storebrand

Storebrand Bank ASA
Annual report

2022

Company information

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Content

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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 forwardlooking statements it may make. This document contains alternative performance measures (APM) as defined by The European Securities and Market Authority (ESMA). An overview of APM can be found at www.storebrand.com/ir.

Key figures Storebrand Bank

	Storebrand Bank Group	
NOK million and percentage	2022	2021
Profit and loss account: (in % of average total assets)		
Net interest income [1]	1.19 %	1.17 %
Other operating income [2]	0.13 %	0.24 %
Main balance sheet figures:		
Total assets	56,631.2	45,372.3
Average total assets [1]	51,387.5	43,607.0
Gross lending to customers	49,993.9	39,049.6
Deposits from customers	19,477.8	17,238.8
Deposits from customers as % of gross loans	39.0 %	44.1 %
Equity	3,360.9	2,929.7
Other key figures:		
Loan losses and provisions as % of average total loans [4]	0.03 %	-0.03 %
Gross non-performing and loss-exposed loans as % of total loans	0.2,%	0.2 %
Cost/income ratio [3]	56.9 %	56.2 %
Adjusted return on equity	7.4 %	8.5 %
Core equity Tier 1 (CET1) capital ratio	15.7 %	15.4 %
LCR [5]	166.0 %	163.0 %

	Storebrand Bank ASA	
NOK million and percentage	2021	2020
Profit and loss account: (in % of average total assets)		
Net interest income [1]	1.47 %	0.99 %
Other operating income [2]	0.81 %	1.42 %
Profit before other comprehensive income as % of total asets	0.57 %	0.74 %
Main balance sheet figures:		
Total assets	28,135.9	24,918.8
Average total assets [1]	26,384.8	23,899.6
Gross lending to customers	12,512.9	12,615.0
Deposits from customers	19,477.8	17,238.8
Deposits from customers as % of gross loans	155.7 %	136.7 %
Equity	3,442.5	2,716.6
Other key figures:		
Loan losses and provisions as % of average total loans [4]	0.06 %	-0.10 %
Gross non-performing and loss-exposed loans as % of total loans	0.5 %	0.5 %
Cost/income ratio [3]	63.6 %	60.6 %
Core equity Tier 1 (CET1) capital ratio	22.4 %	21.2 %
LCR [5]	143.0 %	135.0 %

Definitions:

1) Net interest income as percent of average total assets. 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 consists of total loan loss provisions including change in statistical provisions.

5) Liquidity coverage requirement.

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(Figures in brackets are the comparative figures for 2021)

MAIN TRENDS

Storebrand Bank ASA is a wholly owned subsidiary of Storebrand ASA. The activities of the bank are managed as an integrated part of the activities of the Storebrand Group and are organised under the Retail Market. Storebrand Bank ASA is a commercial bank with licenses under the Securities Trading Act. Its head office is in Lysaker, in the municipality of Bærum.

Storebrand Bank ASA is an online bank that offers a broad range of bank products to the Norwegian retail market. The bank is positioned as a digital bank with a personal touch, and offers a permanent adviser based on the home loan. The bank wishes to attract customers who value a wide range of services, and who view the banking relationship as the gateway to having their financial needs met. Based on the Storebrand Group's retail market strategy, the bank can ensure that the banking, savings and insurance needs of our customers are met. The bank has the objective of promoting sustainable choices by its customers through the products that it offers, with a particular focus on Boliglån Fremtid (Mortgage Future), and in 2022 the bank also launched a Miljøtiltakslån (Environmental Initiative Loan) which gives customers access to a combination of good advice relating to energy efficiency through the bank's partner Huseierne (Norwegian Homeowners' Association), and favourable financing. The bank also offers consumer loans, both directly to the market and in partnership with Dreams, where the focus is on refinancing and actively assisting customers to pay off unsecured debt quickly.

Storebrand Bank ASA has a wholly-owned subsidiary, Storebrand Boligkreditt AS, which is a mortgage credit institution with a licence from the Financial Supervisory Authority of Norway to issue covered bonds. In 2020, the Group's investment advice business for the retail market Storebrand Finansiell Rådgivning AS (SFR), was merged into the bank, and the bank has therefore obtained additional licenses under the Securities Trading Act to receive and transmit orders, as well as provide investment advice.

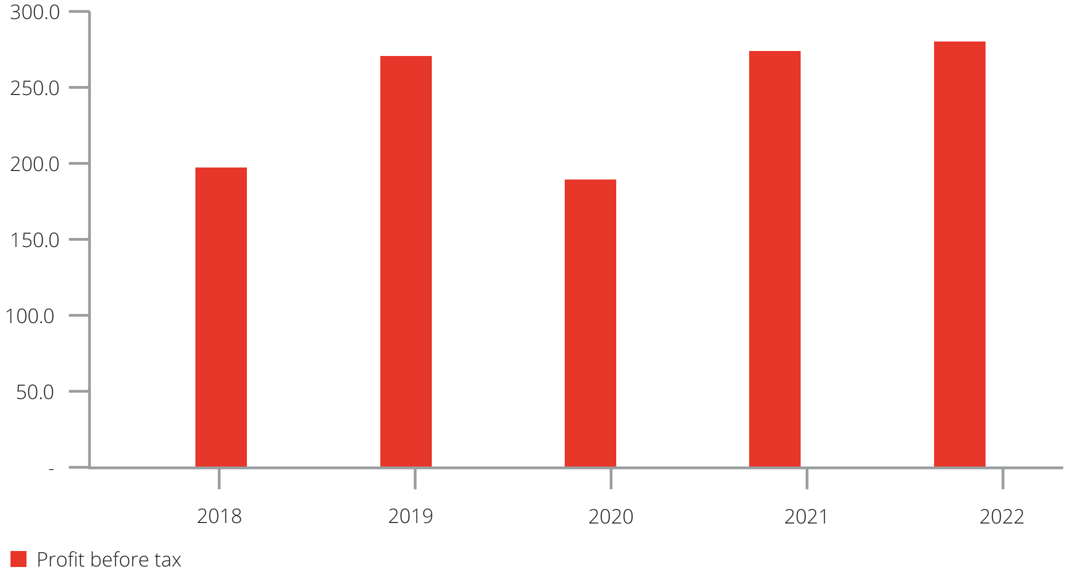
MACROECONOMIC IMPACT

Inflation and economic uncertainty continued to increase during 2022 and global GDP growth expectations were sharply revised downwards throughout the year. Inflation driven by supply chain bottlenecks, possible energy crisis and risk of recession, together with Russia's invasion of Ukraine, impacted both the news situation and economic uncertainty. Central banks have commenced a series of resolute interest rate increases in an attempt to avoid further rising and/or continued inflation. The equity markets have been volatile and experienced a severe decline since peaking around the New Year. Recession in the Eurozone has, in many ways, become the consensus, and the question now is to what extent future bailouts in the form of energy subsidies or for the labour market will curb the recession that was partly triggered by the war and subsequent energy crisis. Norges Bank has raised the key policy rate by 2.25 percentage points to 2.75 per cent and is signalling a further increase to around 3 per cent in mid-2023.

When assessing impairment, overall evaluations have been made of future prospects, which have considered factors such as interest rates, inflation and high energy prices. Prospects of tighter liquidity among our customers due to higher costs of living and the interest rate burden, have been taken into account in the macro adjustment of the probability of default. Developments in non-performing loans, loans in arrears and loans with grace periods are being closely monitored.

FINANCIAL PERFORMANCE

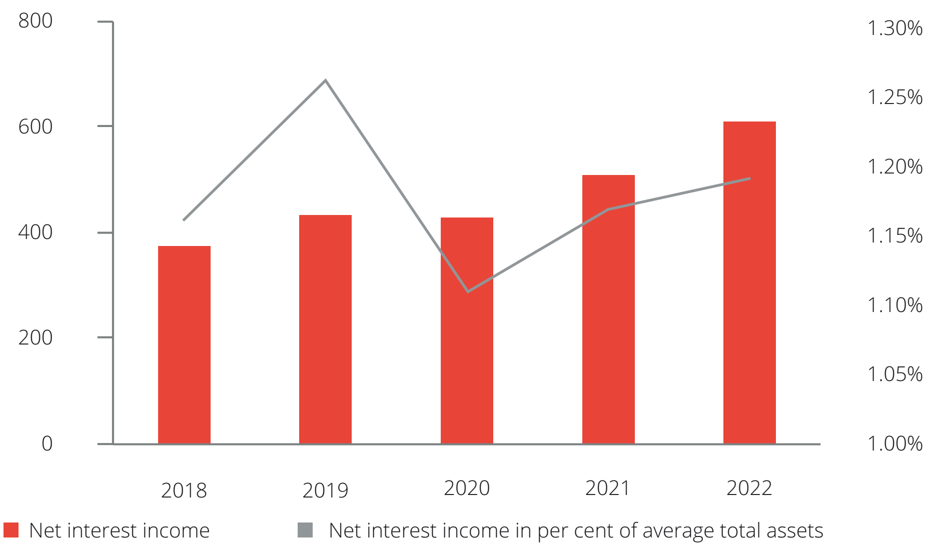
TRENDS IN PROFIT BEFORE TAX (NOK MILLION).



The bank group achieved a profit before tax of NOK 281 million for 2022, compared with NOK 276 million in 2021 for continued operations. Net interest income increased by NOK 102 million in 2022 to NOK 610 million, largely as a result of increased assets under management. Operating costs increased from NOK 352 million in 2021 to NOK 384 million in 2022, primarily due to increased costs related to sales and marketing. Losses on lending were NOK 14 million in 2022, compared with a net reversal of losses on lending of NOK 12 million in 2021. The bank group achieved a profit after tax of NOK 214 million in 2022, compared with NOK 212 million in 2021.

NET INTEREST INCOME

NET INTEREST INCOME (NOK MILLION) AND NET INTEREST INCOME AS A PERCENTAGE OF AVERAGE ASSETS UNDER MANAGEMENT



Net interest income for the bank group amounted to NOK 610 million in 2022, compared with NOK 508 million in the previous year. This was largely due increased assets under management. Net interest income as a percentage of average assets under management was 1.19 per cent in 2022, an increase of 0.02 percentage points compared with 2021. Margins on lending weakened significantly from 2021 to 2022, while deposit margins strengthened significantly.

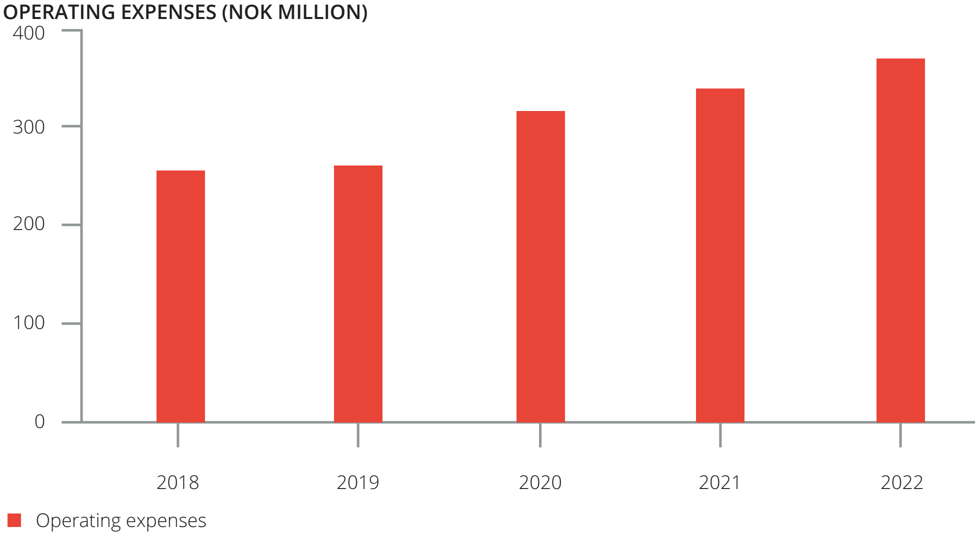
NET COMMISSION INCOME

The bank group's net commission income totalled NOK 98 million, compared with NOK 90 million in 2021. Net commission income was strengthened due to increased card-related revenues.

OTHER INCOME

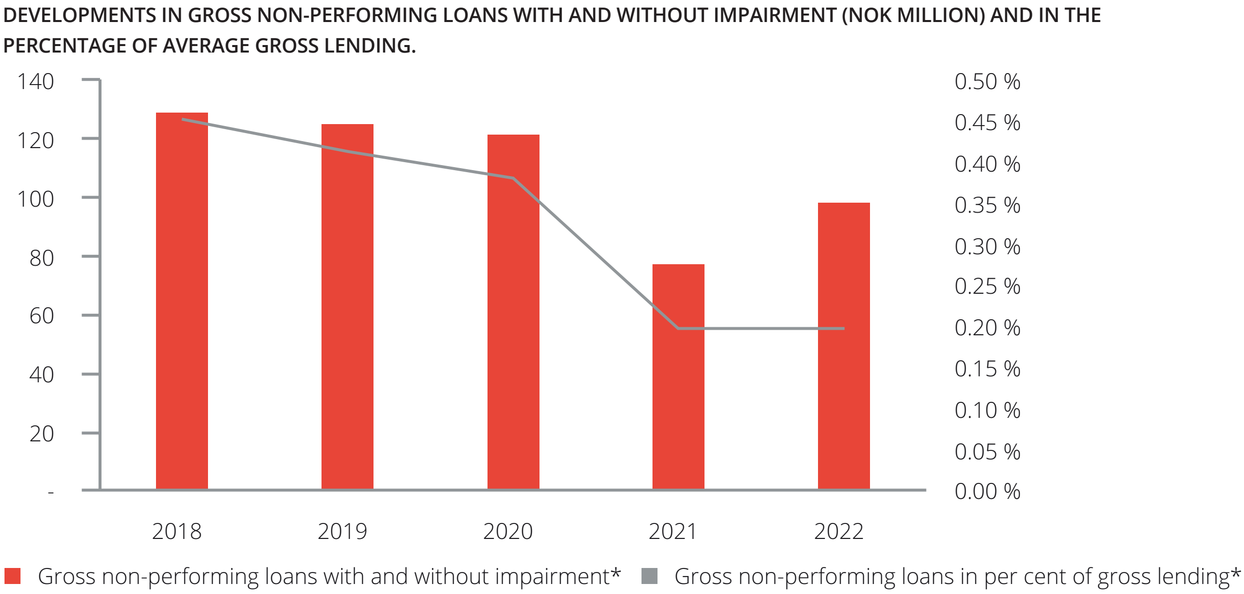
Net profit/loss on financial instruments decreased from NOK 16 million in 2021 to minus NOK 30 million in 2022. The change was the result of losses on financial instruments in 2022.

OPERATING EXPENSES



The operating expenses in the bank group totalled NOK 384 million (NOK 352 million). Resource use increase was primarily related to sales and marketing in order to supporting growth. The cost percentage was 57 per cent in 2022 (56 per cent).

LOSSES AND NON-PERFORMING LOANS



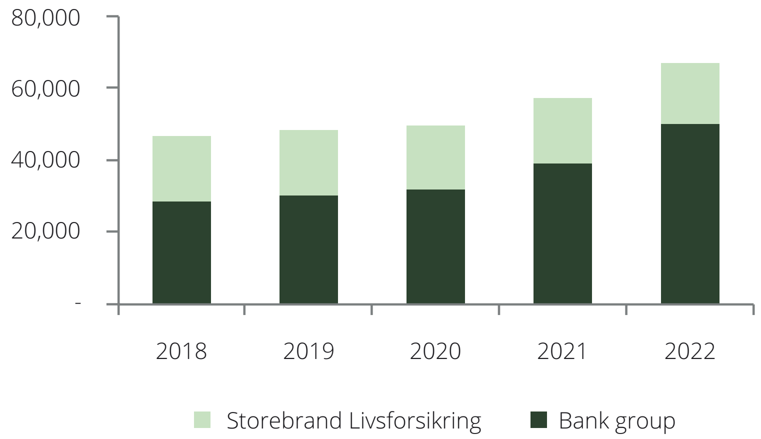
* Defaults measured at account level.

Total loan losses amounted to recognised expenses of NOK 14 million for the bank group in 2022, compared with recognised income of NOK 12 million in 2021. Recorded losses in 2022 were primarily linked to consumer loans.

Non-performing loans without impairment increased in 2022 and amounted to NOK 73 million (NOK 48 million), while non-performing loans with impairment decreased in 2022 and amounted to NOK 25 million (NOK 29 million). The total volume of non-performing loans represents 0.2 per cent of gross lending (0.2 per cent).

BALANCE SHEET

DEVELOPMENT OF GROSS LENDING IN BOTH THE RETAIL MARKET AND CORPORATE MARKET (NOK MILLION)



At the end of 2022, the bank group had NOK 56.6 billion in assets under management. Gross lending to customers was NOK 50 billion at year-end, an increase of NOK 11 billion from 2021. In 2016, the bank entered into an agreement with Storebrand Livsforsikring AS for the sale of loans to the retail market. The portfolio of mortgages at Storebrand Livsforsikring AS experienced a marginal change in 2022 and amounted to NOK 17.1 billion as of 31 December 2022.

The loan portfolio, including loans managed on behalf of Storebrand Livsforsikring AS, amounted to NOK 67.1 billion at the end of the year, which represents an increase of NOK 10.1 billion from the start of the year.

The bank group's loan portfolio primarily consists of low-risk home mortgages. The weighted average loan-to-value ratio for the bank group's home loan portfolio is 58 per cent, compared to 57 per cent at the end of 2021. The loan-to-value ratio is calculated based on amounts drawn in the case of flexible secured loans.

The bank group has a balanced funding structure and the funding is based on customer deposits, issuance of securities and covered bonds, as well as borrowing in the Norwegian and international capital markets. The bank has established solid liquidity buffers. The volume of deposits from customers was NOK 19.5 billion (NOK 17.2 billion) at the end of the year, which represents a deposit-to-loan ratio of 39 per cent (44 per cent).

The bank group issued NOK 0.75 billion in senior bonds and NOK 5.9 billion in covered bonds during 2022. At year-end, Storebrand Bank ASA had NOK 29.0 billion in covered bonds issued by Storebrand Boligkreditt AS.

BUSINESS SEGMENTS

Storebrand Bank ASA is an online bank that offers traditional bank products to the Norwegian retail market. These services include home loans, consumer loans, instant access accounts and cards, as well as mobile and internet banking. The bank cooperates with several external partners, including the real estate agency chain Nordvik and the NGO Huseierne (Norwegian Home Owners Association).

Storebrand Bank ASA also offers a wide range of alternatives for bank savings and is the headquarters of the group's investment advice business to the retail market. Storebrand is also partnered with Dreams, which offers an innovative savings app that makes saving simple and fun, and the service Bli Gjeldfri (Become Debt Free), as part of the bank's consumer loan services.

At the end of 2022, the bank group had approximately 155,000 active customers, with a gross lending volume of NOK 50 billion and a volume of deposits of NOK 19.5 billion.

GROUP STRUCTURE AND SUBSIDIARIES

Subsidiary Storebrand Boligkreditt AS holds a licence to issue covered bonds secured by mortgages in residential property. The company had a balance sheet of NOK 39.1 billion (NOK 28.1 billion) at the end of 2022, and primarily serves as a funding tool. NOK 29.4 billion in covered bonds were issued. The volume of non-performing and impaired loans accounted for 0.10 per cent of gross lending at the end of 2022. The established lending programme has a AAA rating from S&P Global Rating Services.

RISK MANAGEMENT

A bank's core activities are linked to creating value through exposure to acceptable risk. The bank group is proactive in managing the risks in its business activities, has a good understanding of risks that result in earnings and losses and continuously works to develop systems and processes for risk management. The risk profile is considered low.

The risk in the bank group is closely monitored in accordance with guidelines for risk management and internal control that have been approved by the Board. The Board specifies the appetite for risk, risk strategy and risk limits on an annual basis. Separate risk strategies are prepared for the individual risks, with risk indicators and risk limits. The development of these parameters is monitored through risk reports to the Board.

Credit risk and liquidity risk are the principal risks for the bank group. The bank is also exposed to market risk, operational risk, including ICT risk, and compliance risk.

CREDIT RISK

As of 31 December 2022, the bank group had net lending to customers of NOK 49.9 billion. Total exposure as of 31 December 2022 also included loan commitments, unused credit facilities and guarantees totalling NOK 7.0 billion.

The lending volume, including loan commitments and unused credit facilities, amounted to NOK 56.9 billion. The credit quality of the portfolio is considered good, with a low to moderate risk in accordance with the bank's risk appetite. Almost the entire portfolio is secured in real estate. The portfolio's high collateral coverage indicates a limited risk of loss. New loans are granted in accordance with the regulations relating to new loans secured by a mortgage on residential property.

The average weighted loan to value ratio in the bank group is approximately 58 per cent (57) for mortgages. 51 per cent of home loans have a loan-to-value ratio within 60 per cent, 90 per cent are within 80 per cent and 99 per cent are within 100 per cent. Storebrand Bank ASA continually monitors the loan-to-value ratio and updates the market values every quarter.

The balance sheet for residential mortgages (line of credit secured by way of home mortgages) represents 9 per cent of the total exposure. The average utilisation rate on the lines of credit is 66 per cent.

At year-end, the bank group had deposited securities with a fair value of NOK 1,554 million as collateral for drawing rights to overnight loans at Norges Bank. In addition, there are deposited securities with a fair value of NOK 150 million to other credit institutions.

LIQUIDITY RISK

The Storebrand Bank Group has solid liquidity buffers. 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, in a given stress situation in the money and capital markets. The minimum LCR is 100 per cent. The bank reports LCR monthly. The LCR requirement is satisfied at all times of measurement. The bank group's LCR was 166 per cent at the end of the year. The overcollateralisation at Storebrand Boligkreditt AS is 32.3 per cent, and the statutory requirement is 5 per cent (covered bond premium). Storebrand Bank ASA also has a substantial volume on the bank balance sheet that can be sold to the mortgage credit institution. The bank therefore has major potential for issuing covered bonds.

The deposit-to-loan ratio at the Storebrand Bank Group was 39 per cent at the end of the year. For market financing, a great deal of importance is placed on having a balanced funding structure in relation to the different maturities, instruments, and issues in different markets. Among other things, the Storebrand Bank Group measures and assesses the Financial Supervisory Authority of Norway's "liquidity indicator 1" and NSFR when evaluating the bank's financing. The minimum requirement for NSFR is 100%. The Bank Group's NSFR was 125 per cent at the end of 2022.

MARKET RISK

The interest rate risk and spread risk in the liquidity portfolio represent the most important market risks. Overall, the market risk is low. There are very low limits for foreign exchange risk and there is no active investment strategy for shares. The bank has no trading portfolio.

OPERATIONAL RISK

The bank group manages operational risk by focusing on establishing good work and control routines. It also works systematically to create the right attitude among the bank group's employees. The most important measures to reduce operational risk are systematic risk reviews carried out at least every six months on all the bank group's activities, and also when starting projects or with special events. The most recent risk review was carried out in the second and third quarters of 2022. Operational risk is considered low.

The bank group's IT systems are vital for product establishment, credit approval, portfolio follow-up and accounting. Errors and disruptions can have consequences for operations and impact on customer trust. In the worst case, abnormal situations may result in penalties from supervisory authorities. Operations of the IT systems are outsourced to a considerable extent. The bank's system platform is based on purchased standard systems that are operated and monitored through service agreements. A lateral management model has been established with close supplier follow-up and internal control activities to reduce the risk associated with the development, management and operation of the IT systems and information security. The IT platform is stable and functions well.

COMPLIANCE RISK

The risk of incurring public sanctions or financial losses due to failure to comply with external and internal regulations is defined as the bank group's compliance risk. Storebrand Bank ASA is particularly focused on the risk relating to compliance and implementation of changes in the current legislation regarding customer protection, capital adequacy, liquidity management and the application of international accounting standards. Compliance risk is considered low.

FRAUD AND LEGAL DISPUTES

In 2022, Storebrand Bank ASA reported two cases of fraud to the police. The bank received a total of eleven customer complaints in 2022, compared with eight in 2021. Of these customer complaints, two were upheld, three were partly upheld (settlements), four were rejected and two are awaiting a final decision. Most of these matters were related to phishing and loan advice.

CAPITAL MANAGEMENT

CAPITAL ADEQUACY

The bank group had net primary capital of NOK 4.4 billion (NOK 3.3 billion) at the end of 2022. The capital adequacy ratio, core capital ratio and pure core capital ratio were 21.3 per cent, 17.2 per cent and 15.7 per cent respectively at year-end 2022, compared to 20.3 per cent, 16.8 per cent and 15.4 per cent at the end of 2021. The unweighted core capital ratio was 6.1 per cent at year-end 2022 compared with 5.9 per cent at year-end 2021. The bank group must always comply with the capital requirements with an adequate margin. The combined requirements for pure core capital, core capital and primary capital were 13.3 per cent, 14.8 per cent and 16.8 per cent respectively. The requirement for the unweighted core capital ratio is 3.0 per cent. The company has satisfactory financial strength and liquidity in relation to its business activities. The bank group, parent bank and home mortgage company all satisfy the current statutory requirements.

SUSTAINABILITY

Storebrand Bank offers banking products to retail market customers. Our objective is to have a close relationship with our customers and to know them so well that we can always help them with what they need. Customers must be assured that we put their needs first. Our objective clearly and concisely states what is most important to us: Create a future to look forward to.

The financial sector has a key role to play in achieving the United Nations Sustainable Development Goals (SDGs). Companies with sustainability at the core of their business strategy are well positioned to manage climate and sustainability risks and to exploit the opportunities these represent. There is a continually growing consensus that companies which have a strategy in line with the Sustainable Development Goals and the Paris Agreement are better positioned than others to achieve a return over time.

Storebrand shall take sustainability into consideration, both through our products and services and through our cooperation with suppliers and partners. This is a key part of the Group's strategy and brand. Our work is based on the following principles:

- We base our activities on the United Nations Sustainable Development Goals.
- We will assist our customers in making more sustainable choices through the products and services that we offer.
- We are a responsible employer.
- We will consider sustainability in all processes and decisions – from the boards and executive management, who have ultimate responsibility, to each individual manager and employee.
- We cooperate with customers, suppliers, government authorities and partners in our work with sustainability.
- We are transparent about our sustainability work and about the results we achieve.

As an integrated part of the Storebrand Group, Storebrand Bank has the same principles for sustainability as the Group as a whole.

With Boliglån Fremtid and the associated communication concept, the bank will encourage customers to have energy efficient homes. When borrowing, the customer is made aware of the home's energy label (energimerke). The customers then become part of a communication process, which involves tips and advice on possible measures for profitable energy efficiency in their homes. The bank has also introduced the lowest list price for financing residential properties with energy labels A and B. The bank has launched the Miljøtiltakslån (Environmental Initiative Loan) in cooperation with Huseierne. This cooperation provides customers with access to an energy advisor, Huseierne's purchasing agreements and favourable financing with Miljøtiltakslån. Storebrand Bank has also issued a covered green bond. The bond finances mortgages with energy classes A and B, as well as residential properties with a TEK 10 standard or newer.

CLIMATE RISK

Storebrand Bank is a retail bank with everyday banking services, and deposit and lending products. The bank does not offer lending/credit products for small and medium-sized enterprises. The bank therefore has no direct exposure to companies in the fossil fuel sector, energy-intensive companies, or companies with high direct or indirect emissions of greenhouse gases (CO_2). The climate risk for the banking business is considered to be low, both in terms of transition risk and physical risk, as well as specifically per risk.

TRANSITION RISK

The transition risk is greatest for the business when there is a rapid transition to low emissions. Rapid restructuring may lead to higher unemployment and lower employment. This has a negative effect on wage growth and may impact the ability of customers to service debt. Weaker developments in the labour market and wage growth, as well as potential political uncertainty, may have a negative impact on the housing and property markets. The transition risk could therefore result in a higher percentage of non-performing loans, weaker development in the value of security and thus higher losses given default that have a negative impact on earnings. Growth may be lower, which could also result in weaker profitability. The transition risk is considered low for the banking business.

ENERGY CLASSIFICATION AND ENERGY CONSUMPTION IN THE LOAN PORTFOLIO

Energy consumption in residential properties accounts for a large part of total energy consumption in Europe. Residential properties have highly varying degrees of energy efficiency. Energy classification of residential properties and properties shall provide an assessment of the energy efficiency, and energy classification is a requirement when selling residential properties.

In the event of a rapid transition to low emissions, residential properties with a poor energy classification may experience weaker price growth than residential properties with a good energy classification. This poses a transition risk. The risk is divided between customers and the bank. Such a development will result in weaker security and higher losses given default for the bank than for the average residential property in terms of energy class.

The Directive on the Energy Performance of Building (Building Directive) will have a significant impact on residential properties in the weakest energy class ”G”. The proposal from the European Commission is that these types of residential properties must be renovated and have a minimum energy class of ”F” from 2030. It can therefore be challenging to have a large portfolio of Class ”G” residential properties. Pursuant to the Building Directive, all new properties from 2030 must be zero-emission properties. This may also lead to restructuring effects in the housing market.

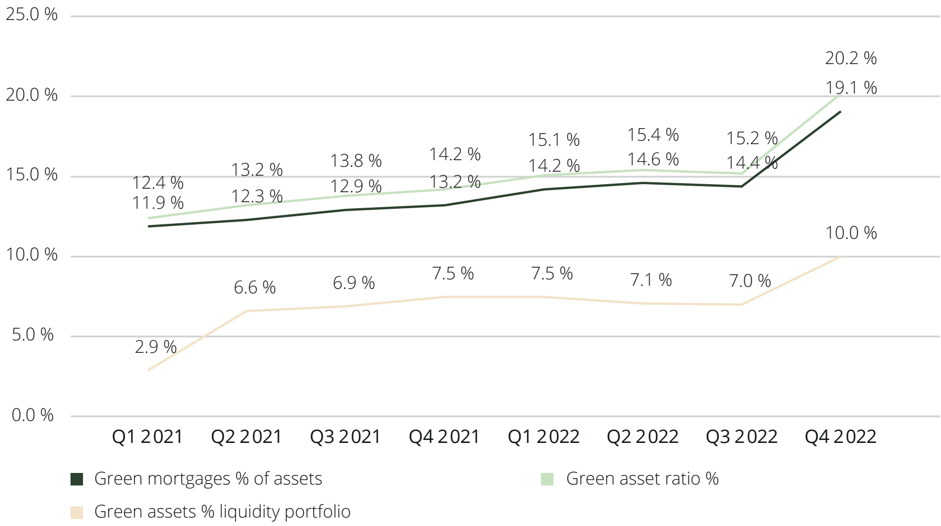
Storebrand has an energy class for a larger proportion of the mortgage portfolio than the rest of the market. The probable reason is that large parts of the bank’s portfolio are in Oslo and central parts of Eastern Norway, where there is the greatest housing market liquidity. The bank’s primary lending product ”Boliglån Fremtid” presupposes the implementation of energy classification, which has a positive effect on the proportion of energy-classified residential properties. The table below shows the bank’s loan portfolio based on energy labels. A separate row has also been added for residential properties with the standards TEK 10 and TEK 17. It is expected that these residential properties will have a minimum energy label of ”B”.

LENDING VOLUME AT STOREBRAND BANK

Divided into energy classes and technical standard at the end of the fourth quarter of 2022. The green share is the volume in ”A”, ”B” or ”TEK 10 / TEK 17” in relation to the lending volume.

Energy label/technical standard	Lending volume (NOK million)
A	427
B	6,585
TEK 10 / TEK 17	3,806
C	1,681
D	6,884
E	8,129
F	5,536
G	12,770
Missing data	3,661
Green share	**20.2%**

The green share of the loan portfolio is defined as loans with security in residential properties with an ”A”, ”B” or ”TEK 10/TEK 17” classification in relation to the loan portfolio. Storebrand’s green share was therefore 20.2% at the end of the fourth quarter of 2022.



PHYSICAL RISK FROM THE LOAN PORTFOLIO

Storebrand's loan portfolio is to some extent exposed to physical risk. This particularly applies to physical risk associated with the mortgaged items. Eiendomsverdi (online portal that provides property information) collects various data on property mortgages where the risk of various natural hazards has been included. The data is collected from the Norwegian Water Resources and Energy Directorate (NVE). The most significant natural hazards are quick clay, various forms of landslides and flood risk, which includes both storm surges and flood zones. The mortgaged items are exposed to these risks to varying degrees. It is a requirement that the mortgaged items are insured, and that the policyholder is insured against this type of natural damage. However, the development in market value may be weaker for items that are at a greater risk from natural hazards than items that are less exposed.

THE BANK'S LOAN PORTFOLIO DIVIDED INTO DIFFERENT PRECAUTIONARY AREAS

Physical Risk	NOK million	Share
Precautionary Area - Flood	3,428	7 %
Precautionary Area - Avalanche	950	2 %
Precautionary Area - land flood	220	0 %
Hazard level - Quick Clay	663	1 %
Not exposed	44,218	89 %
Lending balance	**49,479**	**100 %**

STORM SURGE RISK IN LOAN PORTFOLIO OF BANK BUSINESS – IN 2022, IN 2050 AND IN 2090

Loans in NOK million	2022	2050	2090
Mean high water	105	105	200
Mean high water, storm surge - 20-year storm surge	156	199	183
20 - 200-year storm surge	49	54	112
200 - 1,000-year storm surge	81	84	101
Not exposed	49,087	49,035	48,883
Lending balance	**49,479**	**49,479**	**49,479**

LENDING BALANCE ACCORDING TO DIFFERENT PRECAUTIONARY AREAS FOR FLOODING

	Lending balance (NOK million)	Lending balance - share
Precautionary Area - Flood	3,428	6.93%
Precautionary Area – Flood zone 10 years	60	0.12%
Flood zone 10 years – 20 years	13	0.03%
Flood zone 20 years – 50 years	7	0.01%
Flood zone 50 years – 100 years	33	0.07%
Flood zone 100 years – 200 years	88	0.18%
Flood zone 200 years – 500 years	14	0.03%
Flood zone 500 years – 1,000 years	132	0.27%
Not exposed	45,705	92.37 %
Lending balance - Bank Group	**49,479**	**100.00 %**

The physical climate risk for the banking business is considered low because the proportion of loans that are approved in areas with established physical risk is limited. However, there is uncertainty associated with the risk of natural hazards. For the bank portfolio, it is difficult to determine the risk associated with damage caused by urban runoff. This particularly applies in urban areas, where urban runoff measures and drainage systems may be undersized in relation to the amount and intensity of rainfall.

PEOPLE

The bank group and Storebrand Bank ASA had 169 employees at the end of the year, which was an increase of three from the previous year. 35 per cent of these are women (39 per cent). The average age of our employees is 39 and the average term of service is nine years. The proportion of female managers at the bank at the end of 2022 was 46 per cent and is above the Group's target of 40 per cent.

"People first, digital always" is the title of Storebrand's People strategy. The strategy is designed to enable our organisation to adapt to continuous changes in an increasingly more digitised world and deliver on ambitious business targets.

In 2022, we seriously got to work on developing what the hybrid working day at Storebrand looks like. We have called this "Future Storebrand", and it is something that each department and team navigated and adjusted continuously as required throughout the year. This flexibility has proven to work well and created freedom and efficiency for employees during a year that was also characterized by somewhat more uncertainty and shifts in the markets. After long periods of pandemic, this year also provided us with new opportunities to physically collaborate, something which was especially important for continuing to build and develop the good organisational culture and affiliation.

During the year we saw the high degree of commitment through our employee surveys continue, and used these measurements for several topics throughout the year. We will use the results from this to create the best workplace that is to the benefit of our employees, the company and society.

A CULTURE OF LEARNING

Our ambition is to develop a culture of learning with a high level of psychological safety which enables one to dare to experiment, make mistakes, be open about the tasks that can be mastered, and in which one feels safe to provide input, different perspectives and feedback. Our culture of learning must also be characterised by each person experiencing and taking responsibility for both their own development and that of others. In addition to a strong culture of learning, we must offer targeted and adequate knowledge networks, courses and programmes via platforms that deliver a good learning experience and provide us with a database to constantly improve the services that are offered.

Storebrand is committed to ensuring that all employees have the opportunity to further develop their own skills and expertise. Competence building is important for ensuring personal development and mastery, and for Storebrand to have the expertise we need to deliver value to our customers at all times. Employees shall be given the opportunity to learn during the entire employment relationship, and this will also enable them to become attractive in the labour market if they apply for positions in other companies.

We offer courses and training programs and stimulate learning and the sharing of experiences through the work that is done each and every day. As an employer, it is our job to provide exciting tasks, new challenges and interaction across organisational units. Employees are encouraged to take the initiative to acquire new insight and new experiences. Managers and employees have a shared responsibility to contribute to evaluations and feedback that can provide continuous improvements. All advisers who communicate with customers are required to be authorised within both non-life and personal insurance through the finance industry's authorisation scheme (Finansnæringens autorisasjonsordning).

DIVERSITY AND EQUALITY

It is important that Storebrand's organisation and business activities reflect our customers and the market in which we operate. Storebrand aims to be a good workplace for everyone, regardless of their background. We strongly believe in building an agile organization and a culture of trust, inclusion and belonging. Independent sustainability analyses show that companies that focus on diversity are more innovative and profitable. We need to attract the best talent in order to create a future to look forward to for our customers, employees and society.

We always strive to be an organization that is characterized by inclusion and belonging. All employees at Storebrand shall be treated equally regardless of age, gender, disability, cultural background, religious belief, or sexual orientation, both in recruitment processes and throughout their employment. We have zero tolerance for harassment and discrimination.

In 2022, 57 per cent of the company's Board members were women. 45 per cent of the employees with managerial responsibility at the company are women.

Storebrand's work on gender equality, human resource management, working environment and ethical regulations is described in more detail in the chapters entitled People and Keeping our house in order in Storebrand's annual report, and in the separate report on Gender Equality and Discrimination.

FINANCIAL REMUNERATION

Storebrand's financial remuneration shall help to attract, develop and retain qualified, motivated and adaptable employees who contribute to long-term value creation in the Group. Storebrand's guidelines for remuneration are described in more detail in the chapters entitled "Shareholder Matters" and "Corporate governance" in Storebrand's annual report.

CORPORATE GOVERNANCE AND COMPLIANCE

Ethical practices at all levels of the organisation are a prerequisite for us being able to retain and continue to build trust among our customers, government authorities, shareholders, and society in general. Their trust in us is based on how we manage our business activities and the conduct of each individual employee. All employees must complete compulsory courses in ethics, anti-corruption, privacy, information security and anti-money laundering each year.

PRIVACY AND DIGITAL TRUST

In today's digital world, we live with an increased risk that personal data may go astray, be stolen or be shared with unauthorised parties. Our customers must be able to trust that we manage their personal data in a responsible manner. This requires us to have good security measures, a well-established framework for privacy and proper compliance with this. In addition, our employees need to know how to manage personal data in a prudent manner in both their day-to-day work and in our activities in general.

ANTI-CORRUPTION WORK

Corruption is a criminal offence in all countries where Storebrand operates. It is also one of the most important causes of poverty in many parts of the world. Potential corruption cases reduce trust in us as a company and can also contribute to reducing trust in the financial and insurance industry in general. Corruption is also detrimental to healthy competition in all industries. We therefore need to work purposefully to combat this form of crime.

At Storebrand, we have zero tolerance for corruption and other financial misconduct. We work continuously to identify internal areas where the risk of corruption is high or higher than elsewhere in the business. We also have several measures in place to prevent fraud. Furthermore, we work systematically with our suppliers and partners to ensure that corruption does not take place in our relations with them, and that they have a conscious attitude towards combating corruption in their operations.

INFORMATION SECURITY

Storebrand is a company with significant influence over the society in which we live. The financial industry has been extensively digitalised, and as a financial institution, our digital solutions and infrastructure are critical to society. We manage large amounts of information for our customers. We are also an attractive target for several threat actors due to our market position, customers, suppliers, partners, and employees.

Cyberattacks are becoming increasingly more sophisticated. When combined with a hybrid working day, this increases the risk of not being able to detect undesirable activity. If we are hit by a cyber-attack, this can test customer trust, lead to temporary loss of services, and potentially involve a high cost in connection with restoring systems and data. Information security is therefore important for creating assurance and is a prerequisite for retaining the trust of our customers, the Group's reputation, and our competitiveness.

Information security involves ensuring that information is correct and that it is accessible to those who shall have access to the information, when they need it. We work with information security by viewing people, processes, and technology as a whole. For Storebrand to operate a sustainable financial business and increase our innovative power in the years ahead, secure and stable IT solutions and infrastructure will be required. We therefore continuously work with information security to manage risk and to strengthen our resilience. This also contributes to sustainable value creation for Storebrand, our owners, and our customers.

WORK TO COMBAT MONEY LAUNDERING AND TERROR FINANCING

Storebrand is a key player in the Nordic financial market. We therefore have a special responsibility to avoid being misused in connection with terrorist financing, money laundering or other forms of financial crime. Our customers, owners and society in general expect us to effectively fulfil this responsibility.

We work systematically and continuously to ensure that Storebrand's companies are not used for money laundering, terror financing or other forms of financial crime. Among other things, this means that we act consistently and in compliance with relevant legislation in connection with matters relating to money laundering, terror financing and other forms of financial crime.

RESPONSIBLE RESOURCE USE

At Storebrand, sustainability is an integrated part of our business strategy. We set requirements for suppliers and partners. However, we also want to lead by example. That is why we work to ensure that our business activities are as sustainable as possible. We have committed to setting science-based targets for our emissions that are in line with the Paris Agreement.

A SUSTAINABLE VALUE CHAIN

Procurement is an area where we can have a major impact by influencing our suppliers into engaging in more sustainable practices. To make our business activities more efficient, we have increased the use of outsourcing. This requires stricter procedures for monitoring working conditions, safeguarding human rights, and managing the environmental impact in the value chain

A key objective is to avoid agreements with suppliers where production processes or products violate international agreements, national legislation, or internal guidelines. Through our own business operations and procurement activities, we aim to contribute to sustainable development and to ensure that human rights and workers' rights are not infringed. In order to identify risks associated with human rights violations and protection of labour rights, Storebrand has established joint routines at the Group in accordance with the Transparency Act in order to assess risk in relation to suppliers and own operations.[1] The chapter in the Group's annual report entitled "Keeping our house in order" provides a more detailed description of how Storebrand has worked to identify risk and prepare the organisation for compliance with the reporting requirements. We are also working to maintain a high proportion of environmentally certified suppliers in order to meet climate-related targets. [2]

1) A report concerning the Transparency Act will be published in the Sustainability Library (bærekraftsbiblioteket) by 30 June 2023. Read more about our policies at the Sustainability Library: https://www.storebrand.no/en/sustainability/sustainability-library
2) Eco-Lighthouse, EMAS, ISO14001 and Swan Mark.

We have defined three specific climate targets for all of our suppliers and partners:

- By 2025, the goal is that all suppliers have set short- and medium-term verifiable emission reduction targets.
- By 2025, the goal is that all suppliers will be climate neutral. [3]
- The goal is that the entire value chain for our deliveries will be climate neutral by 2030.

WORKING ENVIRONMENT AND HSE

Storebrand's absence due to illness has been at a stable low level for many years. Absence due to illness among Storebrand Bank employees was 3.47 per cent in 2022. Storebrand has been an "inclusive workplace" (IA) company since 2002 and, over the years, the Group's managers have built up routines for following up employees who are ill. Absence due to illness and overtime are regularly monitored by the Cooperation Committee (Samarbeidsutvalget - SU) in each group area, which consists of the Executive Vice President, employee representative, safety representative and People Business Partner. Mandatory HSE courses are required for members of the Working Environment Committee and safety representatives.

Managers are encouraged to discuss ethics, ethical dilemmas, information security, financial crime and HSE at departmental meetings. This is followed up and further measures are implemented when required. Storebrand also considers it to be important that employees learn more about HSE to improve employee well-being and safety. In 2022, Storebrand therefore chose to focus on HSE by combining several HSE-related activities into a dedicated HSE week.

Storebrand had 0 personal injuries in 2022. There were also no reports of accidents or property damage.

INSURANCE FOR BOARD MEMBERS AND COMPANY MANAGEMENT

The Board and senior executives are covered by the company's ongoing directors' liability insurance. This has been placed with insurers with a solid rating. Within the framework of the insurance coverage, the insurer will pay compensation for economic loss resulting from claims brought against the insured persons for personal management liability during the insurance period.

CORPORATE GOVERNANCE

The bank group's systems for internal control and risk management linked to the accounting process adhere to Storebrand Group guidelines. The Board decides upon the guidelines annually. In addition, the bank group purchases all bookkeeping and financial reporting services from Storebrand Livsforsikring through service contracts.

The management and Board of Storebrand ASA consider the principles for corporate governance every year. Storebrand ASA established principles for corporate governance in 1998. In accordance with Section 3-3b of the Accounting Act and the Norwegian recommendation for corporate governance (most recently revised on 14 October 2021), Storebrand presents a report on its principles and practices for corporate governance. For a more detailed report on Storebrand's corporate governance in accordance with Section 3-3b of the Accounting Act, see the specific article on this in the Storebrand Group's annual report for 2022.

The bank group publishes four interim financial statements, in addition to the ordinary annual financial statements. The financial statements must satisfy legal and regulatory requirements and be prepared in accordance with the adopted accounting policies and published according to the schedule adopted by the Board of Storebrand ASA. The bank's financial statements are prepared by the Group Accounts department of Storebrand Livsforsikring AS, which is under the Storebrand Group's CFO. Key managers in Group Accounts have a fixed annual remuneration that is not affected by the group's financial results. A series of risk assessment and control measures have been established in connection with the preparation of the financial statements. Internal meetings are held, as well as meetings in which external auditors participate, to identify risk conditions and measures in connection with significant accounting items or other circumstances. Corresponding quarterly meetings are also held with various professional centres in the group that are key to the assessment and valuation of lending and financial instruments, as well as other items for assessment. These meetings have a particular focus on any market changes, specific conditions

3) This objective allows suppliers to compensate for emissions they are unable to cut in the short-term through the purchase of emission allowances.

relating to default trends, individual loans and investments, transactions, and operational conditions etc. Assessments relating to significant accounting items and any changes in principles etc. are described in a separate document (assessment item memo). The external auditor participates in board meetings that deal with the annual accounts and in meetings of Storebrand ASA' audit committee. Monthly and quarterly operating reports are prepared in which the results per business area and product area are analysed and assessed against set budgets. The operating reports are reconciled against other financial reporting. Otherwise, continuous reconciliation of specialist systems, etc. takes place against the accounting system.

The work of the Board is regulated by special rules of procedure for the Board. The Board of Storebrand ASA has also adopted an executive "Steering Document for Management and Control in the Storebrand Group" and a set of instructions for the boards of subsidiary companies. These documents describe how guidelines, plans and strategies adopted by the Group's Board of Directors are expected to be followed, as well as how risk management and control is to be performed in the Group. The Board of Storebrand ASA has three advisory sub-committees that are common to the Storebrand Group: The Compensation Committee, Audit Committee and Risk Committee.

The bank has no provisions in the Articles of Association or authority that enable the Board to decide that the company may buy back or issue its own shares or capital certificates.

CHANGES IN THE COMPOSITION OF THE BOARD

Joachim Collett Thue was elected as an employee representative and replaces Kenneth Holand, who was previously an employee representative.

GOING CONCERN

The Board confirms that the prerequisites for the going concern assumption exist and accordingly the annual report has been prepared based on the going concern principle.

EVENTS AFTER THE BALANCE SHEET DATE

During the normal course of its business, the Storebrand Bank Group is involved in legal proceedings and disputes. The Board is not aware of any events of material importance to the annual and consolidated financial statements that have occurred since the balance sheet date.

STRATEGY AND OUTLOOK FOR 2023

The past few years have been turbulent, with first a pandemic and then war on the European continent. This has resulted in extensive intervention in the financial markets, and a volatile interest rate market with a rapidly increasing yield curve from Norges Bank throughout 2022. The expectation at the end of 2022 was that the peak interest rate will soon be reached, however there is more uncertainty than there has been for a long time and many households are feeling the effects of higher mortgage rates, price inflation and the energy crisis on their daily finances.

Despite turbulent markets, Storebrand Bank experienced strong growth during the entire period, and built a clear value proposition based on good advice with home exchange as the focus. This work shall continue into 2023 and will include further ambitions for growth.

The principal focus will still be on home loans and active recruitment of new customers, as well as expanding the services used by existing customers within savings and insurance. In parallel with this, several initiatives have been introduced to streamline the bank's operations, through better customer experiences that require less manual effort. This includes upgraded online and mobile banking, as well as the implementation of a new CRM tool (Salesforce) across the Group's retail market. We will also continue the work on improving and digitalising the most important customer experiences within home loans and ensure that there is an overall focus on both credit services and deposits. The bank will also prioritise maintaining a moderate to low risk profile with a good balance sheet and good funding composition.

Sound management of the bank's credit and liquidity risk, and control of the operational risk in key work processes will continue to be a vital focus in 2023. 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, are regarded as the key risk factors that can affect the results of the Storebrand Bank group in 2023.

FINANCIAL RESULT FOR STOREBRAND BANK ASA

The annual profit for the parent bank Storebrand Bank ASA was NOK 159 million (NOK 184 million) in 2022. Net interest income for Storebrand Bank ASA was NOK 387 million (NOK 238 million) in 2022. A net amount of NOK 8 million was expensed (NOK 12 million recognised as income) for write-downs on loans for the year.

The parent bank had total assets of NOK 28.1 billion (NOK 24.9 billion) at year-end. Gross lending in the parent bank amounted to NOK 12.5 billion (NOK 12.6 billion). Equity in the parent bank at the end of the year amounted to NOK 3.4 billion (NOK 2.7 billion). The net capital base at year-end after giving group contributions amounted to NOK 4.2 billion (NOK 3.2 billion). The company's capital adequacy was 30.6 per cent (28.2 per cent) and the pure core capital adequacy was 22.3 per cent (21.2 per cent).

The bank group's activities, except for activities in Storebrand Boligkreditt AS, are run by the parent bank. Part of the bank group's retail market business area is in Storebrand Boligkreditt AS. Other profit and balance sheet trends for the parent bank are covered in the description of the bank group above.

ALLOCATION OF PROFIT

Storebrand Bank ASA (the parent bank) achieved an annual profit for 2022 of NOK 159.5 million.

The Board proposes that a group contribution of NOK 208.0 million be paid to Storebrand ASA, of which NOK 203.0 million is with tax effect and NOK 5.0 million is without tax effect. The Board considers the bank group and Storebrand Bank ASA's capital situation to be good given the risk profile and proposes the following allocation of the profit for the year to the bank's general meeting:

Amounts in NOK million	
Group contribution after tax	-157.2
Transferred to other equity	-2.3
Total allocations	**-159.5**

Storebrand Bank ASA provides group contributions to the subsidiary Storebrand Boligkreditt AS of NOK 272.1 million without tax effect.

Lysaker, 7 February 2023
The Board of Directors of Storebrand Bank ASA

Translation – not to be signed

Heidi Skaaret
Board Chair

Karin Greve-Isdahl

Leif Helmich Pedersen

Jan Birger Penne

Maria Skotnes

Gro Opsanger Rebbestad

Joachim Collett Thue

Camilla Leikvoll
CEO

Notes to the accounts

Storebrand Bank Group
Income statement
1 January - 31 December

(NOK million)	Note	2022	2021
Interest income and similar income			
Interest income calculated by using the effective interest method		1,341.4	724.8
Other interest income		58.8	41.9
Total interest income and similar income	11	**1,400.2**	**766.7**
Interest expenses and similar expenses			
Interest expenses calculated by using the effective interest method		-763.4	-229.3
Other interest expenses		-26.5	-28.6
Total interest expenses and similar expenses	11	**-789.9**	**-257.9**
Net interest income	11	**610.4**	**508.8**
Fee and commission income from banking services	12	124.5	113.1
Fee and commission expense for banking services	12	-26.3	-23.2
Income fra shares, units and other equity instruments		5.0	0.0
Net change in fair value and gain/loss on foreign exchange and financial instruments	11	-34.6	15.7
Other operating income		0.0	1.0
Total other operating income		**68.6**	**106.6**
Staff expenses	14, 15	-180.4	-165.6
Other operating expenses	13, 14	-186.5	-156.3
Depreciation of non-financial assets	14, 29	-16.5	-17.1
Impairment of non-financial assets	14, 29	0.0	-12.8
Total operating expenses excl. credit loss on loans, etc.		**-383.5**	**-351.8**
Profit before credit loss on loans, etc.		**295.5**	**263.6**
Credit loss on loans, guarantees and interest-bearing securities	16	-14.2	12.0
Profit before tax for continued operations		**281.3**	**275.6**
Tax on profit from continued operations	17	-67.6	-63.8
Profit incl. tax from continued operations		**213.7**	**211.8**
Profit incl, tax from discontinued operations'		0.0	0.0
Profit before other comprehensive income		**213.7**	**211.8**

Storebrand Bank Group
Income statement continues

(NOK million)	Note	2022	2021
Other comprehensive income			
Other income and expenses not to be reclassified to profit/loss			
Changes in estimates related to defined benefit pension plans		1.1	0.3
Tax		-0.3	-0.1
Total other income and expenses not to be reclassified to profit/loss		**0.8**	**0.2**
Other income and expenses that may be reclassified to profit/loss			
Change in unrealised gain/loss on loans valued at fair valute through other comprehensive income (OCI)			0.7
Tax			-0.2
Total other income and expenses that may be reclassified to profit/loss			**0.6**
Total other income and expenses		**0.8**	**0.8**
Total comprehensive income for the period		**214.5**	**212.6**
Total comprehensive income for the period is attributable to:			
Portion attributable to shareholders		200.4	203.8
Portion attributable to additional Tier 1 capital holders		14.1	8.8
Total comprehensive income		**214.5**	**212.6**

Storebrand Bank Group
Statement of financial position
31 December

ASSETS

(NOK million)	Note	2022	2021
Cash and deposits with central banks	18	7.5	313.0
Loans to and deposits with credit institutions	9, 18	108.5	67.4
Loans to customers	4, 9, 18, 24, 25, 26, 27, 28	49,926.4	39,000.6
Interest-bearing securities	4, 9, 18, 19, 20	6,394.9	5,805.9
Financial derivatives	9, 18, 22, 31	52.7	56.5
Equity instruments	9,18, 21	42.2	40.1
Intangible assets	29	31.7	44.4
Deferred tax assets	17		3.5
Other current assets	18	67.2	41.1
Total assets		**56,631.2**	**45,372.3**

Storebrand Bank Group
Statement of financial position
31 December

LIABILITIES AND EQUITY

(NOK million)	Note	2022	2021
Loans and deposits from credit institutions	5, 9, 18	403.0	502.0
Deposits from and due to customers	9, 18, 30	19,477.8	17,238.8
Debt securities issued	5, 9, 18, 31	32,290.0	23,922.7
Financial derivatives	5, 9, 18, 22, 31	67.5	51.1
Other current liabilities	5, 18, 33	130.0	80.8
Pensions	15	1.7	3.0
Tax payable	17	50.8	58.6
Deferred tax	17	9.7	
Provisions for guarantees and unused credit facilities	27	9.8	8.7
Other provisions	32	2.1	0.9
Subordinated loans	5, 9, 18	828.0	575.9
Total liabilities		**53,270.4**	**42,442.6**
Share capital		963.6	962.1
Share premium		628.0	404.5
Additional Tier 1 capital		326.9	225.7
Other paid in equity		808.1	728.1
Total paid in equity		2,726.6	2,320.4
Other equity		634.3	609.4
Total retained earnings		634.3	609.4
Total equity	36	**3,360.9**	**2,929.7**
Total liabilities and equity		**56,631.2**	**45,372.3**

Lysaker, 7 February 2023
The Board of Directors of Storebrand Bank ASA

Translation - not to be signed

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CEO

Storebrand Bank Group
Consolidated statement of changes in equity

	Paid in equity					Other equity		
(NOK million)	Share capital	Share premium	Additional Tier 1 capital	Other paid in equity	Total paid in equity	Other equity	Total retained earnings	Total equity
Equity at 31.12.2020	960.6	156.0	225.7	728.1	2,070.3	468.7	468.7	2,539.0
Profit for the period			8.8		8.8	203.0	203.0	211.8
Total other income and expenses not to be classified to profit/loss						0.2	0.2	0.2
Total other income and expenses that may be classified to profit/loss						0.6	0.6	0.6
Total other comprehensive income						**0.8**	**0.8**	**0.8**
Total comprehensive income for the period			**8.8**	**0.0**	**8.8**	**203.8**	**203.8**	**212.6**
Equity transactions with owners:								
Capital injection	1.5	248.5			250.0			250.0
Additional Tier 1 capital classified as equity						2.2	2.2	2.2
Payment to additional Tier 1 holders			-8.8		-8.8			-8.8
Group contribution paid						-65.3	-65.3	-65.3
Equity at 31.12.2021	**962.1**	**404.5**	**225.7**	**728.1**	**2,320.4**	**609.4**	**609.4**	**2,929.7**
Profit for the period			14.1		14.1	199.6	199.6	213.7
Total other income and expenses not to be classified to profit/loss						0.8	0.8	0.8
Total other income and expenses that may be classified to profit/loss								
Total other comprehensive income						**0.8**	**0.8**	**0.8**
Total comprehensive income for the period			**14.1**		**14.1**	**200.4**	**200.4**	**214.5**
Equity transactions with owners:								
Capital injection	1.5	223.5			225.0			225.0
Additional Tier 1 capital classified as equity			100.0		100.0	3.5	3.5	103.5
Payment to additional Tier 1 holders			-12.9		-12.9			-12.9
Group contribution received				80.0	80.0			80.0
Group contribution paid						-179.0	-179.0	-179.0
Equity at 31.12.2022	**963.6**	**628.0**	**326.9**	**808.1**	**2,726.6**	**634.3**	**634.3**	**3,360.9**

The equity changes with the result for the individual period, equity transactions with the owners and items that are entered directly to total comprehensive income. Share capital, the share premium reserve and other equity is evaluated and managed together. The share premium and other equity may be used in accordance with the provisions of the Public Limited Liabilities Company Act.

Storebrand Bank ASA actively manages the level of equity in the company and bank group. The capital level is tailored to the economic risk and capital requirements in which the composition of its business areas and their growth will be an important driver.The goal of the capital management is to ensure an effective capital structure and secure an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new capital, this must be issued by the holding company Storebrand ASA.

Storebrand Bank ASA is a financial group subject to statutory requirements regarding primary capital under the capital adequacy regulations. Primary capital encompasses both equity and subordinated loan capital. For Storebrand Bank ASA, these legal requirements are most important in its capital management.

For further information on the group's fulfilment of the capital requirements, see note 36.

Storebrand Bank Group
Statement of cash flow
1 January - 31 December

(NOK million)	Note	2022	2021
Cash flow from operating activities			
Receipts of interest, commissions and fees from customers		1,466.2	918.1
Payments of interest, commissions and fees to customers		-152.3	-63.9
Net disbursement/payments on customer loans		-10,930.5	-7,208.2
Net receipts/payments of deposits from banking customers		2,239.0	1,732.5
Net receipts/payments - securities		-478.0	1,875.8
Payments of operating costs		-479.0	-407.1
Net cash flow from operating activities		**-8,334.5**	**-3,152.8**
Cash flow from investing activities			
Net payments on purchase/sale of fixed assets etc.	29	-3.9	-6.3
Net cash flow from investing activities		**-3.9**	**-6.3**
Cash flow from financing activities			
Payments - repayments debt securities issued	5	-1,432.5	-2,106.0
Receipts - new debt securities issued	5	9,822.1	6,429.7
Payments - interest on debt securities issued		-598.0	-241.3
Receipts - subordinated loans		400.0	300.0
Payments - repayments of subordinated loans		-150.0	
Payments - interest on subordinated loans		-22.2	-7.1
Receipts - Tier 1 capital		100.0	
Payments - interest on additional Tier 1 capital		-12.9	-8.8
Receipts - new loans from credit institutions	5	16,690.1	4,633.9
Payments - repayment of loans to credit institutions	5	-16,789.3	-5,783.7
Receipts - issuing of share capital and other equity		225.0	250.0
Payments - group contribution		-158.0	-80.0
Net cash flow from financing activities		**8,074.1**	**3,386.7**
Net cash flow in the period		**-264.3**	**227.6**
Cash and bank deposits at the start of the period		380.4	152.8
Cash and bank deposits at the end of the period		**116.1**	**380.4**
Cash and deposits with central banks		7.5	313.0
Loans to and deposits with credit institutions		108.5	67.4
Total cash and bank deposits in the balance sheet		**116.1**	**380.4**

See note 34 for information about undrawn credit limits.

Notes
Storebrand Bank Group

Note 1 - Company information and accounting policies

1. COMPANY INFORMATION

Storebrand Bank ASA is a Norwegian public limited company with bonds listed on the Oslo Stock Exchange. The consolidated financial statements for Storebrand Bank ASA for 2022 were approved by the Board of Directors on 7 February 2023.

Storebrand Bank ASA is an online bank that offers traditional bank products to the Norwegian retail market. These services include home loans, consumer loans, instant access accounts and cards, a variety of savings accounts, as well as mobile and internet banking. Storebrand Bank ASA is headquartered at Professor Kohts vei 9, Lysaker.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The accounting policies applied in the consolidated financial statements are described below. The policies are applied consistently to similar transactions and to other events involving similar circumstances.

Storebrand Bank ASA's consolidated financial statements are presented using EU-approved International Financial Reporting Standards (IFRS) and related interpretations, as well as other Norwegian disclosure requirements laid down in legislation and regulations.

USE OF ESTIMATES IN PREPARING THE ANNUAL FINANCIAL STATEMENTS.
The preparation of the annual financial statements in accordance with IFRS requires the management to make judgements, estimates and assumptions that affect assets, liabilities, revenue, expenses, the notes to the financial statements and information on potential liabilities. Actual amounts may differ from these estimates. See Note 2 for further information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR MATERIAL STATEMENT OF FINANCIAL POSITION ITEMS

The assets side of the bank group's statement of financial position primarily consists of financial instruments. Loans with variable interest are measured at fair value with the change in value through other income and costs (OCI), while loans with fixed interest are measured at fair value though profit or loss. Interest-bearing securities are measured at amortized cost or at fair value through profit or loss. Shares and derivatives are measured at fair value through profit or loss. Other financial instruments are measured at amortised cost. Intangible assets are also included on the balance sheet. Intangible assets are measured at cost minus any depreciation and are tested for impairment at least once a year. The liabilities side primarily consists of financial instruments (liabilities) that are measured at amortized cost.

The accounting policies are described in more detail below.

4. CHANGES IN ACCOUNTING POLICIES

No new accounting standards were implemented in 2022 that have had a significant impact on the company or consolidated financial statements for Storebrand Bank ASA. For changes to estimates, see the detailed overview on this in Note 2.

There are new standards or changes to standards that had not come into effect when the 2022 financial statements were prepared that are expected to have material effects on the consolidated financial statements.

5. CONSOLIDATION

The consolidated financial statements include Storebrand Bank ASA and companies where Storebrand ASA has a controlling interest. A controlling influence is normally achieved when the Group owns, either directly or indirectly, more than 50 per cent of the shares in the company and the Group is in a position to exercise actual control over the company. Minority interests are included in the Group's equity.

Storebrand Boligkreditt AS is a directly owned subsidiary of Storebrand Bank ASA and the company is consolidated into the group.

ELIMINATION OF INTERNAL TRANSACTIONS
Internal receivables and payables, internal gains and losses, interest, dividends and similar between companies in the Group are eliminated in the consolidated financial statements. This also includes Storebrand Bank ASA's investments in covered bonds issued by Storebrand Boligkreditt AS.

6. BUSINESS COMBINATIONS

The acquisition method is applied when accounting for acquisition of businesses. The consideration is measured at fair value. The direct acquisition expenses are recognised when they arise, with the exception of expenses related to raising debt or equity (new issues).

When making investments, a decision is made as to whether the purchase constitutes the acquisition of a business pursuant to IFRS 3. When such acquisitions are not regarded as an acquisition of a business, the acquisition method pursuant to IFRS 3 Business Combinations is not applied, and a provision is not set aside for deferred tax as would have occurred in a business combination.

7. INCOME RECOGNITION

NET INTEREST INCOME

Income recognition of interest according to the effective interest method is used for interest-bearing balance sheet items that are valued at amortised cost and balance sheet items that are valued at fair value through other income and costs. The effective interest rate is the interest rate that causes the present value of future cash flows within the loan's expected term to be equal to the book value of the loan on initial recognition. Cash flows include start-up fees, as well as any residual value at the end of the expected term. Interest income on commitments that are credit impaired is calculated using the effective interest rate on impaired value. Interest income on commitments that have not been impaired by credit is calculated using the effective interest rate on gross amortised cost (amortised cost before provision for expected losses).

For interest-bearing balance sheet items that are valued at fair value through profit or loss, interest income is recognised based on nominal interest.

OTHER INCOME

Fees are recognised when the income can be measured reliably and earned, fixed fees are recognised as income in line with delivery of the service, and performance fees are recognised as income once the success criteria have been met.

8. INTANGIBLE ASSETS

Intangible assets with limited useful economic lives are measured at the acquisition cost less accumulated depreciation and any write-downs. The depreciation period and method are assessed annually. If new intangible assets are carried it must be possible to prove that it is likely that future financial benefits that can be attributed to the asset will pass to the group. In addition, it must be possible to estimate the acquisition cost of the asset in a reliable manner. The write-down needs will be assessed if there are indications of an impairment in value, and this will normally take place by the associated cash-generating unit(s) being tested. On each reporting date an assessment is made as to whether there is a basis for write-downs or reversal of previous write-downs on non-financial assets.

9. FINANCIAL ASSETS AND LIABILITIES

9-1. GENERAL POLICIES AND DEFINITIONS

RECOGNITION AND DERECOGNITION

Financial assets and liabilities are recognised on the trading day, i.e. the date on which the Storebrand Bank Group becomes party to the instruments' contractual terms. Ordinary purchases and sales of financial assets are booked on the transaction date and financial liabilities are booked on the settlement date. When a financial asset or a financial liability is initially recognised, it is measured at fair value. Initial recognition includes transaction costs directly attributable on the date of the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability measured at fair value through profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the rights to the cash flows from the asset are transferred such that largely all the risks and returns relating to ownership of the asset are transferred.

Financial liabilities are derecognised when the contractual terms have been fulfilled, cancelled or expire.

MODIFIED ASSETS AND LIABILITIES

If the terms of an existing financial asset or obligation are modified or changed, the instrument is treated as a new financial asset if the renegotiated terms are substantially different from the old terms. If the terms are substantially different, the old financial asset or liability is derecognised and a new financial asset or liability is recognised. In general, a loan is considered to be a new financial asset if new loan documentation is issued and a new credit granting process is undertaken, resulting in new loan terms and conditions.

If the modified instrument is not considered to be substantially different from the existing instrument, the instrument is treated as a continuation of the existing instrument in terms of accounting. In the event of modification that is treated as a continuation of the existing instrument in the accounts, the new cash flows are discounted with the instrument's original effective interest rate, and any difference compared with the existing book value is recognised.

FAIR VALUE
Fair value is the amount for which an asset could be exchanged between well-informed, willing parties in an arm's length transaction. The fair value of financial assets listed on a stock exchange or on another regulated market in which regular trading takes place is determined as the bid price on the last trading day up to and including the reporting date.

If a market for a financial instrument is not active, fair value is determined by using recognised valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and independent parties, where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models. If a valuation technique is in common use by participants in the market for pricing the instrument and this method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

When calculating the fair value of loans, the current market rate on similar loans is used. Changes in credit risk are taken into account.

IMPAIRMENT FINANCIAL ASSETS
Under IFRS 9, loss allowances are recognised on the basis of expected credit loss (ECL). The general model for impairments is used for financial assets that are measured at amortised cost or at fair value through other comprehensive income and for which no losses were determined at initial recognition. Loan commitments, financial guarantee contracts not measured at fair value through profit or loss, and lease receivables are also encompassed by the general model for impairments. The measurement of the allowance for expected loss in the general model depends on whether the credit risk has increased significantly since initial recognition. On initial recognition and when the credit risk has not increased significantly since initial recognition, provisions must be made for the 12-month expected losses. If the credit risk has increased significantly since initial recognition, a loss allowance must be made for expected losses over the full lifetime of the instrument. The expected credit losses are calculated on the basis of the present value of all cash flows over the remaining life expectancy, i.e. the difference between the contractual cash flows according to the contract and the cash flows expected to be received, minus the effective interest on the instrument.

Separate principles for impairment are used for issued loans, including renegotiated, loans that are treated as new, and bought loans where there is accrued credit loss on initial recognition in the balance sheet. For these, an effective interest rate will be calculated that takes into account expected credit losses, and in the event of any changes in expected cash flows, the change will be discounted with the originally set effective interest rate and recognised in the income statement. For these assets, there is thus no need to monitor whether there has been a substantial increase in credit risk after initial recognition, as the expected losses over the whole lifetime are taken into account.

For accounts receivables without a significant financing component, a simplified model will be used. For these, provisions will be made for expected loss over the entire lifetime from initial recognition. The Storebrand Bank Group has also chosen to use the simplified model as the accounting policy for accounts receivables with a significant financing component and lease receivables.

9-2. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

FINANCIAL ASSETS ARE CLASSIFIED AND MEASURED INTO ONE OF THE FOLLOWING CATEGORIES:
- Financial assets measured at amortised cost
- Financial assets measured at fair value with change in value through other income and costs with a reclassification of accumulated gains and losses for the profit or loss.
- Financial assets measured at fair value through profit or loss

FINANCIAL ASSETS CLASSIFIED AND MEASURED AT AMORTISED COST
A financial asset is classified and measured at amortised cost if it is:
- primarily procured or established to hold the asset in order to collect contractual cash flows, which are only payment of principal and interest on given dates.

Financial assets measured at amortised cost are recognised at amortised cost using the effective interest method.

Storebrand Bank Group uses this category for claims on the central bank, lending to credit institutions, credit cards, credit accounts and consumer loans to customers, interest-bearing securities in a long-term investment portfolio and all items included in Other Assets.

FINANCIAL ASSETS CLASSIFIED AND MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, WITH A RECLASSIFICATION OF ACCUMULATED GAINS AND LOSSES FOR THE PROFIT OR LOSS.
A significant share of the Storebrand Bank Group's financial instruments is classified under the category of fair value through other comprehensive income. A financial asset is classified and measured at fair value through other comprehensive income if the following condition is met:
- primarily procured or established to hold the asset in order to collect contractual cash flows, which are only payment of principal and interest on given dates and for sale.

Financial assets in this category are recognised at fair value with change in value through other comprehensive income. For realisation of the instrument, accumulated value changes from other comprehensive income are reclassified for the profit or loss. Associated interest income, foreign currency translation differences and any impairments are recognised in the ordinary profit or loss.

The Storebrand Bank Group uses this category for all mortgages to customers with variable interest rates.

FINANCIAL ASSETS CLASSIFIED AND MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Storebrand Bank Group has financial instruments that are classified under the category of fair value through profit or loss for the following reasons:

- the financial assets are included in a portfolio that is continuously measured and reported at fair value,
- the financial assets have cash flows generated not only by interest and instalments on the principal, or that
- such classification reduces the mismatch in the measurement or recognition that would otherwise arise as a result of the different rules for measuring assets and liabilities.

Interest income is recognised as income based on nominal interest, while other changes in value are presented as "Net change in value and gains/losses on currency and financial instruments".

The Storebrand Bank Group uses this category for all mortgages to customers with fixed interest rates, derivatives, shares and interest-bearing securities that are part of a short-term liquidity portfolio.

See also classification of financial instruments in note 18.

9-3. IMPAIRMENT - GENERAL METHOD

To estimate expected credit loss, models have been developed to calculate three indicators: probability of default (PD), loss given default (LGD) and exposure at default (EAD). These models have been derived from similar models used for internal assessments of capital needs. The models used for IFRS 9 purposes are based on the current macroeconomic situation and forecasts, and the models for PD, LGD and EAD are thus point in time (PIT) models, as opposed to through the cycle (TTC) models, which are used for capital needs purposes. The risk parameters in IFRS 9 have also been calibrated to be more forward-looking. Since the future is always uncertain, different future scenarios are used to compute PD, LGD and EAD for the bank's financial instruments. The various future scenarios have different weights determined by their position in the economic cycle and the forecasts of future events and economic conditions. The final expected credit loss per financial instrument will be a weighted average of the expected credit losses in the various scenarios. Total expected credit loss for the portfolio is the sum of the weighted credit losses per financial instrument.

In the PD model, financial circumstances are a significant predictor, combined with behavioural data on the individual customer. The model is a statistical model based on logistic regression. Loan-to-value ratio is a significant factor in the LGD model. For EAD, the most significant factors are loan size for downpayment loans and credit limit for lines of credit. The models are validated annually.

Forecasts affect the PD and LGD estimates in particular.

The Storebrand Bank Group uses future scenarios to calculate expected credit losses. The Storebrand Bank Group bases its future scenarios on the future scenarios presented by Norges Bank in its Financial Stability Report and assessments by Statistics Norway. The scenarios build on the current macroeconomic situation, economic forecasts, and the impact the macroeconomic situation is expected to have on the credit risk of the bank's financial instruments. These expectations affect the probability of default, exposure at default, and loss given default.

Among other things, PD is affected by unemployment, wage growth and interest rates. Higher unemployment and interest rates result in weaker capacity to service debt in the portfolio, and lower wage growth also entails weaker capacity to service debt and thus increased probability of default. Macrovariables will have different effects on the risk parameters, and the impact will vary significantly for the individual customers in the portfolio. Average PD will increase during periods of economic downturn.

Periods of economic downturn will, in isolation, result in weaker growth in house prices, which will in turn impact the loan-to-value ratio and thus also LGD. For many financial instruments, the losses will be very small, given the existing market prices. The increase in loss given default as a result of falling house prices is greater than the reduction in loss given default when house prices are rising. Nonlinearities in expected credit loss are taken into account by estimating expected credit loss in a variety of scenarios.

Stress tests and sensitivity tests are used in the assessment of expected credit loss. Sensitivity assessments of stage migration are carried out by assessing the change in expected credit losses if certain commitments migrate from stage 1 to stage 2. Sensitivity analyses are carried out in ICAAP on a regular basis.

The portfolio's ECL is considered to be sensitive to changes in observed default, loss and expected maturity of the financial assets. There is also model uncertainty associated with the individual estimates. Among other things, the uncertainty relates to estimates of size and development of different macrovariables in the future in each macro-scenario, as well as the impact the different outlooks have on individual parameters.

DEFINITION OF DEFAULT

The Storebrand Bank Group has determined the definition of default in line with the recommendation given in the European Banking Authority's (EBA's) guide to implementing the default definition in accordance with Article 178 (EU Regulation 575/2013).

The definition of default is applied at debtor level with absolute and relative thresholds for arrears/overdrafts. Arrears/overdrafts for each individual commitment are measured in relation to the total debtor exposure. The absolute threshold is set at NOK 1,000 (per commitment), and the relative threshold is 1% of total debtor exposure. Joint commitments (commitments with multiple debtors) are defined as a separate risk point and are not included in the overall exposure for the respective individual customers.

Default occurs after 90 days with arrears/overdrafts above both absolute and relative thresholds. All debtor commitments are considered defaulted if default has occurred for at least one of these. In line with the guidance provided by the European Banking Authority (EBA), a probation period of 3 months is used. The probation period starts when default criteria are no longer in place. For the probation period to end, the arrears/overdrafts must be below the threshold values for the entire probation period.

A customer is deemed to be in default if one of the following criteria is met (unlikeliness to pay (UTP) criteria):

- the customer is in personal bankruptcy,
- the customer is in or has been placed in debt settlement proceedings,
- the bank has conducted an enforced sale of the customer's security,
- the customer no longer has an income that will adequately service the loan.

DEFINITION OF CREDIT LOSS

Credit loss is a loss that arises from a credit risk where the loss is the difference between the value of the contractual cash flow and the expected cash flow discounted by the original effective interest rate.

The expected credit loss is the difference between the present value of the contractual cash flow and the expected probability-weighted cash flow.

An expected credit loss is estimated either by means of an individual assessment (individual impairment) or by using statistical models (model-based impairment) to calculate the expected probability-weighted cash flow.

An individual assessment with subsequent booking of individual impairments is carried out for commitments with objective evidence of loss and that the loss reduces the future cash flows of the commitment. Individually assessed commitments are moved to stage 3 (see a more detailed description of stage 3 below). Objective loss incidents can be significant financial problems involving a debtor, defaults, debt and/or bankruptcy proceedings for the debtor, or that this is likely, or forbearance caused by financial problems. The calculation of cash flow and the impairments are assessed based on the expected values.

For other commitments, expected credit loss is estimated using model-based impairment. The commitments are divided into different stages (see the section below on calculating expected credit loss). Model-based impairment depends on the stage to which the commitment belongs, parameter estimates for PD, EAD, LGD and expected maturity

CALCULATING EXPECTED CREDIT LOSSES

The classification and changing of stages are described below.

Stage 1

The starting point for all financial assets is stage 1. Stage 1 encompasses all financial assets that do not have substantially higher credit risk than at initial recognition. Financial assets with low credit risk can be exempted and will still always be in Stage 1 even if the credit risk is significantly higher. This exemption rule is not presently used in the retail market. In stage 1, expected credit loss is calculated over 12 months.

Stage 2

Stage 2 consists of financial assets where there has been a significant increase in credit risk since initial recognition, but that are not in default or where there is objective evidence of loss. For financial assets in stage 2, expected credit loss is calculated over the expected term of the loan. The expected term deviates from the contractual term and is estimated on the basis of historically observed performance.

Stage 3

Stage 3 includes financial assets that are in default and/or which have objective evidence of loss. For commitments that have objective evidence of loss, an assessment of whether there must be individual impairment is carried out. For other commitments without individual impairment, the expected credit loss is calculated over the expected maturity of the asset.

Migrating to a lower stage
A commitment that no longer meets the criterion for stage 2 is moved to stage 1. The risk models ensure that there has been a sufficiently long period of payment before reducing and returning the risk to stage 1. A commitment in stage 3 can be moved both to stage 2, if stage-2 criteria are met, or directly to stage 1 once the criteria for stage 3 are no longer met.

Substantial increase in credit risk
Substantial increase in credit risk is assessed on the basis of the financial instrument's probability of default (PD) at the time of measurement compared with at initial recognition. The assessment is based on both changes in probability of default during the expected lifetime (lifetime PD) and changes in probability of default in the next 12 months (12 months PD). The assessments are based on absolute changes and relative changes.

For commitments where the 12-month probability of default (PD) upon initial recognition is less than 0.5 per cent, both a relative and an absolute criterion must be satisfied for the commitment to be considered to have a significant increase in credit risk. The relative criterion is a relative increase in lifetime PD of 150 per cent or more from initial recognition until the measurement date. The criterion is equivalent to the lifetime PD at the measurement date being greater than 2.5 multiplied by the lifetime PD at the recognition date. The absolute criterion is that the 12-month PD at the measurement date is 0.6 percentage points higher than the 12-month PD upon initial recognition.

For commitments where the 12-month probability of default (PD) upon initial recognition is more than or equal to 0.5 per cent, either a relative or an absolute criterion must be satisfied for the commitment to be considered to have a significant increase in credit risk. The relative criterion is identical to that stated above, i.e. an increase in lifetime PD of 150 per cent or more from initial recognition until the measurement date. The absolute criterion is that 12-month PD at the measurement date is 1.5 percentage points higher than 12-month PD upon initial recognition.

Commitments for which scheduled payment is overdue by 30 days or more are assessed, irrespective of whether this has caused a significant increase in the credit risk. The same applies to commitments for which forbearance has been granted on the basis of the customers' deteriorating financial situation, however is not serious enough to classify commitments as credit impaired.

EXPECTED MATURITY
Expected maturity is estimated for various financial instruments. Expected maturity is significant because for commitments with a substantial increase in credit risk, i.e. commitments in stage, expected credit loss shall be calculated over the expected maturity of the commitments. The overall probability of default increases over the time horizon being measured, and the expected credit loss over the expected maturity of the commitment is therefore higher than the expected credit loss over one year, provided that the loan's remaining expected maturity is more than 12 months.

For stage 3 commitments, the agreed (contractual) maturity is used to measure expected losses.

Expected maturity is calculated for different products. Expected maturity is estimated at around five years for downpayment loans and six years for lines of credit. The expected maturity at the time of loan approval is estimated at 9 years for credit cards and 9 years for credit accounts. Expected maturity is also contractual maturity for top-up loans (loan share greater than LTV of 70%), building credit and bridging loans. Expected maturity is reassessed and validated regularly.

For ongoing commitments, expected maturity is adjusted by a maturity coefficient: The maturity coefficient is the ratio of expected maturity to contractual maturity. The remaining expected maturity is the expected maturity of the product multiplied by the maturity coefficient.

CATEGORISATION INTO PORTFOLIOS
The retail market portfolio is divided into:

i) Housing loans and housing credit
ii) Credit cards
iii) Other credits

The corporate portfolio is not further categorised, and the assessment is done manually (regardless of stage).

9-4. DERIVATIVES

Derivatives that do not meet the criteria for hedging are classified and measured at fair value through profit or loss. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit or loss.

The majority of the derivatives used routinely for asset management fall into this category.

9-5. HEDGE ACCOUNTING

FAIR VALUE HEDGING

The Storebrand Bank Group uses fair value hedging. The items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives are recognised at fair value through profit or loss. Changes in the value of the hedged item that are attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised through profit or loss.

9-6. FINANCIAL LIABILITIES

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using an effective interest method.

10. PENSION LIABILITIES FOR OWN EMPLOYEES

The employees at the Storebrand Bank Group have a defined-contribution pension scheme. The scheme is recognised in accordance with IAS 19. Storebrand participates in the Norwegian AFP scheme (collective agreement pension). The Norwegian AFP scheme is regarded as a defined-benefit scheme, but there is insufficient quantitative information to be able to estimate reliable liabilities and costs for accounting purposes.

10-1. DEFINED BENEFIT SCHEME

Pension costs and pension liabilities for defined benefit pension schemes are determined using a linear accrual formula and expected final salary as the basis for the entitlements, based on assumptions about the discount rate, future salary increases, pensions and National Insurance benefits, future returns on pension plan assets as well as actuarial estimates of mortality, disability, and voluntary early leavers. The net pension cost for the period comprises the total of the accrued future pension entitlements during the period, the interest cost on the calculated pension liability and the calculated return on pension plan assets.

This scheme only applies to former employees with lifelong contractual defined-benefit schemes.

Actuarial gains and losses and the effects of changes in assumptions are recognised in total comprehensive income in the income statement for the period in which they occur. Employees who resign before reaching retirement age or leave the scheme will be issued ordinary paid-up policies.

10-2. DEFINED CONTRIBUTION SCHEME

The defined contribution pension scheme involves the company paying an annual contribution to the employees' collective pension savings. The future pension will depend on the size of the contribution and annual return on the pension savings. The Group does not have any further obligation related to work performed after the annual contribution has been paid. There are no provisions for accrued pension liabilities in such schemes. Defined contribution pension schemes are expensed directly in the financial statements.

11. TAX

The tax expense in the income statement comprises current tax and changes to deferred tax and is based on the accounting standard IAS 12 Income Taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in the statement of total comprehensive income. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities.

Deferred tax is calculated based on the Bank Group's tax loss carryforwards, deductible temporary differences and taxable temporary differences. Any deferred tax asset is recognised if it is considered probable that the tax asset will be recovered. Deferred tax assets and liabilities are recognized as a net amount when there is a legal right to offset taxable assets and liabilities and the Group is capable of and intends to settle net current taxes.

The Storebrand Bank Group includes companies that are both subject to and not subject to the financial tax. When capitalizing deferred tax/ deferred tax assets in the consolidated financial statements, the company tax rate is used that is applicable for the individual companies (22 or 25 per cent).

Changes in deferred tax assets and liabilities due to changes in tax rates are recognised as a starting point in the income statement.

12. PROVISION FOR GROUP CONTRIBUTION

Pursuant to IAS 10, which deals with events after the balance sheet date, proposed dividends/group contributions are classified as equity until approved by the general meeting.

13. STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the direct method and shows cash flows grouped according to sources and uses. Cash is defined as cash, receivables from central banks and receivables from credit institutions with no agreed period of notice.

The statement of cash flows is classified according to operating, investing and financing activities.

Note 2 - Key accounting estimates and judgements

In preparing the Group's financial statements the management are required to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis, and they 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 Bank Group's critical estimates and judgments that could result in material adjustment of recognised amounts are discussed below.

Inflation and economic uncertainty continued to increase during 2022 and global GDP growth expectations were sharply revised downwards throughout the year. Inflation driven by supply chain bottlenecks, possible energy crisis and risk of recession, together with Russia's invasion of Ukraine, impacted both the news situation and economic uncertainty. Central banks have commenced a series of resolute interest rate increases in an attempt to avoid further rising and/or continued inflation. The equity markets have been volatile and experienced a severe decline since peaking around the New Year. Recession in the Eurozone has, in many ways, become the consensus, and the question now is to what extent future bailouts in the form of energy subsidies or for the labour market will curb the recession that was partly triggered by the war and subsequent energy crisis. Norges Bank has raised the key policy rate by 2.25 percentage points to 2.75 per cent and is signalling a further increase to around 3 per cent in mid-2023.

When assessing impairment, overall evaluations have been made of future prospects, which have considered factors such as interest rates, inflation and high energy prices. Prospects of tighter liquidity among our customers due to higher costs of living and interest rate burden, have been taken into account in the macro adjustment of the probability of default. Developments in non-performing loans, loans in arrears and loans with grace periods are being closely monitored.

LOAN LOSS PROVISIONS

For loans valued at amortised cost or at fair value through other comprehensive income, loss provisions are recognised based on the Expected Credit Loss (ECL) in accordance with the general method. The models used for IFRS 9 are based on the current macroeconomic situation and forecasts, and the models for probability of default (PD), loss given default (LGD) and exposure at default (EAD) are thus point in time (PIT) models. Future scenarios are used to calculate PD, LGD and EAD for the commitments.

Forecasts affect the PD and LGD estimates in particular.

Among other things, PD is affected by unemployment, wage growth and interest rates. Periods of economic downturn will, in isolation, result in weaker growth in house prices, which will in turn impact the loan-to-value ratio and thus also LGD.

The portfolio's ECL is considered to be sensitive to changes in observed default, loss and expected maturity of the financial assets. There is also model uncertainty associated with the individual estimates. Among other things, the uncertainty relates to estimates of size and development of different macro variables in the future in each macro-scenario, as well as the impact the different outlooks have on individual parameters.

A sensitivity analysis has been carried out of the expected loss for commitments in stages 1 and 2 in the event of a change in all 12-month PD estimates. If all 12-month PD estimates had increased by 10 per cent, expected losses would have increased by approximately 22 per cent. Similarly, with a 10 per cent reduction of all 12-month PD estimates, expected losses would have been reduced by about 13 per cent.

A sensitivity analysis of expected losses for stage 2 commitments was also conducted. If the agreed maturity had been used instead of expected maturity, stage 2 expected losses would have increased by approximately 12 per cent.

See also section 9.3 of Note 1 - Company information and accounting policies, for more information regarding write-downs.

FINANCIAL INSTRUMENTS AT FAIR VALUE

There will be some uncertainty associated with the pricing of financial instruments not priced in an active market. This is particularly true of the types of securities priced on the basis of non-observable assumptions. Various valuation techniques are applied to these investments to determine the fair value. They include fixed-rate loans and other financial instruments where theoretical models are used for pricing. Any changes to the assumptions could affect recognised amounts.

Reference is also made to Note 9 in which the valuation of financial instruments at fair value is described in more detail.

INTANGIBLE ASSETS

Intangible assets with undefined useful lives are tested annually for impairment. The valuation method in the test requires estimating the cash flows that arise in the relevant cash flow generating unit, as well as applying the relevant discount rate. Tangible fixed assets and other intangible assets are valued annually to ensure that the method and time period used correspond with economic realities.

CONTINGENT LIABILITIES

The Storebrand Bank Group can be a party in legal disputes. Contingent liabilities are assessed in each case and will be based on legal considerations.

Note 3 - Risk management

Continuous monitoring and active risk management are core areas of the bank's activities and organisation. The strategy and planning process provides guidance for the business for the next few years. The board determines the risk appetite and risk limits for the different forms of risk on an annual basis.

Organisation of Risk Management
The board of Storebrand Bank ASA has ultimate responsibility for monitoring and managing the organisation's risks. The board determines the annual risk appetite and risk strategy as well as ceilings and guidelines for the risks taken by the business, receives reports of actual risk levels and provides a forward assessment of risks.

The CEO is responsible for the bank group operating within the risk limits stipulated by the board. The CEO has an advisory management group and the individual units are responsible for risk management in their respective areas. The CEO has the overall responsibility for implementing risk management routines.

The Asset Liability Committee is chaired by the CEO. The committee works with balance sheet management and risk management of solvency, liquidity and financing as well as market risk. The Committee is also an advisory body for expected credit losses according to IFRS 9.

The Storebrand Group's organisation of risk management responsibility follows a model based on three lines of defence. The objective of the model is to safeguard the responsibility for risk management at both company and group level.

FIRST LINE OF DEFENCE
At the Storebrand Group, responsibility for risk management and internal control is an integral part of management responsibility. Managers at all levels of the company are responsible for risk management within their own area of responsibility. Good risk management requires clear mandate and division of responsibilities, targeted work on objectives, strategies and action plans, identification and assessment of risks and events, documentation of processes and routines, prioritisation and implementation of improvement measures, and good communication, information and reporting.

A high level of awareness of risks and risk management are vital elements of the group's culture.

The CEO and the managament group at the bank, the CEO of Storebrand Boligkreditt AS and managers in the Storebrand group's areas that provide services for the bank, submit annual confirmation documenting the unit's risk management activities and internal control.

SECOND LINE OF DEFENCE
Storebrand Bank ASA has independent control functions for the company's risk management (Chief Risk Officer, CRO) and for compliance (Chief Compliance Officer, CCO). The CRO and CCO are directly subordinate to the CEO and both report directly to the bank's board. CCO also holds the role of compliance officer according to money laundering regulations (AML). In terms of function the independent control functions are affiliated with the Governance Risk & Compliance (GRC) in the Storebrand Group, where CRO in Storebrand ASA is responsible to the Group CEO and reports to the board of Storebrand ASA.

THIRD LINE OF DEFENCE
Internal auditing is under the direct authority of the board and is intended to give the board confirmation of the appropriateness and effectiveness of the organisation's risk management, including how the lines of defence are functioning.

Note 4 - Credit risk

Credit risk is the risk of loss associated with customers or counterparties not fulfilling their debt obligations. The risk includes risk associated with lending to customers and counterparty risk on loans to credit institutions and the central bank, securities and financial derivatives. Credit risk includes potential concentration risk in the loan portfolio. Credit risk is the most significant risk in the bank group. Credit risk for loans, guarantees and unused credits is most important both in terms of volume and risk level in general. This risk is discussed in the tables below. There is limited credit risk in connection with other exposure. See notes 19 and 20 for more information on the composition of the liquidity portfolio and note 22 for information on derivatives

RISK MANAGEMENT

The risk strategy reflects how much credit risk the bank group is willing to accept. The willingness to accept risk is adjusted to the bank's risk appetite and goals regarding risk profile, capital adequacy and growth. Credit policies establish general principles for granting credit. The bank group's routines for credit management are set forth in the credit manual. The credit manual are primarily designed for account managers and others who are involved in case management processes. The credit manual contain common guidelines for the bank group's credit activities, and are intended to ensure uniform and consistent credit management practices.

Credit risk is assessed in relation to the capacity and willingness of customers, including any co-participants, to service debt and potential security. The bank uses credit risk models to conduct risk classifications of customers with regard to probability of default (PD) and loss given default (LGD) and expected exposure resulted in default (EAD). The credit assessments are mainly assessed in automated and semi-automated processes with automatic calculations

The credit manuals and adopted routines provide specific criteria for monitoring non-performance, loan covenants, loss assessments and the annual loan review. Furthermore, the models ensure uniform portfolio risk assessment classifications and reporting on risk development. There are functions for depot unit, loan establishment and administration of the customer portfolio. Credit is granted in accordance with an authorisation structure determined by the board.

Treasury has the credit risk for its exposures in the liquidity portfolio. Permitted exposures and the composition of the portfolio are set out in the bank goup's counterparty risk policy.

Exposures with loans to credit institutions and the central bank, securities and financial derivatives with counterparties is included under credit risk and is managed according to a specific policy on the basis of an assessment of the counterparty's repayment capacity, rating and amount under management. Financial derivatives permitted by the bank are outlined in policy documents.

RISK CONTROL

Credit risk control is carried out directly in models and processes in various units in the first line, as well as with controls from the second line to ensure compliance with internal and external regulations. Exposure relating to trade in financial derivatives for customers is monitored by Back Office. Price development is monitored in respect of the customer's situation, cleared lines and breach clauses. The Middle Office conducts running spot checks with regard to this.

Trades with counterparties made by Treasury are checked by the Middle Office in accordance with dedicated procedures and work descriptions.

The Chief Risk Officer (CRO) reports to the board on credit risk trends on an ongoing basis.

MAXIMUM CREDIT EXPOSURE

(NOK million)	Book value	Guarantees, unused credits and loan commitments	2022 Maximum credit exposure	2021 Maximum credit exposure
Cash and deposits with the central bank	7.5		7.5	313.0
Loans to and deposits with credit institutions	108.5		108.5	67.4
Loans to customers at amortised cost	451.6	3,727.6	4,179.1	3,730.0
Interest-bearing securities at amortised cost	4,281.0		4,281.0	3,546.2
Total financial instruments at amortised cost	**4,848.6**	**3,727.6**	**8,576.2**	**7,656.6**
Equities	42.2		42.2	40.1
Loans to customers at fair value through profit and loss	318.8		318.8	489.4
Interest-bearing securities at fair value through profit and loss	1,826.0		1,826.0	2,259.7
Interest swaps	52.7		52.7	56.5
Total financial instruments at fair value through profit and loss	**2,239.7**		**2,239.7**	**2,845.7**
Loans to customers at fair value through other comprehensive income (OCI)	49,156.0	3,246.4	52,402.4	41,610.6
Total financial instruments at fair value through other comprehensive income (OCI)	**49,156.0**	**3,246.4**	**52,402.4**	**41,610.6**
Total exposure for credit risk [1), 2), 3)]	**56,244.3**	**6,974.0**	**63,218.3**	**52,112.9**
[1)] of which financial assets in stage 1:				
Cash and deposits with the central bank	7.5		7.5	313.0
Loans to and deposits with credit institutions	108.5		108.5	67.4
Loans to customers	46,022.8	6,854.9	52,877.7	43,422.2
Interest-bearing securities	4,281.0		4,281.0	3,546.2
Total exposure to credit risk on financial assets in stage 1	**50,419.9**	**6,854.9**	**57,274.8**	**47,348.8**
[2)] of which financial assets in stage 2:				
Loans to customers	3,526.3	119.2	3,645.5	1,889.3
Total exposure to credit risk on financial assets in stage 2	**3,526.3**	**119.2**	**3,645.5**	**1,889.3**
[3)] of which financial assets in stage 3:				
Loans to customers	58.4	-0.1	58.3	29.1
Total exposure to credit risk on financial assets in stage 3	**58.4**	**-0.1**	**58.3**	**29.1**

Storebrand Bank Group has no financial assets that are purchased or originated credit-impaired financial assets.

CREDIT EXPOSURE FOR LENDING ACTIVITIES

CORPORATE MARKET

Gross lending in the Corporate Market represents approximately NOK 16 million. In addition, there are guarantees of NOK 0.3 million.

As a result of group prioritizations regarding use of capital at Storebrand and a strategic assessment of the future direction of the Group, the Corporate Market segment at the bank is no longer prioritised as a core activity, and has largely been wound up.

As at the end of 2022, the corporate market lending portfolio consisted of one loan. The loan has an identified impairment and total impairment amount to NOK 12.9 million. The losses that have been recorded are considered to be sufficient. The bank does not believe that new losses will be forthcoming from this loan at this time.

RETAIL MARKET

Retail customers are evaluated according to their capacity and intent to repay the loan. In addition to their capacity to service debt, the customers are checked regarding policy regulations and the customers are scored using a scoring model. For other retail market customers, the overall loan to value ratio and debt servicing capability (as determined by the bank's credit policy for the segment) that apply to the portfolio are used as a basis. The securities for the portfolio are principally in properties for the retail market portfolio.

Storebrand Bank ASA has developed internal models for classifying home loans. The models estimate a loan's Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). PD estimates are based on a logistical regression model where late payment notices, reminders, overdrafts and information about assets are key explanatory variables when predicting defaults. When estimating the LGD, the loan-to-value ratio is the most important explanatory variable. Home loans are classified according to the bank's master scale, consisting of 11 risk classes from A to K, with A indicating the lowest default probability and K containing non-performing loans. The classification of home loans is automatically updated on a monthly basis. As at the end of 2022, just over 56% of the EAD was linked to home loans in risk class A, while about 3% of the EAD was in risk classes G to J. The models are validated on an annual basis, with the accuracy of the models compared to actual outcomes.

When entering into loan commitments, the Storebrand Bank ASA collects information of significance to the value of the residential property. Each quarter, the bank obtains an updated, independent valuation of residential properties from Eiendomsverdi AS. For homes where Eiendomsverdi AS does not have an up-to-date valuation (such as housing cooperative apartments, owner-tenant apartments and some leisure properties) the most recent updated market value is used until further notice. Where Eiendomsverdi AS cannot determine the market value of a property with a high degree of certainty, a "haircut" is used so as to reduce the risk of giving an inflated estimate of market value. If Eiendomsverdi AS has never received information regarding the property's market value, the value recorded at the time of entering into the contract (the deposit value) will be used. Loans such as those mentioned here constitute just under 1% of the total portfolio exposure.

In the retail market, most of the loans are secured by way of home mortgages. NOK 49.5 billion has been lent in home loans, with a further NOK 2.7 billion in undrawn credit facilities. Total commitments in residential property are therefore approximately NOK 52.2 billion.The weighted average loan-to-value ratio is just under 59% for home loans. Approximately 87% of loans have a loan-to-value ratio within 80% and just over 99% have a loan-to-value ratio within 100%. Approximately 51% of the home loans have a loan-to-value ratio within 60%. The portfolio is regarded as having a low to moderate credit risk in accordance with the bank's risk appetite.

There is largely good security on non-performing loans that are not impaired for retail market customers. The average loan-to-value ratio for these loans is 51.5%. Home loans/residential mortgages that are part of the volume of non-performing loans total NOK 42 million. All loans are within an 100% loan-to-value ratio. The security is also good on home loans/residential mortgages between 1 and 90 days past due. Assets pledged as collateral are sold in the retail market. They are not taken over by the bank.

In the credit card and account credit portfolio, approximately NOK 192 million has been drawn, and NOK 1.1 billion is available as unused credit facilities. The consumer loan portfolio is approximately NOK 250 million.

The Storebrand Bank Group had a volume of NOK 265 million of loans with forbearance at the end of 2022. In exceptional cases, the bank grants relief for commitments with mortgages in the form of a grace period for loans with a loan-to-value ratio above 60%. Short-term grace periods are also granted for consumer loans. At the end of 2022, there was approximately NOK 10 million in consumer loans registered with grace periods, and thus forbearance.

LOAN-TO-VALUE RATIO, SECURED LOANS

		2022		
(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	16.7 %	7,492.3	1,231.4	8,723.7
40% - 60%	34.1 %	16,673.7	1,119.2	17,792.9
60% - 80%	35.7 %	18,366.7	257.8	18,624.6
80% - 90%	11.8 %	6,143.2	22.6	6,165.8
90% - 100%	1.3 %	647.7	15.4	663.1
> 100%	0.4 %	211.0	13.1	224.1
Total secured loans	**100.0 %**	**49,534.6**	**2,659.5**	**52,194.1**
Loan commitments and financing certificates, secured			3,246.4	3,246.4
Total secured loans incl. loan commitments and financing certificates		**49,534.6**	**5,906.0**	**55,440.5**

		2021		
(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	17.7 %	6,162.0	1,053.7	7,215.6
40% - 60%	32.8 %	12,527.5	894.3	13,421.8
60% - 80%	36.8 %	14,798.3	219.7	15,018.0
80% - 90%	10.8 %	4,374.8	32.6	4,407.4
90% - 100%	1.2 %	464.2	15.9	480.1
> 100%	0.8 %	315.7	5.8	321.6
Total secured loans	**100.0 %**	**38,642.5**	**2,222.0**	**40,864.5**
Loan commitments and financing certificates, secured		-	3,515.8	3,515.8
Total secured loans incl. loan commitments and financing certificates		**38,642.5**	**5,737.8**	**44,380.3**

RISK RELATED TO SECURED LOANS

		2022		
(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Low risk	90.3 %	44,543.5	2,608.1	47,151.6
Medium risk	9.0 %	4,630.4	51.3	4,681.7
High risk	0.6 %	310.7	0.1	310.8
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1 %	50.0		50.0
Total secured loans	**100.0 %**	**49,534.6**	**2,659.5**	**52,194.1**
Loan commitments and financing certificates, secured		-	3,246.4	3,246.4
Total secured loans incl. loan commitments and financing certificates		**49,534.6**	**5,906.0**	**55,440.5**

		2021		
(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Low risk	92.9 %	35,769.7	2,193.9	37,963.6
Medium risk	6.6 %	2,662.3	28.1	2,690.3
High risk	0.5 %	184.5		184.6
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1 %	26.0		26.0
Total secured loans	**100.0 %**	**38,642.5**	**2,222.0**	**40,864.5**
Loan commitments and financing certificates, secured		-	3,515.8	3,515.8
Total secured loans incl. loan commitments and financing certificates		**38,642.5**	**5,737.8**	**44,380.3**

CREDIT RISK FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Lending to customers		Liquidity portfolio	
(NOK million)	2022	2021	2022	2021
Book value maximum exposure for credit risk	318.8	489.4	2,113.9	2,259.7
Net credit risk	**318.8**	**489.4**	**2,113.9**	**2,259.7**
This year's change in fair value of financial assets due to change in credit risk			0.7	0.4
Accumulated change in fair value of financial assets due to change in credit risk			1.6	3.5

Lending to customers is measured at fair value based on valuation techniques. The valuation techniques use interest rate curves from Reuters and credit spreads for equivalent new loans as per the end of December.

Financial assets are designated at fair value through the profit and loss account (FVTPL) the first time they are recognised where another measurement would result in an inconsistency in the profit and loss account. Objective market prices are used for securities where these exist. Valuation techniques involving the use of interest rate curves from Reuters and credit spreads from external providers are used for the remaining securities.

Note 5 - Liquidity risk

Liquidity risk is the risk that the company will be unable to refinance its obligations (refinancing risk) or that the company will not be able to refinance its obligations without incurring substantial additional expenses (price risk).

RISK MANAGEMENT

The risk strategy establishes overall limits for how much liquidity risk the bank group is willing to accept given a goal of having the lowest possible financing costs (price). The policy for liquidity risk describes principles for liquidity- and financing management and specifies stress testing, minimum liquidity holdings and indicators for measuring liquidity and financing risk. In addition, the Treasury department draws up an annual funding strategy and funding plan that set out the overall limits for the bank group's funding activities.

Stress tests are used to illustrate the expected effects of various scenarios on the statement of financial position and cash flows. Results of the stress tests are applied when assessing the framework for liquidity risk. A contingency plan is drawn up annually to safeguard proper management of the liquidity situation during stressful periods.

The Treasury function is responsible for the bank's liquidity management, and the Middle Office monitors and reports on the utilisation of limits pursuant to the liquidity policy. Risk management prepares liquidity forecasts.

RISK CONTROL

Risk control of liquidity and financing risk is carried out, among other things, through monthly liquidity forecasts, reporting of liquidity and financing indicators and maturity profile. Both are included in the CRO's ongoing reporting to the board. Indicators that are followed are described in the liquidity risk policy. The Middle Office performs checks on trades undertaken by Treasury to ensure conformance with the applicable policy rules.

NON-DISCOUNTED CASH FLOWS - FINANCIAL LIABILITIES

(NOK million)	0 - 6 months	7 months - 12 months	2 - 3 years	4 - 5 years	More than 5 years	Total	Book value 2022	Book value 2021
Loans and deposits from credit institutions	403.0					403.0	403.0	502.0
Deposits from and due to customers	19,165.0	6.6	60.8	88.0	157.4	19,477.8	19,477.8	17,238.8
Debt securities issued	4,720.4	1,137.8	15,445.5	13,497.9	780.0	35,581.6	32,290.0	23,922.7
Other liabilities	130.0					130.0	130.0	80.8
Subordinated loans	19.4	19.8	193.7	735.0		967.9	828.0	575.9
Undrawn credit limits	3,737.3					3,737.3		
Loan commitments	3,246.4					3,246.4		
Total financial liabilities 2022	**31,421.4**	**1,164.3**	**15,700.0**	**14,320.8**	**937.4**	**63,543.9**	**53,128.8**	
Derivatives related to funding 31.12.2022	**0.3**	**13.9**	**13.2**	**2.6**	**19.2**	**49.2**	**29.1**	
Total financial liabilities 2021	27,121.6	1,158.8	11,725.7	9,395.5	1,022.0	43,831.8		42,320.2
Derivatives related to funding 31.12.2021	-7.1	3.4	-2.4	0.2	2.7	-3.2		-2.6

The overview of non-discounted cash flows includes interest. Implicit forward interest rates based on the yield curve on 31 December 2022 are used to calculate interest costs for lending with FRN conditions. The call date is used as the maturity date on subordinated loans.

The maturity overview does not take account of the fact that the issued bonds have extended maturity date, i.e. the original maturity date is used. Deposits from and liabilities to customers are on call deposits or deposits locked in for less than 6 months.

SPECIFICATION OF SUBORDINATED LOANS

(NOK million) ISIN CODE	Issuer	Net nominal value	Currency	Interest	Call-date	Book value 2022	Book value 2021
Dated subordinated loans							
NO0010714314	Storebrand Bank ASA	150.0	NOK	Floating	22.02.2022		150.4
NO0010786510	Storebrand Bank ASA	125.0	NOK	Floating	27.02.2025	125.6	125.3
NO0011104077	Storebrand Bank ASA	300.0	NOK	Floating	23.09.2026	300.3	300.1
NO0012446428	Storebrand Bank ASA	400.0	NOK	Floating	27.02.2027	402.0	
Total subordinated loans						**828.0**	**575.9**

SPECIFICATION OF LOANS AND DEPOSITS FROM CREDIT INSTITUTIONS

(NOK million)	Book value 2022	Book value 2021
Total loans and deposits from credit institutions without fixed maturity	**22.8**	**2.0**
F-loans, maturity 2022		500.0
F-loans, maturity 2023	380.2	
Total loans and deposits from credit institutions with fixed maturity	**380.2**	**500.0**
Total loans and deposits from credit institutions	**403.0**	**502.0**

SPECIFICATION OF DEBT SECURITIES ISSUED

(NOK million) ISIN code	Issuer	Net nominal value	Currency	Interest	Call-date	Book value 2022	Book value 2021
Bond loans							
NO0010841562	Storebrand Bank ASA	550.0	NOK	Floating	18.01.2022		75.2
NO0010860398	Storebrand Bank ASA	400.0	NOK	Floating	15.08.2022		550.8
NO0010868185	Storebrand Bank ASA	300.0	NOK	Floating	11.11.2022		400.7
NO0010881386	Storebrand Bank ASA	450.0	NOK	Floating	04.05.2023	302.1	300.7
NO0010891344	Storebrand Bank ASA	1,100.0	NOK	Floating	25.08.2023	451.8	450.5
NO0010931819	Storebrand Bank ASA	700.0	NOK	Floating	15.02.2024	1,105.1	1,101.2
NO0012617697	Storebrand Bank ASA	250.0	NOK	Floating	15.08.2025	703.7	500.7
NO0012626953	Storebrand Bank ASA	500.0	NOK	Fixed	19.02.2026	252.0	
NO0011146359	Storebrand Bank ASA	500,0	NOK	Floating	05.02.2025	502.8	
Total bond loans						**3,317.4**	**3,379.9**
Covered bonds							
NO0010786726	Storebrand Boligkreditt AS	4,000.0	NOK	Floating	15.06.2022		4,004.6
NO0010951528	Storebrand Boligkreditt AS	480.0	NOK	Fixed	15.04.2031	439.0	481.8
NO0010813959	Storebrand Boligkreditt AS	3,561.0	NOK	Floating	20.06.2023	3,567.1	2,531.2
NO0010873177	Storebrand Boligkreditt AS	5,000.0	NOK	Floating	19.06.2024	5,004.5	4,998.9
NO0010894199	Storebrand Boligkreditt AS	6,500.0	NOK	Floating	25.06.2025	6,619.0	5,138.2
NO0011073140	Storebrand Boligkreditt AS	7,000.0	NOK	Floating	03.06.2026	7,122.8	3,074.7
NO0012526211	Storebrand Boligkreditt AS	5,500.0	NOK	Floating	20.05.2027	5,524.7	
XS2553532255	Storebrand Boligkreditt AS	35.0	EUR	Floating	11.11.2027	382.6	
NO0010936917	Storebrand Boligkreditt AS	300.0	NOK	Floating	21.02.2031	312.9	313.4
Total covered bonds						**28,972.6**	**20,542.9**
Total debt securities issued						**32,290.0**	**23,922.7**

For covered bonds, a regulatory requirement for over-collateralisation of 5 per cent apply. In 2022 all covenants are fulfilled.

FINANCING ACTIVITIES - CHANGES DURING THE YEAR

	2022		
(NOK million)	Subordinated loans	Liabilities to credit institutions	Debt securities issued
Book value 01.01.2022	575.9	502.0	23,922.7
New loans / bond debt issued	400.0	16,690.1	9,822.1
Repayment of loans/liabilities	-150.0	-16,789.3	-1,432.5
Changes in accrued interest	2.1	0.2	62.7
Exchange differences foreign currency			9.1
Other			-94.0
Book value 31.12.2022	**828.0**	**403.0**	**32,290.0**

2021			
(NOK million)	Subordinated loans	Liabilities to credit institutions	Debt securities issued
Book value 01.01.2021	275.6	1,653.3	19,648.1
New loans / bond debt issued	300.0	502.0	6,429.7
Repayment of loans/liabilities		-1,651.9	-2,106.0
Changes in accrued interest	0.3	-1.5	-49.1
Book value 31.12.2021	**575.9**	**502.0**	**23,922.7**

Note 6 - Market risk

Market risk is risk of a change in value due to financial market prices (such as interest rates, exchange rates, credit spreads) or volatility differing from what was expected.

RISK MANAGEMENT

The risk strategy sets general limits for market risk. Storebrand Bank Group's market risk mostly are related to spread risk in the liquidity portfolio and interest rate risk, both on equity and net interest income. The banking group is to a small extent exposed to market risk in equity instruments and currency. Storebrand Boligkreditt AS has issued a covered bond of EUR 35 million, see note 5, which is secured by a base swap.

Market risk policies specify limits for market risk that the bank group is willing to accept. The bank group's market risk is primarily managed and controlled through daily monitoring of risk exposure pursuant to the policy and continuous analyses of outstanding positions. Credit spread risk is regulated through ceilings on credit spread risk and indirectly through ceilings on investments.

The exposure limits are reviewed and renewed by the board at least once a year. The size of these limits is set on the basis of stress tests and analyses of market movements.

RISK CONTROL

The Middle Office is responsible for the ongoing, independent monitoring of market risk. Risk control of market risk is carried out, among other things, through monthly reports of indicators for market risk. Market risk indicators that are followed are described in the interest rate risk policy, counterparty policy (incl. credit spread risk) and currency risk policy and are included in the CRO's ongoing reporting to the board.

For changes in market risk that occur during the first year, the effect on the result and equity will be as shown below based on the balance sheet as at 31 December 2022:

Effect on accounting income

(NOK million)	2022	2021
Interest rate -2,0%	36.2	13.9
Interest rate +2,0%	-36.2	-13.9

Effect on accounting result/equity [1)]

(NOK million)	2022	2021
Interest rate -2,0%	36.2	13.9
Interest rate +2,0%	-36.2	-13.9

1) Before taxes.

Financial interest rate risk

(NOK million)	2022	2021
Interest rate -2,0%	-31.4	21.2
Interest rate +2,0%	31.4	-21.2

The note presents the accounting effect over a 12 month period and the immediate financial effect of an immediate parallel change in interest rates of +2.0 percentage points and -2.0 percentage points respectively. When the accounting risk is calculated, account is taken of the non-recurring effect that such an immediate change in interest rates would have on the items recognised at fair value and the value of hedging, and the effect that the change in interest rates would have on the net profit for the remaining duration of the interest rate before the change in interest rates has an effect on income and expenses. Items that would be affected by the non-recurring effect and are recorded at fair value are the investment portfolio, fixed interest rate loans and derivatives. Items that would be affected by the one-time effects and which are recorded using hedging accounting are borrowings with fixed interest rate. The change in market value that such an immediate change in interest rates would have is looked at for all items on the statement of financial position when calculating the financial effect.

See also note 23 regarding foreign exchange risk.

Note 7 - Operational risk

OPERATIONAL RISK

The assessment of operational risks is linked to the ability to achieve targets and to implement plans. Operational risk is defined as the risk of financial loss or damaged reputation due to inadequate or failing internal processes, control routines, systems, human error, or external events.

RISK MANAGEMENT

Operational risk is being controlled and reduced through an effective system for internal control with (1) clear descriptions of responsibilities, (2) clear routines, and (3) documented powers of attorney/authority. Risks are followed-up through the management's risk review, with documentation of risks, measures and follow-up of incidents. The bank has prepared contingency plans which are updated regularly. In addition, internal audit carries out an independent control in accordance with audit projects adopted by the board.

RISK CONTROL

The CRO supports the risk review process and is responsible for compiling and reporting the area's risk scenario, following up on improvement measures and checking that risk registration is up to date in the central system. The results of the process are reported to the board.

In order to be able to identify problem areas internally, the bank group has implemented routines for ongoing reporting of events to the CRO, who is responsible for logging and follow-up of reported events. The CRO reviews significant events with the board.

In connection with monthly, quarterly and annual accounts, the bank's staff functions perform various checks and reconciliations so as to control and reduce operational risk. In addition to this, the compliance function and internal auditor carry out spot checks in a number of the most important work processes. The results are reported to the bank's management and the board.

COMPLIANCE RISK

Compliance risk is the risk of the company incurring public sanctions or financial loss as a result of non compliance with external or internal rules.

RISK MANAGEMENT

The compliance risk in Storebrand Bank Group is managed through instructions for the compliance function. The function's main responsibility is to support the company's board and management in complying with relevant laws and regulations by independently identifying, evaluating, monitoring and reporting compliance risk. The function must perform preventive work by advising and ensuring that effective processes have been established for information and the implementation of current and future rules. The compliance function must have a risk-based approach.

RISK CONTROL

The compliance function performs control activities in order to ensure actual compliance.

Note 8 - Climate risk

The Storebrand Bank Group's lending activities primarily consist of mortgages and almost the entire lending portfolio is secured by way of property mortgages. Based on this, we launched "boliglån fremtid" (mortgage future) in 2016. Boliglån fremtid is a mortgage with favourable interest, which gives customers tips and motivation to make smart energy choices for their homes. Storebrand Bank has identified the following climate risks:

LOWER DEMAND FOR LOANS AND OTHER BANKING SERVICES.

A rapid transition to low emissions will affect the Norwegian economy in particular. Storebrand Bank has no direct exposure to the fossil fuel sector. The labour, housing and property markets and macroeconomic conditions in general are dependent on the fossil fuel sector. The transition may contribute to a recession and a long period of low interest rates in Norway. Demand for credit is lower during economic downturns and recessions.

INCREASED LOSSES ON LENDING AS A RESULT OF CLIMATE CHANGE OR THE TRANSITION TO LOW EMISSIONS.

The macroeconomic situation in some areas/regions is weaker, particularly as a result of transition risks. The debtor risk increases as a result of this. The value of securities develops at a relatively weaker rate than other items due to physical risk (market values develop weaker in areas where, for example, there is a greater risk of floods, landslides, rainfall than the market in general) and/or the transition risk (market values fall more in areas with a higher transition risk due to weaker economic development). The risk manifests itself in the form of increased losses on lending.

GREEN MORTGAGES GIVE LOW PROFITABILITY

Storebrand Bank's focus on green mortgages meets low interest and demand. The investment then yields a weak return. A large investment in green mortgages may result in other initiatives receiving lower priority, and these initiatives may have greater demand among households, which cover the needs of other banks.

REGULATORY RISK FROM NON-COMPLIANCE WITH NEW REQUIREMENTS FOR CLIMATE ADAPTATION OR REPORTING.

The risk is considered low, however the large number of new and comprehensive regulations require follow-up and reporting. The greatest challenge is a lack of consistency in customer communication and marketing. The risks include reputational risk.

OWN OBJECTIVES FOR CLIMATE ADAPTATION ARE NOT ACHIEVED OR THE AMBITIONS ARE TOO LOW

The risks include late/delayed issuing of green bonds/covered bonds in comparison with competitors. The risk is considered low, but it is important that the objectives are increased in line with higher expectations.

Note 9 - Valuation of financial instruments

The Storebrand Bank Group conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Bonds are generally valued based on prices collected from Reuters, Bloomberg and Nordic Bond Pricing. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. The latter is particularly applicable to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will often be specific to the issuer, and will normally be based on a consensus of credit spreads quoted by a selected brokerage firm.

Unlisted derivatives, including primarily interest rate and foreign exchange instruments, are also valued theoretically. Money market rates, swap rates, exchange rates and volatilities that form the basis for valuations are supplied by Reuters, Bloomberg and Norges Bank.

The Storebrand Bank Group carries out continual checks to safeguard the quality of market data that has been collected from external sources. These types of checks will generally involve comparing multiple sources as well as controlling and assessing the likelihood of unusual changes.

The Storebrand Group categorises financial instruments valued at fair value into three different levels which are described in more detail below. The levels express the differing degrees of liquidity and different measurement methods used. The bank group has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

LEVEL 1: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS
Bonds, certificates or equivalent instruments issued by nation states are generally classified as level 1. When it comes to derivatives, standardised stock index futures and interest rate futures will also be included at this level.

LEVEL 2: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF OBSERVABLE MARKET INFORMATION NOT COVERED BY LEVEL 1
This category encompasses financial instruments that are valued based on market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Level 2 includes shares or equivalent equity instruments for which market prices are available, but where the volume of transactions is too limited to fulfil the criteria in level 1. Shares in this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified in this level. Moreover, interest rate and foreign exchange swaps, non-standardised interest rate and foreign exchange derivatives are classified in level 2.

LEVEL 3: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF INFORMATION THAT IS NOT OBSERVABLE ACCORDING TO THE DEFINITION FOR LEVEL 2
Investments classified as level 3 primarily includes fixed-rate loans, variable home loans and the investment in VN Norge AS.

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.

The value of home loans with a floating interest rate is considered to be approximately equal to the amortised cost.

Under equities, it is primarily the investment in VN Norge AS. The value of the shares is calculated on the basis of the price of the shares in VISA Inc. and the exchange rate USD / NOK. The value has also been adjusted for a liquidity and general uncertainty discount of 14%.

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

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 31.12.2022	Book value 31.12.2021
Equities		36.1	6.1	42.2	40.1
Total equities 31.12.2022		**36.1**	**6.1**	**42.2**	
Total equities 31.12.2021		28.9	11.2		40.1
Loans to customers - retail market			318.8	318.8	489.4
Total loans to customers 31.12.2022			**318.8**	**318.8**	
Total loans to customers 31.12.2021			489.4		489.4
Government and government guaranteed bonds		495.4		495.4	237.1
Mortgage and asset backed bonds		1,618.5		1,618.5	2,022.6
Total interest-bearing securities 31.12.2022		**2,113.9**		**2,113.9**	
Total interest-bearing securities 31.12.2021		2,259.7			2,259.7
Interest derivatives		-14.8		-14.8	5.4
Total derivatives 31.12.2022		**-14.8**		**-14.8**	
Derivatives with a positive fair value		52.7		52.7	56.5
Derivatives with a negative fair value		-67.5		-67.5	-51.1
Total derivatives 31.12.2021		5.4			5.4

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

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

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 31.12.2022	Book value 31.12.2021
Loans to customers - corporate market			3.0	3.0	3.0
Loans to customers - retail market			49,153.0	49,153.0	38,091.8
Total loans to customers			**49,156.0**	**49,156.0**	**38,094.8**

FINANCIAL INSTRUMENTS AT FAIR VALUE - LEVEL 3

		2022	
(NOK million)	Equities	Loans to customers at fair value through profit and loss	Loans to customers at fair value through other comprehensive income (OCI)
Book value 01.01.2022	11.2	489.4	38,094.8
Net gains/losses on financial instruments	-5.1	-22.3	-8.0
Supply / disposal		99.3	30,536.7
Sales / due settlements		-247.7	-19,467.4
Book value 31.12.2022	**6.1**	**318.8**	**49,156.0**

		2021	
(NOK million)	Equities	Loans to customers at fair value through profit and loss	Loans to customers at fair value through other comprehensive income (OCI)
Book value 01.01.2021	10.5	722.3	30,786.1
Net gains/losses on financial instruments	0.7	-7.6	-1.3
Supply / disposal		362.8	16,642.6
Sales / due settlements		-588.1	-9,332.6
Book value 31.12.2021	**11.2**	**489.4**	**38,094.8**

VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Fair value 31.12.2022	Book value 31.12.2022	Fair value 31.12.2021	Book value 31.12.2021
Financial assets							
Loans to and deposits with credit institutions		108.5		108.5	108.5	67.4	67.4
Loans to customers - retail market		451.6		451.6	451.6	416.4	416.4
Interest-bearing securities		4,265.8		4,265.8	4,281.0	3,546.8	3,546.2
Total financial assets 31.12.2022		**4,826.0**		**4,826.0**	**4,841.1**		
Total financial assets 31.12.2021		4,030.5				4,030.5	4,030.0
Financial liabilities							
Loans and deposits from credit institutions		403.0		403.0	403.0	502.0	502.0
Deposits from and due to customers		19,477.8		19,477.8	19,477.8	17,238.8	17,238.8
Debt securities issued		32,279.5		32,279.5	32,290.0	23,989.4	23,922.7
Subordinated loans		799.0		799.0	828.0	575.8	575.9
Total financial liabilities 31.12.2022		**52,959.3**		**52,959.3**	**52,998.8**		
Total financial liabilities 31.12.2021		42,306.1				42,306.1	42,239.5

The fair value of interest-bearing securities, debt securities issued and subordinated loans is based on normal valuation techniques. Cash flows are discounted over the remaining term with the current discount factor. The discount factor used is based on a swap rate (mid swap) with a maturity that corresponds to the maturity of the underlying financial instrument. For the items loans to and deposits with credit institutions, loans to customers, loans and deposits from credit institutions and deposits from and due to customers, fair value is approximately equal to amortised cost

SENSITIVITY ANALYSIS FINANCIAL INSTRUMENTS AT FAIR VALUE

Loans to customers at fair value through other comprehensive income (OCI)
The value of home loans with a floating interest rate is considered to be approximately equal to the amortised cost.

Equities
This item consist of shares in VN Norge AS. At the end of the year, the value of the shares is calculated on the basis of the price of the shares in VISA Inc. and the exchange rate USD / NOK. The value has also been adjusted for a liquidity and general uncertainty discount of 14%.

	Floating loans to customers		**Floating loans to customers**		**Equities**	
	Fair value through other comprehensive income (OCI)		Fair value through other comprehensive income (OCI)			
	Change in market spread		Change in market spread		Change in value	
Increase/reduction in fair value	+ 10 bp	- 10 bp	+ 25 bp	- 25 bp	+ 25 bp	- 25 bp
Increase/reduction in fair value at 31.12.2022	**-5.7**	**5.7**	**-14.1**	**14.1**	**7.1**	**-10.2**
Increase/reduction in fair value at 31.12.2021	-3.5	3.5	-8.9	8.9	7.0	-8.3

Note 10 - Segment

Business segments are the bank group's primary reporting segments. In 2013, the bank group decided to wind up the bank's loan portfolio in the corporate market. The remaining portfolio was marginal at the end of 2022 and the bank group therefor no longer reports on segment in its reporting. The bank group's accounts for 2022 therefore relate entirely to the Retail Lending segment. Geographic segments form the bank group's secondary reporting segments. The bank group does not have any activities outside Norway. Customers from abroad are classified as part of the Norwegian activities. All operating income and the bank group's earnings therefore relate solely to its Norwegian activities.

Note 11 - Net income from financial instruments

NET INTEREST INCOME

(NOK million)	2022	2021
Interest on loans to credit institutions	10.1	1.8
Interest on loans to customers - loans valued at amortised cost	54.6	44.4
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income (OCI)	1,203.2	662.3
Interest on interest-bearing securities valued at amortised cost	73.5	16.2
Total interest income calculated by using the effective interest method	**1,341.4**	**724.8**
Interest on loans to customers - loans valued at fair value with change in value through profit and loss	11.1	12.5
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	43.4	18.4
Interest on derivatives	4.4	10.9
Total other interest income	**58.8**	**41.9**
Total interest income	**1,400.2**	**766.7**
Interest on loans from credit institutions	-3.8	-0.8
Interest on deposits from customers	-126.2	-41.0
Interest on debt securities issued	-609.1	-180.2
Interest on subordinated loans	-24.3	-7.3
Total interest expenses calculated by using the effective interest method	**-763.4**	**-229.3**
Interest on derivatives	-5.4	-11.4
Other interest expenses	-21.1	-17.2
Total other interest expenses	**-26.5**	**-28.6**
Total interest expenses	**-789.9**	**-257.9**
Net interest income	**610.4**	**508.8**

NET INCOME AND GAIN/LOSS FROM FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(NOK million)	2022	2021
Realised gain/loss on loans and receivable		
Unrealised gain/loss on loans and receivable	-37.0	-9.8
Net change in value and gain/loss on loans and receivables	**-37.0**	**-9.8**
Realised gain/loss on interest-bearing securities	1.0	15.8
Unrealised gain/loss on interest-bearing securities	-0.2	-4.9
Net change in value and gain/loss on interest-bearing securities	**0.7**	**11.0**
Realised gain/loss on equity instruments		-0.1
Unrealised gain/loss on equity instruments	-2.8	-0.4
Net change in value and gain/loss on equity instruments	**-2.8**	**-0.5**
Realised gain/loss on financial liabilities	-2.1	-1.3
Unealised gain/loss on financial liabilities	44.4	5.5
Net change in value and gain/loss on financial liabilities (except financial derivatives)	**42.4**	**4.1**
Realised gain/loss on foreign exchange and financial derivatives	-9.2	2.5
Unrealised gain/loss on foreign exchange and financial derivatives	-28.7	8.4
Net change in value and gain/loss on foreign exchange and financial derivatives	**-37.9**	**11.0**
Total change in value and net gain/loss on financial instruments	**-34.6**	**15.7**

Note 12 - Net commission income

(NOK million)	2022	2021
Fees related to banking operations	53.3	41.6
Fees from and management of loans	71.2	71.5
Total fees and commissions receivable *)	**124.5**	**113.1**
Fees and commissions payable relating to banking operations	-25.1	-21.8
Other fees and commissions payable	-1.2	-1.4
Total fees and commissions payable **)	**-26.3**	**-23.2**
Net commission income	**98.2**	**89.9**
*) Of which total fees and commission income on book value of financial assets and liabilities that are not at fair value through the profit and loss account	53.3	41.6
**) Of which total fees and commission expense on book value of financial assets and liabilities that are not at fair value through the profit and loss account	-26.3	-23.2

Note 13 - Remuneration paid to auditors

Remuneration including value added tax:

NOK 1000	2022	2021
Statutory audit	-766	-749
Other reporting duties	-335	-137
Other non-audit services	-160	-189
Total	**-1,261**	**-1,074**

Note 14 - Operating expenses

(NOK million)	2022	2021
Ordinary wages and salaries	-129.7	-119.6
Employer's social security contributions	-26.1	-23.7
Pension cost (see note 15)	-17.8	-16.3
Other staff expenses	-6.8	-6.0
Total staff expenses	**-180.4**	**-165.6**
IT expenses	-74.9	-70.3
Office operation and other general administration expenses	-1.9	-2.0
Operating expenses on rented premises	-17.1	-14.8
Foreign services (see note 13)	-17.7	-8.5
Inter-company charges for services [1]	-158.5	-136.7
Sold services to group companies	94.5	85.6
Other operating expenses	-10.8	-9.5
Total other operating expenses	**-186.5**	**-156.3**
Depreciations	-16.5	-17.1
Write-downs		-12.8
Total depreciation and write-downs of non-financial assets	**-16.5**	**-29.8**
Total operating expenses	**-383.5**	**-351.8**

1) Services purchased from the group contain expenses relating to bank production, IT services, joint administrative functions, financial and legal services, marketing activities, HR and skills development, purchasing, information services and savings advice.

Note 15 - Pensions

Storebrand Group has country-specific pension schemes.

Storebrand's employees in Norway have e defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). Storebrand has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:
- Saving starts from the first krone of salary
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" was NOK 111,477 at 31 December 2022)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- Savings rate for salary over 12 G is 20 per cent.

The Norwegian companies participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.6 % in 2022 while it was 2.5% in 2021.

There are also pension liabilities for the defined-benefit scheme related to direct pensions for certain former employees and former board members.

RECONCILIATION OF PENSION ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

(NOK million)	2022	2021
Present value of insured pension liabilities incl. employer's NI contribution	6.3	8.6
Fair value of pension assets	-7.5	-7.6
Net pension liabilities/assets insured scheme	-1.2	1.0
Asset ceiling - asset adjustment	1.2	
Present value of unsecured liabilities	1.7	2.1
Net pension liabilities recognised in statement of financial position	**1.7**	**3.0**

Includes employer contributions on net under-financed liabilities in the gross liabilities

BOOKED IN STATEMENT OF FINANCIAL POSITION

(NOK million)	2022	2021
Pension liabilities	1.7	3.0

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

(NOK million)	2022	2021
Net pension liabilities 01.01 incl. provision for employer's NI contribution	10.6	11.8
Interest expenses on the pension liability	0.2	0.2
Estimate deviations	-2.6	-0.1
Pensions paid	-0.1	-1.2
Net pension liabilities 31.12	**8.1**	**10.6**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

(NOK million)	2022	2021
Pension assets at fair value 01.01	7.6	7.1
Expected return	0.1	0.1
Estimate deviation	-0.3	0.2
Premiums paid	0.2	0.2
Net pension assets 31.12	**7.5**	**7.6**
Expected premium payments (pension assets) in 2023:	0.1	
Expected premium payments (contributions) in 2023:	12.3	
Expected AFP early retirement scheme payments in 2023:	3.2	
Expected payments from operations (uninsured scheme) in 2023:	0.3	

PENSION ASSETS ARE BASED ON THE FINANCIAL ASSETS HELD BY STOREBRAND LIVSFORSIKRING COMPOSED AT 31.12.

	2022	2021
Real estate	14 %	13 %
Bonds at amortised cost	43 %	39 %
Loans	16 %	15 %
Equities and units	5 %	13 %
Bonds	20 %	19 %
Other short-term financial assets	1 %	1 %
Total	**100 %**	**100 %**
The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Life Insurance.		
Realised return on assets	0.5 %	4.5 %

NET PENSION COST BOOKED TO PROFIT AND LOSS ACCOUNT, SPECIFIED AS FOLLOWS:

(NOK million)	2022	2021
Net interest cost/expected return	0.1	0.1
Total for defined benefit schemes	**0.1**	**0.1**
The period's payment to contribution scheme	15.1	13.9
The period's payment to contractual pension	2.6	2.3
Net pension cost recognised in profit and loss account in the period	**17.8**	**16.3**

Net pension cost includes payroll tax of employer contribution and is included in operating expenses. See note 14.

ANALYSIS OF ACTUARIAL LOSS (GAIN) IN THE PERIOD

(NOK million)	2022
Actuarial loss (gain) - change in discount rate	-2.5
Actuarial loss (gain) - experienced DBO	-0.1
Loss (gain) - experience Assets	0.2
Investment management cost	0.1
Asset ceiling - asset adjustment	1.2
Remeasurements loss (gain) in the period	**-1.1**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY

	31.12.2022	31.12.2021
Discount rate	3.80 %	2.00 %
Expected return	3.50 %	2.25 %
Expected earnings growth	0.00 %	2.25 %
Expected annual increase in pensions payment	3.50 %	0.00 %
Disability table	KU	KU
Mortality table	K2013BE	K2013BE

Financial assumptions:
The financial assumptions have been determined on the basis of the rules in IAS 19. Long term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are particularly subject to a high degree of uncertainty.

In Norway, a discount rate based on covered bonds is used. Based on the market and volume trends observed, and in Storebrand's opinion, the Norwegian covered bond market must be perceived as a deep market.

Specific company conditions including expected direct wage growth are taken into account when determining the financial assumptions.

Actuarial assumptions:
In Norway, there are standardised assumptions for mortality/disability trends, and other demographic factors, that have been prepared by Finance Norway. A new mortality basis K2013 for group pension insurance in life insurance companies and pension funds was introduced effective from 2014. Storebrand has used the mortality table K2013BE (best estimate) for the actuarial calculations as at 31 December 2022.

Note 16 - Losses on loans, guarantees and unused credits

	2022		
(NOK million)	Loans and securities valued at amortisert cost and loans 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	-0.1	-2.2
The periods change in impairment losses stage 2	-8.0	-0.8	-8.9
The periods change in impairment losses stage 3	-8.3	-0.2	-8.5
Realised losses	-12.0		-12.0
Recoveries on previously realised losses	17.7		17.7
Other changes	-0.4		-0.4
Loss expense for the period	**-13.1**	**-1.1**	**-14.2**

The Storebrand Bank Group has NOK 1.0 million in outstanding contractual amounts for realised losses during 2022 that are still subject to enforcement activities.

	2021		
(NOK million)	Loans to customers and securities valued at amortisert 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	0.0	-1.7
The periods change in impairment losses stage 2	0.6	12.1	12.7
The periods change in impairment losses stage 3	0.2		0.2
Realised losses	-7.1		-7.1
Recoveries on previously realised losses	1.2		1.2
Credit loss on interest-bearing securities	0.1		0.1
Management overlay	4.1	2.9	7.0
Other changes	-0.5		-0.5
Loss expense for the period	**-3.0**	**14.9**	**12.0**

The Storebrand Bank Group had NOK 4.4 million in outstanding contractual amounts for realised losses during 2021 that were still subject to enforcement activities.

Note 17 - Tax

TAX CHARGE FOR THE YEAR

(NOK million)	2022	2021
Tax payable	-54.0	-60.5
Changes in deferred tax/deferred tax asset	-13.2	-2.8
Change in tax earlier years	-0.4	
Total tax cost	**-67.6**	**-63.3**

TAX PAYABLE IN THE BALANCE SHEET

(NOK million)	2022	2021
Tax payable	-50.8	-58.6
- tax effect of group contribution paid		
Tax payable in the balance sheet	**-50.8**	**-58.6**

RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

(NOK million)	2022	2021
Ordinary pre-tax profit	281.3	275.6
Expected tax on income at nominal rate	-70.3	-68.9
Tax effect of:		
Realised shares	0.5	-0.1
Permanent differences	2.7	5.7
Effect of devalued deferred tax / tax assets	-0.1	
Changes earlier years	-0.4	-0.4
Tax charge	**-67.6**	**-63.6**

ANALYSIS OF THE TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSSES CARRIED FORWARD

(NOK million)	2022	2021
Tax-increasing temporary differences		
Financial instruments	66.4	9.0
Total tax-increasing temporary differences	**66.4**	**9.0**
Tax-reducing temporary differences		
Pensions	-1.7	-3.0
Fixed assets	-2.0	-7.0
Provisions	-16.2	-11.1
Total tax-reducing temporary differences	**-19.9**	**-21.0**
Base for deferred tax/tax assets	**46.5**	**-12.1**
Temporary differences not included in calculation for defered tax/deferred tax assets	5.8	5.5
Net base for deferred tax and deferred tax asset	**52.3**	**-6.6**
Net deferred asset/liability in the balance sheet	**9.7**	**-3.5**

The tax rate for companies in Norway was changed from 23 to 22 per cent with effect from 1 January 2019. It was also agreed to keep the rate at 25 per cent for companies subject to the financial tax. The Storebrand Bank 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).

ANALYSIS OF TAX PAYABLE AND DEFERRED TAX APPLIED INTO OTHER COMPREHENSIVE INCOME (OCI)

(NOK million)	2022	2021
Pension experience adjustments	-0.3	-0.1
Tax on change in value on loans to fair value through other comprehensive income (OCI)		-0.2
Total	**-0.3**	**-0.3**

Note 18 - Classification of financial assets and liabilities

(NOK million)	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income (OCI)	Total book value 2022	Total book value 2021
Financial assets					
Cash and deposits with central banks	7.5			7.5	313.0
Loans to and deposits with credit institutions	108.5			108.5	67.4
Equity instruments		42.2		42.2	40.1
Interest-bearing securities	4,281.0	2,113.9		6,394.9	5,805.9
Derivatives		52.7		52.7	56.5
Lending to customers	451.6	318.8	49,156.0	49,926.4	39,000.6
Other current assets	67.2			67.2	41.1
Total financial assets 2022	**4,915.8**	**2,527.7**	**49,156.0**	**56,599.5**	
Total financial assets 2021	3,760.6	5,188.6	30,786.1		45,324.5
Financial liabilities					
Loans and deposits from credit institutions	403.0			403.0	502.0
Deposits from and due to customers	19,477.8			19,477.8	17,238.8
Debt securities issued	32,290.0			32,290.0	23,922.7
Derivatives		67.5		67.5	51.1
Other liabilities	130.0			130.0	80.8
Subordinated loans	828.0			828.0	575.9
Total financial liabilities 2022	**53,128.8**	**67.5**		**53,196.3**	
Total financial liabilities 2021	37,149.1	77.8			42,371.4

Note 19 - Interest-bearing securities at fair value through profit and loss account

(NOK million)	2022 Fair value	2021 Fair value
Sovereign and Government Guaranteed bonds	495.4	237.1
Mortgage and asset backed bonds	1,618.5	2,022.6
Total interest-bearing securities at fair value	**2,113.9**	**2,259.7**
Modified duration	0.16	1.60
Average effective yield per 31.12.	3.47 %	0.91 %

The portfolio is mainly denominated in NOK.
Calculated effective yields are weighted to give an average effective yield on the basis of each asset's share of the total interest rate sensitivity.

Note 20 - Interest-bearing securities at amortised cost

(NOK million)	2022 Book value	2022 Fair value	2021 Book value	2021 Fair value
Public issuers and Government Guaranteed Bonds	3,320.0	3,307.5	2,635.0	2,633.7
Mortgage and asset backed bonds	961.0	958.3	911.2	913.1
Total interest-bearing securities at amortised cost	**4,281.0**	**4,265.8**	**3,546.2**	**3,546.7**
Modified duration		0.13		0.12
Average effective yield per 31.12.		3.26 %		0.86 %

The portfolio is mainly denominated in NOK.
Calculated effective yields are weighted to give an average effective yield on the basis of each asset's share of the total interest rate sensitivity.

Note 21 - Equity instruments

(NOK million) Navn på selskap	Organisation number	No. of shares	Ownership interest	2022 Book value	2021 Book value
VN Norge AS	821083052	10,138,359,344,595,400	1.01 %	6.1	11.2
Other Norwegian companies				0.5	0.5
Scandinavisk Datacenter AS		60,764	3.50 %	34.5	27.4
Other foreign companies				1.2	1.1
Total equity instruments				**42.2**	**40.1**

Note 22 - Financial derivatives

Financial derivatives are linked to underlying amounts which are not carried on the balance sheet. In order to quantify the volume of derivatives, reference is made to such underlying amounts as underlying principal, nominal volume, etc. Different calculation methods are applied to nominal volume for different types of financial derivatives, and this figure expresses the scope of risk and positions of financial derivatives.

Gross nominal volume primarily provides information on scope, while net nominal volume provides a certain expression of risk positions. However, the nominal volume for different instruments is not necessarily comparable, considering the risk exposure. As opposed to gross nominal volume, the calculation of net nominal volume also takes into account the sign for the instrument's market risk exposure, by differing between so-called asset positions and liability positions.

An asset position in a share derivative implies a positive change in value if share prices rise. For interest derivatives, an asset position implies a positive change in value if interest rates are reduced – as is the case with bonds. An asset position in a currency derivative generates a positive change in value if the exchange rate against the NOK sees an increase. The average gross nominal volume is based on daily calculations of gross nominal volume.

					Net amounts taken into account netting agreements		
(NOK million)	Gross nom. volume [1]	Gross recognised financial assets	Gross recognised debt	Net financial assets / debt in the balance sheet	Fin. assets	Fin. debt	Net amount
Interest derivatives [2]	1,842.1	52.7	67.5				-14.8
Currency derivatives	1.1						
Total derivatives 31.12.2022	**1,843.2**	**52.7**	**67.5**				**-14.8**
Total derivatives 31.12.2021	1,233.0	56.5	51.1				5.4

1) Values as at 31.12:
2) Interest derivatives include accrued, not due, interest.

INVESTMENTS SUBJECT TO NETTING AGREEMENTS /CSA

(NOK million)	Recognised assets	Recognised liabilities	Net assets	Collateral Cash (+/-)	Collateral Securities (+/-)	Net exposure
Investments subject to netting agreements	29.8	67.5	-37.7		-150.0	112.3
Investments not subject to netting agreements	22.9	0.0	22.9			
Total 2022	**52.7**	**67.5**	**-14.8**			
Total 2021	56.5	51.1	5.4			

Note 23 - Foreign exchange risk

FINANCIAL ASSETS AND LIABILITIES IN FOREIGN CURRENCY

	Balance sheet items excluding currency deivatives	Currency forwards	Net position 2022		Net position 2021
(NOK million)	Net in the balance sheet	Net sales	in currency	in NOK	in NOK
DKK	-0.1		-0.1	-0.2	-0.1
EUR	-35.0	35.0		0.1	
GBP					-0.1
JPY	-0.1		-0.1		
SEK	0.1		0.1	0.1	0.1
USD	0.1	-0.1		0.1	
Other	0.3		0.3		0.1
Total net currency positions				**0.0**	**0.1**

The permitted limit for the bank's foreign exchange position is 0.30 per cent of primary capital, which is approximately NOK 13 million at present.

Note 24 - Loans, guarantees and unused credits

(NOK million)	2022 Book value	2021 Book value
Loans to customers at amortised cost	484.1	438.5
Loans to customers at fair value through profit and loss (PL)	318.8	489.4
Loans to customers at fair value through other comprehensive income (OCI)	49,191.0	38,121.7
Total gross loans to customers	**49,993.9**	**39,049.6**
Provision for expected loss Stage 1	-8.7	-6.6
Provision for expected loss Stage 2	-18.8	-11.7
Provision for expected loss Stage 3	-40.0	-30.8
Net loans to customers	**49,926.4**	**39,000.6**

See note 25 for analysis of engagement by customer group and geographical area and note 26 for specification of loan loss provisions.

CHANGE IN GROSS LOANS TO CUSTOMERS VALUED AT AMORTISED COST

	2022			
(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2022	331.8	88.7	18.0	438.5
Transfer to stage 1	15.1	-14.8	-0.2	0.0
Transfer to stage 2	-29.4	29.4		0.0
Transfer to stage 3	-5.7	-7.4	13.1	0.0
New loans	150.2	37.4	9.7	197.3
Derecognition	-112.4	-28.6	-7.9	-148.9
Other changes	-3.5	2.1	-1.3	-2.8
Gross loans 31.12.2022	**346.0**	**106.8**	**31.4**	**484.1**

	2021			
(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2021	173.6	130.6	16.7	320.8
Transfer to stage 1	65.5	-65.3	-0.3	0.0
Transfer to stage 2	-5.8	6.3	-0.5	0.0
Transfer to stage 3	-2.3	-2.0	4.3	0.0
New loans	153.5	57.2	3.7	214.5
Derecognition	-41.9	-34.1	-7.0	-83.0
Other changes	-10.8	-3.5	0.6	-13.8
Gross loans 31.12.2021	**331.8**	**89.2**	**17.5**	**438.5**

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

	2022			
(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2022	36,359.5	1,703.1	59.1	38,121.7
Transfer to stage 1	472.6	-470.4	-2.1	0.0
Transfer to stage 2	-1,426.0	1,428.9	-2.9	0.0
Transfer to stage 3	-7.1	-18.9	26.0	0.0
New loans	23,802.7	1,470.5		25,273.2
Derecognition	-12,710.1	-654.2	-12.8	-13,377.0
Other changes	-806.0	-20.6	-0.3	-826.9
Gross loans 31.12.2022	**45,685.6**	**3,438.4**	**67.0**	**49,191.0**

	2021			
(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2021	28,104.7	2,603.1	103.9	30,811.7
Transfer to stage 1	1,135.9	-1,131.1	-4.8	0.0
Transfer to stage 2	-297.3	325.4	-28.1	0.0
Transfer to stage 3	-3.1	-7.0	10.1	0.0
New loans	15,857.0	785.4	0.2	16,642.6
Derecognition	-8,004.4	-840.6	-30.4	-8,875.3
Other changes	-433.3	-16.2	-7.7	-457.3
Gross loans 31.12.2021	**36,359.5**	**1,719.0**	**43.2**	**38,121.7**

CHANGE IN MAXIMUM EXPOSURE FOR GUARANTEES AND UNUSED CREDITS

	2022			
(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2022	3,225.6	96.4	0.3	3,322.3
Transfer to stage 1	33.6	-33.4	-0.1	0.0
Transfer to stage 2	-79.6	79.6		0.0
Transfer to stage 3	-0.2	-0.2	0.4	0.0
New guarantees and unused credits	939.2	22.2		961.4
Dereceognition	-480.6	-11.7		-492.3
Other changes	-25.4	-28.4	-0.3	-54.1
Maximum exposure 31.12.2022	**3,612.5**	**124.5**	**0.3**	**3,737.3**

	2021			
(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2021	2,690.4	373.1		3,063.4
Transfer to stage 1	264.8	-264.8		0.0
Transfer to stage 2	-20.3	20.3		0.0
Transfer to stage 3	-0.2	-0.2	0.4	0.0
New guarantees and unused credits	604.4	18.5		622.9
Dereceognition	-290.0	-50.6		-340.7
Other changes	-23.5	0.2	-0.1	-23.5
Maximum exposure 31.12.2021	**3,225.6**	**96.4**	**0.3**	**3,322.3**

TOTAL COMMITMENTS AMOUNT BY REMAINING TERM TO MATURITY

	2022					
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
Up to 1 month	5.6	41.3				47.0
From 1 month up to 3 months	3.5	367.5			95.1	466.2
From 3 months up to 1 year	34.5	1,015.4			131.1	1,181.0
From 1 year to 5 years	102.0	1,162.3			387.1	1,651.4
More than 5 years	338.6	46,604.3	318.8	0.3	3,123.7	50,385.7
Total	**484.1**	**49,191.0**	**318.8**	**0.3**	**3,737.0**	**53,731.2**

	2021					
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
Up to 1 month	7.5	46.8			1.0	55.3
From 1 month up to 3 months	21.3	232.6			29.5	283.4
From 3 months up to 1 year	20.1	591.9			183.9	795.9
From 1 year to 5 years	79.6	1,401.1			442.4	1,923.1
More than 5 years	309.9	35,849.3	489.4	0.3	2,665.2	39,314.1
Total	**438.5**	**38,121.7**	**489.4**	**0.3**	**3,322.0**	**42,371.9**

Note 25 - Engagement by customer group and geographical area

ENGAGEMENT BY CUSTOMER GROUP

2022						
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total engagement
Sale and operation of real estate		15.9				15.9
Service providers		3.9			0.2	4.2
Wage-earners	481.5	48,866.8	275.6		3,714.3	53,338.3
Other	2.6	304.3	43.2	0.3	22.6	372.9
Total	**484.1**	**49,191.0**	**318.8**	**0.3**	**3,737.0**	**53,731.2**
Provision for expected loss stage 1	-4.3	-4.5			-4.1	-12.9
Provision for expected loss stage 2	-6.4	-12.4			-5.3	-24.1
Provision for expected loss stage 3	-21.8	-18.1			-0.3	-40.3
Total loans, guarentees and undrawn credit limits	**451.6**	**49,156.0**	**318.8**	**0.3**	**3,727.3**	**53,653.9**
Distribution by geographical area						
Eastern Norway	316.9	41,949.6	296.0	0.3	3,129.5	45,692.3
Western Norway	82.3	4,085.5	6.4		403.0	4,577.3
Southern Norway	19.5	719.5	1.1		49.5	789.5
Mid-Norway	26.1	1,092.8			72.6	1,191.6
Northern Norway	37.2	1,111.3	6.4		63.1	1,217.9
Rest of world	2.0	232.2	9.0		19.3	262.6
Total	**484.1**	**49,191.0**	**318.8**	**0.3**	**3,737.0**	**53,731.2**
Provision for expected loss stage 1	-4.3	-4.5			-4.1	-12.9
Provision for expected loss stage 2	-6.4	-12.4			-5.3	-24.1
Provision for expected loss stage 3	-21.8	-18.1			-0.3	-40.3
Total loans, guarentees and undrawn credit limits	**451.6**	**49,156.0**	**318.8**	**0.3**	**3,727.3**	**53,653.9**

ENGAGEMENT BY CUSTOMER GROUP

(NOK million)	2021 Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total engagement
Sale and operation of real estate	0.0	15.9				15.9
Service providers	0.1	0.9			0.2	1.2
Wage-earners	435.7	37,881.3	464.2	0.0	3,300.4	42,081.7
Other	2.7	223.6	25.2	0.3	21.4	273.1
Total	**438.5**	**38,121.7**	**489.4**	**0.3**	**3,322.0**	**42,371.9**
Provision for expected loss stage 1	-3.6	-3.0			-4.0	-10.6
Provision for expected loss stage 2	-6.1	-4.7			-4.5	-15.3
Provision for expected loss stage 3	-12.4	-19.2			-0.2	-31.9
Total loans, guarentees and undrawn credit limits	**416.4**	**38,094.8**	**489.4**	**0.3**	**3,313.3**	**42,314.1**
Distribution by geographical area						
Eastern Norway	292.3	31,696.3	430.8	0.3	2,710.2	35,130.0
Western Norway	77.5	3,758.7	35.9		411.9	4,284.0
Southern Norway	14.1	538.1	6.2		45.8	604.2
Mid-Norway	22.3	910.9	4.4		68.0	1,005.7
Northern Norway	29.9	1,058.2	12.1		66.2	1,166.5
Rest of world	2.2	159.4	0.0		19.9	181.5
Total	**438.5**	**38,121.7**	**489.4**	**0.3**	**3,322.0**	**42,371.9**
Provision for expected loss stage 1	-3.6	-3.0			-4.0	-10.6
Provision for expected loss stage 2	-6.1	-4.7			-4.5	-15.3
Provision for expected loss stage 3	-12.4	-19.2			-0.2	-31.9
Total loans, guarentees and undrawn credit limits	**416.4**	**38,094.8**	**489.4**	**0.3**	**3,313.3**	**42,314.1**

Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on flexible mortgages.

The classification into customer groups is based on Statistics Norway's standard for sector and business classification. The individual customer's classification is determined by the customer's primary activity.

Note 26 - Loan loss provisions of loans, guarantees and unused credits

(NOK million)	2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2022	10.6	15.3	31.9	57.7
Transfer to stage 1 (12-month ECL)	4.3	-4.1	-0.2	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-1.5	1.6		0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-1.0	1.1	0.0
Net remeasurement of loan losses	-3.7	6.1	8.7	11.0
New financial assets originated or purchased	6.5	10.1	6.8	23.4
Financial assets that have been derecognised	-2.6	-3.8	-2.5	-8.9
ECL changes of balances on financial assets without changes in stage in the period	-0.5	0.1	-0.5	-0.9
Financial assets written off during the period		-0.1	-4.9	-4.9
Loan loss provisions 31.12.2022	**12.9**	**24.1**	**40.3**	**77.3**
Loan loss provisions on loans to customers valued at amortised cost	4.3	6.4	21.8	32.6
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	4.5	12.4	18.1	35.0
Loan loss provisions on guarantees and unused credit limits	4.1	5.3	0.4	9.8
Total loans loss provisions	**12.9**	**24.1**	**40.3**	**77.3**

(NOK million)	2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2021	8.9	36.0	31.1	76.0
Transfer to stage 1 (12-month ECL)	9.2	-9.0	-0.2	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.3	0.6	-0.3	0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-0.4	0.5	0.0
Net remeasurement of loan losses	-6.9	1.8	3.5	-1.6
New financial assets originated or purchased	4.0	6.5	2.9	13.5
Financial assets that have been derecognised	-2.0	-4.7	-1.5	-8.2
ECL changes of balances on financial assets without changes in stage in the period	-3.1	-2.5	3.6	-2.0
Changes in models/risk parameters	0.8	-6.1	-1.9	-7.2
Management overlay		-7.0		-7.0
Loan loss provisions 31.12.2021	**10.6**	**15.3**	**31.9**	**57.7**
Loan loss provisions on loans to customers valued at amortised cost	3.6	6.1	12.4	22.1
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	3.0	4.7	19.2	27.0
Loan loss provisions on guarantees and unused credit limits	4.0	4.5	0.2	8.7
Total loans loss provisions	**10.6**	**15.3**	**31.9**	**57.7**

Periodical changes in individual impairments and expected credit loss on loans, unused credits and guarantees are shown above. Storebrand Bank Group has not any expected loan loss provisions related to loans to the central bank, credit institutions and interest-bearing securities. Recognised losses on loans, unused credits and guarantees in the profit and loss account are shown in note 16.

Note 27 - Distribution of loan loss provisions and exposure on secured and unsecured retail exposures

DISTRIBUTION OF LOAN LOSS PROVISIONS

	2022			
(NOK million)	Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	4.5	12.4	4.2	21.1
Unsecured retail exposures including credit cards exposures	8.3	11.7	22.2	42.2
Other exposures including SME exposures			14.0	14.0
Total loan loss provisions	**12.9**	**24.1**	**40.3**	**77.3**

	2021			
(NOK million)	Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	3.0	4.7	5.2	13.0
Unsecured retail exposures including credit cards exposures	7.6	10.6	12.6	30.7
Other exposures including SME exposures	0.0		14.0	14.0
Total loan loss provisions	**10.6**	**15.3**	**31.9**	**57.7**

DISTRIBUTION OF EXPOSURE INCL. UNUSED CREDIT LIMITS AND GUARANTEES

	2022			
(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	48,631.9	3,512.2	50.0	52,194.1
Unsecured retail exposures including credit cards exposures	1,318.3	169.7	31.6	1,519.6
Other exposures including SME exposures	0.3	0.2	17.0	17.5
Total exposure	**49,950.5**	**3,682.1**	**98.6**	**53,731.2**

	2021			
(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	39,047.9	1,774.7	41.9	40,864.5
Unsecured retail exposures including credit cards exposures	1,315.9	155.5	18.2	1,489.6
Other exposures including SME exposures	0.5		17.2	17.8
Total exposure	**40,364.3**	**1,930.2**	**77.3**	**42,371.9**

Note 28 - Non-performing and loss-exposed loans

(NOK million)	2022	2021
Non-performing loans		
Non-performing loans without evidence of impairment	73.3	47.6
Loss-exposed loans with evidence of impairment	25.0	29.4
Gross non-performing and loss-exposed loans	**98.3**	**77.0**
Loan loss provisions stage 3	-40.0	-31.7
Net non-performing and loss-exposed loans	**58.4**	**45.4**

NON-PERFORMING LOANS PER CUSTOMER GROUP

(NOK million)	2022 Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Sale and operation of real estate		15.9	15.9	12.9	3.0
Wage-earners	72.7	9.1	81.9	26.7	55.2
Other	0.6		0.6	0.4	0.2
Total	**73.3**	**25.0**	**98.3**	**40.0**	**58.4**

*) Individual and model based provisions are included. Only provisions on defaulted loans with and without impairment.

(NOK million)	2021 Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Sale and operation of real estate		15.9	15.9	12.9	3.0
Wage-earners	46.7	13.6	60.3	18.2	42.1
Other	0.9		0.9	0.6	0.3
Total	**47.6**	**29.4**	**77.0**	**31.7**	**45.4**

*) Individual and model based provisions are included. Only provisions on defaulted loans with and without impairment.

NON-PERFORMING AND LOSS-EXPOSED LOANS BY GEOGRAPHICAL AREA

(NOK million)	2022 Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Eastern Norway	38.5	18.5	57.0	25.7	31.3
Western Norway	22.7	6.0	28.6	7.6	21.0
Southern Norway	2.3		2.3	1.6	0.7
Mid-Norway	4.9	0.5	5.4	1.6	3.8
Northern Norway	4.7		4.7	3.3	1.4
Rest of world	0.3		0.3	0.2	0.1
Total	**73.3**	**25.0**	**98.3**	**40.0**	**58.4**

*) Individual and model based provisions are included. Only provisions on defaulted loans with and without impairment.

(NOK million)	2021 Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Eastern Norway	23.8	22.5	46.4	22.3	24.0
Western Norway	7.9	6.5	14.4	4.8	9.6
Southern Norway	2.0		2.0	0.6	1.4
Mid-Norway	11.0	0.4	11.5	2.0	9.5
Northern Norway	2.2		2.3	1.6	0.7
Rest of world	0.6		0.6	0.4	0.2
Total	**47.6**	**29.4**	**77.0**	**31.7**	**45.4**

*) Individual and model based provisions are included. Only provisions on defaulted loans with and without impairment.

AGE DISTRIBUTION OF OVERDUE COMMITMENTS WITHOUT IMPAIRMENT

(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
			2022			
Overdue 1 - 30 days	54.8	58.3			1.3	114.5
Overdue 31 - 60 days	10.4	28.7			2.0	41.1
Overdue 61- 90 days	9.5	20.8			0.0	30.3
Overdue more than 90 days *)	31.3	42.0			0.3	73.6
Total	**106.0**	**149.9**			**3.6**	**259.6**
Commitments overdue more than 90 days by geographical area:						
Eastern Norway	16.2	22.3			0.2	38.7
Western Norway	6.4	16.3				22.7
Southern Norway	2.3					2.3
Mid-Norway	1.4	3.5				4.9
Northern Norway	4.7					4.7
Rest of world	0.3					0.3
Total	**31.3**	**42.0**			**0.3**	**73.5**

*) Only non-performing and loss-exposed loans are classified by geographical area in this overview.

(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
			2021			
Overdue 1 - 30 days	35.5	39.1			0.5	75.2
Overdue 31 - 60 days	5.8	8.1			0.1	14.0
Overdue 61- 90 days	2.1	2.8				4.8
Overdue more than 90 days *)	17.7	29.9			0.3	47.9
Total	**61.1**	**79.9**			**0.9**	**141.9**
Commitments overdue more than 90 days by geographical area:						
Eastern Norway	9.3	14.6			0.1	24.0
Western Norway	3.6	4.3			0.1	8.0
Southern Norway	0.8	1.2				2.0
Mid-Norway	1.2	9.8				11.0
Northern Norway	2.2	0.1				2.2
Rest of world	0.6					0.6
Total	**17.7**	**29.9**			**0.3**	**47.9**

*) Only non-performing and loss-exposed loans are classified by geographical area in this overview.

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

			2022		
(NOK million)	Gross amount	Loan loss provisions	Net value	Value of collateral	Type of collateral
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	42.0	-1.3	40.7	84.0	residential property
- unsecured retail exposures including credit cards exposures	31.3	-22.1	9.1		
- other exposures including SME exposures	-		0.0		
Total non-performing loans without evidence of impairment	**73.3**	**-23.5**	**49.9**		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	8.0	-2.9	5.1	23.2	residential property
- unsecured retail exposures including credit cards exposures	0.1		0.0		
- other exposures including SME exposures	17.0	-14.0	3.0		
Total loss-exposed loans with evidence of impairment	**25.0**	**-16.8**	**8.2**		

The bank group has loans of NOK 20.1 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

			2021		
(NOK million)	Gross amount	Loan loss provisions	Net value	Value of collateral	Type of collateral
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	29.9	-1.1	28.8	78.4	residential property
- unsecured retail exposures including credit cards exposures	17.7	-12.5	5.2		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	**47.6**	**-13.6**	**34.0**		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	12.0	-4.2	7.8	29.3	residential property
- unsecured retail exposures including credit cards exposures	0.3	-0.1	0.2		
- other exposures including SME exposures	17.2	-14.0	3.2		
Total loss-exposed loans with evidence of impairment	**29.4**	**-18.2**	**11.2**		

The bank group has loans of NOK 11.9 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

Note 29 - Intangible assets

(NOK million)	IT-systems	Book value 2022	Book value 2021
Acquisiton cost at 01.01	161.1	161.1	160.1
Additions in the period:			
Purchased separately	8.5	8.5	8.7
Disposals in the period	-4.7	-4.7	-7.7
Acquisition cost at 31.12	**165.0**	**165.0**	**161.1**
Accumulated depreciation and write-downs at 01.01	-116.8	-116.8	-92.2
Depreciation in the period (see note 14)	-16.5	-16.5	-17.1
Disposals in the period			5.3
Write-downs in the period (see note 14)			-12.8
Accumulated depreciation and write-downs at 31.12	**-133.3**	**-133.3**	**-116.8**
Book value at 31.12	**31.7**	**31.7**	**44.4**
For each class of intangible assets:			
Depreciation method	linear		linear
Economic life	2 - 10 years		2 - 10 years
Rate of depreciation	10.0% -50.0%		10.0% -50.0%

All intangible assets relates to system development, data warehouses, system accesses etc. Development of systems is carried out by external resources. The estimate of economic lifetime are reviewed annually.

Note 30 - Deposits from and due to customers

(NOK million)	2022 Book value	2021 Book value
Deposits from customers without agreed maturity	18,087.1	16,859.7
Term loans and deposits from customers with agreed maturity	1,390.7	379.1
Total deposits from customers	**19,477.8**	**17,238.8**

Deposits with agreed maturity relate to deposits for a contractually agreed period.
Deposits without agreed maturity relates to deposits with no fixed period where the customer has unrestricted access to the deposit.

DEPOSITS FROM CUSTOMERS PER SECTOR AND INDUSTRY CLASSIFICATION AND GEOGRAPHICAL DISTRIBUTION

(NOK million)	2022 Book value	2021 Book value
Sector and industry classification		
Development of building projects	25.6	14.8
Sale and operation of real estate	664.0	581.0
Service providers	921.2	1,022.8
Wage-earners	16,609.8	14,351.3
Other	1,257.2	1,269.0
Total	**19,477.8**	**17,238.8**
Geographic distribution		
Eastern Norway	14,478.7	13,098.2
Western Norway	2,648.9	2,161.7
Southern Norway	459.0	356.4
Mid-Norway	722.8	587.4
Northern Norway	818.5	717.5
Rest of world	349.8	317.7
Total	**19,477.8**	**17,238.8**

Note 31 - Hedge accounting

The Storebrand Bank Group has chosen IFRS 9 for hedge accounting. The Storebrand Bank Group's interest rate risk strategy is defined in the interest rate risk policy, which sets frameworks for limiting the company's interest rate risk exposure. The group uses fair value hedging to reduce the interest rate risk on borrowings with fixed interest terms. The risk that is hedged in accordance with the interest rate risk policy is Nibor. This entails that separate credit risk is not hedged by keeping the credit spread constant as when established. Hedged risk accounts for approximately 90% of the total interest rate risk exposure in the loans. Fair value hedging of the hedged item is interest rate hedged by entering into an interest rate swap in which we swap from fixed to variable interest to reduce the risk associated with future changes in interest rates. The hedging satisfies the requirements for hedge accounting at individual transaction level by a hedging instrument being directly linked to a hedged item and the hedging relationship being adequately documented.

All hedging relationships are established with an identical fixed interest profile, i.e. fixed interest, principal, coupon dates and maturity, both in the object and the instrument. The instrument swaps from fixed interest to variable interest quoted on Nibor three months. The fixed leg is between 2% to 5.05%. The hedging relationship is expected to be highly effective in counteracting the effect of changes in fair value due to changes in interest rates. Net recognised changes in value of fair value hedges are due to changes in value resulting from changed market interest rates, i.e. hedged risk. This is entered in the accounts under "Net unrealised changes in value of financial instruments". The hedging efficiency is measured based on the basic "Dollar Offset" method with regard to prospective efficiency.

Storebrand Bank has identified the following sources of inefficiency:
-Change in value of the short leg (Nibor 3 months).
-Credit risk for counterparty.

It is not expected that these factors will create significant inefficiency. No other sources of inefficiency were identified during the financial year.

	2022			2021		
	Contract/ nominal value	Fair value [1]		Contract/ nominal value	Fair value [1]	
(NOK million)	7-10 years	Assets	Liabilities	0-3 years	Assets	Liabilities
Interest rate swaps	730.0		48.9	480.0		3.5
Total interest rate derivatives	730.0		48.9	480.0		3.5
Total derivatives	**730.0**		**48.9**	**480.0**		3.5

	Contract/ nominal value	Hedging value [1]		Contract/ nominal value	Hedging value [1]	
(NOK million)	7-10 years	Assets	Liabilities	0-3 years	Assets	Liabilities
Total underlying items	730.0		680.4	480.0		474.8
Hedging effectiveness - prospective			100.8 %			102.7 %

Gain/loss on fair value hedging: [2]

(NOK million)	2021 Gain/loss	2020 Gain/loss
On hedging instruments	-46.4	-3.8
On items hedged	44.4	5.5

1) Book value at 31.12.

2) Amounts included in the line "Net change in fair value and gain/loss on financial liabilites ".

Note 32 - Provisions

(NOK million)	Provisions for restructuring 2022	2021
Provisions 01.01.	0.9	0.9
Provisions during the period	2.1	1.0
Provisions used during the period	-0.9	-0.9
Total provisions 31.12.	**2.1**	**1.0**

This provision is related to the cost reduction program in Storebrand and mainly concerns costs related to headcount reductions. The provision has been considered in accordance with IAS 37, and the restructuring plan has been announced to all parties affected by the changes.

Note 33 - Other liabilities

(NOK million)	2022 Book value	2021 Book value
Money transfers	34.2	20.0
Accrued expenses and prepaid income	23.8	20.9
Accounts payable	9.4	9.6
Collateral	20.5	
Other debt	42.2	30.2
Total other liabilities	**130.0**	**80.8**

Note 34 - Off balance sheet liabilities and contingent liabilities

(NOK million)	2022	2021
Guarantees	0.3	0.3
Undrawn credit limits	3,737.0	3,322.0
Loan commitments retail market	3,246.4	3,515.8
Total contingent liabilities	**6,983.7**	**6,838.1**

Guarantees are mainly payment guarantees and contract guarantees. See also note 25. Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on flexible mortgages.

Note 35 - Collateral

RECEIVED AND ISSUED COLLATERAL

(NOK million)	2022	2021
Received collateral in connection with trade of derivatives	20.5	
Total	**20.5**	

COLLATERAL AND SECURITY PLEDGED

(NOK million)	2022	2021
Booked value of bonds pledged as collateral for the bank's lending from Norges Bank	1,589.8	650.8
Booked value of securities pledged as collateral in other financial institutions	151.0	151.2
Total	**1,740.8**	**802.0**

Securities pledged as collateral are linked to lending access in Norges Bank for which, pursuant to regulations, the loans must be fully guaranteed with collateral in interest-bearing securities and/or the bank's deposits in Norges bank.

LOAN SECURITY AT STOREBRAND BOLIGKREDITT AS

Of the total volume of home mortgages of NOK 49.5 billion in the bank group, NOK 37.5 billion is loans in Storebrand Boligkreditt AS. The loans in Storebrand Boligkreditt AS have been mortgaged in connection with the issuing of covered bonds (covered bond rate) in Storebrand Boligkreditt AS. Storebrand Boligkreditt AS has over-collateralisation (OC) of 32.3 per cent. The company must maintain the applicable OC that the rating agency requires if the company wishes to retain the current AAA rating. At the end of 2022 the requirement was 10.11 per cent. The statutory OC is 5 per cent. Storebrand Boligkreditt AS has security that is NOK 5.7 billion more than what the present rating requires. Storebrand Bank ASA therefore considers the security to be adequate.

Note 36 - 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. Profit for the year has been added to net primary capital.

NET PRIMARY CAPITAL

(NOK million)	2022	2021
Share capital	963.6	962.1
Other equity	2,397.3	1,967.7
Total equity	**3,360.9**	**2,929.7**
Additional Tier 1 capital included in total equity	-325.0	-225.0
Accrued interest on capital instruments included in total equity	-1.9	-0.7
Total equity included in Core Equity Tier 1 (CET1)	**3,033.9**	**2,704.0**
Deductions:		
AVA adjustments	-51.8	-39.6
Intangible assets	-31.7	-44.4
Provision for group contribution to Storebrand ASA	-156.7	-179.4
Addition:		
Group contribution received from Storebrand ASA	407.0	80.0
Core Equity Tier 1 (CET1)	**3,200.7**	**2,520.7**
Additional Tier 1 capital:		
Capital instruments eligible as Tier 1 capital	325.0	225.0
Tier 1 capital	**3,525.7**	**2,745.7**
Subordinated loans	825.0	575.0
Tier 2 capital deductions		
Eligible capital (Tier 1 capital + Tier 2 capital)	**4,350.7**	**3,320.7**

MINIMUM CAPITAL REQUIREMENT

(NOK million)	2022	2021
Credit risk	1,542.0	1,221.2
Of which:		
Local and regional authorities	4.6	0.7
Institutions	2.3	1.3
Loans secured in residential real estate *	1,392.6	1,091.1
Retail market	68.5	62.8
Loans past-due	7.9	7.4
Covered bonds	20.6	23.5
Other	45.5	34.4
Total minimum requirement for credit risk	**1,542.0**	**1,221.2**
Total minimum requirement for market risk		
Operational risk	92.5	86.6
CVA risk	1.2	1.2
Minimum requirement for net primary capital	**1,635.7**	**1,309.0**

*According to the Capital Requirements Regulation (CRR), exposures to corporates are secured lending transactions where real estate is used as collateral.

CAPITAL ADEQUACY

	2022	2021
Capital ratio	21.3 %	20.3 %
Tier 1 capital ratio	17.2 %	16.8 %
Core equity Tier 1 (CET1) capital ratio	15.7 %	15.4 %

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 13.3 per cent and 16.8 per cent. As of 31 December 2022, the Pilar 2 requirement for Storebrand Bank is 1.3 per cent of the risk-weihgted volume.

BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

(NOK million)	2022	2021
Credit risk	19,275.2	15,264.4
Of which:		
Local and regional authorities	57.5	8.7
Institutions	28.8	15.9
Corporates *	0.0	0.0
Loans secured in residential real estate *	17,407.9	13,638.5
Retail market	855.9	785.5
Loans past-due	98.9	93.0
Covered bonds	257.8	293.2
Other	568.4	429.7
Total minimum requirement for credit risk	**19,275.2**	**15,264.4**
Total minimum requirement for market risk		
Operational risk	1,156.1	1,082.6
CVA risk	14.6	15.2
Minimum requirement for net primary capital	**20,445.9**	**16,362.2**

*According to the Capital Requirements Regulation (CRR), exposures to corporates are secured lending transactions where real estate is used as collateral.

LEVERAGE RATIO

	2022	2021
Tier 1 capital	3,525.7	2,745.7
Total Leverage ratio exposure measure	58,234.8	46,838.2
Leverage ratio	6.05 %	5.86 %

Leverage ratio requirement is 3.0 percentage points as per 31.12.2022.

Note 37 - Changes in the group's composition

There are no changes in the group's composition in 2022.

Note 38 - Related parties

TRANSACTIONS WITH GROUP COMPANIES

(NOK million)	2022 Other group companies 1)	2022 Other group companies 1)
Services sold	94.6	85.6
Services purchased	159.3	136.7
Due from	407.3	80.0
Liabilities to	211.1	163.0

Transactions with group companies are based on the principle of transactions at arm's length.

1) Other group companies are companies in other sub-groups within the Storebrand Group.

LOANS SOLD TO STOREBRAND LIVSFORSIKRING AS

Storebrand Bank ASA has sold mortgages to sister company Storebrand Livsforsikring AS. In 2022, there has been sold loans of total NOK 4.3 billion. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS as of 31.12.2022 is NOK 17.1 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 i n accordance with IFRS 9. Storebrand Bank ASA receives management fees for the work being done with the sold portfolio. The bank has recognised NOK 70.8 million as revenue in the accounts for 2022.

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 41 for Storebrand Bank ASA.

LOANS TO EMPLOYEES

(NOK million)	2022	2021
Loans to employees of Storebrand Bank ASA	350.9	349.4
Loans to employees of Storebrand group excl. Storebrand Bank ASA	2,387.6	1,881.0

Employees can borrow up to 7 million kroner at subsidized prices while excess loan amounts follow market interest rates.

NUMBER OF EMPLOYEES

	2022	2021
Number of employees 31.12	169	167
Average number of employees	168	168
Number of person-years 31.12	168	166
Average number of person-years	166	167

Storebrand Bank ASA
Income statement
1 January - 31 December

(NOK million)	Note	2022	2021
Interest income and similar income			
Interest income calculated by using the effective interest method		585.9	303.1
Other interest income		54.2	41.4
Total interest income and similar income	11	**640.1**	**344.5**
Interest expenses and similar expenses			
Interest expenses calculated by using the effective interest method		-231.2	-81.4
Other interest expenses		-22.0	-25.2
Total interest expenses and similar expenses	11	**-253.2**	**-106.7**
Net interest income	11	**386.8**	**237.8**
Fee and commission income from banking services	12	241.0	206.6
Fee and commission expense for banking services	12	-26.1	-22.9
Income fra shares, units and other equity instruments		5.0	
Income from ownership interests in group companies	20	32.1	139.5
Net change in fair value and gain/loss on foreign exchange and financial instruments	11	-37.4	15.1
Other operating income	13	0.0	1.0
Total other operating income		**214.6**	**339.4**
Staff expenses	15, 16	-180.2	-165.4
Other operating expenses	14, 15	-185.6	-154.7
Depreciation of non-financial assets	31	-16.5	-17.1
Impairment of non-financial assets	31		-12.8
Total operating expenses excl. credit loss on loans, etc.		**-382.3**	**-350.0**
Profit before credit loss on loans, etc.		**219.1**	**227.2**
Credit loss on loans, guarantees and interest-bearing securities	17	-8.3	12.5
Profit before tax for continued operations		**210.9**	**239.6**
Tax on profit from continued operations	18	-51.5	-55.7
Profit incl. tax from continued operations		**159.4**	**183.9**
Profit incl, tax from discontinued operations'			
Profit before other comprehensive income		**159.4**	**183.9**

Storebrand Bank ASA
Income statement continues

(NOK million)	Note	2022	2021
Other comprehensive income			
Other income and expenses not to be reclassified to profit/loss			
Change in unrealised gain/loss on loans valued at fair valute through other comprehensive income (OCI)		1.1	0.3
Tax		-0.3	-0.1
Total other income and expenses that may be reclassified to profit/ loss		**0.8**	**0.2**
Other income and expenses that may be reclassified to profit/loss			
Change in unrealised gain/loss on loans valued at fair valute through other comprehensive income (OCI)			0.7
Tax			-0.2
Total other income and expenses that may be reclassified to profit/ loss			**0.6**
Total other income and expenses		**0.8**	**0.8**
Total comprehensive income for the period		**160.2**	**184.7**
Total comprehensive income for the period is attributable to:			
Portion attributable to shareholders		146.1	175.9
Portion attributable to additional Tier 1 capital holders		14.1	8.8
Total comprehensive income		**160.2**	**184.7**

Storebrand Bank ASA
Statement of financial position
31 December

ASSETS

(NOK million)	Note	2022	2021
Cash and deposits with central banks	5, 19	7.5	313.0
Loans to and deposits with credit institutions	5, 9, 19	6,992.1	1,818.6
Loans to customers at fair value	4, 9, 19, 26, 27, 28 ,29, 30	12,456.1	12,570.6
Interest-bearing securities	9, 19, 21, 22	5,261.5	8,191.0
Financial derivatives	5, 9, 19, 24, 34	37.8	53.9
Equity instruments	9, 19, 23	42.2	40.1
Ownership interests in group companies	20	2,794.8	1,619.7
Intangible assets	31	31.7	44.4
Deferred tax assets	18	16.7	13.8
Other current assets	19, 32	495.3	253.6
Total assets		**28,135.9**	**24,918.8**

Storebrand Bank ASA
Statement of financial position
31 December

LIABILITIES AND EQUITY

(NOK million)	Note	2022	2021
Loans and deposits from credit institutions	5, 9, 19	423.5	502.0
Deposits from and due to customers	9, 19, 33	19,477.8	17,238.8
Debt securities issued	5, 9, 19, 34	3,317.4	3,379.9
Financial derivatives	5, 9, 19, 24, 34	22.0	51.1
Other current liabilities	5, 19, 36	611.0	441.8
Pensions	16	1.7	3.0
Provisions for guarantees and unused credit facilities	28	9.8	8.7
Other provisions	35	2.1	0.9
Subordinated loans	5, 9, 19	828.0	575.9
Total liabilities		**24,693.3**	**22,202.2**
Share capital		963.6	962.1
Share premium		628.0	404.5
Additional Tier 1 capital		326.9	225.7
Other paid in equity		1,386.6	979.6
Total paid in equity		3,305.1	2,571.9
Other equity		137.4	144.7
Total retained earnings		137.4	144.7
Total equity	39	**3,442.5**	**2,716.6**
Total liabilities and equity		**28,135.9**	**24,918.8**

Lysaker, 7 February 2023
The Board of Directors of Storebrand Bank ASA

Translation - not to be signed

Heidi Skaaret
Board chair

Karin Greve-Isdahl

Leif Helmich Pedersen

Jan Birger Penne

Gro Opsanger Rebbestad

Joachim Collett Thue

Maria Skotnes

Camilla Leikvoll
CEO

Storebrand Bank ASA
Statement of changes in equity

(NOK million)	Share capital	Share premium	Additional Tier 1 capital	Other paid in equity	Total paid in equity	Other equity	Total retained earnings	Total equity
	Paid in equity					Other equity		
Equity at 31.12.2020	960.6	156.0	225.7	899.6	2,241.9	145.5	145.5	2,387.4
Profit for the period			8.8		8.8	175.1	175.1	183.9
Total other income and expenses not to be classified to profit/loss						0.2	0.2	0.2
Total other income and expenses that may be classified to profit/loss						0.6	0.6	0.6
Total other comprehensive income						**0.8**	**0.8**	**0.8**
Total comprehensive income for the period			**8.8**		**8.8**	**175.9**	**175.9**	**184.7**
Equity transactions with owners:								
Capital injection	1.5	248.5			250.0			250.0
Additional Tier 1 capital classified as equity						2.2	2.2	2.2
Payment to additional Tier 1 holders			-8.8		-8.8			-8.8
Group contribution received				80.0	80.0			80.0
Provision for group contribution						-179.0	-179.0	-179.0
Equity at 31.12.2021	**962.1**	**404.5**	**225.7**	**979.6**	**2,571.9**	**144.7**	**144.7**	**2,716.6**
Profit for the period			14.1	0.0	14.1	145.3	145.3	159.4
Total other income and expenses not to be classified to profit/loss						0.8	0.8	0.8
Total other income and expenses that may be classified to profit/loss								
Total other comprehensive income						**0.8**	**0.8**	**0.8**
Total comprehensive income for the period			**14.1**	**0.0**	**14.1**	**146.1**	**146.1**	**160.2**
Equity transactions with owners:								
Capital injection	1.5	223.5			225.0			225.0
Additional Tier 1 capital classified as equity			100.0		100.0	3.5	3.5	103.5
Payment to additional Tier 1 holders			-12.9		-12.9			-12.9
Group contribution received				407.0	407.0			407.0
Provision for group contribution						-156.9	-156.9	-156.9
Equity at 31.12.2022	**963.6**	**628.0**	**326.9**	**1,386.6**	**3,305.1**	**137.4**	**137.4**	**3,442.5**

The entire share capital of NOK 963.6 million made up of 64,237,183 shares (of nominal value NOK 15) is owned by Storebrand ASA.

The equity changes with the result for the individual period, equity transactions with the owners and items that are entered directly to total comprehensive income. Share capital, the share premium reserve and other equity is evaluated and managed together. The share premium and other equity may be used in accordance with the provisions of the Public Limited Liabilities Company Act.

Storebrand Bank ASA actively manages the level of equity in the company and the group. The capital level is tailored to the economic risk and capital requirements in which the composition of its business areas and their growth will be an important driver. The goal of the capital management is to ensure an effective capital structure and secure an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new capital, this must be issued by the holding company Storebrand ASA.

Storebrand Bank ASA is a financial group subject to statutory requirements regarding primary capital under the capital adequacy regulations. Primary capital encompasses both equity and subordinated loan capital. For Storebrand Bank ASA, these legal requirements are most important in its capital management.

For further information on the group's fulfilment of the capital requirements, see note 39.

Storebrand Bank ASA

Statement of Cash flow

1 January - 31 December

(NOK million)	Note	2022	2021
Cash flow from operating activities			
Receipts of interest, commissions and fees from customers		760.5	503.7
Payments of interest, commissions and fees to customers		-152.3	-63.9
Net disbursement/payments on customer loans		104.3	-1,839.0
Net receipts/payments of deposits from banking customers		2,239.0	1,732.5
Net receipts/payments - securities		3,022.3	425.0
Payments of operating costs		-382.2	-311.9
Net cash flow from operating activities		**5,591.5**	**446.4**
Cash flow from investing activities			
Net payments on purchase/capitalisation of subsidiaries		-900.0	
Net payments on purchase/sale of fixed assets etc.	31	-3.9	-6.3
Net cash flow from investing activities		**-903.9**	**-6.3**
Cash flow from financing activities			
Payments - repayments of loans and issuing of bond debt	5	-1,025.0	-1,038.5
Receipts - new loans and issuing of bond debt	5	950.0	1,599.3
Payments - interest on loans		-78.3	-46.2
Receipts - subordinated loans		400.0	300.0
Payments - repayments of subordinated loans		-150.0	
Payments - interest on subordinated loans		-22.2	-7.1
Receipts - Tier 1 capital		100.0	
Payments - interest on additional Tier 1 capital		-12.9	-8.8
Receipts - new loans from credit institutions	5	16,710.6	4,633.9
Payments - repayment of loans to credit institutions	5	-16,789.3	-5,783.7
Receipts - issuing of share capital and other equity		225.0	250.0
Receipts - group contribution		139.5	69.8
Payments - group contribution / dividends		-266.8	-134.4
Net cash flow from financing activities		**180.5**	**-165.7**
Net cash flow in the period		**4,868.1**	**274.4**
Cash and bank deposits at the start of the period		2,131.6	1,857.2
Cash and bank deposits at the end of the period		**6,999.7**	**2,131.6**
Cash and deposits with central banks		7.5	313.0
Loans to and deposits with credit institutions		6,992.1	1,818.6
Total cash and bank deposits in the balance sheet		**6,999.7**	**2,131.6**

See note 37 for information regarding undrawn credit limits.

Noter
Storebrand Bank ASA

Note 1 - Company information and accounting policies

1. COMPANY INFORMATION

Storebrand Bank ASA is a Norwegian public limited company with bonds listed on the Oslo Stock Exchange. The financial statements for Storebrand Bank ASA for 2022 were approved by the Board of Directors on 7 February 2023.

Storebrand Bank ASA is an online bank that offers traditional bank products to the Norwegian retail market. These services include home loans, consumer loans, instant access accounts and cards, a variety of savings accounts, as well as mobile and internet banking.Storebrand Bank ASA is headquartered at Professor Kohts vei 9, Lysaker.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The accounting policies applied in the company's financial statements are described below. The policies are applied consistently to similar transactions and to other events involving similar circumstances.

Storebrand Bank ASA's financial statements are prepared in accordance with the annual accounts regulations of banks, mortgage and finance companies § 1-4, 2nd paragraph b), as well as other Norwegian disclosure requirements laid down in legislation and regulations. This means that measurement and recognition are fully in accordance with IFRS, with the exception that the board's proposed dividends and group contributions are recognised as debt on the balance sheet date.

Subsidiaries are recognised according to the cost method in the parent company.

USE OF ESTIMATES IN PREPARING THE ANNUAL FINANCIAL STATEMENTS.
The preparation of the annual financial statements in accordance with legislation and regulations requires the management to make judgements, estimates and assumptions that affect assets, liabilities, revenue, expenses, the notes to the financial statements and information on potential liabilities. Actual amounts may differ from these estimates. See Note 2 for further information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR MATERIAL STATEMENT OF FINANCIAL POSITION ITEMS

The assets side of the company's statement of financial position primarily consists of financial instruments. Loans with variable interest are measured at fair value with the change in value through other income and costs (OCI), while loans with fixed interest are measured at fair value though profit or loss. Interest-bearing securities are measured at amortized cost or at fair value through profit or loss. Shares and derivatives are measured at fair value through profit or loss. Other financial instruments include shares in subsidiaries are measured at amortised cost. Intangible assets are also included on the balance sheet. Intangible assets are measured at cost minus any depreciation and are tested for impairment at least once a year. The liabilities side primarily consists of financial instruments (liabilities) that are measured at amortised cost.

The accounting policies are described in more detail below.

4. CHANGES IN ACCOUNTING POLICIES

No new accounting standards were implemented in 2022 that have had a significant impact on the company or consolidated financial statements for Storebrand Bank ASA. For changes to estimates, see the detailed overview on this in Note 2.

There are new standards or changes to standards that had not come into effect when the 2022 financial statements were prepared that are expected to have material effects on the consolidated financial statements.

5. BUSINESS COMBINATIONS

The acquisition method is applied when accounting for acquisition of businesses. The consideration is measured at fair value. The direct acquisition expenses are recognised when they arise, with the exception of expenses related to raising debt or equity (new issues).

When making investments, a decision is made as to whether the purchase constitutes the acquisition of a business pursuant to IFRS 3. When such acquisitions are not regarded as an acquisition of a business, the acquisition method pursuant to IFRS 3 Business Combinations is not applied, and a provision is not set aside for deferred tax as would have occurred in a business combination.

6. INCOME RECOGNITION

NET INTEREST INCOME

Income recognition of interest according to the effective interest method is used for interest-bearing balance sheet items that are valued at amortised cost and balance sheet items that are valued at fair value through other income and costs. The effective interest rate is the interest rate that causes the present value of future cash flows within the loan's expected term to be equal to the book value of the loan on initial recognition. Cash flows include start-up fees, as well as any residual value at the end of the expected term. Interest income on commitments that are credit impaired is calculated using the effective interest rate on impaired value. Interest income on commitments that have not been impaired by credit is calculated using the effective interest rate on gross amortised cost (amortised cost before provision for expected losses).

For interest-bearing balance sheet items that are valued at fair value through profit or loss, interest income is recognised based on nominal interest.

OTHER INCOME

Fees are recognised when the income can be measured reliably and earned, fixed fees are recognised as income in line with delivery of the service, and performance fees are recognised as income once the success criteria have been met.

7. INTANGIBLE ASSETS

Intangible assets with limited useful economic lives are measured at the acquisition cost less accumulated depreciation and any write-downs. The depreciation period and method are assessed annually. If new intangible assets are carried it must be possible to prove that it is likely that future financial benefits that can be attributed to the asset will pass to the group. In addition, it must be possible to estimate the acquisition cost of the asset in a reliable manner. The write-down needs will be assessed if there are indications of an impairment in value, and this will normally take place by the associated cash-generating unit(s) being tested. On each reporting date an assessment is made as to whether there is a basis for write-downs or reversal of previous write-downs on non-financial assets.

8. FINANCIAL ASSETS AND LIABILITIES

8-1. GENERAL POLICIES AND DEFINITIONS

RECOGNITION AND DERECOGNITION

Financial assets and liabilities are recognised on the trading day, i.e. the date on which Storebrand Bank ASA becomes party to the instruments' contractual terms. Ordinary purchases and sales of financial assets are booked on the transaction date and financial liabilities are booked on the settlement date. When a financial asset or a financial liability is initially recognised, it is measured at fair value. Initial recognition includes transaction costs directly attributable on the date of the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability measured at fair value through profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the rights to the cash flows from the asset are transferred such that largely all the risks and returns relating to ownership of the asset are transferred.

Financial liabilities are derecognised when the contractual terms have been fulfilled, cancelled or expire.

MODIFIED ASSETS AND LIABILITIES

If the terms of an existing financial asset or obligation are modified or changed, the instrument is treated as a new financial asset if the renegotiated terms are substantially different from the old terms. If the terms are substantially different, the old financial asset or liability is derecognised and a new financial asset or liability is recognised. In general, a loan is considered to be a new financial asset if new loan documentation is issued and a new credit granting process is undertaken, resulting in new loan terms and conditions.

If the modified instrument is not considered to be substantially different from the existing instrument, the instrument is treated as a continuation of the existing instrument in terms of accounting. In the event of modification that is treated as a continuation of the existing instrument in the accounts, the new cash flows are discounted with the instrument's original effective interest rate, and any difference compared with the existing book value is recognised.

FAIR VALUE

Fair value is the amount for which an asset could be exchanged between well-informed, willing parties in an arm's length transaction. The fair value of financial assets listed on a stock exchange or on another regulated market in which regular trading takes place is determined as the bid price on the last trading day up to and including the reporting date.

If a market for a financial instrument is not active, fair value is determined by using recognised valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and independent parties, where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models. If a valuation technique is in common use by participants in the market for pricing the instrument and this method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

When calculating the fair value of loans, the current market rate on similar loans is used. Changes in credit risk are taken into account.

IMPAIRMENT FINANCIAL ASSETS

Under IFRS 9, loss allowances are recognised on the basis of expected credit loss (ECL). The general model for impairments is used for financial assets that are measured at amortised cost or at fair value through other comprehensive income and for which no losses were determined at initial recognition. Loan commitments, financial guarantee contracts not measured at fair value through profit or loss, and lease receivables are also encompassed by the general model for impairments. The measurement of the allowance for expected loss in the general model depends on whether the credit risk has increased significantly since initial recognition. On initial recognition and when the credit risk has not increased significantly since initial recognition, provisions must be made for the 12-month expected losses. If the credit risk has increased significantly since initial recognition, a loss allowance must be made for expected losses over the full lifetime of the instrument. The expected credit losses are calculated on the basis of the present value of all cash flows over the remaining life expectancy, i.e. the difference between the contractual cash flows according to the contract and the cash flows expected to be received, minus the effective interest on the instrument.

Separate principles for impairment are used for issued loans, including renegotiated, loans that are treated as new, and bought loans where there is accrued credit loss on initial recognition in the balance sheet. For these, an effective interest rate will be calculated that takes into account expected credit losses, and in the event of any changes in expected cash flows, the change will be discounted with the originally set effective interest rate and recognised in the income statement. For these assets, there is thus no need to monitor whether there has been a substantial increase in credit risk after initial recognition, as the expected losses over the whole lifetime are taken into account.

For accounts receivables without a significant financing component, a simplified model will be used. For these, provisions will be made for expected loss over the entire lifetime from initial recognition. Storebrand Bank ASA has also chosen to use the simplified model as the accounting policy for accounts receivables with a significant financing component and lease receivables.

8-2. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

FINANCIAL ASSETS ARE CLASSIFIED AND MEASURED INTO ONE OF THE FOLLOWING CATEGORIES:

- Financial assets measured at amortised cost
- Financial assets measured at fair value with change in value through other income and costs with a reclassification of accumulated gains and losses for the profit or loss.
- Financial assets measured at fair value through profit or loss

FINANCIAL ASSETS CLASSIFIED AND MEASURED AT AMORTISED COST

A financial asset is classified and measured at amortised cost if it is:

- primarily procured or established to hold the asset in order to collect contractual cash flows, which are only payment of principal and interest on given dates.

Financial assets measured at amortised cost are recognised at amortised cost using the effective interest method.

Storebrand Bank ASA uses this category for claims on the central bank, lending to credit institutions, credit cards, credit accounts and consumer loans to customers, interest-bearing securities in a long-term investment portfolio, shares in subsidiaries and all items included in Other Assets.

FINANCIAL ASSETS CLASSIFIED AND MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, WITH A RECLASSIFICATION OF ACCUMULATED GAINS AND LOSSES FOR THE PROFIT OR LOSS.

A significant share of Storebrand Bank ASA's financial instruments is classified under the category of fair value through other comprehensive income. A financial asset is classified and measured at fair value through other comprehensive income if the following condition is met:

- primarily procured or established to hold the asset in order to collect contractual cash flows, which are only payment of principal and interest on given dates and for sale.

Financial assets in this category are recognised at fair value with change in value through other comprehensive income. For realisation of the instrument, accumulated value changes from other comprehensive income are reclassified for the profit or loss. Associated interest income, foreign currency translation differences and any impairments are recognised in the ordinary profit or loss.

Storebrand Bank ASA uses this category for all mortgages to customers with variable interest rates.

FINANCIAL ASSETS CLASSIFIED AND MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Storebrand Bank ASA has financial instruments that are classified under the category of fair value through profit or loss for the following reasons:

- the financial assets are included in a portfolio that is continuously measured and reported at fair value,
- the financial assets have cash flows generated not only by interest and instalments on the principal, or that
- such classification reduces the mismatch in the measurement or recognition that would otherwise arise as a result of the different rules for measuring assets and liabilities.

Interest income is recognised as income based on nominal interest, while other changes in value are presented as "Net change in value and gains/losses on currency and financial instruments".

Storebrand Bank ASA uses this category for all mortgages to customers with fixed interest rates, derivatives, shares and interest-bearing securities that are part of a short-term liquidity portfolio.

See also classification of financial instruments in note 19.

8-3. IMPAIRMENT - GENERAL METHOD

To to estimate expected credit loss, models have been developed to calculate three indicators: probability of default (PD), loss given default (LGD) and exposure at default (EAD). These models have been derived from similar models used for internal assessments of capital needs. The models used for IFRS 9 purposes are based on the current macroeconomic situation and forecasts, and the models for PD, LGD and EAD are thus point in time (PIT) models, as opposed to through the cycle (TTC) models, which are used for capital needs purposes. The risk parameters in IFRS 9 have also been calibrated to be more forward-looking. Since the future is always uncertain, different future scenarios are used to compute PD, LGD and EAD for the bank's financial instruments. The various future scenarios have different weights determined by their position in the economic cycle and the forecasts of future events and economic conditions. The final expected credit loss per financial instrument will be a weighted average of the expected credit losses in the various scenarios. Total expected credit loss for the portfolio is the sum of the weighted credit losses per financial instrument.

In the PD model, financial circumstances are a significant predictor, combined with behavioural data on the individual customer. The model is a statistical model based on logistic regression. Loan-to-value ratio is a significant factor in the LGD model. For EAD, the most significant factors are loan size for downpayment loans and credit limit for lines of credit. The models are validated annually.

Forecasts affect the PD and LGD estimates in particular.

Storebrand Bank ASA uses future scenarios to calculate expected credit losses. Storebrand Bank ASA bases its future scenarios on the future scenarios presented by Norges Bank in its Financial Stability Report and assessments by Statistics Norway. The scenarios build on the current macroeconomic situation, economic forecasts, and the impact the macroeconomic situation is expected to have on the credit risk of the bank's financial instruments. These expectations affect the probability of default, exposure at default, and loss given default.

Among other things, PD is affected by unemployment, wage growth and interest rates. Higher unemployment and interest rates result in weaker capacity to service debt in the portfolio, and lower wage growth also entails weaker capacity to service debt and thus increased probability of default. Macro variables will have different effects on the risk parameters, and the impact will vary significantly for the individual customers in the portfolio. Average PD will increase during periods of economic downturn.

Periods of economic downturn will, in isolation, result in weaker growth in house prices, which will in turn impact the loan-to-value ratio and thus also LGD. For many financial instruments, the losses will be very small, given the existing market prices. The increase in loss given default as a result of falling house prices is greater than the reduction in loss given default when house prices are rising. Nonlinearities in expected credit loss are taken into account by estimating expected credit loss in a variety of scenarios.

Stress tests and sensitivity tests are used in the assessment of expected credit loss. Sensitivity assessments of stage migration are carried out by assessing the change in expected credit losses if certain commitments migrate from stage 1 to stage 2. Sensitivity analyses are carried out in ICAAP on a regular basis.

The portfolio's ECL is considered to be sensitive to changes in observed default, loss and expected maturity of the financial assets. There is also model uncertainty associated with the individual estimates. Among other things, the uncertainty relates to estimates of size and development of different macrovariables in the future in each macro-scenario, as well as the impact the different outlooks have on individual parameters.

DEFINITION OF DEFAULT

Storebrand Bank ASA has determined the definition of default in line with the recommendation given in the European Banking Authority's (EBA's) guide to implementing the default definition in accordance with Article 178 (EU Regulation 575/2013).

The definition of default is applied at debtor level with absolute and relative thresholds for arrears/overdrafts. Arrears/overdrafts for each individual commitment are measured in relation to the total debtor exposure. The absolute threshold is set at NOK 1,000 (per commitment), and the relative threshold is 1% of total debtor exposure. Joint commitments (commitments with multiple debtors) are defined as a separate risk point and are not included in the overall exposure for the respective individual customers.

Default occurs after 90 days with arrears/overdrafts above both absolute and relative thresholds. All debtor commitments are considered defaulted if default has occurred for at least one of these. In line with the guidance provided by the European Banking Authority (EBA), a probation period of 3 months is used. The probation period starts when default criteria are no longer in place. For the probation period to end, the arrears/overdrafts must be below the threshold values for the entire probation period.

A customer is deemed to be in default if one of the following criteria is met (unlikeliness to pay (UTP) criteria):

- the customer is in personal bankruptcy,
- the customer is in or has been placed in debt settlement proceedings,
- the bank has conducted an enforced sale of the customer's security,
- the customer no longer has an income that will adequately service the loan.

DEFINITION OF CREDIT LOSS

Credit loss is a loss that arises from a credit risk where the loss is the difference between the value of the contractual cash flow and the expected cash flow discounted by the original effective interest rate.

The expected credit loss is the difference between the present value of the contractual cash flow and the expected probability-weighted cash flow.

An expected credit loss is estimated either by means of an individual assessment (individual impairment) or by using statistical models (model-based impairment) to calculate the expected probability-weighted cash flow.

An individual assessment with subsequent booking of individual impairments is carried out for commitments with objective evidence of loss and that the loss reduces the future cash flows of the commitment. Individually assessed commitments are moved to stage 3 (see a more detailed description of stage 3 below). Objective loss incidents can be significant financial problems involving a debtor, defaults, debt and/or bankruptcy proceedings for the debtor, or that this is likely, or forbearance caused by financial problems. The calculation of cash flow and the impairments are assessed based on the expected values.

For other commitments, expected credit loss is estimated using model-based impairment. The commitments are divided into different stages (see the section below on calculating expected credit loss). Model-based impairment depends on the stage to which the commitment belongs, parameter estimates for PD, EAD, LGD and expected maturity

CALCULATING EXPECTED CREDIT LOSSES

The classification and changing of stages are described below.

Stage 1

The starting point for all financial assets is stage 1. Stage 1 encompasses all financial assets that do not have substantially higher credit risk than at initial recognition. Financial assets with low credit risk can be exempted and will still always be in Stage 1 even if the credit risk is significantly higher. This exemption rule is not presently used in the retail market. In stage 1, expected credit loss is calculated over 12 months.

Stage 2

Stage 2 consists of financial assets where there has been a significant increase in credit risk since initial recognition, but that are not in default or where there is objective evidence of loss. For financial assets in stage 2, expected credit loss is calculated over the expected term of the loan. The expected term deviates from the contractual term and is estimated on the basis of historically observed performance.

Stage 3

Stage 3 includes financial assets that are in default and/or which have objective evidence of loss. For commitments that have objective evidence of loss, an assessment of whether there must be individual impairment is carried out. For other commitments without individual impairment, the expected credit loss is calculated over the expected maturity of the asset.

Migrating to a lower stage

A commitment that no longer meets the criterion for stage 2 is moved to stage 1. The risk models ensure that there has been a sufficiently long period of payment before reducing and returning the risk to stage 1. A commitment in stage 3 can be moved both to stage 2, if stage-2 criteria are met, or directly to stage 1 once the criteria for stage 3 are no longer met.

SUBSTANTIAL INCREASE IN CREDIT RISK

Substantial increase in credit risk is assessed on the basis of the financial instrument's probability of default (PD) at the time of measurement compared with at initial recognition. The assessment is based on both changes in probability of default during the expected lifetime (lifetime PD) and changes in probability of default in the next 12 months (12 months PD). The assessments are based on absolute changes and relative changes.

For commitments where the 12-month probability of default (PD) upon initial recognition is less than 0.5 per cent, both a relative and an absolute criterion must be satisfied for the commitment to be considered to have a significant increase in credit risk. The relative criterion is a relative increase in lifetime PD of 150 per cent or more from initial recognition until the measurement date. The criterion is equivalent to the lifetime PD at the measurement date being greater than 2.5 multiplied by the lifetime PD at the recognition date. The absolute criterion is that the 12-month PD at the measurement date is 0.6 percentage points higher than the 12-month PD upon initial recognition.

For commitments where the 12-month probability of default (PD) upon initial recognition is more than or equal to 0.5 per cent, either a relative or an absolute criterion must be satisfied for the commitment to be considered to have a significant increase in credit risk. The relative criterion is identical to that stated above, i.e. an increase in lifetime PD of 150 per cent or more from initial recognition until the measurement date. The absolute criterion is that 12-month PD at the measurement date is 1.5 percentage points higher than 12-month PD upon initial recognition.

Commitments for which scheduled payment is overdue by 30 days or more are assessed, irrespective of whether this has caused a significant increase in the credit risk. The same applies to commitments for which forbearance has been granted on the basis of the customers' deteriorating financial situation, however is not serious enough to classify commitments as credit impaired.

EXPECTED MATURITY

Expected maturity is estimated for various financial instruments. Expected maturity is significant because for commitments with a substantial increase in credit risk, i.e. commitments in stage 2, expected credit loss shall be calculated over the expected maturity of the commitments. The overall probability of default increases over the time horizon being measured, and the expected credit loss over the expected maturity of the commitment is therefore higher than the expected credit loss over one year, provided that the loan's remaining expected maturity is more than 12 months.

For stage 3 commitments, the agreed (contractual) maturity is used to measure expected losses.

Expected maturity is calculated for different products. Expected maturity is estimated at around five years for downpayment loans and six years for lines of credit. The expected maturity at the time of loan approval is estimated at 9 years for credit cards and 9 years for credit accounts. Expected maturity is also contractual maturity for top-up loans (loan share greater than LTV of 70%), building credit and bridging loans. Expected maturity is reassessed and validated regularly.

For ongoing commitments, expected maturity is adjusted by a maturity coefficient: The maturity coefficient is the ratio of expected maturity to contractual maturity. The remaining expected maturity is the expected maturity of the product multiplied by the maturity coefficient.

CATEGORISATION INTO PORTFOLIOS

The retail market portfolio is divided into:

i) Housing loans and housing credit
ii) Credit cards
iii) Other credits

The corporate portfolio is not further categorised, and the assessment is done manually (regardless of stage).

8-4. DERIVATIVES

Derivatives that do not meet the criteria for hedging are classified and measured at fair value through profit or loss. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit or loss.

The majority of the derivatives used routinely for asset management fall into this category.

8-5. HEDGE ACCOUNTING

FAIR VALUE HEDGING

Storebrand Bank ASA uses fair value hedging. The items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives are recognised at fair value through profit or loss. Changes in the value of the hedged item that are attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised through profit or loss, see note 34.

8-6. FINANCIAL LIABILITIES

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using an effective interest method.

9. PENSION LIABILITIES FOR OWN EMPLOYEES

The employees at Storebrand Bank ASA have a defined-contribution pension scheme. The scheme is recognised in accordance with IAS 19. Storebrand participates in the Norwegian AFP scheme (collective agreement pension). The Norwegian AFP scheme is regarded as a defined-benefit scheme, but there is insufficient quantitative information to be able to estimate reliable liabilities and costs for accounting purposes.

9-1. DEFINED BENEFIT SCHEME

Pension costs and pension liabilities for defined benefit pension schemes are determined using a linear accrual formula and expected final salary as the basis for the entitlements, based on assumptions about the discount rate, future salary increases, pensions and National Insurance benefits, future returns on pension plan assets as well as actuarial estimates of mortality, disability, and voluntary early leavers. The net pension cost for the period comprises the total of the accrued future pension entitlements during the period, the interest cost on the calculated pension liability and the calculated return on pension plan assets.

This scheme only applies to former employees with lifelong contractual defined-benefit schemes.

Actuarial gains and losses and the effects of changes in assumptions are recognised in total comprehensive income in the income statement for the period in which they occur. Employees who resign before reaching retirement age or leave the scheme will be issued ordinary paid-up policies.

9-2. DEFINED CONTRIBUTION SCHEME

The defined contribution pension scheme involves the company paying an annual contribution to the employees' collective pension savings. The future pension will depend on the size of the contribution and annual return on the pension savings. The Group does not have any further obligation related to work performed after the annual contribution has been paid. There are no provisions for accrued pension liabilities in such schemes. Defined contribution pension schemes are expensed directly in the financial statements.

10. TAX

The tax expense in the income statement comprises current tax and changes to deferred tax and is based on the accounting standard IAS 12 Income Taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in the statement of total comprehensive income. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities.

Deferred tax is calculated based on the bank's tax loss carryforwards, deductible temporary differences and taxable temporary differences. Any deferred tax asset is recognised if it is considered probable that the tax asset will be recovered. Deferred tax assets and liabilities are recognized as a net amount when there is a legal right to offset taxable assets and liabilities and the Group is capable of and intends to settle net current taxes.

11. PROVISION FOR GROUP CONTRIBUTION

Pursuant to IAS 10, which deals with events after the balance sheet date, proposed dividends/group contributions are classified as equity until approved by the general meeting.

12. STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the direct method and shows cash flows grouped according to sources and uses. Cash is defined as cash, receivables from central banks and receivables from credit institutions with no agreed period of notice.

The statement of cash flows is classified according to operating, investment and financing activities.

Note 2 - Key accounting estimates and judgements

In preparing the company's financial statements the management are required to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis, and they 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 company's critical estimates and judgments that could result in material adjustment of recognised amounts are discussed below.

Inflation and economic uncertainty continued to increase during 2022, and global GDP growth expectations were sharply revised downwards throughout the year. Inflation driven by supply chain bottlenecks, possible energy crisis and risk of recession, together with Russia's invasion of Ukraine, impacted both the news situation and economic uncertainty. Central banks have commenced a series of resolute interest rate increases in an attempt to avoid further rising and/or continued inflation. The equity markets have been volatile and experienced a sharp decline since peaking around the New Year. Recession in the Eurozone has, in many ways, become the consensus, and the question now is to what extent future bailouts in the form of energy subsidies or for the labour market will curb the recession that was partly triggered by the war and subsequent energy crisis. Norges Bank has raised the key policy rate by 2.25 per cent to 2.75 per cent and is signalling a further increase to around 3 per cent in mid-2023.

When assessing impairment, overall evaluations have been made of future prospects, which have considered factors such as interest rates, inflation and high energy prices. Prospects of tighter liquidity among our customers due to higher costs of living and interest rate burden, have been taken into account in the macro adjustment of the probability of default. Developments in non-performing loans, loans in arrears and loans with grace periods are being closely monitored.

LOAN LOSS PROVISIONS

For loans valued at amortised cost or at fair value through other comprehensive income, loss provisions are recognised based on the Expected Credit Loss (ECL) in accordance with the general method. The models used for IFRS 9 are based on the current macroeconomic situation and forecasts, and the models for probability of default (PD), loss given default (LGD) and exposure at default (EAD) are thus point in time (PIT) models. Future scenarios are used to calculate PD, LGD and EAD for the commitments.

Forecasts affect the PD and LGD estimates in particular.

Among other things, PD is affected by unemployment, wage growth and interest rates. Periods of economic downturn will, in isolation, result in weaker growth in house prices, which will in turn impact the loan-to-value ratio and thus also LGD.

The portfolio's ECL is considered to be sensitive to changes in observed default, loss and expected maturity of the financial assets. There is also model uncertainty associated with the individual estimates. Among other things, the uncertainty relates to estimates of size and development of different macrovariables in the future in each macro-scenario, as well as the impact the different outlooks have on individual parameters.

A sensitivity analysis has been carried out of the expected loss for commitments in stages 1 and 2 in the event of a change in all 12-month PD estimates. If all 12-month PD estimates had increased by 10 per cent, expected losses would have increased by approximately 24 per cent. Similarly, with a 10 per cent reduction of all 12-month PD estimates, expected losses would have been reduced by about 15 per cent.

A sensitivity analysis of expected losses for stage 2 commitments was also conducted. If the agreed maturity had been used instead of expected maturity, stage 2 expected losses would have increased by approximately 8 per cent.

See also section 8.3 of Note 1 - Company information and accounting policies, for more information regarding write-downs.

FINANCIAL INSTRUMENTS AT FAIR VALUE

There will be some uncertainty associated with the pricing of financial instruments not priced in an active market. This is particularly true of the types of securities priced on the basis of non-observable assumptions. Various valuation techniques are applied to these investments to determine the fair value. They include fixed-rate loans and other financial instruments where theoretical models are used for pricing. Any changes to the assumptions could affect recognised amounts.

Reference is also made to Note 9 in which the valuation of financial instruments at fair value is described in more detail.

INTANGIBLE ASSETS

Intangible assets with undefined useful lives are tested annually for impairment. The valuation method in the test requires estimating the cash flows that arise in the relevant cash flow generating unit, as well as applying the relevant discount rate. Tangible fixed assets and other intangible assets are valued annually to ensure that the method and time period used correspond with economic realities.

CONTINGENT LIABILITIES

Storebrand Bank ASA can be a party in legal disputes. Contingent liabilities are assessed in each case and will be based on legal considerations.

Note 3 - Risk management

Continuous monitoring and active risk management are core areas of the bank's activities and organisation. The strategy and planning process provides guidance for the business for the next few years. The board determines the risk appetite and risk limits for the different forms of risk on an annual basis.

ORGANISATION OF RISK MANAGEMENT

The board of Storebrand Bank ASA has ultimate responsibility for monitoring and managing the organisation's risks. The board determines the annual risk appetite and risk strategy as well as ceilings and guidelines for the risks taken by the business, receives reports of actual risk levels and provides a forward assessment of risks.

The CEO is responsible for the bank operating within the risk limits stipulated by the board. The CEO has an advisory management group and the individual units are responsible for risk management in their respective areas. The CEO has the overall responsibility for implementing risk management routines.

The Asset Liability Committee is chaired by the CEO. The committee works with balance sheet management and risk management of solvency, liquidity and financing as wll as market risk. The Committee is also an advisory body for expected credit losses according to IFRS 9.

Storebrand Group's organisation of risk management responsibility follows a model based on three lines of defence. The objective of the model is to safeguard the responsibility for risk management at both company and group level.

FIRST LINE OF DEFENCE

At the bank, responsibility for risk management and internal control is an integral part of management responsibility. Managers at all levels of the company are responsible for risk management within their own area of responsibility. Good risk management requires clear mandate and division of responsibilities, targeted work on objectives, strategies and action plans, identification and assessment of risks and events, documentation of processes and routines, prioritisation and implementation of improvement measures, and good communication, information and reporting.

A high level of awareness of risks and risk management are vital elements of the bank's culture.

The CEO and the management group at the bank, the CEO of Storebrand Boligkreditt AS and managers in the Storebrand group's areas that provide services for the bank, submit annual confirmation documenting the unit's risk management activities. and internal control.

SECOND LINE OF DEFENCE

Storebrand Bank ASA has independent control functions for the company's risk management (Chief Risk Officer, CRO) and for compliance (Chief Compliance Officer, CCO). The CRO and CCO are directly subordinate to the CEO and both report directly to the bank's board. CCO also holds the role of compliance officer according to money laundering regulations(AML). In terms of function the independent control functions are affiliated with the Governance Risk & Compliance (GRC) in the Storebrand Group, where CRO in Storebrand Bank ASA is responsible to the Group CEO and reports to the board of Storebrand ASA.

THIRD LINE OF DEFENCE

Internal auditing is under the direct authority of the board and is intended to give the board confirmation of the appropriateness and effectiveness of the organisation's risk management, including how the lines of defence are functioning.

Note 4 - Credit risk

Credit risk is the risk of loss associated with customers or counterparties not fulfilling their debt obligations. The risk includes risk associated with lending to customers and counterparty risk on loans to credit institutions and the central bank, securities and financial derivatives. Credit risk includes potential concentration risk in the loan portfolio. Credit risk is the most significant risk in Storebrand Bank ASA. Credit risk for loans, guarantees and unused credits is most important both in terms of volume and risk level in general. This risk is discussed in the tables below. There is limited credit risk in connection with other exposure. See notes 21 and 22 for more information on the composition of the liquidity portfolio and note 24 for information on derivatives.

RISK MANAGEMENT

The risk strategy reflects how much credit risk the bank is willing to accept. The willingness to accept risk is adjusted to the bank's risk appetite and goals regarding risk profile, capital adequacy and growth. Credit policies establish general principles for granting credit. The bank's routines for credit management are set forth in the credit manual. The credit manual are primarily designed for account managers and others who are involved in case management processes. The credit manual contain common guidelines for the bank's credit activities, and are intended to ensure uniform and consistent credit management practices.

Credit risk is assessed in relation to the capacity and willingness of customers, including any co-participants, to service debt and potential security. The bank uses credit risk models to conduct risk classifications of customers with regard to probability of default (PD) and loss given default (LGD) and expected exposure resulted in default (EAD). The credit assessments are mainly assessed in automated and semi-automated processes with automatic calculations

The credit manuals and adopted routines provide specific criteria for monitoring non-performance, loan covenants, loss assessments and the annual loan review. Furthermore, the models ensure uniform portfolio risk assessment classifications and reporting on risk development. There are functions for depot unit, loan establishment and administration of the customer portfolio. Credit is granted in accordance with an authorisation structure determined by the board.

Treasury has the credit risk for its exposures in the liquidity portfolio. Permitted exposures and the composition of the portfolio are set out in the bank's counterparty risk policy.

Exposures with loans to credit institutions and the central bank, securities and financial derivatives with counterparties is included under credit risk and is managed according to a specific policy on the basis of an assessment of the counterparty's repayment capacity, rating and amount under management. Financial derivatives permitted by the bank are outlined in policy documents.

RISK CONTROL

Credit risk control is carried out directly in models and processes in various units in the first line, as well as with controls from the second line to ensure compliance with internal and external regulations. Exposure relating to trade in financial derivatives for customers is monitored by Back Office. Price development is monitored in respect of the customer's situation, cleared lines and breach clauses. The Middle Office conducts running spot checks with regard to this.

Trades made by Treasury are checked by the Middle Office in accordance with dedicated procedures and work descriptions.

The Chief Risk Officer (CRO) reports to the board on credit risk trends on an ongoing basis.

MAXIMUM CREDIT EXPOSURE

(NOK million)	Book value	Guarantees, unused credits and loan commitments	2022 Maximum credit exposure	2021 Maximum credit exposure
Cash and deposits with the central bank	7.5		7.5	313.0
Loans to and deposits with credit institutions	6,992.1		6,992.1	1,818.6
Loans to customers at amortised cost	451.6	2,358.4	2,810.0	2,780.0
Interest-bearing securities at amortised cost	3,821.6		3,821.6	3,258.1
Total financial instruments at amortised cost	**11,272.9**	**2,358.4**	**13,631.3**	**8,169.7**
Equities	42.2		42.2	40.1
Loans to customers at fair value through profit and loss	318.8		318.8	489.4
Interest-bearing securities at fair value through profit and loss	1,439.9		1,439.9	4,932.9
Interest swaps	37.8		37.8	53.9
Total financial instruments at fair value through profit and loss	**1,838.7**		**1,838.7**	**5,516.4**
Loans to customers at fair value through other comprehensive income (OCI)	11,685.7	3,246.4	14,932.1	15,180.7
Total financial instruments at fair value through other comprehensive income (OCI)	**11,685.7**	**3,246.4**	**14,932.1**	**15,180.7**
Total exposure for credit risk [1), 2), 3)]	**24,797.3**	**5,604.8**	**30,402.1**	**28,866.8**
[1)] of which financial assets in stage 1:				
Cash and deposits with the central bank	7.5		7.5	313.0
Loans to and deposits with credit institutions	6,992.1		6,992.1	1,818.6
Loans to customers	11,038.9	5,502.3	16,541.2	17,175.3
Interest-bearing securities	3,821.6		3,821.6	3,258.1
Total exposure to credit risk on financial assets in stage 1	**21,860.2**	**5,502.3**	**27,362.5**	**22,565.0**
[2)] of which financial assets in stage 2:				
Loans to customers	1,075.7	102.6	1,178.3	762.7
Total exposure to credit risk on financial assets in stage 2	**1,075.7**	**102.6**	**1,178.3**	**762.7**
[3)] of which financial assets in stage 3:				
Loans to customers	22.7	-0.1	22.6	22.6
Total exposure to credit risk on financial assets in stage 3	**22.7**	**-0.1**	**22.6**	**22.6**

Storebrand Bank ASA has no financial assets that are purchased or originated credit-impaired financial assets.

CREDIT EXPOSURE FOR LENDING ACTIVITIES

CORPORATE MARKET

Gross lending in the Corporate Market represents approximately NOK 16 million. In addition, there are guarantees of NOK 0.3 million.

As a result of group prioritizations regarding use of capital at Storebrand and a strategic assessment of the future direction of the Group, the Corporate Market segment at the bank is no longer prioritised as a core activity, and has largely been wound up.

As at the end of 2022, the corporate market lending portfolio consisted of one loan. The loan has an identified impairment and total impairment amount to NOK 12.9 million. The losses that have been recorded are considered to be sufficient. The bank does not believe that new losses will be forthcoming from this loan at this time.

RETAIL MARKET

Retail customers are evaluated according to their capacity and intent to repay the loan. In addition to their capacity to service debt, the customers are checked regarding policy regulations and the customers are scored using a scoring model. For other retail market customers, the overall loan to value ratio and debt servicing capability (as determined by the bank's credit policy for the segment) that apply to the portfolio are used as a basis. The securities for the portfolio are principally in properties for the retail market portfolio.

Storebrand Bank ASA has developed internal models for classifying home loans. The models estimate a loan's Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). PD estimates are based on a logistical regression model where late payment notices, reminders, overdrafts and information about assets are key explanatory variables when predicting defaults. When estimating the LGD, the loan-to-value ratio is the most important explanatory variable. Home loans are classified according to the bank's master scale, consisting of 11 risk classes from A to K, with A indicating the lowest default probability and K containing non-performing loans. The classification of home loans is automatically updated on a monthly basis. As at the end of 2022, 42% of the EAD was linked to home loans in risk class A, while about 4% of the EAD was in risk classes G to J. The models are validated on an annual basis, with the accuracy of the models compared to actual outcomes.

When entering into loan commitments, Storebrand Bank ASA collects information of significance to the value of the residential property. Each quarter, the bank obtains an updated, independent valuation of residential properties from Eiendomsverdi AS. For homes where Eiendomsverdi AS does not have an up-to-date valuation (such as housing cooperative apartments, owner-tenant apartments and some leisure properties) the most recent updated market value is used until further notice. Where Eiendomsverdi AS cannot determine the market value of a property with a high degree of certainty, a "haircut" is used so as to reduce the risk of giving an inflated estimate of market value. If Eiendomsverdi AS has never received information regarding the property's market value, the value recorded at the time of entering into the contract (the deposit value) will be used. Loans such as those mentioned here constitute just under 1% of the total portfolio exposure.

In the retail market, most of the loans are secured by way of home mortgages. NOK 12.0 billion has been lent in home loans, with a further NOK 1.3 billion in undrawn credit lines. Total commitments in residential property are therefore approximately NOK 13.3 billion.
The weighted average loan-to-value ratio is just under 67% for home loans. Approximately 69% of loans have a loan-to-value ratio within 80% and just over 99% have a loan-to-value ratio within 100%. Approximately 37% of the home loans have a loan-to-value ratio within 60%. The portfolio is regarded as having a low to moderate credit risk in accordance with the bank's risk appetite.

There is largely good security on non-performing loans that are not impaired for retail market customers. The average loan-to-value ratio for these loans is about 47%. Home loans/residential mortgages that are part of the volume of non-performing loans total NOK 9 million. All loans are within an 100% loan-to-value ratio. The security is also good on home loans/residential mortgages between 1 and 90 days past due. Assets pledged as collateral are sold in the retail market. They are not taken over by the bank.

In the credit card and account credit portfolio, approximately NOK 192 million has been drawn, and NOK 1.1 billion is available as unused credit facilities. The consumer loan portfolio is approximately NOK 250 million.

Storebrand Bank ASA had a volume of NOK 86 million of loans with forbearance at the end of 2022. In exceptional cases, the bank grants relief for commitments with mortgages in the form of a grace period for loans with a loan-to-value ratio above 60%. Short-term grace periods are also granted for consumer loans. At the end of 2022, there was approximately NOK 10 million in consumer loans registered with grace periods, and thus forbearance.

LOAN-TO-VALUE RATIO, SECURED LOANS

(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
		2022		
0% - 40%	9.4 %	757.1	494.9	1,251.9
40% - 60%	28.9 %	3,230.3	626.4	3,856.7
60% - 80%	30.5 %	3,948.6	124.2	4,072.8
80% - 90%	26.7 %	3,546.6	20.8	3,567.4
90% - 100%	3.2 %	411.9	13.3	425.2
> 100%	1.3 %	159.6	10.9	170.4
Total secured loans	**100 %**	**12,054.1**	**1,290.3**	**13,344.4**
Loan commitments and financing certificates, secured			3,246.4	3,246.4
Total secured loans incl. loan commitments and financing certificates		**12,054.1**	**4,536.8**	**16,590.9**

(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
		2021		
0% - 40%	16.4 %	1,709.8	501.4	2,211.2
40% - 60%	29.4 %	3,411.9	557.5	3,969.4
60% - 80%	32.1 %	4,155.0	177.0	4,332.0
80% - 90%	17.7 %	2,370.0	18.2	2,388.2
90% - 100%	2.7 %	346.9	13.9	360.9
> 100%	1.6 %	214.9	4.1	219.0
Total secured loans	**100 %**	**12,208.6**	**1,272.0**	**13,480.6**
Loan commitments and financing certificates, secured			3,515.8	3,515.8
Total secured loans incl. loan commitments and financing certificates		**12,208.6**	**4,787.9**	**16,996.5**

RISK RELATED TO SECURED LOANS

(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
		2022		
Low risk	85.6 %	10,177.0	1,247.5	11,424.5
Medium risk	13.4 %	1,748.6	42.8	1,791.4
High risk	0.9 %	115.8		115.9
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1 %	12.7		12.7
Total secured loans	**100 %**	**12,054.1**	**1,290.3**	**13,344.4**
Loan commitments and financing certificates, secured		-	3,246.4	3,246.4
Total secured loans incl. loan commitments and financing certificates		**12,054.1**	**4,536.8**	**16,590.9**

(NOK million)	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
		2021		
Low risk	90.5 %	10,954.2	1,244.5	12,198.7
Medium risk	8.9 %	1,166.2	27.5	1,193.8
High risk	0.5 %	69.0		69.0
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1 %	19.1		19.1
Total secured loans	**100 %**	**12,208.6**	**1,272.0**	**13,480.6**
Loan commitments and financing certificates, secured		-	3,515.8	3,515.8
Total secured loans incl. loan commitments and financing certificates		**12,208.6**	**4,787.9**	**16,996.5**

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Loans to customers		Liquidity portfolio	
(NOK million)	2022	2021	2022	2021
Book value maximum exposure for credit risk	318.8	489.4	1,439.9	4,932.9
Net credit risk	**318.8**	**489.4**	**1,439.9**	**4,932.9**
This year's change in fair value of financial assets due to change in credit risk			0.2	1.2
Accumulated change in fair value of financial assets due to change in credit risk			1.3	4.3

Lending to customers is measured at fair value based on valuation techniques. The valuation techniques use interest rate curves from Reuters and credit spreads for equivalent new loans as per the end of December.

Financial assets are designated at fair value through the profit and loss account (FVTPL) the first time they are recognised where another measurement would result in an inconsistency in the profit and loss account. Objective market prices are used for securities where these exist. Valuation techniques involving the use of interest rate curves from Reuters and credit spreads from external providers are used for the remaining securities.

Note 5 - Liquidity risk

Liquidity risk is the risk that the company will be unable to refinance its obligations (refinancing risk) or that the company will not be able to refinance its obligations without incurring substantial additional expenses (price risk).

RISK MANAGEMENT

The risk strategy establishes overall limits for how much liquidity risk the bank group is willing to accept given a goal of having the lowest possible financing costs (price). The policy for liquidity risk describes principles for liquidity- and financing management and specifies stress testing, minimum liquidity holdings and indicators for measuring liquidity and financing risk. In addition, the Treasury department draws up an annual funding strategy and funding plan that set out the overall limits for the bank group's funding activities.

Stress tests are used to illustrate the expected effects of various scenarios on the statement of financial position and cash flows. Results of the stress tests are applied when assessing the framework for liquidity risk. A contingency plan is drawn up annually to safeguard proper management of the liquidity situation during stressful periods.

The Treasury function is responsible for the bank's liquidity management, and the Middle Office monitors and reports on the utilisation of limits pursuant to the liquidity policy. Risk management prepares liquidity forecasts.

RISK CONTROL

Risk control of liquidity and financing risk is carried out, among other things, through monthly liquidity forecasts, reporting of liquidity and financing indicators and maturity profile. Both are included in the CRO's ongoing reporting to the board. Indicators that are followed are described in the liquidity risk policy. The Middle Office performs checks on trades undertaken by Treasury to ensure conformance with the applicable policy rules.

NON-DISCOUNTED CASH FLOWS - FINANCIAL LIABILITIES

(NOK million)	0 - 6 months	7 months - 12 months	2 - 3 years	4 - 5 years	More than 5 years	Total	Book value 2022	Book value 2021
Loans and deposits from credit institutions	423.5					407.2	423.5	502.0
Deposits from and due to customers	19,165.0	6.6	60.8	88.0	157.4	15,248.0	19,477.8	17,238.8
Debt securities issued	364.4	499.9	2,400.0	259.8	0.0	3,180.2	3,317.4	3,379.9
Other liabilities	611.0					611.0	611.0	441.8
Subordinated loans	19.4	19.8	193.7	735.0		967.9	828.0	575.9
Undrawn credit limits	2,368.1					2,368.1		
Loan commitments	3,246.4			0.0		3,246.4		
Total financial liabilities 2022	**26,197.8**	**526.3**	**2,654.5**	**1,082.8**	**157.4**	**26,028.8**	**24,657.7**	
Derivatives related to funding 31.12.2022	**0.2**	**5.3**	**1.3**	**-7.3**		**-0.5**	**-1.5**	
Total financial liabilities 2021	23,837.1	983.6	2,033.3	1,094.8	242.0	28,190.9		22,138.4
Derivatives related to funding 31.12.2021								

The overview of non-discounted cash flows includes interest. Implicit forward interest rates based on the yield curve on 31 December 2022 are used to calculate interest costs for lending with FRN conditions. The call date is used as the maturity date on subordinated loans. The maturity overview does not take account of the fact that the issued bonds have extended maturity date, i.e. the original maturity date is used. Deposits from and liabilities to customers are on call deposits or deposits locked in for less than 6 months.

SPECIFICATION OF SUBORDINATED LOANS

(NOK million) ISIN code	Issuer	Net nominal value	Currency	Interest	Call-date	Book value 2022	Book value 2021
Dated subordinated loans							
NO0010786510	Storebrand Bank ASA	150.0	NOK	Floating			150.4
NO0010843519	Storebrand Bank ASA	125.0	NOK	Floating	27.02.2025	125.6	125.3
NO0011104077	Storebrand Bank ASA	300.0	NOK	Floating	23.09.2026	300.3	300.1
NO0012446428	Storebrand Bank ASA	400.0	NOK	Floating	27.02.2027	402.0	
Total subordinated loans						**828.0**	**575.9**

SPECIFICATION OF LOANS AND DEPOSITS FROM CREDIT INSTITUTIONS

(NOK million)	Book value 2022	Book value 2021
Total loans and deposits from credit institutions without fixed maturity	**43.3**	**2.0**
F-loans, maturity 2022		500.0
F-loans, maturity 2023	380.2	
Total loans and deposits from credit institutions with fixed maturity	**380.2**	**500.0**
Total loans and deposits from credit institutions	**423.5**	**502.0**

SPECIFICATION OF DEBT SECURITIES ISSUED

(NOK million) ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity	Book value 2022	Book value 2021
Bond loans							
NO0010841562	Storebrand Bank ASA	75.0	NOK	Floating	18.01.2022		75.2
NO0010860398	Storebrand Bank ASA	550.0	NOK	Floating	15.08.2022		550.8
NO0010868185	Storebrand Bank ASA	400.0	NOK	Floating	11.11.2022		400.7
NO0010881386	Storebrand Bank ASA	300.0	NOK	Floating	04.05.2023	302.1	300.7
NO0010891344	Storebrand Bank ASA	450.0	NOK	Floating	25.08.2023	451.8	450.5
NO0010931819	Storebrand Bank ASA	1100.0	NOK	Floating	15.02.2024	1,105.1	1,101.2
NO0012617697	Storebrand Bank ASA	700.0	NOK	Floating	15.08.2025	703.7	500.7
NO0012626953	Storebrand Bank ASA	250.0	NOK	Fixed	19.02.2026	252.0	
NO0011146359	Storebrand Bank ASA	500.0	NOK	Floating	05.02.2025	502.8	
Total debt securities issued		**3 375,0**				**3,317.4**	**3,379.9**

FINANCING ACTIVITIES - CHANGES DURING THE YEAR

	2022		
(NOK million)	Subordinated loans	Liabilities to credit institutions	Commercial papers and bonds issued
Book value 01.01.2022	575.9	502.0	3,379.9
New loans / bond debt issued	400.0	16,710.6	950.0
Repayment of loans/liabilities	-150.0	-16,789.3	-1,025.0
Changes in accrued interest	2.1	0.2	13.9
Other			-1.3
Book value 31.12.2022	**828.0**	**423.5**	**3,317.4**

	2021		
(NOK million)	Subordinated loans	Liabilities to credit institutions	Commercial papers and bonds issued
Book value 01.01.2021	275.6	1,653.3	2,821.5
New loans / bond debt issued	300.0	4,633.9	1,599.3
Repayment of loans/liabilities		-5,783.7	-1,038.5
Changes in accrued interest	0.3	-1.5	-2.4
Book value 31.12.2021	**575.9**	**502.0**	**3,379.9**

Note 6 - Market risk

Market risk is risk of a change in value due to financial market prices (such as interest rates, exchange rates, credit spreads) or volatility differing from what was expected.

RISK MANAGEMENT

The risk strategy sets general limits for market risk. Storebrand Bank ASA's market risk mostly are related to spread risk in the liquidity portfolio and interest rate risk. The bank is exposed to market risk in equity instruments and currency to a lesser degree.

Market risk policies specify limits for market risk that the bank is willing to accept. The bank's market risk is primarily managed and controlled through daily monitoring of risk exposure pursuant to the policy and continuous analyses of outstanding positions. Credit spread risk is regulated through ceilings on credit spread risk and indirectly through ceilings on investments.

The exposure limits are reviewed and renewed by the board at least once a year. The size of these limits is set on the basis of stress tests and analyses of market movements.

RISK CONTROL

The Middle Office is responsible for the ongoing, independent monitoring of market risk. Risk control of market risk is carried out, among other things, through monthly reports of indicators for market risk. Market risk indicators that are followed are described in the interest rate risk policy, counterparty policy (incl. credit spread risk) and currency risk policy and are included in the CRO's ongoing reporting to the board.

For changes in market risk that occur during the first year, the effect on the result and equity will be as shown below based on the balance sheet as at 31 December 2022:

Effect on accounting income

(NOK million)	2022	2021
Interest rate -2,0%	-61.6	25.6
Interest rate +2,0%	61.6	-25.6

Effect on accounting result/equity [1)]

(NOK million)	2022	2021
Interest rate -2,0%	-61.6	25.6
Interest rate +2,0%	61.6	-25.6

1) Before tax

Financial interest rate risk

(NOK million)	2022	2021
Interest rate -2,0%	-24.9	34.0
Interest rate +2,0%	24.9	-34.0

The note shows the accounting effects over a 12 month period, as well as the immediate financial effect of an immediate parallel interest rate change of + 2.0 percentage points and - 2.0 percentage point respectively. In calculating the accounting risk, note has been taken of the one-off effect such an immediate rate change has on the items that are recognised at fair value and the value of the security, and the effect that the change in interest rates would have on the net profit for the remaining duration of the interest rate before the change in interest rates has an effect on income and expenses. Items that would be affected by the one-time effect and are recorded at fair value are the investment portfolio, fixed interest rate loans and derivatives. Items that would be affected by the one-time effects and which are recorded using hedging accounting are borrowings with fixed interest rate. In calculating the financial effect, account has been taken of changes in market value of all items on the balance sheet that such an immediate interest rate change will lead to.

See also note 25 regarding foreign exchange risk.

Note 7 - Operational risk

OPERATIONAL RISK

The assessment of operational risks is linked to the ability to achieve targets and to implement plans. Operational risk is defined as the risk of financial loss or damaged reputation due to inadequate or failing internal processes, control routines, systems, human error, or external events.

RISK MANAGEMENT

Operational risk is being controlled and reduced through an effective system for internal control with (1) clear descriptions of responsibilities, (2) clear routines, and (3) documented powers of attorney/authority. Risks are followed-up through the management's risk review, with documentation of risks, measures and follow-up of incidents. The bank has prepared contingency plans which are updated regularly. In addition, internal audit carries out an independent control in accordance with audit projects adopted by the board.

RISK CONTROL

The CRO supports the risk review process and is responsible for compiling and reporting the area's risk scenario, following up on improvement measures and checking that risk registration is up to date in the central sysem. The results of the process are reported to the board.

In order to be able to identify problem areas internally, the bank has implemented routines for ongoing reporting of events to the CRO, who is responsible for logging and follow-up of reported events. The CRO reviews significant events with the board.

In connection with monthly, quarterly and annual accounts, the bank's staff functions perform various checks and reconciliations so as to control and reduce operational risk. In addition to this, the compliance function and internal auditor carry out spot checks in a number of the most important work processes. The results are reported to the bank's management and the board.

COMPLIANCE RISK

Compliance risk is the risk of the company incurring public sanctions or financial loss as a result of non compliance with external or internal rules.

RISK MANAGEMENT

The compliance risk in Storebrand Bank ASA is managed through instructions for the compliance function. The function's main responsibility is to support the company's board and management in complying with relevant laws and regulations by independently identifying, evaluating, monitoring and reporting compliance risk. The function must perform preventive work by advising and ensuring that effective processes have been established for information and the implementation of current and future rules. The compliance function must have a risk-based approach.

RISK CONTROL

The compliance function performs control activities in order to ensure actual compliance.

Note 8 - Climate risk

Storebrand Bank's lending activities primarily consist of mortgages and almost the entire lending portfolio is secured by way of property mortgages. Based on this, we launched "boliglån fremtid" (mortgage future) in 2016. Boliglån fremtid is a mortgage with favourable interest, which gives customers tips and motivation to make smart energy choices for their homes. Storebrand Bank has identified the following climate risks:

LOWER DEMAND FOR LOANS AND OTHER BANKING SERVICES.

A rapid transition to low emissions will affect the Norwegian economy in particular. Storebrand Bank has no direct exposure to the fossil fuel sector. The labour, housing and property markets and macroeconomic conditions in general are dependent on the fossil fuel sector. The transition may contribute to a recession and a long period of low interest rates in Norway. Demand for credit is lower during economic downturns and recessions.

INCREASED LOSSES ON LENDING AS A RESULT OF CLIMATE CHANGE OR THE TRANSITION TO LOW EMISSIONS.

The macroeconomic situation in some areas/regions is weaker, particularly as a result of transition risks. The debtor risk increases as a result of this. The value of securities develops at a relatively weaker rate than other items due to physical risk (market values develop weaker in areas where, for example, there is a greater risk of floods, landslides, rainfall than the market in general) and/or the transition risk (market values fall more in areas with a higher transition risk due to weaker economic development). The risk manifests itself in the form of increased losses on lending.

GREEN MORTGAGES GIVE LOW PROFITABILITY

Storebrand Bank's focus on green mortgages meets low interest and demand. The investment then yields a weak return. A large investment in green mortgages may result in other initiatives receiving lower priority, and these initiatives may have greater demand among households, which cover the needs of other banks.

REGULATORY RISK FROM NON-COMPLIANCE WITH NEW REQUIREMENTS FOR CLIMATE ADAPTATION OR REPORTING.

The risk is considered low, however the large number of new and comprehensive regulations require follow-up and reporting. The greatest challenge is a lack of consistency in customer communication and marketing. The risks include reputational risk.

OWN OBJECTIVES FOR CLIMATE ADAPTATION ARE NOT ACHIEVED OR THE AMBITIONS ARE TOO LOW

The risks include late/delayed issuing of green bonds/covered bonds in comparison with competitors. The risk is considered low, but it is important that the objectives are increased in line with higher expectations.

Note 9 - Valuation of financial instruments

Storebrand Bank ASA conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Bonds are generally valued based on prices collected from Reuters, Bloomberg and Nordic Bond Pricing. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. The latter is particularly applicable to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will often be specific to the issuer, and will normally be based on a consensus of credit spreads quoted by a selected brokerage firm.

Unlisted derivatives, including primarily interest rate and foreign exchange instruments, are also valued theoretically. Money market rates, swap rates, exchange rates and volatilities that form the basis for valuations are supplied by Reuters, Bloomberg and Norges Bank.

Storebrand Bank ASA carries out continual checks to safeguard the quality of market data that has been collected from external sources. These types of checks will generally involve comparing multiple sources as well as controlling and assessing the likelihood of unusual changes.

The Storebrand Group categorises financial instruments valued at fair value into three different levels which are described in more detail below. 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.

LEVEL 1: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS

Bonds, certificates or equivalent instruments issued by nation states are generally classified as level 1. When it comes to derivatives, standardised stock index futures and interest rate futures will also be included at this level.

LEVEL 2: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF OBSERVABLE MARKET INFORMATION NOT COVERED BY LEVEL 1

This category encompasses financial instruments that are valued based on market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Level 2 includes shares or equivalent equity instruments for which market prices are available, but where the volume of transactions is too limited to fulfil the criteria in level 1. Shares in this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified in this level. Moreover, interest rate and foreign exchange swaps, non-standardised interest rate and foreign exchange derivatives are classified in level 2.

LEVEL 3: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF INFORMATION THAT IS NOT OBSERVABLE ACCORDING TO THE DEFINITION FOR LEVEL 2

Investments classified as level 3 primarily includes fixed-rate loans, variable home loans and the investment in VN Norge AS.

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.

The value of home loans with a floating interest rate is considered to be approximately equal to the amortised cost.

Under equities, it is primarily the investment in VN Norge AS. The value of the shares is calculated on the basis of the price of the shares in VISA Inc. and the exchange rate USD / NOK. The value has also been adjusted for a liquidity and general uncertainty discount of 14%.

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

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

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 31.12.2022	Book value 31.12.2021
Equities		36.1	6.1	42.2	40.1
Total equities 31.12.2022		**36.1**	**6.1**	**42.2**	
Total equities 31.12.2021		28.9	11.2		40.1
Loans to customers - retail market			318.8	318.8	489.4
Total loans to customers 31.12.2022			**318.8**	**318.8**	
Total loans to customers 31.12.2021			489.4		489.4
Government and government guaranteed bonds		495.4		495.4	237.1
Mortgage and asset backed bonds		944.5		944.5	4,695.9
Total interest-bearing securities 31.12.2022		**1,439.9**		**1,439.9**	
Total interest-bearing securities 31.12.2021		4,932.9			4,932.9
Interest derivatives		15.8		15.8	2.8
Total derivatives 31.12.2022		**15.8**		**15.8**	
Derivatives with a positive fair value		37.8		37.8	53.9
Derivatives with a negative fair value		-22.0		-22.0	-51.1
Total derivatives 31.12.2021		2.8			2.8

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

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

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 31.12.2022	Book value 31.12.2021
Loans to customers - corporate market			3.0	3.0	3.0
Loans to customers - retail market			11,682.7	11,682.7	11,661.8
Total loans to customers			**11,685.7**	**11,685.7**	**11,664.8**

FINANCIAL INSTRUMENTS AT FAIR VALUE - LEVEL 3

		2022	
(NOK million)	Equities	Loans to customers at fair value through profit and loss	Loans to customers at fair value through other comprehensive income (OCI)
Book value 01.01.2022	11.2	489.4	11,664.8
Net gains/losses on financial instruments	-5.1	-22.3	-2.0
Supply / disposal		99.3	9,667.3
Sales / due settlements		-247.7	-9,644.4
Book value 31.12.2022	**6.1**	**318.8**	**11,685.7**

(NOK million)	Equities	2021 Loans to customers at fair value through profit and loss	Loans to customers at fair value through other comprehensive income (OCI)
Book value 01.01.2021	10.5	722.3	9,720.5
Net gains/losses on financial instruments	0.7	-7.6	-0.7
Supply / disposal		362.8	8,991.2
Sales / due settlements		-588.1	-7,046.2
Book value 31.12.2021	**11.2**	**489.4**	**11,664.8**

VALUATION OF FINANCIAL ASSETS AT AMORTISED COST

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Fair value 31.12.2022	Book value 31.12.2022	Fair value 31.12.2021	Book value 31.12.2021
Financial assets							
Loans to and deposits with credit institutions		6,992.1		6,992.1	6,992.1	1,818.6	1,818.6
Loans to customers - retail market		451.6		451.6	451.6	416.4	416.4
Interest-bearing securities		3,806.5		3,806.5	3,821.6	3,258.6	3,258.1
Total financial assets 31.12.2022		**11,250.2**		**11,250.2**	**11,265.4**		
Total financial assets 31.12.2021		5,347.2				5,493.6	5,493.1
Financial liabilities							
Loans and deposits from credit institutions		423.5		423.5	423.5	502.0	502.0
Deposits from and due to customers		19,477.8		19,477.8	19,477.8	17,238.8	17,238.8
Debt seurities issued		3,308.3		3,308.3	3,317.4	3,388.4	3,379.9
Subordinated loans		799.0		799.0	828.0	575.8	575.9
Total financial liabilities 31.12.2022		**24,008.6**		**24,008.6**	**24,046.7**		
Total financial liabilities 31.12.2021		20,270.9				21,705.2	21,696.6

The fair value of interest-bearing securities, debt securities issued and subordinated loans is based on normal valuation techniques. Cash flows are discounted over the remaining term with the current discount factor. The discount factor used is based on a swap rate (mid swap) with a maturity that corresponds to the maturity of the underlying financial instrument. For the items loans to and deposits with credit institutions, loans to customers, loans and deposits from credit institutions and deposits from and due to customers, fair value is approximately equal to amortised cost

SENSITIVITY ANALYSIS ON FINANCIAL INSTRUMENTS AT FAIR VALUE

Loans to customers at fair value through other comprehensive income (OCI)
The value of home loans with a floating interest rate is considered to be approximately equal to the amortised cost.

Equities
This item consist of shares in VN Norge AS. At the end of the year, the value of the shares is calculated on the basis of the price of the shares in VISA Inc. and the exchange rate USD / NOK. The value has also been adjusted for a liquidity and general uncertainty discount of 14%.

	Floating loans to customers		Floating loans to customers		Equities	
	Fair value through other comprehensive income (OCI)		Fair value through other comprehensive income (OCI)			
	Change in market spread		Change in market spread		Change in value	
Increase/reduction in fair value	+ 10 bp	- 10 bp	+ 25 bp	- 25 bp	+ 25 bp	- 25 bp
Increase/reduction in fair value at 31.12.2022	**-1.3**	**1.3**	**-3.4**	**3.4**	**7.1**	**-10.2**
Increase/reduction in fair value at 31.12.2021	-1.3	1.3	-3.4	3.4	6.1	-7.9

Note 10 - Segment

Business segments are the bank's primary reporting segments. In 2013, the bank decided to wind up the bank's loan portfolie in the corporate market. The remaining portfolio was marginal at the end of 2022 and the bank therefor no longer reports on segment in its reporting. The bank's accounts for 2022 therefore relate entirely to the Retail Lending segment. Geographic segments form the bank's secondary reporting segments. The bank does not have any activities outside Norway. Customers from abroad are classified as part of the Norwegian activities. All operating income and the bank's earnings therefore relate solely to its Norwegian activities.

Note 11 - Net income from financial instruments

NET INTEREST INCOME

(NOK million)	2022	2021
Interest on loans to credit institutions	85.8	19.2
Interest on loans to customers - loans valued at amortised cost	54.6	44.4
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income (OCI)	378.7	223.9
Interest on interest-bearing securities valued at amortised cost	66.7	15.6
Total interest income calculated by using the effective interest method	**585.9**	**303.1**
Interest on loans to customers valued at fair value with change in value through profit and loss	11.1	12.5
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	38.7	23.1
Interest on derivatives	4.4	5.8
Total other interest income	**54.2**	**41.4**
Total interest income	**640.1**	**344.5**
Interest on loans from credit institutions	-3.8	-0.8
Interest on deposits from customers	-126.2	-41.0
Interest on debt securities issued	-77.0	-32.3
Interest on subordinated loans	-24.3	-7.3
Total interest expenses calculated by using the effective interest method	**-231.2**	**-81.4**
Interest on derivatives	-4.8	-11.4
Other interest expenses	-17.3	-13.8
Total other interest expenses	**-22.0**	**-25.2**
Total interest expenses	**-253.2**	**-106.7**
Net interest income	**386.8**	**237.8**

NET INCOME AND GAIN/LOSS FROM FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(NOK million)	2022	2021
Realised gain/loss on loans and receivable		
Unrealised gain/loss on loans and receivable	-36.8	-10.1
Net change in value and gain/loss on loans and receivables	**-36.8**	**-10.1**
Realised gain/loss on interest-bearing securities	-18.0	24.1
Unrealised gain/loss on interest-bearing securities	3.0	-11.9
Net change in value and gain/loss on interest-bearing securities	**-14.9**	**12.2**
Realised gain/loss on equity instruments		-0.1
Unrealised gain/loss on equity instruments	-2.8	-0.4
Net change in value and gain/loss on equity instruments	**-2.8**	**-0.5**
Realised gain/loss on financial liabilities	0.1	-1.2
Unealised gain/loss on financial liabilities	1.6	0.3
Net change in value and gain/loss on financial liabilities (except financial derivatives)	**1.7**	**-0.9**
Realised gain/loss on foreign exchange and financial derivatives	4.9	2.6
Unrealised gain/loss on foreign exchange and financial derivatives	10.7	11.9
Net change in value and gain/loss on foreign exchange and financial derivatives	**15.5**	**14.5**
Total change in value and net gain/loss on financial instruments	**-37.4**	**15.1**

Note 12 - Net commission income

(NOK million)	2022	2021
Fees related to banking operations	53.3	41.6
Fees from and management of loans	187.7	164.9
Total fees and commissions receivable *)	**241.0**	**206.6**
Fees and commissions payable relating to banking operations	-25.1	-21.8
Other fees and commissions payable	-1.0	-1.1
Total fees and commissions payable **)	**-26.1**	**-22.9**
Net commission income	**214.8**	**183.7**
*) Of which total fees and commission income on book value of financial assets and liabilities that are not at fair value through the profit and loss account	53.3	41.6
**) Of which total fees and commission expense on book value of financial assets and liabilities that are not at fair value through the profit and loss account	-26.1	-22.9

Note 13 - Other income

(NOK million)	2022	2021
Sale of garage spaces		1.0
Total other income	**0,0**	**1.0**

Note 14 - Remuneration paid to auditor

Remuneration incl. value added tax:

NOK 1000	2022	2021
Statutory audit	-590	-555
Other reporting duties	-236	-57
Other non-audit services		-39
Total	**-826**	**-651**

Note 15 - Operating expenses

(NOK million)	2022	2021
Ordinary wages and salaries	-129.7	-119.6
Employer's social security contributions	-26.1	-23.7
Pension cost (see note 16)	-17.8	-16.3
Other staff expenses	-6.6	-5.8
Total staff expenses	**-180.2**	**-165.4**
IT costs	-74.7	-70.2
Office operation and other general administration expenses	-1.9	-2.0
Operating expenses on rented premises	-17.1	-14.8
Foreign services (see note 14)	-17.2	-8.0
Inter-company charges for services [1)]	-158.5	-136.1
Services sold to companies within the group	94.5	85.6
Other operating expenses	-10.6	-9.2
Total other operating expenses	**-185.6**	**-154.7**
Depreciations	-16.5	-17.1
Write-downs		-12.8
Total depreciation and write-downs of non-financial assets	**-16.5**	**-29.8**
Total operating expenses	**-382.3**	**-350.0**

1) Services purchased from the group contain expenses relating to bank production, IT services, joint administrative functions, financial and legal services, marketing activities, HR and skills development, purchasing, information services and savings advice.

Note 16 - Pensions

Storebrand Group has country-specific pension schemes.

Storebrand's employees in Norway have e defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). Storebrand has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:
- Saving starts from the first krone of salary
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" was NOK 111,477 at 31 December 2022)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- Savings rate for salary over 12 G is 20 per cent.

The Norwegian companies participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.6 % in 2022 while it was 2.5% in 2021.

There are also pension liabilities for the defined-benefit scheme related to direct pensions for certain former employees and former board members.

RECONCILIATION OF PENSION ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

(NOK million)	2022	2021
Present value of insured pension liabilities	6.3	8.6
Fair value of pension assets	-7.5	-7.6
Net pension liabilities/assets insured scheme	-1.2	1.0
Asset ceiling - asset adjustment	1.2	
Present value of unsecured liabilities	1.7	2.1
Net pension liabilities recognised in statement of financial position	**1.7**	**3.0**

Includes employer contributions on net under-financed liabilities in the gross liabilities

BOOKED IN STATEMENT OF FINANCIAL POSITION

(NOK million)	2022	2021
Pension liabilities	1.7	3.0

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

(NOK million)	2022	2021
Net pension liabilities 01.01	10.6	11.8
Interest expenses on the pension liability	0.2	0.2
Estimate deviations	-2.6	-0.1
Pensions paid	-0.1	-1.2
Net pension liabilities 31.12	**8.1**	**10.6**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

(NOK million)	2022	2021
Pension assets at fair value 01.01	7.6	7.1
Expected return	0.1	0.1
Estimate deviation	-0.3	0.2
Premiums paid	0.2	0.2
Net pension assets 31.12	**7.5**	**7.6**
Expected premium payments (pension assets) in 2023:	0.1	
Expected premium payments (contributions) in 2023:	12.3	
Expected AFP early retirement scheme payments in 2023:	3.2	
Expected payments from operations (uninsured scheme) in 2023:	0.3	

PENSION ASSETS ARE BASED ON THE FINANCIAL ASSETS HELD BY STOREBRAND LIFE INSURANCE COMPOSED AT 31.12:

	2022	2021
Real estate	14 %	13 %
Bonds at amortised cost	43 %	39 %
Loans	16 %	15 %
Equities and units	5 %	13 %
Bonds	20 %	19 %
Other short-term financial assets	1 %	1 %
Total	**100 %**	**100 %**

The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Life Insurance AS. Financial instruments are valued on three differendt levels.

Realised return on assets	0.5 %	4.5 %

NET PENSION COST BOOKED TO PROFIT AND LOSS ACCOUNT, SPECIFIED AS FOLLOWS:

(NOK million)	2022	2021
Net interest cost/expected return	0.1	0.1
Total for defined benefit schemes	**0.1**	**0.1**
The period's payment to contribution scheme	15.1	13.9
The period's payment to contractual pension	2.6	2.3
Net pension cost recognised in profit and loss account in the period	**17.8**	**16.3**

Net pension cost includes payroll tax of employer contribution and is included in operating expenses. See note 15.

ANALYSIS OF ACTUARIAL LOSS (GAIN) IN THE PERIOD

(NOK million)	2022
Actuarial loss (gain) - change in discount rate	-2.5
Actuarial loss (gain) - experience DBO	-0.1
Loss (gain) - experience Assets	0.2
Investment management cost	0.1
Asset ceiling - asset adjustment	1.2
Remeasurements loss (gain) in the period	**-1.1**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY

	31.12.2022	31.12.2021
Discount rate	3.8 %	2.0 %
Expected return	3.5 %	2.3 %
Expected earnings growth	0.0 %	2.3 %
Expected annual increase in pensions payment	3.5 %	0.0 %
Disability table	KU	KU
Mortality table	K2013BE	K2013BE

Financial assumptions:
The financial assumptions have been determined on the basis of the rules in IAS 19. Long term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are particularly subject to a high degree of uncertainty.

In Norway, a discount rate based on covered bonds is used. Based on the market and volume trends observed, the Norwegian covered bond market must be perceived as a deep market.

Specific company conditions including expected direct wage growth are taken into account when determining the financial assumptions.

Actuarial assumptions:
In Norway, there are standardised assumptions for mortality/disability trends, and other demographic factors, that have been prepared by Finance Norway. A new mortality basis K2013 for group pension insurance in life insurance companies and pension funds was introduced effective from 2014. Storebrand has used the mortality table K2013BE (best estimate) for the actuarial calculations as at 31 December 2022.

Note 17 - Losses on loans, guarantees and unused credits

	2022		
(NOK million)	Loans to customers and securities valued at amortisert 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	-1.0	-0.1	-1.1
The periods change in impairment losses stage 2	-4.1	-0.8	-5.0
The periods change in impairment losses stage 3	-7.3	-0.2	-7.5
Realised losses	-12.0		-12.0
Recoveries on previously realised losses	17.7		17.7
Other changes	-0.5		-0.5
Loss expense for the period	**-7.2**	**-1.1**	**-8.3**

Storebrand Bank ASA has NOK 1.0 million in outstanding contractual amounts for realised losses during 2022 that are still subject to enforcement activities.

	2021		
(NOK million)	Loans to customers and securities valued at amortisert 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	-1.4	0.0	-1.4
The periods change in impairment losses stage 2	1.2	12.1	13.3
The periods change in impairment losses stage 3			-0.1
Realised losses	-7.1		-7.1
Recoveries on previously realised losses	1.2		1.2
Credit loss on interest-bearing securities	0.1		0.1
Management overlay	4.1	2.9	7.0
Other changes	-0.6		-0.6
Loss expense for the period	**-2.5**	**14.9**	**12.5**

Storebrand Bank ASA had NOK 4.4 million in outstanding contractual amounts for realised losses during 2021 that were still subject to enforcement activities.

Note 18 - Tax

TAX CHARGE FOR THE YEAR

(NOK million)	2022	2021
Tax payable in profit/loss	-54.0	-60.5
Change in deferred tax assets	2.9	5.3
Change in tax earlier years	-0.4	-0.4
Total tax charge for the year	**-51.5**	**-55.7**

TAX BASIS FOR THE YEAR

(NOK million)	2022	2021
Profit before taxes	210.9	239.6
+ Group contribution received, difference between the carrying amount and the tax base	-3.4	-16.7
+/- Share of results realted to additional Tier 1 capital holders	-14.1	-8.8
- Dividend on shares within EEA	-5.0	0.0
+/- Skattemessig realisert gevinst aksjer EØS	0.2	0.0
Other permanent differences	-0.3	-2.5
Changes in temporary differences	12.0	21.6
Tax basis for the year	**203.0**	**234.4**
Tax basis for the year for current taxes [1]	**203.0**	**234.4**
Tax rate	25 %	25 %
[1] Allocated group contribution with tax effect	203.0	234.4

RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

(NOK million)	2022	2021
Ordinary pre-tax profit	210.9	239.6
Expected tax on income at nominal rate	-52.7	-59.9
Tax effect of:		
Realised shares	0.5	-0.1
Permanent differences	0.3	0.6
Group contribution received	0.9	4.2
Effect of devalued deferred tax / tax assets	-0.1	
Change of tax assessment earlier years	-0.4	
Tax charge	**-51.5**	**-55.6**
Effective tax rate	**24 %**	**23 %**

TAX PAYABLE IN THE BALANCE SHEET

(NOK million)	2022	2021
Tax payable in profit & loss	-54.0	-60.5
Tax payable in the equity	3.5	2.2
Tax payable in other comprehensive income	-0.3	-0.3
- tax effect of group contribution paid	50.8	58.6
Tax payable in the balance sheet	**0.0**	**0.0**

ANALYSIS OF THE TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSSES CARRIED FORWARD

(NOK million)	2022	2021
Tax-increasing temporary differences		
Financial instruments	-62.5	-45.1
Total tax-increasing temporary differences	**-62.5**	**-45.1**
Tax-reducing temporary differences		
Pensions	-1.7	-3.0
Fixed assets	-2.0	-7.0
Provisions	-6.4	-5.6
Total tax-reducing temporary differences	**-10.2**	**-15.5**
Base for deferred tax and deferred tax asset	**-72.6**	**-60.6**
Temporary differences not included in the calculaion of deferred tax	5.8	5.5
Net base for deferred tax and deferred tax asset	**-66.8**	**-55.1**
Net deferred tax/tax asset in the balance sheet	**-16.7**	**-13.8**

The tax rate for companies in Norway was changed from 23 to 22 per cent with effect from 1 January 2019. It was also agreed to keep the rate at 25 per cent for companies subject to the financial tax.

ANALYSIS OF TAX PAYABLE AND DEFERRED TAX APPLIED TO OCI:

(NOK million)	2022	2021
Tax on pension experience adjustments	-0.3	-0.1
Tax on change in value on loans to fair value through other comprehensive income (OCI)		-0.2
Total	**-0.3**	**-0.3**

Note 19 - Classification of financial assets and liabilities

(NOK million)	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income (OCI)	Total book value 2022	Total book value 2021
Financial assets					
Cash and deposits with central banks	7.5			7.5	313.0
Loans to and deposits with credit institutions	6,992.1			6,992.1	1,818.6
Equity instruments		42.2		42.2	40.1
Interest-bearing securities	3,821.6	1,439.9		5,261.5	8,191.0
Derivatives		37.8		37.8	53.9
Lending to customers	451.6	318.8	11,685.7	12,456.1	12,570.6
Other current assets	495.3			495.3	253.6
Total financial assets 2022	**11,768.2**	**1,838.7**	**11,685.7**	**25,292.6**	
Total financial assets 2021	6,059.7	5,516.4	11,664.8		23,240.9
Financial liabilities					
Deposits from and due to credit institutions	423.5			423.5	502.0
Deposits from and due to customers	19,477.8			19,477.8	17,238.8
Debt securities issued	3,317.4			3,317.4	3,379.9
Derivatives		22.0		22.0	51.1
Other liabilities	611.0			611.0	441.8
Subordinated loans	828.0			828.0	575.9
Total financial liabilities 2022	**24,657.7**	**22.0**		**24,679.7**	
Total financial liabilities 2021	22,138.4	51.1			22,189.6

Note 20 - Ownership interests in group companies

SHARES IN SUBSIDIARIES

(NOK million)	Business registration number	Registered office	Ownership interest	Share of votes	Share capital	Acquisition cost	Book value 31.12.2022	Book value 31.12.2021
Storebrand Boligkreditt AS	990645515	Lysaker	100 %	100 %	494.2	2,794.8	2,794.8	1,619.7
Total investments in subsidiaries						**2,794.8**	**2,794.8**	**1,619.7**

INCOME FROM OWNERSHIP INTERESTS IN GROUP COMPANIES

(NOK million)	2022	2021
Received group contribution from Storebrand Boligkreditt AS - 2021	3.8	139.5
Received group contribution from Storebrand Boligkreditt AS - 2022	28.4	
Total income from ownership interests in group companies	**32.1**	**139.5**

Note 21 - Interest-bearing securities at fair value through profit and loss

(NOK million)	2022 Fair value	2021 Fair value
Sovereign and Government Guaranteed bonds	495.4	237.1
Mortgage and asset backed bonds	944.5	4,695.9
Total bonds and other fixed-income securities at fair value through profit and loss	**1,439.9**	**4,932.9**
Modified duration	0.17	0.18
Average effective yield per 31.12.	3.49 %	1.00 %

The portfolio is mainly denominated in NOK. Calculated effective yields are weighted to give an average effective yield on the basis of each asset's share of the total interest rate sensitivity.

Note 22 - Interest-bearing securities at amortised cost

	2022		2021	
(NOK million)	Book value	Fair value	Book value	Fair value
Public issuers and Government Guaranteed Bonds	2,860.7	2,848.2	2,346.8	2,345.5
Mortgage and asset backed bonds	961.0	958.3	911.2	913.1
Total bonds at amortised cost	**3,821.6**	**3,806.5**	**3,258.1**	**3,258.6**
Modified duration		0.14		0.13
Average effective yield per 31.12.		3.29 %		0.87 %

All securities are denominated in NOK.
The effective yield for each asset is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each asset's share of the total interest rate sensitivity.

Note 23 - Equity instruments

(NOK million)				2022	2021
Navn på selskap	Organisation number	No. of shares	Ownership interest	Book value	Book value
VN Norge AS	821083052	10,138,359,344,595,400	1.01 %	6.1	11.2
Other Norwegian companies				0.5	0.5
Scandinavisk Datacenter AS		60,764	3.50 %	34.5	27.4
Other foreign companies				1.2	1.1
Total equity instruments				**42.2**	**40.1**

Note 24 - Financial derivatives

Financial derivatives are linked to underlying amounts which are not carried on the balance sheet. In order to quantify the volume of derivatives, reference is made to such underlying amounts as underlying principal, nominal volume, etc. Different calculation methods are applied to nominal volume for different types of financial derivatives, and this figure expresses the scope of risk and positions of financial derivatives.

Gross nominal volume primarily provides information on scope, while net nominal volume provides a certain expression of risk positions. However, the nominal volume for different instruments is not necessarily comparable, considering the risk exposure. As opposed to gross nominal volume, the calculation of net nominal volume also takes into account the sign for the instrument's market risk exposure, by differing between so-called asset positions and liability positions.

An asset position in a share derivative implies a positive change in value if share prices rise. For interest derivatives, an asset position implies a positive change in value if interest rates are reduced – as is the case with bonds. An asset position in a currency derivative generates a positive change in value if the exchange rate against the NOK sees an increase. The average gross nominal volume is based on daily calculations of gross nominal volume.

					Net amounts taken into account netting agreements		
(NOK million)	Gross nom. volume [1]	Gross recognised financial assets	Gross recognised debt	Net financial assets / debt in the balance sheet	Fin. assets	Fin. debt	Net amount
Interest derivatives [2]	995.0	37.8	22.0				15.8
Currency derivatives	1.1						
Total derivatives 31.12.2022	**996.1**	**37.8**	**22.0**				**15.8**
Total derivatives 31.12.2022	753.0	53.9	51.1				2.8

1) Values as at 31.12:

2) Interest derivatives include accrued, not due, interest.

INVESTMENTS SUBJECT TO NETTING AGREEMENTS /CSA

				Collateral		
(NOK million)	Recognised assets	Recognised liabilities	Net assets	Cash (+/-)	Securities (+/-)	Net exposure
Investments subject to netting agreements/CSA	14.9	22.0	-7.1		-150.0	142.9
Investments not subject to netting agreements/CSA	22.9		22.9			
Total 2022	**37.8**	**22.0**	**15.8**			
Total 2021	53.9	51.1	2.8			

Note 25 - Foreign exchange risk

FINANCIAL ASSETS AND LIABILITIES IN FOREIGN CURRENCY

(NOK million)	Balance sheet items excluding currency derivatives Net in the balance sheet	Currency forwards Net sales	in currency	Net position 2022 in NOK	Net position 2021 in NOK
DKK	-0.1		-0.1	-0.2	-0.1
EUR	-2.0		-1.9	-20.4	
JPY	-0.1		-0.1		
SEK	0.1		0.1	0.1	0.1
USD	0.1	-0.1		0.1	
Other	0.3		0.3		0.1
Total net currency positions				**-20.5**	**0.1**

The permitted limit for the bank's foreign exchange position is 0.30 per cent of primary capital, which is approximately NOK 13 million at present.

Note 26 - Loans, guarantees and unused credits

(NOK million)	2022 Book value	2021 Book value
Loans to customers at amortised cost	484.1	438.5
Loans to customers at fair value through profit and loss (PL)	318.8	489.4
Loans to customers at fair value through other comprehensive income (OCI)	11,709.9	11,687.1
Total gross lending to customers	**12,512.9**	**12,615.0**
Provision for expected loss stage 1	-6.5	-5.5
Provision for expected loss stage 2	-12.5	-9.2
Provision for expected loss stage 3	-37.9	-29.7
Net lending to customers	**12,456.1**	**12,570.6**

See note 27 for analysis of engagement by customer group and geographical area and note 28 for specification of loan loss provisions.

CHANGE IN GROSS LOANS TO CUSTOMERS VALUED AT AMORTISED COST

	2022			
(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2022	331.8	88.7	18.0	438.5
Transfer to stage 1	15.1	-14.8	-0.2	0.0
Transfer to stage 2	-29.4	29.4		0.0
Transfer to stage 3	-5.7	-7.4	13.1	0.0
New loans	150.2	37.4	9.7	197.3
Derecognition	-112.4	-28.6	-7.9	-148.9
Other changes	-3.5	2.1	-1.3	-2.8
Gross loans 31.12.2022	**346.0**	**106.8**	**31.4**	**484.1**

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
		2021		
Gross loans 01.01.2021	173.6	130.6	16.7	320.8
Transfer to stage 1	65.5	-65.3	-0.3	0.0
Transfer to stage 2	-5.8	6.3	-0.5	0.0
Transfer to stage 3	-2.3	-2.0	4.3	0.0
New loans	153.5	57.2	3.7	214.5
Derecognition	-41.9	-34.1	-7.0	-83.0
Other changes	-10.8	-3.5	0.6	-13.8
Gross loans 31.12.2021	**331.8**	**89.2**	**17.5**	**438.5**

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

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
		2022		
Gross loans 01.01.2022	11,060.6	582.3	44.2	11,687.1
Transfer to stage 1	47.7	-47.6	-0.1	0.0
Transfer to stage 2	-253.1	253.2	-0.1	0.0
Transfer to stage 3	-0.7	-1.0	1.7	0.0
New loans	9,017.8	647.1	2.3	9,667.3
Derecognition	-9,099.8	-456.8	-18.7	-9,575.3
Other changes	-73.1	4.1	-0.1	-69.1
Gross loans 31.12.2022	**10,699.4**	**981.4**	**29.2**	**11,709.9**

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
		2021		
Gross loans 01.01.2021	8,893.0	786.0	63.0	9,742.0
Transfer to stage 1	159.9	-156.5	-3.4	0.0
Transfer to stage 2	-57.3	69.2	-12.0	0.0
Transfer to stage 3	-3.1	-4.9	8.0	0.0
New loans	8,577.9	413.1	0.2	8,991.2
Derecognition	-6,430.0	-508.0	-12.6	-6,950.6
Other changes	-79.8	-8.2	-7.6	-95.6
Gross loans 31.12.2021	**11,060.6**	**590.8**	**35.6**	**11,687.1**

CHANGE IN MAXIMUM EXPOSURE FOR GUARANTEES AND UNUSED CREDITS

(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
		2022		
Maximum exposure 01.01.2022	2,276.5	95.5	0.3	2,372.3
Transfer to stage 1	27.1	-27.0	-0.1	0.0
Transfer to stage 2	-61.8	61.8		0.0
Transfer to stage 3	-0.2	-0.2	0.4	0.0
New guarantees and unused credits	786.8	19.4	0.0	806.2
Dereceognition	-736.2	-17.7	0.0	-753.9
Other changes	-32.3	-23.8	-0.3	-56.4
Maximum exposure 31.12.2022	**2,259.9**	**107.9**	**0.3**	**2,368.1**

(NOK million)	2021 Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2021	1,617.1	355.6		1,972.7
Transfer to stage 1	249.2	-249.2		0.0
Transfer to stage 2	-19.7	19.7		0.0
Transfer to stage 3	-0.2	-0.2	0.4	0.0
New guarantees and unused credits	684.6	18.5		703.0
Dereceognition	-196.5	-49.6		-246.1
Other changes	-58.0	0.7	-0.1	-57.4
Maximum exposure 31.12.2021	**2,276.5**	**95.5**	**0.3**	**2,372.3**

TOTAL COMMITMENTS AMOUNT BY REMAINING TERM TO MATURITY

	2022					
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
Up to 1 month	5.6	39.9				45.5
From 1 month up to 3 months	3.5	277.3			27.4	308.3
From 3 months up to 1 year	34.5	845.7			59.0	939.1
From 1 year to 5 years	102.0	353.2			146.1	601.3
More than 5 years	338.6	10,193.8	318.8	0.3	2,135.3	12,986.8
Total	**484.1**	**11,709.9**	**318.8**	**0.3**	**2,367.9**	**14,881.0**

	2021					
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
Up to 1 month	7.5	35.9				43.4
From 1 month up to 3 months	21.3	166.1			9.0	196.4
From 3 months up to 1 year	20.1	454.8			76.6	551.5
From 1 year to 5 years	79.6	621.9			114.3	815.8
More than 5 years	309.9	10,408.4	489.4	0.3	2,172.2	13,380.2
Total	**438.5**	**11,687.1**	**489.4**	**0.3**	**2,372.0**	**14,987.3**

Note 27 - Engagement by customer group and geographical area

ENGAGEMENT BY CUSTOMER GROUP

(NOK million)	2022 Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total engagement
Sale and operation of real estate		15.9				15.9
Service providers		0.0			0.2	0.2
Wage-earners	481.5	11,580.2	275.6		2,352.4	14,689.8
Other	2.6	113.9	43.2	0.3	15.3	175.1
Total	**484.1**	**11,709.9**	**318.8**	**0.3**	**2,367.9**	**14,881.0**
Provision for expected loss stage 1	-4.3	-2.2			-4.1	-10.6
Provision for expected loss stage 2	-6.4	-6.0			-5.3	-17.8
Provision for expected loss stage 3	-21.8	-16.0			-0.3	-38.2
Total loans, guarentees and undrawn credit limits	**451.6**	**11,685.7**	**318.8**	**0.3**	**2,358.1**	**14,814.5**
Distribution by geographical area						
Eastern Norway	316.9	10,354.5	296.0	0.3	1,993.9	12,961.5
Western Norway	82.3	709.2	6.4		233.0	1,031.0
Southern Norway	19.5	197.0	1.1		34.1	251.6
Mid-Norway	26.1	160.8			52.5	239.4
Northern Norway	37.2	182.9	6.4		42.4	268.9
Rest of world	2.0	105.6	9.0		12.0	128.7
Total	**484.1**	**11,709.9**	**318.8**	**0.3**	**2,367.9**	**14,881.0**
Provision for expected loss stage 1	-4.3	-2.2			-4.1	-10.6
Provision for expected loss stage 2	-6.4	-6.0			-5.3	-17.8
Provision for expected loss stage 3	-21.8	-16.0			-0.3	-38.2
Total loans, guarentees and undrawn credit limits	**451.6**	**11,685.7**	**318.8**	**0.3**	**2,358.1**	**14,814.5**

ENGAGEMENT BY CUSTOMER GROUP

2021						
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total engagement
Sale and operation of real estate		15.9			0.0	15.9
Service providers	0.1	0.3			0.2	0.5
Wage-earners	435.7	11,586.7	464.2		2,361.3	14,847.9
Other	2.7	84.3	25.2	0.3	10.5	123.0
Total	**438.5**	**11,687.1**	**489.4**	**0.3**	**2,372.0**	**14,987.3**
Provision for expected loss stage 1	-3.6	-1.9			-4.0	-9.5
Provision for expected loss stage 2	-6.1	-2.2			-4.5	-12.8
Provision for expected loss stage 3	-12.4	-18.1			-0.2	-30.7
Total loans, guarentees and undrawn credit limits	**416.4**	**11,664.8**	**489.4**	**0.3**	**2,363.4**	**14,934.2**
Distribution by geographical area						
Eastern Norway	292.3	9,975.5	430.8	0.3	1,982.5	12,681.5
Western Norway	77.5	984.5	35.9		249.1	1,347.0
Southern Norway	14.1	150.4	6.2		30.7	201.4
Mid-Norway	22.3	225.7	4.4		54.2	306.7
Northern Norway	29.9	297.8	12.1		46.5	386.3
Rest of world	2.2	53.2	0.0		9.0	64.4
Total	**438.5**	**11,687.1**	**489.4**	**0.3**	**2,372.0**	**14,987.3**
Provision for expected loss stage 1	-3.6	-1.9			-4.0	-9.5
Provision for expected loss stage 2	-6.1	-2.2			-4.5	-12.8
Provision for expected loss stage 3	-12.4	-18.1			-0.2	-30.7
Total loans, guarentees and undrawn credit limits	**416.4**	**11,664.8**	**489.4**	**0.3**	**2,363.4**	**14,934.2**

Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on flexible mortgages.

The classification into customer groups is based on Statistics Norway's standard for sector and business classification. The individual customer's classification is determined by the customer's primary activity.

Note 28 - Loan loss provisions of loans, guarantees and unused credits

(NOK million)	2022 Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2022	9.5	12.8	30.7	53.0
Transfer to stage 1 (12-month ECL)	3.4	-3.2	-0.2	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-1.3	1.3		0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-0.8	0.9	0.0
Net remeasurement of loan losses	-3.0	3.5	7.9	8.4
New financial assets originated or purchased	4.9	7.1	6.8	18.8
Financial assets that have been derecognised	-2.7	-3.3	-2.6	-8.6
ECL changes of balances on financial assets without changes in stage in the period	-0.2	0.5	-0.4	-0.1
Financial assets written off during the period	0.0	-0.1	-4.9	-4.9
Loan loss provisions 31.12.2022	**10.6**	**17.8**	**38.2**	**66.6**
Loan loss provisions on loans to customers valued at amortised cost	4.3	6.4	21.8	32.6
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	2.2	6.0	16.0	24.3
Loan loss provisions on guarantees and unused credit limits	4.1	5.3	0.4	9.8
Total loans loss provisions	**10.6**	**17.8**	**38.2**	**66.6**

(NOK million)	2021 Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2021	8.1	34.0	29.7	71.9
Transfer to stage 1 (12-month ECL)	8.8	-8.5	-0.2	0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.3	0.5	-0.3	0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-0.4	0.5	0.0
Net remeasurement of loan losses	-6.5	1.3	3.5	-1.7
New financial assets originated or purchased	3.2	5.3	2.9	11.4
Financial assets that have been derecognised	-2.4	-4.3	-1.3	-8.0
ECL changes of balances on financial assets without changes in stage in the period	-2.2	-2.0	3.6	-0.6
Financial assets written off during the period		-0.1	-5.7	-5.8
Changes in models/risk parameters	0.8	-6.1	-1.9	-7.2
Management overlay		-7.0		-7.0
Loan loss provisions 31.12.2021	**9.5**	**12.8**	**30.7**	**53.0**
Loan loss provisions on loans to customers valued at amortised cost	3.6	6.1	12.4	22.1
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	1.9	2.2	18.1	22.3
Loan loss provisions on guarantees and unused credit limits	4.0	4.5	0.2	8.7
Total loans loss provisions	**9.5**	**12.8**	**30.7**	**53.0**

Periodical changes in individual impairments and expected credit loss on loans, unused credits and guarantees are shown above. Storebrand Bank ASA has not any expected loan loss provisions relatet to loans to the central bank, credit institutions and interest-bearing securities Recognised losses on loans, unused credits and guarantees in the profit and loss account are shown in note 17.

Note 29 - Distribution of loan loss provisions and exposure on secured and unsecured retail exposures

DISTRIBUTION OF LOAN LOSS PROVISIONS

(NOK million)	2022 Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	2.3	6.0	2.5	10.8
Unsecured retail exposures including credit cards exposures	8.3	11.7	22.2	42.2
Other exposures including SME exposures			13.5	13.5
Total loan loss provisions	**10.6**	**17.8**	**38.2**	**66.6**

(NOK million)	2021 Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	1.9	2.2	4.6	8.8
Unsecured retail exposures including credit cards exposures	7.6	10.6	12.6	30.7
Other exposures including SME exposures			13.5	13.5
Total loan loss provisions	**9.5**	**12.8**	**30.7**	**53.0**

DISTRIBUTION OF EXPOSURE INCL. UNUSED CREDIT LIMITS AND GUARANTEES

(NOK million)	2022 Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	12,293.1	1,038.7	12.7	13,344.4
Unsecured retail exposures including credit cards exposures	1,318.3	169.7	31.6	1,519.6
Other exposures including SME exposures	0.3	0.2	16.5	17.0
Total exposure	**13,611.7**	**1,208.5**	**60.8**	**14,881.0**

(NOK million)	2021 Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	12,799.9	653.0	27.7	13,480.6
Unsecured retail exposures including credit cards exposures	1,315.9	155.5	18.2	1,489.6
Other exposures including SME exposures	0.5		16.5	17.0
Total exposure	**14,116.4**	**808.5**	**62.4**	**14,987.3**

Note 30 - Non-performing and loss-exposed loans

(NOK million)	2022	2021
Non-performing loans		
Non-performing loans without evidence of impairment	40.6	38.1
Loss-exposed loans with evidence of impairment	19.9	24.0
Gross non-performing and loss-exposed loans	**60.5**	**62.1**
Loan loss provisions stage 3	-37.9	-30.6
Net non-performing and loss-exposed loans	**22.7**	**31.6**

NON-PERFORMING LOANS BY CUSTOMER GROUP

	2022				
(NOK million)	Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Expected loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Sale and operation of real estate		15.9	15.9	12.9	3.0
Wage-earners	40.0	4.0	44.0	24.6	19.5
Other	0.6		0.6	0.4	0.2
Total	**40.6**	**19.9**	**60.5**	**37.9**	**22.7**

*) Individual and model based provisions are included. Only provisions on non-performing loans without impairment and loss-exposed loans with impairment.

	2021				
(NOK million)	Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Expected loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Sale and operation of real estate		15.9	15.9	12.9	3.0
Wage-earners	37.2	8.1	45.3	17.0	28.3
Other	0.9	0.0	0.9	0.6	0.3
Total	**38.1**	**24.0**	**62.1**	**30.6**	**31.6**

*) Individual and model based provisions are included. Only provisions on non-performing loans without impairment and loss-exposed loans with impairment.

NON-PERFORMING LOANS BY GEOGRAPHICAL AREA

	2022				
(NOK million)	Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Expected loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Eastern Norway	18.7	18.4	37.2	25.7	11.5
Western Norway	9.7	1.4	11.1	6.0	5.1
Southern Norway	2.3		2.3	1.6	0.7
Mid-Norway	4.9	0.1	4.9	1.1	3.8
Northern Norway	4.7		4.7	3.3	1.4
Rest of world	0.3		0.3	0.2	0.1
Total	**40.6**	**19.9**	**60.5**	**37.9**	**22.7**

*) Individual and model based provisions are included. Only provisions on non-performing loans without impairment and loss-exposed loans with impairment.

	2021				
(NOK million)	Non-performing loans without evidence of impairment	Loss-exposed loans with evidence of impairment	Gross non-performing and loss-exposed loans	Expected loan loss provisions stage 3 *)	Net non-performing and loss-exposed loans
Eastern Norway	15.5	22.3	37.9	22.3	15.6
Western Norway	7.9	1.6	9.5	4.1	5.4
Southern Norway	0.8		0.8	0.6	0.2
Mid-Norway	11.0		11.0	1.6	9.5
Northern Norway	2.2		2.3	1.6	0.7
Rest of world	0.6		0.6	0.4	0.2
Total	**38.1**	**24.0**	**62.1**	**30.6**	**31.6**

*) Individual and model based provisions are included. Only provisions on non-performing loans without impairment and loss-exposed loans with impairment.

AGE DISTRIBUTION OF OVERDUE COMMITMENTS WITHOUT IMPAIRMENT

	2022					
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
Overdue 1 - 30 days	54.8	40.6			1.3	96.7
Overdue 31 - 60 days	10.4				0.1	10.6
Overdue 61- 90 days	9.5	4.0				13.5
Overdue more than 90 days	31.3	9.3			0.3	40.9
Total	**106.0**	**53.9**			**1.8**	**161.7**
Commitments overdue more than 90 days by geographical area:						
Eastern Norway	16.2	2.5			0.2	18.9
Western Norway	6.4	3.3				9.8
Southern Norway	2.3					2.3
Mid-Norway	1.4	3.5				4.9
Northern Norway	4.7					4.8
Rest of world	0.3					0.3
Total	**31.3**	**9.3**			**0.3**	**40.9**

Only non-performing and loss-exposed loans are classified by geographical area in this overview.

	2021					
(NOK million)	Loans to customers at amortised cost	Loans to customers at fair value through other comprehensive income (OCI)	Loans to customers at fair value through profit and loss	Guarantees	Undrawn credit limits	Total commitments
Overdue 1 - 30 days	35.5	25.9			0.5	62.0
Overdue 31 - 60 days	5.8	1.5			0.1	7.3
Overdue 61- 90 days	2.1	2.7				4.8
Overdue more than 90 days	17.7	20.4			0.3	38.4
Total	**61.1**	**50.5**			**0.9**	**112.6**
Commitments overdue more than 90 days by geographical area:						
Eastern Norway	9.3	6.3			0.1	15.7
Western Norway	3.6	4.3			0.1	8.0
Southern Norway	0.8					0.8
Mid-Norway	1.2	9.8				11.0
Northern Norway	2.2	0.1				2.3
Rest of world	0.6					0.6
Total	**17.7**	**20.4**			**0.3**	**38.4**

Only non-performing and loss-exposed loans are classified by geographical area in this overview.

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

	2022				
(NOK million)	Gross amount	Loan loss provisions	Net value	Value of collateral	Type of collateral
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	9.3	-0.3	9.1	18.8	residential property
- unsecured retail exposures including credit cards exposures	31.3	-22.1	9.1		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	**40.6**	**-22.4**	**18.2**		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	3.3	-2.3	1.0	3.3	residential property
- unsecured retail exposures including credit cards exposures	0.1				
- other exposures including SME exposures	16.5	-13.5	3.0		
Total loss-exposed loans with evidence of impairment	**19.9**	**-15.8**	**4.1**		

The bank has loans of NOK 3.2 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

	2021				
(NOK million)	Gross amount	Loan loss provisions	Net value	Value of collateral	Type of collateral
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	20.4	-1.1	19.4	51.5	residential property
- unsecured retail exposures including credit cards exposures	17.7	-12.5	5.2		
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	**38.1**	**-13.6**	**24.6**		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	7.2	-3.6	3.7	11.2	residential property
- unsecured retail exposures including credit cards exposures	0.3	-0.1	0.2		
- other exposures including SME exposures	16.5	-13.5	3.0		
Total loss-exposed loans with evidence of impairment	**24.0**	**-17.2**	**6.8**		

The bank has loans of NOK 6.9 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

Note 31 - Intangible assets

(NOK million)	IT systems	Total book value 2022	Total book value 2021
Acquisiton cost at 01.01	161.1	161.1	160.1
Additions in the period:			
Purchased separately	8.5	8.5	8.7
Disposals in the period	-4.7	-4.7	-7.7
Acquisition cost at 31.12	**165.0**	**165.0**	**161.1**
Accumulated depreciation and write-downs at 01.01	-116.8	-116.8	-92.2
Depreciation in the period (see note 14)	-16.5	-16.5	-17.1
Disposals in the period			5.3
Write-downs in the period (see note 14)			-12.8
Accumulated depreciation and write-downs at 31.12	**-133.3**	**-133.3**	**-116.8**
Book value at 31.12	**31.7**	**31.7**	**44.4**
For each class of intangible assets:			
Depreciation method	linear		linear
Economic life	2 - 10 years		2 - 10 years
Rate of depreciation	10.0 % -50.0 %		10.0 % -50.0 %

All intangible assets relates to system development, data warehouses, system accesses etc. Development of systems is carried out by external resources. The estimate of economic lifetime are reviewed annually.

Note 32 - Other current assets

(NOK million)	2022 Book value	2021 Book value
Other accrued income and prepaid expenses	36.2	30.9
Due from group companies	435.7	219.5
Other assets	23.4	3.1
Total other current assets	**495.3**	**253.6**

Note 33 - Deposits from customers

(NOK million)	2022 Book value	2021 Book value
Deposits from customers without agreed maturity	18,087.1	16,859.7
Term loans and deposits from customers with agreed maturity	1,390.7	379.1
Total deposits from customers	**19,477.8**	**17,238.8**

Deposits with agreed maturity relate to deposits for a contractually agreed period.
Deposits without agreed maturity relates to deposits with no fixed period where the customer has unrestricted access to the deposit.

DEPOSITS FROM CUSTOMERS PER SECTOR AND INDUSTRY CLASSIFICATION AND GEOGRAPHICAL DISTRIBUTION

(NOK million)	2022 Book value	2021 Book value
Sector and industry classification		
Development of building projects	25.6	14.8
Sale and operation of real estate	664.0	581.0
Professional and financial services	921.2	1,022.8
Wage-earners	16,609.8	14,351.3
Other	1,257.2	1,269.0
Total	**19,477.8**	**17,238.8**
Geographic distribution		
Eastern Norway	14,478.7	13,098.2
Western Norway	2,648.9	2,161.7
Southern Norway	459.0	356.4
Mid-Norway	722.8	587.4
Northern Norway	818.5	717.5
Rest of world	349.8	317.7
Total	**19,477.8**	**17,238.8**

Note 34 - Hedge accounting

Storebrand Bank ASA has chosen IFRS 9 for hedge accounting. Storerbrand Bank ASAs interest rate risk strategy is defined in the interest rate risk policy, which sets frameworks for limiting the company's interest rate risk exposure. The company uses fair value hedging to reduce the interest rate risk on borrowings with fixed interest terms. The risk that is hedged in accordance with the interest rate risk policy is Nibor. This entails that separate credit risk is not hedged by keeping the credit spread constant as when established. Hedged risk accounts for approximately 90% of the total interest rate risk exposure in the loans. Fair value hedging of the hedged item is interest rate hedged by entering into an interest rate swap in which we swap from fixed to variable interest to reduce the risk associated with future changes in interest rates. The hedging satisfies the requirements for hedge accounting at individual transaction level by a hedging instrument being directly linked to a hedged item and the hedging relationship being adequately documented.

All hedging relationships are established with an identical fixed interest profile, i.e. fixed interest, principal, coupon dates and maturity, both in the object and the instrument. The instrument swaps from fixed interest to variable interest quoted on Nibor three months. The fixed leg is between 2% to 5.05%. The hedging relationship is expected to be highly effective in counteracting the effect of changes in fair value due to changes in interest rates. Net recognised changes in value of fair value hedges are due to changes in value resulting from changed market interest rates, i.e. hedged risk. This is entered in the accounts under "Net unrealised changes in value of financial instruments". The hedging efficiency is measured based on the basic "Dollar Offset" method with regard to prospective efficiency.

Storebrand Bank has identified the following sources of inefficiency:
-Change in value of the short leg (Nibor 3 months).
-Credit risk for counterparty.

It is not expected that these factors will create significant inefficiency. No other sources of inefficiency were identified during the financial year.

	2022			2021		
	Contract/ nominal value	Fair value [1)]		Contract/ nominal value	Fair value [1)]	
(NOK million)	0-4 years	Assets	Liabilities	0-3 years	Assets	Liabilities
Interest rate swaps	250.0		0.9			
Total interest rate derivatives	250.0		0.9			
Total derivatives	**250.0**		**0.9**			

(NOK million)	Contract/ nominal value 0-4 years	Hedging value [1] Assets	Liabilities	Contract/ nominal value 0-3 years	Hedging value [1] Assets	Liabilities
Total underlying items	250.0		248.4			
Hedging effectiveness - prospective			98.8 %			

Gain/loss on fair value hedging: [2]

(NOK million)	2022 Gain/loss	2021 Gain/loss
On hedging instruments	-0.9	-0.4
On items hedged	1.6	0.3

1) Book value at 31.12.

2) Amounts included in the line "Net change in fair value and gain/loss on financial liabilites ".

Note 35 - Provisions

	Provisions for restructuring	
(NOK million)	2022	2021
Provisions 1 January	0.9	0.9
Provisions during the period	2.1	1.0
Provisions used during the period	-0.9	-0.9
Total provisions 31 December	**2.1**	**0.9**

This provision is related to the cost reduction program in Storebrand and mainly concerns costs related to headcount reductions. The provision has been considered in accordance with IAS 37, and the restructuring plan has been announced to all parties affected by the changes.

Note 36 - Other liabilities

(NOK million)	2022 Book value	2021 Book value
Payable to Storebrand group companies	25.0	19.4
Money transfers	34.2	20.0
Group contribution payable to group companies	480.1	346.8
Accounts payable	9.4	9.6
Accrued expenses and prepaid income	23.8	20.9
Other debt	38.6	25.0
Total other liabilities	**611.0**	**441.8**

Note 37 - Off balance sheet liabilities and contingent liabilities

(NOK million)	2022	2021
Guarantees	0.3	0.3
Undrawn credit limits	3,479.7	6,614.7
Loan commitments, retail market	3,246.4	3,515.8
Total contingent liabilities	**6,726.4**	**10,130.8**

Guarantees are mainly payment guarantees and contract guarantees. See also note 27. Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on flexible mortgages. Undrawn credit limits includes NOK 1.1 billion in credit facility to Storebrand Boligkreditt AS.

Storebrand Bank ASA are engaged in extensive activities and may become a party in legal disputes.

Note 38 - Collateral

Storebrand Bank ASA has not received or issued any collateral except securities pledged as collateral in Norges Bank and in other credit institutions (see the tabel below).

COLLATERAL AND SECURITY PLEDGED

(NOK million)	2022	2021
Booked value of bonds pledged as collateral for the bank's lending from Norges Bank	1,589.8	1,060.7
Booked value of securities pledged as collateral in other financial institutions	151.0	151.2
Total	**1,740.8**	**1,211.9**

Securities pledged as collateral are linked to lending access in Norges Bank for which, pursuant to regulations, the loans must be fully guaranteed with collateral in interest-bearing securities and/or the bank's deposits in Norges bank. Storebrand Bank ASA has F-loans totaling NOK 380 million in Norges Bank as of 31 December 2022.

Note 39 - 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. Profit for the year has been added to net primary capital.

NET PRIMARY CAPITAL

(NOK million)	2022	2021
Share capital	963.6	962.1
Other equity	2,479.0	1,754.5
Total equity	**3,442.5**	**2,716.6**
Additional Tier 1 capital included in total equity	-325.0	-225.0
Accrued interest on capital instruments included in total equity	-1.9	-0.7
Total equity included in Core Equity Tier 1 (CET1)	**3,115.6**	**2,490.8**
Deductions:		
AVA adjustments	-13.6	-16.3
Intangible assets	-31.7	-44.4
Core Equity Tier 1 (CET1)	**3,070.3**	**2,430.2**
Additional Tier 1 capital:		
Capital instruments eligible as Tier 1 capital		
Addition	325.0	225.0
Core capital	**3,395.3**	**2,655.2**
Tier 2 capital		
Subordinated loans	825.0	575.0
Tier 2 capital deductions		
Eligible capital (Tier 1 capital + Tier 2 capital)	**4,220.3**	**3,230.2**

MINIMUM REQUIREMENT FOR NET PRIMARY CAPITAL

(NOK million)	2022	2021
Credit risk	1,017.5	837.2
Of which:		
Local and regional authorities	7.9	2.8
Institutions	321.1	221.4
Loans secured in residential real estate *)	351.4	361.2
Retail market	56.6	52.8
Loans past-due	4.9	4.7
Covered bonds	233.3	173.3
Other	42.1	21.0
Total minimum requirement for credit risk	**1,017.5**	**837.2**
Total minimum requirement for market risk	**0.0**	**0.0**
Operational risk	85.4	79.7
CVA risk	0.6	0.1
Minimum requirement for net primary capital	1,103.5	917.0
Minimumskrav ansvarlig kapital	**1 103,5**	**917,0**

*According to the Capital Requirements Regulation (CRR), exposures to corporates are secured lending transactions where real estate is used as collateral.

CAPITAL ADEQUACY

	2022	2021
Capital ratio	30.6 %	28.2 %
Tier 1 capital ratio	24.6 %	23.2 %
Core equity Tier 1 (CET1) capital ratio	22.3 %	21.2 %

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 13,3 per cent and 16.8 per cent. As of 31 December 2022, the Pilar 2 requirement for Storebrand Bank ASA is 1.3 per cent of the risk-weihgted volume.

BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

(NOK million)	2022	2021
Credit risk	12,718.2	10,465.1
Of which:		
Local and regional authorities	99.3	34.4
Institutions	4,013.8	2,767.6
Loans secured on residential real estate	4,393.0	4,515.2
Retail market	708.1	660.0
Loans past-due	60.8	58.2
Covered bonds	2,916.9	2,166.7
Other	526.4	263.0
Total basis of calculation credit risk	**12,718.2**	**10,465.1**
Total basis of calculation market risk	**0.0**	**0.0**
Operational risk	1,067.1	996.4
CVA risk	8.0	0.8
Total basis of calculation of minimum requirements for capital base	**13,793.3**	**11,462.2**

Note 40 - Ownership in Storebrand Boligkreditt AS

	2022	2021
Transfer rate for mortgages to Storebrand Boligkreditt AS	76 %	68 %
Mortgages on the bank's balance sheet (NOK million)	12,058.9	12,203.4
The average loan-to-value ratio for mortgages on the bank's balance sheet	67 %	62 %
Average loan-to-value ratio for transferred mortgages to Storebrand Boligkreditt AS	55 %	55 %
Degree of overcollateralisation in the cover pool (Storebrand Boligkreditt AS)	32 %	11 %
The applicable cover pool's share of the total cover pool (Storebrand Boligkreditt AS)	99 %	100 %
Amount withdrawn from liquidity facilities with Storebrand Boligkreditt AS (NOK million)	6,888.0	1,757.0
Unused amounts from liquidity facilities with Storebrand Boligkreditt AS (NOK million)	1,112.0	4,243.0
Book value of covered bonds issued by Storebrand Boligkreditt AS (NOK million)*	29,398.9	24,552.4

*There is no other financing at Storebrand Boligkreditt AS that exceeds the amount drawn on the liquidity facility and covered bonds.

Storebrand Bank ASA manages Storebrand Boligkreditt's loan portfolio in accordance with the agreement entered into. Storebrand Boligkreditt AS does not have any employees and purchases personnel services from Storebrand Bank ASA and Storebrand Livsforsikring AS. The Bank has no other liabilities to Storebrand Boligkreditt AS.

Note 41 - Remuneration to senior employees and elected officers of the company

(NOK 1000)	Ordinary salary [1]	Other benefits [2]	Total remuneration for the year	Pension accrued for the year	Post termination salary (months)	Loan [3]	No. of shares owned [4]
Senior employees							
Camilla Leikvoll	2,485	23	2,508	401		4,082	9,510
Mari Rindal Øyen	2,754	48	2,802	451		1,986	11,880
Odd Arild Grefstad [5]	7,952	169	8,121	1,549	18	5,938	247,520
Geir Holmgren [5),6)]	5,271	186	5,457	991	12	5,675	110,558
Lars Aa. Løddesøl [5]	6,451	184	6,635	1,191	18	7,976	156,271
Heidi Skaaret [5]	5,341	168	5,509	1,011	12	2,891	119,115
Karin Greve-Isdahl [5]	3,450	22	3,472	611	12	18,596	35,705
Trygve Håkedal [5]	4,311	22	4,333	781	12	8,786	32,412
Tove Selnes [5]	3,507	140	3,647	621	12	11,003	35,772
Jan Erik Saugestad [5]	7,052	149	7,201	1,361	12	1,200	131,305
Vivi Måhede Gevelt [7]	1,556	8	1,564	150	12	0	7,413
Total 2022	**50,130**	**1,119**	**51,249**	**9,118**		**68,133**	**897,461**
Total 2021	48,571	1,416	49,987	8,964		77,215	820,975

1) A proportion of the executive managements fixed salary will be linked to the purchase of physical STB shares with a lock-in period of three years. The purchase of shares will take place once a year.

2) Comprises company car, telephone, insurance, concessionary interest rate, other taxable benefits.

3) Employees can borrow up to 7 million kroner at subsidized prices while excess loan amounts follow market interest rates.

4) The summary shows the number of shares owned by the individual, as well as his or her immediate family and companies where the individual exercises significant influence, cf. the Accounting Act, Section 7-26.

5) Operational structure in the Storebrand Gorup goes across legal structure and senior employees for a legal entity may deviate from the employee relationship.

6) Geir Holmgren resigned from his position as Executive Vice President for Corporate Markets on 3 June 2022, but was employed until 31 December 2022. The number of shares is at the time of resignation.

7) Vivi Måhede Gevelt took up the role of Executive Vice President for Corporate Markets on 1 September 2022. Total remuneration is related to the period after taking up the position.

(NOK 1000)	Remuneration	Loan	No. of shares owned [2]
Board of Directors [1]			
Heidi Skaaret [3]		2,891	119,115
Karin Greve-Isdahl [3]		18,596	35,705
Jan Birger Penne	195		
Leif Helmich Pedersen	195		
Maria Skotnes	77	4,203	1,939
Gro Opsanger Rebbestad [3]	0	6,998	1,615
Joachim Collett Thue	20	4,368	1,170
Total 2022	**487**	**37,056**	**159,544**
Total 2021	526	39,181	157,037

1) Remuneration to the Board of Directors are remuneration paid in connection to each one appointments as member of the Board of Storebrand Bank ASA.

2) The summary shows the number of shares owned by the individual, as well as his or her close family and companies where the individual exercises significant influence, cf. the Accounting Act, Section 7-26.

3) Neither Heidi Skaaret nor Karin Greve-Isdahl and Gro Opsanger Rebbestad receives any remuneration from Storebrand Bank ASA for their appointments as members of the Board.

Note 42 - Related Parties

TRANSACTIONS WITH GROUP COMPANIES

	2022		2021	
(NOK million)	Subsidiaries	Other group companies	Subsidiaries	Other group companies
Interest income	95.6		28.2	0.0
Services sold	116.7	94.6	93.6	85.6
Services purchased		158.7		136.1
Due from	6,916.5	407.3	1,896.8	80.0
Liabilities to	294.0	211.1	123.3	243.0

Transaction with group companies are based on the principle of transactions at arm's length.

LOANS TRANSFERRED TO STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. Once the loans are transferred, Storebrand Boligkreditt AS assumes all the risks and benefits of owning the loan portfolio. It is Storebrand Boligkreditt that receives all the cash flows from the loan customer. The bank and Storebrand Boligkreditt have not signed any agreements concerning guarantees, options or similar in relation to the loan portfolio in Storebrand Boligkreditt AS.

Storebrand Bank ASA will ensure the transfer and return of loans as needs change, i.e. when there is a need to increase borrowing, switches from fixed to variable interest rates, switches to employee loans and switches to home equity loans. The costs form part of the contractual management fees.

Loans in Storebrand Boligkreditt AS that do not perform remain in the company. According to the service agreement with Storebrand Bank ASA, these loans will be treated in the same way as non-performing loans in the bank. A special report on non-performing loans in Storebrand Boligkreditt AS is prepared. These loans are not included in the mortgage company's total collateral.

Loan 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.

OVERVIEW OF TRANSFERRED LOANS TO/FROM STOREBRAND BOLIGKREDITT AS

(NOK million)	2022	2021
To Storebrand Boligkreditt AS - accumulated transfer	37,481.0	26,434.7
From Storebrand Boligkreditt AS - this year's transfer	5,294.9	420.2

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

LOANS SOLD TO STOREBRAND LIVSFORSIKRING AS

Storebrand Bank ASA has sold mortgages to sister company Storebrand Livsforsikring AS. In 2022, there has been sold loans of total NOK 4.3 billion. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS as of 31.12.2022 is NOK 17.1 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 i n accordance with IFRS 9. Storebrand Bank ASA receives management fees for the work being done with the sold portfolio. The bank has recognised NOK 70.8 million as revenue in the accounts for 2022.

CREDIT FACILITIES WITH STOREBRAND BOLIGKREDITT AS

The bank has issued two credit facilities to Storebrand Boligkreditt AS. One of these is a normal overdraft facility, with a ceiling of NOK 8 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The other 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. Both agreements provide a minimum capacity to cover at least interests and payments on covered bonds and derivatives the following 31 days.

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 note 41.

LOANS TO EMPLOYEES

(NOK million)	2022	2021
Loans to employees of Storebrand Bank ASA	73.8	109.5
Loans to employees of Storebrand group excl. Storebrand Bank ASA	399.5	535.1

Employees can borrow up to 7 million kroner at subsidized prices while excess loan amounts follow market interest rates.

NUMBER OF EMPLOYEES

	2022	2021
Number of employees 31.12	169	167
Average number of employees	168	168
Number of person-years 31.12	168	166
Average numbet of person-years	166	167

Storebrand Bank ASA og Storebrand Bank Group
- Declaration by the members of the Board and the CEO

On this date, the Board of Directors and the Chief Executive Officer have considered and approved the annual report and annual financial statements for Storebrand Bank ASA and the Storebrand Bank Group for 2022 (2022 Annual Report).

The consolidated financial statements have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) and the associated interpretations, as well as additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and the Financial Reporting Regulations for Banks, Finance Companies, etc. The annual financial statements for the parent company have been prepared in accordance with the Norwegian Accounting Act, Financial Reporting Regulations for Banks, Finance Companies, etc., as well as additional requirements in the Norwegian Securities Trading Act. The annual report for the Group and parent company complies with the requirements of the Norwegian Accounting Act and Norwegian Accounting Standard no. 16 as at 31 December 2022.

In the best judgement of the Board and the CEO, the annual financial statements for 2022 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the parent company's and Group's assets, liabilities, financial standing and results as a whole as at 31 December 2022. In the best judgement of the Board and the CEO, the annual report provides a fair and true overview of important events during the accounting period and their effects on the annual financial statements for Storebrand Bank ASA and the Storebrand Bank Group. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the group faces in the next accounting period, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, 7 February 2023
The Board of Directors of Storebrand Bank ASA

Translation – not to be signed

Heidi Skaaret
Board chair

Karin Greve-Isdahl

Leif Helmich Pedersen

Jan Birger Penne

Gro Opsanger Rebbestad

Maria Skotnes

Joachim Collett Thue

Camilla Leikvoll
CEO

To the General Meeting of Storebrand Bank ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Storebrand Bank ASA, which comprise:

- The financial statements of the parent company Storebrand Bank ASA (the Company), which comprise the statement of financial position as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flow for the year then ended, and notes to the accounts, including a summary of significant accounting policies, and
- The consolidated financial statements of Storebrand Bank ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the income statement, consolidated statement of changes in equity and statement of cash flow for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are not aware that of provided services that are in breach of the prohibition in the audit regulation (EU) No 537/2014 article 5 no. 1.

We have been auditors for Storebrand Bank ASA continuously for 5 years from the election at the general meeting on 9 April 2018 for the financial year 2018.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Company's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or events of material significance for the 2022 financial statements that qualified as new Key Audit Matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
Impairment of loss to customers
Loans to customers represents a considerable part of the Bank's total assets. The assessment of impairment losses is a model-based framework which includes elements of management judgement. The framework is complex and includes a considerable volume of data and judgemental parameters.
We focused on this area due to the significance of the impairment considerations for the value of loans in the financial statements, and the fact that the use of judgement has a potential to affect the profit for the period. Furthermore, there is an inherent risk of errors because of the complexity and quantity of data involved in the modelling.
In accordance with IFRS 9, write-downs on loans are to be based on more forward-looking assessments, so that write-downs reflect expected losses. The use of models to determine expected credit losses entails judgement, specifically with respect to:

classification of the various credit portfolios by risk and asset type;
identification of impaired loans or loans presenting a significant increase in credit risk;
the categorisation of loans into stages; and
determination of significant parameters in the model

</td><td>
In our audit of expected loss provisions, we assessed and reviewed the design and effectiveness of internal control to provide assurance for the assumptions and calculation methods used. We obtained a detailed understanding of the process and relevant controls associated with:

the calculation and methodologies used by management;
whether the management-approved model was in compliance with the framework and the model worked as intended;
the reliability of the sources of the data used in the model.

We also performed test of details in order to evaluate these conditions. Our review of the process and controls did not indicate material errors in the model or material deviation from IFRS 9.
Our work also included tests aimed at the Company's financial reporting systems relevant to financial reporting. The Company use external service providers to operate some IT systems. The auditor of the relevant service organizations is used to evaluate the design and effectiveness of and test established controls to ensure the integrity of the IT systems relevant to financial reporting. The auditor's testing included, among other things, whether key calculations made by the core systems were performed in line with expectations, including interest rate calculations and amortization. The testing also included data integrity, changes to and access to the systems. In order to decide whether we could use the information in the auditor's reports as the basis for our assessments, we examined the auditor's competence and objectivity and reviewed the reports sent and considered possible
</td></tr>
</table>

The Bank's business is mainly concentrated on the retail market. The impairment model is designed to estimate loan-loss impairment provisions for this segment. In addition, individual provisions are made for loans with incurred credit losses or where there is objective evidence of impairment. This assessment requires judgements by management. The group's note 1, 2, 4, 16, 24, 25, 26, 27, 28 and the Company's note 1, 2, 4, 17, 26, 27, 28, 29 and 30 in the annual report is relevant for the description of the Bank's model and processes to estimate loan-loss impairment provisions.	deviations and measures taken. We also carried out testing of access controls to IT systems and segregation of duties where necessary for the sake of our own specific audit procedures. Our assessments and tests substantiate that we could rely on that the data handled in- and the calculations made by the Company's external core system were reliable. This was a necessary basis for our audit. For loans where there were objective evidence of impairment and where the write-down amount was individually calculated, we tested a sample. The Company's processes included that the realization value was calculated using external tariffs or internal assessments. To assess the realization value, we reviewed the tariffs. For assessments made internally without using tariffs, we interviewed credit personnel and management and challenged the relevance and reasonableness of important assumptions and the methodology used in calculating the impairment amount. Further we tested if loans with objective evidence of impairment were classified correctly in the model and evaluated the reasonableness of the total impairment provisions. Deviations uncovered was deemed immaterial. We read the notes to the accounts and found that the information relating to the impairment model, various parameters and discretionary assessments was sufficiently comprehensive and in accordance with the accounting rules.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Storebrand Bank ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name storebrandbank-2022-12-31-nb.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 7 February 2023
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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