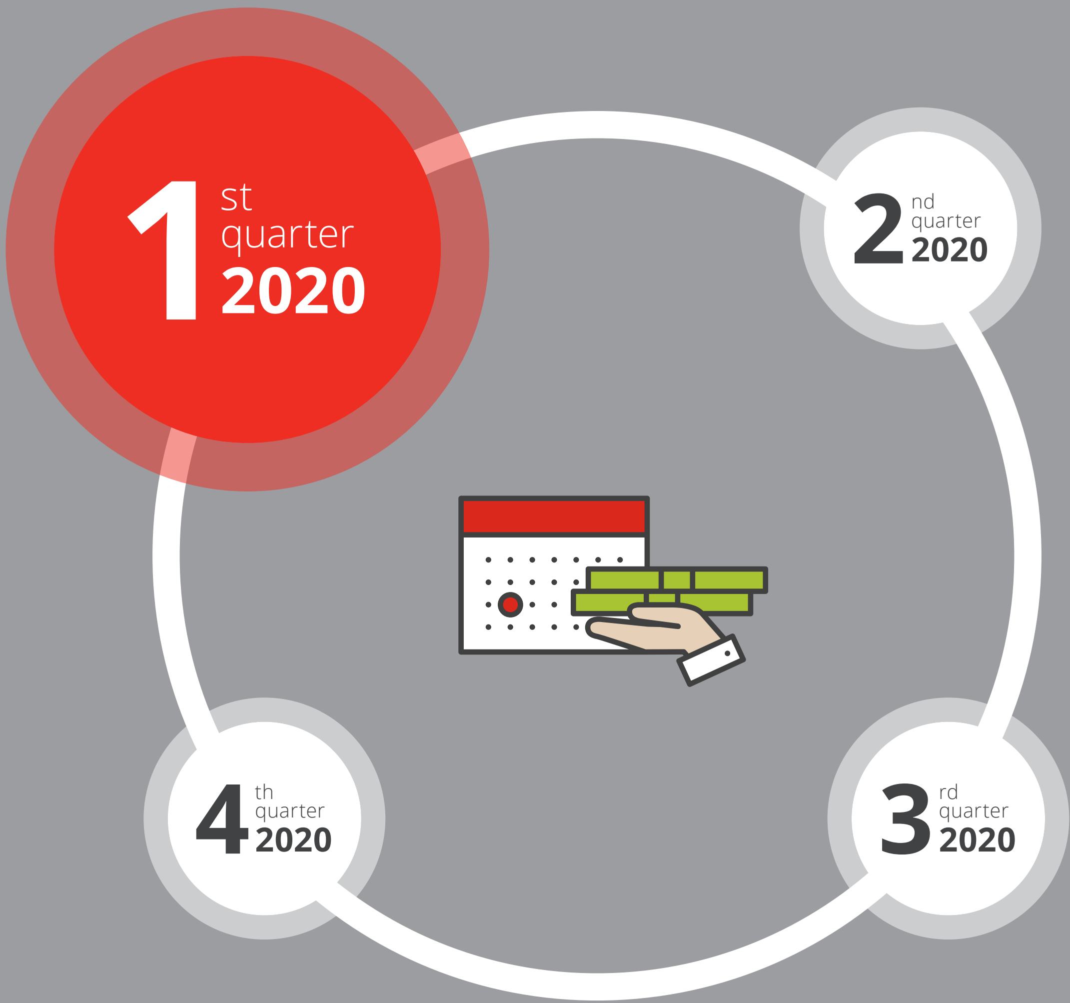
storebrand



Interim report 1st quarter 2020

Storebrand Group (unaudited)

Contents

FINANCIAL PERFORMANCE BUSINESS AREAS

FINANCIAL STATEMENTS/ NOTES STOREBRAND GROUP

STOREBRAND ASA

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Letter from the CEO

Odd Arild Grefstad
CEO Storebrand Group

Dear Customers, Shareholders and other Stakeholders,
The current situation, caused by the COVID-19 disease, is changing our society in ways we still do not fully comprehend. The common fight to slow down the spreading of the virus is putting our collective will, discipline and responsibility to test. My thoughts are with those severely affected, either through a deterioration of their health or economic situation. I also express my deepest thanks to the health care professionals, and other critical functions who keep the society running.

The necessary measures taken across the globe in the last few weeks have been followed by unprecedented high consequences for individuals, business and society. We are still not close to understanding the total social-economic cost of COVID-19.

At Storebrand, we have prioritised the safety of our employees, the financial needs of our customers, and safeguarded and futureproofed the groups' financial position in different scenarios. We have taken extensive preventive measures and are operating on different locations and working remotely. It has been essential to secure Storebrand's critical operations and to support our customers when they need our services the most. We have helped a record number of customers with their travel insurance claims, refinanced mortgages, adjusted amortisation schedules, and provided extensive business and investment advice.

Storebrand has been fully operational with close to normal productivity. Despite the sudden change to our lives and the uncertainty we are all feeling, our internal engagement rating has never been higher. This makes me extremely proud of the Storebrand culture.

Our group is financially solid, and we have taken preventive measures to build a robust plan for various economic scenarios. Liquidity in the Group is robust and there are no refinancing needs in 2020. We are of course affected by the economic downturn, both in our local markets and globally. In a forward-looking model review, based on the unfolding of the current economic situation, we have strengthened our reserves. As a consequence of the global market turmoil, financial results are also negatively impacted by mark-to-market losses caused primarily by credit spreads widening.

At the same time, we continue to grow our core operations and we actively look for new opportunities in the form of partnerships, ecosystems and acquisitions. In the quarter, we have entered into a partnership with Aprila Bank, a fintech bank that offers liquidity to corporate customers on the Storebrand platform, and we have entered into an agreement with the largest houseowner association in Norway (Huseierenes Landsforening) for distribution of banking and insurance solutions to help their individual members achieve financial freedom and security.

I am encouraged to see that the spread of the virus is now slowing down in many parts of the world and the first signs of a restart to the economy and society in the Nordics has started. The COVID-19 situation might show that we as humans and society are highly adaptable. We must prevent a devastating and long-lasting crisis, and we must ensure that the way out of the crisis is green and sustainable. I therefore urge companies and authorities to cooperate closely, so that we together can get the economic wheels running in a safe, productive and sustainable way.

Stay safe and healthy,

Odd Arild Grefstad

Odd Arild Grefstad
CEO Storebrand Group

Storebrand Group

- **Group profit[1] of NOK -334m in the 1st quarter**
- **Solvency II ratio 172%**
- **19% growth in Unit Linked premiums y/y**
- **11% growth om fee income (7% currency adjusted)**

Storebrand's ambition is to be the best provider of pension savings. 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 RESULT [2)]

	2020	2019				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Fee and administration income	1,349	1,561	1,296	1,235	1,215	1,349	1,215	5,308
Insurance result	-71	223	268	269	245	-71	245	1,005
Operational cost	-1,024	-1,077	-979	-1,030	-929	-1,024	-929	-4,015
Operating profit	**254**	**707**	**586**	**474**	**531**	**254**	**531**	**2,298**
Financial items and risk result life	-588	319	114	105	202	-588	202	739
Profit before amortisation	**-334**	**1,026**	**700**	**578**	**733**	**-334**	**733**	**3,037**
Amortisation and write-downs of intangible assets	-119	-117	-115	-114	-99	-119	-99	-444
Profit before tax	**-453**	**909**	**585**	**464**	**634**	**-453**	**634**	**2,593**
Tax	717	-234	-124	-13	-139	717	-139	-511
Profit after tax	**264**	**675**	**461**	**451**	**494**	**264**	**494**	**2,082**

The Group's profit before amortisation was a loss of NOK[3)] -334m (NOK 733m) in the 1st quarter. The figures in brackets are from the corresponding period last year.

Total fee and administration income amounted to NOK 1,349m (NOK 1,215m) in the 1st quarter.

This is an increase of 11% compared to the same period last year and 7% when adjusted for currency effects. The increase is attributed to all product lines within Savings, including Unit Linked, Asset Management and the Bank. Income in the Savings segment was NOK 1,043m (NOK 896m) and grew by 16% in the same period. This is largely explained by the growth in assets under management. In the Guaranteed segment, fee and administration income amounted to NOK 349m (NOK 361m) in the 1st quarter, a decrease in line with the run-off nature of this business.

The Insurance result was NOK -71m (NOK 245m) and the total combined ratio was 124% (90%) in the 1st quarter. The negative result and the higher than targeted combined ratio are results of reserve strengthening. Storebrand has conducted a forward-looking model review based on the unfolding of the current economic situation from COVID-19 and the fall in oil prices and has strengthened the reserves for insurance products with disability coverages. Storebrand maintains its target of 90-92% in combined ratio.

The Group's operational costs for the quarter were NOK -1,024m (NOK -929m). This is in line with the group's targeted cost level as NOK -27m of costs are explained by costs in acquired business (Cubera) and from performance related costs. In addition, currency (SEKNOK) increased the reported costs in Sweden in the quarter. The underlying cost control is strong, and the Group maintains the target of flat nominal costs in 2020 compared to 2018.

Overall, the operating profit decreased to NOK 254m (NOK 531m) in the quarter as a result of reserve strengthening for insurance products.

[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.

The 'financial items and risk result' exhibited a loss of NOK -588m (NOK 202m). Turbulent financial markets in the quarter resulted in mark to market losses from spreads widening on credit bond investments, primarily in the company portfolios.

Amortisation of intangible assets remained stable at NOK -119m (NOK -99). The increase is due to the acquisition of Cubera in 2019 and currency (SEKNOK). Normal amortisation of intangible assets is expected to remain at around NOK -119m per quarter.

The Group booked a tax income of NOK 717m (NOK -139m) in the 1st quarter. This is a result of new information and interpretation of the transition rules of 2018 as well as tax losses from currency hedging of the Swedish subsidiary SPP in the first quarter. The estimated normal tax rate is 21-23%, but currency can impact the quarterly tax rate. 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 it varies from quarter to quarter depending on each legal entity's contribution to the Group result. Tax related issues are described in note 8.

The Savings segment reported a profit before amortisation of NOK 276m (NOK 290m). Growth in assets under management from premium income, new sales, and a stable net interest margin in the Bank contribute positively to the underlying result development, but model based loan loss provisions in the Bank due to the economic downturn and mark to market losses on spread widening on credit bonds impact the result negatively.

The Insurance segment reported a profit before amortisation of NOK -268m (NOK 103m). While the cost ratio remained stable at 17%, the claims ratio increased from 74% to 107% resulting in a combined ratio of 124% in the 1st quarter. Reserve strengthening for products with disability coverage, in light of the COVID-19 and economic situation, affect the results negatively. Over time, the combined ratio is targeted to be in the range 90-92%.

The Guaranteed Pension segment reported a profit before amortisation of NOK 95m (NOK 249m). Results within this segment are also affected by financial turmoil. Reserve strengthening of products with disability coverage, in combination with a negative financial result from SPP, are the main explanations for the lower result. The products within Guaranteed Pension are in long-term run-off and reduced earnings from this segment are to be expected over time.

The Other segment, which primarily consists of company capital, subordinated loans, and small subsidiaries, reported a loss of NOK -437m (NOK 91m) before eliminations. The negative result stems primarily from spreads widening on credit bond investments in the company portfolios as well as losses on currency hedges. The portfolios now enjoy a higher yield, and subject to credit defaults, the mark-to-market loss will be regained in subsequent quarters.

GROUP RESULT BY RESULT AREA

	2020	2019				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Savings - non-guaranteed	276	547	303	224	290	276	290	1,364
Insurance	-268	70	128	139	103	-268	103	439
Guaranteed pension	95	332	237	211	249	95	249	1,029
Other profit	-437	77	32	5	91	-437	91	205
Profit before amortisation	**-334**	**1,026**	**700**	**578**	**733**	**-334**	**733**	**3,037**

CAPITAL SITUATION

Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target solvency margin in accordance with the Solvency II regulations is a minimum of 150%, including use of the transitional rules. The solvency margin was 172% at the end of the 1st quarter 2020. The Solvency margin without transitional rules was 155%. Lower interest rates, increased credit spreads and falling equity markets reduced the solvency margin, but contracyclical measures in the regulatory framework like the volatility adjustment and symmetrical equity adjustment combined with risk management reduced the impact on the solvency margin. The transition rules mitigate the effects of the interest rate movement. Group profit after tax, net of dividend set aside for 2020, contributes positively to the solvency margin as well. Retaining the dividend set aside for 2019 also improved the solvency margin. The dividend is described in more detail in the outlook section.

MARKET AND SALES PERFORMANCE

The growth in Unit Linked savings is driven by premiums from existing contracts, new sales, investment returns, conversion from Defined Benefit to Defined Contribution schemes and increased savings rates. The Swedish and the Norwegian Unit Linked business manage over NOK 100bn of pension assets each. In Norway, Storebrand is the market leader in Unit Linked occupational pension with 29% market share of gross premiums written (at the end of the 4th quarter 2019). SPP has a market share of 14% in the Swedish market for non-unionised occupational pensions ("Övrig Tjänstepension") and is rapidly growing its sales within United Linked pensions. New sales, measured in annual premium equivalent[1)], remained at approximately SEK 450m (SEK 467m) in the quarter.

Assets under management in the Asset Management business decreased only by NOK -2.5bn (-0.3%) during the quarter – despite market turmoil – and increased by NOK 100bn (14%) compared to the same period last year. The growth is partly attributed to an appreciation of the SEKNOK exchange rate of 13% in the 1st quarter. In Norway, the Storebrand Group increased its market share within retail mutual funds from 12% to 14% in the 1st quarter.

Within Insurance, after a period of flat premium development, the annual portfolio premiums grew by 13% compared to the same period last year in line with our growth ambitions. Lending volume in Storebrand Bank amounted to NOK 47.7bn and increased 3% compared to the same period last year. The growth in lending has slowed since the bank balance has reached a targeted level of NOK 45-50bn in mortgages.

DIVIDEND

The Board of Storebrand ASA has decided to withdraw the proposed dividend for the financial year of 2019 for the annual general meeting. The Board has recognised the pronounced expectations from the Norwegian Ministry of Finance, Norwegian FSA and EIOPA to suspend dividends until the great uncertainty about the economic development has been reduced. The Board maintains that the company's liquidity, solvency and result prognosis support an ordinary dividend for 2019 and reaffirms its commitment to the dividend policy. The capital situation as of the first quarter supports an ordinary dividend for 2020.

GROUP - KEY FIGURES

	2020	2019				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Earnings per share adjusted[2)]	0.82	1.68	1.22	1.21	1.26	0.82	1.26	5.38
Equity	34,090	33,398	32,680	32,242	33,177	34,090	33,177	33,398
Quarterly adjusted ROE, annualised[2)]	4.70%	10.40%	7.50%	7.40%	7.90%	4.70%	7.90%	13.70%
Solvency II	172%	176%	177%	167%	173%	172%	173%	176%

Financial targets	Target	Actual 2019
Return on equity (after tax)[2)]	> 10%	4.7%
Dividend pay-out ratio (after tax)	> 50%	NA
Solvency II margin Storebrand Group	> 150%	172%

[1]) Measured in SEK, as reported to Finansinspektionen, the Swedish Financial Supervisory Authority.
[2)] After tax, adjusted for amortisation of intangible assets.

Savings

- **19% growth in Unit Linked premiums in the 1st quarter compared to last year**
- **11% fee- and administration income growth adj. for currency (16% unadjusted)**
- **Negative financial result related to economic impact of COVID-19**

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

	2020	2019				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Fee and administration income	1,043	1,233	957	911	896	1,043	896	3,996
Operational cost	-669	-692	-643	-672	-615	-669	-615	-2,621
Operating profit	**375**	**541**	**314**	**239**	**281**	**375**	**281**	**1,375**
Financial items and risk result life	-98	6	-11	-16	9	-98	9	-11
Profit before amortisation	**276**	**547**	**303**	**224**	**290**	**276**	**290**	**1,364**

FINANCIAL PERFORMANCE

The Savings segment reported a profit before amortisation of NOK 276m (NOK 290m) in the 1st quarter. The acquisition of Cubera (in Q2 2019) is included with a profit of NOK 14m.

Compared to the 1st quarter last year, the fee- and administration income in the Savings segment increased by 16%, or 11% when adjusted for currency effects. The income growth is attributed to all product lines, with Norwegian and Swedish United Linked growing 11% and 13% respectively, Asset Management 20% and the Retail Bank 21% in the same period. Returns, new sales and higher savings rates have driven asset growth leading to growth in management fees. The growth is also attributed to currency effects from the Swedish business. Underlying product margins remained stable in the quarter while reported margins are affected by volatility in the asset base and by currency effects. Increased competition and growth in index-based products slowly contribute to moderate margin pressure over time. Net interest income as a percentage of average total assets in Storebrand Bank remained stable compared to the previous quarter at 1.31%, but grew by 0.15 percentage points compared to the same quarter last year.

Operational cost within Savings increased in the 1st quarter compared to 2019. This is explained both by underlying growth and that the cost base is gradually shifting from the Guaranteed segment to the Savings segment as the former segment is in long-term decline and the latter in rapid growth. Due to good performance in the 1st quarter, and in accordance with IFRS, performance related costs amounting to NOK 11m (NOK 18m) is included in the cost. The corresponding performance related income earned, not booked, was NOK 59m in the quarter (NOK 66m).

The financial result was NOK -98m (NOK 9m) in the quarter in light of COVID-19 and the resulting financial market turmoil and slowdown in the economy. The negative result is primarily explained by loan loss provision modelling for future possible losses in the retail bank of NOK -25m, and credit spreads widening causing lower mark to market values of credit bonds.

SAVINGS - KEY FIGURES

	2020	2019			
(NOK million)	Q1	Q4	Q3	Q2	Q1
Unit linked Reserves	210,061	219,793	206,717	198,032	190,980
Unit linked Premiums	5,046	4,551	4,205	4,175	4,237
AuM Asset Management	828,749	831,204	786,326	751,926	728,712
Retail Lending	47,681	48,161	46,722	46,201	46,476

BALANCE SHEET AND MARKET TRENDS

The Unit Linked premiums were NOK 5.0bn (NOK 4.2bn) at the end of 1st quarter, growing 19% compared to the 1st quarter last year. Total assets under management in Unit Linked decreased by NOK 9.7bn (-4.4%) during the 1st quarter to NOK 210bn. Compared to the same quarter last year, the growth is NOK 19bn (10%). Total net transfers in the quarter amounted to NOK 3.3bn net inflow.

In the Norwegian Unit Linked business, assets under management decreased by NOK 9.4bn (-8%) in the quarter, but increased by NOK 5.3bn (5%) 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 in 2019 and new sales. As of the 1st quarter 2020, Storebrand manages Posten Norway's Defined Contribution pensions with more than NOK 300m in annual premiums and more than NOK 3bn in transferred assets. Storebrand remains market leader with 29% market share of gross premiums written (at the end of the 4th quarter 2019) within Unit Linked.

In the Swedish market, SPP is the fourth largest, and fastest growing provider of non-unionised occupational pensions with a market share of 14% measured by gross premiums written (excluding transfers) within Unit Linked. Assets under management remained at NOK 105bn in the quarter as market movements were offset by currency effects in SEKNOK. Compared to the same quarter last year, assets under management increased by NOK 14bn (15%), mainly due to currency. In local currency, the growth was SEK 1bn (1%). The growth is driven by strong growth in sales (APE) and positive net transfers.

Assets under management in Storebrand Asset Management decreased by NOK -2.5bn (-0.3%) to NOK 829bn in the quarter, but increased by NOK 100bn (14%) compared to last year. The growth includes assets in the acquired company Cubera with NOK 30bn. Currency effects in the quarter are estimated to have increased assets under management by NOK 57bn.

The bank lending portfolio increased by NOK 1.2bn (3%) compared to the same quarter last year, but decreased by NOK -0.5bn (-1%) during the 1st quarter. The portfolio consists of low-risk home mortgages with an average LTV of 57%. NOK 17bn of the mortgages are booked on the balance sheet of Storebrand Life Insurance.

Insurance

- **13% growth in portfolio premiums y/y**
- **Combined ratio of 124% in the quarter, target 90-92%**
- **Reserve strengthening due to Covid-19 weakens the result in all business lines**
- **Continued good cost control with 17% cost ratio**

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

	2020	2019					01.01 - 31.03	Full Year
NOK million	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Insurance premiums f.o.a.	1,019	1,014	981	965	948	1,019	948	3,909
Claims f.o.a.	-1,090	-792	-713	-696	-703	-1,090	-703	-2,904
Operational cost	-175	-177	-162	-159	-150	-175	-150	-648
Operating profit	**-246**	**45**	**106**	**111**	**95**	**-246**	**95**	**357**
Financial result	-22	25	21	28	8	-22	8	83
Contribution from SB Helseforsikring AS	*-3*	*1*	*12*	*10*	*1*	*-3*	*1*	*24*
Profit before amortisation	**-268**	**70**	**128**	**139**	**103**	**-268**	**103**	**439**
Claims ratio	107%	78%	73%	72%	74%	107%	74%	74%
Cost ratio	17%	17%	17%	16%	16%	17%	16%	17%
Combined ratio	124%	96%	89%	89%	90%	124%	90%	91%

FINANCIAL PERFORMANCE

Insurance delivered a profit before amortisation of NOK -268m (NOK 103m) and a combined ratio of 124% (90%) in the 1st quarter. The underlying combined ratio is targeted to be in the range 90-92%.

The 1st quarter claims ratio was 107% (74%) and to a large extent affected by the COVID-19 situation. The main driver for the weak result is reserve strengthening for disability coverage. Total reserve strengthening amounted to NOK 247m in the quarter for the Insurance segment.

NAV, the Norwegian Labour and Welfare Administration, has as of 22 April 2020 registered 359,197 applications for welfare benefits from workers affected by temporary layoffs. The insurance results are negatively affected by the increase in observed and expected jobless claims in Norway. Storebrand has conducted a forward-looking model review based on the unfolding of the current economic situation and strengthened the reserves for all insurance products with disability coverages.

The result for P&C insurance was negatively affected by an increase in travel insurance claims as well as related reserve strengthening. Individual life also negatively affected by reserve strengthening for disability coverages.

Within Group life and workers' compensation, claims frequency for disability in older cohorts remains high. Storebrand has strengthened the disability reserves and price increases of up to 30% have been implemented as of January 2020 to improve the result. Further price increases may be implemented.

The result for Pension related disability insurance was good in Sweden and is generally seeing a satisfactory development in Norway, although the reserve strengthening in the 1st quarter weakens the result.

Cost control has continued to be satisfactory. The cost ratio remains at 17% in the 1st quarter, the same level as in the last quarter and only marginally higher compared to the 1st quarter last year.

Insurance's investment portfolio in Norway amounted to NOK 8.8bn as of the 1st quarter. It is primarily invested in fixed income securities with a short to medium duration and achieved a financial return of -0.1% in the quarter, mainly due to credit spreads widening.

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 portfolio premiums amounted 13% on an annual basis, which is above Storebrand's target of 5%. The growth is primarily attributed to increased sales of P&C insurance as well as health insurance in the 1st quarter.

Storebrand's growth in the retail market has increased due to strong contribution from sales agents. Annual growth in P&C & Individual life portfolio premiums amounted to 11% and in Health & Group life to 17% as of the 1st quarter. The distribution setup is expected to continue to contribute to profitable growth.

INSURANCE PREMIUMS

	2020	2019					01.01 - 31.03	Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
P&C & Individual life	1,958	1,915	1,845	1,810	1,769	1,958	1,769	1,915
Health & Group life [1)]	1,809	1,639	1,609	1,563	1,548	1,809	1,548	1,639
Pension related disability insurance Nordic[2)]	1,269	1,144	1,130	1,134	1,124	1,269	1,124	1,144
Total written premiums	**5,037**	**4,698**	**4,583**	**4,507**	**4,442**	**5,037**	**4,442**	**4,698**
Investment portfolio[3)]	**8,792**	**8,304**	**8,146**	**8,177**	**8,627**	**8,792**	**8,627**	**8,304**

[1)] Group disability, workers comp. and health insurance. Includes all written premiums in Storebrand Helseforsikring AS (50/50 joint venture with Munich Health).
[3)] DC risk premium Norwegian line of business.
[3)] NOK 2,8bn 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

- **Income development in line with strategy and product run-off**
- **Buffer capital level remains high despite market turmoil**

GUARANTEED PENSION

	2020	2019					01.01 - 31.03	Full Year
NOK million	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Fee and administration income	349	368	384	364	361	349	361	1,475
Operational cost	-202	-225	-199	-209	-186	-202	-186	-819
Operating profit	**147**	**143**	**185**	**155**	**174**	**147**	**174**	**657**
Risk result life & pensions	-26	71	30	52	61	-26	61	215
Net profit sharing and loan losses	-26	118	22	4	13	-26	13	157
Profit before amortisation	**95**	**332**	**237**	**211**	**249**	**95**	**249**	**1,029**

FINANCIAL PERFORMANCE

Guaranteed Pension achieved a profit before amortisation of NOK 95m (NOK 249m) in the 1st quarter.

Fee and administration income has performed in line with the fact that a large part of the portfolio is mature and in long-term decline. Income of NOK 349m (NOK 361m) in the 1st quarter represents a decline of 3.1%.

Operating costs amounted to NOK 202m (NOK 186m) in the 1st quarter. Over time, operating costs will be reduced as a result of the products being in long-term run-off.

The risk result amounted to NOK -26m (NOK 61m) in the 1st quarter. The risk result continues to be strong in Norwegian Paid-up policies, however the result in the Defined benefit portfolio weakened due longevity and disability development in the quarter. Based on the Co-vid-19 situation, NOK 46m of reserve strengthening related to disability has been booked.

The result from profit sharing was NOK -26m (NOK 13m) in the 1st quarter and stems primarily from Swedish Guaranteed business in SPP. The drivers for the result are falling equity markets, lower interest rates, and increased credit spreads. The latter was largely compensa-ted for by an increase in volatility adjustment (VA).

BALANCE SHEET AND MARKET TRENDS

The majority of guaranteed products are closed for new business, and the customers' choice of transferring from guaranteed to non-guaranteed products is in line with the Group's strategy. As of the 1st quarter, custo-mer reserves for guaranteed pensions amounted to NOK 272bn. This is an increase of NOK 8.7bn compared to the previous quarter, but adjusted for currency effects the reserves amounted to NOK 262bn which is a decrease of NOK 1bn. As a share of the total balance sheet, guaranteed reserves amount to 56.4% (57.7%) as of the 1st quarter, a reduction of 1.3 percentage points since last year. The premium income for guaranteed pensions (excluding trans¬fers) was NOK 1.9bn (NOK 1.8bn) in the 1st quarter.

In the Norwegian business, Paid-up policies is the only guaranteed pension portfolio experiencing some growth over time as active Define Benefit contracts eventually become Paid-up policies. The Paid-up portfolio amounted to NOK 142bn as of the 1st quarter – an increase of NOK 5.3bn from last year. The increase is mainly attributed to one large Defined Benefit contract converting to a Hybrid pension plan, resulting in a transfer of NOK 3bn in assets to Paid up policies. Reserves for Defined Benefit pensions in Norway amounted to NOK 30bn at the end of the 1st quarter, representing a reduction of NOK 3.5bn compared to the level at the start of the year.

Guaranteed portfolios in the Swedish business totalled NOK 89bn as of the 1st quarter, an increase of NOK 8bn in the quarter. Adjusted for currency effects, reserves decreased by NOK 2bn in the quarter.

Despite turbulent financial markets, the total buffer capital for Guaranteed Pension remained solid and amounted to NOK 27bn as of the 1st quarter, in line with the level at the beginning of the year. As a share of the total customer reserves, the buffer capital in Sweden fell by 3.4 percentage points to 7.3% however, while the buffer capital in Norway only fell by 0.3 percentage points to 8.3%.

GUARANTEED PENSION - KEY FIGURES

	2020	2019					01.01 - 31.03	Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Guaranteed reserves	272,051	263,185	263,677	261,973	260,560	272,051	260,560	263,185
Guaranteed reserves in % of total reserves	56.40%	54.50%	56.10%	57.00%	57.70%	56.40%	57.70%	54.50%
Net transfers	93	-16	-14	1	-75	93	-75	-103
Buffer capital in % of customer reserves Norway	8.30%	8.60%	8.30%	7.90%	7.40%	8.30%	7.40%	8.60%
Buffer capital in % of customer reserves Sweden	7.30%	10.70%	9.80%	9.90%	9.40%	7.30%	9.40%	10.70%

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. In addition, the activities at BenCo are reported in this segment. Group eliminations are reported in a separate table below.

RESULT EXCLUDING ELIMINATIONS

	2020	2019				01.01 - 31.03		Full Year
NOK million	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Fee and administration income	13	13	10	14	14	13	14	51
Operational cost	-35	-35	-29	-45	-33	-35	-33	-143
Operating profit	**-22**	**-22**	**-19**	**-31**	**-19**	**-22**	**-19**	**-91**
Financial items and risk result life	-416	99	51	36	111	-416	111	296
Profit before amortisation	**-437**	**77**	**32**	**5**	**91**	**-437**	**91**	**205**

ELIMINATIONS

	2020	2019				01.01 - 31.03		Full Year
(NOK million)	Q1	Q4	Q3	Q2	Q1	2020	2019	2019
Fee and administration income	-57	-52	-54	-54	-55	-57	-55	-215
Operational cost	57	52	54	54	55	57	55	215
Financial result	-	-	-	-	-	-	-	-
Profit before amortisation	-	-	-	-	-	-	-	-

The Other segment reported a loss of NOK -437m (NOK 91m) in the 1st quarter. The negative result stems primarily from spreads widening on credit bond investments in the company portfolios as well as losses on currency hedges.

Fee and administration income of NOK 13m as well as operational cost of NOK -35m 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 Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Given the interest rate level at the end of the 1st quarter, interest expenses of approximately NOK 80m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 24bn at end of the quarter.

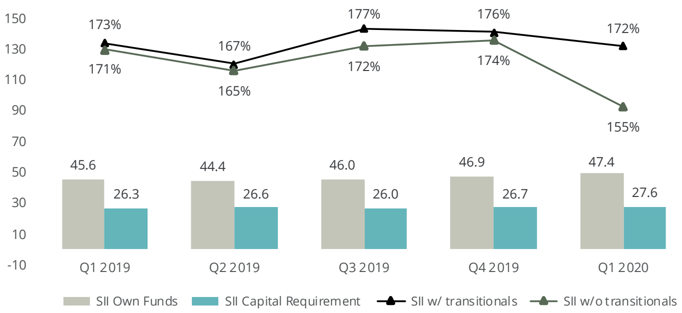
The investments are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio reported a return of -1.25% for the quarter. The Swedish company portfolio achieved a return of -0.72% in the quarter.

Balance sheet, solidity and capital situation

Continuous monitoring and active risk management is core to Storebrand's business. Risk and capital adequacy are monitored at both Group level and in the legal entities. Regulatory requirements for capital adequacy and risk management follow the legal entities. This section is thus divided by legal entities.

STOREBRAND GROUP

The solvency margin was 172% at the end of the 1st quarter 2020, a decrease from 176% by the end of 2019. The Solvency margin without transitional rules was 155%. Lower interest rates and wider credit spreads in the quarter were largely offset by higher volatility adjustment and transitional rules. Falling equity markets reduced the solvency margin, but a lower equity stress adjustment combined with risk management reduced the impact on the solvency margin. Group profit after tax, net of dividend set aside for 2020, contributes positively to the solvency margin as well. Retaining the dividend set aside for 2019 also improved the solvency margin.



STOREBRAND ASA

Storebrand ASA (holding company) held liquid assets of NOK 3.4bn 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 1.3bn at the end of the quarter. This corresponds to a net liquidity ratio of 10%. The next maturity date for bond debt is in May 2020. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 200m that runs until December 2024.

Storebrand ASA owned 0.17% (808 463) of the company's own shares at the end of the quarter.

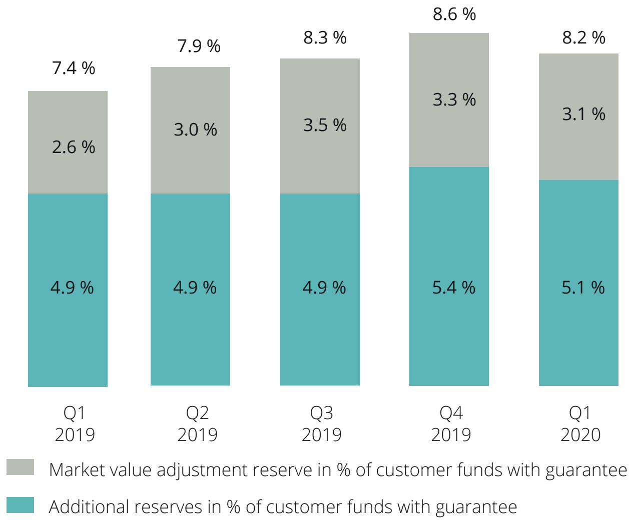
STOREBRAND LIFE INSURANCE GROUP[1)]

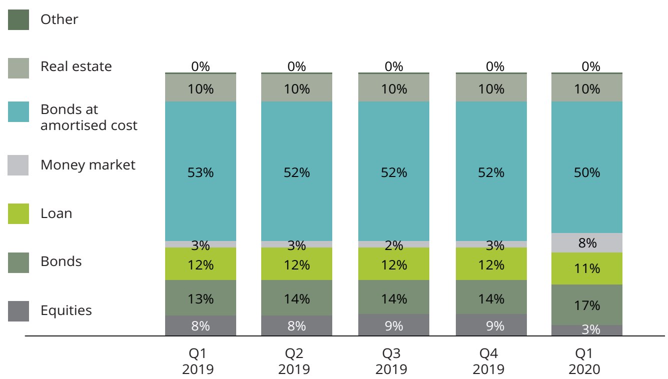
The Solidity capital[2)] measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 62.7bn at the end of 1st quarter 2020, an increase of NOK 0.3bn in 1st quarter. The change in the quarter is due to increased customer buffers in the Norwegian business and a decrease in customer buffers Swedish business.

STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve decreased during the 1st quarter by NOK 0.2bn and amounted to NOK 5.3bn at the end of the 1st quarter 2020.

The additional statutory reserves decreased during the 1st quarter by NOK 0.3bn. As a result of low booked investment returns in some customer portfolios additional statutory reserves were used to cover guaranteed interest by NOK 0.2bn. The additional statutory reserves amounted to NOK 8.9bn at the end of the 1st quarter 2020. The excess value of bonds and loans valued at amortised cost increased by NOK 2.0bn in the 1st quarter and amounted to NOK 6.7bn at the end of the 1st quarter 2020 due to decreases in interest rates. The excess value of bonds and loans at amortised cost is not included in the financial statements.





CUSTOMER BUFFERS

ALLOCATION OF GUARANTEED CUSTOMER ASSETS

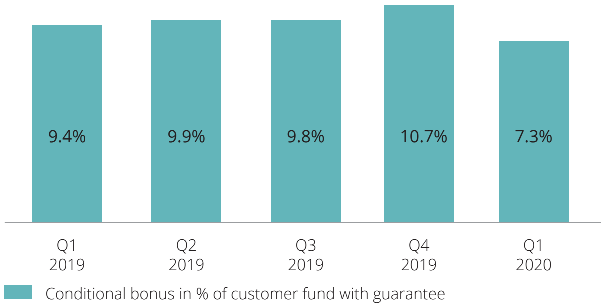
Customer assets decreased by NOK 8.8bn in the 1st quarter due to negative investment returns. Customer assets totalled NOK 289bn at the end of the 1st quarter 2020. Customer assets within non-guaranteed savings decreased NOK 9.3bn during the 1st quarter and amounted to NOK 105bn at the end of 1st quarter 2020. Guaranteed customer assets increased in the 1st quarter by 0.6bn. Guaranteed customer asset amounted to NOK 183bn at the end of 1st quarter 2020.

1) Storebrand Life Insurance, SPP and BenCo.

2) 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.

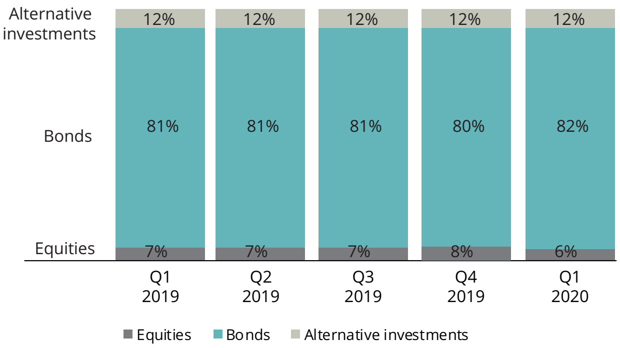
SPP

CUSTOMER BUFFERS - SPP



The buffer capital amounted to SEK 6.4bn (SEK 7.3bn) at the end of the 1st quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management in SPP were SEK 180bn (SEK 180bn) at the end of the 1st quarter. This corresponds to a decrease of -0.2% compared to the 1st quarter last year. For customer assets in non-guaranteed savings, assets under management totalled SEK 99bn (SEK 98bn) at the end of the 1st quarter, which corresponds to an increase of 1%, compared with the 1st quarter 2019.

STOREBRAND BANK

The loan portfolio including loans managed on behalf of Storebrand Livsforsikring AS amounted to NOK 47.8 billion (NOK 48.2 billion) at the end of the 1st quarter, of which the share to Storebrand Livsforsikring AS was net NOK 17.5 billion (NOK 18.0 billion). Lending to customers in the bank group totalled NOK 30.2 billion (NOK 30.2 billion) at the end of the quarter.

The bank group has had an increase in the risk-weighted balance of NOK 0.6 billion in the 1st quarter. The Storebrand Bank Group had a net capital base of NOK 2.6 billion at the end of the quarter. The capital adequacy ratio was 18.7 per cent and the Core Equity Tier 1 (CET1) ratio was 15.0 per cent at the end of the quarter, compared with 19.6 per cent and 15.8 per cent, respectively, at the end of 2019. The combined requirements for capital and CET1 were 15.8 per cent and 12.3 per cent respectively at the end of the 1st quarter.

Outlook

STRATEGY

Storebrand follows a twofold strategy. First, Storebrand aims to build a world class Savings Group supported by Insurance. Storebrand is the market leader in pension solutions to Norwegian businesses and a challenger in the Swedish market, and uniquely positioned in the growing retail savings market. Storebrand Asset Management has a strong competitive position and clear growth ambitions. Second, through cost control and disciplined use of capital, Storebrand aims to increase return to shareholders. Storebrand expects to start capital release as dividends and/or share buy backs when the solvency margin is above 180%. Under normal circumstances, the solvency margin is expected to grow 5 percentage points annually after dividends from today's level. The guaranteed business in long term run-off is projected to release NOK 10bn over the next years until 2027.

FINANCIAL PERFORMANCE

The market for Defined Contribution pensions is growing, and Storebrand's total reserves within Unit Linked increased by 10% in the last 12 months, despite the financial market downturn in March. Adjusted for currency, the growth is 5% in Norway and 1% in Sweden. Continued good growth for Defined Contribution pensions is expected in the future. The loyalty program for employees at companies that have a pension scheme at Storebrand remains an important area of focus. The sale of banking products and P&C insurance contributes to growth within the Savings and Insurance segments. The competition in the market has resulted in pressure on margins within these segments. This in turn sets requirements for relative cost reductions and efficiency improvements in distribution and product solutions to achieve continued profitable growth. In order to realise the ambitions in the retail market, sales must continue to increase.

Asset management is an important business area within the Savings segment. With the acquisition of Skagen, Storebrand became a top three mutual fund provider in Norway. The asset management platform is competitive and scalable for further growth. With the acquisition of Cubera as of 1 April 2019, Storebrand has one of the strongest offerings of alternative assets in the Nordics.

The Guaranteed Pension segment is in long term run-off and the reserves for the guaranteed Defined Benefit solutions are decreasing. However, there is continued growth in the reserves linked to Paid-up policies due to companies choosing to convert existing Defined Benefit schemes to Defined Contribution schemes and because Defined Benefit policies are converted to Paid-up policies as policyholders are entering retirement. It is expected that the growth in Paid-up policies will decline in the next few years and that there will be flat growth in reserves over several years before the reserves start to fall. The portfolio of Paid-up policies makes a limited contribution to the Group results with the present interest rates. Guaranteed reserves represent a declining share of the Group's total pension reserves and were 56.4% at the end of the quarter, a 1.3 percentage point reduction from the same period last year.

Adjusted for acquisitions, the group has reported flat nominal costs from 2012 to 2019 and has the ambition to continue do so in 2020. This is in spite of assets under management having almost doubled in the period and selected investments in growth initiatives having taken place. This implies a real reduction in costs. The cost ambition is excluding any performance related costs in Asset Management, currency and potential acquisitions. Lower cost through automation, digitalisation and the partnerships are expected to cover normal investments in business growth and inflation the coming years.

As an immediate impact of COVID-19 and the economic downturn, Storebrand's results have been negatively affected by financial mark-to-market losses caused by credit spreads widening and weak insurance results following reserve strengthening for increased disability claims. How the current unprecedented situation will unfold is highly uncertain, but Storebrand is fully operational with close to normal productivity and has made plans for various economic scenarios. The full year financial consequence of the current economic situation is highly unpredictable at this stage. Storebrand's risk management systems have performed well in this and earlier crisis's and the Group is robust to handle a further economic downturn.

COVID-19 combined with plummeting oil prices have led to a dramatic increase in the number of temporarily laid off workers in Norway. Over many years, the Norwegian economy has demonstrated relative resilience to global financial crises, including the crisis of 2008-2009. In the current situation, there is increased risk of much higher unemployment in Norway. A prolonged situation with unemployment could lead to increased number of disability claims. This could lead to price increases in Storebrand's insurance policies. Storebrand is fully reserved for our best estimate of expected claims.

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. Storebrand has adapted to the low interest rates 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 guaranteed high interest rates. Storebrand has adjusted its asset allocation by building a robust portfolio with bonds at amortised cost to achieve the guaranteed interest rate. For insurance risk, increased longevity and the development in disability are the factors that have greatest influence on solvency. Operational risk may also have an effect on 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.

COVID-19-RELATED CHANGES IN OCCUPATIONAL PENSION REGULATION

In response to the COVID-19 crisis, Parliament has passed regulatory changes concerning occupational pension for temporarily laid off employees. In most occupational pension schemes, temporarily laid off employees leave the pension scheme and get an individual pension capital certificate (DC) or paid-up policy (DB).

With over 350,000 workers affected by temporary layoffs, equivalent to roughly 20% of the private sector workforce, a similar fraction of the active DC and DB contracts could become individual pension capital certificates or paid-up policies.

The new regulation allows temporarily laid off employees to remain members in the pension scheme, even if the employer chooses to not pay new pension or risk premiums during the lay off period. If the employer chooses not to pay risk premiums, the laid off employee can buy ”continuity insurance” on an individual basis in order to keep their risk coverage.

The new regulation was introduced 17 April and will remain in force for six months. We expect the regulation to significantly reduce the volume of new pension capital certificates and paid-up policies related to Corona-driven labour market changes.

INDIVIDUAL PENSION ACCOUNT

The Ministry of Finance has confirmed the timetable for introducing Individual Pension Accounts in 2021. Supplementary regulation will be sent on a public hearing until 1 August.

Defined contribution capital certificates issued by previous employers (“pensjonskapitalbevis”) will be transferred into the active scheme unless the holder makes an active choice to stay with the current provider by opting-out (”negative acceptance”). A key aim of the reform is to reduce the costs associated with the administration of pension contributions from previous employers. This will in turn entail lower income for the providers.
Storebrand currently has a higher market share for active defined contribution schemes than for certificates from such schemes and therefore expects some new net inflows of certificates from the proposed changes. Individuals will be able to transfer the pension account (both current and former earnings) to other providers.

Storebrand is participating in the Ministry of Finance implementing group on individual pension accounts.

GUARANTEED PENSIONS

The Ministry of Finance has conducted a public consultation on proposals for changes in guaranteed pension regulations. The Ministry of Finance will now decide which proposals to put forward to parliament.

The public hearing was based on proposals by the Financial Supervisory Authority (FSA). The FSA proposals built on a Working Group report on guaranteed pensions published in September 2018 with the aim of increasing returns to policyholders. The Working Group assessed the regulations for profit sharing and buffer building, as well as rules regulating the transfer of pension assets between providers:

- he opportunity for companies to build up additional statutory provisions separately for individual contracts.
- Merging the additional statutory reserves and the market value adjustment reserve into a new customer-distributed buffer reserve that could also cover negative returns.
- The opportunity for the company to fulfil annual interest rate guarantees with borrowed equity.
- The opportunity for customers to choose faster disbursements for small paid-up policies.
- The opportunity for the companies to compensate customers when transitioning to paid-up policies with investment options.

The FSA also proposed removing the ability to book fixed income investments at amortised cost. Storebrand and other providers have argued against this proposal. In the consultation paper, the Ministry of Finance pointed to the arguments against this proposal and emphasises that such a change only will be considered should it prove to be significantly favourable to the customers.

SOLVENCY II REVIEW

The European Insurance and Occupational Pension Authority (EIOPA) has launched a public consultation on changes in the Solvency II standard model. EIOPA has proposed changes in the interest rate risk module that could increase the solvency capital requirement for Norwegian and Swedish insurers. EIOPA will present final proposals to the Commission in June 2020, and final conclusions drawn by the Commission, the Parliament and the Council in 2022.

DIVIDEND POLICY

The Board of Storebrand ASA has decided to withdraw the proposed dividend for the financial year of 2019 for the annual general meeting. The Board has recognised the pronounced expectations from the Norwegian Ministry of Finance, Norwegian FSA and EIOPA to suspend dividends until the great uncertainty about the economic development has been reduced. The Board maintains that the company's liquidity, solvency and result prognosis support an ordinary dividend for 2019 and reaffirms its commitment to the 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. When the solvency margin reaches 180%, the board intends to initiate a share buyback program. The purpose of the buyback program is to return excess capital released from the guaranteed liabilities that are in long-term run-off. A review of the solvency level and related share buybacks will normally be conducted every six months.

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, 29 April 2020

Storebrand Group
Income statement

(NOK million)	Note	01.01 - 31.03 2020	01.01 - 31.03 2019	Full year 2019
Premium income		14,175	8,783	32,366
Net income from financial assets and real estate for the company:				
- equities and fund units at fair value		-15	4	40
- bonds and other fixed-income securities at fair value		88	179	600
- financial derivatives at fair value		-399	21	7
- loans at fair value		9	2	14
- bonds at amortised cost		53	53	214
- loans at amortised cost		208	187	802
- profit from investments in associated companies and joint ventures		-3	8	39
Net income from financial assets and real estate for the customers:				
- equities and fund units at fair value		-25,043	16,632	37,318
- bonds and other fixed-income securities at fair value		276	1,867	4,167
- financial derivatives at fair value		-6,630	1,422	1,424
- loans at fair value		9	123	11
- bonds at amortised cost		1,111	978	3,912
- loans at amortised cost		587	184	546
- properties		113	327	1,864
- profit from investments in associated companies and joint ventures		120	115	341
Other income		1,089	614	3,758
Total income		**-14,254**	**31,499**	**87,422**
Insurance claims		-7,880	-8,126	-26,756
Change in insurance liabilities		20,312	-18,524	-44,725
Change in capital buffer		3,257	-2,549	-5,892
Operating expenses	7	-1,233	-1,106	-4,828
Other expenses		-271	-244	-1,238
Interest expenses		-266	-217	-947
Total expenses before amortisation		**13,920**	**-30,766**	**-84,385**
Group profit before amortisation		**-334**	**733**	**3,037**
Amortisation of intangible assets		-119	-99	-444
Group pre-tax profit		**-453**	**634**	**2,593**
Tax expenses	8	717	-139	-511
Profit/loss for the period		**264**	**494**	**2,082**
Profit/loss for the period attributable to:				
Share of profit for the period - shareholders		263	491	2,067
Share of profit for the period - hybrid capital investors		3	2	12
Share of profit for the period - minority		-2	1	3
Total		**264**	**494**	**2,082**
Earnings per ordinary share (NOK)		0.56	1.05	4.43
Average number of shares as basis for calculation (million)		466.9	467.1	466.8
There is no financial instruments that gives diluted effect on earnings per share				

Storebrand Group
Statement of comprehensive income

(NOK million)	01.01 - 31.03 2020	2019	Full year 2019
Profit/loss for the period	**264**	**494**	**2,082**
Actuarial assumptions pensions own employees	-2	-2	3
Adjustment of value of properties for own use	19	-33	-22
Total comprehensive income elements allocated to customers	-19	33	22
Tax on other comprehensive income elements not to be classified to profit/loss			12
Total other comprehensive income elements not to be classified to profit/loss	**-2**	**-2**	**15**
Translation differences foreign exchange	402	-195	-168
Gains/losses from cash flow hedging	34	-21	-36
Total other comprehensive income elements that may be classified to profit/loss	**436**	**-216**	**-204**
Total other comprehensive income elements	**434**	**-218**	**-190**
Total comprehensive income	**698**	**276**	**1,892**
Total comprehensive income attributable to:			
Share of total comprehensive income - shareholders	691	275	1,879
Share of total comprehensive income - hybrid capital investors	3	2	12
Share of total comprehensive income - minority	4	-2	1
Total	**698**	**276**	**1,892**

Storebrand Group
Statement of financial position

(NOK million)	Note	31.03.20	31.03.19	31.12.19
Assets company portfolio				
Deferred tax assets		2,360	1,724	1,430
Intangible assets and excess value on purchased insurance contracts		6,611	5,853	6,220
Pension assets		2	5	2
Tangible fixed assets		1,088	1,084	1,075
Investments in associated companies and joint ventures		227	263	227
Financial assets at amortised cost:				
- Bonds	6	9,110	8,724	8,256
- Loans to financial institutions	6	229	214	41
- Loans to customers	6,9	29,753	28,906	29,798
Reinsurers' share of technical reserves		34	32	26
Investment properties at fair value	6	49	50	49
Biological assets		67	67	67
Accounts receivable and other short-term receivables		13,060	6,625	4,824
Financial assets at fair value:				
- Equities and fund units	6	256	202	323
- Bonds and other fixed-income securities	6	27,484	25,498	28,512
- Derivatives	6	1,869	1,373	1,183
- Loans to customers	6,9	447	319	389
Bank deposits		4,582	3,704	3,119
Minority interests in consolidated mutual funds		43,666	32,613	44,933
Total assets company portfolio		**140,892**	**117,256**	**130,474**
Assets customer portfolio				
Investments in associated companies and joint ventures		5,755	4,127	4,045
Financial assets at amortised cost:				
- Bonds	6	86,842	88,783	89,790
- Bonds held-to-maturity	6	13,396	14,433	13,377
- Loans to customers	6,9	23,629	23,910	23,735
Reinsurers' share of technical reserves		28	86	69
Investment properties at fair value	6	30,747	27,924	29,366
Properties for own use	6	1,574	1,314	1,375
Accounts receivable and other short-term receivables		726	848	450
Financial assets at fair value:				
- Equities and fund units	6	174,112	169,376	194,020
- Bonds and other fixed-income securities	6	140,325	129,096	128,127
- Derivatives	6	7,557	4,253	4,131
- Loans to customers	6,9	8,171	5,283	6,736
Bank deposits		14,928	7,383	7,475
Total assets customer portfolio		**507,791**	**476,816**	**502,695**
Total assets		**648,683**	**594,072**	**633,170**

Continue next page

Storebrand Group
Statement of financial position (continue)

(NOK million)	Note	31.03.20	31.03.19	31.12.19
Equity and liabilities				
Paid-in capital		12,856	12,853	12,856
Retained earnings		20,952	19,997	20,264
Hybrid capital		226	271	226
Minority interests		56	55	52
Total equity		**34,090**	**33,177**	**33,398**
Subordinated loan capital	5.6	9,073	8,139	8,925
Capital buffer	10	21,338	20,956	23,825
Insurance liabilities		480,285	454,105	477,171
Pension liabilities		275	313	266
Deferred tax		827	263	768
Financial liabilities:				
- Liabilities to financial institutions	5.6	1,310	2	446
- Deposits from banking customers	6	14,991	14,583	14,404
- Securities issued	5.6	21,050	18,454	18,729
- Derivatives company portfolio		709	90	86
- Derivatives customer portfolio		9,077	1,248	908
- Other non-current liabilities		1,043	1,045	1,037
Other current liabilities		10,949	9,085	8,274
Minority interests in consolidated mutual funds		43,666	32,613	44,933
Total liabilities		**614,593**	**560,896**	**599,772**
Total equity and liabilities		**648,683**	**594,072**	**633,170**

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]	Minority interests	Total equity
	Majority's share of equity									
Equity at 31 December 2018	**2,339**	**-2**	**10,521**	**12,858**	**1,076**	**18,706**	**19,782**	**176**	**57**	**32,873**
Profit for the period						2,067	2,067	12	3	2,082
Total other comprehensive income elements					-166	-22	-188		-2	-190
Total comprehensive income for the period					**-166**	**2,045**	**1,879**	**12**	**1**	**1,892**
Equity transactions with owners:										
Own shares		-3		-3		-27	-27			-29
Hybrid capital classified as equity						3	3	50		53
Paid out interest hybrid capital								-12		-12
Dividend paid						-1,399	-1,399			-1,399
Other						27	27		-7	21
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						263	263	3	-2	264
Total other comprehnsive income elements					395	33	428		6	434
Total comprehensive income for the period					**395**	**295**	**691**	**3**	**4**	**698**
Equity transactions with owners:										
Own shares		1		1		8	8			9
Hybrid capital classified as equity						1	1			1
Paid out interest hybrid capital								-3		-3
Other						-12	-12			-12
Equity at 31 March 2020	**2,339**	**-4**	**10,521**	**12,856**	**1,305**	**19,647**	**20,952**	**226**	**56**	**34,090**

1) 467 813 982 shares with a nominal value of NOK 5.
2) Includes undistributable funds in the risk equalisation fund amounting to NOK 442 million and security reserves amounting NOK 63 million.
3) Perpetual hybrid tier 1 capital classified as equity.

Equity at 31 December 2018	**2,339**	**-2**	**10,521**	**12,858**	**1,076**	**18,706**	**19,782**	**176**	**57**	**32,873**
Profit for the period						491	491	2	1	494
Total other comprehensive income elements					-192	-24	-216		-3	-218
Total comprehensive income for the period					**-192**	**468**	**275**	**2**	**-2**	**276**
Equity transactions with owners:										
Own shares		-5		-5		-63	-63			-68
Hybrid capital classified as equity						1	1	95		96
Paid out interest hybrid capital								-2		-2
Other						3	3			3
Equity at 31 March 2019	**2,339**	**-7**	**10,521**	**12,853**	**884**	**19,114**	**19,997**	**271**	**55**	**33,177**

Storebrand Group
Statement of cash flow

(NOK million)	01.01 - 31.03 2020	2019
Cash flow from operational activities		
Net receipts premium - insurance	8,342	7,178
Net payments claims and insurance benefits	-5,900	-5,847
Net receipts/payments - transfers	3,429	-1,029
Net receipts/payments insurance liabilities	-1,262	-577
Receipts - interest, commission and fees from customers	617	756
Payments - interest, commission and fees to customers	-80	-86
Taxes paid	-11	-10
Payments relating to operations	-1,284	-1,144
Net receipts/payments - other operational activities	170	4,349
Net cash flow from operations before financial assets and banking customers	*4,020*	*3,591*
Net receipts/payments - loans to customers	-567	728
Net receipts/payments - deposits bank customers	562	146
Net receipts/payments - securities	3,033	-3,350
Net receipts/payments - investment properties	163	165
Net change in bank deposits insurance customers	-7,268	-2,045
Net cash flow from financial assets and banking customers	*-4,078*	*-4,355*
Net cash flow from operational activities	**-57**	**-764**
Cash flow from investment activities		
Payments - purchase of subsidaries	-10	-5
Net receipts/payments - sale/purchase of fixed assets	-23	-34
Net receipts/payments - sale of insurance portfolios	-332	-146
Net cash flow from investment activities	**-365**	**-186**
Cash flow from financing activities		
Receipts - new loans	5,000	1,544
Repayments of loans	-2,683	-641
Payments - interest on loans	-133	-81
Receipts - subordinated loan capital		125
Payments - repayment of subordinated loan capital	-872	-70
Payments - interest on subordinated loan capital	-15	-38
Net receipts/payments - loans to and claims from other financial institutions	864	
Receipts - issuing of share capital / sale of shares to own employees	8	
Payments - repayment of share capital		-68
Receipts - hybrid capital		125
Payments - repayment of hybrid capital		-30
Payments - interest on hybrid capital	-3	-2
Net cash flow from financing activities	**2,166**	**865**
Net cash flow for the period	**1,743**	**-85**
Cash and cash equivalents at start of the period	645	3,951
Currency translation cash/cash equivalents in foreign currency	2,423	52
Cash and cash equivalents at the end of the period [1]	**4,811**	**3,918**
[1] **Consist of:**		
Loans to financial institutions	229	214
Bank deposits	4,582	3,704
Total	**4,811**	**3,918**

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 2019 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 2020 that have significant effect on Storebrand's consolidated financial statements.

Note 02 Estimates

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

Actual results may differ from these estimates.

A description of the most critical estimates and judgements that can affect recognised amounts is included in the 2019 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 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 and 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 savings products that give 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 and small subsidiaries of Storebrand Life Insurance and SPP. In addition, the results associated with loans to commercial enterprises by Storebrand Bank and the activities at BenCo are reported in this segment. The elimination of intra-group transactions that have been included in the other segments has also been included.

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 2019 annual report in note 4 Segment reporting.

(NOK million)	01.01 - 31.03 2020	2019	Full year 2019
Savings	276	290	1,364
Insurance	-268	103	439
Guaranteed pension	95	249	1,029
Other	-437	91	205
Group profit before amortisation	**-334**	**733**	**3,037**
Amortisation of intangible assets	-119	-99	-444
Group pre-tax profit	**-453**	**634**	**2,593**

SEGMENT INFORMATION AS OF 01.01 - 31.03

	Savings Q1		Insurance Q1		Guaranteed pension Q1	
(NOK million)	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Fee and administration income	1,043	896			349	361
Insurance result			-71	245		
- Insurance premiums for own account			*1,019*	*948*		
- Claims for own account			*-1,090*	*-703*		
Operating expense	-669	-615	-175	-150	-202	-186
Operating profit	**375**	**281**	**-246**	**95**	**147**	**174**
Financial items and risk result life & pension	-98	9	-22	8	-52	74
Group profit before amortisation	**276**	**290**	**-268**	**103**	**95**	**249**
Amortisation of intangible assets [1]						
Group pre-tax profit						

	Other Q1		Storebrand Group Q1	
(NOK million)	31.03.20	31.03.19	31.03.20	31.03.19
Fee and administration income	-44	-41	1,349	1,215
Insurance result			-71	245
- Insurance premiums for own account			*1,019*	*948*
- Claims for own account			*-1,090*	*-703*
Operating expense	22	22	-1,024	-929
Operating profit	**-22**	**-19**	**254**	**531**
Financial items and risk result life & pension	-416	111	-588	202
Group profit before amortisation	**-437**	**91**	**-334**	**733**
Amortisation of intangible assets [1]			-119	-99
Group pre-tax profit			**-453**	**634**

[1] *Amortisation of intangible assets are included in Storebrand Group*

KEY FIGURES BY BUSINESS AREA

(NOK million)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Group								
Earnings per ordinary share [1]	0.56	4.43	2.99	2.01	1.05	7.89	3.92	2.80
Equity	34,090	33,398	32,680	32,242	33,177	32,873	30,742	30,227
Savings								
Premium income Unit Linked [2]	5,046	4,551	4,205	4,175	4,237	4,086	4,096	3,892
Unit Linked reserves	210,061	219,793	206,717	198,032	190,980	179,299	187,016	178,498
AuM asset management	828,749	831,204	786,326	751,926	728,712	725,171	707,102	707,102
Retail lending	47,681	48,161	46,722	46,201	46,476	46,526	45,669	44,325
Insurance								
Total written premiums	5,037	4,698	4,583	4,507	4,442	4,455	4,408	4,417
Claims ratio [2]	107%	78%	73%	72%	74%	72%	67%	62%
Cost ratio [2]	17%	17%	17%	16%	16%	17%	14%	16%
Combined ratio [2]	124%	96%	89%	89%	90%	89%	81%	78%
Guaranteed pension								
Guaranteed reserves	272,051	263,185	263,677	261,973	260,560	260,573	257,570	257,783
Guaranteed reseves in % of total reserves	56.4%	54.5%	56.1%	57.0%	57.7%	59.2%	57.9%	59.1%
Net transfer out of guaranteed reserves [2]	-93	16	14	-1	75	10	24	13
Capital buffer in % of customer reserves Storebrand Life Group [3]	8.3%	8.6%	8.3%	7.9%	7.4%	6.4%	6.6%	6.5%
Capital buffer in % of customer reserves SPP [4]	7.3%	10.7%	9.8%	9.9%	9.4%	8.7%	9.5%	8.8%
Solidity								
Solvency II [5]	172%	176%	177%	167%	173%	173%	169%	167%
Solidity capital (Storebrand Life Group) [6]	62,713	62,442	62,127	59,921	58,606	58,978	57,702	57,869
Capital adequacy Storebrand Bank	18.7%	19.6%	18.4%	18.4%	19.2%	18.9%	18.4%	18.8%
Core Capital adequacy Stobrand Bank	16.7%	17.5%	16.2%	16.3%	16.6%	16.6%	16.1%	16.5%

[1] Accumulated
[2] Quarterly figures
[3] Additional statutory reserves + market value adjustment reserve
[4] Conditional bonuses
[5] See note 12 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 04 Financial market risk and insurance risk

Risks are described in the annual report for 2019 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 changes in prices in the financial markets. It also refers to the risk that the value of the insurance liability develops differently than the assets. 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 also 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 quarter has been strongly affected by the development linked to the Coronavirus spread. From the last part of February, the contagion, and the consequences of containment both in Norway and globally, has led to financial turmoil with falling equity prices, increased credit spreads, falling interest rates and lower tradability for part of the investments. In combination with falling oil price, the conditions have also led to a significant weakening of the Norwegian Krone. Storebrand has principles for risk management that handles and dampens the effects, but the effects were still visible. The uncertainty going forward has also increased.

The equity market was very weak during the first quarter. Global equities fell 20 % and Norwegian equities fell 24 %. The market for corporate bonds was also weak and credit spreads increased considerably. Increased spreads were negative for return in the first quarter, but higher credit spreads are positive for expected return going forward.

Norges Bank cut the interest rate twice by a total of 1.25 pp. Long term interest rates also fell. The Norwegian 10-year swap-rate fell by a full 1.0 pp. The Swedish 10-year swap-rate fell by 0.3 pp. Due to the majority 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. Lower interest rate is a negative factor for the solvency position.

The Norwegian Krone weakened strongly during the first quarter, accentuated by a very weak oil price. During the quarter, the Norwegian Krone has weakened 18 % against the US dollar, 17 % against the Euro and 13 % against the Swedish Krona. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and risk.

Financial instruments valuated at fair value level three is 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. Several of the input in these models are affected by the short-term effects from Covid-19. For the long-term effects are there greater uncertainty, depending on the continued spread of Covid-19, governmental support and the effects for the economy. There are few to none certain effects from this in the input data, besides a larger range of possible outcomes. Hence, the values reflect management's best estimate, but contain greater uncertainty than in a normal quarter.

During the first quarter the investment allocation to equities was reduced in line with the principles for dynamic risk management.

Despite weak equity and credit markets, the return for the guaranteed customer portfolios in Norway on average was positive in the first quarter. Unrealised gains for equities fell, but this was to a large extent countered by an increase in unrealized gains for interest rate swap-exposure. Return for guaranteed customer portfolios in Sweden was negative and lower than the change in value for the liabilities. This led to a decrease in conditional bonuses.

Return for unit linked portfolios was negative during the first quarter, mainly due to the weak equity markets. This will lead to lower income for Storebrand going forward, dependant on whether and when the market recover.

Sensitivity analyses

The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios as a result 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 31 March 2020. 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)	-100bp	+100bp
Equity	-20%	- 12 %
Property	- 12 %	- 7 %
Credit spread (share of Solvency II)	50 %	30 %

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 of time, then dynamic risk management would reduce the effect of the negative outcomes and reinforce the positive to some extent.

As a result of customer buffers, the effect of the stresses on the result will be lower than the combined change in value in the table. As at 31 March 2020, 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	4,171	2.0%	-651	-0.7%
Equtiy risk	-1,455	-0.7%	-1,589	-1.8%
Property risk	-2,545	-1.2%	-1,177	-1.4%
Credit risk	-1,303	-0.6%	-840	-1.0%
Total	**-1,133**	**-0.5%**	**-4,257**	**-4.9%**

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	-4,171	-2.0%	499	0.6%
Equtiy risk	-873	-0.4%	-953	-1.1%
Property risk	-1,485	-0.7%	-687	-0.8%
Credit risk	-782	-0.4%	-504	-0.6%
Total	**-7,311**	**-3.5%**	**-1,645**	**-1.9%**

Storebrand Livsforsikring
For Storebrand Livsforsikring it is stress test 2, which includes an increase in interest rates, that makes the greatest impact. The overall market risk is NOK 7.3 billion (NOK 7.2 billion as at 31 December 2019), which is equivalent to 3.5 (3.4) 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 4.3 billion (SEK 3.5 billion as at 31 December 2019), which is equivalent to 4.9 (3.8) 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 for Storebrand risk 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 weak economy has led to a substantial increase in unemployment. Part of the increase is deemed temporary due to the containment of the virus. There has historical been correlations between the unemployment rate and the disability levels.
The governments are putting in place many measures to support the economy from effects from Covid-19 and the long-term unemployment rate and the outcome of the pandemic is uncertain. The best estimates for the liabilities are updated in the quarter based on the observed short-term effects. However, if unemployment remains high for a long period, this could lead to higher disability levels. Other than that, the insurance risk was not materially changed during the first quarter.

Note 05 Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL[1)]

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Perpetual subordinated loan capital[2)]					
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	1,100
Dated subordinated loan capital					
Storebrand Livsforsikring AS	750	SEK	Variable	2021	801
Storebrand Livsforsikring AS	1,000	SEK	Variable	2022	1,058
Storebrand Livsforsikring AS	900	SEK	Variable	2025	942
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,845
Storebrand Livsforsikring AS	1,000	SEK	Variable	2024	1,051
Storebrand Bank ASA	150	NOK	Variable	2022	151
Storebrand Bank ASA	125	NOK	Variable	2025	125
Total subordinated loans and hybrid tier 1 capital 31.03.20					**9,073**
Total subordinated loans and hybrid tier 1 capital 31.03.19					8,139
Total subordinated loans and hybrid tier 1 capital 31.12.19					8,925

[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

SPECIFICATION OF LIABILITIES TO FINANCIAL INSTITUTIONS

	Book value		
(NOK million)	31.03.20	31.03.19	31.12.19
Call date			
2019		2	
2020	1,310		446
Total liabilities to financial institutions	**1,310**	**2**	**446**

SPECIFICATION OF SECURITIES ISSUED

	Book value		
(NOK million)	31.03.20	31.03.19	31.12.19
Call date			
2019		2,138	
2020	1,088	4,316	3,769
2021	4,923	4,922	4,916
2022	6,022	5,072	6,023
2023	4,019	2,005	4,021
2024	4,998		
Total securities issued	**21,050**	**18,454**	**18,729**

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 2024.

Note 06 Valuation of financial instruments and investment properties

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 12 in the annual report for 2019.

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

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 31.03.20	Book value 31.03.20	Fair value 31.12.19	Book value 31.12.19
Financial assets				
Loans to and due from financial institutions	229	229	41	41
Loans to customers - corporate	6,756	6,776	6,180	6,206
Loans to customers - retail	46,606	46,606	47,327	47,327
Bonds held to maturity	14,629	13,396	14,433	13,377
Bonds classified as loans and receivables	101,472	95,953	101,728	98,046
Total financial assets 31.03.20	**169,692**	**162,960**		
Total financial assets 31.12.19			169,709	164,997
Financial liabilities				
Debt raised by issuance of securities	21,009	21,050	18,728	18,729
Liabilities to financial institutions	1,310	1,310	446	446
Deposits from banking customers	14,991	14,991	14,404	14,404
Subordinatd loan capital	8,802	9,073	9,010	8,925
Total financial liabilities 31.03.20	**46,111**	**46,423**		
Total financial liabilities 31.12.19			42,589	42,504

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	31.03.20	31.12.19
Assets:					
Equities and fund units					
- Equities	20,294	86	573	20,953	28,765
- Fund units	138	144,050	9,227	153,415	165,578
Total equities and fund units 31.03.20	**20,432**	**144,136**	**9,800**	**174,368**	
Total equities and fund units 31.12.19	28,205	156,591	9,548		194,343
Loans to customers					
- Loans to customers - corporate			8,171	8,171	6,736
- Loans to customers - retail			447	447	389
Loans to customers 31.03.20			**8,617**	**8,617**	
Loans to customers 31.12.19			7,125		7,125
Bonds and other fixed-income securities					
- Government bonds	12,674	23,481		36,156	32,256
- Corporate bonds		60,895	16	60,911	60,055
- Collateralised securities		4,845		4,845	3,648
- Bond funds	183	58,913	6,801	65,896	60,680
Total bonds and other fixed-income securities 31.03.20	**12,857**	**148,134**	**6,817**	**167,808**	
Total bonds and other fixed-income securities 31.12.19	10,818	140,316	5,505		156,639
Derivatives:					
- Equity derivatives					1
- Interest derivatives		7,506	-138	7,368	2,537
- Currency derivatives		-7,727		-7,727	1,781
Total derivatives 31.03.20		**-221**	-138	**-359**	
- of which derivatives with a positive market value		9,437		9,437	5,314
- of which derivatives with a negative market value		-9,658	-138	-9,796	-995
Total derivatives 31.12.19		4,319			4,319
Properties:					
Investment properties			30,796	30,796	29,415
Properties for own use			1,574	1,574	1,375
Total properties 31.03.20			**32,370**	**32,370**	
Total properties 31.12.19			30,790		30,790

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 01.01.20	**532**	**9,016**	**7,125**	**15**	**5,490**	**29,415**	**1,375**
Net gains/losses on financial instruments	60	60	-223		41	-2	17
Additions		465	1,233		719	295	40
Sales	-20	-594	-343		-59		
Currency translation differences		281	825	1	610	1,267	141
Other						-179	1
Book value 31.03.20	**573**	**9,227**	**8,617**	**16**	**6,801**	**30,796**	**1,574**

As at 31.03.20, Storebrand Livsforisikring had NOK 5.755 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26, 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 2019 annual report.

Equities

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

	Change in value at change in discount rate	
Million NOK	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 31.03.20	-23	25
Change in fair value per 31.12.19	-19	21

Fund units

Large portions of the portfolio are private equity funds invested in companies priced against comparable listed companies The valuation of the private equity portfolio will thus be sensitive to fluctuations in global equity markets. The private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.46.

	Change MSCI World	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 31.03.20	418	-418
Change in fair value per 31.12.19	413	-413

The valuation of indirect property investments will be sensitive to a change in the required rate of return and the expected future cash flow. Remaining indirect property investments are no longer leveraged.

	Change in value underlying real estate	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 31.03.20	1	-1
Change in fair value per 31.12.19	1	-1

Loan to customers

The value of fixed-rate loans is determined by discounting the agreed cash flows over the remaining maturity by the current discount rate adjusted for market spread. The discount rate that is used is based on a swap interest rate (mid swap) with a maturity that corresponds to the remaining lock-in period for the underlying loans. The market spread that is used on the date of the balance sheet is determined by assessing the market conditions, market price and the associated swap interest rate.

Loans from SPP Pension & Försäkring AB are appraised at fair value. The value of these loans is determined by future cash flows being discounted by an associated swap curve adjusted for a customer-specific credit spread.

	Change in marketspread	
Million NOK	+ 10 bp	- 10 bp
Change in fair value per 31.03.20	-23	25
Change in fair value per 31.12.19	-19	21

Corporate bonds

Corporate bonds at level 3 are typical non-performing loans and convertible bonds.
They are not priced by a discount rate as bonds normally are, and therefore these investments are included in the same sensitivity test as private equity.

	Change MSCI World	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 31.03.20	0	0
Change in fair value per 31.12.19	0	0

Properties

The sensitivity assessment for properties includes investments properties.

The valuation of property is particularly sensitive to a change in the required rate of return and the expected future cash flow. A change of 0.25 per cent in the required rate of return when everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 5.2 per cent.

	Change in required rate of return	
Million NOK	0.25%	-0.25%
Change in fair value per 31.03.20	-1,627	1,829
Change in fair value per 31.12.19	-1,560	1,699

Note 07 Operating expenses

	01.01 - 31.03		Full year
(NOK million)	2020	2019	2019
Personnel expenses	-568	-535	-2,281
Amortisation/write-downs	-58	-56	-231
Other operating expenses	-607	-515	-2,316
Total operating expenses	**-1,233**	**-1,106**	**-4,828**

Note 08 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 income tax expense is also influenced by a tax effect relating to previous years. In the quarter there has been booked a tax income due to new information and interpretation of the transition rules of 2018. 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 21.4 per cent.

In the quarter there has been booked a tax income of NOK 356 million due to new information and revised interpretation of the transition rules of 2018. Due to a substantial weakening of NOK against SEK in the quarter, the hedging of Swedish subsidiaries had a tax effect which increased the tax income with NOK 253 million.

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 preponderance 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. The company considers it to be preponderance that Storebrand's understanding of the tax legislation will be accepted by a court of law and thus, no uncertain tax position has been recognised in the financial statements based on the recieved draft 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, but in October 2019 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 6.3 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 09 Loans

(NOK million)	31.03.20	31.03.19	21.12.19
Corporate market [1]	14,959	12,034	12,955
Retail market	47,119	46,451	47,757
Gross loans	**62,078**	**58,485**	**60,712**
Write-down of loans losses	-79	-67	-53
Net loans [2]	**62,000**	**58,418**	**60,658**
[1] Of which Storebrand Bank	24	32	24
[2] Of which Storebrand Bank	30,199	29,225	30,187
Of which Storebrand Livsforsikring	31,801	29,193	30,472

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	31.03.20	31.03.19	21.12.19
Non-performing and loss-exposed loans without identified impairment	84	48	73
Non-performing and loss-exposed loans with identified impairment	48	58	52
Gross non-performing loans	**132**	**106**	**125**
Individual write-downs	-20	-20	-20
Net non-performing loans [1]	**113**	**86**	**105**

[1] The figures apply in their entirety Storebrand Bank

Note 10 Capital buffer

(NOK million)	31.03.20	31.03.19	21.12.19
Additional statutory reserves	8,699	8,239	9,023
Market adjustment reserves	5,279	4,312	5,500
Conditional bonuses	7,361	8,404	9,302
Total	**21,338**	**20,956**	**23,825**

Note 11 Contingent liabilities

(NOK million)	31.03.20	31.03.19	21.12.19
Guarantees	1	2	1
Unused credit facilities	3,086	3,304	3,072
Uncalled residual liabilities re limited partnership	6,715	5,518	7,297
Loan commitment retail market	1,822	2,106	1,466
Total contingent liabilities	**11,625**	**10,930**	**11,837**

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 note 2 and note 43 in the 2019 annual report.

Note 12 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 and include the effect of the transitional arrangement for shares pursuant to Section 58 of the Solvency II Regulations.

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. It is assumed in the calculation of the solvency margin at 31.3.2020 that the stipulated dividend for 2019 will not be paid. This strengthens the solvency margin by 5.5 percentage points.

SOLVENCY CAPITAL

NOK million	31.03.20 Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.19 Total
Share capital	2,339	2,339				2,339
Share premium	10,521	10,521				10,521
Reconciliation reserve	25,797	25,797				27,169
Including the effect of the transitional arrangement	*6,026*	*6,026*				
Subordinated loans	8,295		1,035	7,259		7,651
Deferred tax assets	303				303	268
Risk equalisation reserve	442			442		466
Minority interests	61				61	57
Unavailable minority interests	-44				-44	-41
Deductions for CRD IV subsidiaries	-2,982	-2,982				-2,970
Expected dividend 2020	-350	-350				-1,517
Total basic solvency capital	**44,383**	**35,326**	**1,035**	**7,701**	**321**	**43,943**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	2,982					2,970
Total solvency capital	**47,364**					**46,913**
Total solvency capital available to cover the minimum capital requirement	**38,512**	**35,326**	**1,035**	**2,151**		**38,614**

SOLVENCY CAPITAL REQUIREMENTS AND - MARGIN

NOK million	31.03.20	31.12.19
Market	23,154	22,040
Counterparty	1,344	779
Life	10,869	10,702
Health	828	761
P&C	311	307
Operational	1,588	1,493
Diversification	-7,773	-7,207
Loss-absorbing tax effect	-5,271	-4,847
Total solvency capital requirement - insurance company	**25,049**	**24,028**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,532	2,683
Total solvency capital requirement	**27,581**	**26,711**
Solvency margin with transitional rules	**172%**	**176%**
Minimum capital requirement	**10,755**	**9,788**
Minimum margin	**358%**	**394%**

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	31.03.20	31.12.19
Capital requirements for CRD IV companies	2,720	2,937
Solvency captial requirements for insurance	25,049	24,028
Total capital requirements	**27,770**	**26,966**
Net primary capital for companies included in the CRD IV report	2,982	2,970
Net primary capital for insurance	44,383	43,943
Total net primary capital	**47,364**	**46,913**
Overfunding	**19,594**	**19,947**

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 31 March 2020, the difference amounted to NOK 188 million.

Note 13 Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 23 and 45 in the 2019 annual report.

Storebrand has not carried out any material transactions other than normal business transactions with related parties at the close of the 1st quarter 2020.

Storebrand ASA
Income statement

(NOK million)	Q1 2020	Q1 2019	Full year 2019
Operating income			
Income from investments in subsidiaries			3,230
Net income and gains from financial instruments:			
- equities and other units	-5	-1	2
- bonds and other fixed-income securities	-9	10	50
- financial derivatives/other financial instruments	1	-2	-6
Other financial instruments			1
Operating income	**-14**	**7**	**3,278**
Interest expenses	-12	-13	-51
Other financial expenses	-16	-2	0
Operating expenses			
Personnel expenses	-11	-9	-40
Other operating expenses	-14	-13	-62
Total operating expenses	**-25**	**-22**	**-102**
Total expenses	**-53**	**-37**	**-153**
Pre-tax profit	**-67**	**-29**	**3,125**
Tax	11	7	-173
Profit for the period	**-56**	**-23**	**2,952**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

(NOK million)	Q1 2020	Q1 2019	Full year 2019
Profit for the period	**-56**	**-23**	**2,952**
Other total comprehensive income elements not to be classified to profit/loss			
Change in estimate deviation pension			-8
Tax on other comprehensive elements			2
Total other comprehensive income elements			**-6**
Total comprehensive income	**-56**	**-23**	**2,946**

Storebrand ASA
Statement of financial position

(NOK million)	31.03.29	31.03.19	31.12.19
Fixed assets			
Deferred tax assets	52	54	41
Tangible fixed assets	27	26	27
Shares in subsidiaries and associated companies	20,052	19,283	20,042
Total fixed assets	**20,132**	**19,363**	**20,110**
Current assets			
Owed within group	2,994	3,592	3,166
Other current receivables	18	88	16
Investments in trading portfolio:			
- equities and other units	39	21	44
- bonds and other fixed-income securities	3,302	1,710	3,260
- financial derivatives/other financial instruments	8	11	3
Bank deposits	107	523	34
Total current assets	**6,467**	**5,945**	**6,523**
Total assets	**26,599**	**25,308**	**26,633**
Equity and liabilities			
Share capital	2,339	2,339	2,339
Own shares	-4	-7	-5
Share premium reserve	10,521	10,521	10,521
Total paid in equity	**12,856**	**12,853**	**12,856**
Other equity	11,264	8,310	9,794
Total equity	**24,120**	**21,163**	**22,650**
Non-current liabilities			
Pension liabilities	154	161	154
Securities issued	1,313	1,815	1,309
Total non-current liabilities	**1,467**	**1,976**	**1,463**
Current liabilities			
Debt within group	899	595	900
Provision for dividend		1,402	1,517
Other current liabilities	113	172	103
Total current liabilities	**1,012**	**2,170**	**2,520**
Total equity and liabilities	**26,599**	**25,308**	**26,633**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2018	**2,339**	**-2**	**10,521**	**8,395**	**21,253**
Profit for the period				2,952	2,952
Total other result elements				-6	-6
Total comprehensive income				**2,946**	**2,946**
					0
Provision for dividend				-1,514	-1,514
Own share bought back [2]		-5		-63	-68
Own share sold [2]		2		36	38
Employee share [2]				-6	-6
Equity at 31. December 2019	**2,339**	**-5**	**10,521**	9,794	22,650
Profit for the period				-56	-56
Total other result elements				0	0
Total comprehensive income				**-56**	**-56**
Reversed dividend				1,517	1,517
Own share sold [2]		1		8	9
Employee share [2]				-1	-1
Equity at 31. March 2020	**2,339**	**-4**	**10,521**	**11,264**	**24,120**

[1] 467 813 982 shares with a nominal value of NOK 5.
[2] In 2020, 134 727 shares were sold to our own employees.
Holding of own shares 31. March 2020 was 808 463

Equity at 31. December 2018	**2,339**	**-2**	**10,521**	8,395	21,253
Profit for the period				-23	-23
Total other result elements					
Total comprehensive income				**-23**	**-23**
Own share bought back		-5		-63	-68
Equity at 31. March 2019	**2,339**	**-7**	**10,521**	**8,310**	**21,163**

Storebrand ASA
Statement of cash flow

	01.01 - 31.03	
(NOK million)	2020	2019
Cash flow from operational activities		
Net receipts/payments - securities at fair value	-51	110
Payments relating to operations	-39	-45
Net receipts/payments - other operational activities	176	498
Net cash flow from operational activities	**86**	**564**
Cash flow from investment activities		
Payments - purchase/capitalisation of subsidiaries	-10	6
Net cash flow from investment activities	**-11**	**6**
Cash flow from financing activities		
Payments - interest on loans	-12	-13
Receipts - sold own shares to employees	8	0
Net cash flow from financing activities	**-3**	**-12**
Net cash flow for the period	**72**	**557**
Net movement in cash and cash equivalents	72	557
Cash and cash equivalents at start of the period	34	34
Cash and cash equivalents at the end of the period	**107**	**591**

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 2019. The accounting policies are described in the 2019 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 Bond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	31.03.20	31.03.19	31.12.19
Bond loan 2013/2020 [1]	Fixed	NOK	300	310	313	305
Bond loan 2014/2019	Variable	NOK	500		500	
Bond loan 2017/2020	Variable	NOK	500	502	501	502
Bond loan 2017/2022	Variable	NOK	500	501	501	501
Total [2]				**1,313**	**1,815**	**1,309**

[1] Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.
[2] Loans are booked at amortised cost and include earned not due interest.
Signed loan agreements have covenant requirements.
Storebrand ASA has an unused drawing facility for EUR 200 million.

To the Board of Directors of Storebrand ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Storebrand ASA as of 31 March 2020, the income statement, the statement of total comprehensive income, the statement of changes in equity and the statement of cash flow for the three-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 31 March 2020, and its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 29 April 2020
PricewaterhouseCoopers AS

Magne Sem
State Authorised Public Accountant
(This document is signed electronically)

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Financial calendar

17 June 2020:	Annual General Meeting
15 July 2020:	Results Q2 2020
21 October 2020:	Results Q3 2020
10 February 2021:	Results Q4 2020

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