



Interim report 2020

Storebrand Bank ASA

(unaudited)

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This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally. The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.

Storebrand Bank Group

- Interim report for the fourth quarter of 2020

(Profit figures for the corresponding period in 2019 are shown in brackets. Balance sheet figures in brackets are for the end of 2019).

- Increased lending
- Interest margins remain low
- Low volume of non-performing loans

Loans outstanding increased by NOK 1.0 billion during the quarter and increased by NOK 1.6 billion year to date. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS increased by NOK 1.2 billion during the quarter and ended unchanged year to date. The combined portfolio of loans in Storebrand Bank and Storebrand Livsforsikring increased by NOK 1.7 billion during the quarter and by NOK 1.3 billion year to date.

In September 2020, Storebrand Bank ASA acquired the investment service company Storebrand Finansiell Rådgivning AS (SFR) from Storebrand Livsforsikring AS. SFR and Storebrand Bank ASA merged in December 2020.

FINANCIAL PERFORMANCE

The bank group achieved pre-tax profits of NOK 69 million (NOK 72 million) in the fourth quarter and a pre-tax profit of NOK 190 (NOK 272 million) year to date.

Net interest income was NOK 113 million (NOK 114 million) in the fourth quarter and NOK 430 million (NOK 434 million) year to date. Net interest income as a percentage of average total assets was 1.13 per cent (1.32 per cent) in the fourth quarter and 1.11 per cent (1.26 per cent) year to date. The net interest income was negatively influenced by low deposit margins due to a commercial price floor for deposits at 0 per cent while the NIBOR level should imply negative deposit rates.

Net commission revenues represented NOK 27 million (NOK 28 million) in the fourth quarter and NOK 97 million (NOK 107 million) year to date. Other revenues amounted to NOK 24 million (NOK 9 million) in the fourth quarter and NOK 28 million (NOK 21 million) year to date. The increase was primarily due to management fees generated in SFR and changes in value of financial instruments.

Operating costs increased in the quarter and totalled NOK 94 million (NOK 74 million) in the fourth quarter. The costs increased in the quarter due to increased allocated costs from sister companies in the Storebrand Group and inclusion of SFR's cost base in the bank group. Year to date the operating costs totalled NOK 328 million (NOK 271 million).

Loan losses for the period amounted to NOK 1 million (NOK 5 million) in the fourth quarter and NOK 37 million (NOK 18 million) year to date. The main reason for the increased loan losses year to date is increased statistical loan loss provisions during the first quarter due to worsened macroeconomic conditions linked to the Covid-19 pandemic.

BALANCE SHEET PERFORMANCE

The loan portfolio, including loans managed on behalf of Storebrand Livsforsikring AS, amounted to NOK 49.6 billion (NOK 47.9 billion) at the end of the fourth quarter, of which the share to Storebrand Livsforsikring AS was NOK 17.7 billion (NOK 17.7 billion). Lending to customers in the bank group totalled NOK 31.9 billion (NOK 30.2 billion) at the end of the fourth quarter.

The bank group's portfolio mainly consists of low risk home mortgages. The weighted average loan-to-value ratio in the bank group is 56 per cent for home mortgages, compared to 57 per cent at the end of 2019.

The total volume of non-performing loans remained stable year to date and accounts for 0.4 per cent (0.4 per cent) of gross lending at the end of the fourth quarter. The bank considers the portfolio quality to be good. Non-performing loans without impairment amounted to NOK 71 million (NOK 74 million) at the end of the fourth quarter. Loss-exposed loans with evidence of impairment amounted to NOK 50 million (NOK 51 million) at the end of the fourth quarter. Total loan loss provisions amounted to NOK 76 million (NOK 52 million) at the end of the fourth quarter, of which NOK 24 million (NOK 12 million) are loan loss provisions on unused credit limits.

LIQUIDITY RISK AND FUNDING

The bank has established solid liquidity buffers and puts great importance on a balanced funding structure with varying time to maturity and issuances in various markets. The volume of deposits from customers was NOK 15.5 billion (NOK 14.4 billion) at the end of the fourth quarter, which represents a deposit-to-loan ratio of 48.7 per cent (47.6 per cent).

Storebrand Bank ASA issued non senior bond in the quarter, issued NOK 750 million year to date. Storebrand Boligkreditt AS issued NOK 5 billion covered bond in the first quarter and NOK 5 billion in the third quarter. The long-term counterparty credit rating is unchanged A- (stable) from S&P Global.

The liquidity coverage requirement (LCR) measures the size of the company's liquid assets, in relation to the net liquidity outflow 30 days in the future, given a stress situation in the money and capital markets. The bank group must comply with an LCR of 100 per cent. The bank group's LCR was 224 per cent at the end of the fourth quarter.

CAPITAL ADEQUACY

The bank group has had an increase in the risk-weighted balance sheet of NOK 1.0 billion year to date. The Storebrand Bank Group had a net capital base of NOK 2.6 billion at the end of the fourth quarter. The capital adequacy ratio was 18.7 per cent and the Core Equity Tier 1 (CET1) ratio was 15.1 per cent at the end of the fourth 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 fourth quarter.

The bank group aims to comply with the applicable buffer capital requirements at any given time. The bank group has satisfactory financial strength and liquidity based on its operations. The bank group, parent bank and Storebrand Boligkreditt AS satisfied the combined capital and capital buffer requirements by a good margin as of 31 December 2020.

CREDIT RISK

The loan portfolio at 30 December 2020 is not significantly changed from previous quarters. The portfolio mainly consists of loans and credits secured in real estate. The average LTV's are low and have not changed significantly from previous quarters. Loans in arrear and defaulted loans are on similar levels.

The macroeconomic environment is significantly changed since year end 2019. The unemployment rate including furloughs peaked at approximately 15 per cent (including part time unemployment) in March/April 2020. Full time unemployment rate is reduced by approximately 65 per cent from the peak. According to Statistics Norway there are signs of macroeconomic improvement.

There is, however, still a significant uncertainty of the macroeconomic outlook, for example regarding duration and level of the downturn both domestically and internationally. The severity of the downturn will be dependent upon amongst others containment of the Covid-19 pandemic, and the effectiveness of economic measures, locally and globally. The severity will affect economic activity, unemployment and housing prices. Default levels and loan losses in the bank portfolio are dependent on these parameters.

The macro economic uncertainty is still reflected in the IFRS 9 expected credit losses, even though there are signs of improvement. Storebrand Bank has not changed the outlook significantly from the first quarter, only a small adjustment due to the improved economic outlook. The expected credit losses are therefore not significantly changed in the fourth quarter. There is still a higher uncertainty in the point estimate of expected credit losses compared to year end 2019, and there is a higher possibility in larger variations in expected credit losses in the next quarters.

PERFORMANCE OF STOREBRAND BANK ASA

In the fourth quarter, Storebrand Bank ASA achieved a pre-tax profit of NOK 99 million (NOK 132 million) and NOK 167 million (NOK 281 million) for the year to date.

Net interest income for Storebrand Bank ASA totalled NOK 47 million (NOK 73 million) in the fourth quarter and NOK 229 million (NOK 271 million) year to date.

Loan losses for the period amounted to NOK 3 million (NOK 4 million) in the fourth quarter and NOK 35 million (NOK 18 million) year to date.

STRATEGY AND FUTURE PROSPECTS

In 2021, the Storebrand Bank group will continue to support Storebrand's broad financial services offering in the retail market. The development in the housing market in different parts of the country is closely monitored. The bank will also prioritise maintaining a moderate to low risk profile with a strong balance sheet and funding composition. Storebrand Bank will continue to monitor the development of Covid-19 and adjust its operations to the changing conditions, both in terms of macroeconomic development and impact on individual customers.

The bank will continue to work on developing attractive products and digital services that support Storebrand's retail strategy. Improving competitiveness through better efficiency is a priority and the bank will continue to maintain cost control and increase the degree of automation in customer and work processes.

Sound management of the bank's credit and liquidity risk, and control of the operational risk in key work processes will also be a vital focus in the future. The bank will continue to closely monitor developments in non-performing loans and loan losses. Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market, particularly in Oslo, is regarded as the key risk factors that can affect the results of the Storebrand Bank group in the going forward.

The Board of Directors are not aware of any events of material importance to the preparation of the interim financial statements that have occurred since the balance sheet date.

Lysaker, 9 February 2021

The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

Income statement

NOK million	note	Q4		Full Year	
		2020	2019	2020	2019
<i>Interest income and similar income</i>					
Interest income calculated by using the effective interest method		161.9	230.3	750.7	838.9
Other interest income		8.7	17.2	72.5	61.2
Total interest income and similar income	12	170.6	247.5	823.3	900.0
<i>Interest expenses and similar expenses</i>					
Interest expenses calculated by using the effective interest method		-50.7	-126.0	-362.3	-472.9
Other interest expenses		-7.2	-7.2	-30.6	6.7
Total interest expenses and similar expenses	12	-57.9	-133.2	-392.8	-466.2
Net interest income		112.7	114.3	430.4	433.8
Fee and commission income from banking services		32.4	32.3	114.4	123.6
Fee and commission expense for banking services		-5.0	-4.7	-17.7	-16.9
<i>Dividends and other income from equity instruments</i>					
Income fra shares, units and other equity instruments		10.2		10.2	2.1
Income from ownership in associated companies and joint ventures					
Income from ownership interests in group companies					
Total dividends and other income from equity instruments		10.2	0.0	10.2	2.1
<i>Net change in fair value and gain/loss on foreign exchange and financial instruments</i>					
Net change in fair value and gain/loss on loans to customers		4.3	3.3	21.3	1.5
Net change in fair value and gain/loss on interest bearing securities		3.1	-1.9	5.3	-0.7
Net change in fair value and gain/loss on equity instruments		-12.7	1.0	-6.9	4.1
Net change in fair value and gain/loss on financial liabilities (except of derivatives)			0.2	-25.8	21.4
Net change in fair value and gain/loss on foreign exchange and derivatives		6.2	6.1	5.5	-7.5
Net change in fair value and gain/loss on guarantees					
Total net change in fair value and gain/loss on foreign exchange and financial instruments		0.8	8.7	-0.7	18.7
Other operating income		13.3	0.0	18.7	0.0
Staff expenses		-38.8	-25.1	-114.8	-87.5
Other operating cost		-46.4	-40.3	-190.0	-162.0
<i>Depreciation and impairment of non-financial assets</i>					
Depreciation		-4.9	-5.0	-19.3	-18.1
Impairment		-4.0	-3.5	-4.0	-3.5
Total depreciation and impairment of non-financial assets		-8.9	-8.5	-23.2	-21.5

Continue on next page

NOK million	note	Q4		Full Year	
		2020	2019	2020	2019
<i>Credit loss on loans, guarantees etc. and interest bearing securities</i>					
Credit loss on loans valued at amortised cost or fair value with change in value through other comprehensive income		-2.7	-3.2	-25.6	-14.5
Credit loss on loans valued at fair value through profit and loss					
Credit loss on guarantees and unused credit facilities which not are valued at fair value through profit and loss		1.4	-1.3	-11.8	-3.9
Credit loss on guarantees and unused credit facilities valued at fair value through profit and loss					
Credit loss on interest bearing securities valued at amortised cost or fair value with change in value through other comprehensive income					
Credit loss on interest bearing securities valued at fair value through profit and loss					
Total credit loss on loans, guarantees and interest bearing securities	14	-1.3	-4.5	-37.4	-18.3
Profit before tax for continued operations		69.0	72.1	190.0	272.0
Tax on profit from continued operations	3	-12.3	-10.6	-42.9	-65.5
Profit incl. tax from continued operations		56.7	61.4	147.1	206.6
Profit incl, tax from discontinued operations ¹					-0.1
Profit before other comprehensive income		56.7	61.4	147.1	206.5
<i>Other comprehensive income</i>					
Other income and expenses not to be reclassified to profit/loss					
Estimatendringer knyttet til ytelsesbaserte pensjonsordninger		-0.2	-1.9	-0.2	-1.9
Other income and expenses					
Tax on other income and expenses not to be reclassified to profit/loss					0.5
<i>Other income and expenses that may be reclassified to profit/loss</i>					
Change in unrealised gain/loss on loans valued at fair value through other comprehensive income (OCI)			2.7		3.5
Other income and expenses					
Tax on other income and expenses that may be reclassified to profit/loss			-0.9		-0.9
Total other income and expenses		-0.1	0.4	-0.1	1.2
Total comprehensive income for the period		56.6	61.9	147.0	207.7
Total comprehensive income for the period is attributable to:					
Portion attributable to shareholders		54.5	58.9	137.0	196.1
Portion attributable to additional Tier 1 capital holders		2.2	3.0	10.0	11.6
Total comprehensive income for the period		56.6	61.9	147.0	207.7

Storebrand Bank Group

Statement of financial position

NOK million	note	31.12.2020	31.12.2019
Cash and deposits with central banks		49.5	280.2
Loans to and deposits with credit institutions	8	103.3	40.9
Loans to customers at fair value	8, 14, 15	31,508.4	29,909.4
Loans to customers at amortised cost	8, 14, 15	294.1	288.2
Interest bearing securities at fair value	8, 13	4,351.1	3,268.8
Interest bearing securities at amortised cost	8, 13	3,277.4	1,136.8
Derivatives	8	73.5	57.8
Equity instruments		41.7	46.1
Ownership interests in group companies			
Intangible assets		67.9	84.2
Tangible fixed assets			
Deferred tax assets	3	6.2	2.3
Other current assets		36.3	26.0
Total assets		39,809.4	35,140.6
Loans and deposits from credit institutions	8	1,653.3	445.7
Deposits from and due to customers	8	15,506.3	14,404.3
Debt securities issued	8, 9	19,648.1	17,420.7
Derivatives	8	77.8	62.5
Other current liabilities		65.7	54.2
Pensions		4.7	5.6
Tax payable		14.3	60.5
Deferred tax	3		
Provisions for guarantees and unused credit facilities	14	23.6	11.8
Other provisions		0.9	
Subordinated loans	8, 9	275.6	276.0
Total liabilities		37,270.4	32,741.4
Share capital		960.6	960.6
Share premium		156.0	156.0
Other paid in equity		728.1	544.1
Total paid in equity		1,844.6	1,660.6
Other equity		468.7	512.6
Total retained earnings		468.7	512.6
Additional Tier 1 capital		225.7	225.9
Total equity	10	2,539.0	2,399.2
Total liabilities and equity		39,809.4	35,140.6

Lysaker, 9 February 2021
The Board of Directors of Storebrand Bank ASA

Storebrand Bank ASA

Income statement

NOK million	note	Q4		Full Year	
		2020	2019	2020	2019
<i>Interest income and similar income</i>					
Interest income calculated by using the effective interest method		65.7	108.2	315.2	376.2
Other interest income		10.7	19.4	76.9	86.8
Total interest income and similar income	12	76.4	127.7	392.1	463.0
<i>Interest expenses and similar expenses</i>					
Interest expenses calculated by using the effective interest method		-23.0	-46.9	-136.4	-176.1
Other interest expenses		-6.4	-7.3	-27.2	-16.0
Total interest expenses and similar expenses	12	-29.4	-54.3	-163.6	-192.1
Net interest income		47.0	73.4	228.5	270.9
Fee and commission income from banking services		53.4	50.9	197.4	197.5
Fee and commission expense for banking services		-5.0	-4.7	-17.3	-16.6
<i>Dividends and other income from equity instruments</i>					
Income fra shares, units and other equity instruments		10.2		10.2	2.1
Income from ownership in associated companies and joint ventures					
Income from ownership interests in group companies		69.8	80.3	69.8	80.3
Total dividends and other income from equity instruments		80.0	80.3	80.0	82.4
<i>Net change in fair value and gain/loss on foreign exchange and financial instruments</i>					
Net change in fair value and gain/loss on loans to customers		4.3	3.4	21.3	1.6
Net change in fair value and gain/loss on interest bearing securities		10.2	-1.9	10.4	12.4
Net change in fair value and gain/loss on equity instruments		-12.7	1.0	-6.9	3.3
Net change in fair value and gain/loss on financial liabilities (except of derivatives)			-1.1	-8.8	-0.9
Net change in fair value and gain/loss on foreign exchange and derivatives		6.2	8.1	5.5	17.2
Net change in fair value and gain/loss on guarantees					
Total net change in fair value and gain/loss on foreign exchange and financial instruments		7.9	9.4	21.5	33.6
Other operating income		18.7		18.7	
Staff expenses		-43.9	-25.0	-114.5	-87.3
Other operating cost		-47.7	-40.2	-188.8	-160.3
<i>Depreciation and impairment of non-financial assets</i>					
Depreciation		-4.9	-5.0	-19.3	-18.1
Impairment		-4.0	-3.5	-4.0	-3.5
Total depreciation and impairment of non-financial assets		-8.9	-8.5	-23.2	-21.5

NOK million	note	Q4		Full Year	
		2020	2019	2020	2019
<i>Credit loss on loans, guarantees etc. and interest bearing securities</i>					
Credit loss on loans valued at amortised cost or fair value with change in value through other comprehensive income		-4.2	-2.7	-22.9	-14.1
Credit loss on loans valued at fair value through profit and loss					
Credit loss on guarantees and unused credit facilities which not are valued at fair value through profit and loss		1.4	-1.3	-11.8	-3.9
Credit loss on guarantees and unused credit facilities valued at fair value through profit and loss					
Credit loss on interest bearing securities valued at amortised cost or fair value with change in value through other comprehensive income					
Credit loss on interest bearing securities valued at fair value through profit and loss					
Total credit loss on loans, guarantees and interest bearing securities	14	-2.8	-4.0	-34.7	-18.0
Profit before tax for continued operations		98.7	131.7	167.4	280.7
Tax on profit from continued operations	3	-19.0	-23.7	-38.1	-67.9
Profit before other comprehensive income		79.7	108.0	129.3	212.8
<i>Other comprehensive income</i>					
Other income and expenses not to be reclassified to profit/loss					
Estimatendringer knyttet til ytelsesbaserte pensjonsordninger		-0.2	-1.9	-0.2	-1.9
Other income and expenses					
Tax on other income and expenses not to be reclassified to profit/loss			0.5		0.5
<i>Other income and expenses that may be reclassified to profit/loss</i>					
Change in unrealised gain/loss on loans valued at fair value through other comprehensive income (OCI)			2.7		3.5
Other income and expenses					
Tax on other income and expenses that may be reclassified to profit/loss			-0.9		-0.9
Total other income and expenses		-0.1	0.4	-0.1	1.2
Total comprehensive income for the period		79.6	108.4	129.2	214.1
Total comprehensive income for the period is attributable to:					
Portion attributable to shareholders		77.5	105.5	119.2	202.5
Portion attributable to additional Tier 1 capital holders		2.2	3.0	10.0	11.6
Total comprehensive income for the period		79.6	108.4	129.2	214.1

Storebrand Bank ASA

Statement of financial position

NOK million	note	31.12.2020	31.12.2019
Cash and deposits with central banks		49.5	280.2
Loans to and deposits with credit institutions	8	1,807.7	4,501.5
Loans to customers at fair value	8, 14, 15	10,442.8	9,506.1
Loans to customers at amortised cost	8, 14, 15	294.1	288.2
Interest bearing securities at fair value	8, 13	5,327.9	3,188.0
Interest bearing securities at amortised cost	8, 13	3,235.7	1,094.4
Derivatives	8	73.5	57.8
Equity instruments		41.7	46.1
Ownership interests in group companies		1,510.9	1,456.5
Intangible assets		67.9	84.2
Tangible fixed assets			
Deferred tax assets	3	8.5	
Other current assets		100.5	289.4
Total assets		22,960.8	20,792.3
Loans and deposits from credit institutions	8	1,653.3	445.7
Deposits from and due to customers	8	15,506.3	14,404.3
Debt securities issued	8, 9	2,821.5	2,887.1
Derivatives	8	77.8	62.5
Other current liabilities		209.7	367.1
Pensions		4.7	5.6
Tax payable			
Deferred tax	3		0.4
Provisions for guarantees and unused credit facilities	14	23.6	11.8
Other provisions		0.9	
Subordinated loans	8, 9	275.6	276.0
Total liabilities		20,573.4	18,460.6
Share capital		960.6	960.6
Share premium		156.0	156.0
Other paid in equity		899.6	899.6
Total paid in equity		2,016.2	2,016.2
Other equity		145.5	89.5
Total retained earnings		145.5	89.5
Additional Tier 1 capital		225.7	225.9
Total equity	10	2,387.4	2,331.7
Total liabilities and equity		22,960.8	20,792.3

Lysaker, 9 February 2021
The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

Statement of changes in equity

NOK million	Share capital	Share premium	Other paid in equity	Total paid in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
Equity at 31.12.2018	960.6	156.0	474.3	1,590.9	429.1	429.1	176.0	2,196.0
Profit for the period					194.9	194.9	11.6	206.5
Total other income and expenses not to be classified to profit/loss					-1.4	-1.4		-1.4
Total other income and expenses that may be classified to profit/loss					2.6	2.6		2.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	196.1	196.1	11.6	207.7
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.9	2.9	50.0	52.9
Payment to additional Tier 1 holders							-11.6	-11.6
Group contribution received			69.8	69.8				69.8
Provision for group contribution					-115.5	-115.5		-115.5
Equity at 31.12.2019	960.6	156.0	544.1	1,660.6	512.6	512.6	225.9	2,399.2
Profit for the period					137.1	137.1	10.0	147.1
Total other income and expenses not to be classified to profit/loss					-0.1	-0.1		-0.1
Total other income and expenses that may be classified to profit/loss								
Total comprehensive income for the period	0.0	0.0	0.0	0.0	137.0	137.0	10.0	147.0
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.5	2.5		2.5
Payment to additional Tier 1 holders							-10.3	-10.3
Group contribution received			184.0	184.0				184.0
Provision for group contribution					-183.5	-183.5		-183.5
Equity at 31.12.2020	960.6	156.0	728.1	1,844.6	468.7	468.7	225.7	2,539.0

Storebrand Bank ASA

Statement of changes in equity

NOK million	Share capital	Share premium	Other paid in equity	Total paid in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
Equity at 31.12.2018	960.6	156.0	715.6	1,832.2	67.6	67.6	176.0	2,075.8
Profit for the period					201.3	201.3	11.6	212.8
Total other income and expenses not to be classified to profit/loss					-1.4	-1.4		-1.4
Total other income and expenses that may be classified to profit/loss					2.6	2.6		2.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	202.5	202.5	11.6	214.1
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.9	2.9	50.0	52.9
Payment to additional Tier 1 holders							-11.6	-11.6
Group contribution received			184.0	184.0				184.0
Provision for group contribution					-183.5	-183.5		-183.5
Equity at 31.12.2019	960.6	156.0	899.6	2,016.2	89.5	89.5	225.9	2,331.7
Profit for the period					119.3	119.3	11.6	129.3
Total other income and expenses not to be classified to profit/loss					-0.1	-0.1		-0.1
Total other income and expenses that may be classified to profit/loss								
Total comprehensive income for the period	0.0	0.0	0.0	0.0	119.2	119.2	10.0	129.2
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.5	2.5		2.5
Payment to additional Tier 1 holders							-10.3	-10.3
Provision for group contribution					-65.7	-65.7		-65.7
Equity at 31.12.2020	960.6	156.0	899.6	2,016.2	145.5	145.5	225.7	2,387.4

The share capital is made up of 64 037 183 shares of nominal value NOK 15.

Statement of cash flow

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2019	31.12.2020	NOK million	31.12.2020	31.12.2019
		Cash flow from operating activities		
558.0	509.8	Receipts of interest, commissions and fees from customers	953.2	1,014.5
-115.2	-102.1	Payments of interest, commissions and fees to customers	-102.1	-115.2
187.9	-937.9	Net disbursements/payments on customer loans	-1,606.4	-1,729.3
-16.8	1,102.0	Net receipts/payments of deposits from banking customers	1,102.0	-15.0
696.3	-4,191.0	Net receipts/payments - securities	-3,153.2	-920.3
-254.9	-294.9	Payments of operating costs	-385.9	-326.4
1,055.3	-3,914.0	Net cash flow from operating activities	-3,192.4	-2,091.7
		Cash flow from investing activities		
1.9		Net receipts from sale of subsidiaries and associated companies		
	-18.8	Net payments on purchase/capitalisation of subsidiaries	-18.8	
-29.4	-6.9	Net payments on purchase/sale of fixed assets etc.	-6.9	-29.4
-27.5	-25.7	Net cash flow from investing activities	-25.7	-29.4
		Cash flow from financing activities		
-1,500.0	-815.0	Payments - repayments of loans and issuing of bond debt	-6,248.0	-1,289.5
1,500.0	750.0	Receipts - new loans and issuing of bond debt	8,512.5	3,000.0
-96.6	-65.5	Payments - interest on loans	-341.7	-350.7
125.0		Receipts - subordinated loans		125.0
-125.0		Payments - repayments of subordinated loans		-125.0
-10.1	-7.8	Payments - interest on subordinated loans	-7.8	-10.1
125.0		Receipts - new additional Tier 1 capital		125.0
-75.0		Payments of additional Tier 1 capital		-75.0
-11.6	-10.3	Payments - interest on additional Tier 1 capital	-10.3	-11.6
443.2	1,206.2	Net receipts/payments of liabilities to credit institutions	1,205.2	443.2
134.1	264.3	Receipts - group contribution	184.0	69.8
-202.9	-306.6	Payments - group contribution / dividends	-244.0	-153.0
306.1	1,015.3	Net cash flow from financing activities	3,049.9	1,748.2
1,333.9	-2,924.4	Net cash flow in the period	-168.2	-373.0
3,447.7	4,781.6	Cash and bank deposits at the start of the period	321.1	694.0
4,781.6	1,857.2	Cash and bank deposits at the end of the period	152.8	321.1
		Cash and bank deposits consists of:		
280.2	49.5	Cash and deposits with central banks	49.5	280.2
4,501.5	1,807.7	Loans to and deposits with credit institutions	103.3	40.9
4,781.6	1,857.2	Total cash and bank deposits in the balance sheet	152.8	321.1

Notes

Storebrand Bank Group

Note 01 | Accounting principles

The group's financial statements include Storebrand Bank ASA together with subsidiaries. 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.

The interim accounts of Storebrand Bank ASA are prepared in accordance with the annual accounts regulations of banks, mortgage and finance companies and with IAS 34 Interim Financial Reporting.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2019 annual report, and the interim financial statements are prepared with respect to these accounting policies. As a result of changes in the annual accounts regulations of banks, mortgage and finance companies, the bank has changed its layout plan for income statement and statement of financial position. The same applies to the presentation of comparative figures.

As a result of changes in the annual accounts regulations of banks and finance companies, the bank has changed its layout plan for income statement and statement of financial position. The same applies to the presentation of comparative figures.

Storebrand Bank ASA decided in 2013 to wind up the corporate market at the bank. At the end of the fourth quarter of 2020, the remaining corporate market portfolio is insignificant. Therefore, the Storebrand Bank Group no longer distinguishes between different segments in its reporting.

There are none new or changed accounting standards that entered into effect in 2020.

Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2019 annual financial statements in note 2 and valuation of financial instruments at fair value are described in note 8.

In preparing the group's financial statements the management are requiring to make judgements, estimates 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.

The uncertainty of the economic development causes an increase in expected credit losses from year end 2019. There is also a higher uncertainty in the point estimate of expected credit losses, and there is a higher possibility in larger variations in expected credit losses in the next quarters. See further information in note 7 financial risk and note 14 non-performing loans and loan losses

Note 03 | Tax

The Storebrand Bank Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalizing deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual group companies is used.

Note 04 | Acquisition

On 22 October 2019, Storebrand Storebrand Bank ASA entered into an agreement with Storebrand Livsforsikring AS to acquire 100 per cent of the shares in Storebrand Finansiell Rådgivning AS. The acquisition is made in accordance with the Norwegian Public Limited Liability Companies Act and the Norwegian Financial Institutions Act. The transaction was completed in September 2020.

The acquisition has been accounted for by using the purchase method. Upon an acquisition of a subsidiary, there will be made a fair value analysis and total assets and total liabilities will be assessed at fair value at the time for the acquisition. A residual value in the acquisition will constitute goodwill. In the acquisition of Storebrand Finansiell Rådgivning AS, the fair value of the shares have been assessed to be equal to the booked equity at the date of acquisition.

As a part of simplifying the corporate structure, Storebrand Bank ASA has completed a merger with the fully owned subsidiary Storebrand Finansiell Rådgivning AS (see note 5). The merger has been carried out with consideration pursuant to the Norwegian Public Limited Liability Companies Act with continuity accounting effect from 1 September 2020.

ACQUISITION ANALYSIS STOREBRAND FINANSIELL RÅDGIVNING AS

(NOK million)	Book values in the company	Excess value upon acquisition	Book values
Assets			
Bank deposits	53.6		53.6
Other assets	1.8		1.8
Deferred tax asset	30.2		30.2
Total assets	85.7	0.0	85.7
Liabilities			
Short-term debt	13.2		13.2
Net identifiable assets and liabilities	72.5	0.0	72.5
Goodwill			0.0
Fair value at acquisition date	72.5	0.0	72.5

Note 05 | Merger completed during the year

As a part of simplifying the corporate structure, Storebrand Bank ASA has completed a merger with the fully owned subsidiary Storebrand Finansiell Rådgivning AS (see note 4). The merger has been carried out with consideration pursuant to the Norwegian Public Limited Liability Companies Act with continuity accounting effect from September 1, 2020, and assuming tax continuity

NOK million	Storebrand Bank ASA	Storebrand Finansiell Rådgivning AS	eliminations/ adjustments merger	Merged Statement of financial position
Cash and deposits with central banks	336.3			336.3
Loans to and deposits with credit institutions	2,211.8	53.6		2,265.5
Loans to customers	11,218.3			11,218.3
<i>Financial assets designated at fair value through profit and loss:</i>				
Equity instruments	52.3			52.3
Bonds and other fixed-income securities	5,145.7			5,145.7
Derivatives	76.8			76.8
Bonds at amortised cost	2,836.8			2,836.8
Intangible assets	82.4			82.4
Deferred tax assets		30.2	-16.9	13.4
Other current assets	1,497.1	1.8	-72.5	1,426.4
Total assets	23,457.6	85.7	-89.4	23,453.9
Liabilities to credit institutions	1,802.8			1,802.8
Deposits from and due to customers	15,562.1			15,562.1
<i>Other financial liabilities:</i>				
Derivatives	87.2			87.2
Commercial papers and bonds issued	3,016.8			3,016.8
Other liabilities	291.7	13.2		304.8
Provision for accrued expenses and liabilities	25.7			25.7
Deferred tax	16.9		-16.9	0.0
Pension liabilities	5.6			5.6
Subordinated loans	275.1			275.1
Total liabilities	21,083.9	13.2	-16.9	21,080.2
Paid in capital	2,016.2	65.5	-65.5	2,016.2
Retained earnings	131.7	7.0	-7.0	131.7
Additional Tier 1 capital	225.8			225.8
Total equity	2,373.7	72.5	-72.5	2,373.7
Total equity and liabilities	23,457.6	85.7	-89.4	23,453.9

Related Parties

COVERED BONDS ISSUED BY STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA has invested a total of NOK 2.4 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 December 2020. The investments are included in the liquidity portfolio in the parent company and are classified at fair value through profit or loss. The investment has been eliminated in the consolidated accounts against bonds issued by Storebrand Boligkreditt AS.

LOANS SOLD TO STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. Once the loans are sold, Storebrand Boligkreditt AS assumes all the risks and benefits of owning the loan portfolio.

It is Storebrand Boligkreditt AS that receives all the cash flows from the loan customer. Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made, i.e. if there is a request to increase the loan amount, change from variable to fixed interest, conversion to employee loan or conversion to a flexible mortgage. The costs are included in the contractual administration fee. Non-performing loans in Storebrand Boligkreditt AS remain in the company. These loans will, pursuant to the service agreement with Storebrand Bank ASA, be treated in the same way as non-performing loans in the bank. Specific reports are prepared for non-performing loans in Storebrand Boligkreditt AS. These loans are not included in the cover pool. Loans to employees can be transferred to Storebrand Boligkreditt AS. The difference between the market interest rate and the subsidised interest rate is covered monthly by the company in which the debtor is employed.

Storebrand Bank ASA has not pledged any guarantees in connection with loans to Storebrand Boligkreditt AS.

Storebrand Bank ASA and Storebrand Boligkreditt AS have signed a management agreement pursuant to which Storebrand Boligkreditt AS will purchase administrative services from the bank. Storebrand Boligkreditt AS also purchases administrative services from Storebrand Livsforsikring AS.

LOANS SOLD TO STOREBRAND LIVSFORSIKRING AS

Storebrand Bank ASA has sold mortgages to sister company Storebrand Livsforsikring AS. There has been sold loans of total NOK 1.9 billion in the fourth quarter and NOK 5.2 billion year to date. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS as of the fourth quarter in 2020 is NOK 17.7 billion. As the buyer, Storebrand Livsforsikring AS has acquired both cash flows and most of the risk and control. The loans were therefore derecognised in the bank's balance sheet in accordance with IFRS 9. Storebrand Bank ASA receives management fees for the work being done with the sold portfolio. The bank has recognised NOK 68.9 million as revenue in the accounts for the fourth quarter of 2020.

CREDIT FACILITIES WITH STOREBRAND BOLIGKREDITT AS

The bank has issued two credit facilities to Storebrand Boligkreditt AS. One of these facilities is a normal overdraft facility, with a commitment of NOK 6 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The amount of the other facility is the payment obligations of Storebrand Boligkreditt the following 31 days on interest and principal amounts regarding Covered Bonds, including any connected derivatives. This facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity. In 2020 all covenant requirements are fulfilled.

OTHER RELATED PARTIES

Storebrand Bank ASA conducts transactions with related parties as part of its normal business activities. The terms for transactions with senior employees and related parties are stipulated in notes 36 and 37 in the 2019 annual report for Storebrand Bank ASA.

Financial risk

Notes 4 to 8 in the 2019 annual report provide a detailed overview of the bank group's financial risk. The descriptions are applicable at 31 December 2020, however, with the following amendments and further comments.

CREDIT RISK – CREDIT EXPOSURE

There are no significant changes to PD, EAD and LGD estimates from 31 December 2019 to 31 December 2020. The LTV's are not significantly changed. There are no significant changes to loans in arrear and defaulted loans at 31 December 2020 compared to previous quarters.

The fourth quarter has also been affected by the development linked to the Coronavirus spread. From the last part of February, the contagion, and the consequence of containment both in Norway and globally, has led to financial turmoil with falling economic activity, increased unemployment, and falling oil price. In Norway the unemployment has fallen significantly from the peak in the beginning of the second quarter, and full time unemployment is reduced by approximately 65 per cent since the peak. According to Statistics Norway the economic outlook has improved during the second and third quarter of 2020 from the outlook in March/April 2020, however, the uncertainty going forward is

still elevated. Storebrand Bank ASA has not altered the outlook significantly, however, a small adjustment due to the improved outlook has been made, see note 14. Statistics Norway has about the same forecast in the fourth quarter as in the third quarter. Expected credit losses are therefore not significantly changed from the third quarter.

LIQUIDITY RISK

Storebrand Bank ASA has had solid liquidity buffers previous quarters, and the bank still has substantial liquidity buffer at 31 December 2020. The LCR ratio for the bank group is at 224 per cent, well above the requirement of 100 per cent. Storebrand Boligkreditt AS issued NOK 5 billion covered bond in the first quarter and NOK 5 billion in the third quarter. The funding structure is balanced with regards to maturity.

MARKET RISK

The interest rate risk is not significantly changed since year end 2019. Market value of financial instruments has been affected by spread decrease during the fourth quarter, affecting other revenues positively.

Note 08 | Valuation of financial instruments

The Storebrand Group categorises financial instruments on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 8 in the 2019 annual report for Storebrand Bank ASA.

The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations

STOREBRAND BANK GROUP

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

NOK million	Level 1	Level 2	Level 3	Book value	Book value
	Quoted prices	Observable assumptions	Non-observable assumptions	31.12.2020	31.12.2019
Assets:					
Equity instruments		31.2	10.5	41.7	46.1
Total equities 31.12.2020	0.0	31.2	10.5	41.7	
Total equities 31.12.2019		26.7	19.4		
Loans to customers - Corporate Market					
Loans to customers - Retail Market			722.3	722.3	389.2
Total loans to customers 31.12.2020	0.0	0.0	722.3	722.3	
Total loans to customers 31.12.2019			389.2		
Government and government guaranteed bonds		427.6		427.6	840.0
Mortgage and asset backed bonds		3,923.5		3,923.5	2,428.8
Total bonds 31.12.2020	0.0	4,351.1	0.0	4,351.1	
Total bonds 31.12.2019		3,268.8			
Interest derivatives		-4.2		-4.2	-4.7
Currency derivatives		-0.1		-0.1	
Total derivatives 31.12.2020	0.0	-4.3	0.0	-4.3	
Derivatives with a positive fair value		73.5		73.5	57.8
Derivatives with a negative fair value		-77.8		-77.8	-62.5
Total derivatives 31.12.2019		-4.7			

There have not been any changes between quoted prices and observable assumptions on the various financial instruments in the quarter.

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

NOK million	Level 1	Level 2	Level 3	Book value 31.12.2020	Book value 31.12.2019
	Quoted prices	Observable assumptions	Non-observable assumptions		
Loans to customers - corporate market			12.1	12.1	12.1
Loans to customers - retail market			30,774.0	30,774.0	29,508.2
Total loans to customers 31.12.2020			30,786.1	30,786.1	
Total loans to customers 31.12.2019			29,520.3		

FINANCIAL INSTRUMENTS AT FAIR VALUE - LEVEL 3

2020

NOK million	Equities	Loans to customers at fair value	Loans to customers at fair value
		through profit and loss	through other comprehensive income
Book value 01.01.2020	19.4	389.2	29,520.3
Net gains/losses on financial instruments	-8.9	3.0	-3.4
Supply / disposal		556.5	14,337.3
Sales / due settlements		-226.3	-13,068.1
Book value 31.12.2020	10.5	722.4	30,786.1

2019

NOK million	Equities	Loans to customers at fair value	Loans to customers at fair value
		through profit and loss	through other comprehensive income
Book value 01.01.2019	15.3	220.2	27,923.7
Net gains/losses on financial instruments	4.1	2.7	1.5
Supply / disposal		250.4	13,780.1
Sales / due settlements		-84.2	-12,185.0
Book value 31.12.2019	19.4	389.2	29,520.3

STOREBRAND BANK GROUP

VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST

NOK million	Fair value	Book value	Fair value	Book value
	31.12.2020	31.12.2020	31.12.2019	31.12.2019
Financial assets				
Loans to and deposits with credit institutions	49.5	49.5	40.9	40.9
Loans to customers - Retail market	294.1	294.1	288.2	288.2
Bonds classified as loans and receivables	3,287.1	3,277.4	1,140.4	1,136.8
Total financial assets 31.12.2020	3,630.8	3,621.0		
Total financial assets 31.12.2019			1,469.5	1,465.9
Financial liabilities				
Liabilities to credit institutions	1,653.3	1,653.3	445.7	445.7
Deposits from and due to customers	15,506.3	15,506.3	14,404.3	14,404.3
Debt securities issued	19,737.7	19,648.1	17,406.5	17,420.7
Subordinated loans	280.7	275.6	280.9	276.0
Total financial liabilities 31.12.2020	37,178.1	37,083.4		
Total financial liabilities 31.12.2019			32,537.4	32,546.7

SENSITIVITY ANALYSIS

Loans 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.

Equities

This item consist of shares in VN Norge AS which the bank have received in connection with a taxfree conversion of VISA Norge FLI. At the end of the quarter, the value of the shares were changed according to changes in share price of C-shares in VISA Inc and received dividend from VN Norge AS for sale of A-shares in VISA Inc. The shares are valued at fair value through profit and loss and changes in value are included in profit and loss.

(NOK million)	Floating loans to customers Fair value through other comprehensive income (OCI)		Floating loans to customers Fair value through other comprehensive income (OCI)		Equities	
	Changes in market spread		Changes in market spread		Change in value	
	+ 10 BP	- 10 BP	+ 25 bp	- 25 bp	+ 25 bp	- 25 bp
Increase/reduction in fair value at 31.12.2020	-3.5	3.5	-8.9	8.9	7.0	-8.3
Increase/reduction in fair value at 31.12.2019	-3.4	3.4	-8.5	8.5	6.4	-6.9

Note 09 | Debt securities issued and subordinated loans

(NOK million)	Storebrand Bank Group	
	31.12.2020	31.12.2019
Debt securities issued	19,648.1	17,420.7
Subordinated loans	275.6	276.0
Total debt securities issued and subordinated loans	19,923.6	17,696.7

SPECIFICATION OF DEBT SECURITIES ISSUED AND SUBORDINATED LOANS AS OF 31 DECEMBER 2020 - STOREBRAND BANK GROUP

NOK million	ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity ¹⁾	Book value
							31.12.2020
Bond loans							
	NO0010762891	Storebrand Bank ASA	284.0	NOK	Fixed	19.04.2021	288.2
	NO0010831571	Storebrand Bank ASA	280.0	NOK	Floating	06.09.2021	280.0
	NO0010841562	Storebrand Bank ASA	550.0	NOK	Floating	18.01.2022	551.5
	NO0010860398	Storebrand Bank ASA	550.0	NOK	Floating	15.08.2022	550.5
	NO0010868185	Storebrand Bank ASA	400.0	NOK	Floating	11.11.2022	400.4
	NO0010881386	Storebrand Bank ASA	300.0	NOK	Floating	04.05.2023	300.5
	NO0010891344	Storebrand Bank ASA	450.0	NOK	Floating	25.08.2023	450.3
	Total bond loans		2,814.0				2,821.5

(NOK million)		Net				Book
ISIN code	Issuer	nominal value	Currency	Interest	Maturity ¹⁾	value 31.12.2020
Covered bonds						
NO0010760192	Storebrand Boligkreditt AS	1,067.0	NOK	Floating	16.06.2021	1,068.5
NO0010786726	Storebrand Boligkreditt AS	4,000.0	NOK	Floating	15.06.2022	4,008.3
NO0010813959	Storebrand Boligkreditt AS	4,000.0	NOK	Floating	20.06.2023	4,014.7
NO0010873177	Storebrand Boligkreditt AS	5,000.0	NOK	Floating	19.06.2024	4,997.0
NO0010894199	Storebrand Boligkreditt AS	2,650.0	NOK	Floating	25.06.2025	2,738.0
Total covered bonds ²⁾		16,717.0				16,826.6
Total debt securities issued 31.12.2020		19,531.0				19,648.1
Total debt securities issued 31.12.2019		17,359.0				17,420.7

1) Maturity date in this summary is the first possible maturity date (Call date).

2) 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. In 2020 all covenants are fulfilled

(NOK million)		Net				Book
ISIN code	Issuer	nominal value	Currency	Interest	Maturity ¹⁾	value 31.12.2020
Dated subordinated loans						
NO0010786510	Storebrand Bank ASA	150.0	NOK	Floating	22.02.2022	150.3
NO0010843519	Storebrand Bank ASA	125.0	NOK	Floating	27.02.2025	125.2
Total subordinated loans 31.12.2020		275.0				275.6
Total subordinated loans 31.12.2019		275.0				276.0
Total debt securities issued and subordinated loans 31.12.2020						19,923.6
Total debt securities issued and subordinated loans 31.12.2019						17,696.7

Note 10

Capital adequacy

Capital adequacy calculations are subject to special consolidation rules in accordance with the regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. According to the capital requirement regulations, the valuation rules used in the company's accounts form the basis for consolidation. Consolidation is mainly carried out in accordance with the same principles as those used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities.

The standard method is used for credit risk and market risk and the basis method is used for operational risk. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (Tier 1 capital + Tier 2 capital) are 12,3 per cent and 15,8 per cent. As of 31 March 2020, the Pillar 2 requirement for Storebrand Bank is 1,3 per cent of the risk-weighted volume

ELIGIBLE CAPITAL

STOREBRAND BANK ASA			Storebrand Bank Group	
31.12.2019	31.12.2020	NOK million	31.12.2020	31.12.2019
960.6	960.6	Share capital	960.6	960.6
1,371.1	1,426.8	Other equity	1,578.4	1,438.7
2,331.7	2,387.4	Total equity	2,539.0	2,399.2
-225.0	-225.0	Additional Tier 1 capital included in total equity	-225.0	-225.0
-0.9	-0.7	Accrued interest on capital instruments included in total equity	-0.7	-0.9
2,105.7	2,161.7	Total equity included in Core Equity Tier 1 (CET1)	2,313.3	2,173.3
		Deductions		
-12.9	-16.0	AVA adjustments	-36.1	-33.4
-84.2	-67.9	Intangible assets	-67.9	-84.2
		Provision for group contribution	-80.0	-183.5
		Addition		
		Group contribution received		184.0
2,008.6	2,077.9	Core Equity Tier 1 (CET1)	2,129.4	2,056.2
		Other Tier 1 capital		
225.0	225.0	Capital instruments eligible as Additional Tier 1 capital	225.0	225.0
		Capital instruments not eligible as Additional Tier 1 capital		
		Addition		
2,233.6	2,302.9	Tier 1 capital	2,354.4	2,281.2
		Tier 2 capital		
275.0	275.0	Subordinated loans	275.0	275.0
		Subordinated loans not eligible as Tier 2 capital		
		Tier 2 capital deductions		
2,508.6	2,577.9	Eligible capital (Tier 1 capital + Tier 2 capital)	2,629.4	2,556.2

MINIMUM CAPITAL REQUIREMENT

STOREBRAND BANK ASA			Storebrand Bank Group	
31.12.2019	31.12.2020	NOK million	31.12.2020	31.12.2019
677.2	748.1	Credit risk	1,033.1	950.6
		Of which:		
		States and centralbanks		
0.9	1.7	Local and regional authorities	1.2	1.4
		Public sector owned corporates		
		Multilateral development banks		
		International organisations		
212.3	215.2	Institutions	1.7	0.7
		Corporates		
272.0	306.2	Loans secured in residential real estate	889.2	836.0
43.5	41.7	Retail market	46.7	52.8
8.9	7.0	Loans past-due	13.5	15.7
126.4	151.3	Covered bonds	44.1	23.4
13.2	24.9	Other	36.6	20.7
677.2	748.1	Total minimum requirement for credit risk	1,033.1	950.6
0.0	0.0	Total minimum requirement for market risk	0.0	0.0
66.2	66.2	Operational risk	77.8	77.8
12.7	15.1	CVA risk ¹⁾	15.1	12.7
		Deductions		
756.1	829.5	Minimum requirement for net primary capital	1,126.0	1,041.2

1) Regulation on own funds requirements for credit valuation adjustment risk.

CAPITAL ADEQUACY

Storebrand Bank ASA		Storebrand Bank Group	
31.12.2019	31.12.2020	31.12.2020	31.12.2019
26.5 %	24.9 %	Capital ratio	18.7 %
23.6 %	22.2 %	Tier 1 capital ratio	16.7 %
21.3 %	20.0 %	Core equity Tier 1 (CET1) capital ratio	15.1 %

BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2019	31.12.2020	NOK million	31.12.2020	31.12.2019
8,465.1	9,351.1	Credit risk	12,913.4	11,883.0
		Of which:		
		States and centralbanks		
11.2	21.3	Local and regional authorities	15.6	16.9
		Public sector owned corporates		
		Multilateral development banks		
		International organisations		
2,654.3	2,690.1	Institutions	21.3	9.0
		Corporates		
3,399.6	3,828.1	Loans secured in residential real estate	11,115.5	10,449.9
543.7	521.2	Retail market	583.2	659.4
111.7	87.0	Loans past-due	168.7	195.9
1,579.4	1,891.7	Covered bonds	551.2	292.7
165.1	311.6	Other	457.8	259.2
8,465.1	9,351.1	Total basis of calculation credit risk	12,913.4	11,883.0
0.0	0.0	Total basis of calculation market risk	0.0	0.0
828.0	828.0	Operational risk	973.0	973.0
158.4	189.1	CVA risk	189.1	158.4
		Deductions		
9,451.5	10,368.3	Total basis of calculation of minimum requirements for capital base	14,075.5	13,014.4

Key figures

NOK million and percentage	Storebrand Bank Group			
	Q4		Full Year	
	2020	2019	2020	2019
Profit and Loss account: (as % of avg. total assets)				
Net interest income	1.13 %	1.32 %	1.11 %	1.26 %
Other operating income ²⁾	0.52 %	0.42 %	0.32 %	0.37 %
Main balance sheet figures:				
Total assets			39,809.4	35,140.6
Average total assets ¹⁾	39,589.7	34,713.1	38,869.4	34,492.0
Gross loans to customers			31,854.9	30,238.0
Deposits from customers			15,506.3	14,404.3
Deposits from customers as % of gross loans			48.7 %	47.6 %
Equity			2,539.0	2,399.2
Other key figures:				
Loan losses and provisions as % of average total loans ⁴⁾	0.02 %	0.00 %	0.12 %	0.06 %
Gross non-performing and loss-exposed loans as % of total loans			0.4 %	0.4 %
Cost/income ratio ³⁾	57.2 %	49.1 %	59.1 %	48.3 %
Adjusted return on equity ⁶⁾	9.2 %	10.1 %	6.3 %	9.9 %
Core equity Tier 1 (CET1) capital ratio			15.1 %	15.8 %
LCR ⁵⁾			224.0 %	179.0 %

(NOK million)	Storebrand Bank ASA			
	Q4		Full Year	
	2020	2019	2020	2019
Profit and Loss account: (as % of avg. total assets)				
Net interest income	0.81 %	1.43 %	1.02 %	1.31 %
Other operating income ²⁾	2.67 %	2.64 %	1.34 %	1.44 %
Main balance sheet figures:				
Total assets			22,960.8	20,792.3
Average total assets ¹⁾	23,055.3	20,639.2	22,421.2	20,628.2
Gross lending to customers			10,785.2	9,833.0
Deposits from customers			15,506.3	14,404.3
Deposits from customers as % of gross loans			143.8 %	146.5 %
Equity			2,387.4	2,331.7
Other key figures:				
Loan losses and provisions as % of average total loans ⁴⁾	0.11 %	0.15 %	0.34 %	0.17 %
Gross non-performing and loss-exposed loans as % of total loans			0.7 %	0.9 %
Cost/income ratio ³⁾	49.7 %	35.2 %	61.8 %	47.4 %
Core equity Tier 1 (CET1) capital ratio			20.0 %	21.3 %
LCR ⁵⁾			215.0 %	170.0 %

Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the quarter and for the year to date respectively.
- 2) Other operating income includes net fee and commission income.
- 3) Total operating expenses as % of total income.

4) Loan losses and provisions for Storebrand Bank Group consists of total loan loss provisions including change in statistical provisions for the period.

5) Liquidity coverage requirement.

6) There is a change in the calculation method from June 30, 2019. Comparative figures have been restated accordingly. Please see the description in the document "Guide to Alternative Performance Measures" on our website www.storebrand.no/en/investor-relations/reporting-changes-and-special-effects.

Note
12

Net interest income

STOREBRAND BANK GROUP

(NOK million)	Q4		Full Year	
	2020	2019	2020	2019
Interest on loans to credit institutions	0.5	2.9	3.8	11.0
Interest on loans to customers - loans valued at amortised cost	10.2	10.2	39.6	41.6
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income (OCI)	146.9	211.8	680.5	768.9
Interest on interest-bearing securities valued at amortised cost	4.4	5.4	26.8	17.4
Other interest income				
Total interest income calculated by using the effective interest method	161.9	230.3	750.7	838.9
Interest on loans to customers valued at fair value with change in value through profit and loss	3.4	3.0	15.9	11.7
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	3.8	15.7	51.4	58.1
Interest on derivatives	1.4	-1.5	5.2	-8.6
Other interest income	0.1		0.1	
Total other interest income	8.7	17.2	72.5	61.2
Total interest income	170.6	247.5	823.3	900.0
Interest on loans from credit institutions	-0.7	-1.4	-4.0	-2.5
Interest on deposits from customers	-13.1	-26.8	-84.8	-98.6
Interest on debt securities issued	-35.4	-95.4	-266.1	-361.9
Interest on subordinated loans	-1.4	-2.4	-7.4	-9.9
Other interest expenses				
Total interest expenses calculated by using the effective interest method	-50.7	-126.0	-362.3	-472.9
Interest on derivatives	-3.0	1.1	-13.5	24.2
Other interest expenses	-4.3	-8.3	-17.0	-17.6
Total other interest expenses	-7.2	-7.2	-30.6	6.7
Total interest expense	-57.9	-133.2	-392.8	-466.2
Net interest income	112.7	114.3	430.4	433.8

STOREBRAND BANK ASA

(NOK million)	Q4		Full Year	
	2020	2019	2020	2019
Interest on loans to credit institutions	3.6	18.3	30.4	41.6
Interest on loans to customers - loans valued at amortised cost	10.2	10.2	39.6	41.6
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income (OCI)	47.6	74.5	218.7	276.1
Interest on interest-bearing securities valued at amortised cost	4.3	5.2	26.4	16.9
Other interest income				
Total interest income calculated by using the effective interest method	65.7	108.2	315.2	376.2
Interest on loans to customers valued at fair value with change in value through profit and loss	3.4	3.0	15.9	11.7
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	5.9	17.9	55.8	83.7
Interest on derivatives	1.4	-1.5	5.2	-8.6
Other interest income	0.1		0.1	
Total other interest income	10.7	19.4	76.9	86.8
Total interest income	76.4	127.7	392.1	463.0
Interest on loans from credit institutions	-0.7	-1.4	-4.0	-2.5
Interest on deposits from customers	-13.1	-26.8	-84.7	-98.6
Interest on debt securities issued	-7.7	-16.3	-40.2	-65.1
Interest on subordinated loans	-1.4	-2.4	-7.4	-9.9
Other interest expenses				
Total interest expenses calculated by using the effective interest method	-23.0	-46.9	-136.4	-176.1
Interest on derivatives	-3.0	-1.2	-13.5	-0.6
Other interest expenses	-3.4	-6.1	-13.6	-15.4
Total other interest expenses	-6.4	-7.3	-27.2	-16.0
Total interest expense	-29.4	-54.3	-163.6	-192.1
Net interest income	47.0	73.4	228.5	270.9

Note 13 | Off balance sheet liabilities and contingent liabilities

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2019	31.12.2020	NOK million	31.12.2020	31.12.2019
1.5	0.3	Guarantees	0.3	1.5
3,374.9	6,259.7	Unused credit limits	3,063.2	3,071.6
1,466.3	2,961.7	Loan commitments retail market	2,961.7	1,466.3
4,842.7	9,221.6	Total contingent liabilities	6,025.1	4,539.3
903.6	3,255.8	Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	1,702.8	903.6
151.1	150.7	Booked value of bonds pledged as security with other credit institutions	150.7	151.1
1,054.8	3,406.5	Total book value of off balance sheet liabilities	1,853.5	1,054.8

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

Unused credit facilities reported in Storebrand Bank ASA as of 31 December 2020 includes NOK 4.3 billion to the subsidiary Storebrand Boligkreditt AS (see note 6).

Non-performing loans and loan losses

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2019	31.12.2020	NOK million	31.12.2020	31.12.2019
		Non-performing loans		
42.8	37.8	Non-performing loans without evidence of impairment	70.9	73.5
46.8	41.9	Loss-exposed loans with evidence of impairment	49.7	50.8
89.5	79.7	Gross non-performing and loss-exposed loans	120.5	124.3
-19.1	-15.8	Loan loss provisions on individual loans excl. statistical provisions (IFRS9)	-17.0	-19.8
70.4	63.8	Net non-performing and loss-exposed loans	103.5	104.5
		Key figures		
-38.8	-48.2	Total loan loss provisions (NOK million)	-52.4	-40.4
41 %	38 %	Level of provisioning for individual loss-exposed loans ¹⁾	34 %	39 %
43 %	61 %	Total level of provisioning ²⁾	43 %	32 %

1) Provisions for individual loan losses excl. statistical provisions in percent of loss-exposed loans with evidence of impairment.

2) Total loan loss provisions in per cent of gross non-performing and loss-exposed loans.

Loans are regarded as non-performing and loss-exposed:

- when a credit facility has been overdrawn for more than 90 days and the overdrawn amount minimum is NOK 2,000
- when an ordinary mortgage has arrears older than 90 days and the arrears minimum is NOK 2,000
- when a credit card has arrears older than 90 days

When one of the three situations described above occurs, the specific loan is considered as non-performing, without taking into account the customer's other engagements. This is a change in the definition of non-performing loans compared to earlier periods and therefore the comparable figures are restated in the note.

OVERVIEW OF LOAN LOSS PROVISIONS AND SECURITIES ON LOANS IN STAGE 3

STOREBRAND BANK GROUP

(NOK million)	2020			Value of collateral	Type of collateral
	Gross amount	Loan loss provisions	Net value		
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	54.6	-0.8	53.8	132.9	residential property
- unsecured retail exposures including credit cards exposures	16.3	-13.2	3.1		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	70.9	-14.1	56.8		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	27.5	-7.4	20.0	38.7	residential property
- unsecured retail exposures including credit cards exposures	0.4	-0.1	0.3		
- other exposures including SME exposures	21.8	-9.5	12.3	10.0	commercial real estate
Total loss-exposed loans with evidence of impairment	49.7	-17.0	32.7		

The bank group has loans of NOK 35.6 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

(NOK million)	2019			Value of collateral	Type of collateral
	Gross amount	Loan loss provisions	Net value		
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	51.7	-0.2	51.4	114.7	residential property
- unsecured retail exposures including credit cards exposures	21.8	-13.3	8.5		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	73.5	-13.6	59.9		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	28.7	-10.2	18.5	44.3	residential property
- unsecured retail exposures including credit cards exposures	0.3		0.2		
- other exposures including SME exposures	21.9	-9.6	12.3	10.0	commercial real estate
Total loss-exposed loans with evidence of impairment	46.8	-19.8	31.0		

The bank group has loans of NOK 27.3 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

STOREBRAND BANK ASA

(NOK million)	2020			Value of collateral	Type of collateral
	Gross amount	Loan loss provisions	Net value		
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	21.5	-0.6	20.9	54.2	residential property
- unsecured retail exposures including credit cards exposures	16.3	-13.2	3.1		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	37.8	-13.8	24.0		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	20.0	-6.3	13.6	24.7	residential property
- unsecured retail exposures including credit cards exposures	0.4	-0.1	0.3		
- other exposures including SME exposures	21.5	-9.4	12.1	10.0	commercial real estate
Total loss-exposed loans with evidence of impairment	41.9	-15.8	26.0		

The bank has loans of NOK 12.5 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

(NOK million)			2019		Type of collateral
	Gross amount	Loan loss provisions	Net value	Value of collateral	
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	20.9	-0.1	20.8	57.2	residential property
- unsecured retail exposures including credit cards exposures	21.8	-13.3	8.5		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	42.8	-13.5	29.3		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	24.9	-9.6	15.4	29.6	residential property
- unsecured retail exposures including credit cards exposures	0.3		0.2		
- other exposures including SME exposures	21.6	-9.5	12.1	10.0	commercial real estate
Total loss-exposed loans with evidence of impairment	46.8	-19.1	27.6		

The bank has loans of NOK 7.4 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

LOSSES ON LOANS, GUARANTEES AND UNUSED CREDITS

STOREBRAND BANK GROUP

(NOK million)	2020			2019		
	Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI)	Guarantees and unused credit limits	Total	Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI)	Guarantees and unused credit limits	Total
The periods change in impairment losses stage 1	-2.2		-2.2	0.3	0.5	0.8
The periods change in impairment losses stage 2	-7.9	-9.0	-16.9	-0.7	-4.4	-5.1
The periods change in impairment losses stage 3	2.3		2.3	6.7		6.8
Realised losses	-14.2		-14.2	-21.4		-21.4
Recoveries on previously realised losses	1.5		1.5	1.3		1.3
Credit loss on interest-bearing securities						
Management overlay	-4.1	-2.9	-7.0			
Other changes	-0.8		-0.8	-0.7		-0.7
Loss expense for the period	-25.6	-11.8	-37.4	-14.5	-3.9	-18.3

The Storebrand Bank group has NOK 10.5 million in outstanding contractual amounts for realised losses during 2020 that are still subject to enforcement activities.

STOREBRAND BANK ASA

(NOK million)	2020			2019		
	Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI)	Guarantees and unused credit limits	Total	Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI)	Guarantees and unused credit limits	Total
The periods change in impairment losses stage 1	-1.7	0.1	-1.6	0.2	0.5	0.7
The periods change in impairment losses stage 2	-6.5	-9.0	-15.5	-0.8	-4.4	-5.2
The periods change in impairment losses stage 3	2.9		2.9	7.3		7.3
Realised losses	-14.0		-14.0	-21.4		-21.4
Recoveries on previously realised losses	1.5		1.5	1.3		1.3
Credit loss on interest-bearing securities	0.0					
Management overlay	-4.1	-2.9	-7.0			
Other changes	-0.8		-0.8	-0.7		-0.7
Loss expense for the period	-22.9	-11.8	-34.7	-14.1	-3.9	-18.0

Storebrand Bank ASA has NOK 10.3 million in outstanding contractual amounts for realised losses during 2020 that are still subject to enforcement activities. The bank's model for calculating expected credit losses is not adapted to the uncertainty that exists due to, among other things, the corona epidemic. The bank has therefore made a discretionary additional provision of NOK 7 million which has been added to stage 2.

LOAN PORTFOLIO AND GUARANTEES

(NOK million)	Storebrand Bank ASA		Storebrand Bank Group	
	31.12.2020 Book value	31.12.2019 Book value	31.12.2020 Book value	31.12.2019 Book value
Loans to customers at amortised cost	320.8	306.3	320.8	306.3
Loans to customers at fair value through profit and loss	722.3	389.2	722.3	389.2
Loans to customers at fair value through other comprehensive income (OCI)	9,742.0	9,137.6	30,811.7	29,542.5
Total gross loans to customers	10,785.2	9,833.0	31,854.9	30,238.0
Provision for expected loss Stage 1	-4.1	-2.4	-4.9	-2.7
Provision for expected loss Stage 2	-14.5	-3.8	-16.4	-4.4
Provision for expected loss Stage 3	-29.7	-32.6	-31.1	-33.3
Net loans to customers	10,737.0	9,794.2	31,802.5	30,197.6

CHANGE IN GROSS LOANS TO CUSTOMERS VALUED AT AMORTISED COST

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	227.2	56.9	22.1	306.3
Transfer to stage 1	2.3	-2.3		0.0
Transfer to stage 2	-56.2	57.0	-0.8	0.0
Transfer to stage 3	-2.1	-2.7	4.8	0.0
New loans	63.6	46.8	2.8	113.2
Derecognition	-34.4	-11.2	-13.3	-58.9
Other changes	-26.9	-13.9	1.1	-39.7
Gross loans 31.12.2020	173.6	130.6	16.7	320.8

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	227.2	56.9	22.1	306.3
Transfer to stage 1	2.3	-2.3		0.0
Transfer to stage 2	-56.2	57.0	-0.8	0.0
Transfer to stage 3	-2.1	-2.7	4.8	0.0
New loans	63.6	46.8	2.8	113.2
Derecognition	-34.4	-11.2	-13.3	-58.9
Other changes	-26.9	-13.9	1.1	-39.7
Gross loans 31.12.2020	173.6	130.6	16.7	320.8

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2019	262.4	46.2	30.1	338.7
Transfer to stage 1	9.8	-9.3	-0.5	0.0
Transfer to stage 2	-28.1	28.3	-0.3	0.0
Transfer to stage 3	-5.2	-3.1	8.3	0.0
New loans	23.5	5.9	1.9	31.2
Derecognition	-39.5	-11.7	-18.6	-69.7
Other changes	4.2	0.6	1.1	6.0
Gross loans 31.12.2019	227.2	56.9	22.1	306.3

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2019	262.4	46.2	30.1	338.7
Transfer to stage 1	9.8	-9.3	-0.5	0.0
Transfer to stage 2	-28.1	28.3	-0.3	0.0
Transfer to stage 3	-5.2	-3.1	8.3	0.0
New loans	23.5	5.9	1.9	31.2
Derecognition	-39.5	-11.7	-18.6	-69.7
Other changes	4.2	0.6	1.1	6.0
Gross loans 31.12.2019	227.2	56.9	22.1	306.3

CHANGE IN GROSS LOANS TO CUSTOMERS VALUED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	27,841.6	1,598.7	102.2	29,542.5
Transfer to stage 1	280.0	-274.8	-5.1	0.0
Transfer to stage 2	-1,099.0	1,115.6	-16.6	0.0
Transfer to stage 3	-15.0	-40.5	55.5	0.0
New loans	11,299.0	826.6	0.0	12,125.6
Derecognition	-9,662.4	-578.6	-31.2	-10,272.2
Other changes	-539.5	-43.9	-0.8	-584.2
Gross loans 31.12.2020	28,104.7	2,603.1	103.9	30,811.7

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	8,616.1	454.1	67.4	9,137.6
Transfer to stage 1	38.6	-38.0	-0.6	0.0
Transfer to stage 2	-223.2	232.7	-9.5	0.0
Transfer to stage 3	-4.1	-17.3	21.4	0.0
New loans	6,513.9	398.4	0.0	6,912.2
Derecognition	-5,905.7	-226.9	-15.5	-6,148.1
Other changes	-142.6	-16.86	-0.3	-159.7
Gross loans 31.12.2020	8,893.0	786.0	63.0	9,742.0

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2019	26,322.4	1,529.3	95.8	27,947.4
Transfer to stage 1	279.3	-279.3		0.0
Transfer to stage 2	-556.7	571.5	-14.8	0.0
Transfer to stage 3	-14.7	-38.9	53.7	0.0
New loans	11,135.1	351.2	1.7	11,487.9
Derecognition	-8,724.5	-495.2	-33.0	-9,252.8
Other changes	-599.1	-39.8	-1.1	-640.1
Gross loans 31.12.2019	27,841.6	1,598.7	102.2	29,542.5

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2019	8,906.1	490.3	65.1	9,461.4
Transfer to stage 1	62.4	-62.4		0.0
Transfer to stage 2	-125.2	125.3	-0.1	0.0
Transfer to stage 3	-7.5	-17.3	24.9	0.0
New loans	5,747.7	176.6	0.1	5,924.4
Derecognition	-5,780.7	-238.2	-23.9	-6,042.9
Other changes	-186.7	-20.1	1.5	-205.3
Gross loans 31.12.2019	8,616.1	454.1	67.4	9,137.6

CHANGE IN GROSS LOANS TO CUSTOMERS VALUED AT FAIR VALUE THROUGH PROFIT AND LOSS (PL)

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	376.3	12.9		389.2
Transfer to stage 1				
Transfer to stage 2	-5.4	5.4		0.0
Transfer to stage 3				
New loans	487.5	45.1		532.7
Derecognition	-200.3	-1.2		-201.4
Other changes	1.5	0.4		1.9
Gross loans 31.12.2020	659.6	62.7	0.0	722.3

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	376.3	12.9		389.2
Transfer to stage 1				
Transfer to stage 2	-5.4	5.4		0.0
Transfer to stage 3				
New loans	487.5	45.1		532.7
Derecognition	-200.3	-1.2		-201.4
Other changes	1.5	0.4		1.9
Gross loans 31.12.2020	659.6	62.7	0.0	722.3

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2019	193.3	26.9		220.2
Transfer to stage 1				
Transfer to stage 2				
Transfer to stage 3				
New loans	247.7	3.7		251.4
Derecognition	-63.7	-17.6		-81.3
Other changes	-1.0	-0.2		-1.2
Gross loans 31.12.2019	376.3	12.9	0.0	389.2

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2019	193.3	26.9		220.2
Transfer to stage 1				
Transfer to stage 2				
Transfer to stage 3				
New loans	247.7	3.7		251.4
Derecognition	-63.7	-17.6		-81.3
Other changes	-1.0	-0.2		-1.2
Gross loans 31.12.2019	376.3	12.9	0.0	389.2

CHANGE IN MAXIMUM EXPOSURE FOR GUARANTEES AND UNUSED CREDITS

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Maximum exposure 01.01.2020	2,878.2	194.8	0.1	3,073.0
Transfer to stage 1	8.7	-8.7		0.0
Transfer to stage 2	-191.4	191.4		0.0
Transfer to stage 3	-0.3	-0.3	0.6	0.0
New loans	290.3	14.4		304.7
Derecognition	-397.4	-29.6		-427.0
Other changes	102.3	11.0	-0.6	112.7
Maximum exposure 31.12.2020	2,690.4	373.1	0.0	3,063.4

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Maximum exposure 01.01.2020	1,652.9	190.9	0.1	1,843.8
Transfer to stage 1	6.1	-6.1		0.0
Transfer to stage 2	-175.5	175.5		0.0
Transfer to stage 3	-0.3	-0.3	0.6	0.0
New loans	336.9	13.7		350.5
Derecognition	-221.1	-28.9		-250.0
Other changes	18.1	10.9	-0.6	28.4
Maximum exposure 31.12.2020	1,617.1	355.6	0.0	1,972.7

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Maximum exposure 01.01.2019	3,252.2	110.8	0.1	3,363.1
Transfer to stage 1	36.8	-36.8		0.0
Transfer to stage 2	-130.6	130.6		0.0
Transfer to stage 3	-0.9	-0.5	1.4	0.0
New loans	144.5	15.9		160.4
Derecognition	-434.6	-20.1		-454.8
Other changes	10.8	-5.2	-1.3	4.3
Maximum exposure 31.12.2019	2,878.2	194.8	0.1	3,073.0

STOREBRAND BANK ASA

Maximum exposure 01.01.2019	1,855.0	107.0	0.1	1,962.0
Transfer to stage 1	34.9	-34.9		0.0
Transfer to stage 2	-124.7	124.7		0.0
Transfer to stage 3	-0.9	-0.5	1.4	0.0
New loans	179.2	15.9		195.1
Derecognition	-279.7	-19.5		-299.2
Other changes	-10.9	-1.8	-1.3	-14.0
Maximum exposure 31.12.2019	1,652.9	190.9	0.1	1,843.8

CHANGE IN LOAN LOSS PROVISIONS

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	
Loan loss provisions 01.01.2020	6.8	12.1	33.3	52.2
Transfer to stage 1 (12-month ECL)	0.5	-0.4	-0.1	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-3.3	3.7	-0.4	0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)		-0.3	0.3	0.0
Net remeasurement of loan losses	-0.4	7.8	4.9	12.3
New financial assets originated or purchased	3.3	3.0	1.4	7.7
Financial assets that have been derecognised	-0.9	-1.5	-2.0	-4.3
ECL changes of balances on financial assets without changes in stage in the period	3.0	4.8	2.5	10.4
ECL allowance on written-off (financial) assets		-0.2	-9.0	-9.2
Changes in models/risk parameters				
Foreign exchange and other changes				
Management overlay		7.0		7.0
Loan loss provisions 31.12.2020	8.9	36.0	31.1	76.0
Loan loss provisions on loans to customers valued at amortised cost	2.0	11.4	13.3	26.7
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	2.9	5.0	17.7	25.7
Loan loss provisions on guarantees and unused credit limits	4.0	19.6		23.6
Total loans loss provisions	8.9	36.0	31.0	76.0

The macroeconomic environment is significantly changed since year end 2019. The unemployment rate including furloughs peaked at approximately 15 per cent (including part time unemployment) in March/April 2020. Full time unemployment rate is reduced by approximately 65 per cent from the peak. According to Statistics Norway there are signs of macroeconomic improvement.

The calculation of expected credit losses is based upon various macroeconomic scenarios in accordance with the IFRS 9 standard. The uncertainty of the economic development and outlook therefore causes an increase in expected credit losses from year end 2019. The increase is due to altered weights on the different scenarios. The credit models (PD, LGD, EAD) have not been changed significantly. The increase in expected credit loss and stage migration is virtually completely due to the economic development and outlook, and not linked to portfolio quality in terms of credit ratings, defaults, loan-to-value ratios etc. which have not changed significantly since year end 2019.

There is also a higher uncertainty in the point estimate of expected credit losses, and there is a higher possibility in larger variations in expected credit losses the next quarters as well as on stage migration.

STOREBRAND BANK GROUP

(NOK million)	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	
Loan loss provisions 01.01.2019	7.6	6.9	40.1	54.6
Transfer to stage 1 (12-month ECL)	1.8	-1.6	-0.2	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.8	1.0	-0.2	0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-0.2	0.3	0.0
Net remeasurement of loan losses	-1.4	6.3	6.0	10.9
New financial assets originated or purchased	0.6	0.8	1.0	2.3
Financial assets that have been derecognised	-1.1	-1.2	-2.0	-4.2
ECL changes of balances on financial assets without changes in stage in the period	0.2	0.3	-0.4	0.0
Changes due to modification without any effect in derecognition				
ECL allowance on written-off (financial) assets		-0.2	-11.3	-11.5
Changes in models/risk parameters				
Foreign exchange and other changes				
Loan loss provisions 31.12.2019	6.8	12.1	33.3	52.2
Loan loss provisions on loans to customers valued at amortised cost	1.7	3.0	13.3	18.1
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	1.0	1.4	20.0	22.3
Loan loss provisions on guarantees and unused credit limits	4.1	7.7		11.8
Total loans loss provisions	6.8	12.1	33.3	52.2

STOREBRAND BANK ASA

(NOK million)	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	
Loan loss provisions 01.01.2020	6.5	11.5	32.6	50.6
Transfer to stage 1 (12-month ECL)	0.4	-0.4		0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-3.3	3.7	-0.4	0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)		-0.3	0.3	0.0
Net remeasurement of loan losses	-0.3	7.2	4.1	11.0
New financial assets originated or purchased	3.0	2.8	1.4	7.3
Financial assets that have been derecognised	-0.9	-1.3	-2.0	-4.1
ECL changes of balances on financial assets without changes in stage in the period	2.8	3.9	2.5	9.1
Changes due to modification without any effect in derecognition				
ECL allowance on written-off (financial) assets		-0.2	-8.8	-9.0
Changes in models/risk parameters				
Foreign exchange and other changes				
Management overlay		7.0		7.0
Loan loss provisions 31.12.2020	8.1	34.0	29.7	71.9

(NOK million)	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	
Loan loss provisions on loans to customers valued at amortised cost	2.0	11.4	13.3	26.7
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	2.1	3.0	16.4	21.5
Loan loss provisions on guarantees and unused credit limits	4.0	19.6		23.6
Total loans loss provisions	8.1	34.0	29.7	71.9

(NOK million)	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	
Loan loss provisions 01.01.2019	7.2	6.3	39.9	53.4
Transfer to stage 1 (12-month ECL)	1.7	-1.5	-0.2	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.8	1.0	-0.1	0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-0.2	0.3	0.0
Net remeasurement of loan losses	-1.3	6.2	5.5	10.4
New financial assets originated or purchased	0.5	0.6	1.0	2.1
Financial assets that have been derecognised	-1.0	-1.1	-2.0	-4.0
ECL changes of balances on financial assets without changes in stage in the period	0.3	0.4	-0.5	0.2
ECL allowance on written-off (financial) assets		-0.2	-11.3	-11.5
Changes in models/risk parameters				
Foreign exchange and other changes				
Loan loss provisions 31.12.2019	6.5	11.5	32.6	50.6
Loan loss provisions on loans to customers valued at amortised cost	1.7	3.0	13.4	18.1
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	0.7	0.8	19.2	20.7
Loan loss provisions on guarantees and unused credit limits	4.1	7.7		11.8
Total loans loss provisions	6.5	11.5	32.6	50.6

Periodic changes in individual write-downs, expected losses on loans (ECL), loan obligations and guarantees are listed above. Booked losses in the period are not included in the overview above.

Storebrand Bank Group does not have any expected write-downs (ECL) related to loans given to Norges Bank, credit institutions, certificates and bonds.

Distribution of loan loss provisions and exposure on secured and unsecured retail exposures

STOREBRAND BANK GROUP

DISTRIBUTION OF LOAN LOSS PROVISIONS

(NOK million)	2020			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	2.9	5.0	8.3	16.2
Unsecured retail exposures including credit cards exposures	6.0	31.0	13.3	50.3
Other exposures including SME exposures			9.5	9.5
Total loan loss provisions	8.9	36.0	31.1	76.0

(NOK million)	2019			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	1.0	1.4	10.4	12.8
Unsecured retail exposures including credit cards exposures	5.8	10.7	13.4	29.9
Other exposures including SME exposures			9.6	9.6
Total loan loss provisions	6.8	12.1	33.3	52.2

DISTRIBUTION OF EXPOSURE INCL. UNUSED CREDIT FACILITIES AND GUARANTEES

(NOK million)	2020			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	30,626.1	2,718.7	82.1	33,426.9
Unsecured retail exposures including credit cards exposures	1,001.9	450.4	16.7	1,469.0
Other exposures including SME exposures	0.3	0.3	21.8	22.4
Total exposure	31,628.3	3,169.4	120.6	34,918.3

(NOK million)	2019			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	30,080.0	1,630.4	80.4	31,790.8
Unsecured retail exposures including credit cards exposures	1,241.5	232.8	22.2	1,496.5
Other exposures including SME exposures	1.8		21.9	23.7
Total exposure	31,323.3	1,863.3	124.4	33,311.0

STOREBRAND BANK ASA

DISTRIBUTION OF LOAN LOSS PROVISIONS

(NOK million)	2020			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	2.1	3.0	6.9	12.1
Unsecured retail exposures including credit cards exposures	6.0	31.0	13.3	50.3
Other exposures including SME exposures			9.4	9.5
Total loan loss provisions	8.1	34.0	29.7	71.9

(NOK million)	2019			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	0.7	0.8	9.7	11.2
Unsecured retail exposures including credit cards exposures	5.8	10.7	13.4	50.3
Other exposures including SME exposures			9.5	9.5
Total loan loss provisions	6.5	11.5	32.6	50.6

DISTRIBUTION OF EXPOSURE INCL. UNUSED CREDIT FACILITIES AND GUARANTEES

(NOK million)	2020			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	10,341.1	884.2	41.5	11,266.8
Unsecured retail exposures including credit cards exposures	1,001.9	450.4	16.7	1,469.0
Other exposures including SME exposures	0.3	0.3	21.5	22.1
Total exposure	11,343.3	1,334.9	79.7	12,757.9

(NOK million)	2019			Total gross loans
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	9,629.1	481.9	45.9	10,156.9
Unsecured retail exposures including credit cards exposures	1,241.5	232.8	22.2	1,496.5
Other exposures including SME exposures	1.8		21.6	23.4
Total exposure	10,872.4	714.8	89.6	11,676.8

Quarterly income statement

STOREBRAND BANK GROUP

	Q4	Q3	Q2	Q1	Q4
NOK million	2020	2020	2020	2020	2019
Interest income	170.6	174.4	206.3	272.0	247.5
Interest expense	-57.9	-64.1	-121.1	-149.8	-133.2
Net interest income	112.7	110.3	85.2	122.2	114.3
Fee and commission income from banking services	32.4	26.6	25.5	29.9	32.3
Fee and commission expenses for banking services	-5.0	-4.3	-4.2	-4.1	-4.7
Net fee and commission income	27.4	22.2	21.3	25.8	27.5
Dividend and other income from equity instruments	10.2				2.1
Net gains/losses on financial instruments	0.8	-11.4	29.1	-19.2	6.5
Other income	13.3	5.4			
Total other operating income	24.4	-6.1	29.1	-19.2	8.7
Staff expenses	-38.8	-29.6	-23.2	-23.1	-25.1
Other operating cost	-46.4	-52.1	-45.9	-45.6	-40.3
Depreciation and impairment of non-financial assets	-8.9	-4.9	-4.8	-4.7	-8.5
Total operating costs	-94.1	-86.7	-73.8	-73.4	-73.9
Operating profit before loan losses	70.4	39.8	61.8	55.5	76.6
Loan losses for the period	-1.3	-1.0	-6.3	-28.7	-4.5
Profit before tax	69.0	38.7	55.5	26.8	72.1
Tax	-12.3	-9.3	-14.3	-6.9	-10.6
Result after tax sold/discontinued operations					
Profit for the year	56.7	29.4	41.1	19.9	61.4

STOREBRAND BANK ASA

	Q4	Q3	Q2	Q1	Q4
NOK million	2020	2020	2020	2020	2019
Interest income	76.4	81.3	104.4	130.0	127.7
Interest expense	-29.4	-30.1	-48.0	-56.1	-54.3
Net interest income	47.0	51.1	56.4	73.9	73.4
Fee and commission income from banking services	53.4	46.7	46.6	50.7	50.9
Fee and commission expenses for banking services	-5.0	-4.3	-4.0	-4.0	-4.7
Net fee and commission income	48.4	42.5	42.6	46.6	46.3
Dividend and other income from equity instruments	80.0				82.4
Net gains/losses on financial instruments	7.9	-0.6	28.8	-14.6	7.3
Other income	18.7				
Total other operating income	106.6	-0.6	28.8	-14.6	89.7
Staff expenses	-43.9	-24.4	-23.1	-23.1	-25.0
Other operating cost	-47.7	-50.2	-45.6	-45.3	-40.2
Depreciation and impairment of non-financial assets	-8.9	-4.9	-4.8	-4.7	-8.5
Total operating costs	-100.5	-79.6	-73.5	-73.1	-73.7
Operating profit before loan losses	101.5	13.4	54.3	32.9	135.6
Loan losses for the period	-2.8	-0.6	-6.8	-24.4	-4.0
Profit before tax	98.7	12.7	47.5	8.4	131.7
Tax	-19.0	-3.7	-12.6	-2.9	-23.7
Profit for the year	79.7	9.0	35.0	5.6	108.0

Financial Calendar 2020



28 April	Results Q1 2021
14 July	Results Q2 2021
27 October	Results Q3 2021
February 2022	Results Q4 2021

Investor Relations Contacts



Camilla Leikvoll
Kjetil Ramberg Krøkje
Daniel Sundahl

CEO
Group Head of Finance, Strategy and M&A
Head of Investor Relations and Rating

camilla.leikvoll@storebrand.no
kjetil.r.krokje@storebrand.no
daniel.sundahl@storebrand.no

+47 979 89 128
+47 934 12 155
+47 913 61 899

Storebrand Bank ASA
Professor Kohts vei 9
P.O Box 474, N-1327 Lysaker, Norway
Telephone 915 08 880

storebrand.no