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## DNB LIVSFORSIKRING

– a company in the DNB Group

Third quarter report 2015  
(Unaudited)

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# DIRECTORS' REPORT THIRD QUARTER 2015

DNB Livsforsikring AS (DNB Liv) provides life and pension insurance for more than 1 million people through individual and group contracts. The company has approximately 24 000 contracts with companies. DNB Livsforsikring AS is a wholly owned subsidiary of DNB.

DNB Liv recorded pre-tax profits of NOK 1 222 million in the nine months to 30 September 2015, a reduction of NOK 101 million on the year-earlier period. In the third quarter pre-tax profits amounted to NOK 309 million, a decline of NOK 103 million compared with the corresponding period last year.

The recorded return on the common portfolio at the end of the third quarter was 2.7 per cent, while the value-adjusted return was 2.4 per cent. The corresponding figures for the third quarter were 0.6 per cent and 0.2 per cent, respectively. In 2015, aggregate solvency capital has increased by NOK 4.0 billion to NOK 46.1 billion, mainly due to new subordinated loans.

As at 30 September 2015 DNB Liv had total assets of NOK 287.4 billion, a reduction of NOK 0.4 billion since end-December.

The nine-month accounts show:

- Pre-tax operating profits of NOK 1 222 million, and NOK 1 184 million after tax
- Total premium income from contribution based pension schemes 7 per cent up on the corresponding period last year, while premium income from benefits based pension schemes fell by 27 per cent
- Operating costs down by NOK 49 million, corresponding to a 5% reduction compared with last year's nine-month figure
- Market value adjustment reserve of NOK 2 393 million, a decline of NOK 536 million since end-December. The reduction in the third quarter was NOK 899 million
- Reserve allocations of NOK 637 million to cover increased longevity under group pension insurance, of which the owner's share is NOK 380 million

The accounts have been prepared in accordance with the regulations governing the annual financial statement of life insurance companies. In the following, the accounting figures for the first nine months of 2014 are shown in brackets.

## PREMIUM INCOME

Premium income at the end of the third quarter totalled NOK 15.4 billion (17.1), with premiums from group benefits based pension insurance accounting for NOK 5.5 billion (7.6), a reduction of 27.0 per cent. The sharp decline reflects the ongoing phasing out of activities in the public sector market. Premium income from the corporate market is at the same level as recorded for the corresponding period last year. The decline due to conversion from benefit based pension insurance to defined contribution pension is being counteracted by underlying growth in the overall portfolio.

Despite strong competition in the retail market from alternative forms of saving, premium income in the first nine months of the year increased by NOK 0.1 billion to NOK 4.3 billion. Of the aggregate premium income from the retail market, insurance schemes with a choice of investment profile (unit linked) accounted for NOK 0.6 billion (0.5).

## FINANCIAL RETURN

The recorded and value-adjusted return on the common portfolio in the first nine months of the year was 2.7 per cent (4.4) and 2.4 per cent (4.1), respectively, excluding value changes related to bonds held to maturity. Differences in the rate of return provided by sub-portfolios reflect different investment approaches adapted to specific risk profiles for each portfolio.

The value-adjusted yield on long-term bonds in the third quarter ended up at 0.2 per cent for the common portfolio as a whole. In the third quarter the market was characterised by concerns about the growth of the global economy, with a special focus on developments in China. The stock markets have seen considerable corrections and the value of DNB Liv's shares fell by around 9 per cent. The Oslo Stock Exchange fell by 7.5 per cent, emerging markets were 12.1 per cent down, while the Global Index, measured in local currency, fell by 7.7 per cent. Long-term

rates weakened considerably during the third quarter, while credit spreads increased significantly, affecting the return on DNB Liv's interest rate portfolios. Norwegian 10-year swap rates fell by 47 basis points during the third quarter.

Held-to-maturity bonds account for a substantial part of the common portfolio and provide an ongoing annual yield of around 4.7 per cent. Held-to-maturity bonds contribute to stabilise the yield on the common portfolio. The real estate portfolio was written up by NOK 497 million in the third quarter and provided an overall return of 2.9 per cent.

The company portfolio provided a return of 2.0 per cent (3.0) in the first nine months of the year, with a return of 0.0 percent in the third quarter. The return on DNB Liv's defined contribution pension portfolios in the first nine months of the year was minus 0.6 per cent (5.1) for Pension Profile 30, minus 1.3 per cent (5.4) for Pension Profile 50, and minus 2.2 per cent (5.5) for Pension Profile 80.

#### EXPENSES

Operating expenses in the first nine months of 2015 totalled NOK 854 million (903), showing that the programme of cost reductions is continuing to have effect. The number of employees in permanent, full-time positions with DNB Livsforsikring AS as at 30 September was 411 (439). In addition, the company had 24 (50) temporary staff.

#### RESULTS

Pre-tax profits so far this year total NOK 1 222 million, a reduction of NOK 101 million compared to the corresponding period last year.

The financial result for the first nine months of the year was a profit of NOK 6.0 billion (10.1). The reduced financial result was mainly due to the weaker development for both shares and bonds in the current year. The risk result was a profit of NOK 633 million (410) reflecting further good margins on disability risk, stable and good results from individual risk coverage, and the freeing of reserves from the phasing out of public sector activities.

The administration result was a profit of NOK 266 million (220), the main contributions to the improved performance coming from benefits based pensions in the public sector and contribution based pensions. Income from pre-pricing amounted to NOK 489 million (549). This year's lower figure was mainly due to the phasing out of the public sector market.

The tax charge for 2015 is expected to be 3 per cent of the pre-tax operating profit. The expected effective rate of tax reflects a change in deferred tax related to real estate investments which are not recognised in the balance sheet, in conformity with IFRS, as well as a positive return from the company portfolio under the tax exempt method.

As a consequence of the trend towards increased longevity there is a need to further strengthen the premium reserve for group pension business in the next few years. The public sector market is being phased out and large parts of the portfolio have been

transferred. After correcting for transferred policies, the portfolio's overall reserve requirement amounts to around NOK 11.6 billion and as at 30 September 2015 NOK 7.2 billion had been provided for. This year the provision has been strengthened by NOK 0.6 billion.

To date in the current year NOK 380 million has been debited to the owner, and of this NOK 66 million related to the public market. On an accumulated basis, the amount debited to the owner as at 30 September 2015 totalled NOK 1.5 billion. Provided that the company achieves the expected return during the period when provisioning is required, the amount debited to the owner has been calculated at approximately 21 per cent of the total provisioning requirement.

#### SOLVENCY CAPITAL

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 2015 DNB Liv's solvency capital totalled NOK 46.1 billion (41.0), while the year-end figure was NOK 42.2 billion. The change since year-end is mainly due to the issue of new subordinated loans.

As at 30 September 2015 solvency capital corresponded to 23.0 (19.2) of insurance allocations (excluding additional allocations), compared to 19.9 per cent at the end of 2014.

#### REGULATORY FRAMEWORK

The regulatory framework for Norwegian life companies has been substantially changed, partly through the introduction of Solvency II from 1 January 2016.

Regulations designed to regulate the implementation of Solvency II in Norwegian law were finalised by the Ministry of Finance in the third quarter. These Regulations are largely in line with the proposed Regulations issued previously as a consultation document. The following provisions are designed to greatly facilitate the implementation of Solvency II, also by Norwegian companies:

- A transitional rule which allows the phasing in of the market value of technical insurance obligations over a 16-year period. This will have a significant effect on low interest rates, as is the case today, but the effect will gradually diminish due to the phasing in of the market value of the obligations
- The phasing in of share stress from 22 to 39 per cent over a 7-year period. The transitional rule applies to shares classed as «Type 1» owned directly or through funds within the EEA / OECD area acquired before 1 January 2016
- The companies will have the opportunity to incorporate a volatility adjustment of the interest rate curve whereby the effect of changes in the bond markets that are not considered to represent real changes in credit risk will be curbed by adding a mark-up to the interest rate curve

The transitional rule relating to technical insurance obligations

requires the approval of the Financial Supervisory Authority of Norway (the Authority). In the third quarter DNB Liv submitted an application to the Authority for permission to apply the transitional rule. The transitional rules ensure that there is a controlled introduction of Solvency II and no equity contribution to DNB Liv will be required.

The rules governing disability benefit under the National Insurance were amended with effect from 1 January 2015. The changes mean that in the event of 100% disability the National Insurance will pay disability benefit corresponding to 66 per cent of the salary paid up to 6 times the basic amount under the National Insurance. This is a higher level of disability benefit than is currently paid by the National Insurance. Any disability benefit that is linked to occupational pension agreements must be harmonized with the new regulations from the National Insurance. The regulations governing disability benefit offered by the life companies were adopted by the Storting in May 2015. The Authority has recently issued Regulations pursuant to the Act in the form of a consultation document in which it is proposed that the rules shall take effect from and including 1 January 2016. Transitional rules are proposed for a 1-year period to give the companies time to adapt. DNB Liv will be ready to offer the product to its customers with effect from and including 1 January 2016.

#### **RISK EQUALISATION RESERVE**

In the third quarter the company received a letter from the Authority with new conditions concerning the use of customers' surplus for provisioning to take account of increased longevity. Based on this letter, the company has submitted an escalation plan to the Authority which has now approved the plan. Under the escalation plan NOK 980 million will be transferred from the risk equalisation reserve to the premium reserve for increased longevity. The transfer will be implemented before the end of 2016, with NOK 243 million to be transferred in 2015 and the remainder in 2016. The company is at liberty to transfer a larger amount in 2015.

Since transfers from the risk equalisation reserve are deemed to be the customers' funding of the provisioning requirement, this triggers a requirement for the owner to make an owner's contribution (20 per cent) within a 3-year period. This amount is NOK 245 million. The accounting effect in the third quarter accounts is NOK 30 million. The company has not yet finally decided on the accounting treatment to be used on applying the risk equalisation reserve. The matter will be clarified in the fourth quarter.

#### **FUTURE PROSPECTS**

The expectation that interest rates are likely to remain low and that provisioning will be required to take account of

increased longevity means that maintaining earnings will be demanding for the life companies in the coming years. Through its significant portfolio of held-to-maturity bonds and its real estate portfolio DNB Liv has adapted to the low level of interest rates. It is therefore very likely that the financial return will cover the interest rate guarantee.

Solvency II will take effect on 1 January 2016. Consequently, DNB Liv is adapting its activities through the sale of less capital intensive products and a continued focus on cost-effective operations. The company has also adjusted to the new regulatory environment and capital requirements by adopting a conservative approach to asset management, phasing out public market operations and terminating sales of benefits based pensions and paid-up policies with an interest rate guarantee. The capital requirement will be particularly demanding in relation to paid-up policies when Solvency II takes effect from 2016, but the proposed transitional rules will ensure that there is a controlled introduction of new capital requirements.

Partly as a consequence of reduced pension benefits from the National Insurance, the responsibility of the individual for his/her pension has become greater. This, in turn, means a greater need for private saving. Market growth will come from products with no guarantee, or guaranteed products of one year's duration and with no significant longevity risk. A steadily increasing proportion of our sales is taking place through digital platforms such as online banking and mobile telephony.

Growth in the occupational pension segment is likely to come from contribution based pensions. Customers who terminate benefits based pension schemes are choosing a contribution based pension and not the new occupational pension schemes. Over time, the business volume of guaranteed products in both the private market and the area of occupational pensions will be reduced. Thanks to its strong distribution capability in all customer segments, DNB is well placed to take part in this market growth. DNB is therefore focused on developing close and integrated cooperation on pensions across relevant business areas within DNB.

20 October 2015

The Board of Directors of DNB Livsforsikring AS

NGAAP: Norwegian Generally Accepted Accounting Principles

IFRS: International Financial Reporting Standards

# INCOME STATEMENT

## DNB LIVSFORSIKRING GROUP

## DNB LIVSFORSIKRING AS

January – September		Amounts in NOK millions	January – September	
2014	2015		2015	2014
15 532	14 377	Premiums due, gross	14 377	15 532
(239)	(241)	– Reinsurance premiums paid	(241)	(239)
1 802	1 295	Transfer of customer premium reserves from other insurance companies/pension schemes	1 295	1 802
<b>17 095</b>	<b>15 431</b>	<b>Premium income for own account</b>	<b>15 431</b>	<b>17 095</b>
2	0	Income from investments in subsidiaries, associated companies and joint ventures	2 053	1 530
5 187	4 350	Interest income and dividends, etc. on financial assets	4 301	5 173
1 191	1 070	Net operating income from real estate	1	(1)
(331)	(68)	Changes in value of investments	(1 003)	(651)
2 787	(331)	Realised profits and losses on investments	(332)	2 784
<b>8 836</b>	<b>5 020</b>	<b>Net income from investments in the common portfolio</b>	<b>5 020</b>	<b>8 836</b>
61	61	Interest income and dividends, etc. on financial assets	61	61
1 913	(424)	Changes in value of investments	(424)	1 913
29	27	Realised profits and losses on investments	27	29
<b>2 003</b>	<b>(337)</b>	<b>Net income from investments in investment choice portfolio</b>	<b>(337)</b>	<b>2 003</b>
<b>17</b>	<b>8</b>	<b>Other insurance-related income</b>	<b>8</b>	<b>17</b>
(10 375)	(10 631)	Claims paid	(10 631)	(10 375)
(10 460)	(10 796)	Gross	(10 796)	(10 460)
86	165	– Reinsurance share of claims paid	165	86
(49)	30	Change in reserves for claims	30	(49)
(49)	30	Gross	30	(49)
0	0	– Change in reinsurance portion for claims reserves	0	0
(21 919)	(13 831)	Transfer of customer premium reserves, additional statutory reserves and market value adjustment reserves to other insurance companies/pension schemes	(13 831)	(21 919)
<b>(32 342)</b>	<b>(24 432)</b>	<b>Claims for own account</b>	<b>(24 432)</b>	<b>(32 342)</b>
12 140	9 503	Change in premium reserve	9 503	12 140
12 141	9 505	To (from) premium reserve, gross	9 505	12 141
(1)	(2)	– Change in Reinsurance portion of premium reserve	(2)	(1)
578	298	Change in additional statutory reserves	289	578
567	536	Change in market value adjustment reserve	536	567
(80)	(40)	Change in premium fund, deposit reserve and pensioners' surplus fund	(40)	(80)
(179)	(145)	Change in technical reserves for property and casualty insurance business	(145)	(179)
(179)	(145)	To (from) technical reserves for property and casualty insurance business	(145)	(179)
12	16	Transfer of additional statutory reserves and market value adjustment reserves from other insurance companies/pension schemes	16	12
<b>13 039</b>	<b>10 169</b>	<b>Changes in insurance liabilities through income statement – Contractually established obligations</b>	<b>10 161</b>	<b>13 039</b>
(5 247)	(3 447)	Change in premium reserve	(3 447)	(5 247)
<b>(5 247)</b>	<b>(3 447)</b>	<b>Changes in insurance liabilities through income statement – special investment choice</b>	<b>(3 447)</b>	<b>(5 247)</b>
(710)	(197)	Surplus from return result	(197)	(710)
(4)	(67)	Risk result assigned insurance contracts	(67)	(4)
(673)	(262)	Other assignment of profit	(262)	(673)
<b>(1 386)</b>	<b>(527)</b>	<b>Funds assigned insurance contracts – contractually established obligations</b>	<b>(527)</b>	<b>(1 386)</b>
(1 173)	(1 100)	Insurance-related operating costs	(1 100)	(1 173)
(189)	(43)	Other insurance-related costs	(43)	(189)
<b>652</b>	<b>742</b>	<b>Result from technical account</b>	<b>734</b>	<b>652</b>

# INCOME STATEMENT CONTINUED

DNB LIVSFORSIKRING GROUP

DNB LIVSFORSIKRING AS

January – September		Amounts in NOK millions	January – September	
2014 <sup>1)</sup>	2015		2015	2014
		<b>NON-TECHNICAL ACCOUNT</b>		
24	38	Income from investments in subsidiaries, associated companies and joint ventures	120	55
486	446	Interest income and dividends, etc. on financial assets	446	486
47	94	Net operating income from property	0	0
227	(76)	Changes in value of investments	(76)	227
(49)	42	Realised profits and losses on investments	42	(49)
<b>735</b>	<b>543</b>	<b>Net income from investments in company portfolio</b>	<b>532</b>	<b>719</b>
35	42	Other income	18	13
(100)	(106)	Management costs and other costs associated with company portfolio	(80)	(74)
<b>670</b>	<b>479</b>	<b>Result from non-technical account</b>	<b>470</b>	<b>658</b>
<b>1 322</b>	<b>1 222</b>	<b>Profit before taxes</b>	<b>1 204</b>	<b>1 310</b>
(317)	(38)	Tax cost	92	(97)
<b>1 006</b>	<b>1 184</b>	<b>Result before other profit components</b>	<b>1 296</b>	<b>1 213</b>
		<b>TOTAL RESULT</b>		
(131)	90	Actuarial gains and losses	90	(131)
35	(24)	Tax on actuarial gains and losses	(24)	35
<b>910</b>	<b>1 250</b>	<b>TOTAL RESULT<sup>2)</sup></b>	<b>1 362</b>	<b>1 118</b>
		<b>Notes:</b>		
1 006	1 184	Result before other profit components	1 296	1 213
0	0	Use of additional allocations <sup>3)</sup>	8	0
0	0	Tax effect of use of additional allocations	(2)	0
<b>1 006</b>	<b>1 184</b>	<b>Result</b>	<b>1 302</b>	<b>1 213</b>

<sup>1)</sup> See accounting principles

<sup>2)</sup> Pension commitments and pension funds in the defined-benefit schemes have been recalculated. Calculations for the third quarter have been updated with new calculation assumptions in accordance with guidance notes from the Norwegian Accounting Standards Board as of 31 August 2015 and yields on covered bonds as at 30 September 2015.

<sup>3)</sup> Use of additional allocations is not permitted in the interim accounts.

# BALANCE SHEET

DNB LIVSFORSIKRING GROUP

DNB LIVSFORSIKRING AS

30.09.14	30.09.15	Amounts in NOK millions	30.09.15	30.09.14
		<b>ASSETS IN COMPANY PORTFOLIO</b>		
145	111	Intangible assets	111	145
		<i>Buildings and other real estate</i>		
1 110	0	Investment properties	0	0
		<i>Subsidiaries, associated companies and joint ventures</i>		
0	0	Shares and other equity investments in subsidiaries, associated companies and joint ventures	58	1 179
0	0	Receivables and securities issued by subsidiaries, associated companies and joint ventures	0	35
		<i>Financial assets measured at amortised cost</i>		
1 601	2 086	Hold to maturity investments	2 086	1 601
		<i>Financial assets measured at fair value</i>		
839	929	Shares and other equity investments (incl. shares and other equity investments measured at cost)	929	839
17 676	23 927	Bonds and other fixed-income securities	23 927	17 676
19	11	Loans and receivables	11	19
12	60	Financial derivatives	60	12
(73)	(112)	Other financial assets	(112)	(73)
<b>21 185</b>	<b>26 900</b>	<b>Investments in company portfolio</b>	<b>26 958</b>	<b>21 289</b>
807	975	Receivables	944	763
480	615	Other assets	490	454
28	26	Pre-paid expenses and earned, non-received income	26	28
<b>22 645</b>	<b>28 628</b>	<b>Total assets in company portfolio</b>	<b>28 529</b>	<b>22 679</b>
		<b>ASSETS IN CUSTOMER PORTFOLIOS</b>		
		<i>Buildings and other real estate</i>		
30 297	25 242	Investment properties	15	16
		<i>Subsidiaries, associated companies and joint ventures</i>		
2 572	5 222	Shares and other equity investments in subsidiaries, associated companies and joint ventures	36 073	34 905
0	0	Receivables and securities issued by subsidiaries, associated companies and joint ventures	168	58
		<i>Financial assets measured at amortised cost</i>		
86 674	85 312	Hold to maturity investments	85 312	86 674
0	1 341	Loans and receivables	1 341	0
		<i>Financial assets measured at fair value</i>		
12 940	9 988	Shares and other equity investments (incl. shares and other equity investments measured at cost)	9 988	12 940
77 483	72 648	Bonds and other fixed-income securities	72 648	77 483
4 593	6 173	Loans and receivables	6 173	4 593
945	463	Financial derivatives	452	709
8 237	1 092	Other financial assets	405	7 375
<b>223 740</b>	<b>207 482</b>	<b>Investments in investment choice portfolio</b>	<b>212 576</b>	<b>224 753</b>
		<i>Financial assets measured at fair value</i>		
20 821	23 561	Shares and other equity investments (incl. shares and other equity investments measured at cost)	23 561	20 821
18 412	21 146	Bonds and other fixed-income securities	21 146	18 412
1 546	1 636	Loans and receivables	1 636	1 546
<b>40 780</b>	<b>46 344</b>	<b>Investments in investment choice portfolio</b>	<b>46 344</b>	<b>40 780</b>
<b>264 520</b>	<b>253 825</b>	<b>Total assets in customer portfolios</b>	<b>258 919</b>	<b>265 533</b>
<b>287 164</b>	<b>282 454</b>	<b>Total assets</b>	<b>287 449</b>	<b>288 212</b>

# BALANCE CONTINUED

DNB LIVSFORSIKRING GROUP

DNB LIVSFORSIKRING AS

30.09.14 <sup>1)</sup>	30.09.15	Amounts in NOK millions	30.09.15	30.09.14
		<b>EQUITY AND LIABILITIES</b>		
		<i>Share capital subscribed</i>		
1 686	1 750	Share capital/primary capital certificates/guarantee fund	1 750	1 686
4 280	6 016	Share premium	6 016	4 280
<b>5 966</b>	<b>7 766</b>	<b>Total paid in equity</b>	<b>7 766</b>	<b>5 966</b>
19	330	Fund for unrealised profits	330	19
1 013	1 166	Risk equalisation fund	1 166	1 013
11 477	10 973	Other accrued earnings	11 685	11 968
<b>12 509</b>	<b>12 468</b>	<b>Total accrued earnings</b>	<b>13 180</b>	<b>13 001</b>
<b>1 360</b>	<b>5 500</b>	<b>Subordinated loan capital, etc.</b>	<b>5 500</b>	<b>1 360</b>
		<b>Insurance liabilities in life insurance – contractually established obligations</b>		
205 201	193 086	Premium reserve	193 086	205 201
4 341	5 128	Additional statutory reserves	5 137	4 341
2 167	2 393	Market value adjustment reserves	2 393	2 167
2 687	2 688	Claims reserves	2 688	2 687
2 764	1 762	Premium fund, deposit reserve and pensioners' surplus fund	1 762	2 764
463	441	Other technical reserves for property and casualty insurance business	441	463
<b>217 625</b>	<b>205 498</b>	<b>Total insurance liabilities in life insurance – Contractually established obligations</b>	<b>205 507</b>	<b>217 625</b>
		<b>Insurance liabilities in life insurance – special investment choice portfolio</b>		
40 200	45 737	Premium reserve	45 737	40 200
30	7	Supplementary provisions	7	30
549	599	Premium fund, deposit reserve and pensioners' surplus fund	599	549
<b>40 780</b>	<b>46 344</b>	<b>Total insurance liabilities in life insurance - Special investment choice portfolio</b>	<b>46 344</b>	<b>40 780</b>
1 794	1 933	Provisions for liabilities	973	1 113
6 864	2 672	Liabilities	2 019	4 696
0	0	Liabilities to subsidiaries and associated companies	5 889	3 405
267	272	Accrued expenses and received, non-earned income	272	267
<b>287 164</b>	<b>282 454</b>	<b>Total equity and liabilities</b>	<b>287 449</b>	<b>288 212</b>
		<b>Key figures</b>		
		Return on capital in the common portfolio	2.7%	4.4%
		Value-adjusted return from the common portfolio	2.4%	4.1%
		Capital ratio	25.9%	19.2%

For the Group, the eligible primary capital was NOK 22 815 million, risk-weighted volume NOK 83 813 million and the capital adequacy 27.2 per cent.

<sup>1)</sup> See accounting principles



# NOTES TO THE ACCOUNTS

## NOTE 1: ACCOUNTING PRINCIPLES

The interim accounts for DNB Livsforsikring AS 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.

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

The annual report for DNB Livsforsikring AS for 2014 can be obtained on application to DNB Livsforsikring AS, Solheimsgaten 7C, 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 2014. For 2014 there has been amendments to IAS 12 "Income Taxes". The following tables display comparable figures for 2014.

## BALANCE SHEET

### DNB LIVSFORSIKRING GROUP

Amounts in NOK millions	30.09.2014		
	Reported	Effect IAS 12	Restated
Assets in customer portfolios:			
Investment properties	30 019	279	30 297
Equity and liabilities:			
Other accrued earnings	11 968	(491)	11 477
Reserves for liabilities	1 024	770	1 794

## INCOME STATEMENT

### DNB LIVSFORSIKRING GROUP

Amounts in NOK millions	January – September 2014		
	Reported	Effect IAS 12	Restated
Tax cost	(109)	(208)	(317)

## CHANGES IN EQUITY

### DNB LIVSFORSIKRING AS

Amounts in NOK millions	Paid-in capital	Actuarial gain and loss	Retained earnings	Total equity
<b>Balance at 31 December 2013</b>	<b>5 496</b>	<b>(164)</b>	<b>12 516</b>	<b>17 849</b>
Group contribution			(470)	(470)
Capital increase	65		405	470
Result for the period			1 213	1 213
Actuarial gains and losses		(96)		(96)
Comprehensive income for the period		(96)	1 213	1 117
<b>Balance at 30 September 2014</b>	<b>5 561</b>	<b>(260)</b>	<b>13 664</b>	<b>18 966</b>
<b>Balance at 31 December 2014</b>	<b>5 966</b>	<b>(315)</b>	<b>13 933</b>	<b>19 584</b>
Group contribution			(1 800)	(1 800)
Capital increase	1 800			1 800
Result for the period			1 296	1 296
Actuarial gains and losses		66		66
Comprehensive income for the period		66	1 296	1 362
<b>Balance at 30 September 2015</b>	<b>7 766</b>	<b>(249)</b>	<b>13 429</b>	<b>20 946</b>

## CHANGES IN EQUITY

## DNB LIVSFORSIKRING GROUP

<i>Amounts in NOK millions</i>	<b>Paid-in capital</b>	<b>Actuarial gain and loss</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 31 December 2013</b>	<b>5 496</b>	<b>( 164)</b>	<b>12 233</b>	<b>17 565</b>
Group contribution			(470)	(470)
Capital increase	65		405	470
Result for the period			1 006	1 006
Actuarial gains and losses		(96)		(96)
Comprehensive income for the period		(96)	1 006	910
<b>Balance at 30 September 2014</b>	<b>5 561</b>	<b>(260)</b>	<b>13 174</b>	<b>18 475</b>
<b>Balance at 31 December 2014</b>	<b>5 966</b>	<b>(337)</b>	<b>13 355</b>	<b>18 985</b>
Group contribution			(1 800)	(1 800)
Capital increase	1 800			1 800
Result for the period			1 184	1 184
Actuarial gains and losses		66		66
Comprehensive income for the period		66	1 184	1 250
<b>Balance at 30 September 2015</b>	<b>7 766</b>	<b>(271)</b>	<b>12 739</b>	<b>20 234</b>

## DNB LIVSFORSIKRING AS

## DNB LIVSFORSIKRING GROUP

	January–September 2015	January–September 2014	January–September 2015	January–September 2014
<b>CASH FLOW ANALYSIS</b>				
<i>Amounts in NOK millions</i>				
<b>Cash flow from operational activities</b>				
Net receipts from premiums/premium fund	13 449	14 113	13 449	14 113
Net receipts/payments from transfers	(14 240)	(21 938)	(14 240)	(21 938)
Net receipts from investments	3 058	7 194	3 922	8 485
Payment from life insurance with investment choice	871	118	871	118
Other insurance-related receipts	(1 328)	(1 178)	(1 328)	(1 178)
Compensation payments	(10 392)	(10 080)	(10 392)	(10 080)
<b>A=Net cash flow from operational activities</b>	<b>(8 582)</b>	<b>(11 771)</b>	<b>(7 718)</b>	<b>(10 479)</b>
<b>Cash flow from investments made</b>				
Net investment in shares and other equity investments	(10 998)	(75 936)	(10 373)	(73 345)
Net investment in bonds and loans	15 285	71 761	15 285	71 761
Net investment in investment contracts	(4 763)	(3 530)	(4 763)	(3 530)
Net investment in other financial assets	3 599	5 289	1 858	1 440
Net investment in tangible fixed assets and in intangible assets	(19)	( 20)	( 19)	(20)
<b>B=Net cash flow from investments made</b>	<b>3 104</b>	<b>(2 436)</b>	<b>1 987</b>	<b>(3 695)</b>
<b>Cash flow from financing activities</b>				
Paid dividend/group contributions	236	0	236	0
Changes from other financing activities	4 289	(2 017)	4 289	(2 017)
<b>C=Net cash flow from financing activities</b>	<b>4 525</b>	<b>(2 017)</b>	<b>4 525</b>	<b>(2 017)</b>
Net liquidity change (A+B+C)	(953)	(16 223)	(1 206)	(16 191)
Liquidity holding as at 01 January	4 389	19 579	5 112	20 278
<b>Liquidity holding as at 30 September</b>	<b>3 435</b>	<b>3 355</b>	<b>3 905</b>	<b>4 087</b>

HERE FOR YOU.  
EVERY DAY.  
WHEN IT MATTERS  
THE MOST.

**DNB Livsforsikring AS**

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