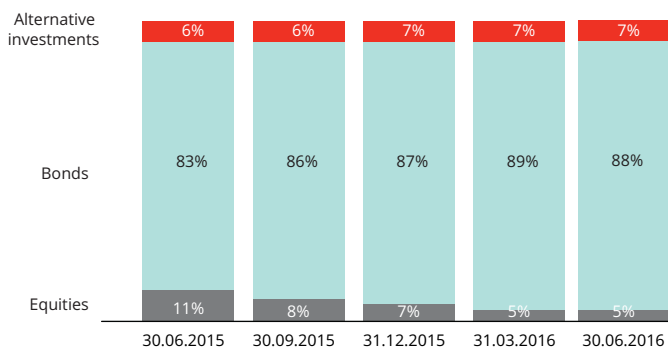
¹⁾ The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

SPP
CUSTOMER BUFFERS



The buffer capital amounted to NOK 5.3bn (NOK 9.3bn) as of the 1st half year. The decrease was due to lower interest rates.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management in SPP were NOK 154bn. This corresponds to a decrease of 1.3% compared with the 1st quarter of 2016. For customer assets in non-guaranteed savings, assets under management totalled NOK 69.8bn as of the 2nd quarter, which corresponds to a decrease of 0.5% compared to the 1st quarter of 2016.

Outlook

FINANCIAL PERFORMANCE

Storebrand is the market leader for the sale of pension solutions to Norwegian businesses. Defined contribution plans are the dominant solution for pension savings in Norway. The market for defined contribution pensions is growing and an increasing number of companies are choosing to increase pension savings for their employees. Storebrand also has a strong challenger role for the sale of pension solutions to Swedish businesses. Continued growth is expected in the Savings segment.

Many businesses are choosing to convert existing defined benefit schemes to defined contribution schemes, which entails the issuance of paid-up policies that reduce the Group's earnings. Some of the companies choose to continue the defined benefit schemes for older employees, and the discontinuation of these schemes will therefore take place gradually over a longer period of time. The Guaranteed Pensions segment is in a long-term run-off.

Sales and advisory services for retail customers who are saving for a pension with Storebrand will be an important area of focus in the future. This contributes to expected growth within the Savings and Insurance segment.

Target has been set that total nominal costs shall be lower in 2018 compared with the level at the end of 2015. Storebrand will still make selected investments in growth. The partnership with Cognizant is expected to provide lower costs for the Group in the coming years. Cognizant will also contribute to innovation and digital development that will provide better and more efficient customer service. There is margin pressure within the Savings and Insurance segments. Cost reductions and adaptations in the business will therefore establish a good foundation for profitable growth in the future.

MARKET TRENDS

Following the referendum in the United Kingdom regarding EU membership on 23 June we have seen major movements in the financial markets. The broad fall in the stock markets and the outcome in the credit market in the days following the referendum were largely reversed before the end of the quarter. Some sectors, particularly those associated with the development in the domestic markets in the United Kingdom, are still experiencing weak price developments. Storebrand has low exposure to these markets. The greatest impact from Brexit has been the fall in European interest rates. This has consequences for guaranteed pension portfolios, but is counteracted by the building up of buffer capital and adjustments in the investment portfolio.

The interest and credit markets are strongly influenced by the monetary policy in Europe. The European Central Bank is purchasing large numbers of corporate bonds. During the second quarter, bonds were also purchased that were issued by European insurance companies. This has resulted in a contraction in the credit spreads for this type of debt. The finance sector is also characterised by the weak capitalisation of some European banks in combination with weakened credit portfolios. Measures to remedy weak economic growth in Europe and the continued increasing of monetary stimulus will most likely mean continued low interest rates in the future.

RISK

Trends in interest rate levels are deemed to be important risk factors that can affect the group's results. Storebrand has adapted to the low interest rates through building up buffer capital, risk reduction on the investment side and changes to the products. Over time the level of the annual interest rate guarantee will be reduced. In the long term, enduring low interest rates will represent a risk for products with guaranteed interest rates running at a loss, and it is therefore important to deliver a return that exceeds the interest rate guarantee associated with the products. Storebrand has therefore adjusted its assets by building a robust portfolio with bonds at amortised cost to achieve the guaranteed interest rate. The performance of the property and equity markets is also considered a significant risk factor that affects the Group's results.

CONSULTATION – ULTIMATE FORWARD RATE IN SOLVENCY II

The European Insurance and Occupational Pensions Authority (EIPOA) is conducting a consultation process regarding the methodology for determining the Ultimate Forward Rate (UFR) which, together with market interest rates, is used to determine the discount rates in Solvency II. The UFR is the combined total of an expected real interest rate (common for all currencies) and expected inflation (currency specific). Changes are proposed that, as a whole, entail that the UFR for NOK is reduced from 4.2% to 3.7%. It is proposed that this reduction is phased in by a maximum of 20 basis points annually such that the level will not be 3.7% until June 2019. If the proposal is approved, this will result in a lower solvency margin for Storebrand. The effect will depend on the interest rates.

EIOA has proposed the use of "buckets" for expected inflation. For Norway this will involve rounding the inflation component down from 2.5% to 2%. If a country-specific inflation target was used as a basis, this would increase the UFR for NOK by 0.5% compared with the current proposal.

The deadline for submission is 18 July 2016. EIOPA will then make a final decision of the methodology for determining the UFR.

REPORT OF OCCUPATIONAL PENSIONS IN THE PRIVATE SECTOR

In connection with the wage settlement in the private sector, the Government has committed to conducting a report on occupational pensions in cooperation with the parties in business and industry.

This work will include:

- If employees should be entitled to establish a personal pension account with a pension provider selected by the employee.
- An employee's right to individual additional savings.
- Issues relating to managing of pensions when changing jobs.
- The age and income from which contributions should start and the duration of the employment required to be able to receive contributions.

Further assessments will be reviewed by the government in cooperation with the unions and industry federations. Storebrand has pointed out that a system of individual retirement accounts may be introduced on the basis of existing pension accounts in defined contribution pension schemes.

TAX

In connection with the Storting's tax reform process, the following decisions were handed down relating to the taxation of financial undertakings:

"A finance tax will be introduced from 2017. This is a tax on the added value from financial services and is viewed in light of the sector being exempt from value added tax."

The specific proposal will be presented by the Government in the 2017 national budget in October.

SOLVENCY

The new European solvency regulations, Solvency II, entered into force on 1 January 2016 and will apply to all insurance companies in the EEA. Storebrand reports a solvency ratio based on the new rules of 172% (without the transitional rules the solvency margin is calculated at 122%). The regulatory minimum level is 100%. The solvency level shows that the Group is robust in relation to low interest rates for a long period of time. The investment strategy is adapted to the development in the insurance liabilities. The return is expected to exceed the risk free interest rate and contribute to increased solvency over time. The development of interest rates, credit spreads,

property and equity values affects the solvency margin. A gradual improvement is expected in the underlying solvency margin in the coming years. This is primarily due to the end of strengthening of reserves for increased life expectancy and expected profits in the Group.

Lysaker, 13 July 2016

Storebrand Livsforsikring Group

Statement of Comprehensive income

NOK million	Q2		01.01 - 30.06		Year
	2016	2015	2016	2015	2015
Technical account:					
Gross premiums written	5 475	5 193	13 091	12 551	22 770
Reinsurance premiums ceded	-47	-36	-87	-60	-107
Premium reserves transferred from other companies	201	420	652	1 090	1 835
Premiums for own account	5 630	5 577	13 656	13 581	24 497
Income from investments in subsidiaries, associated companies and joint-controlled companies	46	34	83	56	121
Interest income and dividends etc. from financial assets	1 636	1 914	3 489	3 703	7 138
Net operating income from real estate	205	258	451	496	829
Changes in investment value	3 039	-4 228	4 879	-2 648	-4 500
Realised gains and losses on investments	517	1 290	1 776	3 221	4 762
Total net income from investments in the collective portfolio	5 444	-732	10 677	4 828	8 349
Income from investments in subsidiaries, associated companies and joint-controlled companies	5	4	9	5	13
Interest income and dividends etc. from financial assets	213	-160	208	-202	216
Net operating income from real estate	22	23	42	41	70
Changes in investment value	1 577	-5 208	-1 743	2 971	732
Realised gains and losses on investments	233	2 742	574	3 106	3 462
Total net income from investments in the investment selection portfolio	2 049	-2 599	-911	5 921	4 493
Other insurance related income	408	460	907	903	1 694
Gross claims paid	-4 598	-4 075	-9 075	-8 717	-17 693
Claims paid - reinsurance	6	8	9	11	29
Gross change in claims reserve	-38	-46	-354	-176	-140
Premium reserves etc. transferred to other companies	-948	-886	-3 945	-5 043	-6 698
Claims for own account	-5 577	-4 999	-13 365	-13 925	-24 502
To (from) premium reserve, gross	-1 742	3 725	-5 531	5 023	451
To/from additional statutory reserves	-45	59	142	271	-358
Change in value adjustment fund	-531	926	-724	884	1 295
Change in premium fund, deposit fund and the pension surplus fund		-1	-4	-4	-9
To/from technical reserves for non-life insurance business	2	8	-27	-31	-40
Change in conditional bonus	584	175	2 833	-858	3 050
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	-9	-19	-9	-44	-57
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	-1 741	4 874	-3 320	5 243	4 332
Change in premium reserve	-4 526	-334	-4 015	-12 547	-16 011
Change in other provisions		-272		171	
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	-4 526	-605	-4 015	-12 376	-16 011
Profit on investment result	-1		-1		-329
Risk result allocated to insurance contracts					-53
Other allocation of profit	-1	-2		-2	-6
Unallocated profit	-517	-900	-1 482	-2 000	
Funds allocated to insurance contracts	-519	-901	-1 483	-2 002	-388
Management expenses	-100	-96	-197	-189	-388
Selling expenses	-162	-188	-358	-367	-808
Change in pre-paid direct selling expenses	12		1	-2	-1

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Storebrand Livsforsikring Group

Statement of Comprehensive income continue

NOK million	Q2		01.01 - 30.06		Year
	2016	2015	2016	2015	2015
Insurance-related administration expenses (incl. commissions for reinsurance received)	-301	-379	-649	-768	-1 523
Insurance-related operating expenses	-551	-662	-1 203	-1 326	-2 720
Other insurance related expenses	-200	-112	-297	-231	-416
Technical insurance profit	417	300	648	616	-672
Non-technical account					
Income from investments in subsidiaries, associated companies and joint-controlled companies	6	-3	11	2	77
Interest income and dividends etc. from financial assets	80	82	159	162	261
Net operating income from real estate	13	10	10	31	225
Changes in investment value	114	-27	172	-7	-106
Realised gains and losses on investments	37	44	27	66	99
Net income from investments in company portfolio	250	107	379	254	556
Other income	-54	101	91	201	381
Management expenses	-8	-6	-15	-12	-22
Other costs	-140	-260	-443	-544	-1 049
Management expenses and other costs linked to the company portfolio	-148	-266	-458	-557	-1 072
Profit or loss on non-technical account	49	-59	11	-102	-134
Profit before tax	466	242	659	514	-806
Tax costs	67	-73	-4	-139	1 967
Profit before other comprehensive income	532	169	656	375	1 161
Change in actuarial assumptions	-11	1	-18	-4	-126
Change in value adjustment reserve own buildings	149	45	171	5	180
Profit/loss cash flow hedging	-9	-48	-18	-67	27
Adjustment of insurance liabilities	-149	-45	-171	-5	-180
Tax on other profit elements not to be classified to profit/loss		13		18	32
Total other profit elements not to be classified to profit/loss	-19	-33	-36	-53	-67
Translation differences	-226	104	-464	-123	750
Total other profit elements that may be classified to profit /loss	-226	104	-464	-123	750
Total other profit elements	-245	70	-500	-176	683
TOTAL COMPREHENSIVE INCOME	287	239	156	199	1 844
Profit is attributable to:					
Minority share of profit	523	170	640	362	964
Majority share of profit	9	-1	16	13	197
Comprehensive income is attributable to:					
Minority share of profit	280	239	144	187	1 640
Majority share of profit	7	1	12	13	204

Storebrand Livsforsikring Group

Statement of financial position

NOK million	30.06.2016	30.06.2015	31.12.2015
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Goodwill	788	758	837
Other intangible assets	4 145	4 330	4 602
Total intangible assets	4 933	5 088	5 439
Real estate at fair value	51	681	335
Real estate for own use		73	
Equities and units in subsidiaries, associated companies and joint-controlled companies	263	303	255
Lendings	1	2	2
Bonds at amortised cost	2 766	1 791	2 674
Equities and other units at fair value	80	74	87
Bonds and other fixed-income securities at fair value	21 641	22 287	22 604
Derivatives at fair value	1 095	616	1 264
Other financial assets	518	358	294
Total investments	26 415	26 184	27 513
Reinsurance share of insurance obligations	106	117	112
Receivables in connection with direct business transactions	934	986	2 596
Receivables in connection with reinsurance transactions		7	11
Receivables with group company	59	23	64
Other receivables	3 878	1 266	1 822
Total receivables	4 871	2 281	4 494
Tangible fixed assets	495	407	462
Cash, bank	1 894	1 994	2 117
Tax assets	533		551
Other assets designated according to type	783	699	789
Total other assets	3 705	3 100	3 919
Pre-paid direct selling expenses	525	502	557
Other pre-paid costs and income earned and not received	116	237	106
Total pre-paid costs and income earned and not received	641	740	663
Total assets in company portfolio	40 672	37 509	42 139
ASSETS IN CUSTOMER PORTFOLIOS			
Real estate at fair value	20 360	20 304	22 035
Real estate for own use	2 731	2 525	2 732
Equities and units in subsidiaries, associated companies and joint-controlled companies	1 610	1 077	1 320
Loans to and securities issued by subsidiaries, associated companies	39	11	41
Bonds held to maturity	15 620	15 108	15 648
Bonds at amortised cost	74 145	67 493	73 434
Lendings	10 596	2 941	6 017
Equities and other units at fair value	18 580	28 085	22 737
Bonds and other fixed-income securities at fair value	133 470	135 575	135 733
Financial derivatives at fair value	5 602	3 082	2 978
Other financial assets	4 938	4 166	3 900
Total investments in collective portfolio	287 690	280 368	286 575

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Storebrand Livsforsikring Group

Statement of financial position continue

NOK million	30.06.2016	30.06.2015	31.12.2015
Real estate at fair value	1 965	1 778	2 045
Real estate for own use	163	144	156
Equities and units in subsidiaries, associated companies and joint-controlled companies	187	110	146
Equities and other units at fair value	98 632	91 942	101 739
Bonds and other fixed-income securities at fair value	27 594	24 789	25 920
Financial derivatives at fair value	177	123	9
Other financial assets	272	452	264
Total investments in investment selection portfolio	128 992	119 339	130 279
Total assets in customer portfolio	416 682	399 707	416 854
TOTAL ASSETS	457 354	437 216	458 994
Equity and liabilities			
Share capital	3 540	3 540	3 540
Share premium	9 711	9 711	9 711
Total paid in equity	13 251	13 251	13 251
Risk equalisation fund	136	866	142
Other earned equity	9 874	7 582	9 724
Minority interests	123	394	576
Total earned equity	10 133	8 842	10 442
Perpetual subordinated loan capital	2 786	2 757	2 829
Dated subordinated loan capital	3 045	2 745	3 158
Hybrid tier 1 capital	1 503	1 503	1 503
Total subordinated loan capital and hybrid tier 1 capital	7 334	7 004	7 489
Premium reserves	263 653	251 229	264 937
Additional statutory reserves	5 198	4 505	5 160
Market value adjustment reserve	5 244	4 930	4 520
Claims allocation	1 518	1 193	1 168
Premium fund, deposit fund and the pension surplus fund	2 422	2 552	2 713
Conditional bonus	6 306	12 115	9 336
Unallocated profit to insurance contracts	1 482	2 000	
Other technical reserve	676	650	655
Total insurance obligations in life insurance - contractual obligations	286 499	279 174	288 488
Premium reserve	129 101	119 031	129 741
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	129 101	119 032	129 742
Pension liabilities etc.	139	263	217
Deffered tax	184	1 759	200
Other provisions for liabilities	1	50	76
Total provisions for liabilities	324	2 073	493
Liabilities in connection with direct insurance	1 107	1 283	1 356
Liabilities in connection with reinsurance	42	27	29
Financial derivatives	1 403	2 149	3 020
Liabilities to group companies	15	7	38
Other liabilities	7 686	3 847	4 041
Total liabilities	10 252	7 313	8 484
Other accrued expenses and received, unearned income	459	527	605
Total accrued expenses and received, unearned income	459	527	605
TOTAL EQUITY AND LIABILITIES	457 354	437 216	458 994

Storebrand Livsforsikring Group

Statement of change in equity

NOK million	Majority's share of equity						Total equity
	Share capital ¹⁾	Share premium reserve	Total paid in equity	Risk equalisation fund	Other equity	Minority interests	
Equity at 31.12.2014	3 540	9 711	13 251	829	7 432	421	21 933
Profit for the period				37	325	13	375
Total other profit elements					-175	-1	-176
Total comprehensive income for the period				37	150	13	199
Equity transactions with owner:							
Group contributions						-16	-16
Purchase of minority interests						-25	-25
Other						1	0
Equity at 30.06.2015	3 540	9 711	13 251	866	7 582	394	22 092
Profit for the period				-686	1 651	197	1 161
Total other profit elements					676	7	683
Total comprehensive income for the period				-686	2 326	204	1 844
Equity transactions with owner:							
Group contributions					-19	-25	-44
Derecognition minority						-25	-25
Other					-16		-16
Equity at 31.12.2015	3 540	9 711	13 251	142	9 724	576	23 693
Profit for the period				-6	646	16	656
Total other profit elements					-496	-4	-500
Total comprehensive income for the period				-6	150	12	156
Equity transactions with owner:							
Group contributions						-5	-5
Derecognition minority						-459	-459
Equity at 30.06.2016	3 540	9 711	13 251	136	9 874	123	23 384

1) 35 404 200 shares of NOK 100 par value.

Storebrand Livsforsikring

Statement of cash flow 1. January - 30. June

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2015	2016	NOK million	2015	2016
Cash flow from operational activities				
16 227	9 867	Net received - direct insurance	10 585	12 210
-10 165	-9 948	Net claims/benefits paid - direct insurance	-5 659	-5 569
-3 953	-3 293	Net receipts/payments - policy transfers	-2 329	-3 433
-1 326	-1 203	Net receipts/payments operations	-622	-733
-1 005	905	Net receipts/payments - other operational activities	2 448	866
-223	-3 670	Net cash flow from operational activities before financial assets	4 423	3 341
1 739	-4 578	Net receipts/payments - lendings to customers	-4 262	1 739
-2 076	7 482	Net receipts/payments - financial assets	710	-5 498
-312	2 534	Net receipts/payments - real estate activities		
-1 210	-1 046	Net change bank deposits insurance customers	-423	-604
-1 859	4 391	Net cash flow from operational activities from financial assets	-3 975	-4 363
-2 082	721	Net cash flow from operational activities	448	-1 022
Cash flow from investment activities				
99		Net payments - sale/purchase of subsidiaries		
3	-337	Net payments - purchase/capitalisation associated companies		
-65	-103	Net receipts/payments - sale/purchase of fixed assets	-12	-12
37	-440	Net cash flow from investment activities	-12	-12
Cash flow from financing activities				
997		Payment of subordinated loan capital		997
-1 000		Repayment of subordinated loan capital		-1 000
-370	-276	Payments - interest on subordinated loan capital	-276	-370
-16	-5	Payment of dividend		
-389	-281	Net cash flow from financing activities	-276	-373
-2 433	0	Net cash flow for the period	160	-1 407
-574	-4 391	of which net cash flow for the period before financial assets	4 135	2 956
-2 433	0	Net movement in cash and cash equivalent assets	160	-1 407
4 785	2 411	Cash and cash equivalent assets at start of the period	1 234	2 336
2 352	2 412	Cash and cash equivalent assets at the end of the period	1 394	929

Storebrand Livsforsikring AS

Statement of Comprehensive income

NOK million	Q2		01.01 - 30.06		Year
	2016	2015	2016	2015	2015
Technical account:					
Gross premiums written	3 695	3 685	9 474	9 297	16 235
Reinsurance premiums ceded	-23	-1	-28	-6	-26
Premium reserves transferred from other companies	25	212	317	680	1 155
Premiums for own account	3 697	3 896	9 763	9 970	17 364
Income from investments in subsidiaries, associated companies and joint-controlled companies	545	774	1 040	1 130	2 157
of which from investment in real estate companies	557	770	1 041	1 155	2 105
Interest income and dividends etc. from financial assets	1 042	1 357	2 251	2 576	4 945
Changes in investment value	852	-1 023	1 073	-937	-1 201
Realised gains and losses on investments	134	550	781	1 424	1 768
Total net income from investments in the collective portfolio	2 574	1 659	5 145	4 193	7 669
Income from investments in subsidiaries, associated companies and joint-controlled companies	69	79	124	115	223
of which from investment in real estate companies	69	79	124	115	223
Interest income and dividends etc. from financial assets	212	-162	205	-205	203
Changes in investment value	306	-2 742	-763	-1 347	-2 075
Realised gains and losses on investments	229	2 670	575	3 038	3 315
Total net income from investments in the investment selection portfolio	816	-155	140	1 600	1 666
Other insurance related income	107	93	218	182	388
Gross claims paid	-2 481	-2 300	-5 007	-4 756	-9 432
Claims paid - reinsurance	3	5	6	9	17
Gross change in claims reserve	-40	-46	-358	-179	-144
Premium reserves etc. transferred to other companies	-204	-434	-2 646	-4 113	-4 776
Claims for own account	-2 722	-2 775	-8 006	-9 039	-14 335
To (from) premium reserve, gross	125	495	402	2 807	-24
To/from additional statutory reserves	-46	190	142	235	-358
Change in value adjustment fund	-531	926	-724	884	1 295
Change in premium fund, deposit fund and the pension surplus fund		-1	-4	-4	-9
To/from technical reserves for non-life insurance business	2	8	-27	-31	-40
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	-9	-19	-9	-44	-57
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	-459	1 600	-219	3 848	806
Change in premium reserve	-2 804	-2 640	-4 204	-7 538	-12 056
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	-2 804	-2 640	-4 204	-7 538	-12 056
Profit on investment result					-329
Risk result allocated to insurance contracts					-53
Unallocated profit	-517	-900	-1 482	-2 000	
Funds allocated to insurance contracts	-517	-900	-1 482	-2 000	-382
Management expenses	-41	-39	-83	-74	-152
Selling expenses	-59	-73	-137	-156	-361
Insurance-related administration expenses (incl. commissions for reinsurance received)	-172	-258	-401	-503	-974
Insurance-related operating expenses	-272	-370	-622	-733	-1 488

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Storebrand Livsforsikring AS

Statement of Comprehensive income continue

NOK million	Q2		01.01 - 30.06		Year
	2016	2015	2016	2015	2015
Other insurance related expenses after reinsurance share	-189	-99	-273	-202	-354
Technical insurance profit	229	308	460	281	-723
Non-technical account					
Income from investments in subsidiaries, associated companies and joint-controlled companies	-159	609	-360	690	1 306
of which from investment in real estate companies		40		60	105
Interest income and dividends etc. from financial assets	79	170	156	321	522
Changes in investment value	74	-17	124	-25	-116
Realised gains and losses on investments	243	31	444	51	-297
Net income from investments in company portfolio	238	793	363	1 037	1 415
Other income	6	8	13	14	32
Management expenses	-4	-3	-7	-7	-13
Other costs	-94	-79	-158	-181	-337
Total management expenses and other costs linked to the company portfolio	-97	-82	-165	-187	-350
Profit or loss on non-technical account	146	719	210	864	1 098
Profit before tax		1 027	670	1 145	374
Tax costs	80	-105	7	-122	1 814
Profit before other comprehensive income	456	922	677	1 023	2 189
Change in actuarial assumptions					-145
Profit/loss cash flow hedging	-9	-48	-18	-67	27
Tax on other profit elements not to be classified to profit/loss		14		20	34
Total other profit elements not to be classified to profit/loss	-9	-34	-18	-47	-84
Tax on other profit elements not to be classified to profit/loss		-3		-6	-7
Total other profit elements not to be classified to profit/loss		-3		-6	-7
Total other profit elements	-9	-37	-18	-53	-91
TOTAL COMPREHENSIVE INCOME	447	885	659	970	2 098

Storebrand Livsforsikring AS

Statement of financial position

NOK million	30.06.2016	30.06.2015	31.12.2015
Assets			
Assets in company portfolio			
Other intangible assets	191	177	201
Total intangible assets	191	177	201
Equities and units in subsidiaries, associated companies and joint-controlled companies	13 694	10 255	16 232
of which investment in real estate companies		1 033	
Loans to and securities issued by subsidiaries, associated companies		6 389	
Lendings	1	2	2
Bonds at amortised cost	2 766	1 791	2 674
Equities and other units at fair value	71	61	64
Bonds and other fixed-income securities at fair value	11 956	10 207	9 787
Derivatives at fair value	1 095	616	1 264
Other financial assets	517	244	246
Total investments	30 100	29 566	30 268
Reinsurance share of insurance obligations	106	117	112
Receivables in connection with direct business transactions	868	923	2 469
Receivables in connection with reinsurance transactions		7	11
Receivables with group company	60	29	66
Other receivables	545	208	129
Total receivables	1 473	1 166	2 677
Tangible fixed assets	14	17	14
Cash, bank	847	685	988
Tax assets	367		360
Total other assets	1 227	702	1 363
Other pre-paid costs and income earned and not received	18	39	12
Total pre-paid costs and income earned and not received	18	39	12
Total assets in company portfolio	33 116	31 767	34 632
Assets in customer portfolios			
Equities and units in subsidiaries, associated companies and joint-controlled companies	20 528	21 041	22 149
of which investment in real estate companies	19 732	19 700	21 352
Bonds held to maturity	15 620	15 108	15 648
Bonds at amortised cost	74 145	67 493	73 434
Lendings	10 280	2 941	6 017
Equities and other units at fair value	10 164	15 096	12 226
Bonds and other fixed-income securities at fair value	49 333	56 752	48 114
Financial derivatives at fair value	553	286	225
Other financial assets	2 434	1 801	2 002
Total investments in collective portfolio	183 056	180 519	179 815
Equities and units in subsidiaries, associated companies and joint-controlled companies	2 643	2 132	2 424
of which investment in real estate companies	2 643	1 903	2 424
Equities and other units at fair value	33 943	28 465	32 041
Bonds and other fixed-income securities at fair value	21 276	18 642	19 747
Financial derivatives at fair value	177	119	9
Other financial assets	170	199	179
Total investments in investment selection portfolio	58 208	49 556	54 400
Total assets in customer portfolios	241 264	230 076	234 215
TOTAL ASSETS	274 379	261 843	268 846

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Storebrand Livsforsikring AS

Statement of financial position continue

NOK million	30.06.2016	30.06.2015	31.12.2015
Equity and liabilities			
Share capital	3 540	3 540	3 540
Share premium	9 711	9 711	9 711
Total paid in equity	13 251	13 251	13 251
Risk equalisation fund	136	866	142
Other earned equity	10 509	7 994	9 845
Total earned equity	10 646	8 860	9 987
Perpetual subordinated loan capital	2 097	2 096	2 096
Dated subordinated loan capital	3 045	2 745	3 158
Hybrid tier 1 capital	1 503	1 503	1 503
Total subordinated loan capital and hybrid tier 1 capital	6 645	6 343	6 756
Premium reserves	165 500	162 860	165 921
Additional statutory reserves	5 198	4 541	5 160
Market value adjustment reserve	5 244	4 930	4 520
Claims allocation	1 397	1 074	1 038
Premium fund, deposit fund and the pension surplus fund	2 422	2 552	2 713
Unallocated profit to insurance contracts	1 482	2 000	
Other technical reserve	676	650	655
Total insurance obligations in life insurance - contractual obligations	181 919	178 607	180 006
Premium reserves	58 094	49 429	53 894
Claims allocation	1	1	1
Total insurance obligations in life insurance - investment portfolio separately	58 094	49 430	53 894
Pension liabilities etc.	123	174	196
Deferred tax		1 590	
Other provisions for liabilities		49	76
Total provisions for liabilities	123	1 813	271
Liabilities in connection with direct insurance	871	1 045	935
Liabilities in connection with reinsurance	13		
Financial derivatives	600	952	1 797
Liabilities to group companies	24	2	50
Other liabilities	1 976	1 359	1 647
Total liabilities	3 484	3 359	4 429
Other accrued expenses and received, unearned income	217	180	251
Total accrued expenses and received, unearned income	217	180	251
TOTAL EQUITY AND LIABILITIES	274 379	261 843	268 846

Storebrand Livsforsikring AS

Statement of change in equity

NOK million	Share capital ¹⁾	Share premium reserve	Total paid in equity	Risk equalisation fund	Other equity	Total equity
Equity at 31.12.2014	3 540	9 711	13 251	828	7 061	21 140
Profit for the period				37	1 015	94
Total other profit elements					-53	-53
Total comprehensive income for the period				37	962	999
Equity at 30.06.2015	3 540	9 711	13 251	866	8 023	22 139
Profit for the period				-686	2 875	2 189
Total other profit elements					-91	-91
Total comprehensive income for the period				-686	2 785	2 098
Equity transactions with owner:						
Other					-1	-1
Equity at 31.12.2015	3 540	9 711	13 251	142	9 845	23 238
Profit for the period				-6	683	677
Total other profit elements					-18	-18
Total comprehensive income for the period				-6	665	659
Equity at 30.06.2016	3 540	9 711	13 251	136	10 510	23 897

¹⁾ 35 404 200 shares of NOK 100 par value.

Notes to the interim accounts

Note 01 | Accounting policies

The Group's interim financial statements include Storebrand Livsforsikring AS, subsidiaries and associated companies. The financial statements are prepared in accordance with the "Regulation on the annual accounts etc. of insurance companies" for the parent company and the consolidated financial statements 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 2015 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 2016 that have caused significant effects on Storebrand's interim financial statements.

Storebrand Livsforsikring AS

With the exception of the handling of security reserves, the financial statements have been prepared in accordance with the accounting principles that were used in the annual financial statements for 2015. The new Annual Financial Statement Regulations that entered into force on 1 January 2016 entail that provisions for security reserves shall no longer be made in the company's financial statements. The change is handled as a change in accounting principle and security reserves are now included as equity in the company. Provisions are made for related deferred tax. Comparable figures have been restated.

COMPREHENSIVE INCOME

Storebrand Livsforsikring AS

NOK million	2Q 2015			30.06.2015			Year 2015		
	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures
To/from technical reserves for non-life insurance business				-9	9		-4	4	
Profit before tax	1 028	0	1 027	1 136	9	1 145	371	4	374
Tax costs	-105		-105	-120	-2	-122	1 815	-1	1 814
Profit before other comprehensive income	923	0	922	1 016	7	1 023	2 186	3	2 189

STATEMENT OF FINANCIAL POSITION

Storebrand Livsforsikring AS

NOK million	01.01.2015			30.06.2015			31.12.2015		
	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures	Reported figures	Security provisions	Revised figures
Assets									
Tax assets							400	-39	360
Reinsurance share of insurance obligations	143	-19	124	133	-16	117	129	-18	112
Total assets	257 537	-19	257 518	261 859	-16	261 843	268 903	-57	268 846
Egenkapital og gjeld									
Other earned equity	6 946	115	7 061	6 856	122	6 978	7 541	118	7 659
Total earned equity	7 774	115	7 889	8 737	122	8 860	9 869	118	9 987
Other technical reserve	799	-173	627	829	-179	650	829	-175	655
Total insurance obligations in life insurance - contractual obligations	181 048	-173	180 875	179 603	-179	179 424	1 094	-175	920
Deferred tax	1 449	38		1 550	41				
Total provisions for liabilities	1 686			1 773	41				
Total equity and liabilities	257 537	-19	257 518	261 859	-16	261 843	268 903	-57	268 846

Note 02 | Estimates

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

Actual results may differ from these estimates

A description of the most critical estimates and judgements that can affect recognised amounts appears in the 2015 annual financial statements in note 2, strengthening longevity reserves for Storebrand Life Insurance, in note 3, insurance risk, in note 7 and valuation of financial instruments and real estate at fair value is described in note 13 and in the interim financial statements note 10 Solvency II.

Note 03 | Segments – result by business area

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

SAVINGS

Consists of products that include long-term saving for retirement with no explicit long-term interest rate guarantees. The area includes fundbased insurance (Unit Linked and defined contribution pensions) to individuals and companies in Norway and Sweden. In addition also includes certain other subsidiaries.

INSURANCE

Insurance is responsible for the group's insurance risk products. The unit provides personal risk products in the Norwegian and Swedish 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 category 'Other', the performance of the company's portfolios in Storebrand Livsforsikring and SPP are reported. It also includes results related to operations in subsidiaries including BenCo, which through Nordben and Euroben offer pension products to multi-national companies.

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 are the savings element in 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.

RESULT BY BUSINESS AREA

NOK million	2Q		01.01 - 30.06		Year 2015
	2016	2015	2016	2015	
Savings	87	107	199	192	395
Insurance	97	149	168	297	379
Guaranteed pension	237	183	252	419	329
Other	147	47	246	100	241
Profit before amortisation and provision longevity	568	486	865	1 006	1 344
Provision longevity		-151		-306	-1 764
Profit before amortisation	568	335	865	701	-420
Amortisation intangible assets	-102	-93	-205	-187	-386
Profit before tax	466	242	659	514	-806

SEGMENT INFORMATION AS AT 2Q

NOK million	Savings		Insurance		Guaranteed pension	
	2016	2015	2016	2015	2016	2015
Fee and administration income	323	345			383	457
Risk result life & pensions	8	4			-10	47
Insurance premiums f.o.a.			693	709		
Claims f.o.a.			-540	-513		
Operational cost	-244	-243	-90	-99	-192	-281
Financial result			34	52		
Profit before profit sharing	87	107	97	149	180	223
Net profit sharing					57	-40
Profit before amortisation and provision longevity	87	107	97	149	237	183
Provision longevity						-151
Profit before amortisation	87	107	97	149	237	32
Amortisation of intangible assets						
Profit before tax	87	107	97	149	237	32

NOK million		Other		Storebrand Livsforsikring Group	
		2016	2015	2016	2015
Fee and administration income		22	27	728	829
Risk result life & pensions		-4	3	-6	54
Insurance premiums f.o.a.				693	709
Claims f.o.a.				-540	-513
Operational cost		-10	-16	-537	-638
Financial result		141	34	175	85
Profit before profit sharing		149	48	513	527
Net profit sharing		-2	-1	55	-41
Profit before amortisation and provision longevity		147	47	568	486
Provision longevity					-151
Profit before amortisation		147	47	568	335
Amortisation of intangible assets				-102	-93
Profit before tax		147	47	466	242

SEGMENT INFORMATION AS AT 30.06

NOK million	Savings		Insurance		Guaranteed pension	
	2016	2015	2016	2015	2016	2015
Fee and administration income	678	688			787	889
Risk result life & pensions	6				-6	63
Insurance premiums f.o.a.			1 381	1 354		
Claims f.o.a.			-1 080	-984		
Operational cost	-486	-498	-197	-195	-464	-558
Financial result			65	122		
Profit before profit sharing	199	191	168	297	317	394
Net profit sharing					-65	24
Profit before amortisation and provision longevity	199	192	168	297	252	419
Provision longevity						-306
Profit before amortisation	199	192	168	297	252	113
Amortisation of intangible assets						
Profit before tax	199	192	168	297	252	113

NOK million	Other		Storebrand Livsforsikring Group	
	2016	2015	2016	2015
Fee and administration income	44	63	1 509	1 640
Risk result life & pensions	18		18	63
Insurance premiums f.o.a.			1 381	1 354
Claims f.o.a.			-1 080	-984
Operational cost	-23	-32	-1 171	-1 283
Financial result	210	72	276	194
Profit before profit sharing	249	102	932	984
Net profit sharing	-2	-3	-67	22
Profit before amortisation and provision longevity	246	100	865	1 006
Provision longevity				-306
Profit before amortisation	246	100	865	701
Amortisation of intangible assets			-205	-187
Profit before tax	246	100	659	514

Note 04 | Financial market risk and insurance risk

Risks are described in the annual report for 20154 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Lending and counterparty risk), note 11 (Credit exposure), note 12 (Concentration of risk).

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

The most significant market risks for Storebrand are share market risk, credit risk, property price risk, interest rate risk and 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 and the subsidiaries that are not life insurance companies or included in the customer portfolios has a direct impact on Storebrand's profit.

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

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of measures to reduce risk depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the return guarantee. If the investment return is not sufficiently high to meet the guaranteed interest rate, the shortfall will be met by using customer buffers in the form of risk capital built up from previous years' surpluses. Risk capital primarily consists of unrealised gains, additional statutory reserves and conditional bonuses. The owner is responsible for meeting any shortfall that cannot be covered. For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Falling interest rates are positive for the investment return in the short term due to price appreciation for bonds, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee.

The stock market has been turbulent during the first half year, with significant price falls both early in the year and in June. In June it was the effect of the Brexit referendum that caused uncertainty. The stock market fell around 10 per cent in two days, but much of the fall was later reversed. Overall for the second quarter and the first half year, the stock market has not experienced much of a change, but European finance stocks have had weak price developments. The credit market has had almost the same trend as the stock market.

Interest rates have fallen during the second quarter and first half year. The 10-year interest swap rate has fallen by approximately 0.5 per cent in Norway and 0.9 in Sweden to record low levels. Short-term interest rates have also fallen, driven by new interest rate cuts and other stimulus measures by the central banks. Due to the majority of the interest rate investments in the Norwegian customer portfolios being held at amortised cost, the fall in interest rates has a limited effect on expected returns in the short term. However, with the present interest rates, new bond investments provide a lower return than the average interest rate guarantee. Brexit also resulted in major movements in the currency market, particularly a strong weakening of the British pound. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have had a modest effect on results and risk.

The interest rate sensitivity (duration) of the investments has increased somewhat during the first half year in both Norway and Sweden. Other than this, there have been minor changes in investment allocations.

Guaranteed portfolios in both Norway and Sweden have had good returns in the second quarter and first half year due to price appreciation for bonds and good returns on property investments. In Norway, the return is more than adequate in relation to what has been used as the basis for the plan for the strengthening of reserves. Lower interest rates have resulted in an increase in the excess value of bonds that are assessed at amortised cost. In Sweden, the increase in value of the insurance liabilities has been somewhat higher than the increase in value of assets due to the fall in interest rates. This has primarily manifested itself in the form of reduced customer buffers (conditional bonuses)

Insurance risk is the risk of higher than expected payments and/or unfavourable changes in the value of an insurance liability due to the actual development differing from what was expected when premiums or provisions were calculated. Most of the Group's insurance risk is related to life insurance. Longevity is the greatest risk, since longer life expectancy entails that guaranteed benefits must be paid for a longer period of time. There is also risk related to disability and death. Insurance risk remains largely unchanged throughout 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					
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	1 098
SPP Livsforsikring AB	700	SEK	Variable	2019	689
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3 045
Total subordinated loan capital and hybrid tier 1 capital 30.06.2016					7 334
Total subordinated loan capital and hybrid tier 1 capital 31.12.2015					7 489

Note 06 | Valuation of financial instruments and real estate

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 13 in the financial statements for 2015.

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.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

NOK million	Fair value 30.06.16	Fair value 31.12.15	Book value 30.06.16	Book value 31.12.15
Financial assets				
Lending to customers	10 592	6 016	10 597	6 019
Bonds held to maturity	18 088	17 578	15 619	15 648
Bonds classified as loans and receivables	86 863	84 758	76 911	76 107
Financial liabilities				
Subordinated loan capital	7 288	7 432	7 334	7 324

VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE
STOREBRAND LIVSFORSIKRING GROUP

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 30.06.16	Total 31.12.2015
Assets					
Equities and units					
- Equities	17 377	550	1 142	19 069	20 651
- Fund units	235	89 398	8 296	97 928	103 550
- Real estate fund			296	296	362
Total equities and units	17 612	89 948	9 734	117 293	
Total equities and units 31.12.15	17 890	94 444	12 228		124 563
Bonds and other fixed income securities					
- Government and government guaranteed bonds	29 325	20 222		49 546	50 120.7
- Credit bonds	29	21 608	291	21 928	25 783.6
- Mortgage and asset backed bonds		43 143		43 143	44 414.7
- Supranational and agency	43	5 269		5 311	5 501.0
- Bond funds	729	62 049		62 777	58 436.7
Total bonds and other fixed income securities	30 125	152 290	291	182 705	
Total bonds and other fixed income securities 31.12.15					184 257
Derivatives:					
- Interest rate derivatives		5 824		5 824	1 775
- Currency derivatives		-353		-353	-544
Total derivatives		5 471		5 471	
- derivatives with a positive market value		6 874		6 874	
- derivatives with a negative market value		-1 402		-1 402	
Total derivatives 31.12.15		1 232			1 232
Real estate:					
- real estate at fair value			22 377	22 377	24 415
- real estate for own use			2 894	2 894	2 887
Total real estate			25 271	25 271	
Total real estate 31.12.15			27 302		27 302

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

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real estate fund	Credit bonds	Real estate	Real estate for own use
Book value 01.01	2 463	9 399	362	361	24 417	2 887
Net profit/loss	-50	-425	-26	-18	22	3
Supply/disposal	-196	347		15	327	10
Sales/overdue/settlement	-1 043	-875	-40	-50	-2 863	
To quoted prices and observable assumptions		2				
Translation differences	-32	-153		-17	-239	-80
Other					714	73
Book value 30.06.16	1 142	8 296	296	291	22 377	2 894

SENSITIVITY ASSESSMENTS

Sensitivity assessments of investments on level 3 are described in note 13 in the 2015 annual financial statements. There are no significant change in sensitivity in this quarter or year to date.

STOREBRAND LIVSFORSIKRING AS

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total 30.06.16	Total 31.12.2015
Assets					
Equities and units					
- Equities	14 230	130	714	15 074	14 114
- Fund units		22 869	5 939	28 808	29 855
- Real estate fund			296	296	362
Total equities and units	14 230	22 999	6 949	44 178	
Total equities and units 31.12.15		26 236	9 742		44 330
Bonds and other fixed income securities					
- Government and government guaranteed bonds	14 493			14 493	13 215
- Credit bonds		7 120	54	7 173	8 908
- Mortgage and asset backed bonds		10 101		10 101	10 623
- Supranational and agency		784		784	511
- Bond funds		50 012		50 012	44 390
Total bonds and other fixed income securities	14 493	68 017	54	82 564	
Total bonds and other fixed income securities 31.12.15					77 647
Derivatives:					
- Interest rate derivatives		1 458		1 458	178
- Currency derivatives		-233		-233	-476
Total derivatives		1 225		1 225	
- derivatives with a positive market value		1 825		1 825	
- derivatives with a negative market value		-600		-600	
Total derivatives 31.12.15		-298			-298

MOVEMENT LEVEL 3

NOK million	Equities	Fund units	Real estate fund	Credit bonds
Book value 01.01	1 780	6 822	362	80
Net profit/loss	-47	-706	-26	-12
Supply/disposal		280		
Sales/overdue/settlement	-1 019	-457	-40	-14
Book value 30.06.16	714	5 939	296	54

Note 07 Pension scheme for own employees

In 2014, the defined benefit pension scheme for employees at Storebrand in Norway was changed after the decision was made to transition to a defined contribution pension scheme. These pension liabilities were largely derecognised in 2014. Reference is made to the specific information regarding this in the notes to the financial statements for 2014 and 2015.

In connection with new rules for disability pensions in the Norwegian Occupational Pensions Act, Storebrand has altered the disability pension scheme for own employees in Norway effective from 1 June 2016. The survivor coverage associated with the pension scheme came to an end from the same date. Allocated liabilities relating to this previous coverage have been recognised as income in the financial statements for the second quarter of 2016. For the Storebrand Livsforsikring Group this constitutes a net positive effect on equity of NOK 65 million before tax and is recognised in the income statement as reduced costs.

Note 08 Tax

The tax expenses have been estimated based upon an expected effective tax rate per legal entity for the year of 2016. 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. The net income tax expense for the quarter and year reflects effects that each give a higher or lower effective tax rate

In the first half year, tax-free sales of investment properties have been carried out where previously allocations have been made for deferred tax. The reversal of this deferred tax, as well as other changes relating to estimates, is taken into consideration in the income tax expense as of the second quarter of 2016.

Note 09 Contingent liabilities

NOK million	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	30.06.16	31.12.2015	30.06.16	31.12.2015
Uncalled residual liabilities concerning Limited Partnership	3 944	3 922	3 201	3 487
Total contingent liabilities	3 944	3 922	3 201	3 487

Storebrand Group companies are engaged in extensive activities in Norway and abroad and may become a party in legal disputes.

Note 10 Solvency II

Storebrand Livsforsikring is an insurance company with capital requirements in accordance with Solvency II.

Solvency II entered into force on 1 January 2016. In accordance with the Solvency II regulations, the first complete Solvency II annual report for 2016 will be reported to the financial markets in the first 6 months of 2017.

The calculations below are for Storebrand Livsforsikring AS when Storebrand Livsforsikring Group no longer entitled to report solvency. The requirement on consolidated level only applies Storebrand Group.

The solvency capital requirement and minimum capital requirement are calculated in accordance with Section 8 and 22 of the Solvency II Regulations using the standard method and include the effect of the transitional arrangement for shares pursuant to Section 58 of the Solvency II Regulations.

The models used as a basis for the calculation of capital requirements and solvency capital are based on a number of requirements and assumptions that are partly specified in the regulations and partly interpreted by Storebrand based on the regulations. The most important assumptions and estimates in the calculation relate to the risk-reducing capacity of deferred tax, future margins and reserve developments, as well as modelling of future developments in the financial markets. The assumptions and estimates are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statement were prepared. Changes to the regulations, methods and interpretations may be made that could affect the Solvency II margin in the future.

The solvency capital largely appears as net assets in the Solvency II balance sheet with the addition of eligible subordinated loans and deducted for own shares and ineligible minority interests. The solvency capital is therefore significantly different to book equity in the financial statements. Technical insurance reserves are calculated in accordance with the standard method and include the effect of the transitional arrangement pursuant to Section 56 (1) - (6) of the Solvency II Regulations. The transitional arrangement entails that the increase in the value of the technical insurance reserves is phased in gradually over a period of 16 years. The composition of solvency capital appears in the table below.

The solvency capital is divided into three capital groups in accordance with Section 6 of the Solvency II Regulations. Group 1 capital consists of paid-in capital and reconciliation reserve¹⁾. It also includes perpetual subordinated loans (perpetual hybrid Tier 1 capital) with up to 20 per cent of Group 1 capital.

Other subordinated loans (time limited) and risk equalisation reserve are categorised as Group 2 capital. Group 2 capital can cover up to 50 per cent of the solvency capital requirement and up to 20 per cent of the minimum capital requirement. Eligible minority interests and deferred tax assets are categorised as Group 3 capital. Group 3 capital can cover up to 15 per cent of the solvency capital requirement. Group 3 capital cannot be used to cover the minimum capital requirement.

Subordinated loans issued prior to 17 January 2015 are covered by a transitional arrangement that will continue until 2026 and during this period these loans will qualify as Group 1 capital despite them not fully satisfying the requirements for viable capital in the Solvency II regulations.

SOLVENCY CAPITAL

NOK million	30.06.16				
	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3
Share capital	3 540	3 540			
Share premium	9 711	9 711			
Reconciliation reserve	23 438	23 438			
Of which effect of the transitional arrangement	13 137	13 137			
Subordinated loans	6 649		2 545	4 104	
Deferred tax assets	327				327
Risk equalisation reserve	136			136	
Total solvency capital	43 802	36 689	2 545	4 240	327
Total solvency capital available to cover minimum capital requirement	40 484	36 689	2 545	1 250	

¹⁾ Profit earned that is included as equity in the financial statements must be replaced by the reconciliation reserve in the solvency balance. The reconciliation reserve also includes profit earned, but based on the valuation of assets and liabilities in the solvency balance. The reconciliation reserve will also include the present value of future profits. The value of future profits is implicitly included as a consequence of the valuation of the insurance liability.

The capital requirement in Solvency II appears as the total of changes in solvency capital calculated under different types of stress, less diversification. The largest part of the capital requirement appears from financial market stress and particularly relates to changes in interest rates and falls in the equity markets, as well as increased credit spreads. There is also the insurance risk, for which the most important capital requirement comes from stress relating to the transfer of existing customers within defined contribution pensions. The solvency capital requirement appears in the table below.

SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK million	30.06.16
Market	21 525
Counterparty	408
Life	7 247
Health	527
P&C	
Operational	972
Diversification	-5 053
Loss-absorbing tax effect	-4 978
Total solvency requirement	19 934
Solvency margin with transitional rules	212,1 %
Minimum capital requirement	6 251
Minimum margin	647,6 %

Note 11 | 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 24 and 46 in the 2015 annual report.

Storebrand Life Insurance has not carried out any material transactions other than normal business transactions with related parties at the close of the 1st half year, other than Storebrand Livsforsikring AS having acquired mortgages from the sister company Storebrand Bank ASA. The mortgages were transferred on commercial terms. The portfolio of loans that was transferred in the 1st half year of 2016 totalled NOK 3.7 billion, of which 2.3 billion in 2nd quarter.

Note 12 | Dividends subsidiaries

During the 1st quarter, Storebrand Livsforsikring AS received dividends from Storebrand Holding AB of SEK 2,080 million. The equity value of Storebrand Holding is correspondingly written down in the financial statements of Storebrand Livsforsikring AS. These items are presented on a net basis on the line for income from investments in subsidiaries. In 2nd quarter, Storebrand Livsforsikring received 53 million in dividends that are substantially related to BenCo.

Storebrand Livsforsikring AS and Storebrand Livsforsikring Group

- Declaration by the Members of the Board and the CEO

On this date, the Board and CEO have discussed and approved the annual report and annual financial statements for Storebrand Livsforsikring AS and Storebrand Livsforsikring Group for the first six months of 2015 (Report for the first six months, 2015).

The financial statements are prepared in accordance with the "Regulation on the annual accounts etc. of insurance companies" for the parent company and the consolidated financial statements are presented using EU-approved International Financial Reporting Standards (IFRS) and the additional requirements of the Securities Trading Act.

In the best judgment of the Board and CEO the financial statements and consolidated 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 assets, liabilities, financial standing and results as a whole of the parent company and the group as at 30 June 2015. In the best judgment of the Board and CEO the annual report provides a fair and true overview of important events during the accounting period and their effects on the financial statements and consolidated financial statements for the first six months. In the best judgment of the Board and CEO the descriptions of the most important risk and uncertainty factors the group faces in the next accounting period, as well as the descriptions of related parties' significant transactions, also provide a fair and true view.

Lysaker, 13 July 2016

The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Odd Arild Grefstad
Chairman of the Board

Peik Norenberg

Tove Margrete Storrødvann

Bodil Cathrine Valvik

Erik Haug Hansen

Hans Henrik Klouman

Jan Otto Risebrobakken

Geir Holmgren
Chief Executive Officer

Translation from the original Norwegian version

To the Board of Directors of Storebrand Livsforsikring AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand Livsforsikring AS (the Group) as of 30 June 2016, and the related 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, 13 July 2016

Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

Financial calendar 2016



17 February	Results 4Q 2015
13 April	Annual General Meeting
14 April	Ex dividend date
27 April	Results 1Q 2015
14 July	Results 2Q 2016
26 October	Results 3Q 2016
February 2017	Results 4Q 2016

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