Interim report 2nd quarter 2021

Storebrand Group

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Storebrand Group

Leading the way in sustainable value creation

- **Group profit[1] of NOK 1,353m in the 2nd quarter**
- **Solvency II ratio of 172%**
- **26% growth in Unit Linked reserves, 18% growth in assets under management y/y**
- **18% growth in insurance portfolio premiums y/y**

Storebrand's ambition is to provide our customers with financial freedom and security by being the best provider of long-term savings and insurance. The Group offers an integrated product range spanning from life insurance, P&C insurance, asset management and banking to private individuals, companies and public sector entities. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other.

Group profit [2]

	2021		2020			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Fee and administration income	1,473	1,482	1,674	1,352	1,301	2,954	2,649	5,676
Insurance result	332	220	338	304	255	552	184	825
Operational cost	-1,119	-1,057	-1,086	-984	-975	-2,176	-1,999	-4,068
Operating profit	**686**	**645**	**926**	**672**	**580**	**1,331**	**834**	**2,433**
Financial items and risk result life	667	225	298	340	228	893	-360	278
Profit before amortisation	**1,353**	**870**	**1,225**	**1,012**	**808**	**2,223**	**474**	**2,711**
Amortisation and write-downs of intangible assets	-129	-125	-125	-124	-124	-254	-243	-492
Profit before tax	**1,225**	**745**	**1,099**	**889**	**684**	**1,970**	**231**	**2,219**
Tax	-52	-302	-227	-123	-231	-354	486	136
Profit after tax	**1,173**	**443**	**872**	**766**	**453**	**1,615**	**717**	**2,355**

The Group's profit before amortisation was NOK[3] 1,353m (NOK 808m) in the 2nd quarter and NOK 2,223m (NOK 474m) year to date. The figures in brackets are from the corresponding period last year. Strong underlying growth within Savings and Insurance, combined with disciplined cost control and increased profitability in the Insurance segment, contribute to profit growth. The financial result was positively affected by a gain of NOK 546m in the quarter due to the previously disclosed divestment of the shares in AS Værdalsbruket. Financial market returns in the guaranteed business also contributed to a strong financial result, while the overall buffer capital level strengthened to more than 12% of guaranteed customer reserves. Storebrand's financial half-year results of 2021 have not been particularly impacted by the Covid-19 pandemic and the company has been fully operational during the period.

Total fee and administration income amounted to NOK 1,473m (NOK 1,301m) in the quarter, corresponding to an increase of 13%. Strong growth in assets under management within the Savings segment contribute to the income growth. In the Guaranteed segment the fee and administration income amounted to NOK 407m (NOK 379m) in the 2nd quarter. Growth in public sector pensions (defined benefit) and paid-up policies drives the increase in fee income.

The Insurance result was NOK 332m (NOK 255m) and the total combined ratio for the Insurance segment was 91% (92%) in the 2nd quarter – in line with the target of 90-92%. The combined ratio in the quarter is driven by a strong result in P&C and Individual life, stable and satisfactory results in Pension related disability insurance and a weak result in Health & Group life. Year to date, the Insurance result is NOK 552m (NOK 184m) and the combined ratio is 94% (108%).

The Group's operational costs for the quarter was NOK -1,119m (NOK -975m), including performance related costs of NOK -68m (NOK -9m) in Asset Management. Year to date, the cost is NOK -2,176m (NOK -1,999m). This is well within the cost ambition of NOK 4.4bn for the full year, which is excluding performance related costs in Asset Management. Storebrand continues its focus on strong cost discipline as it has been demonstrated over the past 8 years.

[1] Earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting.
[2] The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.
[3] The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.

Overall, the operating profit amounted to NOK 686m (NOK 580m) in the quarter and NOK 1,331m (NOK 834m) year to date. In addition, the Group has earned a total of NOK 157m (NOK 29m) in the quarter and NOK 230m (NOK 88m) year to date in performance related fees which will be booked in Q4.

The 'financial items and risk result' improved to NOK 667m (NOK 228m) in the quarter, mainly due to the above-mentioned divestment of shares in AS Værdalsbruket and net profit sharing due to solid financial returns in the guaranteed business. Good investment returns in Swedish SPP have led to a lower need for Deferred Capital Contribution (DCC).

Amortisation of intangible assets amounted to NOK -129m (NOK -124m). Normal quarterly amortisation of intangible assets is expected to be in the area of minus NOK 120-130m. The modest increase in amortisation of intangible assets is due to the acquisition of customer portfolios from Insr.

Capital situation

The solvency ratio was 172% at the end of the 2nd quarter, a decrease of 4 percentage points from the solvency ratio reported last quarter. This is within the targeted range of 150-180%. Falling long term interest rates, decreased volatility adjustment and increased equity stress contributed negatively to the solvency ratio in the quarter. Market returns, group profit after tax net of dividends set aside for 2021 and a net gain of NOK 546m on the divestment of the shares in AS Værdalsbruket contributed positively. Given the current interest rate level, Storebrand does not benefit from transitional capital.

Market and sales performance

Total assets under management in Unit Linked increased by NOK 16bn (6%) during the 2nd quarter to NOK 295bn and NOK 27bn (10%) year to date. Compared to the same quarter last year, the growth is NOK 61bn (26%). The growth is driven by growth in premium payments, market returns and new sales. Storebrand is the second largest provider of defined contribution pensions in Norway, with a market share of 28% of gross premiums written (at the end of Q1 2021). SPP is the second largest provider of non-unionised occupational pensions ("Övrig Tjänstepension") in Sweden with a market share of 16% measured by gross premiums written including transfers within Unit Linked (as at the end of Q1 2021).

Assets under management in Storebrand Asset Management increased by NOK 50.1bn (5%) to NOK 1,037bn in the quarter, and by NOK 157.3bn (18%) compared to last year. The growth is driven by positive net flow from new sales as well as market returns.

Within Insurance, the annual portfolio premiums grew by 18% in the 2nd quarter compared to the same period last year. The growth is mainly driven by new business within the P&C and Individual Life product line, which grew 48% in the same period.

Lending volume in Storebrand Bank amounted to NOK 54.3bn – an increase of 15% compared to the same period last year.

Group result by result area

	2021		2020			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Savings - non-guaranteed	435	528	664	394	396	963	672	1,730
Insurance	145	55	175	173	124	201	-144	204
Guaranteed pension	310	322	396	308	27	631	101	805
Other profit	464	-35	-10	137	261	428	-155	-28
Profit before amortisation	**1,353**	**870**	**1,225**	**1,012**	**808**	**2,223**	**474**	**2,711**

Taxes for the Group amounted to NOK -52 (NOK -231m) in the quarter and NOK -354 (NOK 486m) year to date. The low effective tax rate in the quarter is mainly due to the divestment of shares in AS Værdalsbruket, which is not subject to income tax under Norwegian tax legislation. In addition, the taxable unrealised gains on currency hedges related to the Swedish business from 1st quarter reversed during the 2nd quarter, contributing to the low effective tax rate for the quarter. The estimated normal tax rate is 19-22%, depending on each legal entity's contribution to the Group result. Different tax rates in different countries of operations and currency fluctuations impact the quarterly tax rate. The Group has uncertain tax positions. Tax related issues are described in note 9.

The Group reports the results by business segment. For a more detailed description of the results, see the sections by segment below. Savings reported a profit before amortisation of NOK 435m (NOK 396m) in the quarter, driven by growth in assets under management and strong cost control. Profit before amortisation in Insurance was NOK 145m (NOK 124m), it was NOK 310m (NOK 27m) in Guaranteed pension, and in the Other segment it amounted to NOK 464m (NOK 261m) in the quarter.

Group - Key figures

(NOK million)	2021 Q2	Q1	2020 Q4	Q3	Q2	01.01 - 30.06 2021	2020	Full year 2020
Earnings per share adjusted[1)]	2.79	1.21	2.13	1.90	1.23	4.00	2.04	6.07
Equity	35,823	36,069	35,923	35,181	34,396	35,823	34,396	35,923
Adjusted ROE, annualised[1)]	16.1%	6.9%	12.4%	11.0%	7.1%	11.3%	5.9%	8.6%
Solvency II ratio	172%	176%	178%	179%	163%	172%	163%	178%

Financial targets	Target	Actual Q2 2021
Return on equity (after tax)[1)]	> 10%	16.1%[2)]
Future Storebrand (Savings & Insurance)[3)]		36%
Back book (Guaranteed & Other)[3)]		6%[4)]
Dividend pay-out ratio	> 50%	N/A
Solvency II margin Storebrand Group	> 150%	172%

[1)] *After tax, adjusted for amortisation of intangible assets.*
[2)] *Adjusted for the gain on the divestment of shares in AS Værdalsbruket in the second quarter 2021, the return on equity was 9%.*
[3)] *The RoE is calculated based on the profit for the last 12 months, after tax and before amortisation of intangible assets, divided on a pro forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings, Insurance and Other are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment. The methodology is an estimation of ROE pr. reporting segment.*
[4)] *Adjusted for the gain on the divestment of shares in AS Værdalsbruket in the second quarter 2021, the return was 4%.*

Savings

- **Strong growth in operating profit in the 2nd quarter 2021 compared to 2020, driven by 16% growth in fee and administration income combined with good cost control**
- **26% growth in asset under management in the Unit Linked business y/y**
- **Total asset under management amounting to NOK 1,037bn, up 18% y/y**

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

Savings -Non guaranteed

	2021		2020			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Fee and administration income	1,129	1,156	1,336	1,038	974	2,285	2,017	4,392
Operational cost	-703	-671	-704	-639	-600	-1,373	-1,269	-2,611
Operating profit	**427**	**485**	**633**	**400**	**374**	**911**	**748**	**1,781**
Financial items and risk result life	8	43	31	-6	22	51	-76	-51
Profit before amortisation	**435**	**528**	**664**	**394**	**396**	**963**	**672**	**1,730**

Financial performance

The Savings segment reported a profit before amortisation of NOK 435m (NOK 396m) in the 2nd quarter and NOK 963m (NOK 672m) year to date.

Compared to the 2nd quarter last year, fee- and administration income in the Savings segment increased by 16%, or 15% adjusted for currency effects. Year to date the growth is 13%. The income growth within Norwegian Unit Linked was 5% compared to the same quarter last year and 6% year to date. The income growth within the Swedish Unit Linked was 13% compared to the same quarter last year and 23% year to date (in NOK). The income in the 1st quarter included non-recurring transaction fees amounting to SEK 37m. Adjusted for this gain the growth was 14% year to date. Within Asset Management, the growth was 20% in the 2nd quarter and 14% year to date. According to IFRS, performance related income is booked for the whole year in the 4th quarter. The performance related income earned but not booked was NOK 157m (NOK 29m) in the quarter and NOK 230m (NOK 88m) accumulated for 2021 to date.

Unit Linked Norway reported a margin of 0.73%, down from 0.80% in the previous quarter. A gradual margin decline is expected within Unit Linked in Norway, where Individual Pensions Accounts were introduced this year. Unit Linked Sweden reported a margin of 0.74%, which is in line with the previous quarter when adjusting for transaction fees. The fee income margin in Asset Management was 0.18%, in line with the previous quarter. The net interest margin in Storebrand Bank was 1.14% compared to 1.10% in the previous quarter and 0.87% in the 2nd quarter 2020.

Adjusted for the increase in performance related costs the underlying operational cost remained relatively stable in the 2nd quarter, despite underlying growth in the business. This is mainly explained by strong cost control. Performance related costs in funds with performance fees amounted to NOK -68m (NOK -9m) in the quarter and NOK -95m (NOK -20m) year to date.

The financial result was NOK 8m (NOK 22m) in the quarter and NOK 51m (NOK -76m) year to date. Year to date 2020, the loss stemmed primarily from model-based loan loss provisions for future possible losses in the retail bank as the Covid-19 pandemic unfolded.

Savings - Key figures

	2021		2020		
(NOK million)	Q1	Q1	Q4	Q3	Q2
Unit linked Reserves	295,195	278,702	268,331	251,577	234,644
Unit linked Premiums	5,316	5,346	5,163	4,856	5,121
AuM Asset Management	1,037,470	987,397	962,472	920,540	880,177
Retail Lending	54,288	51,594	49,474	47,771	47,208

Balance sheet and market trends

Unit Linked premiums amounted to NOK 5.3bn (NOK 5.1bn) in the 2nd quarter. Total assets under management in Unit Linked increased by NOK 16bn (6%) during the 2nd quarter to NOK 295bn and NOK 27bn (10%) year to date. Compared to the same quarter last year, the growth is NOK 61bn (26%).

In the Norwegian Unit Linked business, assets under management increased by NOK 6.4bn (4%) to NOK 151bn in the quarter, and by NOK 33.4bn (28%) compared to the same quarter last year. The underlying growth is driven by growth in occupational pension premium payments as well as good market returns and new sales. Storebrand is the second largest provider of defined contribution pensions in Norway, with a market share of 28% of gross premiums written (at the end of the Q1 2021). Individual Pension Account holders in Norway have since 1 February been able to transfer their account from the employer's collective scheme to a provider of own choice. In addition, pension capital certificate funds are moved automatically between companies into Individual Pension Account.

In the Swedish market, SPP is the second largest provider of non-unionised occupational pensions with a market share of 16% measured by gross premiums written including transfers within Unit Linked (as at the end of Q1 2021). Unit Linked assets under management increased by SEK 6.0bn (4%) to SEK 144bn in the quarter, and SEK 17.7 (14%) year to date. Compared to the same quarter last year the growth is SEK 30.3bn (27%). The growth is driven by strong growth in sales (APE) and market return.

Assets under management in Storebrand Asset Management increased by NOK 50.1bn (5%) to NOK 1,037bn in the quarter, and by NOK 157.3bn (18%) compared to last year. The growth is driven by positive net flow from new sales as well as market returns.

The bank lending portfolio increased by NOK 2.7bn (5%) to NOK 54.3bn during the 2nd quarter and by NOK 4.8bn (10%) year to date. Compared to the same quarter last year the growth is NOK 7.1bn (15%). The portfolio consists of low-risk home mortgages with an average LTV of 55%. NOK 18bn of the mortgages are booked on the balance sheet of Storebrand Livsforsikring AS.

Insurance

- **Positive result development y/y, combined ratio of 91% for the quarter**
- **18% overall growth in portfolio premiums y/y, 48% growth in P&C & Individual life**
- **Solid claims development, but Group life still weak**

The Insurance segment provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance

	2021		2020			01.01 - 30.06		Full year
NOK million	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Insurance premiums f.o.a.	1,279	1,194	1,136	1,105	1,070	2,473	2,090	4,331
Claims f.o.a.	-946	-974	-799	-801	-816	-1,920	-1,906	-3,506
Operational cost	-214	-202	-194	-168	-175	-416	-350	-712
Operating profit	**119**	**18**	**143**	**135**	**80**	**137**	**-166**	**113**
Financial result	27	37	32	37	44	64	22	91
Contribution from SB Helseforsikring AS	*10*	*3*	*5*	*18*	*15*	*13*	*11*	*34*
Profit before amortisation	**145**	**55**	**175**	**173**	**124**	**201**	**-144**	**204**
Claims ratio	74%	82%	70%	73%	76%	78%	91%	81%
Cost ratio	17%	17%	17%	15%	16%	17%	17%	16%
Combined ratio	91%	98%	87%	88%	92%	94%	108%	97%

Financial performance

Insurance delivered a profit before amortisation of NOK 145m (NOK 124m) in the 2nd quarter and NOK 201m (NOK -144m) year to date, driven by a combined ratio of 91% (92%) in the quarter and 94% (108%) year to date. The 2nd quarter result is in line with the target combined ratio of 90-92%. The combined ratio in the quarter is driven by a strong result in P&C and Individual life, stable and satisfactory results in Pension related disability insurance and a weak result in Health & Group life.

For 'P&C and Individual life', the profit before amortisation was NOK 110m (NOK 58m) in the 2nd quarter and NOK 172m (NOK 59m) year to date. The strong results within P&C was driven by few large claims as well as strong results in motor, housing and travel insurance. Within Individual life mortality result was strong, as well as improving disability results. Strong growth continued with premiums f.o.a. growing 45% compared to the 2nd quarter 2020. In a period with strong growth the sub-segment delivers a combined ratio of 86% (93%) in the quarter and 90% (95%) year to date.

Health and Group life reported a profit before amortisation of NOK -7m (NOK 31m) in the 2nd quarter and NOK 4m (NOK -232m) year to date. The Group life claims ratio was negatively affected by higher mortality and disability. Measures, including pricing, have been taken to improve robustness and profitability for the Group life business. The Health insurance business delivered a satisfactory result driven by low claims, especially in Sweden.

The result for 'Pension related disability insurance Nordic' was NOK 42m (NOK 35m) in the 2nd quarter and NOK 26m (NOK 29m) year to date. Disability development is followed closely due to the slow labour market as consequence of the Covid-19 pandemic.

The cost ratio remained stable at 17% in the quarter (same as previous quarters), and the operational costs was NOK -214m (NOK -175m) in the quarter and NOK -416m (NOK -350m) year to date. The higher cost level is driven by the growth in the business including the acquisition of customer portfolios from Insr. Sales commissions have also increased in line with the growth in sales.

The Insurance investment portfolio is primarily invested in fixed income securities with short to medium duration and achieved a financial return of 0.87% in the quarter.

Balance sheet and market trends

The Insurance segment offers a broad range of products to the retail market in Norway, as well as to the corporate market in both Norway and Sweden. Overall growth in annual portfolio premiums amounted to 18% in the 2nd quarter compared to the same period last year. The premium growth is primarily attributed to retail P&C insurance due to strong contribution from sales agents, new distribution partnerships and the acquisition of customer portfolios from Insr. Growth in P&C and Individual life portfolio premiums amounted to 48%, while Health & Group life decreased by -5% and Pension related disability insurance grew by 2% in the 2nd quarter compared to the same period last year. With effect from 1 January 2021, a large group life contract was terminated representing annual portfolio premiums of NOK 275m. Overall, double digit growth is expected to continue within Insurance in the coming years.

Insurance Premiums

	2021		2020			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
P&C & Individual life	3,053	2,738	2,341	2,144	2,057	3,053	2,057	2,341
Health & Group life [1]	1,734	1,714	1,885	1,870	1,829	1,734	1,829	1,885
Pension related disability insurance Nordic[2]	1,346	1,293	1,336	1,274	1,315	1,346	1,315	1,336
Total written premiums	**6,133**	**5,745**	**5,562**	**5,288**	**5,201**	**6,133**	**5,201**	**5,562**
Investment portfolio[3]	**9,813**	**9,726**	**8,961**	**8,840**	**8,742**	**9,813**	**8,742**	**8,961**

[1] Group disability, workers comp. and health insurance. Includes all written premiums in Storebrand Helseforsikring AS (50/50 joint venture with Munich Health).
[2] DC risk premium in Norwegian line of business.
[3] NOK 2,9bn of the investment portfolio is linked to disability coverages where the investment result goes to the customer reserves and not as a result element in the P&L.

Guaranteed pension

- 12% growth in operating profit y/y
- Profit sharing result mainly from Swedish business
- NOK 5.3 bn increased buffer capital

Guaranteed pension

	2021		2020			01.01 - 30.06		Full year
NOK million	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Fee and administration income	407	383	389	380	379	790	742	1,511
Operational cost	-227	-197	-218	-217	-218	-424	-426	-861
Operating profit	**180**	**186**	**171**	**163**	**160**	**366**	**316**	**650**
Risk result life & pensions	21	32	14	-21	53	54	27	19
Net profit sharing and loan losses	108	104	211	167	-187	212	-242	136
Profit before amortisation	**310**	**322**	**396**	**308**	**27**	**631**	**101**	**805**

Financial performance

Guaranteed Pension achieved a profit before amortisation of NOK 310m (NOK 27m) in the 2nd quarter and NOK 631m (NOK 101m) year to date.

Fee and administration income amounted to NOK 407m (NOK 379m) in the 2nd quarter and NOK 790m (742m) year to date. The majority of the guaranteed products are closed for new business and are in long term run-off. However, growth in public sector pensions (defined benefit) and paid-up policies drives the increase in fee income.

Operational cost amounted to NOK -227m (NOK -218m) in the 2nd quarter and NOK -424m (NOK -426m) year to date. Operating costs will gradually be reduced as a result of the products being in long-term run-off.

The operating profit increased by 12% to NOK 180m (NOK 160m) in the 2nd quarter and NOK 366m (NOK 316m) year to date.

The risk result amounted to NOK 21m (NOK 53m) in the quarter and NOK 54m (NOK 27m) year to date. A positive disability risk result in Norwegian Paid-up policies and a positive longevity result in Swedish SPP contributed positively to the result. In the Norwegian Defined Benefit portfolio, higher disability and longevity claims continued to contribute negatively to the results. Price adjustments has been implemented from 2021 to counter this, however further measures will be implemented.

Net profit sharing amounted to NOK 108m (NOK -187m) in the 2nd quarter and NOK 212m (NOK -242m) year to date. The result is driven by the Swedish business SPP which achieved a result of NOK 76m (NOK -193m) in the quarter. Solid returns in credit and real estate portfolio reduced the need for Deferred Capital Contributions (DCC). In addition, profit split and indexation fees contributed positively in the quarter. In the Norwegian business, the Paid-up policies and Individual life and pension, contributed with NOK 33m (NOK 6m) in the quarter, due to solid financial returns and risk result to be shared between company and policyholders.

Balance sheet and market trends

The majority of the guaranteed products are in long term run-off as pension payments are being made to policyholders. Most customers have switched from guaranteed to non-guaranteed products, in line with the Group's strategy. A new growth area for Storebrand is public sector occupational pensions, where Storebrand won its first mandates in 2020, transferred in 1st quarter 2021. This has been the main driver for a large net increase in Defined Benefit (fee based) reserves in the Norwegian business of NOK 8.0bn year to date.

As of the 2nd quarter, customer reserves of guaranteed pensions amounted to NOK 295bn. This is an increase of NOK 8.5bn in the quarter, but adjusted for currency effects, the increase was NOK 5.7bn, driven by the public sector and paid-up policy growth.

As a share of the total balance sheet, guaranteed reserves amounted to 50.0% (54.8%) at the end of the 2nd quarter, a reduction of 4.9 percentage points since the same quarter last year. The premium income for guaranteed pensions (excluding transfers) was NOK 1.3bn (NOK 0.8bn) in the 2nd quarter and NOK 2.9bn (NOK 2.7bn) year to date.

In addition to public sector pensions, Paid-up policies is the other guaranteed pension portfolio experiencing some growth over time as active Defined Benefit contracts eventually become Paid-up policies. The Paid-up portfolio amounted to NOK 149bn as of the 2nd quarter, an increase of NOK 5.4bn from same period last year. The increase is partly caused by a NOK 3bn transfer of profitable guaranteed business.

Guaranteed portfolios in the Swedish business totalled NOK 97bn as of the 2nd quarter, a decrease of NOK 3.0bn from same period last year. Adjusted for currency effects, the reserves are at the same level as in the corresponding period last year.

Storebrand's strategy is to have a solid buffer capital level in order to secure customer returns and protect shareholder's equity under turbulent market conditions. Buffer capital for Guaranteed pensions was 11.3% (9.5%) of reserves in Norway (not including NOK 6.4 bn in additional surplus values of bonds held at amortised cost) and 15.1% (9.3%) in Sweden, corresponding to an overall increase of NOK 5.3bn since same period last year. In the 2nd quarter the increase in buffer capital was NOK 4.5bn, and all elements of the buffer capital increased.

Guaranteed pension - Key figures

	2021		2020			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Guaranteed reserves	294,909	286,410	287,614	287,740	284,832	294,909	284,832	287,614
Guaranteed reserves in % of total reserves	50.0 %	50.7 %	51.7 %	53.4 %	54.8 %	50.0 %	54.8 %	51.7 %
Net transfers	-94	6941	704	-4	634	6847	727	1427
Buffer capital in % of customer reserves Norway	11.3 %	9.8 %	11.0 %	10.5 %	9.5 %	11.3 %	9.5 %	11.0 %
Buffer capital in % of customer reserves Sweden	15.1 %	14.1 %	11.9 %	10.4 %	9.3 %	15.1 %	9.3 %	11.9 %

Other/Eliminations

The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios and small subsidiaries of Storebrand Life Insurance and SPP. Group eliminations are reported in a separate table below.

Result excluding eliminations

	2021		2020			01.01 - 30.06		Full year
NOK million	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Fee and administration income	4	4	9	0	0	7	0	9
Operational cost	-43	-47	-30	-26	-35	-90	-65	-120
Operating profit	**-39**	**-44**	**-21**	**-25**	**-34**	**-83**	**-64**	**-111**
Financial items and risk result life	503	9	11	163	296	511	-91	83
Profit before amortisation	**464**	**-35**	**-10**	**137**	**261**	**428**	**-155**	**-28**

Eliminations

	2021		2020			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2021	2020	2020
Fee and administration income	-67	-60	-60	-66	-53	-127	-110	-236
Operational cost	67	60	60	66	53	127	110	236
Financial result								
Profit before amortisation								

The Other segment reported a profit before amortisation of NOK 464m (NOK 261m) in the 2nd quarter and NOK 428m (NOK -155M) year to date. The weak result in first half year 2020 stemmed from unrealised losses on investments in the portfolios that occurred during the financial market turmoil but was later reversed through the remainder of the year.

Fee and administration income of NOK 4m as well as operational cost of NOK -43m were in line with the levels of previous quarters.

The financial result for the Other segment includes the company portfolios of SPP and Storebrand Life Insurance, and the financial result of Storebrand ASA. The financial result for the other segment amounted to NOK 503m in the quarter (NOK 296m) and 511m year to date.
In the 2nd quarter Storebrand closed the divestment of 100% of its share holdings in AS Værdalsbruket, a wholly owned subsidiary of Storebrand, 74.9 % owned by Storebrand Livsforsikring AS and 25.1 % owned by Storebrand ASA. The sale has contributed with a net gain of NOK 546 m in the quarter and is not subject to income tax under Norwegian tax legislation. The gain is reported under the line Financial Items in the Other segment.

The investments in the company portfolios are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio reported a return of 0.42% in the quarter and 0.94% year to date. The Swedish company portfolio achieved a return of 0.13% in the quarter and 0.3% year to date.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Given the interest rate level at the end of the 2nd quarter, interest expenses of approximately NOK 95m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies and the holding company amounted to NOK 33.4bn at end of the 2nd quarter.

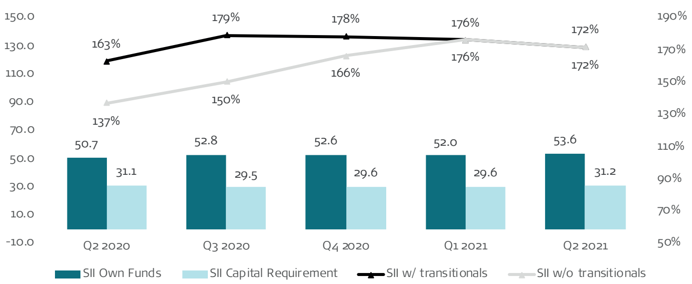
Balance sheet, solidity and capital situation

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

Storebrand Group

Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target solvency ratio in accordance with the Solvency II regulations is a minimum of 150%, including use of the transitional rules. The solvency ratio was 172% at the end of the 2nd quarter 2021, a decrease of 4 percentage points from the last quarter. This is within the targeted level of 150-180%. As at the end of the 2nd quarter, Storebrand does not have any effect of the transitional rule on technical provisions. The decrease in the solvency ratio in the quarter is due to falling long-term interest rates, decreased volatility adjustment and increased equity stress, somewhat offset by a strong group profit after tax, net of dividends.

Storebrand is a blend of fast-growing capital-light business that delivers high returns on equity, and capital-intensive run-off business with low returns on equity. The back-book of guaranteed business ties up more than three quarters of the Group's capital, delivering an estimated return on equity of 5.7% over the last twelve months, whereas the front-book, the "future Storebrand" delivered an estimated return on equity of 35.5%[1]. Large variations in the estimated pro forma return on equity in the front-book are expected as earnings are market dependent, while the capital base is primarily related to mortgage lending in the bank and to insurance. Overall, the Group's quarterly return on equity (adjusted for amortisation) was 16.1% on an annualised basis in the second quarter, including the net gain from the sale of AS Værdalsbruket. As the business mix shifts, the return on equity is expected to reach the targeted 10% on a sustainable basis from 2023 onwards.



[1] The RoE is calculated based on the profit for the last 12 months, after tax and before amortisation of intangible assets, divided on a pro forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings, Insurance and Other are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment. The methodology is an estimation of ROE pr. reporting segment.

[2] Storebrand Life Insurance, SPP and BenCo.

[3] Consists of equity, subordinated loan capital, market value adjustment reserve, risk equalisation reserve, unrealised gains/losses on bonds and loans at amortised cost, additional statutory reserves, conditional bonuses.

Storebrand ASA

Storebrand ASA (holding company) held liquid assets of NOK 5.2bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities with a good credit rating and bank deposits. Storebrand ASA's total interest-bearing liabilities were NOK 1.0 bn at the end of the quarter. The next maturity date for bond debt is in May 2022, when NOK 500m matures. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 200m that runs until December 2025.

Storebrand ASA owned 0.39% (1,839,776) of the company's total shares at the end of the quarter.

Storebrand Life Insurance Group[2]

The Solidity capital[3] measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 75.3bn at the end of 2nd quarter 2021, an increase in the 2nd quarter by NOK 5.9bn and year to date by NOK 2.5bn. The change in the quarter is primarily due to increased customer buffers in both the Norwegian and Swedish operations as a result of decreased interest rates. During the 1st quarter, issuance of a new subordinated loan and the repurchase of outstanding bonds added net NOK 2.1bn.

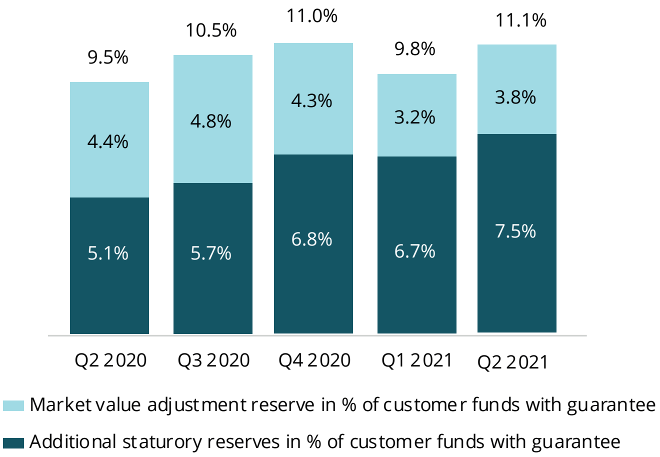
Storebrand Livsforsikring AS

The market value adjustment reserve increased during the 2nd quarter by NOK 1.3bn and a decrease by NOK 0.4bn year to date. At the end of 2nd quarter the market value adjustment reserve amounted to NOK 6.8bn, corresponding to 3.8% of customer funds with a guarantee. The additional statutory reserves amounted to NOK 13.3bn, corresponding to 7.5% (6.7% at the end of the 1st quarter) of customer funds with guarantee, at the end of the 2nd quarter 2021.

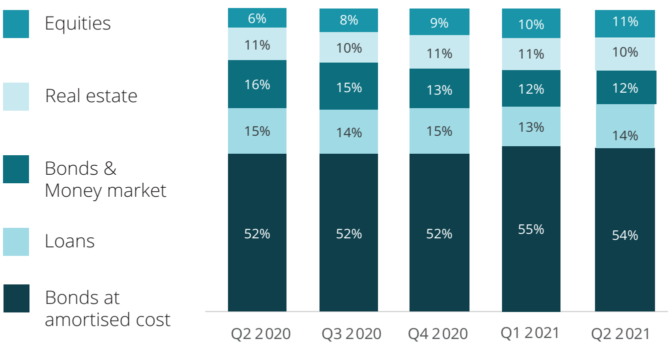
Investment returns in customer portfolios were higher than the guaranteed interest rate in the quarter and year to date the reserves increased by NOK 0.9bn. New business transferred in contributed positively with NOK 1.1bn in additional statutory reserves. Together, the customer buffers amounted to 11.3% (9.8% at the end of the 1st quarter) of customer funds with guarantee.

The excess value of bonds and loans valued at amortised cost increased by NOK 0.6bn in the 2nd quarter and decreased by NOK2.4bn year to date due to higher interest rates. While not included in the financial statements, the excess value of bonds and loans valued at amortised cost amounted to NOK 6.4bn at the end of the 2nd quarter.

CUSTOMER BUFFERS



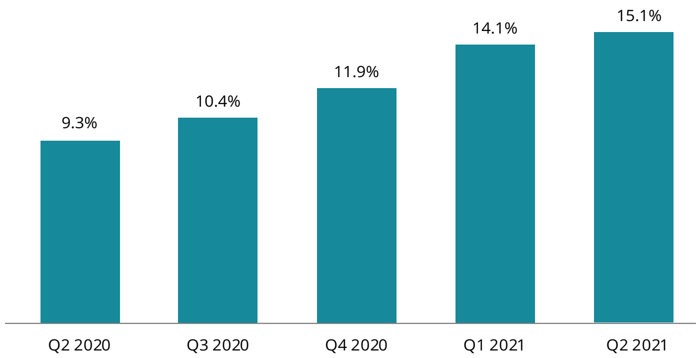
ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Customer assets increased by NOK 11.9bn in the 2nd quarter and NOK 37.3bn year to date, amounting to NOK 349bn at the end of the quarter. Customer assets within non-guaranteed savings increased NOK 6.4bn during the 2nd quarter and by NOK 25.8bn year to date, amounting to NOK 151bn at the end of the quarter. Guaranteed customer assets increased in the 2nd quarter by NOK 5.5bn and NOK 11.5bn year to date, amounting to NOK 198bn at the end of the quarter.

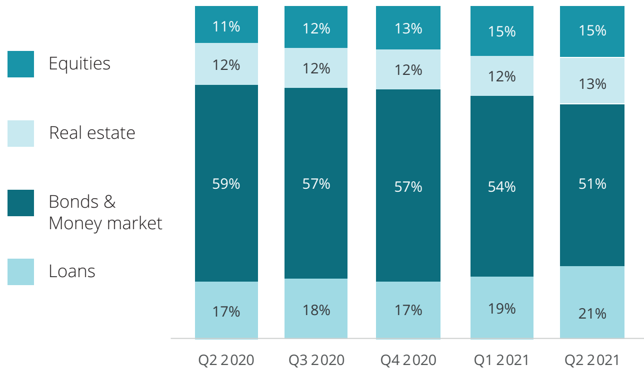
SPP

CUSTOMER BUFFERS - SPP



The buffer capital (conditional bonuses) including Euroben amounted to SEK 12.6bn (SEK 7.4bn) at the end of the 2nd quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management for customers in SPP were SEK 236bn (SEK 195.4bn) at the end of the 2nd quarter, including Euroben (SEK 10.6bn). This corresponds to an increase of 20.8% compared to the 2nd quarter last year. For customer assets in non-guaranteed savings, assets under management amounted to SEK 143.6bn (SEK 113.3bn) at the end of the 2nd quarter, which corresponds to an increase of 26.7% compared with the 2nd quarter last year.

Storebrand Bank

The bank group's lending to customers totalled NOK 36.4bn (NOK 30.9bn) at the end of the 2nd quarter. The portfolio of loans managed on behalf of Storebrand Livsforsikring AS amounted to NOK 17.9 bn (NOK 16.3bn). The combined portfolio of loans in Storebrand Bank Group and Storebrand Livsforsikring amounted to NOK 54.3bn (NOK 47.2bn) at the end of the 2nd quarter.

The bank group has had an increase in the risk-weighted balance sheet of NOK 1.5bn year to date. The Storebrand Bank Group had a net capital base of NOK 2.9bn at the end of the second quarter. The capital adequacy ratio was 18.5% and the Core Equity Tier 1 (CET1) ratio was 15.3% at the end of the first half-year, compared with 18.7% and 15.1%, respectively, at the end of 2020. The combined requirements for capital and CET1 were 15.8% and 12.3% respectively at the end of the first half-year.

Outlook

Strategy

Storebrand follows a two-fold strategy that gives a compelling combination of self-funded growth in the front book, the growth areas of the "future Storebrand", and capital return from a maturing back book of guaranteed pensions.

Storebrand aims to be (a) the leading provider of Occupational Pensions in both Norway and Sweden, (b) continue a strategy to build a Nordic Powerhouse in Asset Management and (c) ensure fast growth as a challenger in the Norwegian retail market for financial services. The combined capital, customer base, cost and data synergies across the Group provide a solid platform for profitable growth and value creation. The ambition is to deliver a profit (before amortisation and tax) of about NOK 4bn in 2023.

Storebrand also continues to manage capital and a back book with guaranteed products for increased shareholder return. This includes both a dividend policy of growing ordinary dividends from earnings as well as managing the legacy products that carry interest guarantees in a capital-efficient manner. The goal is to release an estimated NOK 10bn of capital by 2030.

Financial performance

In Norway, the market for private sector occupational pensions has experienced increased competition over the last years in anticipation of the new Individual Pension Accounts (IPA) introduced this year. As a consequence of this, the Unit Linked segment in Norway reported a lower margin in the quarter. Continued gradual margin decline is expected within Unit Linked as individuals' contracts are gradually merged into one account through 2021. The resulting economic effect is expected to be moderate in 2021 and slightly more negative in 2022, before recovering in 2023 through strong underlying growth as well as measures to increase profitability. The market has grown structurally over the past years. High single-digit growth in premiums and double-digit growth in assets under management are expected during the next years. We aim to defend Storebrand's strong position in the market, while also focusing on cost leadership and improved customer experience through end-to-end digitalisation.

As a leading occupational pension provider in the private sector, Storebrand also has a competitive offering to the public sector market. The public sector pension market is fast growing and larger than the private sector, thus representing a potential additional source of revenue generation for Storebrand. The ambition is to gain 1% market share annually, or approximately NOK 5bn in annual net inflow.

In the coming years, Storebrand is looking to leverage customer, product and capital synergies by expanding our insurance offering to corporate clients within P&C. The gradual transfer of contracts from the Insr portfolios is expected to support growth within this area in 2021.

In Sweden, SPP has become a significant profit contributor to the Storebrand Group, driven by earnings growth and ongoing capital release. Growth is expected to continue, driven by an edge in digital and ESG-enhanced solutions, and a strong market position. The market is expected to grow about 8% annually, supported by increasing transfer volumes. Going forward, SPP's ambition is to grow 14-16% annually – twice the overall market growth – through capturing the largest share of transfers.

Overall reserves for guaranteed pensions are expected to start decreasing in the coming years. Guaranteed reserves represent a declining share of the Group's total pension reserves and were 50.0% at the end of the second quarter, 4.9 percentage points lower than for the corresponding period last year. Storebrand's strategy is to secure customer returns and protect shareholder's equity under turbulent market conditions by building customer buffers.

In addition to managing internal pension funds, Storebrand Asset Management is growing its external mandates from institutional and retail investors, both in the Nordics and across Europe. Storebrand has a full product range including index, factor, and active management. We are also one of the strongest providers of alternative assets in the Nordic region, an asset class offering prospects of higher margins. In combination with a strong track record with ESG-enhanced mutual funds, Storebrand is aiming to capitalise on these two trends. The overall ambition is to grow assets under management by NOK 250bn in the coming three years, while maintaining a stable fee margin.

The individualisation of the market for pension and savings is expected to further increase and may be reinforced by the introduction of individual pension accounts in Norway. Retail has already become an increasingly large part of Storebrand, contributing 21% to the overall Group Profit in 2020. P&C insurance, where Storebrand has transferred policies from Insr since December 2020, is an important area for growth also going forward. The ambition is to grow more than 10% annually within savings, mortgage lending and insurance.

Adjusted for acquisitions, currency and performance related costs, the Group has reported flat nominal costs since 2012. Storebrand will continue to reduce underlying costs, but it will also be necessary to make selective investments to facilitate growth. New business and the acquisition of the Insr portfolio, as well as accelerated digital investments, are expected to increase costs in 2021 by NOK 400m. As of the second quarter of 2021, the Group is well within the cost ambition of NOK 4.4bn for the full year. The board expects a gradual increase in cost in the second half of the year as the activity in the economy increases. Continued strong cost discipline will be a critical success factor to deliver a profit (before amortisation and tax) of NOK 4bn in 2023.

Risk

Market risk is the Group's biggest risk. In the Board's self-assessment of risk and solvency (ORSA) process, developments in interest rates, credit spreads, and equity and property values are considered to be the biggest risks that influence the solvency of the Group. Should the economic situation worsen, and financial markets deteriorate, investment losses may occur from reduced valuations of such instruments.

Storebrand has adapted to the low interest rate environment by increasing duration in portfolios and building buffer capital. The level of the average annual interest rate guarantee is gradually reduced as older policies with higher guarantees are phased out. In the long term, continued low interest rates will represent a risk for products with high guaranteed returns. Storebrand has adjusted its asset allocation by building a robust portfolio of bonds at amortised cost to achieve sufficient returns. With over 12% of customer buffers as a share of customer reserves, Storebrand effectively has NOK 33bn more in customer assets than liabilities and NOK 6.4bn in surplus values in bonds held at amortised cost. Customer buffers increase the expected booked returns in Norway. The customer buffers can also be used to compensate for a shortfall in returns under poor market conditions, limiting the financial risk to shareholders and policyholders. In markets with rising interest rates, the buffer capital absorbs lower mark-to-market value on bonds. The investment portfolio in Norway with 55% of the bonds booked at amortised cost, as well as an asset-duration matched portfolio in Sweden, also reduce the impact of interest rate movements.

Increased longevity and development in disability are the main insurance risk factors for the solvency position of the Group. The weakening of the Norwegian economy due to the pandemic has led to a substantial, but likely temporary, increase in unemployment. A prolonged situation with high unemployment could lead to higher disability levels, which may result in increased claims. The development of the insurance reserves is dependent on future scenarios and are currently more uncertain than normal. Storebrand strengthened its disability reserves and general Covid-19 reserves in 2020. The reserves have remained unchanged since and are deemed to be adequate. Storebrand will continue to monitor the development of Covid-19 and effects for the economy.

Operational risk may also influence solvency. The risk is closely monitored. The span of outcomes from regulatory risk has increased. Several processes, both on the domestic and international level, with potential implications for capital, customer returns and commercial opportunities are described below.

Changes have been made to the Norwegian tax legislation for the insurance industry in recent years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three significant uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 9. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.8bn may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.8bn could be recognised. The timeline for settling the process with the Norwegian Tax Administration might take several years. If necessary, Storebrand will seek clarification from the court of law on the matter.

Individual pension account

The new legislation introducing Individual pension accounts in the Norwegian defined contribution market entered into force 1 January 2021.

Pension capital certificates issued by previous employers are transferred into the active scheme unless the holder made an active choice to stay with the current provider by opting out ("negative acceptance") by 30 April 2021. Transfer of approximately 1.5 million certificates with a combined value of NOK 70bn is taking place from May to November 2021. The long transfer period aims to minimize market impact of the process.

Individual Pension Account holders in Norway have since 1 February been able to transfer their account from the employer's collective scheme to a provider of own choice. So far, approx. 45 000 out of 1.5 million eligible employees have moved their savings to a provider of own choice.

A key aim of the reform is to reduce the costs associated with the administration of pension contributions from previous employers. Regulation stipulates that individuals shall pay the same fee for former savings from pension capital certificates transferred to the Individual Pension Account as the employer pays for current savings. This will lead to significantly lower income related to former pension certificates.

Proposed Changes to Pension Regulations in Norway

The Ministry of Finance has presented a bill to Parliament regarding changes to the regulations of guaranteed pension products and to the rules for saving in Defined Contribution schemes.

Guaranteed pensions

The proposed changes described in the bill to Parliament regarding the regulation of guaranteed pension products are:

- The ability for providers to build additional statutory reserves separately for individual contracts. This will allow for profit sharing and increased benefits on contracts with sufficient additional statutory reserves.
- Faster pay-outs for small paid up-policies. Pay-out periods for

- paid up-policies can today be reduced so that the yearly benefit equals about 0.3 G (G = NOK 106 399). The Financial Supervisory Authority proposed increasing this threshold to 0.5 G. The Ministry of Finance goes further and proposes that pay-out periods can be reduced so that the yearly benefit equals about 1 G, with the option for customers to choose even faster pay-out up to yearly benefits of 1.5 G. This will somewhat reduce longevity risk and duration risk in the paid up-pension portfolio. The magnitude of the effect is uncertain.
- The ability for providers to compensate customers who convert paid-up policies to investment choice. It will still be possible to offer conversion without compensation. If compensation is offered, it should reflect the value of the guaranteed returns the customer surrenders.

The Ministry of Finance has not proposed changes to the buffer fund model in this bill. The Ministry of Finance will at a later point consider the need for additional regulatory changes and refers to changes that can facilitate improved competition for municipal pension schemes.

The further process can be impacted by the Parliamentary election in September.

Saving in Defined Contribution Schemes
The proposed changes described in the bill to Parliament regarding the rules for saving in Defined Contribution schemes are:
- All income should give right to pension contributions under the Mandatory Occupational Pension rules, not just income above 1 G, or working more than 20% of full time, as today.
- The right to pension contributions from the age of 13.
- The proposals are expected to increase total annual savings in the Defined Contribution market by about NOK 3bn annually when they enter into force in 2023.

Solvency II review
The European Insurance and Occupational Pension Authority (EIOPA) presented final proposal for changes in the Solvency II standard model to the Commission in December 2020. EIOPA has proposed changes in the interest rate risk module that could increase the solvency capital requirement for Norwegian and Swedish insurers. The Commission is now considering EIOPAS proposals.

We expect final conclusions to be drawn by the Commission, the Parliament and the Council in 2022. This will be followed by work on delegated acts and guidelines. Changes are not expected to enter into force before 2025.

Changes in IFRS
A new accounting standard for insurance contracts, IFRS 17, is expected to be implemented in 2023. Storebrand will also implement IFRS 9, Financial instruments, at the same time. The new standards will lead to changes in the valuation of the insurance contracts and how the profit is accounted. Estimated effects for Storebrand will be presented closer to the implementation date.

Sustainable finance
The European Union's Action Plan on Sustainable Finance aims to contribute to realising the Paris goals of reduced carbon emissions. This is followed by new regulation to increase investments in sustainable activities and increase the resilience of the financial system when it comes to climate risk.

The Financial Supervisory Authority has conducted a public consultation on legislation introducing the EU Taxonomy on classification of sustainable activities and regulation on climate-related disclosures in Norwegian law. We expect the Ministry of Finance to present a proposal to parliament this spring.

Dividend policy
Storebrand has established a framework for capital management that links dividends to the solvency margin. The dividend policy intends to reflect the strong growth in fee-based earnings, the more volatile financial markets related earnings and the future capital release from the guaranteed book. The Board's ambition is to pay a gradually and growing ordinary dividend. Should the solvency margin remain sustainably above 180% without material use of transitional capital, the Board intends to initiate a share buyback program. A review of the solvency level and related share buybacks will be conducted after the full year results for 2021. The purpose of the buyback program is to return excess capital released from the guaranteed liabilities that are in long-term run-off.

Storebrand's dividend policy is stated as following:

Storebrand aims to pay an ordinary dividend of more than 50% of Group result after tax. The Board of Directors' ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year. Ordinary dividends are subject to a sustainable solvency margin of above 150%. If the solvency margin is above 180%, the Board of Directors intends to propose special dividends or share buy backs.

Lysaker, 13 July 2021

Storebrand Group
Income statement

(NOK million)	Note	Q2 2021	Q2 2020	01.01 - 30.06 2021	01.01 - 30.06 2020	Full year 2020
Premium income		10,714	13,497	28,220	27,672	44,188
Net income from financial assets and real estate for the company:						
- equities and fund units at fair value		17	20	21	5	22
- bonds and other fixed-income securities at fair value		84	309	125	397	785
- derivatives at fair value		-7	97	43	-302	-397
- loans at fair value		-3	19	-1	28	37
- bonds at amortised cost		51	54	108	108	212
- loans at amortised cost		170	168	339	376	687
- profit from investments in associated companies/joint ventures		6	39	14	35	52
Net income from financial assets and real estate for the customers:						
- equities and fund units at fair value		13,886	15,636	31,814	-9,407	14,632
- bonds and other fixed-income securities at fair value		710	2,575	412	2,851	3,550
- derivatives at fair value		975	6,247	-1,179	-383	5,771
- loans at fair value		6	2	9	12	23
- bonds at amortised cost		1,027	1,233	2,019	2,344	4,202
- loans at amortised cost		193	51	121	638	909
- properties		442	-78	1,083	35	1,680
- profit from investments in associated companies/joint ventures		51	-22	131	98	569
Other income	3	1,614	682	2,741	1,771	4,109
Total income		**29,937**	**40,530**	**66,020**	**26,277**	**81,031**
Insurance claims		-13,035	-7,174	-22,530	-15,054	-29,531
Change in insurance liabilities		-11,093	-27,980	-34,760	-7,668	-37,929
Change in capital buffer		-2,730	-2,983	-3,001	275	-4,327
Operating expenses	8	-1,321	-1,170	-2,690	-2,403	-4,914
Other expenses		-242	-210	-494	-480	-826
Interest expenses		-163	-205	-321	-472	-793
Total expenses before amortisation		**-28,584**	**-39,723**	**-63,797**	**-25,803**	**-78,320**
Group profit before amortisation		**1,353**	**808**	**2,223**	**474**	**2,711**
Amortisation of intangible assets		-129	-124	-254	-243	-492
Group pre-tax profit		**1,225**	**684**	**1,970**	**231**	**2,219**
Tax expenses	9	-52	-231	-354	486	136
Profit/loss for the period		**1,173**	**453**	**1,615**	**717**	**2,355**
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		1,170	448	1,611	711	2,345
Share of profit for the period - hybrid capital investors		2	3	4	6	10
Share of profit for the period - non-controlling interests			2			
Total		**1,173**	**453**	**1,615**	**717**	**2,355**
Earnings per ordinary share (NOK)		2.51	0.96	3.46	1.52	5.02
Average number of shares as basis for calculation (million)				466.2	467.0	467.2
There is no financial instruments that gives diluted effect on earnings per share						

Storebrand Group
Statement of comprehensive income

	Q2		01.01 - 30.06		Full year
(NOK million)	2021	2020	2021	2020	2020
Profit/loss for the period	**1,173**	**453**	**1,615**	**717**	**2,355**
Actuarial assumptions pensions own employees	-4	-2	-5	-4	-110
Fair value adjustment of properties for own use	11	3	69	22	83
Other comprehensive income allocated to customers	-11	-3	-69	-22	-83
Tax on other comprehensive income elements not to be reclassified to profit/loss					15
Total other comprehensive income elements not to be reclassified to profit/loss	**-4**	**-2**	**-6**	**-4**	**-95**
Translation differences foreign exchange	69	-136	-82	266	305
Gains/losses from cash flow hedging	-11	-20	-25	14	-33
Total other comprehensive income elements that may be reclassified to profit/loss	**58**	**-156**	**-107**	**280**	**273**
Total other comprehensive income elements	**54**	**-158**	**-112**	**276**	**178**
Total comprehensive income	**1,227**	**295**	**1,503**	**993**	**2,532**
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	1,225	297	1,498	987	2,515
Share of total comprehensive income - hybrid capital investors	2	3	4	6	10
Share of total comprehensive income - non-controlling interests		-4			8
Total	**1,227**	**295**	**1,503**	**993**	**2,532**

Storebrand Group
Statement of financial position

(NOK million)	Note	30.06.21	30.06.20	31.12.20
Assets company portfolio				
Deferred tax assets		1,397	1,975	1,780
Intangible assets and excess value on purchased insurance contracts		6,172	6,466	6,303
Pension assets			2	
Tangible fixed assets		1,317	1,091	1,397
Investments in associated companies and joint ventures		259	249	283
Financial assets at amortised cost:				
- Bonds	7	11,651	10,995	10,639
- Loans to financial institutions	7	92	42	103
- Loans to customers	7,10	35,923	30,077	31,058
Reinsurers' share of technical reserves		43	42	56
Investment properties at fair value	7		49	50
Biological assets			67	67
Accounts receivable and other short-term receivables		9,554	5,402	7,018
Financial assets at fair value:				
- Equities and fund units	7	561	293	384
- Bonds and other fixed-income securities	7	29,070	26,795	28,833
- Derivatives	7	869	1,385	1,389
- Loans to customers	7,10	432	816	722
Bank deposits		2,580	3,839	2,775
Minority portion of consolidated mutual funds		72,585	47,433	59,845
Total assets company portfolio		**172,507**	**137,017**	**152,701**
Assets customer portfolio				
Investments in associated companies and joint ventures		6,137	5,913	6,167
Financial assets at amortised cost:				
- Bonds	7	105,078	91,312	92,846
- Bonds held-to-maturity	7	10,033	13,394	13,026
- Loans to customers	7,10	23,409	23,414	23,769
Reinsurers' share of technical reserves		13	24	24
Investment properties at fair value	7	32,496	30,478	32,067
Properties for own use	7	1,623	1,537	1,609
Accounts receivable and other short-term receivables		909	654	404
Financial assets at fair value:				
- Equities and fund units	7	264,162	196,331	230,446
- Bonds and other fixed-income securities	7	141,585	147,980	148,162
- Derivatives	7	3,667	9,177	8,587
- Loans to customers	7,10	8,264	7,788	7,665
Bank deposits		7,562	10,611	10,290
Total assets customer portfolio		**604,939**	**538,612**	**575,061**
Total assets		**777,446**	**675,629**	**727,763**

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Storebrand Group
Statement of financial position (continued)

(NOK million)	Note	30.06.21	30.06.20	31.12.20
Equity and liabilities				
Paid-in capital		12,851	12,858	12,858
Retained earnings		22,747	21,312	22,839
Hybrid capital		226	226	226
Total equity		**35,823**	**34,396**	**35,923**
Subordinated loans	6,7	11,205	9,107	9,110
Capital buffer	11	32,833	24,510	29,319
Insurance liabilities		566,746	504,244	536,028
Pension liabilities		342	271	352
Deferred tax		894	824	849
Financial liabilities:				
- Liabilities to financial institutions	6,7	302	1,302	1,653
- Deposits from banking customers	7	17,563	15,966	15,506
- Securities issued	6,7	23,604	19,701	20,649
- Derivatives company portfolio		207	159	114
- Derivatives customer portfolio		2,519	1,233	851
- Other non-current liabilities		1,277	1,046	1,355
Other current liabilities		11,546	15,439	16,209
Minority portion of consolidated mutual funds		72,585	47,433	59,845
Total liabilities		**741,623**	**641,234**	**691,840**
Total equity and liabilities		**777,446**	**675,629**	**727,763**

Storebrand Group

Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Total paid in equity	Currency translation differences	Other equity [2]	Total retained earnings	Hybrid capital[3]	Non-controlling interests	Total equity
	Majority's share of equity									
Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**12,856**	**910**	**19,355**	**20,264**	**226**	**52**	**33,398**
Profit for the period						2,345	2,345	10		2,355
Total other comprehensive income elements					298	-128	170		8	178
Total comprehensive income for the period					**298**	**2,217**	**2,515**	**10**	**8**	**2,532**
Equity transactions with owners:										
Own shares		3		3		33	33			36
Hybrid capital classified as equity						3	3			3
Paid out interest hybrid capital								-10		-10
Other						24	24		-59	-35
Equity at 31 December 2020	**2,339**	**-2**	**10,521**	**12,858**	**1,208**	**21,631**	**22,839**	**226**		**35,923**
Profit for the period						1,611	1,611	4		1,615
Total other comprehensive income elements					-82	-30	-112			-112
Total comprehensive income for the period					**-82**	**1,581**	**1,498**	**4**		**1,503**
Equity transactions with owners:										
Own shares		-7		-7		-97	-97			-104
Hybrid capital classified as equity						1	1			1
Paid out interest hybrid capital								-4		-4
Dividend paid						-1,513	-1,513			-1,513
Other						19	19			18
Equity at 30 June 2021	**2,339**	**-9**	**10,521**	**12,851**	**1,125**	**21,622**	**22,747**	**226**		**35,823**

[1] 467 813 982 shares with a nominal value of NOK 5.
[2] Includes undistributable funds in the risk equalisation fund amounting to NOK 451 million and security reserves/natural perials capital amounting NOK 106 million.
[3] Perpetual hybrid tier 1 capital classified as equity.

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Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**12,856**	**910**	**19,355**	**20,264**	**226**	**52**	**33,398**
Profit for the period						711	711	6		717
Total other comprehensive income elements					266	10	276			276
Total comprehensive income for the period					**266**	**721**	**987**	**6**		**993**
Equity transactions with owners:										
Own shares		3		3		33	33			35
Hybrid capital classified as equity						1	1			1
Paid out interest hybrid capital								-6		-6
Other						26	26		-52	-26
Equity at 30 June 2020	**2,339**	**-2**	**10,521**	**12,858**	**1,176**	**20,136**	**21,312**	**226**		**34,396**

Storebrand Group
Statement of cash flow

(NOK million)	01.01 - 30.06 2021	2020
Cash flow from operating activities		
Net receipts premium - insurance	16,090	15,284
Net payments claims and insurance benefits	-10,478	-11,021
Net receipts/payments - transfers	385	8,167
Other receipts/payments - insurance liabilities	3,974	471
Receipts - interest, commission and fees from customers	432	529
Payments - interest, commission and fees to customers	-15	-24
Taxes paid	-14	-21
Payments relating to operations	-2,786	-2,533
Net receipts/payments - other operating activities	2,053	1,146
Net cash flow from operations before financial assets and banking customers	*9,641*	*11,998*
Net receipts/payments - loans to customers	-5,080	-727
Net receipts/payments - deposits bank customers	2,041	1,520
Net receipts/payments - securities	-9,705	-10,124
Net receipts/payments - investment properties	-142	481
Net change in bank deposits for insurance customers (bank deposit in customer portfolio)	2,636	-2,988
Net cash flow from financial assets and banking customers	*-10,250*	*-11,838*
Net cash flow from operating activities	**-608**	**160**
Cash flow from investing activities		
Receipts - sale of subsidiaries	815	
Payments - purchase of subsidiaries	-28	-221
Net receipts/payments - sale/purchase of fixed assets	-191	-53
Net receipts/payments - sale/purchase of associated companies and joint ventures	-1	
Net cash flow from investing activities	**595**	**-274**
Cash flow from financing activities		
Receipts - new loans	1,880	5,300
Payments - repayments of loans	-1,350	-4,319
Payments - interest on loans	-124	-253
Receipts - subordinated loans	3,004	499
Payments - repayment of subordinated loans	-373	-872
Payments - interest on subordinated loans	-289	-318
Net receipts/payments - loans to financial institutions	-1,350	856
Receipts - issuing of share capital / sale of shares to employees	44	25
Payments - repayment of share capital	-144	
Payments - dividends	-1,513	
Payments - interest on hybrid capital	-4	-6
Net cash flow from financing activities	**-219**	**913**
Net cash flow for the period	**-232**	**799**
Cash and cash equivalents at the start of the period	2,878	3,160
Currency translation cash/cash equivalents in foreign currency	27	-77
Cash and cash equivalents at the end of the period [1)]	**2,672**	**3,882**
[1)] **Consists of:**		
Loans to financial institutions	92	42
Bank deposits	2,580	3,839
Total	**2,672**	**3,882**

Notes to the interim accounts Storebrand Group

Note 01 Accounting policies

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

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2020 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

There are none new or changed accounting standards that entered into effect in 2021 that have significant effect on Storebrand's consolidated financial statements.

Note 02 Important accounting estimates and jugdements

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 is included in the 2020 annual report in note 2, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 12.

Note 03 Divestment of subsidiary

Storebrand has conducted a strategic review of its ownership in AS Værdalsbruket, which was a wholly owned subsidiary of Storebrand, and was owned 74.9% by Storebrand Livsforsikring AS and 25.1% by Storebrand ASA. AS Værdalsbruket is Norway's second largest private forest owning company located in Trøndelag county. The company owns significant limestone resources, provides nature tourism experiences and is part owner of Inntre Holding AS, a large exporter of building timber.

During the second quarter Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 546 million. The gain is classified as Other income in the accounts, and as Financial items in the segment note under the Other segment. There are no contingent considerations associated with this transaction.

Note 04 Profit by segments

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

Savings
The savings segment includes products for retirement savings with no interest rate guarantees. The segment consists of defined contribution pensions in Norway and Sweden, asset management and retail banking products. In addition, certain other subsidiaries in Storebrand Livsforsikring and SPP are included in Savings.

Insurance
The insurance segment provides health insurance in the Norwegian and Swe¬dish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market in addition to employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

Guaranteed pension
The guaranteed Pension segment includes long-term pension saving products which provides customers a guaranteed rate of return. The area includes defined benefit pensions in Norway and Sweden, paid-up policies and individual capital and pension insurances.

Other

The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios of Storebrand Livsforsikring and SPP. The elimination of intra-group transactions is also included in the Other segment.

Reconciliation with the official profit and loss accounting

Profit in the segments are reconciled with the corporate profit and loss account before tax. The corporate profit and loss account include gross income and gross expenses linked to both the insurance customers and owners. The various segments are to a large extent followed up on net profit margins, including risk and administration results. The profit lines that are used in segment reporting will therefore not be identical with the profit lines in the corporate profit and loss account.

A description of the most important differences is included in the 2020 annual report in note 4 Segment reporting.

	Q2		01.01 - 30.06		Full year
(NOK million)	2021	2020	2021	2020	2020
Savings	435	396	963	672	1,730
Insurance	145	124	201	-144	204
Guaranteed pension[1]	310	27	631	101	805
Other[1]	464	261	428	-155	-28
Group profit before amortisation	**1,353**	**808**	**2,223**	**474**	**2,711**
Amortisation of intangible assets	-129	-124	-254	-243	-492
Group pre-tax profit	**1,225**	**684**	**1,970**	**231**	**2,219**

[1] *Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".*

Segment information as Q2

	Savings		Insurance		Guaranteed pension	
	Q2		Q2		Q2	
(NOK million)	2021	2020	2021	2020	2021	2020[1]
Fee and administration income	1,129	974			407	379
Insurance result			332	255		
- Insurance premiums for own account			*1,279*	*1,070*		
- Claims for own account			*-946*	*-816*		
Operating expense	-703	-600	-214	-175	-227	-218
Operating profit	**427**	**374**	**119**	**80**	**180**	**160**
Financial items and risk result life & pension	8	22	27	44	130	-134
Group profit before amortisation	**435**	**396**	**145**	**124**	**310**	**27**
Amortisation of intangible assets[2]						
Group pre-tax profit						

(NOK million)	Other Q2 2021	Other Q2 2020[1]	Storebrand Group Q2 2021	Storebrand Group Q2 2020
Fee and administration income	-64	-52	1,473	1,301
Insurance result			332	255
- Insurance premiums for own account			*1,279*	*1,070*
- Claims for own account			*-946*	*-816*
Operating expense	25	18	-1,119	-975
Operating profit	**-39**	**-34**	**686**	**580**
Financial items and risk result life & pension	503	296	667	228
Group profit before amortisation	**464**	**261**	**1,353**	**808**
Amortisation of intangible assets [2]			-129	-124
Group pre-tax profit			**1,225**	**684**

Segment information as of 01.01 - 30.06

(NOK million)	Savings 01.01 - 30.06 2021	Savings 01.01 - 30.06 2020	Insurance 01.01 - 30.06 2021	Insurance 01.01 - 30.06 2020	Guaranteed pension 01.01 - 30.06[1] 2021	Guaranteed pension 01.01 - 30.06[1] 2020
Fee and administration income	2,285	2,017			790	742
Insurance result			552	184		
- Insurance premiums for own account			*2,473*	*2,090*		
- Claims for own account			*-1,920*	*-1,906*		
Operating expense	-1,373	-1,269	-416	-350	-424	-426
Operating profit	**911**	**748**	**137**	**-166**	**366**	**316**
Financial items and risk result life & pension	51	-76	64	22	266	-215
Group profit before amortisation	**963**	**672**	**201**	**-144**	**631**	**101**
Amortisation of intangible assets [2]						
Group pre-tax profit						

(NOK million)	Other 01.01 - 30.06[1] 2021	Other 01.01 - 30.06[1] 2020	Storebrand Group 01.01 - 30.06 2021	Storebrand Group 01.01 - 30.06 2020
Fee and administration income	-120	-109	2,954	2,649
Insurance result			552	184
- Insurance premiums for own account			*2,473*	*2,090*
- Claims for own account			*-1,920*	*-1,906*
Operating expense	37	45	-2,176	-1,999
Operating profit	**-83**	**-64**	**1,331**	**834**
Financial items and risk result life & pension	511	-91	893	-360
Group profit before amortisation	**428**	**-155**	**2,223**	**474**
Amortisation of intangible assets [2]			-254	-243
Group pre-tax profit			**1,970**	**231**

[1] *Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".*
[2] *Amortisation of intangible assets are included in Storebrand Group*

Key figures by business area

(NOK million)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Group								
Earnings per ordinary share [1]	3.46	0.94	5.02	3.16	1.52	0.56	4.43	2.99
Equity	35,823	36,069	35,923	35,181	34,396	34,090	33,398	32,680
Savings								
Premium income Unit Linked [2]	5,316	5,346	5,163	4,856	5,121	5,046	4,551	4,205
Unit Linked reserves	295,195	278,702	268,331	251,577	234,644	210,061	219,793	206,716
AuM asset management	1,037,470	987,397	962,472	920,540	880,177	828,749	831,209	786,326
Retail lending	54,288	51,594	49,474	47,771	47,208	47,681	48,161	46,722
Insurance								
Total written premiums	6,133	5,745	5,562	5,288	5,201	5,037	4,698	4,583
Claims ratio [2]	74%	82%	70%	73%	76%	107%	78%	73%
Cost ratio [2]	17%	17%	17%	15%	16%	17%	17%	17%
Combined ratio [2]	91%	98%	87%	88%	92%	124%	96%	89%
Guaranteed pension								
Guaranteed reserves	294,909	286,410	287,614	287,740	284,832	282,439	272,970	273,351
Guaranteed reseves in % of total reserves	50.0%	50.7%	51.7%	53.4%	54.8%	57.3%	55.4%	56.9%
Net transfer out of guaranteed reserves [2]	-94	6,941	704	-4	634	93	-16	-14
Capital buffer in % of customer reserves Storebrand Life Group [3]	11.3%	9.8%	11.0%	10.5%	9.5%	8.3%	8.6%	8.3%
Capital buffer in % of customer reserves SPP [4]	15.1%	14.1%	11.9%	10.4%	9.3%	8.0%	11.5%	9.7%
Solidity								
Solvency II [5]	172%	176%	178%	179%	163%	172%	176%	177%
Solidity capital (Storebrand Life Group) [6]	75,284	69,352	72,766	72,047	67,279	62,713	62,442	62,127
Capital adequacy Storebrand Bank	18.5%	17.4%	18.7%	18.0%	18.6%	18.7%	19.6%	18.4%
Core Capital adequacy Stobrand Bank	16.8%	15.6%	16.7%	16.0%	16.6%	16.7%	17.5%	16.2%

1) *Accumulated*
2) *Quarterly figures*
3) *Additional statutory reserves + market value adjustment reserve*
4) Conditional bonuses
5) See note 13 for specification of Solvency II
6) 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.

Note 05

Financial market risk and insurance risk

Risks are described in the annual report for 2020 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk) and note 11 (Concentrations of risk).

Financial market risk

Market risk means changes in the value of assets due to unexpected volatility or price changes in the financial markets. It also refers to the risk that the value of the insurance liability develops differently than the assets due to interest rate changes. The most significant market risks for Storebrand are interest rate risk, equity market risk, property price risk, credit risk and currency exchange rate risk.

For the life insurance companies, the financial assets are invested in a variety of sub-portfolios. Market risk affects Storebrand's income and profit differently in the different portfolios. There are three main types of sub-portfolios: company portfolios, customer portfolios without a guarantee (unit linked) and customer portfolios with a guarantee.

The market risk in the company portfolios has a direct impact on Storebrand's profit.

The market risk in customer portfolios without a guarantee (unit linked) is borne by the customers, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based mainly on the size of the portfolios, while the costs tend to be fixed. Lower returns from 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 risk sharing with customers depends on several factors, the most important being the size and flexibility of the customer buffers, and the level and duration of the interest rate 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. Storebrand is responsible for meeting any shortfall that cannot be covered by the customer buffers.

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 first half of 2021 has been generally positive for risk assets, in particular equities. Positive drivers are increased economic activity as the society gradually reopens, the roll-out of vaccines, and continued fiscal and monetary stimulus. Inflation has increased due to supply-shortages. The pick-up in inflation has caused some uncertainty and market volatility, as some fear that the increase is more than transitory. The uncertainty regarding the financial markets and the effects from Covid-19 going forward is still higher than normal market risk. Storebrand has risk management which through policies and principles handles and dampens the effect of volatile financial markets.

Global equities rose 8 percent in the second quarter and rose 14 percent in the first half year. Norwegian equities rose 6 percent in the second quarter and rose 15 percent in the first half year. The credit spreads for corporate bonds has decreased slightly in the second quarter and the first half year.

Long-term interest rates rose during the first quarter, back to near pre-pandemic levels. During the second quarter the trend was less clear. The Norwegian 10-year swap-rate fell 0.2 pp in the second quarter but are 0.4 pp higher from the start of the year. The Swedish 10-year swap-rate are little changed in the second quarter but are 0.4 pp higher from the start of the year. Short term interest rates are still low both in Norway and Sweden, as the Central banks have kept rates unchanged. But it's now expected that the interest rates will be lifted earlier, in Norway starting in the second half this year. Due to most of the interest rate investments in the Norwegian customer portfolios being held at amortized cost, changes in interest rates have a limited effect on booked returns in the short term. However, with the present interest rates, new bond investments provide a lower return than the average interest rate guarantee. A lower interest rate is also negative for the solvency position.

The Norwegian Krone strengthened in the first quarter, but some of the strengthening was reversed in the second quarter. Since the start of the year, the Krone has strengthened 4 percent against the Swedish Krone and 3 percent against the Euro. The exchange rate against the US dollar is almost unchanged. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and Storebrand's market risk.

Financial instruments valued at fair value level three are priced based on models. Examples of such financial instruments are investment property, private equity, and mortgages. The valuation models gather and employ information from a wide range of well-informed sources. There is greater uncertainty regarding the input factors and the valuation from these models than normal. Any continued spread of Covid-19, governmental measurements to contain the spread and the effects for the economy are uncertain and will have impact on the valuation of financial instruments. There is a large range of possible outcomes for these input data and thus for the modelled prices. Hence, the values reflect management's best estimate, but contain greater uncertainty than in a normal quarter.

During the first half the investment allocation has not been materially changed.

The market-based return for guaranteed customer portfolios in Norway in general was lower than the guarantee in the first quarter. In the second quarter the return was higher than the guarantee. In Sweden the return for guaranteed customerportfolios was better than the change in value for the liabilities in the second quarter and the first half, mainly resulting in increased conditional bonuses.

The return for the unit linked portfolios was generally positive, both in second quarter and in the first half.

Sensitivity analyses

The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios because of immediate changes in value related to financial market risk. The calculation is model-based, and the result is dependent on the choice of stress level for each category of asset. The stresses have been applied to the company portfolio and guaranteed customer portfolios as at 30 June 2021. The effect of each stress changes the return in each profile.

Unit linked insurance without a guaranteed annual return is not included in the analysis. For these products, the customers bear the market risk and the effect of a falling market will not directly affect the result or buffer capital.

The amount of stress is the same that is used for the company's risk management. Two stress tests have been defined. Stress test 1 is a fall in the value of shares, corporate bonds and property in combination with lower interest rates. Stress test 2 is a somewhat smaller fall in the value of shares, corporate bonds, and property in combination with higher interest rates.

Level of stress

	Stresstest 1	Stresstest 2
Interest level (parallel shiftt)	-50bp	+100bp
Equity	-20%	- 12 %
Property	- 12 %	- 7 %
Credit spread (share of Solvency II)	50 %	30 %

For 2021, the interest rate down stress has been changed to -50bp from -100bp.

Because it is the immediate market changes that are calculated, dynamic risk management will not affect the outcome. If it is assumed that the market changes occur over a period, then dynamic risk management would reduce the effect of the negative outcomes and reinforce the positive outcomes to some extent.

As a result of customer buffers, the effect of the stresses on the result will be lower than the values described in the tables. As at 30 June 2021, the customer buffers are of such a size that the effects on the result are significantly lower.

Stresstest 1

	Storebrand Livsforsikring		SPP Pension & Försäkring	
Sensitivity	NOK Million	Share of portfolio	NOK Million	Share of portfolio
Interest rate risk	2,181	1.0 %	-147	-0.2 %
Equtiy risk	-3,223	-1.4 %	-2,499	-2.7 %
Property risk	-2,605	-1.1 %	-1,268	-1.4 %
Credit risk	-1,362	-0.6 %	-850	-0.9 %
Total	**-5,009**	**-2.2 %**	**-4,763**	**-5.2 %**

Stresstest 2

Sensitivity	Storebrand Livsforsikring NOK Million	Storebrand Livsforsikring Share of portfolio	SPP Pension & Försäkring NOK Million	SPP Pension & Försäkring Share of portfolio
Interest rate risk	-4,361	-1.9 %	293	0.3 %
Equtiy risk	-1,934	-0.8 %	-1,499	-1.6 %
Property risk	-1,520	-0.7 %	-739	-0.8 %
Credit risk	-817	-0.4 %	-510	-0.6 %
Total	**-8,632**	**-3.8 %**	**-2,456**	**-2.7 %**

Storebrand Livsforsikring
Stress test 2, which includes an increase in interest rates, makes the greatest impact for Storebrand Livsforsikring. The overall market risk is NOK 8.6 billion (NOK 8.4 billion as at 31 March 2021), which is equivalent to 3.8 (3.8) per cent of the investment portfolio.

If the stress causes the return to fall below the guarantee, it will have a negative impact on the result if the customer buffer is not adequate. Other negative effects on the result are a lower return from the company portfolio and that there is no profit sharing from paid-up policies and individual contracts.

SPP Pension & Insurance
For SPP it is stress test 1, which includes a fall in interest rates, that creates the greatest impact. The overall market risk is SEK 4.8 billion (SEK 4.6 billion as at 31 March 2021), which is equivalent to 5.2 (5.0) per cent of the investment portfolio.

The buffer situation for the individual contracts will determine if all or portions of the fall in value will affect the financial result. Only the portion of the fall in value that cannot be settled against the customer buffer will be charged to the result. In addition, the reduced profit sharing or loss of the indexing fees may affect the financial result.

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

The weakening of the Norwegian economy due to the pandemic has led to a substantial increase in unemployment. This increase is possibly temporary due to the containment of the virus. There has historical been correlations between the unemployment rate and the disability levels. The governments have put in place several measures to support the economy from effects from Covid-19, but the long-term unemployment rate and the outcome of the pandemic is uncertain.

The development of the insurance reserves is dependent on future scenarios and are currently more uncertain than normal. Storebrand will continue to monitor the development of Covid-19 and effects for the economy. A prolonged situation with high unemployment could lead to higher disability levels and increased reserves. However, the current insurance reserves represent Storebrand's best estimate of the insurance liabilities.

Other insurance risk was not materially changed during the first half.

Note 06 Liquidity risk

Specification of subordinated loans [1]

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Perpetual subordinated loans [2]					
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Dated subordinated loans					
Storebrand Livsforsikring AS [3]	750	SEK	Variable	2021	760
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2022	1,008
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	907
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	1,009
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499
Storebrand Livsforsikring AS [3]	250	EUR	Fixed	2023	2,666
Storebrand Livsforsikring AS [3]	300	EUR	Fixed	2031	2,980
Storebrand Bank ASA	150	NOK	Variable	2022	150
Storebrand Bank ASA	125	NOK	Variable	2025	125
Total subordinated loans and hybrid tier 1 capital 30.06.21					**11,205**
Total subordinated loans and hybrid tier 1 capital 30.06.20					**9,107**
Total subordinated loans and hybrid tier 1 capital 31.12.20					9,110

[1] *Storebrand Bank ASA has issued hybrid tier 1 capital bonds/hybrid capital that is classified as equity. See the statement of changes in equity.*
[2] *in the case of perpetual subordinated loans, the cash flow is calculated through to the first call date*
[3] *The loans are subject to hedge accounting*

Specification of liabilities to financial institutions

	Book value		
(NOK million)	30.06.21	30.06.20	31.12.20
Call date			
2020		1,302	
2021	302		1,653
Total liabilities to financial institutions	**302**	**1,302**	**1,653**

Specification of securities issued

	Book value		
(NOK million)	30.06.21	30.06.20	31.12.20
Call date			
2020		313	
2021	280	4,062	1,637
2022	6,008	6,014	6,011
2023	4,761	4,316	4,766
2024	6,098	4,996	4,997
2025	5,657		3,239
2031	799		
Total securities issued	**23,604**	**19,701**	**20,649**

The loan agreements contain standard covenants.

Covered bonds
For issued covered bonds, a regulatory requirement for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent for bonds issued before 21 June 2017 apply.

Credit facilities
Storebrand ASA has an unused credit facility of EUR 200 million, expiration December 2025.

Note 07 Valuation of financial instruments and investment properties

Storebrand classify financial instruments valued at fair value in three different levels. The criteria for the classification and processes associated with valuing are described in more detail in note 12 in the annual report for 2020.

The company has established valuation models and gathers information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

Valuation of financial instruments to amortised cost

(NOK million)	Fair value 30.06.21	Book value 30.06.21	Fair value 31.12.20	Book value 31.12.20
Financial assets				
Loans to and due from financial institutions	92	92	103	103
Loans to customers - corporate	5,537	5,509	6,076	6,064
Loans to customers - retail	53,974	53,823	48,763	48,763
Bonds held to maturity	10,938	10,033	14,244	13,026
Bonds classified as loans and receivables	122,076	116,729	111,359	103,484
Total financial assets 30.06.21	**192,617**	**186,187**		
Total financial assets 31.12.20			180,546	171,441
Financial liabilities				
Debt raised by issuance of securities	23,715	23,604	20,750	20,649
Liabilities to financial institutions	302	302	1,653	1,653
Deposits from banking customers	17,563	17,563	15,506	15,506
Subordinatd loan capital	11,379	11,205	9,184	9,110
Total financial liabilities 30.06.21	**52,959**	**52,674**		
Total financial liabilities 31.12.20			47,094	46,918

Valuation of financial instruments and real estate at fair value

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	30.06.21	31.12.20
Assets:					
Equities and fund units					
- Equities	37,225	520	378	38,123	32,332
- Fund units		214,988	11,612	226,600	198,497
Total equities and fund units 30.06.21	**37,225**	**215,507**	**11,990**	**264,723**	
Total equities and fund units 31.12.20	31,446	189,117	10,266		230,830
Loans to customers					
- Loans to customers - corporate			8,264	8,264	7,665
- Loans to customers - retail			432	432	722
Total loans to customers 30.06.21			**8,696**	**8,696**	
Total loans to customers 31.12.20			8,387		8,387
Bonds and other fixed-income securities					
- Government bonds	15,099	16,329		31,428	34,634
- Corporate bonds		57,455		57,455	62,043
- Collateralised securities		6,418		6,418	7,051
- Bond funds		63,729	11,626	75,355	73,267
Total bonds and other fixed-income securities 30.06.21	**15,099**	**143,931**	**11,626**	**170,656**	
Total bonds and other fixed-income securities 31.12.20	16,114	151,367	9,514		176,995
Derivatives:					
- Interest derivatives		3,838		3,838	5,659
- Currency derivatives		-2,027		-2,027	3,353
Total derivatives 30.06.21		**1,811**		**1,811**	
- of which derivatives with a positive market value		4,536		4,536	9,977
- of which derivatives with a negative market value		-2,726		-2,726	-964
Total derivatives 31.12.20		9,012			9,012
Properties:					
Investment properties			32,496	32,496	32,117
Properties for own use			1,623	1,623	1,609
Total properties 30.06.21			**34,119**	**34,119**	
Total properties 31.12.20			33,726		33,726

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

Financial instruments and real estate at fair value - level 3

(NOK million)	Equities	Fund units	Loans to custo-mers	Corporate bonds	Bond funds	Investment properties	Properties for own use
Book value 01.01.21	**907**	**9,360**	**8,387**	**318**	**9,196**	**32,117**	**1,609**
Net gains/losses on financial instruments	-19	2,656	30	-281	43	233	63
Additions	2	604	1,279		2,768	889	42
Sales	-511	-848	-738	-38	-95	-479	-2
Currency translation differences		-72	-262		-287	-411	-93
Other		-89				146	4
Book value 30.06.21	**378**	**11,612**	**8,696**		**11,626**	**32,496**	**1,623**

As at 30.06.21, Storebrand Livsforisikring had NOK 6.133 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS, Oslo. The investments are classified as "Investment in associated Ccmpanies and joint ventures" in the Consolidated Financial Statements.

Sensitivity assessments

Sensitivity assessments of investments on level 3 are described in note 12 in the 2020 annual report. There is no significant changes in sensitivity in this quarter.

Note 08 Operating costs

	Q2		01.01 - 30.06		Full year
(NOK million)	2021	2020	2021	2020	2020
Personnel expenses	-662	-549	-1,298	-1,117	-2,320
Amortisation/write-downs	-75	-57	-143	-114	-267
Other operating expenses	-585	-565	-1,249	-1,172	-2,328
Total operating expenses	**-1,321**	**-1,170**	**-2,690**	**-2,403**	**-4,914**

Note 09 Tax

The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway and differences from currency hedging of the Swedish subsidiary SPP. The tax rate for companies' subject to the financial tax is 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual companies is used (22 or 25 per cent).

The tax rate for companies in Sweden is 20.6 per cent.

Storebrand has hedged part of the currency risk from the investment in the Swedish subsidiaries. Gains/losses on currency derivatives are taxable/deducible, while agio/disagio on the shares in the subsidiaries falls under the exemption method. Hence, large SEK/NOK movements will affect the group tax cost.

Uncertain tax positions

The tax rules for the insurance industry have undergone changes in recent years. In some cases, Storebrand and the Norwegian Tax Administration have had different interpretations of the tax rules and associated transitional rules. As a result of this, uncertain tax positions arise in connection with the recognised tax expenses. Whether or not the uncertain tax positions have to be recognised in the financial statements is assessed in accordance with IAS 12 and IFRIC 23. Uncertain tax positions will only be recognised in the financial statements if the company considers it to be probable that the Norwegian Tax Administration's interpretation will be accepted in a court of law. Significant uncertain tax positions are described below.

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In January 2018, Storebrand Livsforsikring AS received notice of an adjustment to the tax returns for 2015 which claimed that the calculated loss was excessive but provided no further quantification. Storebrand Livsforsikring AS disagrees with the arguments that were put forward and submitted its response to the Norwegian Tax Administration on 2 March 2018. The notice was unclear, but based on the notice, a provision was made in the 2017 annual financial statements for an uncertain tax position of approximately NOK 1.6 billion related to the former booked tax loss (appears as a reduction in the loss carryforward and, in isolation, gave an associated increased tax expense for 2017 of approximately NOK 0.4 billion). In May 2019, Storebrand Livsforsikring AS received a draft decision from the Norwegian Tax Administration claiming changes in the tax return from 2015. Storebrand disagrees with the notice from the Norwegian Tax Administration and submitted its response in October 2019. In March 2021 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration in this case and has in May 2021 challenged the decision to the Norwegian Tax Appeals Committee. Storebrand considers it to be probable that Storebrand's understanding of the tax legislation will be accepted by the Tax Appeals Committee or a court of law, and thus, no additional uncertain tax position has been recognised in the financial statements based on the received decision. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.2 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. When presenting the national budget for 2020 in October 2019, the Ministry of Finance proposed a clarification of the wording of the transitional rules in line with the interpretive statement from the Norwegian Directorate of Taxes. The clarification was approved by the Norwegian Parliament in December 2019. Storebrand considers there to be uncertainty regarding the value such subsequent work on a legal rule has as a source of law, and which in this instance only applies for a previous financial year. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. The uncertain tax position has therefore been recognised in the financial statements. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

C. The outcome of the interpretation of tax rules for group contributions referred to above under (A) will have an impact when calculating the effect from the transitional rules for the new tax rules referred to under point (B). An equivalent interpretation to that described under (A) has been used as a basis in the financial statements when calculating tax input values on property shares owned by customer assets for 2016 and 2017. There is thus an uncertain tax position relating to the effect from the transitional rules described in (B). This effect will depend on the interpretation and outcome of (A). If Storebrand's position is accepted under (A), Storebrand will recognise a tax income of approximately NOK 0.8 billion. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.6 billion.

The timeline for the continued process with the Norwegian Tax Administration is unclear, but if necessary, Storebrand will seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 10 Loans

(NOK million)	30.06.21	30.06.20	31.12.20
Corporate market [1]	13,812	14,032	13,738
Retail market	54,312	48,145	49,553
Gross loans	**68,124**	**62,177**	**63,291**
Write-down of loans losses	-96	-83	-77
Net loans [2]	**68,029**	**62,094**	**63,214**
[1] Of which Storebrand Bank	22	24	21
[2] Of which Storebrand Bank	36,355	30,892	31,780
Of which Storebrand Livsforsikring	31,674	31,202	31,434

Non-performing and loss-exposed loans

(NOK million)	30.06.21	30.06.20	31.12.20
Non-performing and loss-exposed loans without identified impairment	78	76	71
Non-performing and loss-exposed loans with identified impairment	40	48	50
Gross non-performing loans	**118**	**125**	**121**
Individual write-downs	-17	-20	-17
Net non-performing loans [1]	**101**	**105**	**104**

[1] *The figures apply in their entirety Storebrand Bank*

Note 11 Capital buffer

(NOK million)	30.06.21	30.06.20	31.12.20
Additional statutory reserves	13,333	8,653	11,380
Market adjustment reserves	6,820	7,403	7,170
Conditional bonuses	12,680	8,453	10,769
Total	**32,833**	**24,510**	**29,319**

Note 12 Contingent liabilities

(NOK million)	30.06.21	30.06.20	31.12.20
Guarantees		1	
Unused credit facilities	3,229	3,079	3,063
Uncalled residual liabilities re limited partnership	5,553	6,753	8,251
Undrawn capital in alternative investment funds	9,531		
Loan commitment retail market	4,746	2,513	2,962
Total contingent liabilities	**23,058**	**12,347**	**14,276**

Guarantees essentially encompass payment and contract guarantees.
Unused credit facilities encompass granted and any unused credit accounts and credit cards, as well as, any unused flexible mortgage facilities.

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see also note 2 and note 43 in the 2020 annual report.

Note 13

Solidity and capital management

The Storebrand Group is an insurance-dominated, cross-sectoral financial group with capital requirements in accordance with Solvency II. Storebrand calculates Solvency II according to the standard method as defined in the Solvency II Regulations.

Consolidation is carried out in accordance with Section 18-2 of the Norwegian Act relating to Financial Undertakings and Financial Groups. The solvency capital requirement and minimum capital requirement for the group are calculated in accordance with Section 46 (1)-(3) of the Solvency II Regulations using the standard method.

Capital management

Storebrand places particular emphasis on continually and systematically adapting the levels of equity in the Group. The level is adapted to the financial risk and capital requirements in the business, where growth and the composition of segments are important motivating factors for the need for capital. The purpose of capital management is to ensure an efficient capital structure and provide for an appropriate balance between in-house goals and regulatory and rating company requirements. If there is a need for new capital, this is raised by the holding company Storebrand ASA, which is listed on the stock exchange and is the ultimate parent company.

The Storebrand companies are subject to various capital requirements depending on the type of business. In addition to the capital requirements for the Storebrand Group and insurance companies, the banking and asset management businesses have capital requirements in accordance with CRD IV. The companies in the group governed by CRD IV are included in the group's solvency capital and solvency capital requirements with their respective primary capital and capital requirements.

Storebrand has the goal of paying a dividend of more than 50% of the Group profit after tax. The board has the ambition of ordinary dividends per share being, at a minimum, at the same nominal level as the previous year. The normal dividend is paid with a sustainable solvency margin of more than 150%. If there is a solvency margin of more than 180%, the board's intention is to propose extraordinary dividends or share buy-backs. In general, equity in the Group can be controlled without material limitations if the capital requirement is met and the respective legal entities have sufficient solvency.

Solvency capital

	30.06.21					31.12.20
NOK million	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	2,339	2,339				2,339
Share premium	10,521	10,521				10,521
Reconciliation reserve	29,961	29,961				31,851
Including the effect of the transitional arrangement						4,815
Counting subordinated loans[1)]	10,963		1,137	9,827		8,734
Deferred tax assets	73				73	247
Risk equalisation reserve	472			472		438
Deductions for CRD IV subsidiaries	-3,309	-3,309				-3,006
Expected dividend	-760	-760				-1,519
Total basic solvency capital	**50,262**	**38,753**	**1,137**	**10,299**	**73**	**49,605**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,309					3,006
Total solvency capital	**53,571**					**52,611**
Total solvency capital available to cover the minimum capital requirement	**42,088**	**38,753**	**1,137**	**2,198**		**43,533**

1) Following the increase in subordinated loans, the Tier 2 capital in Storebrand Livsforsikring AS exceeds the limit of 50 per cent of the solo Solvency Capital Requirement, and the available Tier 2 capital on group level is decreased by NOK 38 mill

Solvency capital requirements and - margin

NOK million	30.06.21	31.12.20
Market risk	26,779	25,675
Counterparty risk	947	951
Life insurance risk	11,687	10,859
Health insurance risk	948	935
P&C insurance risk	554	523
Operational risk	1,574	1,578
Diversification	-8,401	-7,948
Loss-absorbing ability defferd tax	-5,666	-5,533
Total solvency capital requirement - insurance company	**28,421**	**27,040**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,807	2,565
Total solvency capital requirement	**31,228**	**29,605**
Solvency margin	**172%**	**178%**
Minimum capital requirement	**10,991**	**11,074**
Minimum margin	**383%**	**393%**

The Storebrand Group has also a requirement to report capital adequacy in a multi-sectoral financial group (conglomerate directive). The calculation in accordance with the Solvency II regulations and capital adequacy calculation in accordance with the conglomerate directive give the same primary capital and essentially the same capital requirements.

Capital- and capital requirement in accordance with the conglomerate directive

NOK million	30.06.21	31.12.20
Capital requirements for CRD IV companies	2,978	2,739
Solvency captial requirements for insurance	28,421	27,040
Total capital requirements	**31,399**	**29,779**
Net primary capital for companies included in the CRD IV report	3,309	3,006
Net primary capital for insurance	50,262	49,605
Total net primary capital	**53,571**	**52,611**
Overfulfilment	**22,172**	**22,833**

Under Solvency II, the capital requirement from the CRD IV companies in the Group is included in accordance with their respective capital requirements. In a multi-sectoral financial group, all the capital requirements of the CRD IV companies are calculated based on their respective applicable requirements, including buffer requirement for the largest company in the Group (Storebrand Bank). This increases the total requirement from the CRD IV companies in relation to what is included in the Solvency II calculation. As at 30 June 2021, the difference amounted to NOK 171 million.

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Note 14 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 22 and 45 in the 2020 annual report.

Storebrand has not carried out any material transactions other than normal business transactions with related parties at the close of the 2nd quarter 2021.

Storebrand ASA
Income statement

	Q2		01.01. - 30.06		Full year
(NOK million)	2021	2020	2021	2020	2020
Operating income					
Income from investments in subsidiaries		8		8	3,028
Net income and gains from financial instruments:					
- equities	3	9		4	4
- bonds and other fixed-income securities	9	54	24	45	64
- financial derivatives/other financial instruments		-1			-3
Other financial instruments	204		204		1
Operating income	**216**	**71**	**227**	**57**	**3,095**
Interest expenses	-5	-8	-9	-20	-30
Other financial expenses	-37	-15	-35	-31	6
Operating expenses					
Personnel expenses	-11	-9	-22	-20	-40
Other operating expenses	-29	-20	-58	-34	-56
Total operating expenses	**-40**	**-29**	**-80**	**-54**	**-96**
Total expenses	**-82**	**-52**	**-124**	**-105**	**-120**
Pre-tax profit	**133**	**18**	**103**	**-48**	**2,975**
Tax	9	-4	17	7	-171
Profit for the period	**142**	**14**	**120**	**-41**	**2,804**

Statement of total comprehensive income

	Q2		01.01. - 30.06		Full year
(NOK million)	2021	2020	2021	2020	2020
Profit for the period	**142**	**14**	**120**	**-41**	**2,804**
Other total comprehensive income elements not to be reclassified to profit/loss					
Change in estimate deviation pension					-15
Tax on other comprehensive elements					4
Total other comprehensive income elements					**-11**
Total comprehensive income	**142**	**14**	**120**	**-41**	**2,793**

Storebrand ASA
Statement of financial position

(NOK million)	30.06.21	30.06.20	31.12.20
Fixed assets			
Deferred tax assets	62	50	44
Tangible fixed assets	27	27	27
Shares in subsidiaries and associated companies	21,286	20,123	20,893
Total fixed assets	**21,374**	**20,200**	**20,964**
Current assets			
Owed within group	52	1,518	3,139
Other current receivables	16	17	15
Investments in trading portfolio:			
- equities	57	48	57
- bonds and other fixed-income securities	5,188	3,381	4,894
- financial derivatives/other financial instruments		11	
Bank deposits	50	60	61
Total current assets	**5,363**	**5,035**	**8,166**
Total assets	**26,738**	**25,235**	**29,130**
Equity and liabilities			
Share capital	2,339	2,339	2,339
Own shares	-9	-2	-2
Share premium reserve	10,521	10,521	10,521
Total paid in equity	**12,851**	**12,858**	**12,858**
Other equity	12,642	11,293	12,609
Total equity	**25,493**	**24,151**	**25,467**
Non-current liabilities			
Pension liabilities	157	154	157
Securities issued	1,001	813	1,001
Total non-current liabilities	**1,158**	**967**	**1,158**
Current liabilities			
Debt within group		3	910
Provision for dividend			1,519
Other current liabilities	87	114	76
Total current liabilities	**87**	**117**	**2,505**
Total equity and liabilities	**26,738**	**25,235**	**29,130**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2019	**2,339**	**-5**	**10,521**	**9,794**	**22,650**
Profit for the period				2,804	2,804
Total other result elements				-11	-11
Total comprehensive income				**2,793**	**2,793**
Reversed dividend				1,517	1,517
Provision for dividend				-1,519	-1,519
Own share sold [2]		3		33	36
Employee share [2]				-10	-10
Equity at 31. December 2020	**2,339**	**-2**	**10,521**	**12,609**	**25,467**
Profit for the period				120	120
Total other result elements					
Total comprehensive income				**120**	**120**
Provision for dividend				6	6
Own share bought back[2]		-10		-134	-144
Own share sold[2]		3		37	40
Employee share[2]				5	5
Equity at 30.June 2021	**2,339**	**-9**	**10,521**	**12,642**	**25,493**

[1] 467 813 982 shares with a nominal value of NOK 5. .

[2] In 2021, Storebrand ASA has bought 2 000 000 own shares. In 2021, 576 479 shares were sold to our own employees.
Holding of own shares 30. June 2021 was 1 839 776.

Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**9,794**	**22,650**
Profit for the period				-41	-41
Total other result elements					
Total comprehensive income				**-41**	**-41**
Provision for dividend				1,517	1,517
Own share sold		3		33	35
Employee share				-10	-10
Equity at 30 June 2020	**2,339**	**-2**	**10,521**	**11,293**	**24,151**

Storebrand ASA
Statement of cash flow

	01.01 - 30.06	
(NOK million)	2021	2020
Cash flow from operational activities		
Net receipts/payments - securities at fair value	-262	-76
Payments relating to operations	-87	-57
Net receipts/payments - other operational activities	3,078	1,648
Net cash flow from operational activities	**2,728**	**1,515**
Cash flow from investment activities		
Receipts - sale of subsidiaries	202	
Payments - purchase/capitalisation of subsidiaries	-1,318	-995
Net cash flow from investment activities	**-1,116**	**-995**
Cash flow from financing activities		
Payments - repayments of loans		-500
Payments - interest on loans	-9	-20
Receipts - sold own shares to employees	44	25
Payments - buy own shares	-144	
Payments - dividends	-1,513	
Net cash flow from financing activities	**-1,622**	**-494**
Net cash flow for the period	**-10**	**25**
Net movement in cash and cash equivalents	-10	25
Cash and cash equivalents at start of the period	61	34
Cash and cash equivalents at the end of the period	**50**	**60**

Notes to the financial statements Storebrand ASA

Note 01 Accounting policies

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2020. The accounting policies are described in the 2020 annual report.

Storebrand ASA does not apply IFRS to the parent company's financial statements.

Note 02 Estimates

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, and costs, and information in the notes to the financial statements. The final values realised may differ from these estimates.

Note 03 Income from investments in subsidiariesBond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	30.06.21	30.06.20	31.12.20
Bond loan 2013/2020	Fixed	NOK	300		313	
Bond loan 2020/2025	Variable	NOK	500	501		501
Bond loan 2017/2020	Variable	NOK	500		501	
Bond loan 2017/2022	Variable	NOK	500	500		500
Total [1]				**1,001**	**813**	**1,001**

[1] Loans are booked at amortised cost and include earned not due interest.
Signed loan agreements have covenant requirements.
Storebrand ASA has an unused drawing facility for EUR 200 million, experiation December 2025.

Note 04 Divestment of subsidiary

Storebrand has conducted a strategic review of its ownership in AS Værdalsbruket, which was a wholly owned subsidiary of Storebrand, and was owned 74.9% by Storebrand Livsforsikring AS and 25.1% by Storebrand ASA. AS Værdalsbruket is Norway's second largest private forest owning company located in Trøndelag country. The company owns significant limestone resources, provides nature tourism experiences and is part owner of Inntre Holding AS, a large exporter of building timber.

During the second quarter Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 202 million for Storebrand ASA. There are no contingent considerations associated with this transaction.

Storebrand ASA
– Declaration by the members of the Board and the CEO

The Board of Directors and the Chief Executive Officer have today considered and approved the Interim report and Interim financial statements for Storebrand ASA and the Storebrand Group for the first six months of 2021 (Report for the first six months, 2021).

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

In the best judgement of the Board and the CEO, the financial statements for the first six months of 2021 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the parent company's and Group's assets, liabilities, financial standing and results as a whole as at 30 June 2021. In the best judgement of the Board and the CEO, the six-month report provides a fair and true overview of important events during the accounting period and their effects on the financial statements for the first six months for Storebrand ASA and the Storebrand Group. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the Group faces in the remaining six months, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, 13 July 2021
Board of Directors of Storebrand ASA

Didrik Munch
Chairman of the Board

Martin Skancke

Karin Bing Orgland

Marianne Bergmann Røren

Karl Sandlund

Christel Elise Borge

Fredrik Åtting

Hanne Seim Grave

Hans-Petter Salvesen

Bodil Cathrine Valvik

Odd Arild Grefstad
Chief Executive Officer

To the Board of Directors of Storebrand ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim balance sheet of Storebrand ASA as of 30 June 2021, the income statement, the statement of total comprehensive income, the statements of changes in equity and the cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. 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 (ISAs), 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 accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 June 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 13 July 2021
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant
(Signed electronically)

19120 04/2021

Financial calendar

27 October 2021	Results Q3 2021
9 February 2022	Results Q4 2021
6 April 2022	AGM
4 May 2022	Results Q1 2022

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