

The cover features a scenic photograph of a fjord with rocky islands and mountains in the background. The image is overlaid with large, semi-transparent geometric shapes in shades of blue and purple. A vertical white line runs down the left side of the page.

DNB

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**DNB LIVSFORSIKRING**  
- a company in the DNB Group

Third quarter report 2012  
(UNAUDITED)

# DIRECTORS' REPORT

## THIRD QUARTER 2012

DNB Livsforsikring ASA (DNB Liv) provides life and pension insurance for about 1 million people through individual and group contracts. The company has approximately 23 000 contracts with companies, municipalities and public enterprises. DNB Livsforsikring ASA is a wholly owned subsidiary of DNB.

DNB Liv recorded pre-tax profits of NOK 975 million in the nine months to 30 September 2012, an increase of NOK 701 million compared to the year-earlier period.

The recorded return shown by the sub-portfolios at the end of the third quarter vary from 3.7 per cent on the Low Risk portfolio to 4.6 per cent on the High Risk portfolio. In 2012, aggregate solvency capital has increased by NOK 7.4 billion to NOK 32.7 billion.

Total assets as at 30 September 2012 were NOK 269.8 billion, an increase of NOK 11.7 billion since end-December.

The nine-month accounts show:

- Pre-tax operating profits of NOK 975 million, of which NOK 348 million in the third quarter
- Good cost control and lower use of resources
- Market value adjustment reserve of NOK 1 577 million, an increase of NOK 1 033 million in the third quarter
- A sound capital base, aggregate solvency capital of NOK 32.7 billion, solvency margin capital 80 per cent above the requirement and a capital adequacy ratio of 14.7 per cent
- Reserve allocations of NOK 2 694 million to cover increased longevity under individual and group pension insurance. NOK 105 million of the provision under individual insurance was charged to the owner.

The accounts have been prepared in accordance with the regulation on the accounts of life insurance companies. In the following, the accounting figures for the first nine months of 2011 are shown in brackets.

### MARKET

DNB Liv is the market leader in life and pension insurance in Norway with 28.3 per cent of the total market for policyholders' funds at 30 June 2012, compared to 28.8 per cent at year-end

2011. In the corporate sector, DNB Liv had 40.5 per cent of the market for private group defined benefits pensions, compared to 41.0 per cent at 31 December 2011. In the area of municipal group pensions the company's market share stood at 10.1 per cent at end-June, compared to the year-end figure of 10.5 per cent. In the retail market, the company's share fell from 52.2 per cent at year-end to 51.9 per cent at 30 June 2012. The company's share of the defined contribution pension market stood at the half-year at 28.5 per cent, unchanged from year-end 2011.

### PREMIUM INCOME

Premium income totalled NOK 16.7 billion (19.7) at the end of the third quarter, a reduction of 15.1 per cent from the year-earlier period. Premium income for group pension insurance totalled NOK 14.1 billion (15.8), a reduction of 10.8 per cent. Aggregate premium reserves received for group pension insurance from other companies came to NOK 1.6 billion (4.2), while premiums earned for group pension business increased by NOK 0.8 billion, corresponding to 7.6 per cent.

The retail market continues to be characterised by competition from alternative forms of saving. Premium income in the first nine months of the year totalled NOK 2.6 billion (3.8). Of the aggregate premium income from the retail market, insurance schemes with a choice of investment profile (unit linked) accounted for NOK 0.3 billion (0.4).

In the first nine months of the year DNB Liv recorded net transfers of minus NOK 0.7 billion (+2.1). In the public sector market, there was a net outflow of NOK 0.9 billion.

### PAYMENTS TO POLICYHOLDERS AND CLAIMS

Payments to policyholders and claims related to disability and mortality amounted to NOK 8.4 billion (7.9) in the first nine months of the year. Surrenders of products with a guaranteed rate of return totalled NOK 1.9 billion (1.5), while surrenders

of products with a choice of investment profile came to NOK 0.4 billion (0.6).

### FINANCIAL RETURN

The recorded and value-adjusted return on the common portfolio in the first nine months of the year was 4.0 per cent (1.7) and 4.5 per cent (0.4), respectively, excluding value changes related to held-to-maturity bonds. Differences in the rate of return provided by sub-portfolios reflect different investment approaches adapted to specific risk profiles for each portfolio. The yield on short-term bonds was 6.7 per cent (5.8) at the end of the third quarter, with Norwegian bonds providing 5.9 per cent (4.9) and foreign bonds 7.8 per cent (7.2).

In the third quarter the ECB, FED and the Japanese central bank took action to improve the economy. The yields on government bonds fell at the start of the third quarter due to the great uncertainty in the market, but they recovered considerably and by the end of and by the end of the period Norwegian 10-year government bond yields had risen by 7 basis points. Held-to-maturity bonds provided a yield of 3.7 per cent (3.8) in the first half-year.

The stock markets were positive in the third quarter, and despite weaker prospects for growth the world index, measured in local currency, grew by 5.0 per cent during the period. DNB Liv's Norwegian equities portfolio showed a return of 6.8 per cent in the third quarter, while the portfolio of international equities rose by 5.0 per cent. During the same period, real estate provided a return of 1.3 per cent.

The company portfolio achieved a return of 2.4 per cent (0.4) in the first nine months of the year. The company capital is the part of the buffer capital which safeguards policyholders' funds.

The return on DNB Liv's defined contribution pension portfolios in the first nine months of the year was 7.9 per cent (minus 2.1) for Pension Profile 30, 9.6 per cent (minus 4.9) for Pension Profile 50 and 11.7 per cent (minus 10.5) for Pension Profile 80.

### EXPENSES

Operating expenses in the first nine months of the year totalled NOK 1 083 million (1 153). The number of employees in permanent, full-time positions with DNB Livsforsikring ASA as at 30 September was 679 (717). In addition, the company had 42 (75) temporary staff.

### RESULTS

Calculated in accordance with NGAAP, pre-tax profits so far this year have increased by NOK 2 282 million to NOK 971 million. Taxable income has been calculated at 29 per cent.

Gains on equities and dividends which are covered by the tax exempt method, including the return from property companies, are tax-free income for DNB Liv. At the same time, the allocation of this return to customer funds is tax deductible. Years with a good return covered by the tax exempt method will therefore provide DNB Liv with taxable income. In conformity with IFRS,

deferred tax related to properties owned by DNB Liv companies is not recognised in the accounts. In the National Budget for 2013, the government has proposed an amendment of the tax regulations for life insurance companies with effect from 1 January 2012. If the proposed tax legislation is approved, the result will be a higher tax charge and lower profitability for the life insurance industry as whole. The tax charge in the accounts for the nine months to 30 September 2012 is in accordance with IFRS and calculated on the basis of the tax rules in force on the balance sheet date. In respect of 2012, it is expected that DNB Liv will have taxable income corresponding to 29 per cent of pre-tax profits according to the tax regime in force on the balance sheet date. The expected effective rate of tax reflects an expected positive return under the tax exempt method and the change for the year in the unrecognised deferred tax liability.

The financial result for the first nine months of the year was a profit of NOK 8.8 billion (3.5) while the risk result was a loss of NOK 134 million (loss of NOK 67 million). An allocation of NOK 300 million (225) has been made to strengthen the longevity reserve under individual annuity and pension insurance and for group association pension insurance, of which NOK 105 million (255) was debited to the owner. The administration result was a loss of NOK 17 million (loss of 30 million). At the end of the third quarter the market value adjustment reserve totalled NOK 1 577 million (0).

### CAPITAL ADEQUACY AND SOLVENCY CAPITAL

Capital adequacy reflects the company's primary capital as a proportion of the risk weighted balance sheet. The capital ratio at 30 September 2012 stood at 14.7 per cent (9.8), and at 31 December 2011 15.3 per cent. The statutory minimum capital ratio is 8 per cent.

Solvency capital, which safeguards the policyholders premium reserve, consists of the interim profit, the market value adjustment reserve, excess value of held-to-maturity bonds, additional allocations, security reserves, subordinated loan capital and equity (including the risk equalisation reserve).

As at 30 September 2012 DNB Liv's solvency capital totalled NOK 32.7 billion (20.7), while the year-end figure was NOK 25.2 billion. The change was mainly due to higher profits for distribution, strengthening of the market value adjustment reserve and higher excess values on held-to-maturity bonds.

As at 30 September 2012 solvency capital corresponded to 15.1 per cent (10.1) of insurance allocations (excluding additional allocations), compared to 13.5 per cent at the end of the second quarter. Buffer capital, which is equity in excess of the statutory minimum requirement, additional allocations, the market value adjustment reserve and unallocated profits, amounted to NOK 11.2 billion at 30 September 2012, compared to NOK 12.1 billion at the end of 2011.

### FUTURE PROSPECTS

In the third quarter DNB Liv continued the process of adjustment aimed at establishing a portfolio characterised by lower risk and

a more stable return by reducing stock market and real estate exposure. After a weak trend in the second quarter, equities and other risk assets recovered strongly in the third quarter, largely through the use of monetary policy instruments designed to reinvigorate economic development. Macroeconomic indicators give no clear signs of stabilisation or higher growth, but developments in the USA may be taken as an indication of some improvement in the American economy. There is considerable uncertainty, especially related to economic development in the eurozone.

In Norway the overall picture is one of good underlying growth with low inflation. The pressure on prices has eased slightly in the current year, with a trend towards lower interest rates and the likelihood of an extended period with no change in the key rate.

The strong stock market recovery combined with the fact that estimated earnings have been downscaled means that the stock market is not considered to be as reasonably priced as it was earlier this year. Because of this uncertainty, major fluctuations will continue to be a feature of the markets. At the same time, the current low level of interest rates indicates that risk taking should be tempered by prudence.

A prolonged low level of interest rates presents the life industry with a challenge, partly because it can affect the life companies' ability to meet contractual pension obligations in the future.

The overall need to strengthen the premium reserve under group pension insurance in the coming years due to increased longevity has been calculated at around five per cent of the premium reserve. It is expected that the increase in reserves can be financed through the future interest rate and risk result, but the length of the escalation plan and the size of any contribution required from equity remain to be clarified. These matters are expected to be clarified in the course of the autumn.

In the third quarter, as part of the process of boosting reserves to take account of increased longevity, an increase of NOK 663 million in reserve allocations for group pension insurance was proposed, bringing the proposed strengthening of reserves so far this year to NOK 2 394 million. An increase of NOK 464 million was implemented in 2011. In addition, reserve allocations for individual insurance were increased by NOK 100 million in the third quarter, bringing the total increase so far this year to NOK 300 million. The allocation to be financed through the interest rate and risk result is provisional and can be reversed if the return weakens. The allocation will be finally determined at year-end.

The life industry is subject to considerable changes in the regulatory environment. This relates to increased capital requirements as a consequence of Solvency II, the introduction of a new occupational pension product and changes in the regulations for the taxation of life companies.

The regulatory framework provided for under Solvency II remains to be finalised, particularly as regards its

implementation under Norwegian law. This includes determination of the discount rate to be used to calculate future insurance commitments and adaptation of Norwegian product regulations. The capital requirement under Solvency II is sensitive to the level of long-term interest rates. Based on current interest rates, the capital requirement related to the interest rate risk for paid-up policies is high and unpredictable. The company has therefore decided to reduce its exposure to equities and increase the proportion of held-to-maturity bonds in the balance sheet. This will help to lower the interest rate risk and the capital requirement under Solvency II, and at the same time facilitate stability of performance.

The Banking Law Commission is currently drawing up new rules for benefits based occupational pensions with the aim of harmonising these rules with the rules relating to retirement pensions under the new social security legislation. An important part of this will be to determine to what extent benefits based pensions are to be continued. The Commission will also be considering how the capital under present-day benefits based schemes can be converted and incorporated in the new occupational pension product without the issue of paid-up policies. For the life companies it is important to resolve these matters satisfactorily and thus ensure that the capital requirements following the implementation of Solvency II are not unnecessarily high. The savings rates for contribution based pension will also be considered by the Banking Law Commission as they must be harmonised with the proposed rates for the new occupational pension product. The savings rates for contribution based pension will also be considered by the Banking Law Commission as they must be harmonised with the proposed rates for the new occupational pension product. The Banking Law Commission's report concerning transitional rules for benefits based occupational pensions will be ready by year-end. Including consideration of the proposed new legislation, it is expected that the new occupational pension product, transitional rules for benefits based pensions and new rates for contribution based pensions will take effect from 1 January 2014.

The Norwegian government has previously presented draft legislation on changes in tax rules for life insurance companies, and in October, this was confirmed in the National Budget for 2013. With effect from 2012, life insurance companies will no longer be able to use the tax exemption method for returns on equities which are realised in the common portfolio. As these rules had not been approved on the balance sheet date, they did not affect the tax charge for the third quarter of 2012. The changes are expected to entail higher future tax charges for the DNB Group. There is still great uncertainty concerning the final rules, and the Group has to await new regulations to estimate the outcome of the new rules, including possible transitional effects.

23 October 2012

The Board of Directors of DNB Livsforsikring ASA

NGAAP: Norwegian Generally Accepted Accounting Principles  
IFRS: International Financial Reporting Standards

# INCOME STATEMENT

## DNB LIVSFORSIKRING GROUP

## DNB LIVSFORSIKRING ASA

30.09.11	30.09.12	Amounts in NOK million	30.09.12	30.09.11
15 310	15 034	Premiums due, gross	15 034	15 310
(115)	(120)	– Reinsurance premiums paid	(120)	(115)
4 495	1 811	Transfer of customer premium reserves from other insurance companies/pension schemes	1 811	4 495
<b>19 689</b>	<b>16 725</b>	<b>Premium income for own account</b>	<b>16 725</b>	<b>19 689</b>
2	2	Income from investments in subsidiaries, associated companies and joint ventures	1 736	1 919
5 424	5 300	Interest income and dividends, etc. on financial assets	5 311	5 464
1 397	1 500	Net operating income from property	1	1
(7 399)	1 148	Changes in value of investments	966	(7 953)
1 488	1 498	Realised profits and losses on investments	1 434	1 482
<b>913</b>	<b>9 449</b>	<b>Net income from investments in the common portfolio</b>	<b>9 449</b>	<b>913</b>
71	53	Interest income and dividends, etc. on financial assets	53	71
(2 030)	1 939	Changes in value of investments	1 939	(2 030)
26	29	Realised profits and losses on investments	29	26
<b>(1 933)</b>	<b>2 020</b>	<b>Net income from investments in investment choice portfolio</b>	<b>2 020</b>	<b>(1 933)</b>
<b>16</b>	<b>24</b>	<b>Other insurance-related income</b>	<b>24</b>	<b>16</b>
(9 918)	(10 700)	Claims paid	(10 700)	(9 918)
(9 966)	(10 771)	Gross	(10 771)	(9 966)
48	71	– Reinsurance share of claims paid	71	48
(93)	(269)	Change in reserves for claims	(269)	(93)
(102)	(269)	Gross	(269)	(102)
9	0	– Change in reinsurance portion for claims reserves	0	9
(2 437)	(2 588)	Transfer of customer premium reserves, additional statutory reserves and market value adjustment reserves to other insurance companies/pension schemes	(2 588)	(2 437)
<b>(12 448)</b>	<b>(13 556)</b>	<b>Claims for own account</b>	<b>(13 556)</b>	<b>(12 448)</b>
(9 220)	(7 234)	Change in premium reserve	(7 234)	(9 220)
(9 108)	(7 234)	To (from) premium reserve, gross	(7 234)	(9 108)
(112)	0	– Change in Reinsurance portion of premium reserve	0	(112)
75	69	Change in additional statutory reserves	69	75
2 591	(1 168)	Change in market value adjustment reserve	(1 168)	2 591
(144)	(138)	Change in premium fund, deposit reserve and pensioners' surplus fund	(138)	(144)
(197)	(126)	Change in technical reserves for property and casualty insurance business	(126)	(197)
(197)	(126)	To (from) technical reserves for property and casualty insurance business	(126)	(197)
77	73	Transfer of additional statutory reserves and market value adjustment reserves from other insurance companies/pension schemes	73	77
<b>(6 819)</b>	<b>(8 524)</b>	<b>Changes in insurance liabilities through income statement – Contractually established obligations</b>	<b>(8 524)</b>	<b>(6 819)</b>
805	(3 780)	Change in premium reserve	(3 780)	805
2	4	Change in other reserves	4	2
<b>808</b>	<b>(3 776)</b>	<b>Changes in insurance liabilities through income statement – special investment choice</b>	<b>(3 776)</b>	<b>808</b>
(5)	(259)	Surplus from return result	(259)	(7)
(70)	32	Risk result assigned insurance contracts	32	(70)
(2)	(207)	Other assignment of profit	(207)	0
<b>(78)</b>	<b>(434)</b>	<b>Funds assigned insurance contracts – contractually established obligations</b>	<b>(434)</b>	<b>(78)</b>
(1 355)	(1 297)	Insurance-related operating costs	(1 297)	(1 355)
(91)	(117)	Other insurance-related costs	(117)	(91)
<b>(1 296)</b>	<b>514</b>	<b>Result from technical account</b>	<b>514</b>	<b>(1 296)</b>

# INCOME STATEMENT CONTINUED

## DNB LIVSFORSIKRING GROUP

## DNB LIVSFORSIKRING ASA

30.09.11	30.09.12	Amounts in NOK million	30.09.12	30.09.11
		<b>NON-TECHNICAL ACCOUNT</b>		
0	(0)	Income from investments in subsidiaries, associated companies and joint ventures	11	16
412	558	Interest income and dividends, etc. on financial assets	558	412
(466)	(57)	Changes in value of investments	(57)	(466)
95	48	Realised profits and losses on investments	48	95
<b>42</b>	<b>549</b>	<b>Net income from investments in company portfolio</b>	<b>560</b>	<b>58</b>
94	67	Other income	23	50
(151)	(156)	Management costs and other costs associated with company portfolio	(126)	(123)
<b>(15)</b>	<b>460</b>	<b>Result from non-technical account</b>	<b>456</b>	<b>(15)</b>
<b>(1 312)</b>	<b>975</b>	<b>Profit before taxes</b>	<b>971</b>	<b>(1 312)</b>
189	276	Tax cost	280	189
<b>(1 122)</b>	<b>1 250</b>	<b>Result before other profit components</b>	<b>1 250</b>	<b>(1 122)</b>
0	0	Other profit components	0	0
<b>(1 122)</b>	<b>1 250</b>	<b>TOTAL RESULT</b>	<b>1 250</b>	<b>(1 122)</b>
		<b>Notes:</b>		
1 586	0	Use of additional allocations	0	1 586
(444)	0	Tax effect of use of additional allocations	0	(444)
<b>19</b>	<b>1 250</b>	<b>Result</b>	<b>1 250</b>	<b>19</b>

# BALANCE SHEET

DNB LIVSFORSIKRING GROUP

DNB LIVSFORSIKRING ASA

30.09.11	30.09.12	Amounts in NOK million	30.09.12	30.09.11
		<b>ASSETS IN COMPANY PORTFOLIO</b>		
246	208	Intangible assets	207	246
		<i>Subsidiaries, associated companies and joint ventures</i>		
3	3	Shares and other equity investments in subsidiaries, associated companies and joint ventures	54	70
11	0	Receivables and securities issued by subsidiaries, associated companies and joint ventures	0	11
		<i>Financial assets measured at fair value</i>		
2 708	683	Shares and other equity investments (incl. shares and other equity investments measured at cost)	683	2 708
12 653	17 306	Bonds and other fixed-income securities	17 306	12 653
18	3	Loans and receivables	3	18
6	0	Financial derivatives	0	6
28	42	Other financial assets	42	28
<b>15 427</b>	<b>18 036</b>	<b>Investments in company portfolio</b>	<b>18 088</b>	<b>15 494</b>
346	1 412	Receivables	1 375	326
708	926	Other assets	796	566
32	30	Pre-paid expenses and earned, non-received income	30	32
<b>16 759</b>	<b>20 611</b>	<b>Total assets in company portfolio</b>	<b>20 496</b>	<b>16 663</b>
		<b>ASSETS IN CUSTOMER PORTFOLIOS</b>		
		<i>Buildings and other real estate</i>		
37 494	39 935	Investment properties	52	56
		<i>Subsidiaries, associated companies and joint ventures</i>		
14	15	Shares and other equity investments in subsidiaries, associated companies and joint ventures	39 989	38 044
(0)	13	Receivables and securities issued by subsidiaries, associated companies and joint ventures	2 762	(0)
		<i>Financial assets measured at amortised cost</i>		
69 677	88 493	Hold to maturity investments	88 493	69 677
		<i>Financial assets measured at fair value</i>		
38 347	15 292	Shares and other equity investments (incl. shares and other equity investments measured at cost)	15 292	38 347
57 550	68 479	Bonds and other fixed-income securities	67 171	57 256
5 437	5 255	Loans and receivables	5 255	5 437
1 499	1 548	Financial derivatives	1 544	1 467
6 175	3 301	Other financial assets	1 194	5 570
<b>216 193</b>	<b>222 330</b>	<b>Investments in common portfolio</b>	<b>221 751</b>	<b>215 855</b>
		<i>Financial assets measured at fair value</i>		
11 686	14 321	Shares and other equity investments (incl. shares and other equity investments measured at cost)	14 321	11 686
8 853	11 437	Bonds and other fixed-income securities	11 437	8 853
2 173	1 841	Loans and receivables	1 841	2 173
<b>22 712</b>	<b>27 600</b>	<b>Investments in investment choice portfolio</b>	<b>27 600</b>	<b>22 712</b>
<b>238 905</b>	<b>249 931</b>	<b>Total assets in customer portfolios</b>	<b>249 351</b>	<b>238 567</b>
<b>255 664</b>	<b>270 542</b>	<b>Total assets</b>	<b>269 847</b>	<b>255 230</b>

# BALANCE SHEET CONTINUED

## DNB LIVSFORSIKRING GROUP

## DNB LIVSFORSIKRING ASA

30.09.11	30.09.12	Amounts in NOK million	30.09.12	30.09.11
		<b>EQUITY AND LIABILITIES</b>		
		<i>Share capital subscribed</i>		
1 321	1 621	Share capital/primary capital certificates/guarantee fund	1 621	1 321
1 175	3 875	Share premium	3 875	1 175
<b>2 496</b>	<b>5 496</b>	<b>Total paid in equity</b>	<b>5 496</b>	<b>2 496</b>
414	21	Fund for unrealised profits	21	414
661	821	Risk equalisation fund	821	661
6 520	9 401	Other accrued earnings	9 401	6 520
<b>7 595</b>	<b>10 242</b>	<b>Total accrued earnings</b>	<b>10 242</b>	<b>7 595</b>
<b>2 485</b>	<b>2 485</b>	<b>Subordinated loan capital, etc.</b>	<b>2 485</b>	<b>2 485</b>
		<b>Insurance liabilities in life insurance – contractually established obligations</b>		
197 521	205 574	Premium reserve	205 574	197 521
5 360	4 959	Additional statutory reserves	4 959	5 360
0	1 577	Market value adjustment reserves	1 577	0
2 016	2 399	Claims reserves	2 399	2 016
6 183	5 673	Premium fund, deposit reserve and pensioners' surplus fund	5 673	6 183
395	392	Other technical reserves for property and casualty insurance business	392	395
<b>211 475</b>	<b>220 574</b>	<b>Total insurance liabilities in life insurance – Contractually established obligations</b>	<b>220 574</b>	<b>211 475</b>
		<b>Insurance liabilities in life insurance – special investment choice portfolio</b>		
20 311	27 069	Premium reserve	27 069	20 311
14	13	Supplementary provisions	13	14
2 387	518	Premium fund, deposit reserve and pensioners' surplus fund	518	2 387
<b>22 712</b>	<b>27 600</b>	<b>Total insurance liabilities in life insurance – Special investment choice portfolio</b>	<b>27 600</b>	<b>22 712</b>
864	251	Reserves for liabilities	198	812
5 978	3 536	Liabilities	2 894	5 595
2 059	358	Accrued expenses and received, non-earned income	358	2 059
<b>255 664</b>	<b>270 542</b>	<b>Total equity and liabilities</b>	<b>269 847</b>	<b>255 230</b>
		<b>Key figures</b>		
		Return on capital in the common portfolio	4.0%	1.7%
		Value-adjusted return from the common portfolio	4.5%	0.4%
		Capital ratio	14.7%	9.8%

For the Group, the eligible primary capital was NOK 14 647 million, risk-weighted volume NOK 99 945 million and the capital adequacy 14.7 per cent.



# NOTES TO THE ACCOUNTS

## ACCOUNTING PRINCIPLES

The interim accounts for DNB Livsforsikring ASA include subsidiaries and associated companies entered in accordance with the equity method. The third quarter accounts have been prepared according to IAS 34 Interim Financial Reporting, unless the regulations on the annual accounts of insurance companies provide otherwise (Annual Accounts Regulations). The interim accounts do not contain all the information that would be included in annual accounts presented in accordance with all relevant IFRS standards.

The annual report for DNB Livsforsikring ASA for 2011 can be obtained on application to DNB Livsforsikring ASA, Folke Bernadottesvei 40, Fyllingsdalen, Bergen or at [www.dnb.no](http://www.dnb.no). A description of the accounting principles used in the interim accounts can be found in the accounting principles note in the annual report for 2011.

In preparing the interim accounts estimates and assumptions have been used that affect assets, liabilities, income, costs, note information and information on potential obligations. Actual figures may differ from estimates used.

## CHANGES IN EQUITY

Amounts in NOK million	Paid-in capital	Retained earnings	Total equity
<b>Balance at 31 December 2010</b>	<b>2 496</b>	<b>9 918</b>	<b>12 413</b>
Result for the period		(1 122)	(1 122)
Group contribution		(1 200)	(1 200)
<b>Balance at 30 September 2011</b>	<b>2 496</b>	<b>7 595</b>	<b>10 091</b>
Derecognition of administration reserve		(11)	(11)
Change in accounting principle administration reserve		(29)	(29)
<b>Balance at 31 December 2011</b>	<b>5 496</b>	<b>8 992</b>	<b>14 488</b>
Result for the period		1 250	1 250
<b>Balance at 30 September 2012</b>	<b>5 496</b>	<b>10 242</b>	<b>15 738</b>

## DNB LIVSFORSIKRING ASA

## DNB LIVSFORSIKRING GROUP

CASH FLOW ANALYSIS	January – September 2012	January – September 2011	January – September 2012	January – September 2011
<i>Amounts in NOK million</i>				
<b>Cash flow from operational activities</b>				
Net receipts from premiums/premium fund	12 637	14 198	12 637	14 198
Net receipts/payments from transfers	(721)	2 068	(721)	2 068
Net receipts from investments	5 566	6 858	5 881	6 858
Payment from life insurance with investment choice	124	262	124	262
Other insurance-related receipts	(1 674)	(965)	(1 674)	(965)
Compensation payments	(10 344)	(9 655)	(10 344)	(9 655)
<b>A=Net cash flow from operational activities</b>	<b>5 587</b>	<b>12 766</b>	<b>5 902</b>	<b>12 766</b>
<b>Cash flow from investments made</b>				
Net investment in shares and other equity investments	2 249	(6 796)	2 266	(5 383)
Net investment in bonds and loans	(2 481)	(4 610)	(2 481)	(4 610)
Net investment in investment contracts	(1 924)	(1 265)	(1 924)	(1 265)
Net investment in other financial assets	(1 931)	(87)	(2 227)	(1 905)
Net investment in tangible fixed assets and in intangible assets	(32)	(60)	(32)	(60)
<b>B=Net cash flow from investments made</b>	<b>(4 119)</b>	<b>(12 818)</b>	<b>(4 398)</b>	<b>(13 223)</b>
<b>Cash flow from financing activities</b>				
Paid dividend/group contributions	0	213	0	213
Changes from other financing activities	237	(13)	237	(13)
<b>C=Net cash flow from financing activities</b>	<b>237</b>	<b>200</b>	<b>237</b>	<b>200</b>
Net liquidity change (A+B+C)	1 705	149	1 741	(257)
Liquidity holding as at 1 January	2 992	4 729	3 729	5 289
<b>Liquidity holding as at 30 September</b>	<b>4 697</b>	<b>4 877</b>	<b>5 470</b>	<b>5 032</b>

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