storebrand

Storebrand Livsforsikring AS
Annual report

2022

Notice:

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

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Report of the board of directors

STRATEGY STOREBRAND GROUP 2021-23: LEADING THE WAY IN SUSTAINABLE VALUE CREATION

Storebrand Livsforsikring is an integrated part of the Storebrand Group and strategy presentation below has a group perspective in which Storebrand Livsforsikring plays an important role.

Storebrand delivers security and financial freedom to private individuals and companies. We want to motivate our customers to make good financial choices for the future by offering sustainable solutions. Together, we can create a future to look forward to. This is our philosophy as we create value for customers, shareholders, and society.

Storebrand's strategy aims to provide an attractive combination of capital efficient growth within what we call Future Storebrand, and capital release from the guaranteed pensions business that is closed for new business and is in run-off.

Storebrand aims to:
(A) be the leading provider of occupational pensions in both Norway and Sweden
(B) continue a strategy of building a Nordic powerhouse in asset management
(C) ensure rapid growth as a challenger in the Norwegian retail market for financial services

The interaction between our business areas provides synergies in the form of capital, economies of scale, and value creation based on customer insight. In 2020, we announced an ambition to grow our Group profit (before amortisation and tax) to more than NOK 4 billion in 2023. Despite challenging macroeconomic conditions and volatile financial markets, we are well on our way to reaching our goal.

We believe the only way to secure a better future is to take part in creating it. We actively use our position to lead the way in sustainable value creation and to differentiate ourselves from our competitors. Read more about our social responsibility work in the chapters Customer relations, People, and Keeping our house in order in the Storebrand ASA annual report.

Storebrand offers financial products and services to retail and commercial customers. Based on an increasingly advanced technology platform, we offer a fully digital business and distribution model. Our position as a digital frontrunner will be a critical success factor in strengthening our competitiveness in the years to come.

We aim to grow the ordinary dividend from our earnings and to ensure capital-efficient management of products with interest rate guarantees. We shall maintain a strong solvency as and balance sheet adapted to our risk capacity and our business. As pension products with interest rate guarantees are gradually being paid out, capital on our balance sheet is freed up. In 2022, we initiated a share buyback program to repay large parts of this capital to our shareholders. The ambition is to return around NOK 10 billion through share buybacks by the end of 2030. At the same time, we expect to release additional capital that will be available for further growth or distribution to shareholders.

STRATEGIC HIGHLIGHTS 2022

2022 was characterised by geopolitical unrest and market turmoil. Storebrand demonstrated both resilience and adaptability throughout the year. The war between Russia and Ukraine did not have direct consequences for Storebrand's value chain or operations in 2022. However, inflation, higher interest rates and turbulent financial markets, had a major impact on Storebrand. In addition, write-downs of Russian investments in a limited number of mutual funds led to weaker returns to customers.

Through a combination of dynamic risk management, a high degree of preparedness and a diversified business model, the Group nevertheless achieved good results and a strengthened solvency position. Underlying growth was strong, and higher interest rates will be positive for the Group going forward. Overall, Storebrand delivered on both its operational and capital strategy in 2022.

GROWTH IN CAPITAL-LIGHT BUSINESS AREAS IN THE FRONT BOOK

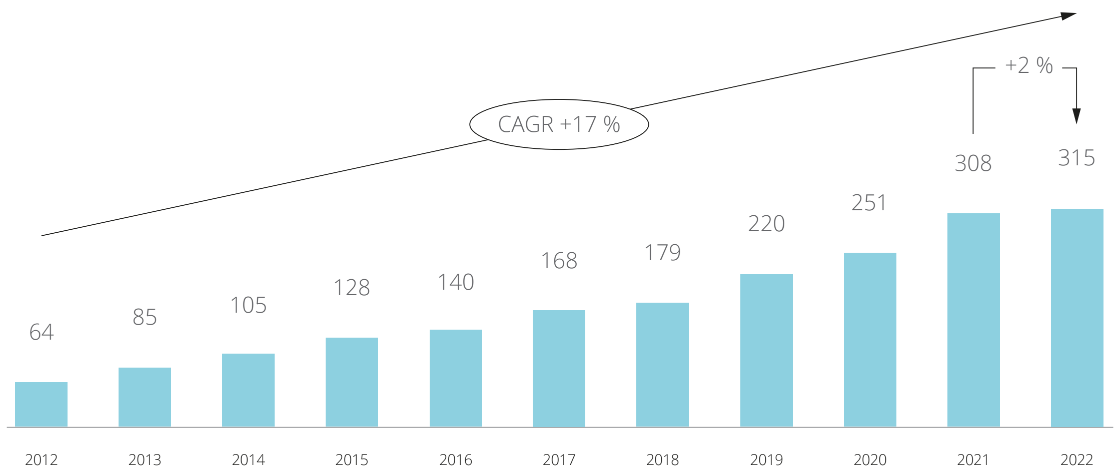
The core of Storebrand's strategy is to gather and manage savings from pension and institutional customers in Norway and Sweden, as well as retail customers in Norway. Total assets under management are the Group's most important driver of revenue. Despite weak financial markets, where both fixed income investments and equity investments resulted in negative returns, assets under management remained above NOK 1,000 billion in 2022. On average, our customers invested more money throughout the year. In addition, we maintained high growth in the Norwegian retail market for banking and insurance services, which is becoming an increasingly important business area for Storebrand.

LEADING PROVIDER OF OCCUPATIONAL PENSIONS IN NORWAY AND SWEDEN

In 2022, we maintained our leading position as provider of Defined Contribution pension schemes with a market share of 31 per cent in Norway and 15 per cent in Sweden. Following the acquisition of Danica, which was completed on 1 July, the Group collectively provides Occupational pensions to employees in 36,000 companies in Norway. The structural growth in Defined Contribution pension schemes contributed to a net inflow of NOK 12.4 billion in new Defined Contribution pension capital during the year (the sum of premiums received, pensions paid and transfers in both Norway and Sweden). The Swedish business, SPP, also achieved record new sales of NOK 2.6 billion (measured as the annual premium equivalent, APE) during the year. In total, we managed NOK 315 billion within Unit Linked at the end of the year. Due to weak market returns, this corresponded to a growth of only 2.2 per cent in 2022. However, over a ten-year period, assets under management have grown by 17 per cent annually.

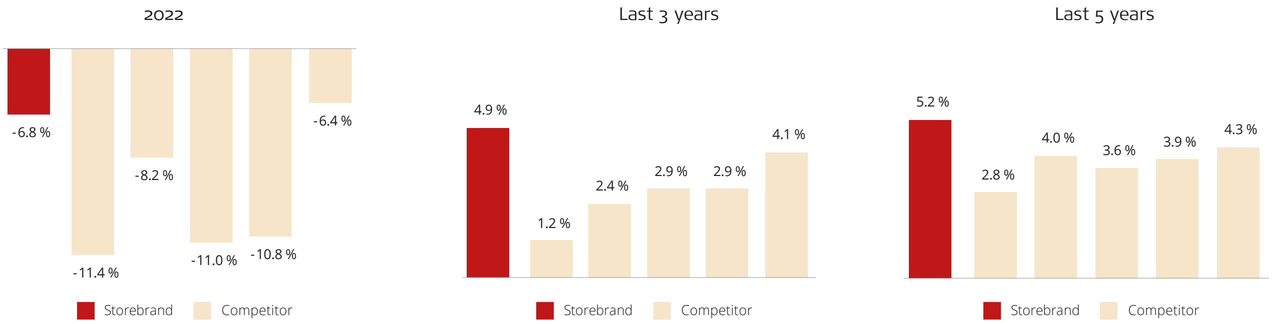
The value of equities, bonds and real estate all declined throughout 2022, which was a challenging year for the financial markets. Nevertheless, Storebrand once again delivered market-leading returns to Norwegian Defined Contribution pension customers in our default investment portfolios, compared to comparable investment portoflios. This applies to both of our largest and most common investment portfolios with high and moderate equity content. In 2022, we ended up on a solid second place in the Norwegian market with a decline in value of 8.5 per cent and 6.8 per cent, respectively. Over the past three and five years, we have delivered market-leading returns of 6.7 per cent and 6.8 per cent respectively for in our portfolio with high equity content, and 4.9 per cent and 5.2 per cent respectively for our portfolio with moderate equity content. Our dynamic and risk-adapted management ensures that we are able to book the guaranteed returns despite declines in the financial markets.

ASSETS UNDER MANAGEMENT, UNIT LINKED, NOK BILLION

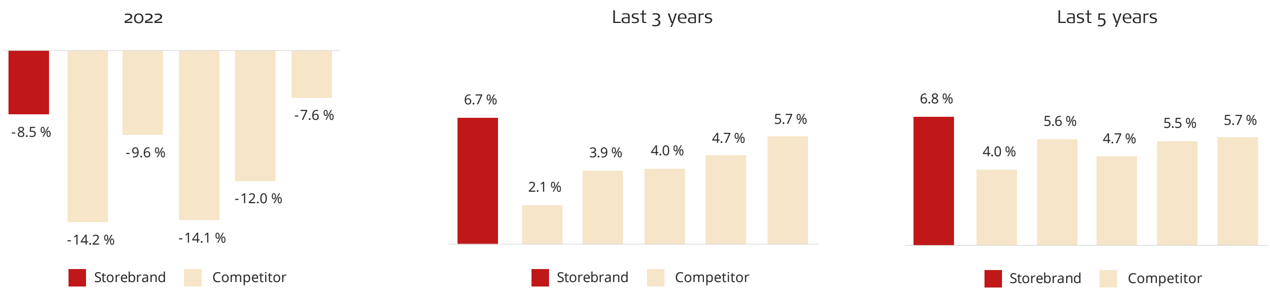


COMPETITIVE RETURN (ANNUALISED) ON DEFINED CONTRIBUTION PENSION FUNDS IN NORWAY[1]

COMPETITIVE RETURN – HIGH EQUITY CONTENT



COMPETITIVE RETURN – MODERATE EQUITY CONTENT



Storebrand had a good start in the market for public service pensions in Norway, where we have won all tender processes since the new product regulations came into place in 2019. The only contract tendered in 2022 was also awarded to Storebrand. Storebrand has argued for an increasing number of tender processes in this market. The EFTA Surveillance Authority (ESA) is expected to clarify in 2023 whether the procurement of pension services is subject to tender in the public sector (read more under the section "Regulatory changes"). In 2022, we also continued to take over the management of closed pension funds, including S:t Erik Liv in Sweden, which contributes to profit growth in the Guaranteed pension area.

Storebrand provided insurance coverage to corporate customers amounting to NOK 2.7 billion in premiums in 2022. Written premiums within commerical P&C insurance for small and medium-sized enterprises in Norway, our new growth area, grew 25 per cent to NOK 271 million at the end of 2022.

GROWING CHALLENGER IN THE NORWEGIAN RETAIL MARKET

Through our corporate pensions and asset management offering, we leverage both systems and solutions to deliver savings and insurance products in the retail market. Together with our retail bank, Storebrand offers a digital one-stop-shop with integrated value propositions and cross-selling opportunities between savings, insurance and banking.

With 250 years of history, our brand name stands strong in Norway, where 1.3 million people are Storebrand customers through their pension savings. These customers are our main target group for additional financial services that may enable them to achieve greater security and financial wellness.

1) Return based on comparable investment profiles with moderate equity content (ca. 50 %) and high equity content (ca. 80 %) within an active defined contribution pension scheme . Source: Norsk Pensjon.

Increased distribution power and strong demand in the retail market contributed to accelerating growth in 2022. Written premiums in insurance grew by 21 per cent and mortgage lending in the bank by 18 per cent. In order to strengthen our presence in the private savings market for funds, we entered into an agreement to acquire the fintech company Kron (the transaction was completed in January 2023). In just a few years, Kron has built up a customer base of over 70,000 customers, and NOK 7 billion in assets under management.

LEADERSHIP IN SUSTAINABILITY

For almost 30 years, Storebrand has pioneered sustainable investments. We strive to create value for our customers and positive ripple effects for society. We are committed to the Paris Agreement throughout our value chain. We incorporate climate risk assessments into our ongoing risk monitoring, follow up and reporting to supervisory authorities. Storebrand has ambitions to lead and develop the sustainability agenda within the financial industry also in the years to come.

Storebrand was recognised for its sustainability work in 2022, both by customers, advisors, and financial analysts. Storebrand was once again included in the Dow Jones Sustainability Index as one of the world's leading listed companies in sustainability work.[2] Prospera ranked Storebrand first in the sustainable investments category in Norway, Sweden, and Denmark. In 2022, Storebrand also received the top score in Söderberg & Partners' ranking of life insurance and non-life insurance policies that pay the most attention to sustainability.[3] Our employee surveys showed that Storebrand employees are proud to be part of the Group, and that our work with sustainability gives their job further meaning. Our position on sustainability contributed to our ability to attract top talents.

More information about our sustainability work is discussed in the chapters Driving Force for Sustainable Investments, Climate risks and opportunities, and in the chapter Keeping our house in order in the annual report of Storebrand ASA.

DIGITAL FRONTRUNNER

The use of technology makes it possible to combine growth initiatives and measures for increased competitiveness, while at the same time realising cost reductions and efficiency gains. Smart use of data paves the way for new business opportunities and efficiency gains, both through digitalisation and automation. Storebrand is adopting modern cloud solutions, enabling faster time-to-market and better access to new digital capabilities.

The degree of automation is constantly increasing, which leads to more efficient processes, lower costs, increased sales and customer satisfaction. Below are some highlights.

- In 2022, the processing time for advisor-assisted mortgage applications at the bank was reduced by 30 minutes to take place in real time.
- Electronic processing of applications for health assessments reduced the processing time for many customers from several weeks to one day.
- Using artificial intelligence, we detected 20 per cent more insurance fraud related to some products, compared to the amount detected through traditional methodology.
- Offers for digital and automated purchase of Defined Contribution pension and occupational injury insurance for small and medium-sized enterprises removed a full day's manual processing time.

More information about our digital initiatives is described in the chapter on Customer relations under the section Digital innovator in financial services in the annual report of Storebrand ASA.

2) https://www.storebrand.no/om-storebrand/presse#/pressreleases/storebrand-vurdert-som-ledende-paa-baerekraft-i-verden-3223009

3) The ranking refers to five separate rankings conducted by Prospera in 2022: Norway (Institutional Customers and Distributors), Sweden (Institutional Customers and Distributors) and Denmark (Distributors). Storebrand was No. 1 on sustainable investments in all five rankings.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Storebrand Livsforsikring AS owns 100 per cent of Storebrand Holding AB, which in turn owns 100 per cent of SPP Pension & Försäkring AB, SPP Spar AB, SPP Konsult AB and Storebrand & SPP Business Services AB. SPP is a leading Swedish supplier of life insurance and occupational pensions. SPP supplies unit-linked products, traditional insurance and defined-benefit pension products as well as consultancy services that cover occupational pensions and insurance and administration solutions for municipalities and other organisations. Together, Storebrand and SPP will become the leading life insurance and pension provider in the Nordic region. SPP's head office is located in Stockholm.

In 2005 Storebrand Livsforsikring AS set up a branch in Sweden. The branch manages pension insurance policies and unit-linked agreements in the Swedish market in accordance with the Norwegian Insurance Act. New sales no longer take place in the branch. In 2008 the branch was integrated with SPP. In the fourth quarter of 2021, the insurance business was sold to SPP Pension & Försäkring AB on market terms. Following the sale of the insurance business, there is no longer any operation in the branch and the branch was discontinued on 31 May 2022.

Through Storebrand Pensjonstjenester AS, Storebrand offers deliveries within actuarial services, system solutions and all types of services associated with the operation of pension funds. The company is a wholly owned subsidiary of Storebrand Livsforsikring AS.

Storebrand Eiendom Trygg AS, Storebrand Eiendoms Vekst AS and Storebrand Eiendom Utvikling AS are holding companies for the Norwegian property operations. The companies are 100 per cent owned by Storebrand Livsforsikring AS In addition, Storebrand Livsforsikring owns 34 percent of Storebrand Eiendomsfond Norge KS through direct ownership interests, as well as through its wholly owned subsidiary Storebrand Eiendomfond Invest AS.

Storebrand Livsforsikring AS announced the agreement to acquire 100 percent of the shares in Danica Pensjonsforsikring Norge AS on 20 December 2021. Danica is the sixth largest provider of defined-contribution pensions in Norway, with a 5 per cent market share. In addition to managing NOK 22 billion in defined-contribution pensions for 14,000 companies and 98,000 active members, Danica manages NOK 6 billion of retail savings and a portfolio of guaranteed products of NOK 1 billion. Total assets under management amount to approximately NOK 30 billion. Danica also offers commercial and personal risk products, totaling approximately NOK 300 million in annual premiums for own account. The transaction was completed on 1 July 2022. In connection with the acquisition, the company has changed its name to Storebrand Danica Pensjonsforsikring AS. A parent-subsidiary merger was completed on 2 January 2023.

GROUP PROFIT

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed Storebrand ASA. For information about the Storebrand Group's result please refer to the Storebrand Group's annual report for 2022.

The financial statements of the Storebrand Livsforsikring group are prepared in accordance with the International Financial Reporting Standards (IFRS), while the official financial statements of Storebrand Livsforsikring AS are prepared in accordance with the Annual Accounts Regulations for Lifeinsurance Companies.

Our financial result is reported by the following business segment: Savings, Insurance, Guaranteed Pension, and Other, as well as on a consolidated Group level. Results are reported using alternative performance measures (APM) as defined by the European Securities and Market Authority (ESMA). A summary of APMs used in financial reporting is available on www.storebrand.no/en/investor-relations/reporting-changes-and-special-effects. The income statement is based on reported IFRS results for the individual companies.

The Board confirms that the financial statements were prepared on the basis of a going concern assumption. The board is not aware that events that have a material significance on the Annual Accounts of Storebrand Livsforsikring AS and Storebrand Livsforsikring group have occurred after the balance sheet date.

STOREBRAND LIVSFORSIKRING GROUP

NOK million	2022	2021
Fee and administration income	3,609	3,792
Insurance result	939	599
Operational cost	-2,733	-2,523
Operating profit	**1,815**	**1,868**
Financial itmens and risk result life & pension	-92	1,223
Profit before amortisation	**1,723**	**3,091**
Amortisation	-394	-366
Profit before tax	**1,329**	**2,725**
Tax	438	-563
Profit after tax	**1,767**	**2,162**

(The figures in brackets show corresponding figures for last year)

Storebrand Livsforsikring achieved a group profit before amortisation of NOK 1 723 million kroner in 2022, compared to NOK 3 091 million in 2021. Profit before tax was NOK 1 329 million in 2022, compared to NOK 2 725 million in 2021. Profit after tax was NOK 1 767 million compared to NOK 2 162 million last year.

Fee and administrative income for the declined by 4,8 per cent to NOK 3 609 million (NOK 3 792 million). The decline from the previous year was partly related to lower total assets under management due to weak market returns in 2022 and lower income from Defined Contribution pensions in Norway after the introduction of Individual Pension Accounts.

The insurance result was NOK 939 million (NOK 599 million) and resulted in a combined ratio of 87 per cent (93 per cent). This was better than our targeted combined ratio of 90-92 per cent. Increased profitability from re-pricing of products with disability coverage contributed to the positive development.

Operational cost amounted to NOK 2 733 million (NOK 2 523 million). Adjusted for costs related to acquisitions operational cost was NOK 2 587 million. Storebrand has an ambitious plan to digitilize and improve efficiency.

Overall, the operating profit amounted to NOK 1 815 million (NOK 1 868 million).

'Financial items and risk result life' amounted to NOK -92 million (NOK 1 223 million). This year's loss is attributed to a lower fair value of fixed income investments due to rising interest rates and increased credit spreads. This is expected to increase return on investments and the Group's financial results correspondingly going forward. At the same time, the Group achieved a significantly stronger risk result in 2022, after a period of weak results during the Covid-19 pandemic. Last year's strong financial result can largely be explained by the sale of AS Værdalsbruket, which contributed with a gain of NOK 409 million.

Amortisation of intangible assets amounted to NOK -394 million (NOK -366 million).

Storebrand Livsforsikring group ended the year with a net tax income of NOK 438 million (NOK -563 million). This is a result of new information and a partly reversed decision by the Norwegian Tax Administration on an uncertain tax position for the income year 2018. It concerns the transitional rule when new tax rules were implemented for insurance and pension companies. The estimated normal tax rate for the group is 21-23 per cent, depending on each legal entity's contribution to the group result. For more information on tax and uncertain tax positions, see Note 28. Storebrand also has a policy for responsible taxation and publishes a separate report on tax on our website.

GROUP PROFIT BY BUSINESS UNIT

Our financial result is reported by business segment: Savings, Insurance, Guaranteed Pension and Other.

THE PRESENTATION OF RESULT BY AREA IS EXCLUSIVE INTERNAL TRANSACTIONS.

NOK million	2022	2021
Savings	705	1,001
Insurance	430	261
Guaranteed pensions	903	1,432
Other	-315	397
Profit before amortisation	**1,723**	**3,091**

In the Savings business fee and administration income declined by 6.9 per cent to NOK 2 013 million kroner (NOK 2 161 million). Weak market returns in 2022 negatively impacted assets under management and the introduction of Individual Pension Accounts resulted in lower margins.

In the Insurance business the total combined ratio was 87 per cent (93 per cent) nd the total operating profit was NOK 432 million (NOK 195 million) for the year.

Within Guaranteed pension the Risk result life & pension was strongly NOK 1 262 million (NOK 187 million).

The Other business unit consist of financing and ivestment of company capital. This year's loss is attributed to a lower fair value of fixed income investments due to rising interest rates and increased credit spreads.

SAVINGS

The Savings business and Unit Linked area includes products for retirement savings with no interest rate guarantees. The business area consists of defined contribution pensions in Norway and Sweden.

FINANCIAL RESULTS

NOK million	2022	2021
Fee and administration income	2,013	2,161
Operational cost	-1,306	-1,177
Operating profit	**706**	**984**
Financial items and risk result life & pension	-2	17
Profit before amortisation	**705**	**1,001**

Profit before amortisation totalled NOK 705 million in 2022 compared to NOK 1 001 million the previous year.

Fee and administrative income declined by -6.9 per cent to NOK 2 013 million (NOK 2 161 million). The decline from the previous year was partly related to lower total assets under management due to weak market returns in 2022 and lower income from Defined Contribution pensions in Norway after the introduction of Individual Pension Accounts Income growth within Defined Contribution pension (Unit Linked) in Norway was 3 per cent. Underlying growth and the acquisition of Danica contributed positively to the development.

Operating cost amounted to NOK -1 306 million (NOK -1 177 million). The cost increase was a combination of costs from acquired business, inflation, as well as investments in growth and digitalisation initiatives.

BALANCE SHEET AND MARKET DEVELOPMENT

Underlying inflow of assets under management continued in 2022, but weak financial markets led to limited growth in assets.

Unit Linked reserves grew by NOK 6.6 billion to NOK 315 billion in 2022, which corresponded to 2 per cent. Net inflow and transfers contributed NOK 39 billion, including NOK 26 billion through the acquisition of Danica. Market returns and foreign exchange reduced total assets by NOK 32 billion.

KEY FIGURES SAVINGS

NOK million	2022	2021
Unit Linked Reserves	314,992	308,351
Unit Linked Premiums	23,483	21,212

INSURANCE

The Insurance business area encompasses personal risk products in the Norwegian and Swedish retail market and employee insurance and pensionsrelated insurance in the Norwegian and Swedish corporate market.

FINANCIAL RESULTS

NOK million	2022	2021
Insurance result	939	599
- Insurance premiums f.o.a.	3,435	2,988
- Claims f.o.a.	-2,496	-2,389
Operational cost	-507	-404
Operating profit	**432**	**195**
Financial items and risk result life & pension	-3	65
Profit before amortisation	**430**	**261**

The profit before amortisation was NOK 430 million i 2022 compared to NOK 261 million kroner the previous year.

Insurance premiums for own account (f.o.a) grew 15.0per cent to NOK 3 435 million in 2022 (NOK 2 988 million) driven by strong volume growth and salry growth, but also price adjustments.

Insurance claims amounted to NOK 2 496 million (2 389 million), because of growth, but the claims ratio developed positively and ended at 73 per cent for the year, which is an improvement of 7 percentage points compared to the year before. Price adjustments for products with disability coverage, which in previous years has had weak profitability, contributed to the improvement.

Total operating cost for the year amounted to NOK 507 millio (404 million) and resulted in a marginal increase in the cost ratio from 15 per cent (14 per cent).

The total combined ratio was 87 per cent (93 per cent) and the total operating profit was NOK 432 million (195 million) for året. for the year. This was better than our targeted combined ratio of 90-92 per cent. Pension related disability and Individual Life achieved a strong combined ratio of henholdsvis 86 per cent (96 per cent) og 77 per cent (70 per cent), respectively, while Group Life reported an improved but still weak combined ratio of 100 per cent (110 per cent).

The financial result was NOK -3 million (65 million). The insurance investment portfolio amounted to NOK 8.0 billion kroner at the end of 2022 (NOK 7.1 billion) and achieved a return of 2.4 per cent. Investments are primarily in fixed income securities booked at amortised cost, or at fair value with short maturities.

KEY FIGURES INSURANCE

NOK million	2022	2021
Claims ratio	73 %	80 %
Cost ratio	15 %	14 %
Combined ratio	**87 %**	**93 %**

BALANCE SHEET AND MARKET DEVELOPMENT

Total growth in in written portfolio premiums amounted to 30 per cent in 2022, ending at NOK 3 866 million. The acquisition of Danica contributed NOK 446 million, corresponding to approximately 15 per cent of the growth. Justert for dette vokste bestandspremien med 15 prosent. Individual Life grew 47 per cent to NOK 1 150 million, Group life grew 18 per cent to NOK 978 million and Pension related disability grew 27 per cent to NOK 1 738 million.

PORTFOLIO PREMIUM (ANNUAL)

NOK million	2022	2021
Individual life *	1,150	784
Group life **	978	828
Pension related disability insurance ***	1,738	1,369
Portfolio premium	**3,866**	**2,981**

* Individual life disability insurance

** Group disability, workers compensation insurance

*** DC disability risk premium Norway and disability risk Sweden

GUARANTEED PENSIONS

The Guaranteed Pension business area encompasses long-term pension savings products that give customers a guaranteed rate of return. The business area covers defined benefit pensions in Norway and Sweden, paid-up policies and individual capital and pension insurance.

FINANCIAL RESULTS

NOK million	2022	2021
Fee and administration income	1,597	1,631
Operational cost	-850	-890
Operating profit	**747**	**741**
Risk result life & pension	262	187
Net profit sharing	-106	504
Profit before amortisation	**903**	**1,432**

The fee and administration income amounted to NOK 1,597 million (NOK 1,631 million), while operating cost amounted to NOK -850 million (NOK -890 million). The marginal decrease in income and cost was primarily due to a depreciation of the Swedish krona (SEK).

The risk result life & pensions was NOK 262 million (NOK 187 million). The improvement was partly due to increased reactivation of customers who received disability benefits, but also because of a stronger longevity result due to increased mortality after the COVID-19 pandemic.

Net profit sharing amounted to NOK -106 million (NOK 504 million). The profit sharing in Norway totalled NOK 6 million, and NOK -112 million in Sweden. Risk management has limited the negative effects of higher interest rates and weak financial markets. The booked return averaged 1.4 per cent in Norway, compared with an average customer guarantee of 3.0 per cent at the end of the year. Contracts with insufficient returns have been compensated using buffer capital and have therefore had no material effect on results. In Sweden, assets and liabilities are duration matched. Although the average value-adjusted return was -10.4 per cent, the value of our liabilities also fell by 11.3 per cent. Deferred capital contributions to individual contracts have had a negative impact on profits.

Profit before amortisation amounted to NOK 903 million (NOK 1,432 million).

BALANCE SHEET AND MARKET DEVELOPMENT

At the end of the year, guaranteed reserves amounted to NOK 273 billion. This is NOK 17 billion less than in 2021. The reduction is mainly due to net inflows and outflows of NOK -11 billion, and a reduction in the market value of Swedish reserves due to a higher discount rate. At the same time, growth in public sector occupational pensions in Norway contributed with an inflow of reserves of NOK 4.5 billion, and the transfer of St Erik Liv's portfolio to SPP by NOK 2.3 billion. As a share of the total balance, guaranteed reserves correspond to 46.5 per cent (48.5 per cent) at the end of the year, a reduction of 2 percentage points from last year.

Buffer capital, which secures customer returns and shields shareholders' equity under turbulent market conditions, fell to 6.3 per cent (11.2 per cent) of reserves in Norway, but increased to 19.6 per cent (17.8 per cent) in Sweden. Overall, the buffer capital fell by NOK 9.7 billion from 2021.

NOK million	2022	2021
Guaranteed reserves	273,465	290,862
Guaranteed reseves in % of total reserves	46.5 %	48.5 %
Net transfer of guaranteed reserves	-2,892	-2,663
Buffer capital in % of customer reserves Storebrand	6.3 %	11.2 %
Buffer capital in % of customer reserves SPP	19.6 %	17.8 %

Premium income for Guaranteed Pension business (without transfers) was NOK 4.9 billion in 2022 (NOK 5.3 billion). Most of the the products are closed to new sales, and the customers' choice of moving from guaranteed to non-guranteed products is in line with the group's strategy. The market of Group Pension public sector is opened for new sales and it is a growth area for Storebrand.

PREMIUM INCOME (EXCLUSIVE TRANSFERS)

NOK million	2022	2021
Defined Benefit private sector	2,054	2,216
Defined Benefit public sector	1,321	889
Paid-up policies	114	247
Individual life and pension	207	215
Guaranteed products SPP	1,211	1,689
Total	**4,907**	**5,256**

OTHER

Under Other, the company portfolios of Storebrand Livsforsikring, Storebrand Danica and SPP are reported

FINANCIAL RESULTS

NOK million	2022	2021
Operational cost	-71	-53
Operating profit	**-71**	**-53**
Financial items and risk result life & pension	-244	450
Profit before amortisation	**-315**	**397**

The result before amortisation for the Other segment activities was minus NOK 315 million in 2022, compared with NOK 397 million in 2021.

The operating profit was NOK -71 million (NOK -53 million). Transaction and integration costs related to acquired business contribute to increased cost and a lower operating profit. The financial result was NOK -244 million (NOK 450 million). The negative financial result is mainly explained by a lower fair value on credit bonds in the company portfolios, where credit spreads have increased in 2022. The comparative figure for 2021 includes a gain of NOK 409 millioner million from the sale of AS Værdalsbruket.

CAPITAL SITUATION

Storebrand pays particular attention to the levels of equity and loans in the Group, which are continually and systematically optimised. The level is adjusted for the financial risk and capital requirements. The growth and composition of business segments will be important driving forces behind the need for capital. The purpose of capital management is to ensure an efficient capital structure and ensure an appropriate balance between internal goals and regulatory requirements. The balance sheet must form a sound foundation and support the Group's growth strategy at the same time as released capital is repaid to the owners.

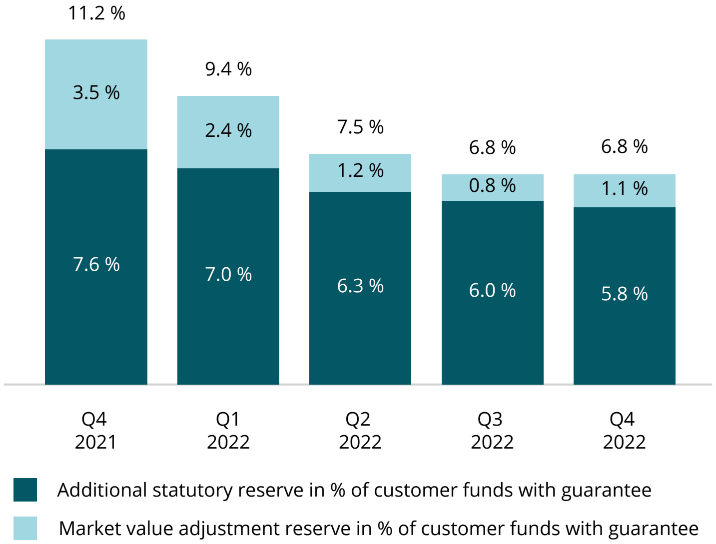
The Group's target is to maintain a solvency ratio according to the standard model in Solvency II of at least 150 per cent. At the end of 2022, the solvency ratio for the Group was reported at 184 per cent, an increase of 9 percentage points from 175 per cent the year before. Profit generation in the Group contributed 11 percentage points, before dividends and share buybacks, which reduced the solvency ratio by 6 and 2 percentage points respectively. The acquisition of Danica reduced the solvency ratio by a further 6 percentage points. Prudent risk and capital management more than compensated for weak financial markets in 2022.

Storebrand Livsforsikring AS had a solvency margin of 216 per cent per 31.12.22 compared to 214 per cent in 2021. The Storebrand Livsforsikring Group is no longer required to report the solvency margin, requirement at consolidated level applies for the Storebrand Group.

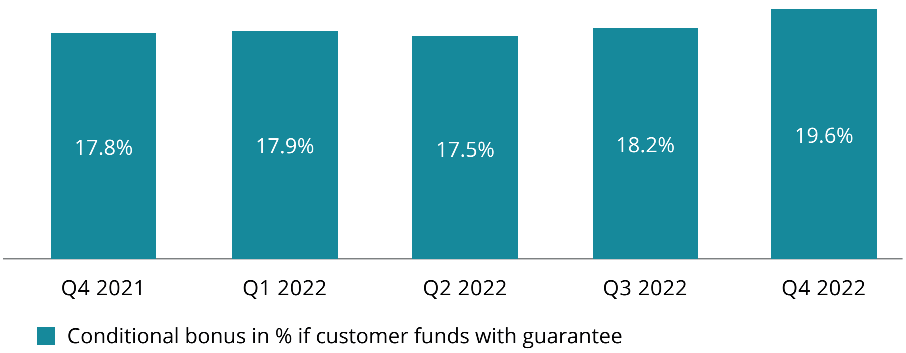
Storebrand Livsforsikring Group's solidity capital consists of equity, subordinated loan capital, market value adjustment reserves, additional statutory reserves, conditional bonuses and risk equalisation reserves. The solidity capital was reduced by NOK 24.5 billion in 2022 to NOK 49.6 billion. Issuances and redemptions of bonds resulted in a net reduction of NOK 1.1 billion in subordinated debt in 2022. The Market value adjustment reserve has been reduced by NOK 5.7 billion and amounted to NOK 0.6 billion at year-end. Conditional bonuses have been reduced by NOK 1.2 billion and amounts to NOK 12.5 billion. For parts of the guaranteed portfolio, booked return has been lower than the guaranteed return for the contract, which has contributed to a reduction in additional statutory reserves and the buffer fund. Transferred contracts to Storebrand increased the additional statutory reserves and the buffer fund by NOK 0.8 billion during 2022. Additional statutory reserves amounted to NOK 9.6 billion at the end of the year, a reduction of NOK 4.0 billion for the year. In connection with the implementation of the buffer fund in public occupational pensions, NOK 1 billion was transferred from additional statutory reseres and the market value adjustment reserve. Due to rising interest rates, the excess value of bonds and loans at amortised cost has been reduced by NOK 13.6 billion in 2022 and amounted to minus NOK 10.2 billion at the end of the year. The excess value of bonds and loans at amortised cost is not included in the accounts.

NOK million	2018	2019	2020	2021	2022
Equity	26,965	24,966	25,173	25,458	25,174
Subordinated loan capital	7,788	8,488	9,004	11,013	9,821
Risk equalisation fund	234	466	438	547	820
Market value adjustment reserve	2,245	5,500	7,170	6,309	632
Additional statutory reserves (ASR)	8,494	9,023	11,380	13,602	9,643
Bufferfund					1,137
Conditional bonus (CB)	8,243	9,302	10,769	13,781	12,540
Reserves on bonds to amortised cost	5,009	4,697	8,832	3,363	-10,197
Total	**58,978**	**62,442**	**72,766**	**74,074**	**49,570**

CUSTOMER BUFFER STOREBRAND LIVSFORSIKRING



CUSTOMER BUFFERS SPP PENSION & FÖRÄKRING



RATING

Storebrand Livsforsikring AS issues subordinated loans and is rated by the credit rating agency Standard & Poor's. Storebrand Livsforsikring AS, the main operating entity, aims for at least an A- rating. In 2022, the rating of Storebrand Livsforsikring AS was changed from A- to A with stable future outlook.

OUTLOOK

MARKET DEVELOPMENT

Financial market developments affect both the Group's solvency ratio and the financial results. Higher interest rates increase the solvency ratio and make it easier to achieve returns above the guaranteed rate. Defined Contribution pensions and asset management are largely exposed to the stock market. Market movements will therefore affect income earned on assets under management. Currency movements between the Norwegian and Swedish krone affect the reported balance sheet and results in SPP at a consolidated level. 2022 was a turbulent year for financial markets, and there is an increased risk of global recession in the coming years. With a robust risk management framework, described in more detail in a separate section below, and with a diversified business, Storebrand has proven resilient under varying market conditions. The Board believes that the Group is well equipped to deliver on its strategy, both under positive and more demanding financial market conditions.

FINANCIAL RESULTS

In Norway, the market for Defined Contribution pensions is growing structurally due to the young nature of the product. High single-digit growth in Defined Contribution premiums and double-digit growth in assets under management are expected during the next years. Storebrand aims to defend its strong position in the market, while also focusing on cost leadership and improved customer experience through end-to-end digitalisation. In July 2022, Storebrand acquired Danica in Norway, which will strengthen Storebrand's presence in the segment for small and medium sized businesses, and it will increase Storebrand's distribution capacity of both Defined Contribution pensions and personal risk products.

In the coming years, Storebrand is also looking to leverage customer, product and capital synergies by expanding our insurance offering to corporate clients within P&C. This will generate an additional income stream for the Group.

In Sweden, SPP is a leading market challenger within the segment for non-unionised pensions, with an edge in digital and ESG-enhanced solutions. SPP has become a significant profit contributor to the Storebrand Group, supported by an ongoing capital release from its guaranteed products in run-off. Growth is expected to continue, driven by new sales and transfers.

As a leading occupational pension provider in the private sector, Storebrand also has a competitive pension offering to the Norwegian public sector. It is a growing market which is larger than the private sector market. It is currently dominated by one monopolist. To succeed in the market, municipalities will need to tender their pension procurements to a larger extent than today. This represents a potential additional source of revenue for Storebrand. The ambition is to gain 1 per cent market share annually, or approximately NOK 5 billion in annual net inflow.

Overall reserves of guaranteed pensions are expected to decrease in the coming years. Guaranteed reserves represent a declining share of the Group's total pension reserves and amounted to 46.5 per cent of the pension reserves at the end of the quarter, 2 percentage points lower than a year ago. With interest rates having risen in 2022 to approximately the average level of interest rate guarantees, the prospects for future profit sharing with customers has increased. Higher interest rates also allow Storebrand to build customer buffers at a faster pace, which strengthens the group's solvency position.

Storebrand maintains a disciplined cost culture. To accelerate growth and the Group's profit ambitions, investments in profitable growth has gradually increased costs. This includes growth in public occupational pensions and P&C insurance, in addition to acquired business. Should the growth not materialise, management has contingency plans in place to cut costs. There are also cost savings initiatives in place to manage the effects of excess inflation.

CAPITAL MANAGEMENT

Storebrand aims to maintain a solvency ratio of at least 150 per cent. At the end of 2022 it was 184 per cent. On an annual basis, a net capital generation of about 8 percentage points of solvency is expected over the next few years. Of this, approximately 13 percentage points are generated in the business, 2 percentage points come from the fact that the guaranteed business in liquidation frees up more capital than the growth in the group requires, and around 7 percentage points are expected to pe paid out as dividend from the annual results. Financial market volatility, especially the development in long interest rates and regulatory changes, may lead to short term volatility in the solvency ratio.

REGULATORY CHANGES

Regulations enacted by the authorities can be of great importance to Storebrand. We describe the most important changes and their significance for Storebrand below.

INTERNATIONAL REGULATIONS

Solvency II revision

The European Commission presented proposals for changes in the Solvency II standard model in September 2021. The Commission's proposals differ significantly compared to earlier proposals from The European Insurance and Occupational Pension Authority (EIOPA).

The main purpose of the revision is to ensure that insurance companies continue to invest in accordance with the political priorities of the EU, especially with regards to financing the post COVID-19 recovery by facilitating long-term investments and increasing the capacity to invest in European business. The Commission emphasises the insurance sector's important role when it comes to financing the green transition and helping society to adapt to climate change. The review intends to correct deficiencies in current regulation and make the insurance sector more robust.

Storebrand currently applies the standard model. In the review, changes to the interest rate risk module could increase the solvency capital requirement for Norwegian and Swedish insurers. The Commission's proposals appear more representative for Norwegian interest rates than earlier proposals from EIOPA. The Commission also proposes changes that could have offsetting effects to increased capital requirements, such as a reduced risk margin. Several changes are proposed in the calculation of the volatility adjustment as well as an increased interval for the symmetric adjustment for equity risk. As they are currently outlined, the Commission's proposals are not expected to have a significant overall impact on Storebrand's solvency ratio.

The Commission has not outlined a timeline for the further process on adapting changes in the standard model, and changes are not expected to enter into force until 2025. The Commission will consider a phasing-in period of five years for new rules related to the calculation of interest rate risk and the new extrapolation method for interest rates will be phased in gradually until the end of 2031.

Sustainable finance

The EU's goal of a carbon neutral Europe by 2050 requires significant investments. The EU's Action Plan on Sustainable Finance is expected to increase the share of sustainable investments, promote long-termism, and define which financial products may be defined as sustainable.

EU taxonomy for sustainable finance activities

The EU Taxonomy is a main part of the EU's Action Plan on Sustainable Finance. The act introducing the taxonomy and requirements for the publication of sustainability information in Norwegian law entered into force on 1 January 2023.

Companies must map the consequences for their products and services. Large, listed companies will be required to report on the proportion of their turnover, investments and operating costs covered by the taxonomy. In 2023, companies must report on the share of turnover, investments and operating costs that are environmentally sustainable activities in accordance with the defined technical criteria drawn up by the EU for each economic activity.

The new rules for sustainable finance will establish standards for sustainable asset management and clarify requirements for reporting and customer information. We take a positive view of this. It will provide higher quality financial and non-financial reporting, better information to key stakeholders, and make it easier to compare data across the financial sector. The challenge in implementing the new rules for sustainable finance is to get the right and necessary data. See appendix in annual report for Storebrand ASA for an overview of how much of our business is covered by the taxonomy. The taxonomy's reporting requirements are increasing incrementally and, in the years, to come we will report on the proportion that is classified as sustainable based on these requirements.

Markets in Financial Instruments Directive (MiFID II) and Insurance Distribution Directive (IDD)
In April 2021, the European Commission adopted a revision in existing MiFID II and IDD regulations that require businesses to map sustainability in the same way as financial risk. Companies that provide investment advice must obtain information about customers' preferences related to sustainability, in addition to mapping their experience and knowledge of investments. The mapping of sustainability risks and preferences will become an integral part of the suitability assessment made by companies that offer financial products.

Storebrand believes it is positive that customers' preferences related to sustainability should be mapped. This can contribute to increased awareness of ESG factors and make it easier to understand different types of funds or profiles with a lower carbon footprint. Storebrand is committed to good solutions that take sustainability into account and in 2022 used the consulting tool Quantfolio to start mapping sustainability preferences among customers. Regulation related to sustainability preferences and suitability assessment through MIFID and IDD will be introduced into Norwegian law in 2023.

Corporate Sustainability Reporting Directive (CSRD)
The EU has adopted a new Corporate Sustainability Reporting Directive (CSRD), which will replace the previous Non-Financial Reporting Directive (NFRD). The introduction of CSRD in Norwegian law will entail an extension of the current section 3-3c of the Entrepreneurship Act. Information related to sustainability will be provided in the annual report according to CSRD.

CSRD aims to elevate sustainability information to the same level as financial information. The proposal aims to improve the flow of information on sustainability in corporate governance. CSRD includes new European standards on sustainability reporting, and a framework for double materiality analysis. Double materiality means that companies must report both on the company's impact on society and how ESG affects the company's ability to create long-term value. The standards will make corporate sustainability reporting more consistent, allowing financial players, investors and general public to base decisions and form opinions based on comparable and reliable information about sustainability. Storebrand's annual report will be in line with this regulation when it enters into force.

Sustainable Finance Disclosure Regulation (SFRD)
Another important part of the EU's Action Plan on Sustainable Finance is the EU's Sustainable Finance Disclosure Regulation (SFDR). The Sustainable Finance Disclosure Regulation (Hereafter the Disclosure Regulation) is intended to help clients make informed investment decisions. It requires Storebrand, as a financial player, to be transparent about how we manage sustainability risk, potential negative consequences of our investments, and the extent to which our products considers sustainability.

The Disclosure Regulation divides financial products into three categories that affect the degree of sustainability information to be disclosed by companies. The three categories are:

- Financial products that have sustainability as the main objective (defined as an Article 9 financial product): Investments in companies or projects that contribute to an environmental or a social sustainability goal. This may be investments in companies that produce renewable energy or have services that contribute to increased equality. In addition, the companies invested in must not harm any other sustainability goals.
- Financial products that promote environmental or social aspects, but that do not have sustainability as the main objective of its investment (defined as an Article 8 financial product): It may be funds that have sustainability requirements, such as avoiding fossil fuels or having the lowest possible emissions, but where the entire investment does not focus solely on sustainability.
- All other financial products (defined as Article 6 financial products): This is a broad "other" category that includes everything from funds that completely ignore sustainability to funds that analyse sustainability and take sustainability risk into account without meeting the EU's requirements under the Disclosure Regulation.

We welcome the Disclosure Regulation as it should provide increased transparency on financial savings products and make it easier to compare data across the financial sector.

New Insurance Recovery and Resolution Directive (IRRD)
The European Commission has proposed a new directive on the recovery and liquidation of insurance companies, the Insurance Recovery and Resolution Directive, IRRD. The purpose is to ensure better protection of policyholders, maintain financial stability and continue critical functions. The insurance industry is critical of the proposal and believes any new rules must take into account national differences and the insurance industry's distinctive characteristics compared to banking. The proposal entails, among other things, that recovery plans will be drawn up for companies that together make up more than 80 per cent of the market. There will also be a need to adapt the national crisis management rules, which were used when Silver Pension Insurance was placed under public administration in 2017.

Changes in IFRS
A new accounting standard for insurance contracts, IFRS 17, will be implemented in 2023. The purpose is to introduce common accounting rules for insurance contracts and improve the comparability of financial statements. IFRS 17 entails, among other things, fair value measurement of liabilities, grouping of insurance contracts based on risk characteristics, internal management and issue date, income recognition over the contract period rather than upfront, and an amendment of the profit and loss statement. Storebrand will implement IFRS 9 for financial instruments at the same time.

For Storebrand's consolidated financial statements, the new standards will lead to changes in the recognition, measurement and presentation of insurance contracts, classification of fixed income investments and how profits are recognised. A new balance sheet item called Contractual Service Margin (CSM), representing the unearned profits of insurance contracts, will be introduced as part of the transition to IFRS 17. Amortisations of CSM will be recognised as income as the service is provided. Storebrand expects that the transition to IFRS 17 will result in approximately 20% the Group's equity to become CSM. Storebrand's first quarter results 2023 will be the first reporting under IFRS 17. See further discussion of IFRS 17 in Note 1.

Whether IFRS 17 is implemented in the statutory reporting requirements is decided by national regulations in each country. Storebrand will only implement IFRS 17 in the statutory reporting for Storebrand Forsikring AS (the P&C Insurance business). For the remaining companies within Storebrand Group, including the life insurance companies, the statutory reporting will remain unchanged from today. The Ministry of Finance has also passed a regulation allowing for the continued use of amortised cost valuation of assets in both customer accounts and life insurance companies' financial statements when IFRS 9 is implemented.

The implementation of IFRS 9 and IFRS 17 is not expected to significantly affect the solvency calculations nor the Group's dividend capacity. To accommodate the new accounting standard, some adjustments will be made to financial targets that are based on IFRS accounts.

IFRS has also established an International Sustainability Standards Board (ISSB) with the goal of developing a global standard for sustainability reporting. There are two standards that have been proposed. The first builds on general sustainability standards from the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC). The second standard is aimed at climate and builds on the TCFD framework. In 2023, it is expected that there will be more information about the reporting standards, and different jurisdictions will be able to choose different solutions to deal with these. Through the EEA Agreement, the solution chosen by the EU will in practice also become a guiding principle for Norwegian businesses. Storebrand takes a positive view of this and believes it is an important standard work for harmonising and publishing sustainability information internationally.

NORWEGIAN REGULATIONS

Evaluation of the pension reform
A public committee that has evaluated the pension reform presented its proposals in June 2022. Changes are proposed to the National Insurance Scheme's old-age pension that will also have an impact on occupational pension schemes.

The Commission concludes that the pension reform has worked as intended and contributed to limiting growth in old-age pension expenditure from the National Insurance Scheme and establishing a financially sustainable pension system. Improved incentives contribute to more people continuing their employment longer than before.

The Committee believes that three changes are needed:
- Age limits in the pension system should be increased in line with increased life expectancy
- Minimum benefits should follow general prosperity (regulated by wage growth)
- Disabled people should be shielded to a greater extent from the life expectancy adjustment

In total, the proposals do not reduce public spending, but the Committee believes that the last two proposals are necessary to strengthen social sustainability and thus support for the pension system.

The Commission notes that if the age limits in the National Insurance Scheme increase, the age limits in occupational pension schemes, AFP and individual pension schemes should also be increased accordingly.

The Committee conducts a thorough review of the various occupational pension schemes, and points to a need for more knowledge about how these and AFP affect the distribution in the pension system, and how the quality of the schemes varies between different groups.
Just before the pension committee presented its report, the Norwegian Confederation of Trade Unions (LO) decided to demand a better occupational pension by doubling the minimum rate for compulsory occupational pensions from two to four per cent, as well as compulsory disability pensions.

Savings in Norwegian Defined Contribution pensions
During 2022, new legislation which makes pension contributions mandatory on all income in Defined Contribution pensions. Companies were given a deadline of 30 June to adjust their pension schemes. The changes mean that all loans up to 12 G will be earned. In addition, the requirement of 20 years of age and 20 per cent position lapsed. Thus, all employees must be members of the pension scheme, as long as they receive a salary above the threshold for reportable income (NOK 1000). The number of members in Defined Contribution schemes in the Norwegian market increased by about 350 000 in 2022, to more than 1.9 million.

Individual Pension Savings
The savings amount limit for the tax favorized individual pension saving has been reduced from NOK 40,000 to NOK 15,000 anually, with effect from year 2022. The tax benefits will continue unchanged. Hence, the scheme is still favorable, however weakened due to the significant reduction in allowed savings amount.

Changes announced in the government platform
The parties in government has in the Hurdal-platform announced the introduction of a sales tax for health insurance, to reduce the the demand for such products.

The government parties has also announced a tax revenue neutral adjustment in the finance industry tax involving the deletion of the elevated employer's tax level.

Public Occupational Pensions schemes
Storebrand has filed two complaints to the EFTA Surveillance Authority (ESA) in an effort to improve the competitive landscape for Public Occupational Pensions, which is dominated by a single player. Storebrand has claimed that municipalities, regional health authorities (RHFs) and hospitals have entered into occupational pension contracts in breach of the rules on public procurement. Storebrand has also claimed that municipalities, RHFs and hospitals have granted KLP State aid in violation of Article 61 of the EEA Agreement. According to Storebrand, the mutual company KLP is given access to capital from municipalities and hospitals on more favourable terms than other market participants would receive by withholding retained earnings when customers move to other providers.

Guaranteed Pension Products
New regulations allowing for providers to build additional stautory acocunts seperately for individual contracts came into force in 2022. The change allows for profit sharing and increased benefits to policyholders on contracts with sufficient additional statutory reserves. Regulations have also been introduced that allow customers to choose faster pay-outs of small paid-up policies.

A flexible buffer fund was introduced for public occupational pensions on 1 January 2022. The change means that market value adjustment reserves and additional stautory accounts have been merged into a flexible buffer fund, which is distributed among the contracts and can cover negative returns. There is no maximum limit to how large the buffer fund can be, but companies must have guidelines for the size of the buffer fund, and buffer funds beyond what the company deems necessary can be allocated to the customer as profit. Thus, buffer fund requirements become a competitive parameter in the public sector market. Storebrand is positive to the new regulations, which increase the risk capacity of the available buffer and facilitate competition for municipal occupational pension schemes.

Storebrand has worked actively to ensure that flexible buffer funds are also introduced for paid-up policies, as proposed by a working group appointed by the Ministry of Finance and Finanstilsynet (Financial Supervisory Authority of Norway). The case is still pending in the Ministry.

The Transparency Act

The Transparency Act came into force on July 1, 2022. The Consumer Authority has been assigned the task of guiding and supervising the Transparency Act. The Act imposes a number of obligations on larger businesses related to human rights and working conditions and gives both consumers and others the right to information about the companies' handling of these.

- Obligation to conduct due diligence: All covered undertakings are obliged to carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises. The requirement for the scope of the due diligence shall be proportionate to the size of the enterprise and shall be carried out regularly.
- Obligation to notify due diligence: An account of the due diligence assessments shall be published each year. The report must meet the minimum requirements of the Transparency Act, but may also be more comprehensive. The report can be published in several places, but must as a minimum be easily accessible on the company's website.
- Disclosure obligation: Under the Transparency Act, anyone can request information from businesses about how they handle actual and potential negative consequences assessed in due diligence. The right to information includes both general information about how the business handles negative consequences, and specific information related to goods and services.

Adaptations to the new regulatory requirements has been implemented both in departments responsible for processes that are directly affected by new obligations and at Group level to identify the need for adaptations in group-wide processes, including reporting and transparency. A more detailed staus descriptions is available in the chapter Sustainable practices through our value chain in Storebrand ASA's annual report. The due diligence report will be published by June 30, 2023, through our Human Rights and Responsible Business Policy at the Sustainability Library.

SWEDISH REGULATIONS

New transfer market regulation

To promote the transfer of pension rights, additional fee restrictions were introduced on 1 April 2021 for the repurchase and transfer of unit-linked and custodial insurance. Insurance companies can only charge an administration fee that corresponds to direct costs for the transaction, and the amount can not exceed 0.0127 basic amounts (equivalent to approximately SEK 600 in 2021).

On the question of the right of transfer for agreements entered into before 1 July 2007, the Swedish Government has proposed in a proposition that the right shall apply regardless of when a unit-linked and custodian insurance agreement has been entered into. The Swedish government has proposed that the fee restrictions for relocation and repurchase should also apply to these contracts. The new legislative amendments are proposed to take effect on 1 July 2022. The Swedish Parliament is expected to consider the proposals in the spring of 2022.

SPP supports a more open relocation market. In the past, this has been voluntary for insurance companies, and something SPP allows.

Premium pensions (PPM) of the national retirement pension system

A negotiated fund market is implemented as a second step in the reform of PPM, and a new set of rules was presented by the Swedish government on 22 December 2021. The fund market will continue to give pension savers the freedom to choose how the funds are to be invested. A new authority - Fondstorgsnemnda - which will negotiate funds and manage the fund market is also proposed. Increased demands will be placed on funds in the fund market; they must be suitable for pension savings, cost-effective, sustainable, controllable and of high quality. The Swedish government plans to present a proposition to the Swedish Parliament on 22 March 2022 and the legislative amendments are proposed to take effect on 1 June 2022.

PPM fund platform is a large distribution channel for SPP's funds. We envisage that the new fund platform will offer fewer funds at a lower price, but it is too early to say anything about the consequences of this.

RISK

Our dynamic risk management framework is designed to take appropriate risk in order to deliver returns to customers and shareholders. At the same time, the framework shall ensure that we shield our customers, shareholders, employees and other stakeholders from undesirable incidents and losses. The framework covers all risks that Storebrand may be exposed to. The backdrop for the risk assessment has changed significantly over the past year. The war in Ukraine has increased geopolitical risk. Higher and longer-lasting inflation has forced central banks to make rapid and large interest rate increases. Both short- and long-term interest rates have risen sharply and had a negative impact on equity and credit markets. Storebrand has addressed this through intensified monitoring and follow-up of risk.

The Board of Storebrand ASA and the directors of the subsidiaries adopt a risk appetite and risk strategy at least once per year. Risk taking shall contribute to the achievement of our strategic and commercial goals, including customers receiving a competitive return on their pension funds, and that Storebrand receives adequate payment for taking on risk. Risk appetite is defined as the overall risk level and what types of risk are deemed acceptable. The guidelines from the risk appetite are incorporated in our risk strategy, which sets the targets and frameworks. Based on these, more detailed strategies are compiled for different risk categories. Storebrand publishes an annual Solvency and Financial Condition Report (SFCR) which helps customers and other stakeholders understand the risks in the business and how these are managed.

The Board assesses the risk in the Own Risk Solvency Assessment (ORSA) process. The greatest risk for Storebrand is the financial market risk. In the short term, volatile financial markets, especially falling equity, credit and real estate markets, may result in investment losses, or falling interest rates may increase the insurance liability. In the longer term, persistently low interest rates are a risk because it becomes more difficult to achieve the customers' guaranteed return on investment. Other risk areas include business risk, insurance risk, counterparty risk, operational risk, climate risk and liquidity risk.

At an overall level, we saw a stable development in the number of reported incidents in 2022. In 2021, we had an increase in the number of nonconformity reports to the Data Inspectorate. The number is the same for 2022, but which units report nonconformities has changed somewhat from the previous year.

Weak equity and credit markets and higher interest rates have had a negative impact on investment returns in 2022. Customer buffers have been reduced, which has resulted in lower risk capacity for guaranteed pensions. On the positive side, higher interest rates increase return expectations and reduce the risk of not reaching the guarantee.

The immediate effect of rising interest rates leads to a loss in the value of fixed income investments. To reduce the financial impact of rising interest rates, Storebrand books bonds with shorter durations at fair value, and has over time built a robust portfolio of bonds with long durations and high credit quality that are booked at amortised cost. Changes in the interest rate have no accounting effect on the latter. Under prevailing market conditions, model-based valuations of financial instruments (level 3), such as investment property, contain greater uncertainty than usual. Storebrand has an active risk management strategy to optimise customer returns and shield shareholders' equity under turbulent market conditions through dynamic risk management, strong customer buffers and by posting a significant proportion of bonds at amortised cost.

Inflation has risen in much of the world, including in Norway and Sweden. High and rapidly rising inflation rates may increase costs and insurance claims in Storebrand. However, pension liabilities (payments) are not inflation linked, limiting the impact of inflation on the Group's liabilities. Pension premiums and some insurance premiums are directly linked to wage inflation, which automatically results in premium growth. Other products, including P&C insurance, are actively repriced to mitigate the negative effects of inflation.
The risk landscape varies between business areas. The main risks are described per business area below. Risks associated with regulatory changes are discussed in the section Outlook above.

Insurance

Insurance consists of personal risk products and property and casualty insurance. The price can normally be adjusted on an annual basis if the risk changes. The greatest risk is disability risk. More people than expected may become disabled and/or fewer disabled people will be able to work again. Some policies provide a payout in the event of death, but Storebrand's risk from this is limited.

Savings

Savings consists of Unit Linked insurance and other non-guaranteed pensions. For Unit Linked insurance, the customer bears the financial market risk. The disbursements are generally time limited, and Storebrand bears low risk from increased life expectancy. For Storebrand, the risk from United Linked insurance is primarily changes in future income or cost. Managing customer's assets in a professional and sustainable way, which at that at the same time ensures a good risk-adjusted return, is however important to attract new customers and create growth.

Guaranteed pensions

Guaranteed pension encompasses savings and pension products with guaranteed interest rates. The greatest risks are financial market risk and longevity risk.

A common feature of the products is that Storebrand guarantees a minimum return. In Norway, the return must exceed the guarantee in each year, while in Sweden it is enough to achieve the guaranteed return on average over time.

The guaranteed insurance liabilities are sensitive to changes in interest rates, where lower rates will increase the value of the liabilities and make it harder to achieve the guaranteed return. We aim to control the risk through the investments, but there is a residual risk from lower interest rates.

The traditional guaranteed products are closed for new business, but there is a large back-book of reserves. New premiums are mainly in Defined Contribution pensions (Unit Linked) or hybrid schemes with a zero per cent guarantee.

Storebrand wants to grow in the guaranteed public occupational pension market and received new customers in 2021 and 2022. Public pension products differ from guaranteed pension products in the private sector because in the public sector, the employer pays for the interest rate guarantee, even for resigned employees and pensioners.

Other

The Other unit encompasses the company portolios for Storebrand Livsforsikring, Storebrand Danica Pensjonsforsikring and SPP Pension & Försäkring. The company portfolios are invested at low risk, primarily in investment grade short-term interest-bearing securities.

Tax

Changes have been made to the Norwegian tax legislation for the insurance industry over many years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three significant uncertain tax positions with regard to recognised tax expenses. Additional details are described in Note 28. In 2022, the Norwegian Tax Administration ruled in favour of Storebrand, resulting in a positive tax result of NOK 770 million for 2022.

In the case that Storebrand's interpretation were to be accepted in all the three remaining cases, an estimated positive tax result of up to NOK 2 billion may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.7 billion could be recognised. However, the timeline for settling the process with the Norwegian Tax Administration might take several years. If necessary, Storebrand will seek clarification from the court of law on the matter.

CLIMATE RISK AND OPPORTUNITIES

Climate risk often is divided into two categories: physical risk (consequences of changes to the climate and the environment) and transition risk (consequences of the transition to a low-carbon society).

The magnitude of physical climate risk depends on how much and how quickly the climate changes. A common reference for overall physical climate risk is an increase in global average temperature since pre-industrial times. The UN estimates that the global temperature increase is already 1.1 degrees . Developments over the next decade are expected to be a consequence of emissions in the past, and the choices made in the next few years will have a significant impact on risk in the longer term.

The magnitude of transition risk is determined by how rapid and powerful transition to low emissions will be. This depends on the orientation and strength of the authorities' climate policy, technology development and how companies and consumers choose to adapt. Transition risk can vary considerably also in the short and medium term, and important choices and consequences are likely to be clarified in the coming decades.

Why

Both climate change and the transmission to a low-carbon society represent both challenges and opportunities for Storebrand. Every year, we assess how climate risk may impact the Group's operations, financial situation, framework conditions, and reputation. The assessment provides a basis on which to analyse measures to reduce risks or exploit opportunities. Climate change and the transition to a low-carbon society could impact our business significantly.

Storebrand's climate strategy shall contribute to limiting global warming to about 1.5 degrees. A key instrument is that investments should be carbon neutral by 2050 at the latest, with specific targets along the way. Measures to reduce risk and exploit opportunities are described in the chapter A driving force for sustainable investments in Storebrand ASA's annual report.

The effects on investments and liabilities may be sudden in the form of market turbulence, or they may develop gradually through lower average returns and persistently low interest rates. Political decisions or regulatory requirements may also entail risk if these are difficult to meet due to limitations in technology or investment opportunities. Examples may be an abrupt change in Norway's policy to achieve the goals of the Paris Agreement, a fall in interest rates, or lower oil prices and reduced activity in the Norwegian oil and gas industry.
We use the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) as a framework for reporting of climate-related financial risks. Storebrand's impact on the climate is described elsewhere, mainly in the chapter A driving force for sustainable investments and in the chapter Keeping our house in order in Storebrand ASA's annual report.

We have established a TCFD index, which explains where the information recommended through the TCFD framework is presented in this report. The index is attached in Storebrand ASA's annual report.

Our Approach

Storebrand assesses climate risk based on the same framework as other business risks. Overall risks, including climate risk, are described in a risk analysis report addressed by the Group Executive Management and Board twice a year. The risk analysis includes assessments of business and reputation risks related Storebrand's strategy to uphold a leading sustainability position. Climate risk also is addressed in the annual OR-SA-report , which is sent to Norway's Financial Supervisory Authority following approval by the Storebrand Board. Climate risk also is a part of the risk review conducted by all Group subsidiaries. Climate risk, particularly physical risk, is very long term and therefore is assessed in based on a longer time perspective than other risks.

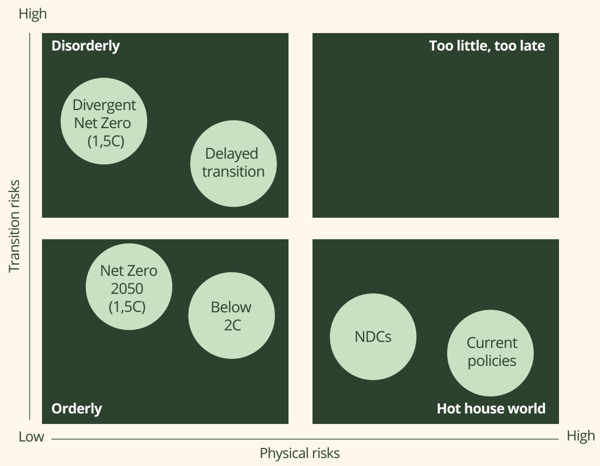
Scenarios for climate risk assessments

As historical events have a limited relevance for climate risk, it is necessary to assess risks related to various scenarios. Storebrand bases our annual assessment on three scenarios:

- Rapid transition to a low carbon society, meeting the target of limiting global warming to 1.5 degrees
- Somewhat slower transition, but global warming is nevertheless limited to about 2 degrees
- Emissions continue to be high and global warming reaches or exceeds 3 degrees

Storebrand uses scenarios developed by the Network for Greening the Financial System (NGFS). The network has been established by central banks and supervisory authorities to establish a framework for assessing and handling of climate risk, as well as to encourage the financial sector to support the transition to a low-carbon economy. The scenarios will be further developed, including quantitative stress tests, as a basis for supervisory processes and analyses of financial stability.

Network for Greening the Financial System (NGFS) climate risk scenarios



Positioning of scenarios is approximate, based on an assessment of physical and transition risks out to 2100.

Figure: NGFS climate risk scenarios

NGSF has defined six scenarios with risk varying along two dimensions.

- How serious will the physical consequence of global warming be?
- Will the transition be a controlled or disruptive process? (transition risk)

NGFS outlines two scenarios that lead to zero emissions in 2050. The scenario ”Net Zero 2050” expects a rapid transition, with a high degree of coordination among nations and sectors. The transition risk in this scenario therefore is seen as low, despite the speed of the transition. The ”Divergent Net Zero” scenario considers the transition risk significantly higher, as the use of oil as transportation fuel is phased out very quickly while the use of fossil energy for industrial activities declines more slowly. The physical risk is about the same in both scenarios because global warming is limited to 1.5 degrees.

Storebrand has chosen «Divergent Net Zero» as a basis for the ”Speedy transition” scenario. Norway could be particularly exposed to transition risk because of consequences associated with a rapid phasing out of oil and gas as energy sources. In addition, ambitions and preferred means are likely to vary significantly among various stakeholders and decision-makers.

Storebrand’s ”Delayed transition” scenario is based on the NGFS-scenario carrying the same name. In this scenario, emissions continue to rise until 2030, after which policy becomes significantly restrictive. This is expected to result in a rapid decline in emissions after 2030, towards zero in 2050, keeping global warming below 2 degrees. In this scenario, transition risk is about the same as for ”Speedy transition” but it is postponed until after 2030. The physical climate risk in this scenario is expected to be somewhat higher than for “Speedy transition.”

Our last scenario is ”Current policies”, which is based on the NGFS scenario ”Current Policies”. In this scenario where will not be policy restrictions beyond those already approved. The transition risk therefore is considered low. Emissions will continue to grow until 2080. Global warming is expected to be about 3 degrees, with a significant risk of even further increases. This will lead to irreversible climate change and extensive physical climate risk.

Storebrand's climate risk scenarios

A: Speedy transition	B: Delayed transition	C: Current policies
The scenario is based on the NGFS "Divergent Net Zero". Climate policy is significantly changed, and technology development is taking place rapidly. The scenario is ambitious, and the goal of zero emissions by 2050 is reached. It is at least 50 per cent likely that global warming will be limited to below 1.5 degrees. Costs related to the transition will be considerable, especially for consumers, accelerated by a lack of coordination between countries and sectors. The use of oil for transportation is phased out rapidly, while the reduction in the fossil share for energy supply and industry are variable. The scenario is based on moderate use of CO2 capture and storage.	The scenario is based on the NGSF "Delayed Transition"-scenario. Lack of new austerity measures means that economic growth in the wake of Covid-19 is fuelled by fossil energy. The CO2 emissions grow up until 2030. Policies then become stricter and include a significant increase in the price of CO2. This leads to a rapid decline in emissions post 2030, towards zero in 2050. Overall, the decline in emissions will be sufficient that it is 67 per cent likely that global warming will remain below 2 degrees.	The scenario is based on the NGSF "Current Policies" scenario. Limited awareness of the climate crisis combined with short-sighted political priorities, prevent the implementation of future restrictions. Introduced emission reduction measures are continued. Emissions increases until 2080. Global warming is expected to reach about 3 degrees, with a significant risk of an even further increase. This will lead to large and irreversible climate change.

Consequences of the different scenarios

It is useful to understand what the various scenarios mean for conditions that affect Storebrand's risks. Global temperature rise is a key indicator of physical risk. For transition risk, carbon price developments are a key indicator. Carbon price development is a main indicator of transition risk. In Norway, the demand and price development for oil and gas are key indicators for transition risk. Both the transition and physical climate changes could affect economic growth and the financial markets. The development of the Norwegian economy will influence out customers, whose behaviour, in turn will impact Storebrand's future earnings. At the same time, the global effects on global financial markets will affect Storebrand as an asset manager.

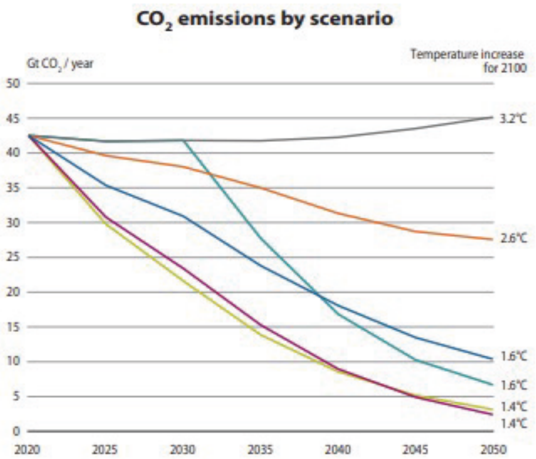
Physical risk indicators

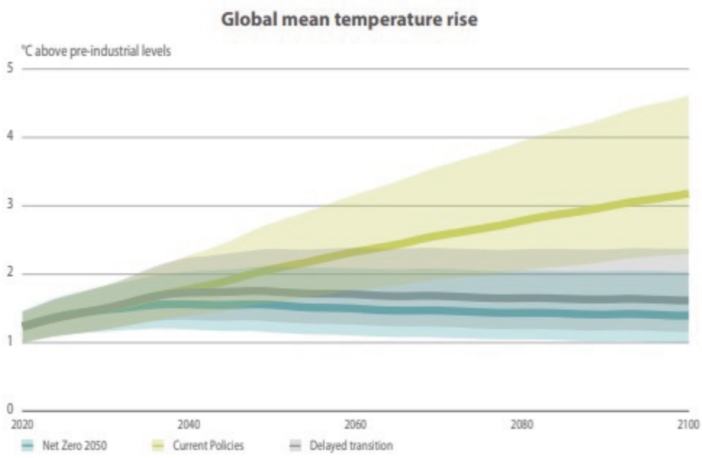
The scenarios are based on different paths for carbon emissions and associated consequences for global warming. In the current policy scenario, global emissions will continue to increase somewhat over the next few years and then stabilise. In the Rapid Transition, emissions will fall to near zero in 2050, helped by moderate opportunities for carbon capture and storage. In Delayed Transition, emissions follow the current policy until 2030, and then fall faster than in the Rapid transition up to 2050.

Over the next 10-20 years, further global warming will be the result of historical emissions, and thus quite independent of scenarios. The scenario-dependent differences will be greater from about 2040. With a rapid transition, it is more than 50 per cent likely that global warming in the year 2100 has increased less than 1.5 degrees above pre-industrial times, i.e. less than 0.4 degrees from current levels. With delayed transition, it is 67 per cent likely that global warming in the year 2100 will remain below 2 degrees. The uncertainty and scope for outcomes is greatest with the Current Policy scenario. Although expected global warming in the year 2100 is about 3 degrees, there is a risk that the increase will be significantly greater.

A rise in temperature of three degrees or more will have major, irreversible effects on the climate. Global warming will have consequences for living conditions, health, productivity, agriculture, ecosystems and raise sea levels. It also affects the frequency and severity of extreme weather events such as heat waves, droughts, forest fires, tropical cyclones and floods. In addition, the risk must be seen in connection with the fact that parts of the world will experience higher than average warming. In general, warming is greater over land than over oceans.

Carbon Emissions and temperature increase in different scenarios





Transition risk indicators

In the models underlying the NGFS scenarios, carbon pricing is used as a measure of how powerful the policy is. Carbon price developments should therefore not be interpreted solely in the sense of carbon tax or the price of emissions that can be bought and sold, but as an expression of the costs associated with the transition. In practice, a number of instruments can be used to stimulate restructuring.

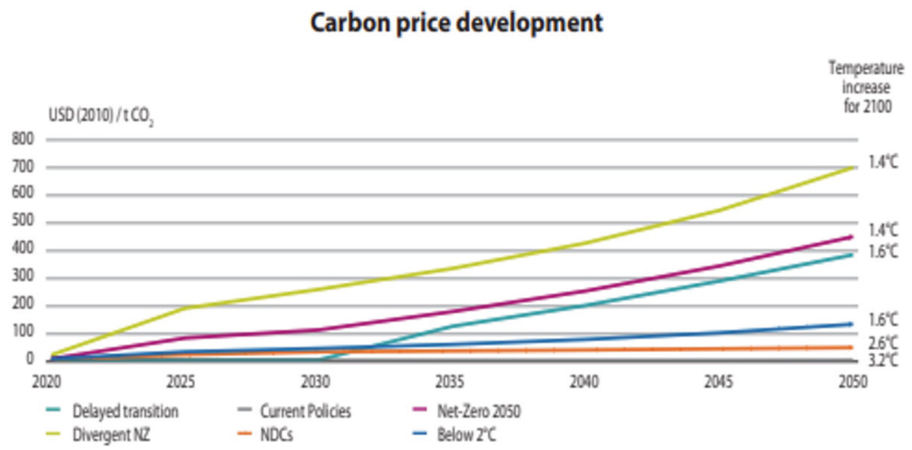
With the Current policy scenario, there is no further tightening of measures, consistent with the carbon price remaining low.

In the Speedy Transition scenario, carbon prices will increase to approximately USD 200 per ton in 2025 (equivalent to NOK 5 per litre of diesel) and further to around USD 700 per ton in 2050 (NOK 19 per litre of diesel). In Delayed Transition, carbon prices will only increase from 2030.

By comparison, the price of carbon offsets in the EU was approximately EUR 90 per ton (NOK 2.5 per litre of diesel) in December 2022.

Storebrand has defined its own stress tests to quantify the effect of transition risk and physical risk on its investment portfolios. These are discussed in Chapter 5.1. Climate risk from investments.

Carbon price in different scenarios [86]



Areas where climate-related risks may affect Storebrand

Climate risk affects several parts of our business. At the same time, it is important to understand that both the source of risk and the way the risk affects the business can be different. Therefore, it is important that separate assessments are made for each of the areas listed below:

- Storebrand's investments, both securities and real estate, mainly owned by the life insurance entities
- Storebrand's life insurance liabilities
- Storebrand as an investor, especially Storebrand Asset Management with subsidiaries, in addition to the life insurance entities
- Risk that Storebrand's customers may be affected by climate risk
- Reputation risk, especially linked to Storebrand's strategy choice to be a leader in sustainability
- Regulatory risk from non-compliance with new requirements for climate adaptation or reporting

Further in this chapter, we will focus on the areas that are most important in different parts of our business. For each area, implemented and planned measures that affect the risk are described, in addition to assessments of any new measures that can contribute to reducing risks or realising opportunities from climate change.

Climate risk for investments

Storebrand's largest climate-related financial risks and opportunities are considered to be in the transition to a low-emission society. Our investments may be affected by climate policy and regulations, stricter emission requirements, a changed cost structure and market preferences. Our most important measures to reduce these risks and exploit potential opportunities are described in the chapter A driving force for sustainable investments in Storebrand ASA's annual report.

Climate risk can affect Storebrand's return through two mechanisms:

- Climate-related factors affecting returns from the financial market as a whole, for example because economic growth is affected by physical climate change or due to a less effective policy to achieve zero emissions (absolute climate risk).
- Effects of Storebrand investing differently from the broad market, for example by failing to invest in some industries or companies and investing more in solution companies (relative climate risk).

Absolute climate risk

The transition risk can have both positive and negative consequences for various players, which can make it challenging to decide whether to invest in given sectors and companies. It can be difficult to argue whether the transition will have positive or negative consequences for the capital market. For long-term pension savings, it is therefore beneficial to invest broadly in global financial markets in order to diversify risk and meet any future risks.

The main difference between the above scenarios is how extensive the negative consequences of climate risk will be in the long term. The risk is greatest in the scenario "Current policies ", while it is least in the "Speedy transition" scenario. One challenge is that the negative effects of climate change are not evident to the individual company and consumer, especially in the short term. The authorities must therefore establish framework conditions that enable people and companies to adapt to society's interests at a reasonable pace.

Storebrand's investments are to be carbon neutral by 2050 at the latest. Through active ownership, we work systematically to ensure that the companies that we invest in do their part to reduce emissions. Active ownership is therefore a key element in Storebrand's risk management process. Our work is carried out in direct dialogue with individual companies, and through several strategic collaborations, such as through the Net Zero Asset Owner Alliance, the Net Zero Asset Manager Alliance, and the Climate Action 100+.

Relative climate risk

Storebrand's investment strategy means that our investments have deliberate deviations from the global market index. This is partly a consequence of Storebrand Asset Management's sustainability strategy that applies to all investments, and partly a consequence of Storebrand Livsforsikring and SPP Pension & Försäkring having their own requirements as part of the investment strategy. We make several adjustments to reduce the relative climate risk to which our investments are exposed, including:

- Excluding companies that contribute to serious environmental damage.
- Excluding companies that actively work against the objectives of the Paris Agreement.
- Excluding companies in the fossil sector in parts of the portfolio (all investments for SPP P&F)
- Setting requirements for a minimum average sustainability condition, which also includes climate-related conditions.
- A minimum of 15 per cent of the portfolio must be invested in solutions by 2025 .

In 2020, we launched a new climate strategy for our investments, with the goal of entering investments that greatly contribute to climate change. We do not invest in companies that receive more than 5 per cent of the revenues from coal, oil sands-based activities, are involved in serious and / or systematic unsustainable production of palm oil, soy, cattle, and timber. Storebrand does also not invest in companies that consciously and systematically work against the goals agreed in the Paris Agreement. We expect companies to support effective policy measures aimed at reducing climate risk and limiting temperature rise to 1.5 degrees. This support should apply to all commitments made by the company in all geographical regions, and to political commitments made indirectly, through third-party organisations acting on behalf of the company or with the company's financial support. In 2022, we launched a new nature policy with increased expectations and requirements related to companies' impact on nature. More information about the policy and requirements are described in Storebrand ASA's annual report.

Based on the targets for carbon-neutral investments by 2050 and intermediate targets for emission reductions, we established a framework in 2021 with the following targets for 2025:

- **Emission targets for equity, corporate bonds and real estate investments:** We have a goal of reducing the carbon footprint in Storebrand's total investments in equities, corporate bonds and real estate by at least 32 per cent by 2025 (base year in 2018).
- **Direct capital towards solution companies:** Storebrand has a goal that 15 per cent of our total investments will be invested in what we define as solutions by 2025. This includes equity investments in solution companies, green bonds, certified green real estate and investments in green infrastructure.
- **Be an active owner and driving force:** In 2022, we focused on the 20 companies with the highest emissions. The impact work took place mainly in collaboration with other investors, including Climate Action 100+, and included meetings with executive management of the largest emitters in our portfolio.

Overview of companies in prioritised high-emitting sectors in 2022

Industry & Materials

- Norsk Hydro ASA
- Yara International ASA
- Elkem ASA
- Angang Steel Co Ltd.
- Waste Management Inc
- Nippon Steel Corp
- LafargeHolcim Ltd
- SSAB Svenskt Stål
- Jiangxi Copper
- JFE Holdings Inc
- Haci Omer Sabanci Holding AS
- O-I Glass Inc

Shipping

- Wallenius Wilhelmsen ASA
- Odfjell SE
- Wilh Wilhelmsen Holding ASA
- DFDS A/S

Oil & Gas

- Gazprom PJSC
- Equinor ASA
- SFL Corp Ltd
- LUKOIL PJSC

Equities and bonds are valued on an ongoing basis based on all available information, including climate-related risks and opportunities. The valuation reflects, to some extent, that the authorities' target of zero emissions in 2050 may have consequences for oil and gas demand, and earnings for oil and gas shares and that the price of carbon emissions may be higher in the future. Similarly, the financial market has priced in that companies that invest in renewable energy, or that can in other ways take advantage of opportunities in the green shift, can achieve increased earnings in the future. High valuation in relation to current results is an example of this.

Lower expected future returns for fossil fuel companies than for solution companies is because the effects are assumed to be greater or to come faster than expected for solution companies. It is therefore likely that Storebrand will have a somewhat lower climate risk than the market in the scenario ″Speedy transition″.

In the scenarios ″Delayed transition″ or ″Current policies″, it is likely that Storebrand will have a somewhat higher climate risk than the market because we were early in developing a strategy to realise the goal of zero emissions. The risk must be seen in connection with Storebrand's total investments being broadly diversified, which means that the deviation risk in the portfolios is limited, also when the effects of climate risk are considered.

Stress test transition risk - Rapid transition scenario
Transition risk will have both a positive and negative impact on various companies and other players. However, in restructuring processes, the negative effects often come first, even though the positive effects may be at least as great over time.

To quantify the risk from a rapid transition to zero emissions, Storebrand has defined a stress test that includes fossil fuel companies, climate-related solutions companies and real estate. Fossil fuel companies are stressed -50 per cent, while solution companies are stressed +10 per cent. Real estate is stressed -5 per cent.

STRESS TEST TRANSITION RISK – SPEEDY TRANSITION SCENARIO – STOREBRAND ASA

		Equities/Bonds/Real Estate	
	Share of total portfolio	Stress	Contribution to total return
Fossil fuel companies	1.70 %	- 50.00 %	- 0.65 %
Solutions companies (climate-related)	6.00 %	+ 10.00 %	+ 0.60 %
Real Estate	7.50 %	- 5.00 %	- 0.38 %
SUM			**- 0.43 %**

Since Storebrand has taken tangible measures to reduce exposure to the fossil fuel sector and increased exposure to companies that contribute to solving climate challenges, it is assumed that the company's funds would be less affected by the ″Rapid transition″ scenario.

Stress test physical climate risk - Current Policy Scenario
Physical climate change can have major consequences for economic growth and thus expected returns in the financial market. This will also affect Storebrand's investments, and the consequences are greatest in the Current policy scenario. To quantify the risk associated with physical climate change, Storebrand has defined a stress test that includes equities, bonds and real estate, based on a decline of 20 per cent, 10 per cent and 2 per cent, respectively.

Physical climate change and associated market consequences are very long-term. In practice, the consequences will probably be somewhat lower returns over many years, rather than as an immediate decline in value. But the financial market is pricing in all new information. An immediate stress test can therefore make sense, even if actual consequences occur far in the future.

STRESS TEST PHYSICAL CLIMATE RISK - CURRENT POLICY SCENARIO

	Share of total portfolio	Stress	Contribution to total return
Equities	43.00 %	-20.0 %	-8.60 %
Bonds	46.00 %	-2.0 %	-0.90 %
Real estate	7.50 %	-10.0 %	-0.75 %
Other	3.50 %	0.0. %	0.00 %
SUM			**-10.25 %**

Physical climate change, assuming that the current policy is continued, is also expected to have major consequences for the funds Storebrand owns, and the stress test shows an overall decline in value of approximately 8- 10 per cent.

Exposure for different technologies
The overview of high-emitting sectors in below shows our exposure to different sectors and the amount of emissions owned by each sector.

Both the carbon footprint and exposure to industries or technologies provide a snapshot of risks. We believe it is more important to look at how companies work towards reducing the footprint in line with the zero-emission target. Storebrand assesses, among other things, whether companies we plan to invest in have committed to emission targets based on scientific facts. We also closely monitor the proportion of companies in our portfolios that have set science-based targets.

Key indicators

- Carbon footprint in equity investments: 14 tonnes of CO2 equivalents per NOK 1 million in sales revenue (against 18 index)
- Carbon footprint in bond investments: 9 tonnes of CO2 equivalents per NOK 1 million in sales revenue (against 5 index)
- Carbon intensity in real estate investments: 5.6 kilo of CO2 equivalents per m2.
- Exposure to high-emitting sectors: NOK 49.7 billion / 11.3 per cent of total assets.
- Number of active dialogues related to climate and environmental risks and opportunities: 465
- Number of companies that have been excluded due to serious climate and environmental damage: 199
- Equity investments in fossil energy, NOK billion / share of equity investments: NOK 16.1 billion / 3.7 per

SECTOR-SPECIFIC EXPOSURE TO HIGH-EMITTING SECTORS

Sector	2019 (BNOK)	2020 (BNOK)	2021 (BNOK)	2022 (BNOK)	Change 2019-2022 (BNOK)
Aluminium	1.2	1.5	2.3	2.5	1.3
Aviation	3.6	3.3	3.6	3.4	- 0.2
Cement	0.4	0.6	0.9	0.9	0.5
Chemicals	8.0	9.8	12.4	12.8	4.8
Energy	12.2	7.0	9.1	16.1	3.9
Heavy duty automobiles	0.9	1.1	2.3	1.3	0.4
Light duty automobiles	3.8	4.3	5.8	4.9	1.1
Shipping	0.6	0.7	1.2	1.7	1.1
Steel	1.1	1.4	1.8	2.7	1.6
Utilities	2.9	2.5	3.3	3.4	0.5
Grand Total	**34.6**	**32.2**	**42.5**	**49.7**	**15.1**

Other key performance indicators can be seen in the chapter *A driving force for sustainable investment* in Storebrand ASA's annual report.

Climate risk in real estate investments

Storebrand manages direct real estate investments equivalent to NOK 79.4 billion, which represents 7.8 per cent of assets under management . Physical risk is largely linked to the effects of extreme weather on physical assets.

Climate risk can affect growth, liquidity and absolute returns in real estate because real estate investments generally have higher costs and reduced growth opportunities. Gaining relative returns through appropriate managing and prevention of risks, and utilising opportunities in the transition to the low-emission society, varies from the market in general.

Acute physical climate risk is already affecting real estate, also in Scandinavia, even though the risk is far lower than in the most vulnerable parts of the world. The risk increases over time, especially during the "Current policies" scenario. Extreme rainfall and flooding stand out as the most important single factors. Micro-location and the robustness of properties affect exposure to damage, increased insurance costs and other costs. Chronic physical risk such as heat waves and sea level rise are more long-term but can have both direct and indirect financial effects. In the worst case, property can become unusable and unchangeable.

Transition risk in the form of increased public requirements and fees, increased climate-related market requirements, as well as reputational risk of having too low climate ambitions or not achieving own targets, is most relevant in the "Speedy transition" scenario and then the "Delayed transition" scenario. Under the scenarios "Current policies" and "Delayed transition", there is a risk of lower returns in the short or medium term because of over-investment or premature investment in relation correct market values. Timing is critical to reduce risk. It will be important both on the cost and revenue side and may be able to have a double effect. The general long-term nature of real estate investments can dampen the effect by getting return on investments at a later stage in the event of a delayed transition.

The main strategy for reducing risk is through active ownership. Proactive analysis and implementation of measures will optimise adaptation to future climate change and a 1.5-degree emission pathway, both on the portfolio and individual properties. This is better for society, rather than leaving property with lower climate efficiency to investors who do not have an active strategy. Selection is therefore a secondary strategy.

Sustainability certification (the BREEAM system or equivalent) gives the properties both a quality rating and an important basis for improvement plans. Benchmarking through GRESB (Global Real Asset Sustainability Benchmark) provides a similar sustainability rating at portfolio and management level, supporting progress towards a high global sustainability standard that reduces risk. Both frameworks include physical climate risk and transition risk as part of the overall assessment. The share of certified property is increasing and high in relation to the market, and a high proportion indicates reduced risk. The GRESB score for all portfolios is in the top 20 per cent globally, while SPP Fastigheter and Storebrand Eiendomsfond Norway have also been appointed "Sector Leader" globally in their categories. The average GRESB score for Storebrand's four companies is 91 per cent, while the global average for over 1800 reporting companies in 2022 is 74 per cent.

Key indicators for climate risk in real estate:

- Reduction of greenhouse gas emissions: Measures to improve energy efficiency and waste management are assessed and implemented continuously on the properties, and result in reduced greenhouse gas emissions from operations.
- Long-term goal of 100 per cent environmentally certified property.
- Sustainability ranking of real estate: Continuously improve management and ensure the maintenance of GRESB scores.

	2019	2020	2021	2022	Goal 2025
Carbon emissions kg CO2e/m2 per year	9.12	7.9	6.0	5.6	Reduce
Certified green real estate, percentage share AuM	41 %	43 %	68 %	64.6 %	78 %
GRESB-score	81.7 %	84.8 %	88.6%	91.5 %	Increase

Climate Risk in Life Insurance

Life insurance obligations can be affected if the economy and financial markets are changed by climate risk. The risk may manifest itself both as increased disability and as an increase in the guaranteed pension obligation.

The Norwegian economy may be particularly vulnerable to transition risk. A rapid transition to low emissions may result in higher unemployment in the fossil fuel sector, but also affect other industries (negatively) because economic activity is slowing. Historically, there has been a correlation between lower economic growth and a higher degree of disability. One consequence of the transition to low emissions may thus be increased compensation and the need for increased reservation for disability.

Storebrand's cost of the guaranteed old-age pension obligation may increase if climate risk causes the return on investment over time to be lower than the return guarantee. However, stress tests show that the effect of climate risk is limited for investments.

NATURE RISK

Loss of biodiversity can affect companies' ability to create value for investors in the long term. Nature as a source of financial risk is now being reported together with the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD). Nature has already had an important place in the climate policy for investments, but in 2022 Storebrand launched a new and more detailed and separate policy for nature. Storebrand's new industrial policy, with emphasis on the precautionary principle, sets significantly stricter requirements for companies with regard to nature than the Group's climate policy does. The aim of the policy is to reduce our own exposure to natural hazards and encourage companies to reduce their negative impact. The policy is based on expectations that in the coming years there will gradually be more standardised company information on nature that will make it possible to shift capital flows away from companies with a high negative impact.

Nature risk is divided into physical risk because of changes in nature, transition risk, and regulatory risk because of changes in laws, regulations and framework conditions. In addition, there is a reputational or liability risk associated with lawsuits or complaints as a result of companies' operational activities.

We want our investment activities to contribute to the protection of biodiversity. In 2022, we mapped sectors we are exposed in to get an overview of their dependence on natural resources. We also mapped how much impact we have on nature through our investments in companies, equities, and bonds. The analysis provided an overall and preliminary picture of our portfolio's dependence on key ecosystem services and how the sectors/companies we have invested in potentially affect nature. Further analyses will be conducted in the time ahead for addiction-related risks related to nature.

SUSTAINABILITY

The Storebrand Group offers a range of pension, savings and insurance services to private customers, business customers and public enterprises. We must be close to the customer and know them so well that we can always help them with what they need. Customers must be confident that we put their needs first.

Our purpose clearly and simply states what is most important to us: Creating a future to look forward to.

The financial sector plays a key role in helping to achieve the UN's sustainability goals. Through good management, our pensions, our savings and our investments can be decisive in realizing the sustainability goals. As a significant capital owner and insurer, we also see great financial opportunities in adjusting the investment portfolios in a sustainable direction, in line with international obligations.

Companies with sustainability as a central part of their business strategy are well placed to manage climate and sustainability risks, and exploit the opportunities these represent. There is a growing consensus that companies that have a strategy in line with the sustainability goals and the Paris Agreement have better prospects than others for achieving returns over time.

Storebrand must take sustainability into account, both through our products and services and through our collaboration with suppliers and partners. This is a central part of the Group's strategy and brand. In our work, we base ourselves on these principles:

- We base our operations on the UN's sustainability goals.
- We will help our customers to make more sustainable choices, through the products and services we offer.
- We are a responsible employer.
- We must take sustainability into account in all processes and decisions – from the boards and Group management, who have overall responsibility, to every manager and employee.

- We collaborate with customers, suppliers, authorities and partners in our work with sustainability.
- We are open about our sustainability work and about the results we achieve.

Storebrand Livforsikring, as an integrated part of the Storebrand Group, have the same principles related to sustainability as the Group as a whole.

Storebrand is a leading financial player in the Nordic market and aims to be a pioneering company in sustainable investments. We started with sustainable investments already in the mid-1990s. In 2005, we introduced minimum standards for all our investments through the Storebrand standard. In 2010, we introduced a separate methodology for ranking sustainability in all our funds. All our funds are managed in accordance with the Storebrand standard. In addition, we continuously increase the proportion of our capital invested in solutions. Solutions are either equity investments in companies that Storebrand's investment team believes contribute to sustainable development and help us achieve the UN's sustainability goals, or through investments in green bonds, environmentally certified property, green infrastructure or bond investments in solution companies. Around a third of the total funds we have under management are also invested in fossil-free funds.

The Storebrand Group is open about our sustainability work and reports in accordance with several leading reporting standards, including the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD) and CDP (formerly the Carbon Disclosure Project), in line with the expectations of a number of important stakeholders. Strategic ambitions, specific goals, reporting and communication about sustainability are important success criteria in our work. In addition, we engage in international initiatives such as the Net Zero Asset Owner Alliance, the UN Principles for Sustainable Insurance (PSI) and Climate Action 100+ to collaborate with other like-minded players to find solutions to global sustainability challenges and set requirements to reach zero emission targets.

Our sustainability report is integrated into the annual report of Storebrand ASA and follows GRI's (Global Reporting Initiative) standards for reporting. All information about the Group's sustainability work is easily available in Storebrand's sustainability library on our website.

PEOPLE, ORGANIZATION AND GOVERNING BODIES

At the end of the year, there were 869 employees in Storebrand Livsforsikring and 1 338 for Storebrand Livsforsikring Group, an increase of 95 and 169 respectively from the previous year. Of these, 46 percent are women (47 percent). The average age is 44 years, and the average seniority is 11 years.

"People first, digital always" is the title of Storebrand's People strategy. The strategy will enable our organization to adapt to continuous changes in an increasingly digitalized world, and to deliver on ambitious business goals.

In 2022, we really got to work with and develop what the hybrid working life looks like at Storebrand. We have called this the Future Storebrand, and is something that each department and each team has navigated and adjusted continuously as needed throughout the year. This flexibility has proven to work well and created freedom and efficiency for the employees in a year that has also been characterized by somewhat more uncertainty and changes in the markets. After long periods of pandemic, this year we have also had new opportunities to collaborate physically, which has been particularly important for building and developing the good organizational culture and belonging.

Throughout the year, we have seen the high degree of commitment through our employee surveys continue, and this year have used such measurements for several themes throughout the year. We will use the results from this to create the best workplace for the good of our employees, the company and society.

A CULTURE OF LEARNING

Our ambition is to build a learning culture with a high degree of psychological security, so that you dare to experiment, make mistakes, be open about what you master, and where it feels safe to offer input, different perspectives and feedback. Our learning culture must also be characterized by each individual experiencing and taking responsibility for both their own and others' development. In addition to a strong learning culture, we must have a targeted and sufficient offer of knowledge networks, courses and programs via platforms that provide a good learning experience and which secures us a data base to constantly improve the offer.

Storebrand is concerned that all employees should have the opportunity to further develop their own skills. Competence building is important to ensure personal development and mastery, and for Storebrand to have the competence we need at all times to deliver value to our customers. Employees must be given the opportunity to learn throughout their employment, and in this way they also become attractive on the labor market if they apply for positions in other companies.

We offer courses and training programs and stimulate learning and exchange of experience through the work that is done every single day. As an employer, we must facilitate exciting tasks, new challenges and interaction across organizational units. Employees are encouraged to take the initiative to acquire new insights and new experiences. Managers and employees have a joint responsibility for contributing to evaluation and feedback that can provide continuous improvements. There is a requirement that all customer-facing advisers must be authorized in both non-life and personal insurance through the Financial Industry Authority's authorization scheme.

DIVERSITY AND EQUALITY

It is important that Storebrand's organization and business operations reflect the customers and the market we operate in. Storebrand aims to be a good workplace for everyone, regardless of background. We strongly believe in building a flexible organization and a culture characterized by trust, inclusion and belonging. Independent sustainability analyzes show that companies that focus on diversity are more innovative and profitable. We depend on attracting 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 characterized by inclusion and belonging. All Storebrand employees must be treated equally, regardless of age, gender, disability, cultural background, religious belief or sexual orientation, both in recruitment processes and throughout the entire employment relationship. We have zero tolerance for harassment and discrimination.

In 2022, 29 percent of the company's board members were women. There are 41 percent of women with managerial responsibilities in the company.

Storebrand's work with equality, personnel management, working environment and ethical regulations are described in more detail in the chapters People and Keeping our house in order in Storebrand's annual report as well as its own report on equality and discrimination that is published online on Storebrand's website.

Financial remuneration

The financial remuneration in Storebrand will help to attract, develop and retain competent, motivated and adaptable employees who contribute to the long-term value creation in the group. Storebrand's guidelines for remuneration are described in more detail in the chapters Shareholder matters and Corporate governance in Storebrand ASA's annual report.

CORPORATE GOVERNANCE AND COMPLIANCE

Ethical practice at all levels in the organization is a prerequisite for us to preserve and continue to build trust with our customers, authorities, shareholders and society in general. Their trust in us is built on both how we run our business and how each of our employees behaves. All employees must take mandatory courses in ethics, anti-corruption, privacy, information security and money laundering and terrorist financing every year.

PRIVACY AND DIGITAL TRUST

In today's digital world, we experience an increasing risk of personal data going astray, being stolen or shared with unauthorized persons. Our customers must be able to trust that we manage their personal data in a responsible manner. It requires that we have good security measures, a well-established framework for personal protection and good compliance with this. In addition, our employees must know how personal data must be handled in a responsible manner, both in their daily work and in general in our business.

WORK AGAINST CORRUPTION

Corruption is punishable in all countries where Storebrand operates. It is also one of the main causes of poverty in many parts of the world. Potential corruption cases weaken trust in us as a company, but can also contribute to weakening trust in the finance and insurance industry in general. At the same time, corruption is destructive to healthy competition in all industries. Therefore, we must work in a targeted manner against this form of crime.

At Storebrand, we have zero tolerance for corruption and other financial fraud. We continuously work to identify internal areas where the risk of corruption is high or higher than elsewhere in the business. We also have a number of measures to prevent fraud. At the same time, we work systematically with our suppliers and partners to ensure that there is no corruption in our relationship with them, and that they have a conscious attitude towards fighting corruption in their business.

INFORMATION SECURITY

Storebrand is an actor with a major impact on the society we live in. The financial industry is thoroughly digitalised, and as a financial institution our digital solutions and our infrastructure are critical for society. We manage large amounts of information for our customers. At the same time, we are an attractive target for a number of threat actors because of our market position, our customers, suppliers, partners and employees.

Digital attacks are becoming increasingly sophisticated. In combination with a hybrid working life, this increases the risk of not detecting unwanted activity. If we are hit by a cyber attack, it can challenge customers' trust, lead to a temporary loss of services, and potentially have a high cost linked to the restoration of systems and data. Information security is therefore important for creating security and is a prerequisite for maintaining customers' trust, the group's reputation and our competitiveness.

Information security is about ensuring that information is correct and available to those who must have access to the information, when they need it. We work with information security by seeing people, processes and technology as a whole. In order for Storebrand to be able to run a sustainable financial business and increase our innovation power in the years to come, secure and stable IT solutions and infrastructure are a prerequisite. We therefore continuously work with information security to manage risk and to strengthen our resilience. It further contributes to sustainable value creation for Storebrand, our owners and our customers.

Work against money laundering and terrorist financing

Storebrand is a key player in the Nordic financial market. We therefore have a special responsibility to avoid being abused in connection with the financing of terrorism, money laundering or other forms of financial crime. Our customers, owners and society at large expect us to take care of this responsibility in a good way.

We work systematically and continuously to ensure that Storebrand's companies are not used for money laundering, terrorist financing or other forms of financial crime. This means, among other things, that we act consistently and in accordance with relevant legislation in matters relating to money laundering, terrorist financing and other forms of economic crime.

RESPONSIBLE USE OF RESOURCES

At Storebrand, sustainability is an integral part of our business strategy. We make demands on suppliers and partners. At the same time, we want to lead by example. Therefore, we work to ensure that the operation of our business is as sustainable as possible. We have committed to setting science-based targets for our emissions, in line with the Paris Agreement.

A SUSTAINABLE VALUE CHAIN

Procurement is an area where we can have a big impact by influencing our suppliers in a more sustainable direction. To make our business more efficient, we have increased the use of outsourcing. This requires stricter procedures for monitoring working conditions, safeguarding human rights and handling environmental impacts 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 operations and purchasing operations, we must contribute to sustainable development, and to ensure that human rights and workers' rights are not violated. In order to be able to map risks related to human rights violations and the safeguarding of labor rights, Storebrand has established group-wide routines in line with the Transparency Act to assess risks with suppliers and its own operations. A more in-depth description related to how Storebrand has worked to map risks and prepare the organization to meet the reporting requirements is described in the chapter Keeping our house in order in the group's annual report. In addition, we work to maintain a high proportion of environmentally certified suppliers in order to safeguard climate-related objectives.

For all our suppliers, we have defined three specific climate targets for suppliers and partners:

- Our suppliers must have set short- and long-term emission reduction targets by 2025.
- All suppliers must be carbon neutral by 2025.
- The entire value chain for our deliveries must be carbon neutral by 2030.

WORKING ENVIRONMENT AND HSE

Sickness absence in Storebrand has been at a stable low level over several years. Sickness absence among employees was 2.9 percent in the Norwegian operations and 2.1 percent in the Swedish operations in 2022. Storebrand has been part of the IA collaboration (inclusive working life) since 2002, and the group's managers have over the years built up routines for following up employees with disease. Sickness absence and overtime use are regularly followed up in the Cooperation Committee (SU) in each group area, which consists of the executive vice president, shop stewards, health and safety representative and People Business Partner. For members of the Working Environment Committee and health and safety representatives, there is a requirement for a mandatory HSE course.

Managers are encouraged to discuss ethics, ethical dilemmas, information security, financial crime and HSE in departmental meetings. This is followed up and further measures are taken if necessary. Storebrand also believes it is important that employees learn more about HSE in order to increase well-being and security for employees. In 2022, Storebrand therefore chose to shine a spotlight on HSE by bringing together a number of HSE-related activities in a separate HSE week.

Storebrand had no personal injuries in 2022. Nor were any accidents or material damage reported.

MANAGMENT AND CONTROL

Storebrand Livsforsikring systems for internal control and risk management follows Storebrand Groups guidlines. The guidelines is reviewed annualy.

Storebrand's executive management and Board of Directors review Storebrand's corporate governance policies annually. Storebrand established principles for corporate governance in 1998. Storebrand reports on the policies and practice for corporate governance in accordance with Section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of 14 October 2021. For further information on Storebrand's corporate governance, reference is made to a separate article on corporate governance in the annual report for 2022.

Storebrand Livsforsikring 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. Storebrand Livsforsikring's accounts are prepared by the Group Accounts department 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 financial instruments, real estate, determination of insurance liabilities as well as other items for assessment. These meetings have a particular focus on any market changes, specific conditions relating to default trends, specific conditions related to the insurance business, 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 quarterly accounts and annual accounts, as well as in meetings of the audit committee of Storebrand ASA. 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 compiled a management document and specific instruction for the boards in subsidiaries. The Board has established three advisory committees: the Compensation Committee, Audit Committee and Risk Committee.

Storebrand Livsforsikring's articles of association stipulate that the company shall have the same nomination committee as Storebrand ASA, and hence is part of Storebrand Group's process for appointing and replacing Board members.

Storebrand Livsforsikring has no provisions in the articles of associations nor has it issued any authorities that allow the Board to resolve that the company shall repurchase or issue own shares or equity capital certificates.

In 2022, a total of 13 board meetings were held, one of them a strategy meeting and one IFRS 17 workshop.

CHANGES IN THE BOARD

Board member Vibeke Hammer Madsen has been replaced by Anne Kathrine Slungård. The Board wishes to thank the retiring members of the Board of Directors for their valuable contributions to the company.

INSURANCE FOR BOARD DIRECTORS AND THE COMPANY'S GROUP EXECUTIVE MANAGEMENT

The Board and Senior Executives are covered by the company's ongoing board liability insurance. This is placed with insurers with a solid rating. The insurer will, within the framework of the insurance coverage, compensate for loss of assets because of claims made against the insured for personal management responsibility during the insurance period.

STOREBRAND LIVSFORSIKRING AS

The profit before tax was NOK 2 546 million (NOK 3 149 million). Results are discussed under each individual segment. The following factors have had an effect on the company accounts, but no effect in the consolidated accounts. There are received dividends and group contributions from subsidiaries of NOK 1 398 million (NOK 1 205 million) in 2022. The sale and liquidation of subsidiaries has no effect on the reported result for 2022. For 2021, there was a net gain in the company accounts of NOK 564 million, and NOK 388 million in the consolidated accounts.

APPLICATION OF THE YEARS RESULT

The Board of Directors proposes to the General Meeting the following allocation of profit for the year:

Other equity	675 million
Net paid group contribution	2 325 million
Total allocated	3 000 million

Lysaker, 7 February 2023
The Board of Directors of Storebrand Livsforsikring AS

Translations not to be signed

Odd Arild Grefstad
Chairman of the Board

Martin Skancke | Anne Kathrine Slungård | Mari Tårnesvik Grøtting

Trond Thire | Hans Henrik Klouman | Jan Otto Risebrobakken

Vivi Måhede Gevelt
Chief Executive Officer

Notes to the accounts

Storebrand Livsforsikring Group
Statement of Comprehensive income
1. january - 31. december

NOK million	Note	2022	2021
TECHNICAL ACCOUNT:			
Gross premiums written		32,044	29,467
Reinsurance premiums ceded		-80	-19
Premium reserves transferred from other companies		14,259	22,064
Premiums for own account	14	**46,223**	**51,512**
Income from investments in subsidiaries, associated companies and Joint venture companies	32	-235	654
Interest income and dividends etc. from financial assets	18	7,223	6,787
Net operating income from properties	19	895	1,053
Changes in investment value	18	-17,305	-1,577
Realised gains and losses on investments	18	-3,066	3,939
Total net income from investments in the collective portfolio	13	**-12,487**	**10,856**
Income from investments in subsidiaries, associated companies and joint venture companies	32	-80	136
Interest income and dividends etc. from financial assets	18	990	1,835
Net operating income from properties	17	156	178
Changes in investment value	18	-30,823	37,659
Realised gains and losses on investments	18	2,778	7,875
Total net income from investments in the investment selection portfolio	13	**-26,979**	**47,682**
Other insurance related income	14,20	**1,489**	**1,573**
Gross claims paid		-21,822	-21,176
Claims paid - reinsurance		31	9
Premium reserves etc. transferred to other companies		-15,963	-29,777
Claims for own account	14	**-37,755**	**-50,945**
To/from premium reserve, gross		11,155	373
Change in statutory reserves		2,771	-2,290
Change in marketvalue adjustment fund		5,193	861
Change in bufferfund		356	
Change in premium fund, deposit fund and the pension surplus fund		-2	-9
To/from technical reserves for non-life insurance business		-42	30
Change in conditional bonus		-268	-4,122
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds		418	724
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	14	**19,582**	**-4,433**
Change in pension capital		15,163	-49,599
Change in reinsured part of pension capital		-48	
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	14	**15,116**	**-49,599**
Profit on investment result		-75	-1,211
Risk result allocated to insurance contracts		-230	-100
Other allocation of profit		-83	-84
Funds allocated to insurance contracts	14	**-389**	**-1,395**

NOK million	Note	2022	2021
Management expenses		-234	-235
Selling expenses	22	-834	-765
Change in pre-paid direct selling expenses	22	44	29
Insurance-related administration expenses (incl. commissions for reinsurance received)		-1,628	-1,488
Reinsurance and profit commissions		**-5**	
Insurance-related operating expenses	14	**-2,656**	**-2,459**
Other insurance related expenses	14,26	**-141**	**-164**
Technical insurance profit		**2,002**	**2,628**
NON-TECHNICAL ACCOUNT			
Income from investments in subsidiaries, associated companies and joint venture companies	32	-12	13
Interest income and dividends etc. from financial assets	18	617	370
Changes in investment value	18	-187	-43
Realised gains and losses on investments	18	-121	150
Net income from investments in company portfolio		**297**	**490**
Other income	21	**132**	**565**
Management expenses		-20	-20
Other expenses	27	-1,082	-939
Management expenses and other costs linked to the company portfolio		**-1,102**	**-959**
Profit or loss on non-technical account		**-673**	**96**
Profit before tax		**1,329**	**2,725**
Tax expenses	28	**438**	**-563**
Profit before other comprehensive income		**1,767**	**2,162**
Change in actuarial assumptions	23	-29	124
Fair value adjustment of properties for own use	31	63	139
Other comprehensive income allocated to customers		-63	-139
Tax on other profit elements not to be reclassified to profit/loss		3	10
Other comprehensive income not to be reclassified to profit/loss		**-25**	**134**
Profit/loss cash flow hedging	42	-12	-56
Translation differences foreign exchange		-146	-137
Other profit comprehensive income that may be reclassified to profit /loss		**-158**	**-193**
Other comprehensive income		**-183**	**-59**
TOTAL COMPREHENSIVE INCOME		**1,584**	**2,103**
PROFIT IS ATTRIBUTABLE TO:			
Share of profit for the period - shareholders		1,767	2,162
COMPREHENSIVE INCOME IS ATTRIBUTABLE TO:			
Share of profit for the period - shareholders		1,584	2,103

Storebrand Livsforsikring Group
Statement of financial position
31. December

NOK million	Note	2022	2021
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Goodwill	29	942	778
Other intangible assets	29	3,375	2,735
Total intangible assets		**4,317**	**3,513**
Equities and units in subsidiaries, associated companies and joint ventures	32	216	215
Loans at amoritsed cost	10,13,30	2,949	1
Bonds at amortised cost	10,13,30,34	7,460	9,408
Deposits at amortised cost	10,30	590	725
Equities and fund units at fair value	13,30,34	137	273
Bonds and other fixed-income securities at fair value	10,13,30,35	14,025	17,723
Derivatives at fair value	13,30,36	263	843
Total investments		**25,640**	**29,189**
Receivables in connection with direct business transactions		573	499
Receivables with group company		137	102
Other receivables	38	5,155	8,196
Total receivables		**5,865**	**8,797**
Tangible fixed assets	37	633	641
Cash, bank	10,30	2,943	1,971
Tax assets	28	1,253	1,058
Total other assets		**4,828**	**3,670**
Pre-paid direct selling expenses		722	699
Other pre-paid costs and income earned and not received		173	185
Total pre-paid costs and income earned and not received		**895**	**884**
Total assets in company portfolio		**41,546**	**46,053**
ASSETS IN CUSTOMER PORTFOLIOS			
Properties at fair value	13,31	29,304	28,543
Properties for own use	13,31	1,689	1,659
Equities and units in subsidiaries, associated companies and joint ventures	32	6,359	5,864
Bonds held to maturity	10,13,30,33	7,402	8,441
Bonds at amortised cost	10,13,30,33	110,220	104,974
Loans at amortised cost	10,13,30	17,785	22,043
Deposits at amortised cost	10,30	8,544	5,141
Equities and fund units at fair value	13,30,34	25,598	28,714
Bonds and other fixed-income securities at fair value	10,13,30,35	73,649	90,011
Loans at fair value	10,13,30	6,635	7,310
Derivatives at fair value	13,30,36	11,889	3,454
Total investments in collective portfolio		**299,074**	**306,154**
Reinsurance share of insurance obligations		**311**	**13**
Properties at fair value	13,31	4,177	4,833
Equities and units in subsidiaries, associated companies and joint ventures	32	2,110	1,277

NOK million	Note	2022	2021
Bonds at amortised cost	10,13,30,33	79	
Loans at amortised cost	10,13,30	894	1,008
Deposits at amortised cost	10,30	1,393	1,302
Equities and fund units at fair value	13,30,34	244,481	249,069
Bonds and other fixed-income securities at fair value	10,13,30,35	59,050	50,800
Loans at fair value	10,13,30	122	133
Derivatives at fair value	13,30,36	2,137	558
Total investments in investment selection portfolio		**314,444**	**308,979**
Total assets in customer portfolio		**613,830**	**614,051**
TOTAL ASSETS		**655,376**	**660,104**
EQUITY AND LIABILITIES			
Share capital		3,540	3,540
Share premium		9,711	9,711
Other paid in equity		1,899	1,110
Total paid in equity		**15,150**	**14,361**
Risk equalisation fund		820	547
Security reserves		8	5
Other earned equity		9,196	11,097
Total earned equity		**10,024**	**11,649**
Perpetual subordinated loans		1,957	1,976
Dated subordinated loans		7,800	8,889
Total subordinated loans and hybrid tier 1 capital	10,13,30	**9,757**	**10,865**
Premium reserves		253,576	261,044
Additional statutory reserves		9,643	13,602
Market value adjustment reserve		632	6,309
Bufferfund		1,137	
Premium fund, deposit fund and the pension surplus fund		3,549	3,501
Conditional bonus		12,540	13,781
Other technical reserve		761	661
Total insurance obligations in life insurance - contractual obligations	39,40	**281,838**	**298,900**
Pension capital		314,903	308,331
Premium fund, deposit fund and the pension surplus fund		64	
Total insurance obligations in life insurance - investment portfolio separately	39,40	**314,968**	**308,331**
Pension liabilities etc.	23	41	31
Deferred tax	28	1,180	622
Other provisions for liabilities		40	48
Total provisions for liabilities		**1,261**	**702**
Liabilities in connection with direct insurance		618	999
Liabilities in connection with reinsurance		43	14
Derivatives	13,30,36	12,640	3,092
Liabilities to group companies		27	24
Other liabilities	41	8,407	11,751
Total liabilities		**21,735**	**15,880**
Other accrued expenses and received, unearned income		644	510
Total accrued expenses and received, unearned income		**644**	**510**
TOTAL EQUITY AND LIABILITIES		**655,376**	**661,199**

Lysaker, 7 February 2023
The Board of Directors of Storebrand Livsforsikring AS

Translations not to be signed

Odd Arild Grefstad
Chairman of the Board

Martin Skancke
Anne Kathrine Slungård
Mari Tårnesvik Grøtting

Trond Thire
Hans Henrik Klouman
Jan Otto Risebrobakken

Vivi Måhede Gevelt
Chief Executive Officer

Statement of change in equity Storebrand Livsforsikring Group

	Majority's share of equity								
NOK million	Share capital	Share premium	Other paid in equity	Total paid in equity	Risk equalisation fund[1]	Security reserves[1]	Other equity	Non-controlling interests	Total equity
Equity at 31.12.2020	**3,540**	**9,711**	**599**	**13,850**	**438**	**5**	**11,323**	**69**	**25,686**
Profit for the period					109		2,053		2,162
Other comprehensive income							-59		-59
Total comprehensive income for the period					**109**		**1,994**		**2,103**
Equity transactions with owner:									
Received dividend/group contributions			511	511					511
Paid dividend/group contributions							-2,220		-2,220
Other							0	-69	-69
Equity at 31.12.2021	**3,540**	**9,711**	**1,110**	**14,361**	**547**	**5**	**11,098**	**0**	**26,010**
Profit for the period					261		1,506		1,767
Other comprehensive income							-183	0	-183
Total comprehensive income for the period					**261**		**1,323**	**0**	**1,584**
Equity transactions with owner:									
Received dividend/group contributions			790	790					790
Paid dividend/group contributions							-3,210		-3,210
Other					12		-12		0
Equity at 31.12.2022	**3,540**	**9,711**	**1,899**	**15,150**	**820**	**5**	**9,199**	**0**	**25,174**

1) Risk equalisation fund and Security reserves are restricted equity

Statement of cash flow Storebrand Livsforsikring 1. January - 31. December

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2021	2022	NOK million	2022	2021
		Cash flow from operational activities		
29,213	31,889	Net received - direct insurance	20,283	19,190
-20,865	-22,448	Net claims/benefits paid - direct insurance	-13,719	-12,423
-7,713	-1,704	Net receipts/payments - policy transfers	-266	-3,339
3,343	30,472	Net change insurance liabilities	1,463	3,494
-211	-1,000	Taxes paid	-775	-1
-2,459	-2,656	Net receipts/payments operations	-1,524	-1,442
2,107	4,294	Net receipts/payments - other operational activities	1,540	-2,129
3,413	**38,848**	**Net cash flow from operating activities before financial assets**	**7,001**	**3,350**
446	1,904	Net receipts/payments - loans to customers	1,435	873
-7,661	-30,050	Net receipts/payments - financial assets	-218	-9,868
178	1,447	Net receipts/payments - investment properties		
721	610	Receipts - sale of investment properties		
-1,859	-1,509	Payments - purchase of investment properties		
3,674	-3,567	Net change bank deposits insurance customers	-3,348	3,445
-4,500	**-31,165**	**Net cash flow from operating activities from financial assets**	**-2,132**	**-5,550**
-1,087	**7,683**	**Net cash flow from operating activities**	**4,870**	**-2,200**
		Cash flow from investing activities		
613	-2,298	Net payments - sale/purchase of subsidiaries	-2,047	621
	-562	Net payments - purchase/capitalisation associated companies		
-31	-32	Net receipts/payments - sale/purchase of fixed assets	-4	-5
583	**-2,892**	**Net cash flow from investing activities**	**-2,051**	**616**
		Cash flow from financing activities		
3,911	1,250	Receipts - subordinated loans issued	1,250	3,911
-1,072	-2,558	Repayment of subordinated loans	-2,558	-1,072
-381	-512	Payments - interest on subordinated loans	-512	-381
680	1,050	Payments received of dividend and group contribution	2,432	1,884
-2,220	-3,210	Payment of dividend and group contribution	-3,210	-2,220
917	**-3,980**	**Net cash flow from financing activities**	**-2,598**	**2,121**
413	**810**	**Net cash flow for the period**	**221**	**537**
4,913	31,975	of which net cash flow for the period before financial assets	2,352	6,087
413	810	Net movement in cash and cash equivalent assets	221	537
2,218	2,696	Cash and cash equivalents at the start of the period	1,704	1,167
64	27	Currency translation differences		
2,696	**3,533**	**Cash and cash equivalent assets at the end of the period**	**1,924**	**1,704**

Storebrand Livsforsikring AS
Statement of Comprehensive income
1. January - 31. December

NOK million	Note	2022	2021
TECHNICAL ACCOUNT:			
Gross premiums written		20,300	19,436
Reinsurance premiums ceded		-7	-9
Premium reserves transferred from other companies	17	9,474	18,466
Premiums for own account	14,15	**29,766**	**37,893**
Income from investments in subsidiaries, associated companies and joint venture companies	32	103	1,526
of which from investment in property companies		103	1,526
Interest income and dividends etc. from financial assets	18	5,823	5,130
Changes in investment value	18	-6,095	-754
Realised gains and losses on investments	18	-2,857	1,957
Total net income from investments in the collective portfolio	14	**-3,025**	**7,859**
Income from investments in subsidiaries, associated companies and joint venture companies	32	-8	405
of which income from investment in property companies		-8	405
Interest income and dividends etc. from financial assets	18	975	1,834
Changes in investment value	18	-15,253	9,307
Realised gains and losses on investments	18	2,252	7,869
Total net income from investments in the investment selection portfolio	14	**-12,034**	**19,416**
Other insurance related income	14,20	**817**	**863**
Gross claims paid		-13,425	-12,798
Claims paid - reinsurance		30	8
Premium reserves etc. transferred to other companies	17	-9,740	-21,805
Claims for own account	14	**-23,135**	**-34,595**
To/from premium reserve, gross	40	-3,095	-5,448
Change in additional statutory reserves	40	2,769	-2,290
Change in marketvalue adjustment fund	40	5,207	861
Change in bufferfund	40	356	
Change in premium fund, deposit fund and the pension surplus fund	40	-2	-9
To/from technical reserves for non-life insurance business	40	-43	30
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	17	418	724
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	14	**5,611**	**-6,132**
Change in pension capital		5,429	-20,913
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	14	**5,429**	**-20,913**
Profit on investment result	40	-75	-1,211
Risk result allocated to insurance contracts	40	-230	-100
Other allocation of profit		-83	-84
Funds allocated to insurance contracts	14	**-388**	**-1,395**
Management expenses		-228	-235
Selling expenses	22	-270	-243
Insurance-related administration expenses (incl. commissions for reinsurance received)		-1,026	-965
Insurance-related operating expenses	14	**-1,524**	**-1,442**
Other insurance related expenses after reinsurance share	14,26	**-119**	**-135**
Technical insurance profit		**1,398**	**1,417**

NOK million	Note	2022	2021
NON-TECHNICAL ACCOUNT			
Income from investments in subsidiaries, associated companies and joint venture companies	32	1,247	1,506
Interest income and dividends etc. from financial assets	18	456	369
Changes in investment value	18	-155	-66
Realised gains and losses on investments	18	211	410
Net income from investments in company portfolio		**1,759**	**2,220**
Other income	21	**22**	**12**
Management expenses		-20	-20
Other expenses	27	-613	-481
Total management expenses and other costs linked to the company portfolio		**-633**	**-500**
Profit or loss on non-technical account		**1,148**	**1,732**
Profit before tax		**2,546**	**3,149**
Tax expenses	28	461	-504
PROFIT BEFORE OTHER COMPREHENSIVE INCOME		**3,007**	**2,645**
Change in actuarial assumptions	23	3	2
Tax on other profit elements not to be reclassified to profit/loss	28	3	14
Other comprehensive income not to be reclassified to profit/loss		**6**	**16**
Profit/loss cash flow hedging	42	-12	-56
Other profit comprehensive income that may be reclassified to profit / loss		**-12**	**-56**
Other comprehensive income		**-6**	**-40**
TOTAL COMPREHENSIVE INCOME		**3,000**	**2,605**

Storebrand Livsforsikring AS
Statement of financial position
31. December

NOK million	Note	2022	2021
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Other intangible assets	29	431	455
Total intangible assets		**431**	**455**
Equities and units in subsidiaries, associated companies and joint ventures	32	14,299	12,478
Loans at amoritsed cost	10,13,30	2,948	
Bonds at amortised cost	10,13,30,33	7,460	9,408
Deposits at amoritsed cost	10	530	715
Equities and fund units at fair value	13,30,34	339	476
Bonds and other fixed-income securities at fair value	10,13,30,35	9,092	12,419
Derivatives at fair value	10,13,30,36	263	843
Total investments		**34,931**	**36,340**
Receivables in connection with direct business transactions		505	495
Receivables with group company	32	677	1,111
Other receivables	38	3,076	5,823
Total receivables		**4,258**	**7,430**
Tangible fixed assets	37	8	10
Cash, bank	10,30	1,394	989
Tax assets	28	1,123	797
Pension assets	23	4	
Total other assets		**2,529**	**1,796**
Other pre-paid costs and income earned and not received		24	40
Total pre-paid costs and income earned and not received		**24**	**40**
Total assets in company portfolio		**42,173**	**46,061**
ASSETS IN CUSTOMER PORTFOLIOS			
Equities and units in subsidiaries, associated companies and joint ventures	32	23,921	22,325
of which investment in property companies		23,921	22,325
Bonds held to maturity	10,13,30,33	7,402	8,441
Bonds at amortised cost	10,13,30,33	110,220	104,974
Loans at amoritsed cost	10,13,30	17,785	22,043
Deposits at amoritsed cost	10,30	6,011	2,701
Equities and fund units at fair value	13,30,34	16,505	19,006
Bonds and other fixed-income securities at fair value	10,13,30,35	21,732	26,107
Loans at fair value	10,13,30		
Derivatives at fair value	10,13,30,36	2,687	1,276
Total investments in collective portfolio		**206,262**	**206,875**
Reinsurance share of insurance obligations		**6**	**4**
Equities and units in subsidiaries, associated companies and joint ventures	32	6,162	6,208
of which investment in property companies		6,162	6,208
Bonds at amortised cost	10,13,30,33	79	
Loans at amoritsed cost	10,13,30	894	1,008
Deposits at amoritsed cost	10,30	878	840
Equities and fund units at fair value	13,30,34	101,286	107,202
Bonds and other fixed-income securities at fair value	10,13,30,35	40,976	42,559
Loans at fair value	10,13,30	122	133
Derivatives at fair value	10,13,30,36	1,975	558
Total investments in investment selection portfolio		**152,372**	**158,508**
Total assets in customer portfolios		**358,640**	**365,386**
TOTAL ASSETS		**400,813**	**411,447**

NOK million	Note	2022	2021
EQUITY AND LIABILITIES			
Share capital		3,540	3,540
Share premium		9,711	9,711
Other paid in equity		2,327	1,899
Total paid in equity		**15,578**	**15,150**
Risk equalisation fund		809	547
Security reserves		8	5
Other earned equity		10,426	10,015
Total earned equity		**11,243**	**10,567**
Perpetual subordinated loans		1,957	1,976
Dated subordinated loans		7,800	8,889
Total subordinated loans and hybrid tier 1 capital	9,13,30	**9,757**	**10,865**
Premium reserves		185,269	180,684
Additional statutory reserves		9,622	13,602
Market value adjustment reserve		619	6,309
Bufferfund		1,137	
Premium fund, deposit fund and the pension surplus fund		3,532	3,501
Other technical reserve		706	661
Total insurance obligations in life insurance - contractual obligations	39,40	**200,885**	**204,759**
Pension capital		152,558	157,873
Total insurance obligations in life insurance - investment portfolio separately	39,40	**157,873**	**157,873**
Pension liabilities etc.	23		2
Total provisions for liabilities		**0**	**2**
Liabilities in connection with direct insurance		503	825
Derivatives	10,13,30,36	4,083	1,638
Liabilities to group companies		2,345	3,235
Other liabilities	41	3,616	6,377
Total liabilities		**10,547**	**12,075**
Other accrued expenses and received, unearned income		246	156
Total accrued expenses and received, unearned income		**246**	**156**
TOTAL EQUITY AND LIABILITIES		**400,813**	**411,447**

Lysaker, 7 February 2023
The Board of Directors of Storebrand Livsforsikring AS

Translations not to be signed

Odd Arild Grefstad (sign.)
Chairman of the Board

Martin Skancke (sign.) Anne Kathrine Slungård (sign.) Mari Tårnesvik Grøtting (sign.)

Trond Thire (sign.) Hans Henrik Klouman (sign.) Jan Otto Risebrobakken (sign.)

Vivi Måhede Gevelt (sign.)
Chief Executive Officer

Statement of change in equity Storebrand Livsforsikring AS

NOK million	Share capital [1]	Share premium reserve	Other paid in capital	Total paid in equity	Risk equalisation fund [2]	Security reserves [2]	Other equity	Total equity
Equity at 31.12.2020	**3,540**	**9,711**	**1,110**	**14,361**	**438**	**5**	**10,729**	**25,533**
Profit for the period					109		2,536	2,645
Other comprehensive income							-40	-40
Total comprehensive income for the period					**109**		**2,496**	**2,605**
Equity transactions with owner:								
Received dividend/group contributions			789	789				789
Paid dividend/group contributions							-3,210	-3,210
Equity at 31.12.2021	**3,540**	**9,711**	**1,899**	**15,150**	**547**	**5**	**10,015**	**25,718**
Profit for the period					262		2,744	3,007
Other comprehensive income							-6	-6
Total comprehensive income for the period					**262**		**2,738**	**3,000**
Equity transactions with owner:								
Received dividend/group contributions			428	428				428
Paid dividend/group contributions							-2,325	-2,325
Equity at 31.12.2022	**3,540**	**9,711**	**2,327**	**15,578**	**809**	**5**	**10,429**	**26,821**

1) 35 404 200 shares of NOK 100 par value.

2) Risk equalisation fund and Security reserves are restricted equity

Notes

Note 1: Company information and accounting policies

1. COMPANY INFORMATION

Storebrand Livsforsikring AS is a Norwegian limited liability company with bonds listed on the Oslo Stock Exchange. The company's financial statements for 2022 were approved by the board on 7 February 2023.

Storebrand Livsforsikring Group offers products within life insurance to private individuals, companies and public sector entities in Norway and Sweden. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other.

The Group's head office is located at Professor Kohts vei 9, in Lysaker, Norway.

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. There is no required use of uniform accounting policies for insurance contracts and this exemption is applied for insurance contracts in the consolidated financial statements. This is discussed in section 14.

The financial statements are prepared in accordance with accounting regulations for life insurance company from the FSA for the parent company and the 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 WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS.
The preparation of the consolidated 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 ITEMS ON THE BALANCE SHEET

For the most part, the asset side of the Group's balance sheet comprises financial instruments and investment properties and a differentiation is made between assets in the company portfolio (shareholders) and assets belonging to the customer portfolio. This split is due to the fact that the Group has a significant life insurance business in which customer assets must be kept separate from the company's assets.

FINANCIAL INSTRUMENTS - IFRS 9
IFRS 9 Financial Instruments replaces IAS 39, and was generally applicable from 1 January 2018. However, for insurance-dominated groups and companies, IFRS 4 allows for the implementation of IFRS 9 to be deferred until implementation of IFRS 17. The Storebrand Livsforsikring Group qualifies for temporary deferral of IFRS 9 because over 90 per cent of the Group's total liabilities as at 31 December 2015 were linked to the insurance businesses. For the Storebrand Livsforsikring Group, IFRS 9 will be implemented together with IFRS 17, which is applicable from 1 January 2023.

The Storebrand Group has conducted a provisional analysis of the classification and measurement of financial instruments in accordance with the present IAS 39 for the transition to IFRS 9, based on the current business model for the individual instruments. For debt instruments that are expected to be classified and measured at amortised cost or fair value through total comprehensive income upon transition to IFRS 9, a SPPI ("Solely payment of principal and interest") test is carried out.

The Ministry of Finance has laid down regulatory rules that give pension providers the opportunity to account for investments which, according to IFRS 9, are measured at fair value over comprehensive income, at amortised cost in the customer and company accounts. Storebrand Livsforsikring want to use this opportunity in the company accounts. For the consolidated accounts, the financial assets will be measured at fair value trough profit and loss, where the fair value option is used, as the insurance liabilities are measured at fair value.

STOREBRAND LIVSFORSIKRING GROUP

IFRS 9 - FINANCIAL INSTRUMENTS TO AMORTISED COST AND FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2022	Fair value after IFRS 9 1.1.2022	Booked value after IAS 39 31.12.2022	Fair value after IFRS 9 31.12.2022
Financial assets						
Bank deposits	AC	AC	9,139	9,139	13,470	13,470
Bonds and other fixed-income securities	AC	FVOCI	9,408	9,435	7,460	6,908
Accounts receivable and other short-term receivables	AC	AC	4,124	4,124	6,761	6,761
Total financial assets			**22,671**	**22,697**	**27,691**	**27,139**
Financial liabilities						
Subordinated loan capital	AC	AC	8,834	8,834	9,757	9,757
Other current liabilities	AC	AC	14,958	14,958	9,739	9,739
Total financial liabilities			**23,793**	**23,793**	**19,496**	**19,496**

IFRS 9 - FINANCIAL INSTRUMENTS AT FAIR VALUE

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2022	Fair value after IFRS 9 1.1.2022	Booked value after IAS 39 31.12.2022	Fair value after IFRS 9 31.12.2022
Financial assets						
Shares and fund units	FVP&L (FVO)	FVP&L	278,056	278,056	270,216	270,216
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	158,533	158,533	146,724	146,724
Bonds and other fixed-income securities	AC	FVP&L	113,416	116,745	117,701	108,489
Loans to customers	FVP&L (FVO)	FVP&L	7,443	7,443	6,757	6,757
Loans to customers	AC	FVP&L	23,052	23,060	21,628	21,193
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge acco-unting	4,855	4,855	14,289	14,289
Total financial assets			**585,355**	**588,693**	**577,315**	**567,669**
Financial liabilities						
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge acco-unting	3,092	3,092	12,640	12,640
Total financial liabilities			**3,092**	**3,092**	**12,640**	**12,640**

STOREBRAND LIVSFORSIKRING AS

IFRS 9 - FINANCIAL INSTRUMENTS TO AMORTISED COST AND FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2022	Fair value after IFRS 9 1.1.2022	Booked value after IAS 39 31.12.2022	Fair value after IFRS 9 31.12.2022
Finansielle eiendeler						
Bank deposits	AC	AC	5,245	5,245	8,814	8,814
Bonds and other fixed-income securities	AC	AC	122,824	122,799	125,160	125,132
Bonds and other fixed-income securities	FVP&L (FVO)	AC	24,577	24,528	18,013	17,385
Loans to customers	AC	AC	23,051	23,047	21,627	21,597
Accounts receivable and other short-term receivables	AC	AC	7,470	7,470	4,282	4,282
Total financial assets			**183,168**	**183,089**	**177,895**	**177,210**
Financial liabilities						
Subordinated loan capital	AC	AC	10,865	10,865	9,757	9,757
Other current liabilities	AC	AC	10,593	10,593	6,710	6,710
Total financial liabilities			**21,459**	**21,459**	**16,467**	**16,467**

IFRS 9 - FINANCIAL INSTRUMENTS AT FAIR VALUE

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2022	Fair value after IFRS 9 1.1.2022	Booked value after IAS 39 31.12.2022	Fair value after IFRS 9 31.12.2022
Finansielle eiendeler						
Shares and fund units	FVP&L (FVO)	FVP&L	126,685	126,685	118,130	118,130
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	56,508	56,508	53,787	53,787
Loans to customers	FVP&L (FVO)	FVP&L	133	133	122	122
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	2,678	2,678	4,925	4,925
Total financial assets			**186,004**	**186,004**	**176,964**	**176,964**
Financial liabilities						
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	1,638	1,638	4,083	4,083
Total financial liabilities			**1,638**	**1,638**	**4,083**	**4,083**

A survey of the effects for the Storebrand Livsforsikring group when transitioning from IAS 39 to IFRS 9 shows that the most significant changes when transitioning from IAS 39 to IFRS 9 will be related to hedge accounting and new calculation of expected loss. Provisions for losses shall in accordance with IFRS 9 be calculated based on the expected credit loss when a commitment is created and is continuously assessed for impairment in subsequent periods. At the end of 2022, the expected credit loss (ECL) is calculated at NOK 63.2 million for Storebrand Livsforsikring AS. Expected credit loss has not changed significantly compared to the loss provision under IAS 39. The most important changes in hedge accounting for Storebrand are that IFRS 9 sets different criteria for using hedge accounting than IAS 39. Under IFRS 9 there is no longer a requirement that the hedge must be within a given interval, it is opened up for the possibility of rebalancing the hedging under existing hedging conditions and to use several hedging instruments on the same hedging object. The transition to IFRS 9 has no accounting effects for existing hedges.

BALANCE SHEET ITEMS — NOT COVERED BY IFRS 9
Investment properties are measured at fair value.

Intangible assets comprise excess value relating to insurance contracts and customer relations acquired in connection with a business combination and acquired and self-developed IT solutions. Intangible assets is measured at acquisition cost less annual amortisation and write-downs.

The liabilities side of the balance sheet primarily comprises of insurance liabilities, but also includes items such as financial liabilities and minority shares of securities fund under management. With the exception of derivatives and minority shares, financial liabilities are measured at amortised cost.

Insurance liabilities must be adequate and cover liabilities relating to issued insurance contracts. Various methods and principles are used in the Group when assessing the reserves for different insurance contracts. A considerable part of the insurance liabilities relate to insurance contracts with interest guarantees. The recognised liabilities related to Norwegian insurance contracts with guaranteed interest rates are discounted by the basic interest rate (which corresponds to the guaranteed return/interest rate) for the respective insurance contracts.

The recognised liabilities related to the Swedish insurance contracts with guaranteed interest rates in the subsidiary SPP are discounted by an observable market interest rate and by an estimated market interest rate for terms to maturity when no observable interest rate is available and corresponds essentially to the same interest rate that is used in the solvency calculations.

In the case of unit-linked insurance contracts, reserves for the savings element in the contracts will correspond to the value of related asset portfolios.

Due to the fact that the customers' assets in the life insurance business (guaranteed pension) have historically yielded a return that has exceeded the increased value in guaranteed insurance liabilities, the excess amount has been set aside as customer buffers (liabilities), including in the form of additional reserves, value adjustment reserve and conditional bonus.

Insurance liabilities include Incurred But Not Settled (IBNS) reserves, which consist of amounts reserved for claims either incurred but not yet reported or reported but not yet settled (Incurred But Not Reported "IBNR" and Reported But Not Settled "RBNS"). IBNS reserves are included in the premium reserve.

IBNS reserves are measured using actuarial models based on historical information about the portfolio.

4. CHANGES IN ACCOUNTING POLICIES

New accounting standards that have a significant impact on the consolidated financial statements have not been implemented in 2022. For changes in estimates, see Note 2 for further information.

5. NEW IFRS THAT HAVE NOT ENTERED INTO FORCE

New standards and changes in standards that have not come into effect

NEW STANDARDS AND CHANGES IN APPLIED ACCOUNTING PRINCIPLES
IFRS 17 replaces IFRS 4 Insurance contracts with effect from 01.01.2023. Storebrand Livsforsikring will have to implement IFRS 17 in the consolidated accounts. For the company accounts of Storebrand Livsforsikring, there will be no occasion to follow IFRS 17, cf. the annual accounts regulations for life insurance companies.

IFRS 17 insurance contracts introduces new requirements for recognition, measurement, presentation and information about issued insurance contracts and reinsurance contracts. The purpose of the new standard is to establish a uniform practice in the accounting of insurance contracts and increased transparency between insurance companies.

5.1.1 SCOPE:
IFRS 17 establishes principles for recognition, measurement, presentation and information about insurance contracts. An insurance contract according to IFRS 17 is a contract where Storebrand accepts significant insurance risk from a policyholder by agreeing to pay compensation to the policyholder if an insured event affects the policyholder negatively. When classifying contracts under IFRS 17, the company takes into account its material rights and liabilitys, regardless of whether they originate from a contract, a law or a regulation. Contracts that have the legal form of an insurance contract, but which do not expose the company to significant insurance risk, are classified as investment contracts according to IFRS 9.

Storebrand uses reinsurance to limit insurance risk. Reinsurance contracts are covered by IFRS 17, but since the reinsurance program is relatively limited, it is not expected to have a major impact on the accounts.

5.1.2 AGGREGATION LEVEL FOR INSURANCE CONTRACTS

Under IFRS 17, insurance contracts are measured at group level. Groups of insurance contracts are determined by identifying portfolios of insurance contracts that include contracts that are subject to similar risks and are managed together. Storebrand identifies groups of insurance contracts by assessing the underlying insurance risk in the contracts and how changes in underlying assumptions affect the contracts. The insurance risks that are used in the assessment of the level of aggregation are described in more detail in note 7. Combined management is also assessed, including how the business areas follow up the insurance contracts internally, the levels that are used when reporting to management and in risk management. Contracts within different product lines or issued by different group companies are expected to be included in different portfolios of contracts.

Contracts within a portfolio must at least be divided into:

a. A group of contracts that are onerous at initial recognition.
b. A group of contracts which, upon initial recognition, have no significant risk of becoming onerous later.
c. A group of remaining contracts in the portfolio.

In addition, the standard prohibits the grouping of contracts issued more than one year apart in the same group, this implies a requirement for further division into annual cohorts based on the year of issue. In its adoption of IFRS 17, the EU has introduced an optional exemption from annual cohorts for directly participating contracts. This means that portfolios of participating insurance contracts are grouped solely based on profitability, regardless of year of issue. Storebrand has chosen to make use of the EU exemption from annual cohorts for contracts with direct participation features.

5.1.3 CASH FLOWS WITHIN THE BOUNDARIES OF A CONTRACT

When measuring a group of insurance contracts under IFRS 17, all future cash flows within the boundaries of an existing insurance contract are included. For certain product lines, Storebrand expects significant changes in the scope of cash flows to be included when recognising and measuring the insurance contracts.

Cash flows fall within the boundary of the insurance contract if they arise from material rights and liabilities that exist in the reporting period when the company can force the policyholder to pay the premiums, or when the company has a significant liability to provide insurance contract services to the policyholder. Such a liability to provide insurance contract services ends when:

- In practice, Storebrand has the opportunity to reassess the risks of the insurance contract and can thus set a price or a performance level that fully reflects these risks; or
- In practice, Storebrand has the opportunity to reassess the risks for the portfolio of insurance contracts that comprise the contract and thus set a price or a performance level that fully reflects the risks in this portfolio and the price determination up to the time when the risks are reassessed does not take into account the risks that apply to periods after the time of reassessment.

For guaranteed products, the contract's boundaries will usually include future premiums, as well as associated cash flows for fulfillment. This is due to the fact that the group does not have the opportunity to reassess the policyholder's risk and thus cannot determine a new price or performance level that fully reflects these risks. This applies both to the individual contract and at portfolio level.

The estimated cash flows for a group of contracts include all receipts and payments directly related to the fulfillment of insurance contract services. This includes benefits and compensation to the policyholders, including among other things:

- Premiums and any additional cash flows resulting from these premiums
- Claims and benefits to or on behalf of a policyholder.
- Costs of processing compensation claims.
- Costs for processing and maintaining policies.
- Transfers of insurance contracts
- Transaction-based taxes and fees for SPP.
- A distribution of fixed and variable expenses that are directly attributable to the fulfillment of insurance contracts (e.g. expenses for accounting, HR, and IT). The distribution is done at group level using systematic and rational methods that are applied consistently.

In addition, cash flows arising from expenses for the sale, underwriting and establishment of a group of insurance contracts will be included when measuring an insurance contract. This applies to cash flows that are directly attributable to the portfolio of insurance contracts to which the group belongs.

5.1.4 MEASUREMENT

IFRS 17 introduces a measurement model where the profit is recognized in the result over time as the company provides insurance-related services. The model is based on the present value of expected future cash flows that are expected to occur when the company fulfills contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

Insurance contracts are subject to different measurement method requirements based on whether the insurance contracts are classified as directly participating contracts which are measured according to the variable fee method or contracts without direct participation which are measured according to the general method. Direct participating insurance contracts are contracts where:

- The contract terms state that the policyholder participates in a share of a clearly identified group of underlying items.
- The company expects to pay the policyholder an amount corresponding to a significant proportion of the return on the fair value of the underlying items.
- The company expects that a significant proportion of a change in the amounts to be paid to the policyholder will vary with the change in the fair value of the underlying items.

Storebrand decides whether a contract meets the definition of a directly participating contract when the contract is entered. The contracts are not reclassified unless the contract is modified by changing the contract terms so that it no longer meets the conditions mentioned above.

Storebrand issues a number of insurance contracts which are essentially investment-related service contracts where the company promises an investment return based on underlying items. These satisfy the definition of directly participating insurance contracts and comprise a large part of the group's guaranteed products. Direct participating insurance contracts are covered by IFRS 17 and are measured according to the variable fee approach (VFA). Other insurance contracts have no elements of direct participation and are mainly measured according to the premium allocation approach (PAA), with the exception of group disability pensions which follow the general measurement method (GMM) due to the long coverage period.

The premium allocation approach (PAA) is an optional, simplified measurement model adapted to insurance and reinsurance contracts with a short coverage period of a maximum of one year. The coverage period is defined as the period when the company provides insurance contract services, this includes the insurance contract services that apply to all premiums within the limits of the contract. The premium allocation approach simplifies the measurement in that the liability for the remaining coverage period is based on premiums received, rather than the present value of expected future cash flows for fulfillment. Storebrand expects to apply the premium allocation approach to all non-life insurance and personal risk products in the Norwegian and Swedish markets, as well as employee insurance and certain pension-related insurances.

Unit link for Storebrand and fund insurance in SPP is considered not to satisfy the definition of an insurance contract according to IFRS 17 because the insurance risk is considered to be immaterial. The contracts are accordingly accounted for according to IFRS 9.

Company	Product	Measurement model
Storebrand Livsforsikring	Group pension, paid-up policy and paid-up policy with investment choice (Private)	VFA
	Individual endowment and pension insurance	VFA
	Group pension (Public)	VFA
	Company pension	VFA
	Group pension related disability	GMM
	Individual personal and person risk	PAA
SPP Pension & Försäkring	Individual pension insurance	VFA
	Group pension (Private)	VFA
	Individual pension related	PAA

5.1.5 MEASUREMENT: CONTRACTS THAT ARE NOT MEASURED ACCORDING TO THE PAA METHOD.

Upon initial recognition, the balance sheet value of the liability will be measured as the sum of:

1. An explicit, objective and probability-weighted estimate of all cash flows within the contract limit.
2. An adjustment for the time value of money based on a risk-free yield curve adjusted to reflect the liquidity of the cash flows.
3. An explicit risk adjustment for non-financial risk.
4. Contractual service margin (CSM) which represents the unearned profit that the company will recognise as it provides insurance contract services in accordance with the insurance contracts in the group.

On initial recognition, an insurance contract is not onerous if the following cash flows are a net inflow:

a. The performance cash flows allocated to the contract
b. Any previously recognized cash flows upon acquisition and
c. Any cash flows arising from the contract upon initial recognition.

Contractual service margin is the amount that gives no profit in the profit and loss account when first recognized and is included in the insurance liability for contracts that are not onerous. The contractual service margin is systematically recognised in the income statement over the coverage period based on the pattern of transferred insurance contract services. The determination of the dissolution pattern is subject to a significant exercise of discretion and is determined by:

- Identify the coverage units in the group based on the amount of insurance contract services provided under the contracts in the group and expected cover period.
- Allocate the contractual service margin equally to each individual coverage unit that is provided in the current period, and which is expected to be provided in the future.
- Include in the result the amount that is distributed among the coverage units provided in the period.

The coverage units are determined based on the expected duration associated with the group of insurance contracts. For the calculation of the coverage unit per group of insurance contracts, the policyholders' reserves are used as the starting point for the assessment for Storebrand's insurance contracts. For SPP, the Policyholders' funds including LKT are used as a starting point for the assessment of coverage units.

If the contractual service margin is negative, the company will recognize a loss in the result corresponding to the net outgoing flow for the group of onerous contacts. The determination of a loss component means that the balance sheet value of the liability for the group is equal to the cash flows for fulfillment, and that the group's contractual service margin is equal to zero after the loss is recognised.

Upon subsequent measurement, the balance sheet value of a group of insurance contracts at the reporting date will correspond to the sum of the liability for remaining coverage and the liability for incurred claims. The liability for the remaining coverage period corresponds to the present value of future cash flows for fulfillment that relate to future services and remaining contractual contractual contract regulated service margin (CSM). The liability for incurred claims includes cash flows for fulfillment relating to incurred claims, including events that have occurred but for which no claim has been reported, and other incurred insurance expenses.

The present value of expected future cash flows is updated at the end of each period based on updated estimates for future cash flows, interest rate curve and risk adjustment for non-financial risk. The change in cash flows for fulfillment is recognised as follows for contracts measured according to the VFA method:

Changes that apply to future services, for example changes in assumptions about longevity, disability and mortality.	Adjusted against contractual service margin
Changes that apply to current or previous services, for example deviations in estimates and events related to long life, disability and mortality.	Recognised in the result from insurance services
Effect as a result of the time value of money, financial risk and the effect of these on the cash flows	Adjusted against contractual service margin

In subsequent measurements, the contractual service margin is only adjusted for changes that apply to future services. This means that changes in cash flows for future services are recognised in the result as the company provides services. At the end of each reporting period, the contractual service margin represents the profit that is not recognised in the income statement as a gain or loss as a result of the fact that it relates to future services.

One of the main differences between VFA and GMM is that, when applying the VFA method, the CSM must be adjusted for effects resulting from market variables and the effect of these on the cash flows. The purpose of the adjustment is to reduce mismatch and volatility by the company's share of changes in the value of the underlying portfolio being included in the service margin.

When applying the general method, the company does not have the opportunity to make such an adjustment. The change in cash flows for fulfillment is thus recognised as follows for contracts measured according to the general method:

Changes that apply to future services, for example changes in assumptions about longevity, disability and death.	Adjusted against contractual service margin
Changes that apply to current or previous services, for example deviations in e stimates and events related to long life, disability and death.	Recognised in the result from insurance services
Effect as a result of the time value of money, financial risk and the effect of these on the cash flows	Recognised as financial insurance income or expenses.

CONSEQUENCE OF THE CHANGES IN THE INCOME STATEMENT:

Changes from IFRS 4	Effect on equity when transitioning to IFRS 17
The present value of cash flows for fulfillment increases as a result of a reduction in discounting since IFRS 17 requires the use of updated assumptions.	Decrease
IFRS 17 requires the calculation of a risk adjustment for non-financial risk that adjusts the present value of cash flows for fulfillment.	Decrease
The contractual service margin at transition is determined using the fair value method.	Decrease
Reclassification of the risk equalisation fund from equity to liability.	Decrease
Under IFRS 4, Value-of-in-force (VIF) which arise from connection with acquisitions are classified as intangible assets and are amortised on an ongoing basis. With the introduction of IFRS 17, VIF is included as part of CSM and thus total intangible assets will be reduced by the transition to IFRS 17.	Decrease

5.1.6 CONTRACTS MEASURED ACCORDING TO THE PREMIUM ALLOCATION APPROACH

When each group of insurance contracts is recognised for the first time, the balance sheet value of the liability for the remaining coverage period will be measured as the sum of received premiums at the time of recognition. Storebrand has chosen to recognise cash flows for the acquisition of insurance contracts in the profit and loss account when they are incurred.

Upon subsequent measurement, the balance sheet value of the liability for the remaining coverage period will be increased by new premiums received and reduced by the proportion of premiums the company recognise in the period for services the company has provided. The insurance income for the period is equal to the amount of expected premium payments allocated over the period. The expected premium payments are allocated over each period on the basis of the passage of time, unless the expected pattern of release of risk in the coverage period differs significantly from the passage of time. Since Storebrand provides insurance services within one year of the premiums being received, there will be no need to adjust the liability for the remaining coverage period for the time value of money in accordance with IFRS 17.

If facts and circumstances at one point or another during the coverage period indicate that a group of insurance contracts is onerous, Storebrand will recognise a loss in the profit and loss account and increase the liability for the remaining coverage period accordingly Storebrand will recognize a liability for incurred claims for claims that have occurred as of the reporting date. The cash flows for incurred claims are adjusted for non-financial risk (risk adjustment) and discounted using the current interest rate curve if the cash flows are expected to be paid out more than 12 months from the date of the damage. The premium distribution model applies similarly to reinsurance contracts with certain adjustments that reflect that the reinsurance contracts held by the company usually imply that the insured company has a net asset and that the risk adjustment is negative.

Changes from IFRS 4	Effect on equity when transitioning to IFRS 17
Effect on equity when transitioning to IFRS 17. The present value of cash flows for fulfillment related to claims incurred is discounted if the cash flows are paid more than 12 months from the date of claim.	Increase
IFRS 17 requires the calculation of a risk adjustment for non-financial risk that adjusts the present value of cash flows for fulfillment. This is not a requirement under IFRS 4.	Decrease
IFRS 17 requires an adjustment of the income profile / liability for remaining coverage if the expected pattern of release of risk in the coverage period differs significantly from the course of time.	Increase / Decrease

5.1.7 SIGNIFICANT USE OF JUDGMENT AND ESTIMATES

IFRS 17 requires substantial use of judgment and estimates during the classification, recognition and measurement of insurance contracts. Areas that require significant use of judgment and estimates include:

- Estimation of cash flows for fulfillment.
- Determining the discount rate.
- Determination of risk adjustment for non-financial risk.
- Identifying the coverage units in a group of insurance contracts and determining the pattern for recognition of CSM over the coverage period based on the services provided.

5.1.8 RISK ADJUSTMENT

The risk adjustment for non-financial risk relates to risk arising from insurance contracts other than financial risk. The following non-financial risks will be included in risk adjustment:

- mortality
- long life
- disability/reactivation
- non-life insurance risk
- lapse
- expenses
- disaster

The risk adjustment under IFRS 17 will be calculated based on the cost of capital. This is similar to the risk margin under Solvency II with some adjustments, mainly excluding operational risk and counterparty risk. The confidence level will be calculated by the partial internal model, including a simplified approach for risks not included in the partial internal model.

5.1.9 DISCOUNT RATE

To calculate a present value of future expected cash flows, a discount rate must be defined that reflects the time value of money and the financial risks associated with these cash flows. The discount curve is determined for the first time at the time of transition and then continuously at each reporting time. Storebrand has chosen to use a bottom-up method for determining the discount rate, where a risk-free yield curve is used that is adjusted for liquidity premium to reflect the liquidity characteristics of the insurance contracts.

5.1.10 TRANSITION TO IFRS 17

The company must provide information that enables users of the accounts to identify the impact on the measurement of the insurance contracts at the time of transition. As a starting point, the retrospective transition method must be applied to the opening balance, but it is open to a modified retrospective transition method or application based on fair value at the time of transition if retrospective application is not practically possible ("impracticable"). Storebrand has decided to use the determination of fair value at the time of transition when transitioning to IFRS 17 where the retrospective transition method is considered not to be practically feasible, this applies to large parts of contracts with a coverage period of more than one year. Storebrand uses the fair value hierarchy in accordance with IFRS 13 where fair value reflect the market price that two well-informed parties would agree as a fair transaction price. For products where there is an active relocation market, the relocation value is used as an estimate of fair value. For product categories where there is no active market, Storebrand use relevant transactions as reference points to determine the market price. By using the fair value method at the time of transition on January 1st 2022, the difference between the fair value of a group of contracts and the cash flows for fulfillment with additions for risk adjustment in accordance with IFRS 17 forms the basis for the contractual service margin (contractual service margin – CSM). For all contracts measured under the fair value method, Storebrand has used reasonable and documentable information available at the time of transition on January 1st 2022 to make assessments related to the recognition and measurement of the contracts, including:

- Determining the level of aggregation based on portfolios and profitability groups.
- Determination of risk adjustment.
- Determination of the measurement method, including assessment of criteria for the use of PAA for contracts with a short coverage period and VFA for contracts that satisfy the definition of directly participating contracts.
- How to identify discretionary cash flows for insurance contracts without direct participation

On the transition to IFRS 17, preliminary calculations indicate a decrease in equity of approximately 20% compared to the current standard. There is uncertainty associated with the estimate and there may be changes towards the determination of the quarterly report for the 1st quarter of 2023. The decrease in equity will mainly be offset by the establishment of CSM. Under IFRS 4, Value-of-in-force (VIF) which arise in connection with acquisitions are classified as intangible assets and are amortised on an ongoing basis. With the introduction of IFRS 17, VIF is included as part of CSM and thus total intangible assets will be reduced by the transition to IFRS 17.

There are no other new or changed accounting standards that have not entered into force that are expected to have a significant effect on Storebrand's consolidated financial statements.

6. CONSOLIDATION

For Storebrand Livsforsikring AS (the parent company), subsidiaries that are included in the collective portfolio are recognised according to the equity method, while subsidiaries that are included in the company portfolio are recognised according to the cost method. For subsidiaries that prepare accounts in accordance with principles other than those that apply to the insurance company, the subsidiary's financial statements are restated to comply with the principles under which the insurance company's accounts are prepared.

The consolidated financial statements combine Storebrand Livsforsikring AS and companies where Storebrand Livsforsikring AS has a controlling interest. Minority interests are included in the Group's equity, unless there are options or other conditions that entail minority interests being measured as liabilities.

Storebrand Livsforsikring AS also owns Storebrand Danica AS and the Swedish holding company Storebrand Holding AB, which in turn owns SPP Pension & Försäkring AB (publ). On acquiring the Swedish operations in 2007, the authorities instructed Storebrand to make an application to maintain a group structure by the end of 2009. Storebrand has filed an application to maintain the existing group structure. Dispensation has been granted to run life insurance business in Storebrand Livsforsikring AS and Storebrand Danica Pensjonsforsikring AS until the end of 2023.

Investments in associated companies (normally investments of between 20 per cent and 50 per cent of the company's equity) in which the Group exercises significant influence, and investments in joint ventures are recognised in accordance with the equity method. Investments in associated companies and joint ventures are initially recognised at acquisition cost.

CURRENCIES AND TRANSLATION OF FOREIGN COMPANIES' ACCOUNTS
The Group's presentation currency is Norwegian kroner. Foreign companies that are part of the Group and have different functional currencies are converted to Norwegian kroner. Translation differences are included in the total comprehensive income.

ELIMINATION OF INTERNAL TRANSACTIONS
Internal receivables and payables, internal gains and losses, interest, dividends and similarities between companies in the Group are eliminated in the consolidated financial statement. Transactions between the customer portfolios and the company portfolio in the life insurance business and between the customer portfolios in the life insurance business and other companies in the Group will not be eliminated in the consolidated accounts. The reason for this is that the result in the customer portfolio is assigned to the customers each financial year and must not influence the result and equity of the company. Pursuant to the life insurance regulations, transactions with customer portfolios are carried out at fair value.

7. 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 expensed when they arise, with the exception of expenses related to raising debt or equity (new issues).

When making investments in subsidiaries, including purchasing investment properties, a decision is made as to whether the purchase constitutes 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 is not applied. Among other things, this does not entail provisions for deferred tax such as for business combinations.

8. SEGMENT INFORMATION

The segment information is based on the internal financial reporting structure of the most senior decision-maker. At Storebrand, the executive management is responsible for following-up and evaluating the results of the segments and is defined as the most senior decision-maker. Four segments are reported for:
- Savings
- Insurance
- Guaranteed Pension
- Other

There are some differences between the result lines used in the income statement and the segment results. The Group's income statement includes gross income and costs linked to both the insurance customers and owners (shareholders). The segment results only include result elements relating to owners (shareholders) which are the result elements that the Group has performance measures and follow-up for.

Financial services provided between segments are priced at market terms. Services provided from joint functions and staff are charged to the different segments based on supply agreements and distribution keys.

9. INCOME RECOGNITION

PREMIUM INCOME
Net premium income includes the year's premiums written (including savings elements, administration premium, fees for issuing Norwegian interest rate guarantees and profit element risk), premium reserves transferred and ceded reinsurance. Annual premiums are generally accrued on a straight-line basis over the coverage period.

INCOME FROM PROPERTIES AND FINANCIAL ASSETS
Income from properties and financial assets are described in Sections 12 and 13.

OTHER INCOME
Fees are recognised when the income can be measured reliably and is earned. Return-based revenues and performance fees are recognised when the uncertainty associated with the income is no longer present. Fixed fees are recognised as income in line with delivery of the service.

10. GOODWILL AND INTANGIBLE ASSETS

Added value when acquiring a business that cannot be directly attributable to assets or liabilities on the date of the acquisition is classified as goodwill on the balance sheet. Goodwill is measured at acquisition cost on the date of the acquisition and classified as an intangible asset.

Goodwill is not amortised, but is tested for impairment annually when assessing the recoverable amount or if there are indications that impairment has occurred. Upon subsequent measurement, goodwill is allocated to relevant cash-generating units where future cash flows are expected to flow. If the discounted cash flow for the cash-generating unit(s) that goodwill is allocated to is lower than the recognised value, goodwill will be written down. Reversal of an impairment loss for goodwill is prohibited even if information later comes to light showing that there is no longer a need for the write-down or the impairment loss has been reduced.

Intangible assets with limited useful economic lives are measured at acquisition cost less accumulated amortisation and any write downs. The useful life and amortisation method are measured each year. With initial recognition of intangible assets in the balance sheet, it must be demonstrated that probable future economic benefits attributable to the asset will flow to the Group. The acquisition cost of the asset must also be reliably estimated. The value of an intangible asset is tested for impairment when there are indications that its value has been impaired, normally by the related cash-generating unit(s) being tested Intangible assets are otherwise subject to write-downs and reversals of write-downs in the same manner as described for tangible fixed assets.

11. ADEQUACY TEST FOR INSURANCE LIABILITIES AND RELATED EXCESS VALUES

A liability adequacy test must be conducted of the insurance liability pursuant to IFRS 4 each time the financial statements are presented. The test conducted in Storebrand's consolidated financial statement is based on the Group's calculation of capital.

12. INVESTMENT PROPERTIES

Investment properties are measured at 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. Income from investment properties consists of both changes in fair value and rental income.

Investment properties primarily consist of centrally located office buildings, shopping centres and logistics buildings. Investment properties are properties leased to tenants outside the Group. In the case of properties partly occupied by the Group for its own use and partly let to tenants, the identifiable tenanted portion is treated as an investment property. All properties are measured at fair value and the changes in value are allocated to the customer portfolios.

13. FINANCIAL INSTRUMENTS

13-1. GENERAL POLICIES AND DEFINITIONS
Recognition and derecognition

Financial assets and liabilities are included in the balance sheet from such time Storebrand becomes party to the instrument's contractual terms and conditions. General purchases and sales of financial instruments are recorded on the transaction date. When a financial asset or a financial liability is initially recognised in the financial statements, it is valued at fair value.

Initial recognition includes transaction costs directly related to the date of acquisition or issue of the financial asset/liability if the financial asset/liability is not measured at fair value through profit or loss.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognised in the balance sheet when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

Measurement of impairment and doubtful financial assets

For financial assets carried at amortised cost, an assessment is made on each reporting date whether there is any objective evidence that a financial asset or group of financial assets have incurred losses.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate calculated at initial recognition). The amount of the loss is recognised in the income statement.

Losses expected as a result of future events, no matter how likely, are not recognised.

13-2. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified into one of the following categories:

- Financial assets held for trading
- Financial assets at fair value through profit or loss in accordance with the fair value option (FVO)
- Financial assets held to maturity
- Financial assets, loans and receivables

HELD FOR TRADING

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling or repurchasing it in the short term,
- is part of a portfolio of identified financial instruments that are managed together and there is evidence of a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

With the exception of derivatives, only a limited proportion of Storebrand's financial assets fall into this category.

Financial assets held for trading are measured at fair value at the reporting date, Changes in fair value are recognised in the income statement.

At fair value through profit or loss in accordance with the fair value option (FVO).

A significant proportion of Storebrand's financial instruments are classified in the category of fair value through profit or loss because:

- 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, or
- the financial assets form part of a portfolio that is managed and reported on a fair value basis.
- The accounting is equivalent to that of the held for trading category (the instruments are measured at fair value and changes in value are recognised in the income statement).

Investments held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity and that a company has the intention and ability to hold to maturity, with the exception of:

- assets that are designated upon initial recognition as assets at fair value through profit or loss, or
- assets that are defined as loans and receivables.

Assets held to maturity are recognised at amortised costs using the effective interest method. The category is used in the Norwegian life insurance business for assets linked to insurance contracts with interest rate guarantees.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of assets that the company intends to sell immediately or in the near term that are classified as held for trading and those that the company upon initial recognition designates at fair value through profit or loss.

Loans and receivables are recognised at amortised cost using the effective interest method. The category is used in the Norwegian life insurance business linked to insurance contracts with a guaranteed interest rate, and in the banking business.

Loans and receivables that are designated as hedged items are subject to measurement under the hedge accounting requirements.

13-3. DERIVATIVES

Accounting treatment of derivatives that are not hedging

Derivatives that do not meet the criteria for hedge accounting are recognised as financial instruments held for trading. 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.

Some of the Group's insurance contracts contain embedded derivatives such as interest rate guarantees. These insurance contracts do not follow the accounting standard IAS 39 Financial Instruments, but instead follow the accounting standard IFRS 4 Insurance Contracts, and the embedded derivatives are not continually measured at fair value.

13-4. HEDGE ACCOUNTING

Fair value hedging
Storebrand uses fair value hedging for the interest rate risk. The items hedged are 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.

Cash flow hedging
Some borrowing in foreign currency is hedged by means of hedging instruments (derivatives). Storebrand uses cash flow hedging of the foreign exchange risk on the principal amount and foreign exchange risk for the credit margin. The net ongoing changes in value in the hedging instrument that is considered effective hedging are recognised in total comprehensive income and the non-effective share is recognised through profit or loss.

Hedging of net investments
Hedging of net investments in foreign businesses is recognised in the accounts in the same way as cash flow hedging. Gains and losses on the hedging instrument that relate to the effective part of the hedging are recognised through total comprehensive income, while gains and losses that relate to the ineffective part are recognised in the income statement. The total loss or gain in equity is recognised in the income statement when the foreign business is sold or wound up.

13-5. FINANCIAL LIABILITIES
Subsequent to initial recognition, all financial liabilities that are not derivatives are primarily measured at amortised cost using an effective interest method.

14. INSURANCE LIABILITIES

The accounting standard IFRS 4 Insurance Contracts addresses the accounting treatment of insurance contracts. Storebrand's insurance contracts fall within the scope of this standard. IFRS 4 is a temporary standard until IFRS 17 is to be used. IFRS 4 allows the use of non-uniform principles for the treatment of insurance contracts in the consolidated financial statements. In the consolidated financial statements, the insurance liabilities in the respective subsidiaries are included as these as these are calculated based on the laws which apply in the individual/respective countries. This also applies to insurance contracts acquired via business combinations. In such cases, positive excess values are capitalised as assets.

Pursuant to IFRS 4, provisions for insurance liabilities must be adequate. When assessing the adequacy associated with recognised acquired insurance contracts, reference must also be made to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and Solvency II calculations.

An explanation of the accounting policies for the most important insurance liabilities can be found below.

14-1. GENERAL – LIFE INSURANCE

Claims for own account
Claims for own account comprise claims settlements paid out, less reinsurance received, premium reserves transferred to other companies, and reinsurance ceded.

Changes in insurance liabilities
Changes in insurance liabilities comprise premium savings that are taken to income under premium income and payments, as well as changes in provisions for future claims This item also includes added guaranteed returns on the premium reserve and the premium fund, as well as returns to customers beyond the guaranteed returns.

Insurance liabilities (premium reserve)
The premium reserve represents the present value of the company's total expected insurance liabilities, including future administration costs in accordance with the individual insurance contracts, after deducting the present value of agreed future premiums. In the case of individual account policies with flexible premium payments, the total policy value is included in the premium reserve. The premium reserve is equivalent to 100 per cent of the guaranteed surrender or transfer value of insurance contracts prior to any fees for early surrender or transfer and the policies' share of the market value adjustment reserve.

The premium reserve is calculated using the same assumptions as those used to calculate premiums for the individual insurance contracts, i.e. assumptions about mortality and disability rates, interest rates and costs. Premium tariffs are based on the observed level of mortality and disability in the population with the addition of security margins that include expected future developments in this respect.

The premium reserve includes reserve amounts for future administration costs for all lines of insurance including settlement costs (administration reserve). In the case of paid-up contracts, the present value of all future administration costs is allocated in full to the premium reserve. In the case of contracts with future premium payments, a deduction is made for the cash value of the proportion of future administration costs expected to be financed by future premium receipts.

A substantial proportion of the Norwegian insurance contracts have a one-year interest rate guarantee, meaning that the guaranteed return must be achieved every year. In the Swedish business, there are no contracts with an annual interest rate guarantee, but there are insurance contracts with a terminal value guarantee.

Insurance liabilities, special investments portfolio
Insurance liabilities associated with the value of the special investments portfolio must always equal the value of the investments portfolio assigned to the contract. The proportion of profit in the risk result is included. The company is not exposed to investment risk on customer assets, since the customers are not guaranteed a minimum return. Only exception is in the event of death, when the beneficiaries are repaid the amount originally paid in for annuity insurance and for customer assets in the guarantee portfolio Garantikonto and Garanti90.

IBNS reserves
Included in the premium reserve for insurance risk are provisions for claims either occurred but not yet reported or reported but not yet settled. IBNR are reserves for potential future payments when Storebrand has yet to be informed about whether an instance of disability, death or other instance entailing compensation has occurred. Since Storebrand is neither aware of the frequency nor the amount payable, IBNR is estimated using actuarial models based on historical information about the portfolio. Correspondingly, RBNS is a provision for potential future payments when Storebrand has knowledge of the incident, but has not settled the claim. Actuarial models based on historical information are also used to estimate the reserves.

Transfers of premium reserves, etc. (transfers)
Transfers of premium reserves resulting from transfers of policies between insurance companies are recorded in the profit and loss account as net premiums for own account in the case of reserves received and claims for own account in the case of reserves paid out. The recognition of costs and income takes place on the date the insured risk is ceded. The premium reserve in the insurance liabilities is reduced/ increased on the same date. The premium reserve transferred includes the policy's share of additional statutory reserves, the market value adjustment reserve, buffer fund, conditional bonus and the profit for the year. Transferred additional reserves and buffer funds are not shown as part of premium income, but are reported separately as changes in insurance liabilities. Transferred amounts are classified as current receivables or liabilities until the transfer takes place.

Selling costs
All selling costs in the Norwegian life insurance business are expensed as they are accured, whilst in the Swedish business, parts of the selling costs are recorded in the balance sheet and amortised over the expected duration of the contract.

14-2. LIFE INSURANCE – NORWAY

Additional statutory reserves
The company is allowed to make allocations to the additional statutory reserves to ensure the solvency of its life insurance business. These additional reserves are divided among the contracts and can be used to cover a negative interest result up to the interest rate guarantee. In the event that the company does not achieve a return that equals the interest rate guarantee in any given year, the allocation can be reversed from the contract to enable the company to meet the interest rate guarantee. This will result in a reduction in the additional statutory reserves and a corresponding increase in the premium reserve for the contract. For allocated annuities, the additional statutory reserves are paid in instalments over the disbursement period.

The additional statutory reserves cannot exceed 12 per cent of the premium reserve. If the limit is exceeded, the excess amount is assigned to the contract as surplus.

Premium fund, deposit reserve and pensioners' surplus fund
The premium fund contains premiums prepaid by policyholders as a result of taxation regulations for individual and group pension insurance and allocated profit shares. The contribution fund contains payments and deposits for employees who have been members for less than 12 months. Credits and withdrawals are not recognised through the income statement but are taken directly to the balance sheet.

The pensioners' surplus fund comprises surplus assigned to the premium reserve in respect of pensions in group payments. The fund is applied each year as a single premium payment to secure additional benefits for pensioners

Buffer fund
Rules on a pooled and customer-distributed buffer fund were introduced for municipal pension schemes with effect from 1st of January 2022. The buffer fund replaced previous additional statutory reserves and market value adjustment reserve for municipal pension schemes. The buffer fund is distributed among the contracts and can be used to cover a negative interest result until the contract's annual interest rate guarantee. If the company does not achieve a return in one year that corresponds to the annual interest rate guarantee, the buffer fund can be withdrawn from the contract so that the company is able to meet the annual interest rate guarantee. This means that the buffer fund is reduced and that the premium reserve is increased accordingly on the contract.

Market value adjustment reserve
The current year's net unrealised gains/losses on financial assets at fair value in the group portfolio are allocated to or reversed from the market value adjustment reserve in the balance sheet assuming the portfolio has a net unrealised excess value. The portion of the current year's net unrealised gains/losses on financial current assets denominated in foreign currencies that can be attributed to fluctuations in exchange rates is not transferred to the market value adjustment reserve. The foreign exchange fluctuations associated with investments denominated in foreign currencies are largely hedged through foreign exchange contracts on a portfolio basis. Similarly, the change in the value of the hedging instrument is not transferred to the market value adjustment reserve, but is charged directly to the profit and loss account. Pursuant to accounting standard for insurance contracts (IFRS 4) the market value adjustment reserve is shown as a liability.

Risk equalisation reserve
Up to 50 per cent of the positive risk result for group pensions and paid-up policies can be allocated to the risk equalisation fund to cover any future negative risk result. The risk equalisation reserve is not considered to be a liability according to IFRS and is included as part of the equity (undistributable equity).

14-3. LIFE INSURANCE SWEDEN

Life insurance liabilities
The life insurance liabilities are estimated as the present value of the expected future guaranteed payments, administrative expenses and taxes, discounted by the current risk-free interest rate. Insurance reserves with guaranteed interest rates in SPP use a marked-based yield curve. A real discount curve is used for risk insurance within the defined-contribution portfolio. For endowment insurance within the defined-benefit and defined-contribution portfolios, as well as sickness insurance in the defined-benefit portfolio, the provisions are discounted using the nominal yield curve. As a starting point, the applicable discount rate is determined based on the methods used for the discount rate in Solvency II.

When calculating the life insurance liabilities, the estimated future administrative expenses that may reasonably be expected to arise and can be attributed to the existing insurance contracts are taken into account. The expenses are estimated according to the company's own cost analyses and are based on the actual operating costs during the most recent year. Projection of the expected future costs follow the same principles on which Solvency II is based. Any future cost-rationalisation measures are not taken into account.

Conditional bonus and deferred capital contribution
The conditional bonus arises when the value of customer assets is higher than the present value of the liabilities, and thus covers the portion of the insurance capital that is not guaranteed. In the case of contracts where customer assets are lower than liabilities, the owners' result is charged via deferred capital contribution allocations. The conditional bonus and deferred capital contribution are recognised on the same line in the balance sheet as part of the buffer capital.

14-4. P&C INSURANCE

Costs related to insurance claims are recognised when the claims occur. The following allocations have been made:

Reserve for unearned premium concerns on-going policies that are in force at the time the financial statements were closed and is intended to cover the contracts' remaining risk period.

The claims reserve is a reserve for expected claims that have been reported, but not settled (RBNS). The reserve also covers expected claims for losses that have been incurred, but have not been reported (IBNR) at the expiry of the accounting period. In addition, claims reserves shall include a separate provision for future claims on losses that have not been settled.

15. PENSION LIABILITIES FOR OWN EMPLOYEES

Storebrand has country-specific pension schemes for its employees. The schemes are recognised in the accounts in accordance with IAS 19. In Norway, Storebrand has a defined-contribution pension. Storebrand is a member of the Norwegian contractual early retirement (AFP) pension scheme. The Norwegian AFP scheme is regarded as a defined-benefit scheme, but there is insufficient quantitative information to be able to estimate reliable accounting liabilitys and costs.

In Sweden, SPP has agreed, in accordance with the Finance Companies' Service Pension Plan (BTP Plan), to collective, defined-benefit pension plans for its employees. A group defined-benefit pension implies that an employee is guaranteed a certain pension based on the pay scale at the time of retirement on termination of the employment.

15-1. DEFINED-BENEFIT SCHEME

Pension costs and pension liabilitys 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.

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

15-2. DEFINED-CONTRIBUTION SCHEME

A defined-contribution pension scheme involves the Group in paying an annual contribution to the employees' collective pension savings. The future pension will depend upon the size of the contribution and the annual return on the pension savings. The Group does not have any further work-related liabilities after the annual contribution has been paid. No provisions are made for ongoing pension liabilities for these types of schemes. Defined-contribution pension schemes are recognised directly in the financial statements.

16. TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

The Group's tangible fixed assets comprise fixtures and fittings, IT systems and properties used by the Group for its own activities.

Fixtures and fittings and IT systems are valued at acquisition cost less accumulated depreciation and any write-downs.

Properties used for the Group's own activities are measured at appreciated value less accumulated depreciation and write-downs. The fair value of these properties is tested annually in the same way as described for investment properties. The increase in value for buildings used by the Group for its own activities is recognised through total comprehensive income. Any write-down of the value of such a property is recognised first in the revaluation reserve for increases in the value of the property in question. If the write-down exceeds the revaluation reserve for the property in question, the excess is expensed over the profit and loss account.

The write-down period and method are reviewed annually to ensure that the method and period being used both correspond to the useful economic life of the asset. The disposal value is similarly reviewed. Properties are split into components if different parts have different useful economic lives. The depreciation period and method of depreciation are measured then separately for each component.

The value of a tangible fixed asset is tested when there are indications that its value has been impaired. The impairment test is carried out for each asset if the asset primarily has independent, inward cash flows, or possibly a larger cash-generating unit. Any impairment losses are charged to the income statement as the difference between the carrying value and the recoverable amount. The recoverable amount is the greater of the fair value less costs of sale and the value in use. On each reporting date it is determined as to whether there is a basis for reversing previous impairment losses on non-financial assets.

17. TAX

The Group's tax liabilities are valued in accordance with IAS 12 and clarifications in IFRIC 23.

The tax cost in the income statement consists of tax payable and changes in deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in 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 on the basis of the Group's tax loss carryforward, deductible temporary differences and taxable temporary differences.

Any deferred tax assets shall be recognised if it is considered probable that the tax asset will be recovered. Assets and liabilities associated with deferred tax are recognised as a net amount when there is a legal right to offset assets and liabilities for tax payable and the Group has the ability and intention to settle net tax payable.

Changes in assets and liabilities associated with deferred tax that are due to changes in the tax rate are generally recognised in the income statement.

Reference is made to Note 28 - Tax for further information.

18. PROVISION FOR DIVIDENDS AND GROUP CONTRIBUTIONS

In the consolidated financial statement, the proposed dividend and group contributions are classified as equity until approved by the general meeting and presented as liabilities after this date. The proposed dividend and group contributions are not included in the calculation of the solvency capital. In the company accounts for Storebrand Livsforsikring AS, provision is made for proposed dividends and group contributions in accordance with the exemption of company accounts in accounting regulations for life insurance company.

19. LEASES

Leases are recognised in the balance sheet. The present value of the combined lease payments shall be recognised on the balance sheet as debt and an asset that reflects the right of use of the asset during the lease period. Storebrand has chosen to classify the right to use the asset as tangible fixed assets and the lease liability as other debt. The recognised asset is amortised over the lease period and the depreciation expense is recognised as an operating expense on an ongoing basis. The interest expense on the lease liability is recognised as a financial expense. Leases with a duration of less than 12 months and leases that include assets valued at less than approximately NOK 50,000 will not be recognised in the balance sheet, but rental amounts will be recognised as an operating expense over the lease period.

20. STATEMENT OF CASH FLOWS

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

Note 2 Critical accounting estimates and judgements

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

A description of the most important elements and assessments in which discretion is used and which may influence recognised amounts or key figures is provided below and in Note 47 for Solvency II and in Note 28 for Tax.

Actual results may differ from these estimates.

INSURANCE CONTRACTS

Insurance risk is the risk of higher than expected payments and/or unfavourable changes in the value of an insurance liability due to the actual development differing from what was expected when premiums or provisions were calculated.

In the consolidated accounts, insurance liabilities with guaranteed interst rates are included, but using different principles in the Norwegian and the Swedish activities. An immaterial asset (value of business in-force – VIF) linked to the insurance contracts in the Swedish activities is also included. This asset originated from Storebrand's purchase of the insurance business. There are several factors that may have an impact on the size of the insurance liabilities including VIF, such as biometric factors relating to higher life expectancy, future returns and invalidity, as well as the development of future costs and legal aspects, such as amendments to legislation and judgments handed down in court cases, etc.

In the long term, a low interest rate will represent a challenge for insurance contracts with a guaranteed interest rate and, together with a reduced customer buffer, may have an impact on the amount recorded that is linked to the insurance contracts. The Norwegian insurance contracts with guaranteed interest rates are discounted at the premium calculation rate (around 2.9 per cent). The Swedish insurance liabilities with guaranteed interest rates have been discounted by a yield curve that coincides with the Solvency II yield curve.

In the Norwegian business, a significant share of the insurance contracts have annual interest rate guarantees. Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the market value adjustment reserve and additional statutory reserves, so that the effect on the owner's result may be limited. Correspondingly, an increase in value, to a large extent, increase the size of such funds.

In the Swedish business, there are no contracts with an annual interest rate guarantee, but there are insurance contracts with interest rate guarantees which enable them to receive a guaranteed terminal value. These contracts are discounted by a market-based calculated interest rate where parts of the yield curve used are not liquid. Changes in the discount rate may have a significant impact on the size of the insurance liabilities and impact the result. If the associated customer assets have a higher value than the recognised value of these insurance liabilities, then the difference will represent a conditional customer allocated fund – conditional bonus (buffer capital). Changes in the assumptions for future cost, mortality and other biometric assumptions may also have a significant impact on the recognised insurance liabilities. Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the conditional bonus, so that the effect on the owner's result may be limited. If the value of the individual insurance contract is higher than the associated customer assets, the owner will have to cover the deficient capital.

Further information about insurance liabilities is provided in Notes 7, 39 and 40.

INVESTMENT PROPERTIES

Investment properties are measured at fair value. The commercial real estate market in Norway and Sweden is not particularly liquid, nor is it transparent. Uncertainty will be linked to the valuations, and they require exercise of professional judgement, especially in periods with turbulent finance markets.

Key elements included in valuations that require exercising judgement are:

- Market rent and vacancy trends
- Quality and duration of rental income
- Owners' costs
- Technical standard and any need for upgrading
- Discount rates for both certain and uncertain cash flows, as well as residual value

External valuations are also obtained for parts of the portfolio every quarter. All properties must have an external valuation during at least a 3 year period.

Reference is also made to Note 8 and 13 in which the valuation of investment properties at fair value is described in more detail.

FINANCIAL INSTRUMENTS AT FAIR VALUE

There will be some uncertainty associated with the pricing of financial instruments, particularly instruments that are not priced in an active market. This is particularly true for the type of securities priced on the basis of non-observable assumptions, and for these investments various valuation techniques are applied in order to fix fair value. These include private equity investments, investments in foreign properties, and other financial instruments where theoretical models are used in pricing. Any changes to the assumptions could affect recognised amounts. The majority of such financial instruments are included in the customer portfolio.

Reference is also made to Note 13, in which the valuation of financial instruments at fair value is described in more detail.

MANAGEMENT FEE

In April 2021, Financial Supervisory Authority of Norway sent a similar letter to all life insurance companies and pension funds regarding the treatment of management remuneration to management companies for mutual funds and managers of alternative investment funds. An entire industry including Storebrand, Financial Supervisory Authority of Norway believes that the interpretation of the law is incorrect. Both Finans Norge and the Pension Fund Association have therefore asked the Ministry of Finance to review the Norwegian Financial Supervisory Authority's interpretation. Both associations have received comments that support the industry's view. The question in the case is whether the management fee the fund pays to the manager should be deducted from the return (netting) or should be covered by the company's cost result as part of the premium (grossing). For certain investment classes, such as investments in Infrastructure funds and Private Equity funds, where investments are made in underlying funds to achieve effective risk-diversified management, costs are entered in the funds that are included in the investment result for the customer. In January 2023, the Ministry of Finance has come up with an assessment in this matter. In the Ministry of Finance's assessment, it is not sufficiently clear from the Insurance Business Act that there is a requirement for gross entry. On the basis that the legal situation is considered to be unclear, and in order to ensure a uniform practice in the industry, the ministry believes that there is a need to clarify the regulations through an amendment to the law or regulations.

The Ministry of Finance has therefore requested that Financial Supervisory Authority of Norway assess how management fees for the placement of customer funds in funds should be treated according to the rules on price tariffs and profits, and that Financial Supervisory Authority of Norway prepare a consultation note with proposals for statutory or regulatory provisions based on this assessment.

DEFERRED TAX AND UNCERTAIN TAX POSITIONS

Calculation of deferred tax assets, deferred tax liabilities and the income tax expense is based on the interpretation of rules and estimates.

The Group's business activities may give rise to disputes, etc. related to tax positions with an uncertain outcome. The Group makes provisions for uncertain and disputed tax positions with best estimates of expected amounts, subject to decisions by the tax authorities in accordance with IAS 12 and IFRIC 23. The provisions are reversed if the disputed tax position is decided to the benefit of the Group and can no longer be appealed.

Reference is made to further information in Note 28.

Note 3: Acquisitions

DANICA PENSJONSFORSIKRING NORGE

Storebrand Livsforsikring AS has acquired Danica Pensjonsforsikring AS. Danica is the sixth largest provider of defined-contribution pensions in Norway, with a 5 per cent market share. In addition to managing NOK 22 billion in defined-contribution pensions for 14,000 companies and 98,000 active members, Danica manages NOK 6 billion of retail savings and a portfolio of guaranteed products of NOK 1 billion. Total assets under management amount to approximately NOK 30 billion. Danica also offers commercial and personal risk products, totalling approximately NOK 300 million in annual premiums for own account. The transaction was completed on July 1st 2022.

The transaction was announced on 20th of December 2021, and was approved by the Financial Supervisory Authority of Norway in June 2022. In connection with the acquisition, the company has changed its name to Storebrand Danica Pensjonsforsikring AS. A parent-subsidiary merger was completed on January 2nd 2023.

STOREBRAND DANICA PENSJONSFORSIKRING AS

NOK million	Book values - Company	Excess value upon acquistion	Book values
- Distribution		260	260
- Customer relationships		809	809
- IT systems	21	-21	
Intangible assets	21	1,048	1,069
Financial assets	28,479		28,479
Other assets	309		309
Bank deposits	362		362
Total assets	**29,170**	**1,048**	**30,218**
Liabilities			
Insurance liabilities	27,724	68	27,792
Current liabilities	282	18	300
Deffered tax	24	240	264
Net identifiable assets and liabilities	**1,140**	**722**	**1,862**
Goodwill			186
Fair value at acquisition date			**2,048**
Cash Payment			**2,048**

RESULTS IN 2022

	After acquisition	Before acquisition
Income 1)	2,905	-782
Profit 2)	87	29

1) According to the groups statement, income contains premiums, net financial result and other income

2) According to the groups statement, profit contains premiums, claims, changes in insurance obligations, financial result and other income and expences

S:T ERIK LIVSFÖRSÄKRING AB

SPP Pension & Försäkring acquired S:t Erik Livsförsäkring AB on July 8th 2022. The company manages the City of Stockholm's pension agreements through the employees of the Stockholm Stadshus Group. The company manages approximately SEK 2.3 billion, distributed among 5,000 members. The company was merged with SPP Pension & Försäkring from November 1st 2022.

	Book values - Company	Excess value upon acquistion	Book values
- Customer relationships [1]		30	30
Intangible assets		30	30
Financial assets	2,289		2,289
Other assets	32		32
Bank deposits	382		382
Total assets	**2,703**	**30**	**2,733**
Liabilities			
Insurance liabilities	2,443		2,443
Deffered tax	30		30
Net identifiable assets and liabilities	**230**	**30**	**260**
Goodwill			
Fair value at acquisition date			**260**
Cash Payment			**260**

1) The acquisition concerns profit subject to yield tax. Deferred tax on added value has therefore not been calculated.

RESULTS S:T ERIK IN 2022

NOK million	After acquisition [3]	Before acquisition
Income [1]	-77	-160
Profit [2]	2	-26

1) According to the groups statement, income contains premiums, net financial result and other income

2) According to the groups statement, profit contains premiums, claims, changes in insurance obligations, financial result and other income and expences

3) To 01.11.2022 when S:t Erik was merged with SPP Pension and Insurance

Note 4 Profit by segments

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

SAVINGS

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

INSURANCE

Insurance is responsible for the group's risk products in Norway and Sweden. The unit offers personal risk products to the Norwegian and Swedish private market and personal insurance, as well as personal insurance and pension-related insurance in the Norwegian and Swedish corporate market.

GUARANTEED PENSION

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

OTHER

Under the segment 'Other', the performance of the company's portfolios in Storebrand Livsforsikring and SPP are reported.

RECONCILIATION BETWEEN THE INCOME STATEMENT AND ALTERNATIVE STATEMENT OF THE RESULT (SEGMENT)

The results in the segments are reconciled against the Group result before amortisation and write-downs of intangible assets. The Group's income statement includes gross income and costs linked to both the insurance customers and owners (shareholders). The alternative statement of the result only includes result elements relating to owners (shareholders) which are the result elements that the Group has performance measures and follow-up for. The result lines that are used in segment reporting will therefore not be identical with the result lines in the corporate profit and loss account. Below is an overall description of the most important differences.

Fee and administration income consists of fees and fixed administrative income. In the Group's income statement, the item is classified as premium income, net interest income from bank or other income depending on the type of activity. The Group's income statement also includes savings elements for insurance contracts and possibly transferred reserve.

Price of return guarantee and profit risk (fee incomes) – Storebrand Life Insurance AS

The return guarantees in group pension insurance with a return guarantee must be priced upfront. The level of the return guarantee, the size of the buffer capital (additional statutory reserves and unrealised gains), and the investment risk of the portfolio in which the pensions assets are invested determine the price that the customer pays for his or her return guarantee. Return guarantees are priced on the basis of the risk to which the equity is exposed. The insurance company bears all the downside risk and must carry reserves against the policy if the buffer reserves are insufficient or unavailable.

The insurance result consists of insurance premiums and claims

Insurance premiums consist of premium income relating to risk products (insurance segment) that are classified as premium income in the Group's income statement.

Claims consist of paid-out claims and changes in provisions for claims incurred but not reported (IBNR) and claims reported but not settled (RBNS) relating to risk products that are classified as claims in the Group's income statement.

Administration costs consist of the Group's operating costs in the Group's income statement minus operating costs allocated to traditional individual products with profit sharing.

Financial items and risk result life and pensions include risk result life and pensions and financial result includes net profit sharing and Loan Losses.

Risk result life and pensions consists of the difference between risk premium and claims for products relating to defined-contribution pension, unit linked insurance contracts (savings segment) and defined-benefit pension (guaranteed pension segment). Risk premium is classified as premium income in the Group's income statement.

The financial result consists of the return for the company portfolios of Storebrand ASA, Storebrand Livsforsikring AS and SPP Pension & Försäkring AB (Other segment), while returns for the other company portfolios in the Group are a financial result within the segment which the business is associated with. Returns on company portfolios are classified as net income from financial assets and property for companies in the Group's income statement. The financial result also includes returns on customer assets relating to products within the insurance segment, and in the Group's income statement this item will be entered under net income from financial assets and property for customers.

NET PROFIT SHARING

Storebrand Livsforsikring AS

A modified profit-sharing regime was introduced for old and new individual contracts that have left group pension insurance policies (paid-up policies), which allows the company to retain up to 20 per cent of the profit from returns after any allocations to additional statutory reserves. The modified profit-sharing model means that any negative risk result can be deducted from the customers' interest profit before sharing, if it is not covered by the risk equalisation fund.

Individual endowment insurance and pensions written by the Group prior to January 1st 2008 will continue to apply the profit rules effective prior to 2008. New contracts may not be established in this portfolio. The Group can retain up to 35 per cent of the total result after allocations to additional statutory reserves.

Any negative returns on customer portfolios and returns lower than the interest guarantee that cannot be covered by additional statutory reserves/buffer reserves must be covered by the company's equity and will be included in the net profit-sharing and losses line.

SPP Pension & Försäkring AB
For premiums paid from and including 2016, previous profit sharing is replaced by a guarantee fee for premium-determined insurance (IF portfolio). The guarantee fee is annual and is calculated as 0.2 per cent of the capital. This goes to the company.

For contributions agreed to prior to 2016, the profit sharing is maintained, i.e. that if the total return on assets in one calendar year for a premium-determined insurance (IF portfolio) exceeds the guaranteed interest, profit sharing will be triggered. When profit sharing is triggered, 90 per cent of the total return on assets passes to the policyholder and 10 per cent to the company. The company's share of the total return on assets is included in the financial result.

In the case of defined-benefit contracts (KF portfolio), the company is entitled to charge an indexing fee if the group profit allows the indexing of the insurance. Indexing is allowed up to a maximum equalling the change in the consumer price index (CPI) between the previous two Septembers. Pensions that are paid out are indexed if the ratio between assets and guaranteed insurance liability in the portfolio as of 30 September exceed 107 per cent, and half of the fee is charged. The whole fee is charged if the ratio between assets and guaranteed insurance liability in the portfolio as of 30 September exceed 120 per cent, in which case paid-up policies can also be included. The total fee equals 0.8 per cent of the insurance capital.

The guaranteed liability is continuously monitored. If the guaranteed liability is higher than the value of the assets, a provision must be made in the form of a deferred capital contribution. If the assets are lower than the guaranteed liability when the insurance payments start, the company supplies capital up to the guaranteed liability in the form of a realised capital contribution. Changes in the deferred capital contribution are included in the financial result.

Loan losses:
Loan losses that are on the balance sheet of the Storebrand Livsforsikring Group, will not be included on this line in either the alternative income statement or in the Group's income statement, but will be included in the in the Group's income statement in the item net income from financial assets and property for customers.

Amortisation of intangible assets includes depreciation and possible write-downs of intangible assets established through acquisitions of enterprises.

RESULT BY BUSINESS AREA

NOK million	2022	2021
Savings	705	1,001
Insurance	430	261
Guaranteed pension	903	1,432
Other	-315	397
Profit before amortisation	**1,723**	**3,091**
Amortisation intangible assets	-394	-366
Profit before tax	**1,329**	**2,725**

SEGMENT INFORMATION AS AT 31.12

	Savings		Insurance		Guaranteed pension	
NOK million	2022	2021	2022	2021	2022	2021
Fee and administration income	2,013	2,161			1,597	1,631
Insurance result			939	599		
- Insurance premiums f.o.a.			3,435	2,988		
- Claims f.o.a.			-2,496	-2,389		
Operational cost	-1,306	-1,177	-507	-404	-850	-890
Operating profit	**706**	**984**	**432**	**195**	**747**	**741**
Financial items and risk result life & pension	-2	17	-3	65	262	187
Net profitsharing					-106	504
Profit before amortisation	**705**	**1,001**	**430**	**261**	**903**	**928**

	Other		Storebrand Livsforsikring Group	
NOK million	2022	2021	2022	2021
Fee and administration income			3,609	3,792
Insurance result			939	599
- Insurance premiums f.o.a.			3,435	2,988
- Claims f.o.a.			-2,496	-2,389
Operational cost	-71	-53	-2,733	-2,523
Operating profit	**-71**	**-53**	**1,815**	**1,868**
Financial items and risk result life & pension	-244	450	14	719
Net profitsharing			-106	504
Profit before amortisation	**-315**	**397**	**1,723**	**3,091**
Amortisation of intangible assets			-394	-366
Profit before tax			**1,329**	**2,725**
Tax			438	-563
Profit after tax			**1,767**	**2,162**

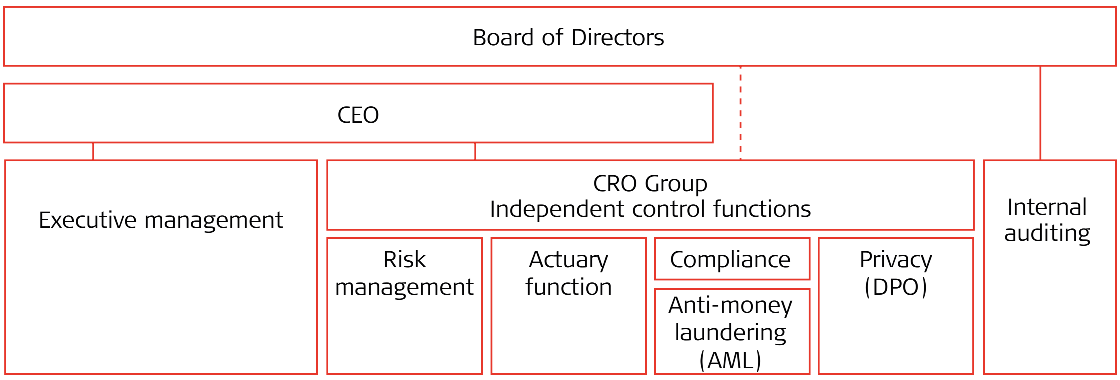
Note 5 Risk management and internal control

Storebrand's income and performance are dependent on external factors that are associated with uncertainty. The most important external risk factors are the developments in the financial markets and changes in life expectancy in the Norwegian and Swedish populations. Certain internal operational factors can also result in losses, e.g. errors linked to the management of the customers' assets or payment of pension.

Continuous monitoring and active risk management are core areas of the Group's activities and organisation. At the Storebrand Group, responsibility for risk management and internal control is an integral part of management responsibility.

ORGANISATION OF RISK MANAGEMENT

The Group's organisation of the responsibility for risk management 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.



The boards of directors of both Storebrand ASA and the group companies have the overall responsibility for limiting and following up the risks associated with the activities. The boards set annual limits and guidelines for risk-taking in the company, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation.

The Board of Storebrand ASA has established a Risk Committee consisting of 3 Board members. The main task of the Risk Committee is to prepare matters to be considered by the Board in the area of risk, with a special focus on the Group's appetite for risk, risk strategy and investment strategy. The Committee should contribute forward-looking, decision-making support related to the Board's discussion of risk taking, financial forecasts and the treatment of risk reporting.

Managers at all levels in the company are responsible for risk management within their own area of responsibility. Good risk management requires targeted work on objectives, strategies and action plans, identification and assessment of risks, documentation of processes and routines, prioritisation and implementation of improvement measures, and good communication, information and reporting.

INDEPENDENT CONTROL FUNCTIONS

Independent control functions have been established for risk management for the business (Risk Management Function/Chief Risk Officer), for compliance with the regulations (Compliance Function), for ensuring the insurance liabilities are calculated correctly (Actuary Function), for data protection (Data Protection Officer), for money laundering (Anti Money Laundering) and for the bank's lending. Relevant functions have been established for both the Storebrand Group (the Group) and all of the companies requiring a licence. The independent control functions are organised directly under the companies' managing directors and report to the respective company's board.

In terms of function, the independent control functions are affiliated with Governance Risk & Compliance (GRC). GRC is a knowledge community headed by the Group CRO. The Group CRO is responsible to the Group CEO and reports to the Board of Storebrand ASA. GRC's task is to ensure that all significant risks are identified, measured and appropriately reported. The GRC function shall be actively involved in the development of the Group's risk strategy and maintain a holistic view of the company's risk exposure. This includes responsibility for ensuring compliance with the relevant regulations for risk management and the consolidated companies' operations.

The internal audit function is organised directly under the Board and shall provide the boards of the relevant consolidated companies with confirmation concerning the appropriateness and effectiveness of the company's risk management, including how well the various lines of defence are working.

Note 6 Operational risk

Operational risk is the risk of financial loss, damaged reputation or sanctions linked to breaches of internal or external regulations as a result of ineffective, inadequate or failing internal processes or systems, human error, external events or non-compliance with rules and guidelines.

The purpose of operational risk management is to avoid operational incidents that affect customers, lead to serious operational disruptions, breaches of regulations and/or direct financial loss.

Operational risk is sought to be reduced with an effective system for internal control. Risks are followed up through management's risk review with documentation of risks, measures and follow-up of incidents. In addition, internal audit's independent control comes through board-approved audit projects.

In order to handle serious incidents in business-critical processes, contingency and continuity plans have been drawn up.

Cyber risk is becoming an increasingly important operational risk. In 2022, the threat of cybercrime has increased, among other things, as a result of organized crime and the geopolitical situation. The situation has meant that Storebrand has had a heightened level of preparedness through parts of 2022.

The insurance platform is based on purchased standard systems that are operated and monitored through outsourcing agreements. For the life insurance business, there is a large degree of in-house development, while parts of the operation are outsourced. Unit administration within defined contribution occupational pension and unit linked is handled in a purchased system solution.

Stable and secure technology and infrastructure are central to business and reliable financial reporting. Errors and service interruptions can affect the trust of both customers and shareholders. In a phase of conversion to cloud-based technology services, there is increased attention to complexity and integrations in existing solutions. Cloud-based services and infrastructure have good built-in security solutions, and reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. For those parts of the technology services that are outsourced, risk-based supplier follow-up has been established with the aim of managing the risks associated with the IT systems' development, management, operation and information security.

Note 7 Insurance risk

Storebrand offers traditional life and pension insurance as both group and individual contracts. Contracts are also offered in which the customer has the choice of investment.

The insurance risk in Norway is largely standardised for contracts within the same product category as a result of detailed regulation from the authorities. In Sweden, the framework conditions for insurance contracts entail major differences between the contracts within the same product category.

The insurance risk associated with an increase in life expectancy and thereby an increase in future pension payments (longevity) is the greatest risk for the Group. Other risks include disability risk and mortality risk. The life insurance risks are:

1. Long life expectancy – The risk of erroneously estimating life expectancy and future pension payments. Historical developments have shown that an increasing number of people attain retirement age and live longer as pensioners than was previously the case. There is a great deal of uncertainty surrounding future mortality development. In the event of longer life expectancy beyond that assumed in the premium tariffs, there is also an increased risk of the owner's result having to be charged in order to cover necessary statutory provisions.
2. Disability – The risk of erroneous estimation of future illness and disability. There will be uncertainty associated with the future development of disability, including disability pensioners who are returned to the workforce.
3. Death – The risk of erroneous estimation of mortality or erroneous estimation of payment to surviving relatives. Over the last few years, a decrease in mortality and fewer young surviving relatives have been registered, compared with earlier years.

In the Guaranteed Pensions segment, the Group has a significant insurance risk relating to estimation of life expectancy and future pension payments for group and individual insurance agreements. In addition, there is an insurance risk associated with estimates of disability and pensions left to spouses and/or children. The disability coverage in Guaranteed Pensions is primarily sold together with a retirement pension. The risk of mortality is low in Guaranteed Pensions when viewed in relation to other risks. In SPP it is possible to change the future premiums for the IF portfolio, reducing the risk significantly. In Norway it is also possible to change the future premiums of group policies, but only for new accumulation, entailing reduced risk.

Occupational pension agreements (hybrid) are reported in the Guaranteed Pension segment when a customer has an agreement without a choice for investment of the pension assets. This is a small portfolio with limited insurance risk.

In the Savings segment the Group has a low insurance risk. The insurance risk is largely associated with death, with some long-life risk for paid-up policies with investment options. Own pension accounts are also included in the Savings segment. Occupational pension agreements (hybrid) are reported in the Savings segment when a customer has an agreement with a choice for investment of the pension assets. This is a small portfolio with limited insurance risk.

In the Insurance segment, the Group has an insurance risk associated with disability and death. In addition, there are insurance risks associated with occupational injury, critical illness, cancer insurance, child insurance, accident insurance and health insurance. For occupational injury, the risk is first and foremost potential errors in the assessment of the level of provisions, because the number of claim years can be up to 25 years. The insurance risk within critical illness, cancer, accident and health insurance is considered to be limited based on the volume and underlying volatility of the products.

COVID-19 AND THE IMPACT ON THE INSURANCE BUSINESS

There are still uncertainty related to the effect of the outbreak of Covid-19 on the insurance risk in Storebrand Livsforsikring. Overall, there is considered to be a need for the extraordinary provisions linked to Covid-19 as there is considered to be an increased risk of disability in some groups in relation to shutdown of society. This is linked to the effect in industries that are directly affected by the shutdown among people who have managed to be in full time employment despite a reduced ability to work. It is also linked to an increased burden in industries where employees are exposed to stress as a result of the fact that they were/are required to travel for work with exposure to a risk of infection where the authority wants to protect the population. Some choose to quit their jobs. Others who have an underlying illness, injury or similar that qualifies for sick leave with subsequent work clarification use this rather than quitting or continuing to work. As an example, during the pandemic there was a lot in the media about nursery staff who wanted to be prioritised for vaccination precisely as a result of the same factor. The pandemic started just under 3 years ago and the effect of increased disability has still not fully materialised in the company's ordinary provision models.

The provision as at 31/12/2022 is the company's best estimate, and the provisions are considered to be sufficient.

RULES FOR PENSION FROM THE FIRST KRONE AND DAY ENTER INTO FORCE

The rules for pension from the first krone and day entered into force on January 1st 2022. The companies was given until the 30th of June 2022 to adjust their pension schemes to the new rules. Among other things, the new rules entail that there was requirements for all private occupational pension schemes to save a minimum of 2 per cent of the members' income and that the option of exempting employees with salaries below 1 G (the National Insurance base amount) was removed. Furthermore, the minimum requirement of having a 20 per cent position to be entitled to membership in the schemes has been abolished. Like the National Insurance scheme, the age limit for membership has been reduced from 20 to 13 years. Employees are entitled to membership in the schemes when their income exceeds the limits for reportable salary in the a-ordning (a-scheme) . There is no longer separate exemption rules for seasonal workers.

The overall annual increased savings for Storebrand Livsforsikring are estimated at NOK 600 million. Increased savings also depend on how companies with savings rates that are higher than the minimum rate will potentially adapt the pension scheme.

DESCRIPTION OF PRODUCTS

Risk premiums and tariffs

Guaranteed Pension

Group pension insurance schemes in Norway follow the premiums for traditional retirement and survivor coverage in the industry tariff K2013. The premiums for disability pensions are based on the company's own experience. Expense premiums are determined annually with a view to securing full cover for the next year's expected costs.

For individual insurance in Norway, the premiums for death risk and longevity risk are based on tariffs produced by insurance companies on the basis of their shared experience. This applies to both endowment and pension insurance. Disability premiums are based on the company's own experience.

The risk premium for group insurance in Sweden is calculated as an equalised premium within the insurance group, based on the group distribution of age and gender, as well as the requirement for coverage of next of kin. The risk premium for individual insurance is determined individually and based on age and gender.

SPP's mortality assumptions are based on the general mortality tariff DUS14, adjusted for the company's own observations.

The new public service occupational pension entered into force from 2020 and includes retirement pensions in the public sector. The new scheme is a premium pension and is a net pension that is known from the private sector. Premium pension means that the pension is accrued each year based on the employee's salary. This is as opposed to the previous schemes whereby the pension was calculated based on the final salary. The premium pension ensures a life-long retirement pension, and the retirement pension can be fully or partly withdrawn from and including the age of 62 until and including the age of 75. Payment of the pension will start at the age of 75 regardless. Members who are not entitled to an AFP are given a conditional occupational pension as a supplement to the retirement pension.

Insurance

Tariffs for group life insurance and certain risk insurances within group pensions also depend on the industry or occupation, in addition to age and gender. Group life insurance also applies tariffs based on claims experience. The company's tariff for group life insurance, both for life and disability cover, is based on the company's own experience.

Newer individual endowment policies are priced without taking gender into account. The tariffs for all individual endowment policies are based on the company's own experiences.

For P&C insurance (occupational injury) the tariffs are based on the company's own experiences.

Management of insurance risk

Insurance risk is monitored separately for every line of insurance in the current insurance portfolio. The development of the risk results is followed throughout the year. For each type of risk, the ordinary risk result for a period represents the difference between the risk premiums the company has collected for the period and the sum of provisions and payments that must be made for insured events that occur in the period. The risk result takes into account insured events that have not yet been reported, but which the company, on the basis of experience, assumes have occurred.

When writing individual risk cover, the customer is subject to a health check. The result of the health check is reflected in the level of premium quoted. When arranging group policies with risk cover, all employees of small companies are subject to a health check, while for companies with many employees a declaration of fitness for work is required. In the assessment of risk, the company's business category, sector and sickness record are also taken into account.

Large claims or special events constitute a major risk for all products. The largest claims will typically be in the group life, occupational injury and personal injury (motor vehicle accidents) segments.

The company manages its insurance risk through a variety of reinsurance programmes. Through catastrophe reinsurance (excess of loss), the company covers losses (single claims and reserves provisions) where a single event causes more than two deaths or disability cases. This cover is also subject to an upper limit. A reinsurance agreement for life policies covers death and disability risk that exceeds the maximum risk amount for own account the company practises. The company's maximum risk amount for own account is relatively high, and the risk reinsured is therefore relatively modest.

The company also manages its insurance risk through international pooling. This implies that multinational corporate customers can equalise the results between the various units internationally. Pooling is offered for group life and risk cover within group pensions.

RISK RESULT

The risk result consists of premiums the company charges to cover insurance risks less the actual costs in the form of insurance reserves and payments for insured events such as death, pensions, disability and accidents.

The table below specifies the risk result for the largest entities in the Group and also states the effect of reinsurance and pooling on the result. The risk result in the table shows the total risk result for distribution to customers and owner (the insurance company).

Specification of risk result

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB		Storebrand Danica Pensjonsforsikring [1]
NOK million	2022	2021	2022	2021	2022
Longevity	192	26	39	83	4
Mortality	250	281	-16	3	74
Disability	475	180	98	48	-14
Reinsurance	23	-1	-2	-1	0
Pooling	-8	-38	-17	-22	-1
Other	1	-2	22	30	0
Total risk result	**933**	**447**	**123**	**139**	**63**

1) Figures for the full year 2022, are included in the consolidated accounts from July 1st 2022.

ADEQUACY LIABILITY TEST

In accordance with the accounting standard IFRS 4 Insurance Contracts, the insurance liabilities that are included shall be adequate and a liability adequacy test shall be performed. Storebrand satisfies the adequacy tests for 2022, and these therefore had no impact on the results in the financial statements for 2022.

SENSITIVITY

The volatility of the risk results depends on the development in insurance risk, and the sensitivities indicate the uncertainty associated with different insurance risks. Storebrand's products have different insurance risks, however when calculating sensitivity, the starting point is the same changes, since the development in, for example, disability in the community, is assumed to be the same across the products. However, it is expected that there will be different effects on the risk results because the premium is calculated using a tariff that is specific for the product. Some forms of coverage have a stronger tariff for which a better risk result is expected, while other products have a weaker tariff for which the risk result is expected to be weaker. The tariff will also reflect any differences in the risk for products taken out as a collective or individual agreement. It will also reflect the different waiting periods, i.e. the period from when the claim is made until the right to compensation. The pension products typically have a waiting period of 12 months, while employee insurance is paid out in the event of permanent disability.

In the table below, the following stress factors are used:

- 5% increase for disability
- 5% reduction for reactivation
- 5% increased mortality
- 5% increased longevity

GUARANTEED PENSION

GUARANTEED PENSION - NORWEGIAN BUSINESS (STOREBRAND LIVSFORSIKRING AND STOREBRAND DANICA PENSJONSFORSIKRING)

	Guaranteed pension					
NOK million	Defined benefit pension private sector	Defined benefit pension public sector	Occupational pension	Paid-up policies	Individual insurance	Total
Mortality	-3	0	NA	-19	-4	-25
Longevity	-6	-2	-3	-74	-8	-93
Disability	-3	-1	NA	-10	-3	-17
Recovering to work after disability	-1	0	-16	-4	NA	-21

The table above shows the sensitivity as a one-year gross effect on the risk result. It varies as to how the gross effect is recognised in the company's income statement. The business rules define buffer capital and other factors which entail that a negative risk result for the collective pension products may be covered by the risk equalisation fund, provided that this is sufficient. Equivalently, up to 50% of the positive risk result will be added to the risk equalisation fund, while other positive risk results will pass to the customers. The risk result for individual insurance policies is included in the profit sharing between the customers and Storebrand.

Furthermore, the need for an increased premium reserve has been estimated as a result of a permanent change in the assumptions. The table below show an estimated increase in the premium reserve.

NOK million	Defined benefit pension	Occupational pension	Paid-up policies	Individual insurance	Total
Mortality	243	154	1,118	69	1,584
Disability/recovering	44	27	206	0	277

Such a development could also result in the need for an increased premium. According to §3-15 and §3-16 of the Norwegian Insurance Business Act, the increased premium reserve can be covered by all or part of the year's surplus on the risk result, risk equalization fund and future surplus on the risk result, this after the Norwegian Financial Supervisory Authority has agreed to the company's reserving plan.

GUARANTEED PENSION AND SAVINGS - SWEDISH BUSINESS (SPP PENSION & FÖRSÄKRING)

	Guaranteed pension		Savings	
SEK mill	Individual pension and occupational pension insurance	Group pension	Unit Linked	Total
Mortality	-18	-5	NA	-23
Longevity	3	5	1	9
Disability	43	14	NA	57
Recovering to work after disability	17	24	NA	41

A share of the change in disability and premium exemption is covered by pooling and reinsurance, SPP's profit effect is expected to be approximately 95 per cent. Changes in life expectancy (longevity) and deaths have an effect in their entirety in SPP's results.

In addition, the need for increased provision has been estimated as a result of a permanent change in the assumptions. The table below shows the estimated increase in the premium reserve. Disability cover for IF also includes risk insurance linked to the Fund.

	Individual pension and occupational pension insurance	Group pension	Total
Mortality	259	556	814
Disability/recovering	41	11	53

INSURANCE

NOK million	Effect on profit before tax
5 percent change in earned gross premium	+/- 172
5 percentage point change in Combined Ratio	+/- 150

The table above shows the effect on earnings and equity before tax of a 5 per cent change in gross premiums earned and a 5 percentage point change in the combined ratio. Combined ratio is the most commonly applied criterion for measuring profitability within P&C insurance and may result from a change in claims frequency, level of compensation and/or operating costs.

Note 8 Financial market risk

Market risk means changes in the value of assets as a result of unexpected volatility or changes in prices on the financial markets. It also refers to the risk that the value of the insurance liability develops differently to that of the assets as a result of changes in interest rates.

The most significant market risks for Storebrand are interest rate risk, share market risk, property price risk, credit risk, and exchange rate risk.

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

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

The market risk in unit linked insurance is at the customers' risk, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based largely on the size of the reserves, while the costs tend to be fixed. Lower than expected returns in the financial market will therefore have a negative effect on Storebrand's future income and profit.

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of measures to reduce risk depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the return guarantee. If the investment return is not sufficient to meet the guaranteed interest rate, the shortfall may be met by using customer buffers built up from previous years' surpluses.

For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Rising interest rates are negative for investment returns in the short term because price falls on bonds and interest rate swaps reduce investment returns and customer buffers. But it is positive in the long term because it increases the probability of getting a return higher than guaranteed. In 2022, both short-term money market interest rates and long-term interest rates have risen a lot, both in Norway and Sweden.

The composition of the assets within each sub-portfolio is determined by the company's investment strategy. The investment strategy also establishes guidelines and limits for the company's risk management, credit exposure, counterparty exposure, currency risk, use of derivatives, and requirements regarding liquidity.

Asset allocation

NOK million	Customer portfolios with guarantee	Customer portfolios without guarantee	Company portfolios
Real estate at fair value	13%	2%	1%
Bonds at amortised cost	40%	0%	27%
Money market	7%	1%	15%
Bonds at fair value	15%	16%	37%
Equities at fair value	8%	79%	0%
Lending at amortised cost	17%	2%	19%
Other	0%	0%	1%
Total	**100%**	**100%**	**100%**

Storebrand aims to take low financial risk for the company portfolios, and most of the funds are invested in short and medium-term fixed income securities with low credit risk.

The financial risk related to customer portfolios without a guarantee is borne by the insured person, and the insured person can choose the risk profile. Storebrand's role is to offer a good, broad range of funds, to assemble profiles adapted to different risk profiles, and to offer systematic reduction of risk towards retirement age. The most significant market risks are share market risk and exchange rate risk.

The most significant market risks facing guaranteed customer portfolios are linked to equity risk, interest rate risk, credit risk and property price risk. Through 2022, allocation to securities and interest rate sensitivity of the investments have been reduced. In Norway, most of the credit risk is linked to securities, which are carried at amortised cost. This significantly reduces the risk to the company's result because the result is not normally influenced by market fluctuations. The exception is if there is a loss event.

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 percentage points to 2.75 per cent and is signalling a further increase to about 3 per cent in 2023. Sveriges Riksbank (central bank of Sweden) has raised its key policy rate to 2.25 per cent from zero and is signalling that the interest rate will increase to just below 3 per cent in early 2023.

The aforementioned economic uncertainty means that there is an elevated risk associated with the valuation of financial instruments. Storebrand has established risk management through guidelines and principles that mitigate the effect of volatile financial markets, however investment results are impact by the market downturn. There is thus greater uncertainty related to pricing of financial instruments that are priced on the basis of models, and it has to be assumed that, when concerning illiquid assets, there is a difference between the estimated value and the price achieved when sold in the market. Valuations related to investment properties are considered to have particularly increased uncertainty as a result of macroeconomic developments, and the total transaction volume for investment properties was significantly lower in 2022 when compared to 2021. Furthermore, the valuation of investment properties is sensitive to changes in input factors such as inflation and interest rates. There is a wide spectrum of possible outcomes for these input factors and thus for the modelled valuations. The values therefore reflect management's best estimate, however contain greater uncertainty than what would be the case in a normal year.

The market risk is managed by segmenting the portfolios based on risk-bearing capacity. For customers who have large customer buffers, investments are made with higher market risk that give increased expected returns. Equity risk is also managed by means of dynamic risk management, the objectives of which are to maintain good risk-bearing capacity and to adjust the financial risk to the buffer situation and the company's financial strength. By exercising this type of risk management, Storebrand expects to create good returns both for individual years and over time.

For company portfolios and guaranteed customer portfolios, most of the assets that are in currencies other than the domestic currency are hedged. This limits the currency risk from the investment portfolios.

Foreign exchange risk primarily arises as a result of investments in international securities, including as a result of ownership in SPP.

In the consolidated financial statements, the value of assets and results from the Swedish operations are affected by changes in the value of the Swedish krone. Storebrand Livsforsikring AS has hedged parts of the value of SPP through forward foreign exchange contracts and borrowings in Swedish kroner.

FINANCIAL ASSETS AND LIABILITIES IN FOREIGN CURRENCIES PER 31.12.

	Storebrand Livsforsikring Group					Storebrand Livsforsikring AS				
	Balance sheet items excluding currency derivatives	Forward contracts	Net position 2022		Net position 2021	Balance sheet items excluding currency derivatives	Forward contracts	Net position 2022		Net position 2021
NOK million	Net in balance sheet	Net sales	in currency	in NOK	in NOK	Net in balance sheet	Net sales	in currency	in NOK	in NOK
AUD	89	-130	-41	-273	-224	86	-124	-37	-249	-201
CAD	173	-425	-252	-1,831	-1,203	166	-384	-217	-1,579	-1,125
CHF	68	-106	-37	-399	-178	63	-98	-35	-376	-166
DKK	121	-246	-125	-177	-103	115	-223	-107	-152	-82
EUR	1,845	-1,613	231	2,431	-1,506	1,336	-1,287	49	516	-2,222
GBP	98	-306	-208	-2,471	-1,669	91	-259	-168	-1,992	-1,403
HKD	163	-582	-419	-528	-682	157	-340	-183	-231	-364
ILS	12	0		32	46	11			32	45
JPN	26,843	-60,172	-33,329	-2,493	-1,567	25,542	-52,097	-26,555	-1,983	-1,488
NZD	6	-23		-107	-91	5	-21		-99	-84
SEK	235,645	-14,314	221,331	209,254	244,236	25,090	-14,314	10,775	10,187	15,870
SGD	22	-30		-61	-44	21	-30		-65	-45
USD	3,373	-6,130	-2,758	-27,172	-16,323	2,534	-5,136	-2,602	-25,630	-19,934
NOK[1)]	65,664	-582	65,082	65,082	61,158	49,170		49,170	49,170	57,217
Other				1	1				1	1
Insurance liabilities in SEK	-227,393		-227,393	-214,985	-244,602					
Total net currency position 2022				**26,304**					**27,551**	
Total net currency position 2021					**37,252**					**46,018**

1) Equity and bond funds denominated in NOK with foreign currency exposure in i.a. EUR and USD NOK 62 billion.

The table above shows the currency positions as at December 31st 2022. The currency exposure is primarily related to investments in the Norwegian and Swedish life insurance business.

STOREBRAND LIVSFORSIKRING:

The company continuously hedges all significant aspects of its currency risk in the customer portfolios. Foreign exchange risk exists primarily as a result of investments in international securities, as well as subordinated loans in a foreign currency to a certain extent. Hedging is performed by means of forward foreign exchange contracts at the portfolio level, and the currency positions are monitored continuously against a total limit. Negative currency positions are closed out no later than the day after they arose. In addition, separate limits have been defined so that active currency positions can be taken. Storebrand employs a currency hedging principle called block hedging, which makes the execution of currency hedging more efficient.

SPP:

SPP uses currency hedging for its investments to a certain degree. Currency exposure may be between 0 and 30 per cent in accordance with the investment strategy.

STOREBRAND DANICA PENSJONSFORSIKRING:

The company secures net items in the balance sheet with forward contracts and there is virtually no currency risk in the company and guaranteed customer portfolios. For non-guaranteed customer portfolios, there is partial hedging with currency contracts in the funds, but will also contain significant currency risk.

GUARANTEED CUSTOMER PORTFOLIOS IN MORE DETAIL

STOREBRAND LIVSFORSIKRING

The annual guaranteed return to the customers follows the basic interest rate. New premiums were taken in with a basic interest rate of 2.0 per cent, and pensions were adjusted upwards with a basic interest rate of 0.5 per cent.

The percentage distribution of the insurance reserves by the various basic annual interest rates as at 31 December is as follows:

Interest rate	2022	2021
6 %	0.2 %	0.2 %
5 %	0.2 %	0.2 %
4 %	36.9 %	39.4 %
3.4 %	0.4 %	0.4 %
3 %	28.1 %	28.6 %
2.75 %	1.6 %	1.7 %
2.50 %	10.1 %	10.4 %
2 %	16.5 %	14.2 %
1.5 %	2.6 %	2.2 %
0.5 %	2.2 %	1.8 %
0 %	1.2 %	0.9 %

The table includes premium reserve excluding IBNS

Average interest rate guarantee in per cent	2022	2021
Individual endowment insurance	2.4 %	2.5 %
Individual pension insurance	3.8 %	3.8 %
Group pension insurance	2.2 %	2.3 %
Paid-up policy	3.2 %	3.2 %
Group life insurance	0.1 %	0.1 %
Total	**2.93 %**	**2.98 %**

The table includes premium reserve excluding IBNS

There is a 0 per cent interest rate guarantee for premium funds, defined-contribution funds, pensioners' surplus funds and additional statutory reserves.

The interest rate guarantee must be fulfilled on an annual basis. If the company's investment return in any given year is lower than the guaranteed interest rate, the equivalent of up to one year's guaranteed return for the individual policy can be covered by transfers from the policy's additional statutory reserves.

In order to achieve a good, risk-adjusted return, it is desirable to take investment risk, mainly by investing in shares, property and corporate bonds.

Interest rate risk is in a special position because changes in interest rates also affect the fair value of the insurance liability for the solvency calculation. Since pension disbursements may be many years in the future, the insurance liability is particularly sensitive to changes in interest rates. In the Norwegian business, greater interest rate sensitivity from the investments will entail increased risk that the return is below the guaranteed level. The risk management must therefore balance the risk of the profit for the year (interest rate increase) with the reinvestment risk if interest rates fall below the guarantee in the future. Bonds at amortised cost are an important risk management tool.

STOREBRAND DANICA PENSJONSFORSIKRING

CUSTOMER PORTFOLIO DIVIDED ON ANNUAL GUARANTEED RETURN

Interest rate	2022
2.75 %	11.0 %
2.50 %	15.0 %
2.00 %	74.0 %

The table includes premium reserve excluding IBNS

Average interest rate guarantee in per cent	2022
Individual pension insurance	2.0 %
Group pension insurance	2.1 %
Total	**2.1 %**

The table includes premium reserve excluding IBNS

SPP PENSION & FÖRSÄKRING

The guaranteed interest rate is determined by the insurance company and is used when calculating the premium and the guaranteed benefit. The guaranteed interest rate does not entail that there is an annual minimum guarantee for the return as is the case in Norway.

New premiums in individual defined-contribution pensions (IF) have a guarantee of 1.25% for 85% of the premium. Group defined-benefit pension (KF) is closed to new members.

SPP bears the risk of achieving a return equal to the guaranteed interest on the policyholders' assets over time and that the level of the contracts' assets is greater than the present value of the insurance liabilities. For IF, profit sharing becomes relevant in SPP if the return exceeds the guaranteed yield. The contracts' buffer capital must be intact in order for profit sharing to represent a net income for SPP. In the case of KF, a certain degree of consolidation, i.e. that the assets are greater than the present value of the liabilities by a certain percentage, is required in order for the owner to receive profit-sharing income (indexing fee).

If the assets in an insurance contract in the company are less than the market value of the liability, an equity contribution is allocated that reflects this value shortfall. This is termed a deferred capital contribution (DCC), and changes in DCC are recognised in the profit and loss account as they occur. When the contracts' assets exceed the present value of the liabilities, a buffer, which is termed the conditional bonus, is established. Changes in this customer buffer are not recognised in the profit and loss account.

SPP PENSION & FÖRSÄKRING AB

Customer portfolio divided on annual guaranteed return

Interest rate	2022	2021
5.20 %	9.3 %	10.2 %
4,5%-5,2%	0.0 %	0.1 %
4.00 %	4.9 %	4.9 %
3.00 %	48.5 %	50.6 %
2,75%-4,0%	4.8 %	4.9 %
2.70 %	0.0 %	0.1 %
2.50 %	5.1 %	5.3 %
1.60 %	0.0 %	0.0 %
1.50 %	2.3 %	1.4 %
1.25 %	6.3 %	3.5 %
1,25% *	12.1 %	10.8 %
0,5%-2,5%	1.8 %	2.4 %
0%	4.8 %	5.9 %

* 1,25 per cent on 85 per cent of the premium

Average interest rate guarantee in per cent	2022	2021
Individual pension insurance	2.8 %	3.0 %
Group pension insurance	2.8 %	2.9 %
Individual occupational pension insurance	3.1 %	3.1 %
Total	**3.03 %**	**3.10 %**

In the Swedish operations management of interest rate risk is based on the principle that the interest rate risk from assets shall approximately correspond to the interest rate risk from the insurance liabilities.

SENSITIVITY ANALYSES

The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios as a result of immediate changes in value related to financial market risk. The calculation is model-based and the result is dependent on the choice of stress level for each category of asset. The stresses have been applied to the company portfolio and guaranteed customer portfolios as at 31 December 2022. The effect of each stress changes the return in each profile.

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

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

Level of stress

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

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

As a result of customer buffers, the effect of the stresses on the result will be lower than the combined change in value in the table. As at 31 December 2022, the customer buffers were of such a size that the effects on the result were significantly lower.

STRESSTEST 1

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
Sensitivity	NOK million	Share of portfolio	SEK million	Share of portfolio
Interest rate risk	1,452	0.6 %	-171	-0.2 %
Equity risk	-1,914	-0.9 %	-2,353	-2.6 %
Real estate risk	-2,884	-1.3 %	-1,490	-1.7 %
Credit risk	-864	-0.4 %	-712	-0.8 %
Total	**-4,210**	**-1.9 %**	**-4,725**	**-5.3 %**

STRESSTEST 2

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
Sensitivity	NOK million	Share of portfolio	SEK million	Share of portfolio
Interest rate risk	-1,452	-0.6 %	171	0.2 %
Equity risk	-1,149	-0.5 %	-1,412	-1.6 %
Real estate risk	-1,682	-0.8 %	-869	-1.0 %
Credit risk	-518	-0.2 %	-427	-0.5 %
Total	**-4,801**	**-2.1 %**	**-2,537**	**-2.8 %**

STOREBRAND LIVSFORSIKRING

For Storebrand Livsforsikring it is stress test 2, which includes an increase in interest rates, that makes the greatest impact. The overall market risk is NOK 4.8 billion, which is equivalent to 2.1 per cent of the investment portfolio.

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

SPP PENSION & INSURANCE

For SPP it is stress test 1, which includes a fall in interest rates, that creates the greatest impact. The overall market risk is SEK 4.7 billion, which is equivalent to 5.3 per cent of the investment portfolio.

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

OTHER OPERATIONS

The other companies in the Storebrand group are not included in the sensitivity analysis, as there is little market risk in these areas. The equity of these companies is invested with little or no allocation to high-risk assets, and the products do not entail a direct risk for the company as a result of price fluctuations in the financial market.

Note 9 Liquidity risk

Liquidity risk is the risk that the company is unable to fulfil its liabilitys without incurring substantial additional expenses in the form of reduced prices for assets that must be realised, or in the form of especially expensive financing.

For the insurance companies, the life insurance companies in particular, the insurance liabilities are long-term and the cash flows are generally known long before they fall due. In addition, liquidity is required to handle payments related to operations, and there are liquidity needs related to derivative contracts. The liquidity risk is handled by liquidity forecasts and the fact that portions of the investments are in very liquid securities, such as government bonds. The liquidity risk is considered low based on these measures.

Separate liquidity strategies have also been drawn up for other subsidiaries in accordance with the statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategies define limits for allocations to various asset types and mean the companies have money market investments, bonds, equities and other liquid investments that can be disposed of as required.

In addition to clear strategies and the risk management of liquidity reserves in each subsidiary, the Group's holding company has established a liquidity buffer. The development of the liquid holdings is continuously monitored at the Group level in relation to internal limits. A particular risk is the fact that during certain periods the financial markets can be closed for new borrowing. Measures for minimising the liquidity risk are to maintain a regular maturity structure for the loans, low costs, an adequate liquidity buffer and credit agreements with banks which the company can draw on if necessary.

STOREBRAND LIVSFORSIKRING GROUP

UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES

NOK million	0-6 months	7-12 months	2-3 years	4-5 years	over 5 years	Book value 2022	Book value 2021
Subordinated loan capital	585	272	4,363	4,412	4,790	14,421	10,865
Other current liabilities	9,779					9,779	13,346
Uncalled residual liabilities limited partnership	4,087					4,087	
Uncalled residual liabilities in alternative investment funds	12,238					12,238	
Total financial liabilities 2022	**26,690**	**272**	**4,363**	**4,412**	**4,790**	**40,526**	
Derivatives related to funding 2022	**-138**	**57**	**134**	**-75**	**-32**	**-54**	
Total financial liabilities 2021	**29,059**	**1,103**	**5,255**	**2,919**	**3,290**	**41,626**	**24,212**
Derivatives related to funding 2021	**-111**	**83**	**-93**	**61**	**-91**	**-151**	**657**

The agreed remaining term provides limited information about the company's liquidity risk since the vast majority of investment assets can be realised more quickly in the secondary market than the agreed remaining term. The cash flow from perpetual subordinated loans is calculated up to the first call.

STOREBRAND LIVSFORSIKRING GROUP

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

NOK million	Nominal value	Currency	Interest rate	Call date	Book value 2022	Book value 2021
Issuer						
Perpetual subordinated loan capital						
Storebrand Livsforsikring AS [1)]	1,100	NOK	Variable	2024	1,101	1,100
Storebrand Livsforsikring AS [1,3)]	900	SEK	Variable	2026	856	876
Dated subordinated loan capital						
Storebrand Livsforsikring AS [2,3)]	899	SEK	Variable	2022	0	
Storebrand Livsforsikring AS [3)]	900	SEK	Variable	2025	851	877
Storebrand Livsforsikring AS [3)]	1,000	SEK	Variable	2024	947	976
Storebrand Livsforsikring AS	500	NOK	Variable	2025	500	499
Storebrand Livsforsikring AS [4)]	650	NOK	Variable	2027	651	
Storebrand Livsforsikring AS [3,4)]	750	NOK	Fixed	2027	773	
Storebrand Livsforsikring AS [4)]	1,250	EUR	Variable	2027	1,261	
Storebrand Livsforsikring AS [3,5)]	38	EUR	Fixed	2023	421	2,685
Storebrand Livsforsikring AS [3,4)]	300	EUR	Fixed	2031	2,397	2,876
Total subordinated loan capital					**9,757**	**10,865**

1) Regarding perpetual subordinated loans, the cash flow has been calculated until the first call.

2) The loan was repurchased on 11.10.2021

3) The loans are subject to hedge accounting.

4) EUR 300 million is Storebrand`s first green bond, issuance in March 2021

5) The loan has partly been repaid 2021 and December 2022

FINANCING ACTIVITIES - MOVEMENTS DURING THE YEAR

	Subordinated loan capital	
NOK million	2022	2021
Book value 1.1	10,865	8,834
Admission of new loans/liabilities	2,648	3,911
Repayment of loans/liabilities	-2,558	-1,072
Change in accrued interest	-84	-22
Translation differences	-496	-629
Change in value/amortisation	-618	-156
Book value 31.12	**9,757**	**10,865**

STOREBRAND LIVSFORSIKRING AS

UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES

NOK million	0-6 months	7-12 months	2-3 years	4-5 years	over 5 years	Book value 2022	Book value 2021
Subordinated loan capital	585	272	4,363	4,412	4,790	14,421	10,865
Other current liabilities	6,710					6,710	10,593
Uncalled residual liabilities limited partnership	3,666					3,666	
Ikke trukket kapital i alternative investeringsfond	9,791					9,791	
Total financial liabilities 2022	**20,753**	**272**	**4,363**	**4,412**	**4,790**	**34,589**	
Derivatives related to funding 2022	**-138**	**57**	**134**	**-75**	**-32**	**-54**	
Total financial liabilities 2021	**23,655**	**1,103**	**5,255**	**2,919**	**3,290**	**36,222**	**21,459**
Derivatives related to funding 2021	**-111**	**83**	**-93**	**61**	**-91**	**-151**	**657**

The agreed remaining term provides limited information about the company's liquidity risk since the vast majority of investment assets can be realised more quickly in the secondary market than the agreed remaining term. The cash flow from perpetual subordinated loans is calculated up to the first call.

Note 10 Credit risk

Storebrand is exposed to risk of losses as a result of counterparties not fulfilling their debt liabilities. This risk also includes losses on lending and losses related to the failure of counterparties to fulfil their financial derivative contracts.

The maximum limits for credit exposure to individual counterparties and for overall credit exposure to rating categories are set by the boards of the individual companies in the Group. Particular attention is paid to ensuring diversification of credit exposure in order to avoid concentrating credit exposure on any particular debtors or sectors. Changes in the credit standing of debtors are monitored and followed up. Thus far, the Group has used published credit ratings wherever possible, supplemented by the company's own credit evaluation.

Underlying investments in funds managed by Storebrand are included in the tables.

STOREBRAND LIVSFORSIKRING GROUP

CREDIT RISK BY COUNTERPARTY

Bonds and other fixed-income securities at fair value
Category by issuer or guarantor

NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value 2022	Total Fair value 2021
Government bonds	20,780	6,283	283	3	0	0	27,349	33,509
Corporate bonds	13,399	4,349	26,910	29,258	2,221	1,683	77,820	93,545
Structured notes	0	0	43	18	0	0	61	36
Collateralised securities	3,003	106	0	9	0	0	3,118	3,724
Total interest bearing securities stated by rating	**37,181**	**10,738**	**27,236**	**29,289**	**2,221**	**1,683**	**108,348**	**130,814**
Bond funds not managed by Storebrand						0	36,592	24,224
Non-interest bearing securities managed by Storebrand						0	1,784	3,496
Total 2022	**37,181**	**10,738**	**27,236**	**29,289**	**2,221**	**1,683**	**146,724**	**158,533**
Total 2021	**43,683**	**15,951**	**31,071**	**33,991**	**4,513**	**1,604**		**130,814**

Interest bearing securities at amortised cost Category of issuer or guarantor NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value 2022	Total Fair value 2021
Government bonds	13,279	13,683	1,843	0	0	0	28,805	26,940
Corporate bonds	5,982	8,642	20,048	18,396	128	18,529	71,725	81,451
Structured notes	0	0	0	0	0	14,868	14,868	17,788
Total 2022	**19,261**	**22,325**	**21,890**	**18,396**	**128**	**33,397**	**115,398**	
Total 2021	**21,986**	**21,319**	**26,135**	**15,558**	**41,181**	**0**		**126,179**

Counterparties NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value 2022	Total Fair value 2021
Derivatives	163	1,495	10,303	0	0	2,666	14,626	5,148
Of which derivatives in bond funds, managed by Storebrand	0	138	197	0	0	2	337	293
Total derivatives excluding derivatives in bond funds 2022	**163**	**1,357**	**10,105**	**0**	**0**	**2,664**	**14,289**	
Total derivatives excluding derivatives in bond funds 2021	**31**	**2,703**	**1,886**	**0**	**22**	**213**		**4,855**
Bank deposits [1]	0	4,132	10,279	248	0	210	14,869	10,796
Of which bank deposits in bond funds, managed by Storebrand	0	0	1,151	248	0	0	1,399	1,657
Total bank deposits excluding bank deposits in bond funds 2022	**0**	**4,132**	**9,128**	**0**	**0**	**210**	**13,470**	
Total bank deposits excluding bank deposits in bond funds 2021	**0**	**3,592**	**5,546**	**0**	**0**	**0**		**9,139**
1) of which tied-up bank deposit (tax deduction account)		321					321	293

Rating classes based on Standard & Poor's.

NIG = Non-investment grade.

STOREBRAND LIVSFORSIKRING AS

CREDIT RISK BY COUNTERPARTY

Bonds and other fixed-income securities at fair value Category by issuer or guarantor NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value 2022	Total Fair value 2021
Government bonds	10,346	2,272	283	3	0	0	12,904	12,140
Corporate bonds	5,395	2,178	21,139	21,476	739	23	50,950	59,442
Structured notes	0	0	0	18	0	0	18	36
Collateralised securities	968	0	0	9	0	0	977	1,257
Total interest bearing securities stated by rating	**16,709**	**4,450**	**21,422**	**21,507**	**739**	**23**	**64,850**	**72,875**
Bond funds not managed by Storebrand							5,184	4,756
Non-interest bearing securities managed by Storebrand							1,765	3,454
Total 2022	**16,709**	**4,450**	**21,422**	**21,507**	**739**	**23**	**71,799**	
Total 2021	**18,062**	**4,318**	**23,288**	**25,817**	**1,390**	**0**		**81,086**

Interest bearing securities at amortised cost
Category of issuer or guarantor

NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value 2022	Total Fair value 2021
Government bonds	13,279	13,683	1,843	0	0	0	28,805	26,940
Corporate bonds	5,982	8,642	20,048	18,396	128	18,529	71,725	81,451
Structured notes	0	0	0	0	0	14,868	14,868	17,788
Total 2022	**19,261**	**22,325**	**21,890**	**18,396**	**128**	**33,397**	**115,398**	
Total 2021	**21,986**	**21,319**	**26,135**	**15,558**	**41,181**	**0**		**126,179**

Counterparties

NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value 2022	Total Fair value 2021
Derivatives	0	1,438	2,745	0	0	1,066	5,249	2,965
Of which derivatives in bond funds, managed by Storebrand	0	131	191	0	0	2	324	287
Total derivatives excluding derivatives in bond funds 2022	**0**	**1,307**	**2,555**	**0**	**0**	**1,064**	**4,925**	
Total derivatives excluding derivatives in bond funds 2021	**0**	**1,580**	**972**	**0**	**22**	**105**		**2,678**
Bank deposits [1)]	0	4,065	5,674	248	0	210	10,196	6,867
Of which bank deposits in bond funds, managed by Storebrand	0	0	1,135	248	0	0	1,383	1,622
Total bank deposits excluding bank deposits in bond funds 2022		**4,065**	**4,539**	**0**	**0**	**210**	**8,813**	
Total bank deposits excluding bank deposits in bond funds 2021		**3,545**	**1,700**	**0**	**0**	**0**		**5,245**
1) of which tied-up bank deposit (tax deduction account)		317					317	293

Rating classes based on Standard & Poor's.
NIG = Non-investment grade.

STOREBRAND LIVSFORSIKRING GROUP

Investments subjected to netting agreements/CSA

NOK million	Booked value financial assets	Booked value financial liabilities	Net booked financial assets/ liabilities	Collateral Cash (+/-)	Collateral Securities (+/-)	Net exposure
Investments subject to netting agreements	14,289	12,640	1,649	301	0	1,349
Total counterparts 2022	**14,289**	**12,640**	**1,649**			
Total counterparts 2021	**3,760**	**1,997**	**1,763**	**313**	**0**	**1,450**

STOREBRAND LIVSFORSIKRING AS

Investments subjected to netting agreements/CSA

NOK million	Booked value financial assets	Booked value financial liabilities	Net booked financial assets/ liabilities	Collateral		Net exposure
				Cash (+/-)	Securities (+/-)	
Total counterparts 2022	**4,925**	**4,083**	**843**	**1,064**	**0**	**-222**
Total counterparts 2021	**2,678**	**1,638**	**1,040**	**691**	**0**	**349**

The Group has entered into framework agreements with all its counterparties to reduce the risk inherent in outstanding derivative transactions. These regulate how collateral is to be pledged against changes in market values that are calculated on a daily basis, among other things.

STOREBRAND LIVSFORSIKRING GROUP

Financial assets at fair value through profit and loss (FVO)

NOK million	2022	2021
Booked value maximum exposure for credit risk	153,481	165,976
Net credit risk	**153,481**	**165,976**
This year's change in fair value due to change in credit risk	-993	617
Accumulated change in fair value due to change in credit risk	-1,017	70

Storebrand has none related credit derivatives or collateral.

STOREBRAND LIVSFORSIKRING AS

Financial assets at fair value through profit and loss (FVO)

NOK million	2022	2021
Booked value maximum exposure for credit risk	71,922	81,218
Net credit risk	**71,922**	**81,218**
This year's change in fair value due to change in credit risk	-887	282
Accumulated change in fair value due to change in credit risk	-1,184	-217

Storebrand has none related credit derivatives or collateral.

THE LOAN PORTFOLIO

The majority of the loans at Storebrand consist of home loans to retail market customers. The home loans are approved and administered by Storebrand Bank, but a significant share of the loans have been transferred to Storebrand Livsforsikring as a part of the investment portfolio. Storebrand Livsforsikring and SPP also have loans to companies as part of the insurance portfolios.

The corporate market portfolio consists of income-generating real estate and development real estate with few customers and low defaults which are essentially secured on commercial property.

In the retail market, most of the loans are secured by means of home mortgages. Customers are evaluated according to their capacity and intent to repay the loan. In addition to their capacity to service debt, customers are checked regarding policy rules and credit ratings are classified. There is a low default in the retail market portfolio.

The weighted average loan-to-value ratio for retail market loans is approximately 50 per cent on home loans. About 97 per cent of home loans have a loan to value ratio within 70 per cent and approximately 99 per cent are within 80 per cent loan to value ratio. About 76 per cent of the home loans are within a 60 per cent LVR. The portfolio is considered to have low credit risk.

STOREBRAND LIVSFORSIKRING GROUP

Loans at amortised cost and loans at fair value
Commitments by customer groups

NOK million	Lending to and receivables from customers	Guarantees	Undrawn credit limits	Total commit-ments
Sale and operation of real estate	10,252		0	10,252
Wage-earners and others	17,035		161	17,196
Others	1,412		0	1,412
Total	**28,700**	**0**	**161**	**28,861**
Individual write-downs	-315	-315	-315	-945
Group write-downs	0	0	0	0
Total lending to and receivables from customers 2022	**28,385**	**-315**	**-154**	**27,916**
Total lending to and receivables from customers 2021	**30,495**	**0**	**62**	**30,556**

The division into customer groups is based on Statistics Norway's standard for sector and business grouping. The placement of the individual customer is determined by the customer's primary business.

Total commitments by remaining term

	2022			2021		
NOK million	Lending to and receivables from customers	Undrawn credit limits	Total commitments	Guarantees	Undrawn credit limits	Total commitments
Up to one month			0	1	0	1
2 - 3 months	15	4	19	432	0	432
4 months - 1 year	1,633	13	1,646	21	7	27
2 -5 years	10,050	35	10,085	11,377	34	11,411
More than 5 years	17,002	109	17,111	18,746	21	18,766
Total gross commitments	**28,700**	**161**	**28,861**	**30,577**	**62**	**30,639**

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.
The absolute threshold is set at NOK 1,000 (per commitment), and the relative threshold is 1% of total debtor exposure.

Credit risks by customer groups

NOK million	Individual write-downs	Total value changes recognised in the period
Others	-315	-315
Total 2022	**-315**	**-315**
Total 2021	-85	-85

Default occurs after 90 days of overdrafts above both absolute and relative thresholds. All debtor commitments are considered in default if default has occurred in at least one of them. The absolute threshold is set at NOK 1,000 (per engagement), and the relative threshold is 1 per cent of total debtor exposure.

In order to reduce counterparty risk on outstanding derivative transactions, framework agreements have been entered into with counterparties which, among other things, regulate how collateral must be provided for changes in market values which are calculated on a daily basis.

Total engagement amount by remaining term to maturity

NOK million	2022 Lending to and receivables from customers	2022 Total commitments	2021 Guarantees	2021 Total commitments
Overdue 1-30 days	17.5	17.5	1.3	1.3
Overdue 31-60 days	2.6	2.6		0
Overdue 61-90 days	4.7	4.7		0
Overdue more than 90 days	4.7	4.7		0
Total	**29.4**	**29.4**	**1.3**	**1.3**

STOREBRAND LIVSFORSIKRING AS

Commitments by customer groups

NOK million	Lending to and receivables from customers	Undrawn credit limits	Total commitments	Commitments without write-downs	Individual write-downs	Net non-performing loans
Sale and operation of real estate	4,178	0	4,178	0,0		0
Wage-earners and others	17,033	161	17,194	15		15
Others	568	0	568	0	-1	1
Total	**21,780**	**161**	**21,940**	**15**	**-1**	**16**
Individual write-downs	-31		-31			0
Group write-downs			0			0
Total lending to and receivables from customers 2022	**21,749**	**161**	**21,910**	**15**	**-1**	**16**
Total lending to and receivables from customers 2021	**23,184**	**62**	**23,245**	**15**	**-1**	**16**

The division into customer groups is based on Statistics Norway's standard for sector and business grouping. The placement of the individual customer is determined by the customer's primary business.

Total commitments by remaining term

NOK million	2022 Lending to and receivables from customers	2022 Undrawn credit limits	2022 Total commitments	2021 Guarantees	2021 Undrawn credit limits	2021 Total commitments
Up to one month			0	1		1
2 - 3 months	15	4	19	252		252
4 months - 1 year	510	13	524	21	7	27
2 -5 years	4,251	35	4,286	4,782	34	4,817
More than 5 years	17,003	109	17,112	18,158	21	18,178
Total gross commitments	**21,780**	**161**	**21,940**	**23,214**	**62**	**23,276**

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.

The absolute threshold is set at NOK 1,000 (per commitment), and the relative threshold is 1% of total debtor exposure.

Credit risks by customer groups

NOK million	Individual write-downs	Total value changes recognised in the period
Others	-31	-31
Total 2022	**-31**	**-31**
Total 2021	-31	-31

Ved mislighold vil Storebrand selge sikkerhetene eller overta eiendelene dersom det er mest hensiktsmessig.

Total engagement amount by remaining term to maturity

	2022		2021	
NOK million	Lending to and receivables from customers	Total commitments	Lending to and receivables from customers	Total commitments
Overdue 1-30 days	17.5	17.5	1.3	1.3
Overdue 31-60 days	2.6	2.6		0
Overdue 61-90 days	4.7	4.7		0
Overdue more than 90 days	4.7	4.7		0
Total	**29.4**	**29.4**	**1.3**	**1.3**

Note 11 Concentrations of risk

Most of the risk for the Storebrand Group relates to the guaranteed pension products in the life insurance companies. These risks are consolidated in the Storebrand Life Insurance Group, which includes the Storebrand Livsforsikring AS, SPP Pension & Försäkring AB and Storebrand Danica Pensjonsforsikring AS.

For the life insurance businesses, the greatest risks are relatively the same in Norway and Sweden. The financial market risk will depend significantly on global circumstances that influence the investment portfolios in all businesses. The insurance risk may be different for the various companies, and longevity risk in particular can be influenced by universal trends.

The insurance business is exposed to credit risk. The insurance business primarily has a credit risk relating to bonds with significant geographical and industry-related diversification. There is no significant concentration risk across bonds and loans.

The financial market and investment risks are largely related to the customer portfolios in the life insurance business. The risk associated with a negative outcome in the financial market is described and quantified in Note 8, financial market risk.

In the short term, an interest rate increase will negatively impact on the returns for the life insurance companies.

Note 12: Climate risk

Storebrand is exposed to climate risk. This risk is not only commercial, but also applies to investments, including property, and the insurance liabilities. Both physical climate change and risks associated with the transition to low emissions may have an impact. For Storebrand, the transition risk is of the greatest importance, particularly in the short and medium term

The biggest risk is from the investments. Given a rapid transition to low emissions, the value of shares and bonds in companies with large climate emissions may fall. Storebrand has a climate strategy which means that the exposure to shares and bonds in fossil fuel companies is limited. Emissions of greenhouse gases in relation to turnover for the overall investment portfolio are lower than the general market. The risk can be offset somewhat by Storebrand's investments in solution companies that will benefit from a rapid transition to low emissions. But these companies also have a risk of a fall in value, especially if the transition to low emissions is slower than expected.

Physical climate changes can also affect the value of the investments. Storebrand has a well-diversified portfolio of shares and bonds, both geographically, across industries and towards individual companies. It limits the risk from some parts of the world, some industries and some companies experiencing large falls in value as a consequence of climate change. But climate change can also lead to lower economic growth and lower investment returns for the wider market, especially in the long term.

For investments that are priced in an active market, Storebrand's valuation is based on climate risk being taken into account in the market's pricing.

Storebrand has climate risk from real estate investments. There is a transition risk from the fact that there may be high costs for adapting buildings to achieve lower climate emissions. There is also physical risk, especially from increased incidence of extreme rainfall and flooding.

The valuation of property is based on information that is not observable, level 3, refer to note 13. Climate risk can affect the valuation both through calculated cash flows and return requirements for the property. The cash flow can be affected, for example, because climate change creates a need for upgrades or because the ownership costs are affected by the building's energy efficiency. The property's environmental standard is one of the factors considered when the return requirement is set.

Business-wise, Storebrand has a risk that there may be lower demand for our products if customers are negatively affected by climate risk. A rapid transition to low emissions could affect the Norwegian economy in general and the oil sector in particular.
In Norway, there is usually a connection between unemployment and disability. Negative effects for the Norwegian economy of a rapid transition to low emissions can therefore result in more cases of disability.

For non-life insurance, there may be more claims and higher claim payouts as a consequence of climate change. The biggest risk is damage from extreme rainfall or flooding, especially for property below ground level. Storebrand's risk is limited by the fact that losses from natural disasters are covered under the national natural damage scheme.

Note 13: Valuation of financial instruments and properties

The group carries out a comprehensive process to ensure the most market-correct valuation of financial instruments. Listed financial instruments are valued based on official closing prices from stock exchanges obtained through Reuters and Bloomberg. Fund units are generally valued at updated official NAV rates where such are available. As a general rule, bonds are valued based on rates obtained from Nordic bond pricing and Bloomberg. Bonds where reliable prices are not regularly quoted are theoretically valued based on discounted cash flow. The discount rate consists of swap rates plus a credit spread that is specific to the individual bond. Unlisted derivatives such as currency forwards, interest rate and currency swaps are also valued theoretically. Swap rates and exchange rates that form the basis of the valuation are obtained from Reuters and Bloomberg. The valuation of currency options and Swaptions is provided by Markit.

The group categorises financial instruments that are valued at fair value at three different levels, which are described in more detail below. The levels express different degrees of liquidity and different measurement methods. The company has established valuation models to capture information from a wide range of well-informed sources with a view to minimising uncertainty linked to the valuation.

LEVEL 1: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES FOR IDENTICAL ASSETS IN ACTIVE MARKETS
This category encompasses listed equities that over the previous quarter have experienced average daily trading equivalent to approximately NOK 20 million or more. Based on this, the equities are regarded as sufficiently liquid to be included at this level. Bonds, certificates or equivalent instruments issued by national governments in local currencies 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 on the basis of 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 quarter. Bonds and equivalent instruments are generally classified in this level. Moreover, interest rate and foreign exchange swaps, as well as non-standardised interest rate and foreign exchange derivatives are classified as level 2. Fund investments, including hedge funds but excluding other alternative investment funds, are generally classified as level 2.

LEVEL 3: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF INFORMATION THAT IS NOT OBSERVABLE IN ACCORDANCE WITH LEVEL 2
Equities classified as level 3 are primarily investments in unlisted/private companies as well as funds consisting of these. These include investments in forestry, microfinance, infrastructure and property. Private equity is generally classified at this level through direct investments or investments in funds. Private customer loans and funds consisting of these are also at level 3.

The types of mutual funds classified as level 3 are discussed in more detail below with a reference to the type of mutual fund and the valuation method.

Equities
The group's internal companies are classified at level 3 and valued at book value. Of external companies, alternative investments organized as joint stock companies make up the majority. These are valued based on value-adjusted equity reported from external sources when available.

Units
Of fund shares, private equity funds make up the majority at level 3. There are also some other types of funds such as infrastructure funds, microfinance funds, loan funds and property funds. The fund investments are valued based on the values reported from the funds. Most funds report quarterly, while some report less frequently. The reporting takes place with a one-month delay for the group's own private equity funds in funds up to a three-month delay for other funds. The last valuation received is used as a basis, adjusted for cash flows and estimated market effect in the period from the last valuation until the time of reporting where relevant. Market effect is calculated for the company's own vintage private equity funds in funds based on the value development in the relevant index multiplied by the estimated beta against this index.

Loans to customers
The value of fixed-rate loans is determined by discounting the agreed cash flows over the remaining maturity by the current discount rate adjusted for market spread. The discount rate that is used is based on a swap interest rate (mid swap) with a maturity that corresponds to the remaining lock-in period for the underlying loans. The market spread that is used on the balance sheet date is determined by assessing the market conditions, market price and the associated swap interest rate. However, the fair value of loans to corporate customers with margin loans is lower than the amortised cost because certain loans run with lower margins than they would have done if they had been taken up as of the end of 2022. The value shortfall is calculated by discounting the difference between the agreed margin and the current market price over the remaining duration.

Corporate bonds
Bonds do not normally occur at level 3, but defaulted bonds are categorized at this level and valued based on the expected payout. As of 31.12.22, this was not a significant amount for Storebrand.

Investment properties
The investment properties primarily consist of office buildings located in Oslo and Stockholm and shopping centres in southern Norway.

Office properties and shopping centres in Norway:
The required rate of return is of greatest importance when calculating the fair value for investment properties.

An individual required rate of return is determined for each property. The knowledge available about the market's required rate of return, including transactions and appraisals, is used when determining the cash flow.

The required rate of return is divided into the following elements:
- Risk-free interest
- Risk premium, adjusted for:
- Type of property
- Location
- Structural standard
- Environmental standard
- Duration of the contract
- Quality of tenant
- Other factors such as transactions and perception in the market, vacancy and general knowledge about the market and the individual property.

When calculating fair value, Storebrand uses internal cash flow models. Net cash flows for the individual property are discounted by an individual required rate of return. A future income and expense picture for the first 10 years has been estimated for the office properties and a final value has been calculated for the end of the 10th year based on market rent and normal operating costs for the property. A future income and expense picture for the first 6 years has been estimated for the shopping centre properties and a final value has been calculated for the end of the 6th year based on market rent and normal operating costs for the property. In both models, the net income stream has been taken into consideration for existing and future loss of income due to vacancy, necessary investments and an assessment of the future development in the market rent. The majority of new contracts that are entered into have a duration of five or ten years for offices (three to five years for trading). The cash flows from the lease agreements (contractual rent) are included in the valuations. To estimate the long-term, future non-contractual rental incomes, a forecasting model has been developed. The office model is based on the rental price overview from Area statistics, as well as data and observations from brokers. A long-term, time-weighted average of the annual observations is calculated in which the oldest observations are weighted with the lowest importance. For non-contractual rent in the short-term, the current rental prices and market situation are used. For trading, the forecast is based on the development of the shopping centre.

External valuation:

For properties in the Norwegian business, a methodical approach is taken to a selection of properties that are to be externally valued each quarter so that all properties have had an external valuation at least every three years. In 2022, external valuations were obtained for properties worth NOK 22.7 billion (92 per cent of the portfolio's value as at 31 December 2022).

For quality control and updating of the internal model, external valuations shall be obtained each quarter from reputable appraisers to verify the value that appears when using the internal model. When obtaining such valuations, the individual appraiser's routines for valuations, including collection of information, inspections etc., shall apply. External valuations shall be rotated in such a way that all segments are regularly appraised. The task of valuing investment properties shall be rotated between reputable appraisers within a reasonable time interval, and knowledge of the property must be taken into consideration. The assumptions for the external valuation are critically reviewed and reasonableness assessed against internal assumptions. In the event of a discrepancy between the valuation and value obtained using the internal model, the model shall be used as long as the discrepancy is within what is discretionarily considered to be best practice in the market. If there is a discrepancy of more than 5% between the internal and external valuation, the discrepancy shall be reported and the grounds for this provided in the valuation memorandum/valuation item memorandum that is presented to the Board of Storebrand Livsforsikring AS.

External valuations are obtained for properties in the Swedish business. Shopping centres and commercial premises are valued annually, while other wholly-owned property investments are valued on a quarterly basis

VALUATION OF FINANCIAL INTRUMENTS AND LIABILITIES AT AMORTISED COST

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total fair value 2022	Total fair value 2021	Book value 2022	Book value 2021
Financial assets							
Loans to customers - corporate			4,392	4,392	5,055	4,539	5,044
Loans to customers - retail			16,800	16,800	18,021	17,088	18,008
Bonds held to maturity		7,474		7,474	9,103	7,402	8,441
Bonds classified as loans and receivables	620.8	107,303		107,924	117,077	117,758	114,383
Total fair value 2022		**114,777**	**21,192**	**136,590**		**146,788**	
Total fair value 2021		**126,179**	**23,077**		**149,256**		**145,876**
Financial liabilities							
Subordinated loan capital		9,714		9,714	11,008	9,757	10,865
Total fair value 2022		**9,714**		**9,714**		**9,757**	
Total fair value 2021		**11,008**			**11,008**		**10,865**

STOREBRAND LIVSFORSIKRING GROUP

VALUATION AT FAIR VALUE

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total fair value 2022	Total fair value 2021
Assets					
Equities and units					
- Equities	30,690	16,599	356	47,645	40,611
- Units		204,466	18,105	222,571	237,445
Total equities and units 2022	**30,690**	**221,065**	**18,461**	**270,217**	
Total equities and units 2021	**40,071**	**222,998**	**14,987**		**278,056**
Loans to customers					
- Loans to customers - corporate			6,757	6,757	7,443
Total loans to customers 2022			**6,757**	**6,757**	
Total loans to customers 2021			**7,443**		**7,443**
Bonds and other fixed income securities					
- Government bonds	16,203	8,063		24,266	30,911
- Corporate bonds		43,058	8	43,066	55,354
- Strukturerte papirer		43		43	
- Collateralised securities		2,887		2,887	3,528
- Bond funds		62,652	13,810	76,462	68,741
Total bonds and other fixed income securities 2022	**16,203**	**116,703**	**13,818**	**146,724**	
Total bonds and other fixed income securities 2021	**16,722**	**129,141**	**12,670**		**158,533**
Derivatives:					
- Interest derivatives	7,761	-8,504		-744	2,286
- Currency derivatives		2,393		2,393	-523
Total derivatives 2022	**7,761**	**-6,111**		**1,649**	**1,763**
- derivatives with a positive market value	7,761	6,529		14,289	4,855
- derivatives with a negative market value		-12,640		-12,640	-3,092
Total derivatives 2021		**1,763**			**1,763**
Real estate:					
- real estate at fair value			33,481	33,481	33,376
- real estate for own use			1,689	1,689	1,659
Total real estate 2022			**35,171**	**35,171**	
Total real estate 2021			**35,035**		**35,035**

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	19	59

Movements from level 1 to level 2 reflect reduced sales value in the relevant equities in the last measuring period.

On the other hand, movements from level 2 to level 1 indicate increased sales value in the relevant equities in the last measuring period.

MOVEMENT LEVEL 3

NOK million	Equities	Units	Loans to customers	Corporate bonds	Bond Funds	Investment real estate	Real estate for own use
Book value 01.01.2022	309	14,678	7,443	8	12,663	33,376	1,659
Net profit/loss	-248	1,318	-182		233	-380	51
Supply/disposal	250	762	267		1,501	1,448	61
Sales/overdue/settlement	44	1,432	-554		-258	-610	
Translation differences		-85	-214		-329	-364	-86
Other			-2			10	4
Book value 31.12.22	**355**	**18,105**	**6,757**	**8**	**13,810**	**33,481**	**1,689**

As of 31.12.22, Storebrand Livsforsikring had NOK 8 211 million invested in Storebrand Eiendomsfond Norge KS and VIA, Oslo.
The investments are classified as “Investment in Associated Companies/joint-controlled companies” in the Consolidated Financial Statements.
Storebrand Eiendomsfond Norge KS and VIA invests exclusively in real estate at fair value.

STOREBRAND LIVSFORSIKRING AS

NOK million	Quoted prices (level 1)	Observable assumptions (level 2)	Non-observable assumptions (level 3)	Total fair value 2022	Total fair value 2021
Assets					
Equities and units					
- Equities	29,357	172	145	29,674	38,851
- Fund units		73,655	14,802	88,456	87,834
Total equities and units 2022	**29,357**	**73,826**	**14,947**	**118,130**	
Total equities and units 2021	**38,320**	**76,055**	**12,310**		**126,685**
Loans to customers					
- Loans to customers - corporate			122	122	133
Total loans to customers 2022			**122**	**122**	
Total loans to customers 2021			**133**		**133**
Bonds and other fixed income securities					
- Government bonds	10,170	274		10,444	9,949
- Corporate bonds		20,377	8	20,385	26,296
- Collateralised securities		840		840	1,227
- Bond funds		38,003	2,127	40,130	43,613
Total bonds and other fixed income securities 2022	**10,170**	**59,494**	**2,135**	**71,799**	
Total bonds and other fixed income securities 2021	**9,667**	**69,975**	**1,443**		**81,086**
Derivatives:					
- Interest derivatives	636.0	-1855		-1,219	1,517
- Currency derivatives		2062		2,062	-476
Total derivatives 2022	**636.0**	**206**		**843**	
- derivatives with a positive market value	636.0	4,289		4,925	2,678.1
- derivatives with a negative market value		-4,083		-4,083	-1,637.8
Total derivatives 2021		**1,040**			**1,040**

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	16	57

Movements from level 1 to level 2 reflect reduced sales value in the relevant equities in the last measuring period.
On the other hand, movements from level 2 to level 1 indicate increased sales value in the relevant equities in the last measuring period.

Movement level 3

NOK million	Equities	Units	Loans to customers	Corporate bonds	Bond Funds
Book value 01.01.2022	309	12,001	133	8	1,435
Net profit/loss	-249	255	-8		-110
Supply/disposal	40	500			709
Sales/overdue/settlement	45	2,045			93
Book value 31.12.22	**145**	**14,802**	**124**	**8**	**2,127**

SENSITIVITY ASSESSMENTS

THE SENSITIVITY OF FINANCIAL INSTRUMENTS AND PROPERTY AT FAIR VALUE

EQUITIES

Equity investments at level 3 mainly consist of funds organized as limited liability companies and privately owned limited liability companies. These have a similar sensitivity assessment as for fund shares where private equity funds do not do the essential thing.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in value at change in discount rate		Change in value at change in discount rate	
NOK million	Increase + 25 bp	Decrease - 25 bp	Increase + 25 bp	Decrease - 25 bp
Change in fair value as at 31.12.22	1	-1	1	-1
Change in fair value as at 31.12.21	-11	10	-11	10

FUND UNITS

Large portions of the portfolio are private equity funds invested in companies priced against comparable listed companies. The valuation of the private equity portfolio will thus be sensitive to fluctuations in global equity markets. The private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.54.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
NOK million	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 31.12.22	835	-835	675	-675
Change in fair value as at 31.12.21	861	-861	709	-709

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

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change indirect property investments		Change indirect property investments	
NOK million	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 31.12.22	1	-1	1	-1
Change in fair value as at 31.12.21	1	-1	1	-1

LOANS TO CUSTOMERS
Loans are valued at fair value. The fair value is determined by discounting future cash flows with the associated swap curve adjusted for a issuer-specific credit spread.

Loans from SPP Pension & Försäkring AB are assessed at fair value. The value of these is determined by discounting future cash flows with the associated swap curve adjusted for a customer-specific credit spread.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in marketspread		Change in marketspread	
NOK million	+ 10 bp	- 10 bp	+ 10 bp	- 10 bp
Change in fair value as at 31.12.22	-26	26	-8	8
Change in fair value as at 31.12.21	-29	29	-7	7

CORPORATE BONDS
Securities registered as Level 3 bonds are typically non-performing loans or convertible bonds. They are not priced based on a discount rate as bonds normally are, and these investments are therefore included in the same sensitivity test as private equity.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change MSCI World		Change MSCI World	
NOK million	Increase + 10 %	Decrease - 10 %	Increase + 10 %	Decrease - 10 %
Change in fair value as at 31.12.22	0	0	0	0
Change in fair value as at 31.12.21	0	0	0	0

PROPERTIES
The sensitivity assessment of property applies to investment properties.

The valuation of property is particularly sensitive to changes in the required rate of return and assumptions about future cash flow. Increased interest rates have a negative impact through increased yields and more demanding conditions for loan financing in transactions. At the same time, property investments have historically provided inflation protection through regulations in market rents and increased cash flows. A change of 0.25 per cent in the return requirement, all else being equal, will result in a change in the value of the property portfolio in Storebrand of around 6 per cent. Around 25 per cent of the property's cash flow is linked to leases entered. This means that the changes in the uncertain parts of the cash flow by 1 per cent result in a change in value of 0.70 to 0.75 per cent. The property's cash flows will also be affected by inflation expectations and the vacancy level in the portfolio. Storebrand's property portfolio mainly consists of office properties that have an attractive location in the central business district (CBD). The location means that the properties have historically been less exposed to market fluctuations than properties located in the edge zone, but there is uncertainty associated with the calculation of the values given volatility in the market. See further discussion of the uncertainty in note 8.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Change in required rate of return		Change in required rate of return	
NOK million	0.25%	-0.25%	0.25%	-0.25%
Change in fair value as at 31.12.22	-2,251	2,555	-1,461	1,659
Change in fair value as at 31.12.21	-2,128	2,401	-1,348	1,515

INFRASTRUCTURE
The valuation of the underlying infrastructure investments will be impacted by changes in the required rate of return and assumptions relating to future cash flow.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	Value change in underlying investment		Value change in underlying investment	
NOK million	Increase 5 %	Decrease 5%	Increase 5 %	Decrease 5%
Change in fair value as at 31.12.22	136	-136	111	-111
Change in fair value as at 31.12.21	66	-66	52	-52

Note 14 Profit and loss account by class of business

STOREBRAND LIVSFORSIKRING AS

NOK million	Group pension private sector	Group pension public sector	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	Storebrand Livsforsikring AS
Premium income	21,398	4,788	810	2,008	396	365	29,766
Net income from financial assets – collective portfolio	-2,433	-499	-7	-5	-80	-2	-3,025
Net income from financial assets with investment choice	-10,780	0	0	-752	-503	0	-12,034
Other insurance related income	654	11	1	88	59	5	817
Claims	-18,767	-804	-600	-1,552	-1,200	-212	-23,135
– Of which agreements terminated/ withdrawals from endowment policies	-51	-208	0	-45	-9	0	-312
Changes in insurance obligations recognised in the Profit and Loss account							
contractual obligations	8,055	-3,377	-98	72	984	-25	5,611
Changes in insurance obligations recognised in the Profit and Loss account							
with investment choice	4,341	0	0	611	477	0	5,429
Funds allocated to insurance contracts							
contractual obligations	-301	-4	0	-82	-1	0	-388
Insurance related operating costs	-905	-113	-83	-271	-116	-36	-1,524
Other insurance related costs	-101	0	-13	-3	-1	-1	-119
Technical result 2022	**1,162**	**3**	**10**	**114**	**15**	**94**	**1,398**
Technical result 2021	**1,167**	**-32**	**-33**	**225**	**39**	**50**	**1,417**

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2022	2021
Premium income	200	648	1,159	2,008	2,471
Net income from financial assets – collective portfolio	-14	10	-	-5	146
Net income from financial assets with investment choice	-	-	-752	-752	988
Other insurance related income	0	-	87	88	81
Claims	-280	-253	-1,019	-1,552	-1,263
Changes in insurance obligations recognised in the Profit and Loss account					
contractual obligations	237	-161	-4	72	-1
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	-	-	611	611	-1,902
Funds allocated to insurance contracts					
contractual obligations	-82	-	-	-82	-65
Insurance related operating costs	-16	-159	-96	-271	-228
Other insurance related costs	-1	-2	0	-3	-2
Technical result	**45**	**83**	**-13**	**114**	**225**

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Investment choice	2022	2021
Premium income	18	378	396	638
Net income from financial assets – collective portfolio	-80	-	-80	332
Net income from financial assets with investment choice	-	-503	-503	781
Other insurance related income	-	59	59	56
Claims	-873	-326	-1,200	-1,287
Changes in insurance obligations recognised in the Profit and Loss account				
contractual obligations	985	-1	984	666
Changes in insurance obligations recognised in the Profit and Loss				
account with investment choice	-	477	477	-1,002
Funds allocated to insurance contracts				
contractual obligations	-1	-	-1	-19
Insurance related operating costs	-59	-57	-116	-124
Other insurance related costs	-0	-1	-1	-1
Technical result	**-10**	**25**	**15**	**39**

GROUP PENSION PRIVATE INSURANCE

NOK million	Company pension without investment choice	Paid-up policies without investment choice	Paid-up policies with investment choice	Occupational pension without profit-sharing	Pension certificate without investment choice
Premium income	1,754	148	-16	1	475
Net income from financial assets – collective portfolio	-636	-1,610	-	-0	-144
Net income from financial assets with investment choice	-	-	-1,462	-	-
Other insurance related income	1	96	160	0	0
Claims	-618	-6,801	-308	-	-567
Changes in insurance obligations recognised in the Profit and Loss account					
contractual obligations	-155	9,266	-	-1	393
Changes in insurance obligations recognised in the Profit and Loss account					
with investment choice	-	-	1,759	-	-
Funds allocated to insurance contracts					
contractual obligations	-16	-245	26	-	-59
Insurance related operating costs	-147	-257	-18	-0	-28
Other insurance related costs	-1	-96	-0	-0	-2
Technical result	**183**	**501**	**142**	**-0**	**68**

GROUP PENSION PRIVATE INSURANCE

NOK million	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	Defined contribution pension not eligible for profit allocation
Premium income	981	322	-	1,338
Net income from financial assets – collective portfolio	-	-9	-	-27
Net income from financial assets with investment choice	-346	-	-	-
Other insurance related income	10	-	-	2
Claims	-36	-2	-	-40
Changes in insurance obligations recognised in the Profit and Loss account				
contractual obligations	-	-306	-	-1,098
Changes in insurance obligations recognised in the Profit and Loss account				
with investment choice	-598	-	-	-
Funds allocated to insurance contracts				
contractual obligations	-	-4	-	-3
Insurance related operating costs	-8	-1	-	-100
Other insurance related costs	-0	-	-	-2
Technical result	**3**	**2**	**-**	**70**

GROUP PENSION PRIVATE INSURANCE

NOK million	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	2022	2021
Premium income	16,200	184	9	21,398	26,785
Net income from financial assets – collective portfolio	-	-7	-	-2,433	6,506
Net income from financial assets with investment choice	-7,387	-	-1,584	-10,780	17,646
Other insurance related income	226	0	159	654	710
Claims	-4,646	-129	-5,621	-18,767	-30,466
Changes in insurance obligations recognised in the Profit and Loss account					
contractual obligations	-	-45	-	8,055	-45
Changes in insurance obligations recognised in the Profit and Loss account					
with investment choice	-4,087	-	7,267	4,341	-18,009
Funds allocated to insurance contracts					
contractual obligations	-	-0	-	-301	-986
Insurance related operating costs	-229	-1	-117	-905	-877
Other insurance related costs	0	-0	-0	-101	-97
Technical result	**78**	**3**	**112**	**1,162**	**1,167**

GROUP PENSION PUBLIC INSURANCE

NOK million	Defined benefit without investment choice	2022	2021
Premium income	4,788	4,788	6,978
Net income from financial assets – collective portfolio	-499	-499	801
Other insurance related income	11	11	16
Claims	-804	-804	-583
Changes in insurance obligations recognised in the Profit and Loss account			
contractual obligations	-3,377	-3,377	-6,816
Changes in insurance obligations recognised in the Profit and Loss account			
with investment choice	-	0	
Funds allocated to insurance contracts			
contractual obligations	-4	-4	-325
Insurance related operating costs	-113	-113	-99
Other insurance related costs	0	0	-2
Technical result	**3**	**3**	**-32**

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Group pension private sector	Group pension public sector	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance
Premium income	23,602	4,788	812	2,225	434	383
Net income from financial assets – collective portfolio	-2,432	-499	-7	-4	-79	-2
Net income from financial assets with investment choice	-10,434	0	0	-744	-487	0
Other insurance related income	700	11	1	88	59	5
Claims	-20,330	-804	-600	-1,728	-1,311	-220
– Of which agreements terminated/withdrawals from endowment policies	-51	-208	0	-150	-9	0
Changes in insurance obligations recognised in the Profit and Loss account						
contractual obligations	8,033	-3,377	-99	59	942	-6
Changes in insurance obligations recognised in the Profit and Loss account						
with investment choice	3,431	0	0	667	563	6
Funds allocated to insurance contracts						
contractual obligations	-301	-4	0	-82	-2	0
Insurance related operating costs	-985	-113	-83	-311	-134	-49
Other insurance related costs	-101	0	-13	-3	-1	-1
Technical result 2022	**1,184**	**3**	**10**	**167**	**-16**	**117**
Technical result 2021	**1,167**	**-32**	**-33**	**225**	**39**	**39**

NOK million	Total norwegian business	Swedish business	Storebrand Livsforsikring group
Premium income	32,244	13,978	46,223
Net income from financial assets – collective portfolio	-3,024	-9,465	-12,488
Net income from financial assets with investment choice	-11,665	-15,314	-26,978
Other insurance related income	863	626	1,489
Claims	-24,993	-12,762	-37,755
– Of which agreements terminated/withdrawals from endowment policies	-417	408	-9
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations	5,553	14,029	19,582
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	4,667	10,449	15,116
Funds allocated to insurance contracts contractual obligations	-389	0	-389
Insurance related operating costs	-1,675	-982	-2,657
Other insurance related costs	-119	-23	-141
Technical result 2022	**1,464**	**537**	**2,001**
Technical result 2021	**1,417**	**1,211**	**2,629**

Norwegian business consists of Storebrand Livsforsikring AS and Storebrand Danica Pensjonsforsikring AS. Swedish business consists of SPP Pension & Försäkring AB. The tables below only contain Norwegian business.

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2022	2021
Premium income	200	747	1,278	2,225	2,471
Net income from financial assets – collective portfolio	-14	10	-	-4	146
Net income from financial assets with investment choice	-	-	-744	-744	988
Other insurance related income	0	-	87	88	81
Claims	-280	-301	-1,148	-1,728	-1,263
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations	237	-174	-4	59	-1
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	-	43	625	667	-1,902
Funds allocated to insurance contracts contractual obligations	-82	-	-	-82	-65
Insurance related operating costs	-16	-188	-107	-311	-228
Other insurance related costs	-1	-2	0	-3	-2
Technical result	**45**	**135**	**-12**	**167**	**225**

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2022	2021
Premium income	18	16	400	434	638
Net income from financial assets – collective portfolio	-80	0	0	-79	332
Net income from financial assets with investment choice	0	0	-487	-487	781
Other insurance related income	0	0	59	59	56
Claims	-873	0	-438	-1,311	-1,287
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations	987	-44	-1	942	666
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	0	0	563	563	-1,002
Funds allocated to insurance contracts contractual obligations	-2	0	0	-2	-19
Insurance related operating costs	-59	-10	-65	-134	-124
Other insurance related costs	0	0	-1	-1	-1
Technical result	**-9**	**-38**	**31**	**-16**	**39**

GROUP PENSION PRIVATE INSURANCE

NOK million	Company pension without investment choice	Paid-up policies without invest-ment choice	Paid-up policies with investment choice	Occupational pension without profit-sharing	Pension certificate without invest-ment choice
Premium income	1,754	148	-16	1	485
Net income from financial assets – collective portfolio	-636	-1,610	-	-0	-144
Net income from financial assets with investment choice	-	-	-1,460	-	-
Other insurance related income	1	96	160	0	0
Claims	-618	-6,801	-309	-	-596
Changes in insurance obligations recognised in the Profit and Loss account		-	-	-	-
contractual obligations	-155	9,263	-	-1	412
Changes in insurance obligations recognised in the Profit and Loss account		-	-	-	-
with investment choice	-	-	1,761	-	-
Funds allocated to insurance contracts contractual obligations	-16	-245	26	-	-59
Insurance related operating costs	-147	-258	-19	-0	-30
Other insurance related costs	-1	-96	-0	-0	-2
Technical result	**183**	**498**	**143**	**-0**	**68**

GROUP PENSION PRIVATE INSURANCE

NOK million	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	Defined contribution pension not eligible for profit allocation
Premium income	981	322	-	1,372
Net income from financial assets – collective portfolio	-	-9	-	-27
Net income from financial assets with investment choice	-346	-	-	-
Other insurance related income	10	-	-	2
Claims	-36	-2	-	-40
Changes in insurance obligations recognised in the Profit and Loss account				
contractual obligations	-	-306	-	-1,136
Changes in insurance obligations recognised in the Profit and Loss account				
with investment choice	-598	-	-	11
Funds allocated to insurance contracts				
contractual obligations	-	-4	-	-3
Insurance related operating costs	-8	-1	-	-103
Other insurance related costs	-0	-	-	-2
Technical result	**3**	**2**	**-**	**74**

GROUP PENSION PRIVATE INSURANCE

NOK million	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	2022	2021
Premium income	17,503	184	867	23,602	26,785
Net income from financial assets – collective portfolio	-	-7	-	-2,432	6,506
Net income from financial assets with investment choice	-7,179	-	-1,449	-10,434	17,646
Other insurance related income	248	0	182	700	710
Claims	-4,908	-129	-6,891	-20,330	-30,466
Changes in insurance obligations recognised in the Profit and Loss account					
contractual obligations	-	-45	-	8,033	-45
Changes in insurance obligations recognised in the Profit and Loss account					
with investment choice	-5,289	-	7,546	3,431	-18,009
Funds allocated to insurance contracts					
contractual obligations	-	-0	-	-301	-986
Insurance related operating costs	-285	-1	-135	-985	-877
Other insurance related costs	0	-0	-0	-101	-97
Technical result	**92**	**3**	**120**	**1,184**	**1,167**

GROUP PENSION PUBLIC INSURANCE

NOK million	Defined benefit without investment choice	2022	2021
Premium income	4,788	4,788	6,978
Net income from financial assets – collective portfolio	-499	-499	801
Other insurance related income	11	11	16
Claims	-804	-804	-583
Changes in insurance obligations recognised in the Profit and Loss account			
contractual obligations	-3,377	-3,377	-6,816
Changes in insurance obligations recognised in the Profit and Loss account			
with investment choice	-	0	
Funds allocated to insurance contracts			
contractual obligations	-4	-4	-325
Insurance related operating costs	-113	-113	-99
Other insurance related costs	0	0	-2
Technical result	3	3	-32
Resultat av teknisk regnskap	**3**	**3**	**-32**

Note 15 Profit analysis by class of insurance

STOREBRAND LIVSFORSIKRING AS

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	Storebrand Livsforsikring AS 2022	2021
Financial income [1]	-8,493	-486	39	-651	-370	19	-9,942	28,054
Guaranteed yield	6,031	-291	-33	619	226	-15	6,538	-24,976
- of which transferred to premium fund	-2	-0	-	-	-	-	-2	-9
Investment result	**-2,461**	**-777**	**6**	**-32**	**-143**	**4**	**-3,403**	**3,078**
Risk premium	16	-57	736	733	-104	300	1,624	1,421
Risk addition [1]	516	65	-706	-464	140	-258	-706	-935
Net reinsurance etc. [1]	0	-0	-13	-1	-0	29	15	-38
Risk result	**532**	**8**	**17**	**268**	**36**	**70**	**933**	**447**
Administration premium [1]	1,461	51	69	222	127	57	1,986	2,013
Operating expenses	-905	-113	-83	-271	-116	-36	-1,524	-1,442
Administration result	**556**	**-62**	**-14**	**-48**	**11**	**21**	**462**	**571**
Other results [2]	29	-	-	-6	-4	-	20	51
Premium for guaranteed interest	235	47	-	-	-	-	282	268
Risk profit	32	13	-	-	-	-	45	41
Gross result for sector	**-1,077**	**-770**	**10**	**183**	**-100**	**94**	**-1,660**	**4,456**
To/from additional statutory reserve	2,539	777	-	14	116	-	3,446	-1,644
Investment result to policyholders	-75	-		-	-		-75	-1,211
Risk result to policyholders	-226	-4		-	-	-	-230	-100
Other allocation of profit to customer	-	-	-	-82	-1	-	-83	-84
Profit for the year (to owner)	**1,162**	**3**	**10**	**114**	**15**	**94**	**1,398**	**1,417**
- of which allocated to risk equalisation fund	**258**	**4**	**0**	**0**	**0**	**0**	**262**	**109**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	Storebrand Livsforsikring AS 2022	2021
Financial income [1]	40	60	-752	-651	1,148
Guaranteed yield	-65	-68	752	619	-1,111
Investment result	**-25**	**-7**	**0**	**-32**	**36**
Risk premium	181	546	6	733	675
Risk addition [1]	-73	-385	-6	-464	-400
Net reinsurance etc. [1]	-0	-0	-	-1	-1
Risk result	**108**	**161**	**-**	**268**	**275**
Administration premium [1]	46	88	88	222	208
Operating expenses	-16	-159	-96	-271	-228
Administration result	**30**	**-71**	**-7**	**-48**	**-20**
Other results [2]			-6	-6	
Gross result for sector	**113**	**83**	**-13**	**183**	**291**
To/from additional statutory reserve	14	-		14	-1
Other allocation of profit to customer	-82	-	-	-82	-65
Profit for the year (to owner)	**45**	**83**	**-13**	**114**	**225**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Storebrand Livsforsikring AS 2022	2021
Financial income [1]	135	-504	-370	1,119
Guaranteed yield	-277	503	226	-1,077
Investment result	**-142**	**-1**	**-143**	**42**
Risk premium	-101	-3	-104	-103
Risk addition [1]	139	1	140	136
Risk result	**38**	**-1**	**36**	**33**
Administration premium [1]	38	89	127	127
Operating expenses	-59	-57	-116	-124
Administration result	**-21**	**31**	**11**	**3**
Other results		-4	-4	
Gross result for sector	**-125**	**25**	**-100**	**79**
To/from additional statutory reserve	116	-	116	-20
Other allocation of profit to customer	-1	-	-1	-19
Profit for the year (to owner)	**-10**	**25**	**15**	**39**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

GROUP PENSION PRIVATE SECTOR

NOK million	Company pension without investment choice	Paid-up policies without investment choice	Paid-up policies with investment choice	Occupational pension without investment choice	Occupational pension with investment choice	Pension certificate without investment choice
Financial income 1)	108	2,096	-1,462	24	-346	4
Guaranteed yield	-434	-4,201	1,462	-57	346	-0
- of which transferred to premium fund	-1	-0	-	-0	-	-
Investment result	**-326**	**-2,105**	**-0**	**-33**	**0**	**4**
Risk premium	-42	-604	-88	-304	-	-0
Risk addition 1)	32	1,022	62	390	0	-
Net reinsurance etc. 1)	3	-1	-	-	-	-
Risk result	**-7**	**418**	**-26**	**86**	0	**-0**
Administration premium 1)	105	512	160	28	10	2
Operating expenses	-147	-257	-18	-28	-8	-1
Administration result	**-42**	**255**	**142**	**0**	**2**	**1**
Other results 2)	-	29	-0	-	-	-
Premium for guaranteed interest	207	-	-	28	-	-
Risk profit	26	-	-	0	-	-
Gross result for sector	**-141**	**-1,403**	**116**	**81**	**3**	**6**
To/from additional statutory reserve	340	2,149	-	45	-	-
Investment result to policyholders	-16	-36	-	-16	-	-4
Risk result to policyholders	-	-209	26	-43	-	-
Profit for the year (to owner)	**183**	**501**	**142**	**68**	**3**	**2**
- of which allocated to risk equalisation fund	**-7**	**222**	-	**43**	-	**-0**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.
2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

GROUP PENSION PRIVATE SECTOR

NOK million	Occupational pension without profit-sharing	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	Storebrand Livsforsikring AS 2022	2021
Financial income 1)	51	-7,387	4	-1,585	-8,493	25,157
Guaranteed yield	-48	7,387	-8	1,584	6,031	-22,538
- of which transferred to premium fund	-1				-2	-9
Investment result	**3**	**0**	**-5**	**-0**	**-2,461**	**2,619**
Risk premium	1,054				16	13
Risk addition 1)	-990				516	193
Net reinsurance etc. 1)	-2				0	-10
Risk result	**61**				**532**	**196**
Administration premium 1)	103	306	4	230	1,461	1,504
Operating expenses	-100	-229	-1	-117	-905	-877
Administration result	**3**	**77**	**3**	**112**	**556**	**628**
Other results 2)					29	51
Premium for guaranteed interest					235	239
Risk profit	6				32	33
Gross result for sector	**74**	**78**	**-2**	**112**	**-1,077**	**3,765**
To/from additional statutory reserve			5		2,539	-1,612
Investment result to policyholders	-3				-75	-886
Risk result to policyholders					-226	-100
Profit for the year (to owner)	**70**	**78**	**3**	**112**	**1,162**	**1,167**
- of which allocated to risk equalisation fund					**258**	**114**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

STOREBRAND AS
GROUP PENSION PUBLIC SECTOR

NOK million	Defined benefit without investment choice	Storebrand Livsforsikring AS 2022	2021
Financial income 1)	-486	-486	543
Guaranteed yield	-291	-291	-207
Investment result	**-777**	**-777**	**336**
Risk premium	-57	-57	-56
Risk addition 1)	65	65	50
Risk result	**8**	**8**	**-6**
Administration premium 1)	51	51	35
Operating expenses	-113	-113	-99
Administration result	**-62**	**-62**	**-64**
Premium for guaranteed interest	47	47	30
Risk profit	13	13	8
Gross result for sector	**-770**	**-770**	**305**
To/from additional statutory reserve	777	777	-11
Investment result to policyholders	-	-	-325
Risk result to policyholders	-4	-4	-
Profit for the year (to owner)	**3**	**3**	**-32**
- of which allocated to risk equalisation fund	**4**	**4**	**-6**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endow-ment insurance	Annuity/ pension insurance	Non-life insurance	Total norwegian business 2022	Total norwegian business 2021	Swedish business 2022	Swedish business 2021	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021
Financial income[1)]	-8,493	-486	39	-653	-371	18	-9,954	28,054	-9,079	3,910	-19,033	31,964
Guaranteed yield	6,031	-291	-33	619	225	-15	6,531	-24,976	8,963	-3,217	15,494	-28,193
- of which transferred to premium fund	-2	-0	-	-	-	-	-2	-9			-2	-9
Investment result	**-2,461**	**-777**	**6**	**-34**	**-146**	**3**	**-3,423**	**3,078**	**-115**	**351**	**-3,538**	**3,429**
Risk premium	16	-57	739	814	-84	314	1,810	1,421	198	44	2,007	1,465
Risk addition [1)]	516	65	-708	-525	84	-264	-836	-935	-66	105	-902	-830
Net reinsurance etc. [1)]	0	-0	-13	-3	8	46	37	-38	-9	-10	28	-49
Risk result	**532**	**8**	**18**	**286**	**8**	**96**	**1,011**	**447**	**123**	**139**	**1,134**	**586**
Administration premium [1)]	1,461	51	69	257	144	61	2,142	2,013	1,512	1,737	3,654	3,751
Operating expenses	-905	-113	-83	-312	-135	-49	-1,675	-1,442	-982	-1,017	-2,657	-2,459
Administration result	**556**	**-62**	**-14**	**-55**	**10**	**12**	**467**	**571**	**531**	**721**	**998**	**1,292**
Other results [2)]	29	-	-	-6	-4	-	20	51	0	0	20	51
Premium for guaranteed interest	235	47	-	-	-	-	284	268	0	0	284	268
Risk profit	32	13	-	-	-	-	45	41	0	0	45	41
Gross result for sector	**-1,077**	**-770**	**10**	**191**	**-133**	**110**	**-1,596**	**4,456**	**538**	**1,211**	**-1,058**	**5,668**
To/from additi-onal statutory reserve	2,539	777	-	14	116	-	3,447	-1,644		-	3,447	-1,644
Investment result to policyholders	-75	-	0	-	-	-	-75	-1,211		-	-75	-1,211
Risk result to policyholders	-226	-4	0	-	-	-	-230	-100		-	-230	-100
Other allocati-on of profit to customer	-	-	-	-82	-1	-	-83	-84		-	-83	-84
Profit for the year (to owner)	**1,162**	**3**	**10**	**123**	**-17**	**110**	**1,464**	**1,417**	**538**	**1,211**	**2,002**	**2,628**
- of which allocated to risk equalisati-on fund	**258**	**4**	**-**	**-**	**-**	**-**	**262**	**109**			**262**	**109**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

Norwegian business consists of Storebrand Livsforsikring AS and Storebrand Danica Pensjonsforsikring AS. Swedish business consists of SPP Pension & Försäkring AB. The tables below only contain Norwegian business.

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	Total norwegian business 2022	Total norwegian business 2021
Financial income [1]	40	59	-752	-653	1,148
Guaranteed yield	-65	-68	752	619	-1,111
Investment result	**-25**	**-9**	**0**	**-34**	**36**
Risk premium	181	628	6	814	675
Risk addition [1]	-73	-402	-7	-483	-400
Net reinsurance etc. [1]	-0	-3	-	-3	-1
Risk result	**108**	**223**	**-2**	**329**	**275**
Administration premium [1]	46	109	102	257	208
Operating expenses	-16	-188	-107	-311	-228
Administration result	**30**	**-78**	**-5**	**-54**	**-20**
Other results [2]	-0	-	-6	-6	
Gross result for sector	**113**	**135**	**-12**	**236**	**291**
To/from additional statutory reserve	14	-	-	14	-1
Other allocation of profit to customer	-82	-	-	-82	-65
Profit for the year (to owner)	**45**	**135**	**-12**	**167**	**225**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	Total norwegian business 2022	Total norwegian business 2021
Financial income [1]	133	-0	-504	-371	1,119
Guaranteed yield	-278	-	503	225	-1,077
Investment result	**-145**	**-0**	**-1**	**-146**	**42**
Risk premium	-97	16	-3	-84	-103
Risk addition [1]	139	-55	1	84	136
Net reinsurance etc. [1]	-0	8	-	8	
Risk result	**41**	**-32**	**-2**	**8**	**33**
Administration premium [1]	39	4	102	144	127
Operating expenses	-59	-10	-65	-134	-124
Administration result	**-21**	**-6**	**37**	**11**	**3**
Other results	-0	-	-4	-4	
Gross result for sector	**-124**	**-38**	**31**	**-131**	**79**
To/from additional statutory reserve	116	-	-	116	-20
Other allocation of profit to customer	-1	-	-	-1	-19
Profit for the year (to owner)	**-9**	**-38**	**31**	**-16**	**39**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

GROUP PENSION PRIVATE SECTOR

NOK million	Company pension without investment choice	Paid-up policies without invest-ment choice	Paid-up policies with investment choice	Occupational pension without investment choice	Occupational pension with investment choice	Pension certificate without invest-ment choice
Financial income [1]	108	2,094	-1,462	20	-346	4
Guaranteed yield	-434	-4,202	1,462	-62	346	-0
- of which transferred to premium fund	-1	-0	-	-0	-	-
Investment result	**-326**	**-2,108**	**-0**	**-42**	**0**	**4**
Risk premium	-42	-608	-88	-310	-	-0
Risk addition [1]	32	1,025	62	401	0	-
Net reinsurance etc. [1]	3	-1	-	-	0	0
Risk result	**-7**	**417**	**-26**	**91**	0	**-0**
Administration premium [1]	105	512	161	31	10	2
Operating expenses	-147	-258	-19	-30	-8	-1
Administration result	**-42**	**254**	**143**	**2**	**2**	**1**
Other results [2]	-	29	-0	-		
Premium for guaranteed interest	207	-	-	30		
Risk profit	26	-	-	0	-	-
Gross result for sector	**-141**	**-1,408**	**116**	**81**	**3**	**6**
To/from additional statutory reserve	340	2,150	-	46	-	-
Investment result to policyholders	-16	-36	-	-16	-	-4
Risk result to policyholders	-	-209	26	-43	-	-
Profit for the year (to owner)	**183**	**498**	**143**	**68**	**3**	**2**
- of which allocated to risk equalisation fund	**-7**	**222**	-	**43**	-	**-0**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

GROUP PENSION PRIVATE SECTOR

NOK million	Occupational pension without profit-sharing	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	Total norwegian business 2022	2021
Financial income 1)	49	-7,387	4	-1,585	-8,500	25,157
Guaranteed yield	-48	7,387	-8	1,584	6,025	-22,538
- of which transferred to premium fund	-1	-	-	-	-2	-9
Investment result	**1**	**0**	**-5**	**-0**	**-2,476**	**2,619**
Risk premium	1,130	-	-	-	83	13
Risk addition 1)	-1,057	-0	-0	-	463	193
Net reinsurance etc. 1)	-3	0	0	0	-0	-10
Risk result	**71**	**-0**	**-0**	-	**546**	**196**
Administration premium 1)	103	376	29	230	1,560	1,504
Operating expenses	-103	-285	-18	-117	-986	-877
Administration result	**0**	**91**	**10**	**112**	**575**	**628**
Other results 2)	-	-	-	-	29	51
Premium for guaranteed interest	-	-	-	-	237	239
Risk profit	6	-	-	-	32	33
Gross result for sector	**77**	**91**	**5**	**112**	**-1,057**	**3,765**
To/from additional statutory reserve	-	-	5	-	2,541	-1,612
Investment result to policyholders	-3	-	-0	-	-75	-886
Risk result to policyholders	-	-	-	-	-226	-100
Profit for the year (to owner)	**74**	**91**	**10**	**112**	**1,184**	**1,167**
- of which allocated to risk equalisation fund	-	-	-0	-	**258**	**114**

1) The items other insurance-related income in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

2) Contribution from equity and equity contribution on acquisition of insurance portfolio.

GROUP PENSION PUBLIC SECTOR

NOK million	Defined benefit without investment choice	Storebrand Livsforsikring AS 2022	2021
Financial income [1]	-486	-486	543
Guaranteed yield	-291	-291	-207
Investment result	**-777**	**-777**	**336**
Risk premium	-57	-57	-56
Risk addition [1]	65	65	50
Risk result	**8**	**8**	**-6**
Administration premium [1]	51	51	35
Operating expenses	-113	-113	-99
Administration result	**-62**	**-62**	**-64**
Premium for guaranteed interest	47	47	30
Risk profit	13	13	8
Gross result for sector	**-770**	**-770**	**305**
To/from additional statutory reserve	777	777	-11
Investment result to policyholders	-4	-4	-325
Risk result to policyholders			
Profit for the year (to owner)	**3**	**3**	**-32**
- of which allocated to risk equalisation fund	**4**	**4**	**-6**

1) The items other insurance-related income (in note 20) and other insurance-related costs (in note 26) are allocated in accordance with their purpose.

Note 16 Sales of insurance (new business)

NOK million	Group pension private sector	Group pension public sector	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	Storebrand Livsforsikring AS
2022	**132**	**1**	**6**	**439**	**40**	**7**	**625**
2021	106	10	4	981	141	21	1,263

Sales consist of new and additional sales, with deductions for policies where the first premium has not been paid. Premium reserves transferred to the company (note 17) are not included in these figures.

Note 17 Transfers of insurance reserves

Storebrand Livsforsikring AS

NOK million	Group pension private sector	Group pension public sector	Endowment insurance	Annuity/ pension insurance	2022	2021
Funds received						
Premium reserve	5,887	3,889	30	89	9,895	18,466
Additional statutory reserves	-3	0			-3	724
Transfers of premium reserve etc.	**5,884**	**3,889**	**30**	**89**	**9,892**	**19,190**
Premium funds						
Number of policies/customers	823	63	60	1,327	2,273	141,704
Funds transferred out						
Premium reserve	-9,675	-10	-25	-19	-9,729	-21,769
Additional statutory reserves	-7			-0	-7	-16
Market value adjustment reserve	-4				-4	-19
Transfers of premium reserve etc.	**-9,686**	**-10**	**-25**	**-19**	**-9,740**	**-21,805**
Premium funds						
Number of policies/customers	2,191	3	132	4,117	6,443	213,724

Note 18 Net financial income

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Interest lending	606	503	597	489
Interest bank	172	6	116	2
Interest bonds and other fixed-income securities at fair value	2,533	3,042	1,420	2,119
Interest bonds amortised cost	3,731	3,944	3,731	3,944
Interest derivatives	950	1,318	546	363
Interest income other	-205	-459	-52	-221
Equity dividends	1,043	636	896	636
Total interest income and equity dividends etc. financial assets	**8,830**	**8,991**	**7,254**	**7,332**
Revaluation of real estate	-379	933	0	
Revaluation of equities	-34,242	42,019	-16,646	12,852
Revaluation bonds and other fixed-income securities	-4,161	-2,066	-2,897	-1,913
Revaluation derivatives	-9,528	-4,847	-1,955	-2,451
Revaluation loans	-4		-4	
Total revaluation on investments	**-48,314**	**36,039**	**-21,502**	**8,487**
Profit on equities	9,011	10,947	6,930	9,417
Profit on bonds and other fixed-income securities at fair value	-1,642	-190	-1,136	-9
Profits on derivatives	-13,908	5,458	-11,701	4,492
Profit on bonds at amortised cost	54	293	54	293
Profit on other investments	-52	-202	-52	-202
Currency gains, equities	2,453	119	2367	-91
Currency gains, bonds and other fixed-income securities	1,011	181	574	-121
Currency gains, derivatives	2,615	-4,591	2,538	-3,576
Currency gains, bonds at amortised cost	128	1	86	1
Currency gains, other	-78	-51	-54	32
Total gains and losses on financial assets	**-409**	**11,964**	**-394**	**10,237**
Interest costs subordinated loans	-554	-405	-554	-405
Total interest costs	**-554**	**-405**	**-554**	**-405**

Note 19 Net income from real estate

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021
Rent income from real estate [1]	1,586	1,589
Operating costs (including maintenance and repairs) relating to real estate that have provided rent income during the period [2]	-408	-381
Result minority defined as liabilities	-128	-183
Net operating income real estate	**1,050**	**1,025**
Realised gains/losses	42	206
Change in fair value real estate	-379	933
Total income real estate	**713**	**2,164**
1) Of which real estate for own use	96	104
2) Of which real estate for own use	-45	-42

Note 20 Other insurance related income

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Interest income insurance	16	16	16	16
Management fee	89	126		
Other insurance relates fees	103	89	103	89
Return commission	1216	1330	685	752
Other income	65	11	13	5
Total other insurance related income	**1,489**	**1,573**	**817**	**863**

Note 21 Other income

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Interest income on management bank deposits	19	3	19	3
Revenue from companies other than insurance	107	155		
Kickback		7		
Gain on sale of subsidiaries		388		
Other income	6	13	3	9
Total other income	**132**	**565**	**22**	**12**

Note 22 Sales cost

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Salaries and personnel costs own sales resources	-309	-275	-198	-180
Other sales costs own resources	-277	-251	-35	-37
Commissions to external distributors	-249	-240	-36	-26
Total sales costs	**-834**	**-766**	**-270**	**-243**
Change in deferred acquisition costs	44	29		

Note 23 Pension costs and pension liabilities

STOREBRAND LIVSFORSIKRING GROUP

Storebrand Group has country-specific pension schemes.

Storebrand's employees in Norway have a 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 per cent in 2022, compared to 2.5 per cent in 2021.

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

The pension plan for employees at SPP in Sweden follows the plan for bank employees in Sweden (BTP).

SPP has a defined-contribution occupational pension known as BTP1. All new employees were enrolled in this pension agreement from and including 1st of January 2014. In BTP1, the employer pays a premium for pension savings that is calculated based on pensionable salary up to 30 times the "basic income amount" (inkomstbasbelopp). The insurance includes retirement pension with or without mortality inheritance, disability pension and children's pension. The premium is calculated independently of age and is calculated primarily based on the monthly salary. The premium is paid monthly in two parts, a fixed part that is 2.5 per cent of the pensionable salary up to and including 7.5 times the "basic income amount". The optional part of the premium is 4 per cent of salary up to and including 7.5 times the "basic income amount" and 32 per cent of salary between 7.5 and 30 times the "basic income amount".

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

NOK million	2022	2021
Present value of insured pension liabilities	690	981
Fair value of pension assets	-837	-1,003
Net pension liabilities/assets insured scheme	**-147**	**-22**
Asset ceiling [1]	163	31
Present value of unsecured liabilities	24	22
Net pension liabilities recognised in statement of financial position	**41**	**31**

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

1) Pension assets that cannot be recognized in the statement of financial positiones

BOOKED IN STATEMENT OF FINANCIAL POSITION:

NOK million	2022	2021
Pension liabilities	41	31

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

NOK million	2022	2021
Net pension liabilities 01.01	1,003	1,230
Pensions earned in the period	9	13
Interest expenses on the pension liability recognised in period	17	13
Estimate deviations	-262	-144
Pensions paid	-32	-33
Pension liabilities additions/disposals and currency adjustments	-21	-75
Net pension liabilities 31.12	**714**	**1,003**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2022	2021
Pension assets at fair value 01.01	1,003	1,050
Expected return	17	11
Estimate deviation	-158	11
Premiums paid	30	25
Pensions paid	-28	-27
Pension liabilities additions/disposals and currency adjustments	-28	-67
Net pension assets 31.12	**836**	**1,003**

Expected premium payments (pension assets) in 2023	16
Expected premium payments (contributions) in 2023	144
Expected AFP early retirement scheme payments in 2023	13
Expected payments from operations (uninsured scheme) in 2023	-29

PENSION ASSETS HAVE THE FOLLOWING COMPOSITION AS OF 31.12:

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
	2022	2021	2022	2021
Real estate at fair value	14 %	13 %	15 %	12 %
Bonds at amortised cost	43 %	39 %		
Loans at amortised cost	16 %	15 %		
Equities and units at fair value	5 %	13 %	17 %	13 %
Bonds at fair value	20 %	19 %	44 %	57 %
Loans at fair value			24 %	18 %
Other short-term financial assets	1 %	1 %		
Total	**100 %**	**100 %**	**100 %**	**100 %**
Realised return on assets	0.5 %	4.5 %	-12.8 %	1.9 %

The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Livsforsikring and SPP Pension & Försäkring AB. Financial instruments are measured at three different levels. Allocation of the different classes of financial instruments at levels are shown in note 13.

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

NOK million	2022	2021
Current service cost	10	13
Net interest cost/expected return	0	2
Total for defined benefit schemes	**10**	**14**
The period's payment to contribution scheme	151	159
The period's payment to contractual pension	13	17
Net pension cost recognised in profit and loss account in the period	**174**	**190**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2022	2021
Actuarial loss (gain) - change in discount rate	-263	-106
Actuarial loss (gain) - change in other financial assumptions	3	-33
Actuarial loss (gain) - experience DBO	-1	
Loss (gain) - experience pension assets	158	-16
Investment management cost	0	
Asset ceiling - asset adjustment	132	31
Remeasurements loss (gain) in the period	**28**	**-124**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY 31.12

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
	2022	2021	2022	2021
Discount rate	3.8 %	2.0 %	3.7 %	1.8 %
Expected earnings growth	3.50 %	2.25 %	3.5 %	3.5 %
Expected annual increase in social security pensions	3.50 %	2.25 %		
Expected annual increase in pensions payment			2.0 %	2.0 %
Disability table	KU	KU		
Mortality table	K2013BE	K2013BE	DUS14	DUS14

FINANCIAL ASSUMPTIONS:
The financial assumptions have been determined on the basis of the regulations in IAS 19. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are subject to a particularly 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 standardised assumptions on rates of mortality and disability as well as other demographic factors are prepared by Finance Norway. With effect from 2014 a new mortality basis, K2013, has been introduced for group pension insurance in life insurance companies and pension funds. Storebrand has used the mortality table K2013BE (best estimate) in the actuarial calculations at 31st of December 2022.

The actuarial assumptions in Sweden follow the industry's mutual mortality table DUS14 adjusted for corporate differences.
The average employee turnover rate is estimated to be 4 per cent p.a.

SENSITIVITY ANALYSIS PENSION CALCULATIONS

Storebrand's risk associated with the pension scheme relates to the changes in the financial and actuarial assumptions that must be used in the calculations and the actual return on the pension funds. The pension liabilities are particularly sensitive to changes in the discount rate. A reduction of the discount rate will in isolation entail an increase in pension liabilities.

For the Norwegian companies that have converted to defined contribution pensions as of January 1st 2015, the sensitivity has not been calculated, and the figures below illustrate the sensitivity for the Swedish companies.

The following estimates are based on facts and circumstances as of 31st of December, and calculated for each individual when all other assumptions remain constant.

Sweden	Discount rate		Expected earnings growth		Mortality - change in expected life expectancy	
	1,0 %	-1,0 %	1,0 %	-1,0 %	+1 ÅR	-1 ÅR
Percentage change in pension:						
Pension liabilities	-8 %	9 %	-5 %	-7 %	3 %	-3 %
The period's net pension costs	-11 %	12 %	4 %	-3 %	1 %	-1 %

STOREBRAND LIVSFORSIKRING AS

Storebrand's employees in Norway have a 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 31st of 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 per cent in 2022, compared to 2.5 per cent 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	9	13
Fair value of pension assets	-32	-34
Net pension liabilities/assets insured scheme	**-23**	**-21**
Asset ceiling [1]	2	
Present value of unsecured liabilities	18	22
Net pension liabilities recognised in statement of financial position	**-4**	**2**

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

1) Pension assets that cannot be recognized in the statement of financial position

BOOKED IN STATEMENT OF FINANCIAL POSITION

NOK Million	2022	2021
Pension assets	23	21
Pension liabilities	18	22

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

NOK million	2022	2021
Net pension liabilities 01.01	35	41
Interest expenses on the pension liability recognised in period	0	0
Estimate deviations	1	1
Pensions paid	-7	-2
Net pension liabilities 31.12	-2	-4
Pensjonsforpliktelse 31.12.	**27**	**35**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2022	2021
Pension assets at fair value 01.01	34	33
Expected return	1	1
Estimate deviation	-2	0
Net pension assets 31.12	**32**	**34**

Expected premium payments (pension assets) in 2023	0
Expected premium payments (contributions) in 2023	87
Expected AFP early retirement scheme payments in 2023	13
Expected payments from operations (uninsured scheme) in 2023	2

PENSION ASSETS HAVE THE FOLLOWING COMPOSITION AS OF 31.12:

	Storebrand Livsforsikring AS	
	2022	2021
Real estate at fair value	13 %	13 %
Bonds at amortised cost	39 %	39 %
Loans at amortised cost	15 %	15 %
Equities and units at fair value	13 %	13 %
Bonds at fair value	19 %	19 %
Other short-term financial assets	1 %	1 %
Total	**100 %**	**100 %**
Realised return on assets	0.5 %	4.5 %

The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Livsforsikring.

Financial instruments are measured at three different levels. Allocation of the different classes of financial instruments at levels are shown in note 13.

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

NOK million	2022	2021
The period's payment to contribution scheme	85	83
The period's payment to contractual pension	12	12
Net pension cost recognised in profit and loss account in the period	**97**	**96**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2022	2021
Actuarial loss (gain) - change in discount rate	-5	-2
Actuarial loss (gain) - experience DBO	-1	
Loss (gain) - experience pension assets	2	
Investment management cost		
Asset ceiling - asset adjustment	2	
Remeasurements loss (gain) in the period	**-3**	**-2**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY 31.12

	2022	2021
Discount rate	2.0 %	2.0 %
Expected earnings growth	2.25 %	2.25 %
Expected annual increase in social security pensions	2.25 %	2.25 %
Expected annual increase in pensions payment		
Disability table	KU	KU
Mortality table	K2013BE	K2013BE

FINANCIAL ASSUMPTIONS:

The financial assumptions have been determined on the basis of the regulations in IAS 19. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are subject to a particularly 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 standardised assumptions on rates of mortality and disability as well as other demographic factors are prepared by Finance Norway. With effect from 2014 a new mortality basis, K2013, has been introduced for group pension insurance in life insurance companies and pension funds. Storebrand has used the mortality table K2013BE (best estimate) in the actuarial calculations at 31st of December 2022.

SENSITIVITY PENSION CALCULATIONS:

Storebrand's risk associated with the pension scheme relates to the changes in the financial and actuarial assumptions that must be used in the calculations and the actual return on the pension funds. The pension liabilities are particularly sensitive to changes in the discount rate. A reduction of the discount rate will in isolation entail an increase in pension liabilities.

For the Norwegian companies that have converted to defined contribution pensions as of january 1st 2015, the sensitivity has not been calculated.

Note 24 Remuneration of senior employees and elected officers of company

Vivi Måhede Gevlt assumed the role of CEO of the company on September 1 after Geir Holmgren resigned on June 3, Lars Løddesøl had the role in between Geir Holmgren and Vivi Gevlt. CEO has a guaranteed salary for 12 months after the ordinary period of notice. All work-related income including consulting assignments will be deducted.

The company has no obligations towards the Chairman of the Board in the event of resignation or change of succession. The company pays management liability insurance for its board members.

Storebrand has set up a bonus scheme for all employees. The bonus scheme is linked to individual performances.

NOK thousand	Ordinary salary [1]	Other benefits [2]	Total remune-ra-tion for the year	Pension accrued for the year	Post termination salary (months)	Loan [3]	No. of shares owned [4]
Vivi Måhede Gevelt [5]	1,556	8	1,564	150	12		7,413
Odd Arild Grefstad	7,952	169	8,122	1,549	18	5,938	247,520
Lars Aa. Løddesøl	6,451	184	6,635	1,191	18	7,976	156,271
Geir Holmgren [6]	5,271	186	5,457	991	12	5,675	110,558
Heidi Skaaret	5,341	168	5,510	1,011	12	2,891	119,115
Staffan Hansén [7]	5,506	25	5,530	1,469	12		107,196
Jan Erik Saugestad	7,052	149	7,201	1,361	12	1,200	131,305
Karin Greve-Isdahl	3,450	22	3,473	611	12	18,596	35,705
Trygve Håkedal	4,311	22	4,333	781	12	8,786	32,412
Tove Selnes	3,507	140	3,648	621	12	11,003	35,772
Jenny Rundbladh [8]	1,457	6	1,463	200	12		4,424
Total 2022	**51,854**	**1,081**	**52,935**	**9,933**		**62,065**	**987,691**
Total 2021	50,154	1,354	51,507	9,842		71,284	900,666

Operational structure in the Storebrand Group goes across legal structure and senior employees for a legal entity may deviate from the employee relationship.

1) A proportion of the executive management's 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 NOK 7.0 million at a subsidised interest rate. Excess loan amounts will be subject to market terms.

4) 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.

5) Vivi Måhede Gevelt assumed the role of Executive Vice President for Corporate Market on 1 September 2022. Total remuneration relates to the period after assuming the position.

6) Geir Holmgren resigned from his position as Executive Vice President for Corporate Market on 3 June 2022, however remained employed until 31 December 2022. The number of shares is at the date of resignation.

7) Staffan Hansén resigned from his position as Executive Vice President for SPP on 31 August 2022, however remained employed until 31 October 2022. The number of shares is at the date of resignation.

8) Jenny Rundbladh assumed the role of Executive Vice President for SPP on 1 September 2022. Total remuneration relates to the period after assuming the position.

Tusen kroner	Remuneration	No. of shares owned [1]	Loan [2]
The board			
Odd Arild Grefstad		247,520	5,938
Jan Otto Risebrobakken		9,482	5,139
Hans Henrik Klouman	244	3,100	
Vibeke Hammer Madsen	46	895	
Martin Skancke	244	32,500	
Trond Thire	161	920	7,249
Mari Tårnesvik Grøtting	161	1,315	3,623
Anne Kathrine Slungård	199		
Total 2022	**1,055**	**295,732**	**21,950**
Total 2021	1,020	264,424	28,021

1) 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.
2) Employees can borrow up to NOK 7.0 million at a subsidised interest rate. Excess loan amounts will be subject to market terms.

Loans to Group employees totalled NOK 630 million.

Note 25 Remuneration paid to auditors

The Storebrand Group has PwC as external auditor.

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
NOK million	2022	2021	2022	2021
Statutory audit	-4.8	-5.3	-1.0	-1.8
Other reporting duties	-0.8	-0.9	-0.7	-0.8
Tax advice	-0.1			
Other non-audit services	-0.2	0.0		0.0
Total remuneration to auditors	**-5.9**	**-6.2**	**-1.7**	**-2.6**

Including value added tax for companies that do not have significant value added taxation, while for companies that have significant value added activities, exclusive value added tax is exclusive.

Note 26 Other insurance related expenses

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
NOK million	2022	2021	2022	2021
Pooling	-25	-60	-8	-38
Interest cost for insurance	-108	-91	-108	-91
Yield tax	-4	-4		
Losses on policyholders	-3	-7	-3	-7
Other expenses	-1	-3	-	
Total other insurance related expenses	**-141**	**-164**	**-119**	**-135**

Note 27 Other costs

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Borrowing costs	-554	-405	-554	-405
Amortisation of intangible assets	-394	-366	-30	-29
Other costs	-27	-76	-29	-46
Operational costs - non insurance	-107	-92		
Total other costs	**-1,082**	**-939**	**-613**	**-481**

Note 28 Tax

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Tax payable	-1	-35	0	0
Change deferred tax	439	-528	461	-504
Total tax charge	**438**	**-563**	**461**	**-504**

RECONCILIATION OF EXPECTED AND ACTUAL TAX EXPENSES

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Pre-tax profit	1,329	2,725	2,546	3,149
Expected income tax at nominal rate	-332	-681	-636	-787
Tax effect of				
realised/unrealised shares	-21	1	-21	1
share dividends received	3	2	348	303
associated companies	0	0	0	0
profit subject to yield tax	37	161		
permanent differences	-23	-5	0	-4
deferred tax on the increase in value of real estate for customer assets [1]	-331	-582		
deferred tax on the increase in value of real estate for customer assets covered by customer returns [1]	331	582		
change in tax rate	6	-25		
Changes from previous years	770	-16	770	-16
Total tax charge	**438**	**-563**	**461**	**-504**
Effective tax rate [2]	-33 %	21 %	18 %	18 %

TAX EXPENSES ON OTHER COMPREHENSIVE INCOME ELEMENTS

NOK million	2022	2021	2022	2021
Tax on other comprehensive income elements not to be reclassified to profit/loss	10	10	14	14
Total tax expenses on other comprehensive income elements	**10**	**10**	**14**	**14**

CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
NOK million	2022	2021	2022	2021
Tax-increasing temporary differences				
Securities	12	3	0	3
Real estate [1]	4,265	2,748		
Fixed assets	48	25	48	25
Gain-/loss account	44	13	12	15
Other	303	371	84	100
Total tax-increasing temporary differences	**4,672**	**3,160**	**144**	**143**
Tax-reducing temporary differences				
Accrued liabilities	-6	-7		
Accrued pension liabilities				
Gain-/loss account	-2	0	-2	-2
Total tax-reducing temporary differences	**-8**	**-7**	**-2**	**-2**
Carry forward losses	-4,539	-3,330	-4,075	-3,327
Basis for net deferred tax and tax assets	**125**	**-177**	**-3,933**	**-3,186**
Net deferred tax assets/liabilities in balance sheet [3]	**-73**	**-437**	**-1,123**	**-797**
Recognised in balance sheet				
Deferred tax assets	1,253	1,058	1,123	797
Deferred tax liability	1,180	622		

1) Provisions are made for deferred tax on the increase in value during the ownership of real estate in SPP Fastigheter AB in accordance with IAS 12 and guiding principles for consolidation. The real estate investments are made on behalf of the customer assets. Each real estate is owned by a separate investment company, and a sale of real estate itself would entail a tax expense that will reduce the return on the customer assets and will not affect the income tax for SPP / Storebrand. The deferred tax is in the consolidated financial reporting recognised as a claim on the customer funds and will not affect the income tax expense for SPP / Storebrand. Deferred tax relating to real estate investments in the customer assets is not netted against other temporary differences in the balance sheet.

2) The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway. The income tax expense is also influenced by tax effects relating to previous years. The tax rate for companies in Norway is 22 per cent. For companies subject to financial tax is the tax rate 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual companies is used (22 or 25 per cent).
The tax rate for companies in Sweden is 20.6 per cent.

3) UNCERTAIN TAX POSITIONS

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

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

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31st of December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. When presenting the national budget for 2020 in October 2019, the Ministry of Finance proposed a clarification of the wording of the transitional rules in line with the interpretive statement from the Norwegian Directorate of Taxes. The clarification was approved by the Norwegian Parliament in December 2019. Storebrand considers there to be uncertainty regarding the value such subsequent work on a legal rule has as a source of law, and which in this instance only applies for a previous financial year. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. In April 2022 and January 2023 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration and has challenged the decision to the Norwegian Tax Appeals Committee. The uncertain tax position has therefore been recognised in the financial statements. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

C. The outcome of the interpretation of tax rules for group contributions referred to above under (A) will have an impact when calculating the effect from the transitional rules for the new tax rules referred to under point (B). An equivalent interpretation to that described under (A) has been used as a basis in the financial statements when calculating tax input values on property shares owned by customer assets for 2016 and 2017. There is thus an uncertain tax position relating to the effect from the transitional rules described in (B). The decisions that Storebrand received in April 2022 and in January 2023 (described under point B) have reduced the uncertain tax position and have resulted in tax revenues of NOK 0.6 billion in the first quarter and NOK 0.2 billion in the fourth quarter. The effect as mentioned in point B depends on the interpretation and outcome of point A. If Storebrand's view prevails under item A, Storebrand will account for additional tax revenues of approximately NOK 0.044 billion if the company's view also prevails under item B. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.5 billion.

Storebrand has reviewed the uncertain tax positions as part of the reporting process. The review has not reduced the company's assessment of the probability that Storebrand's interpretation will be accepted in a court of law. The timeline for the continued process with the Norwegian Tax Appeals Committee is unclear, but if necessary, Storebrand will seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 29 Intangible assets and excess value on purchased insurance contracts

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Intangible assets: IT- systems	Intangible assets: Value of business in force	Intangible assets: Other intangible assets	Goodwill	2022	2021
Acquisition cost 01.01	1,078	9,923	666	778	12,445	13,052
Additions in the period:	219	28	1,077	186	1,511	195
Developed in-house						13
Purchased separately	210		10		220	182
Purchased by acquistion/merger	9	28	1,067	186	1,291	
Disposals in the period	-82		-8		-89	
Currency differences	-11	-283	-19	-22	-335	-801
Other	-7				-7	
Acquisition cost 31.12	**1,198**	**9,669**	**1,716**	**942**	**13,525**	**12,445**
Accumulated depreciation & write-downs 01.01	-481	-7,792	-659		-8,932	-9,026
Write-downs in the period	-9				-9	-10
Amortisation in the period	-128	-349	-45		-522	-473
Disposals in the period	1				1	
Currency differences	2	227	19		249	576
Other	6				6	
Accumulated depreciation & write-downs 31.12	**-608**	**-7,914**	**-686**		**-9,208**	**-8,932**
Book value 31.12.22	**590**	**1,755**	**1,031**	**942**	**4,317**	
Book value 31.12.21	**598**	**2,131**	**6**	**778**		**3,513**

SPECIFICATION OF INTANGIBLE ASSETS

NOK million	IT- systems	Value of business in force	Other intangible assets	2022	2021
Value of business in force Silver acquisition	10 years	10 %	Straight line	141	168
IT systems	5 years / 10 years	20 % / 10 %	Straight line	590	598
Value of business inforce SPP	20 years	5 %	Straight line	1,614	1,963
Customer relation Danica acquisition	8 to 15 years	7 % - 13 %	Straight line	774	
Distribution Danica acquisition	15 years	7 %	Straight line	251	
Other intangible assets (customer lists and brand name etc.)	5 years	20 %	Straight line	6	6

GOODWILL DISTRIBUTED BY BUSINESS ACQUISITION

NOK million	Acquisition cost 01.01	Book value 01.01	Additions/ disposals	Currency differences	Book value 31.12.22	Book value 31.12.21
Goodwill on acquisitions of SPP	778	778		-22	756	778
Goodwill on acquisition of Danica			186		186	
Total	**778**	**778**	**186**	**-22**	**942**	**778**

Goodwill is not amortised but tested annually for impairment.

STOREBRAND LIVSFORSIKRING AS

NOK million	IT- systems	Value of business in force	Other intangible assets	2022	2021
Acquisition cost 01.01	675	281	7	963	825
Additions in the period:	151		10	162	138
Developed in-house					13
Purchased separately	151		10	162	125
Disposals in the period	-70		-8	-78	
Acquisition cost 31.12	**756**	**281**	**10**	**1,047**	**963**
Accumulated depreciation & write-downs 01.01	-395	-112	-1	-508	-406
Amortisation in the period	-78	-28	-2	-108	-101
Accumulated depreciation & write-downs 31.12	**-473**	**-140**	**-3**	**-616**	**-508**
Book value 31.12.	**284**	**140**	**7**	**431**	**455**

NOK million	Economic life	Depreciation rate	Depreciation method	Book value 2022	Book value 2021
IT systems	5 years	20 %	Straight line	284	281
Value of business in force Silver acquisition	10 years	10 %	Straight line	141	168
Other intangible assets	5 years	20 %	Straight line	7	6

INTANGIBLE ASSETS LINKED TO THE ACQUISITION OF SPP

In 2007, Storebrand Livsforsikring AS acquired SPP Pension & Försäkring AB and its subsidiaries (SPP). The majority of the intangible assets linked to the acquisition of SPP include the value of business in force (VIF), for which liability adequacy tests are conducted in accordance with the requirements in IFRS 4. To determine whether goodwill and other intangible assets linked to SPP have declined in value, an estimate is made of the recoverable amount by calculating the entity specific value of the business. SPP is considered to be a separate cash flow generating unit.

In calculating the utility value, the management have made use of budgets and forecasts approved by the Board for the next three years .The management has made assessments for the period from 2026 to 2032, and the annual growth for each element in the income statement has been estimated. When calculating the terminal value, a growth rate equivalent to observed inflation of 2 per cent is used. This is in line with the Riksbanken's inflation target. The primary drivers of improved long-term results will be the return on total assets, underlying inflation and wage growth in the market (which drive premium growth). In addition to cash flows from the forecasted result, the change in expected regulatory tying-up of capital is also used in the valuation. The utility value is calculated using a required rate of return of 9.0 per cent. The required rate of return is calculated based on the risk-free interest rate and added to a premium that reflects the risk of the business.

Calculations related to the future are uncertain. The value will be impacted by various growth parameters, expected return and the required rate of return used as a basis, etc. The aim of the calculations is to achieve a satisfactory level of certainty that the recoverable amount, cf. IAS 36, is not lower than the value recognised in the accounts. Simulation using reasonable assumptions indicates a value that justifies the book value.

INTANGIBLE ASSETS LINKED TO THE ACQUISITION OF SILVER

Storebrand Livsforsikring AS acquired Silver Pensjonsforsikring AS (Silver) in 2018 and the company was merged with Storebrand Livsforsikring AS the same year. The intangible assets linked to the acquisition of Silver include the value of business in force (VIF), which is included in Storebrand Livsforsikring's liability adequacy test in accordance with the requirements in IFRS 4. Silver has been integrated into Storebrand Livsforsikring's business and is predominantly part of the savings segment. The recoverable amount is determined by calculating the entity specific value of the business. The assessment of the intangible assets is done by estimating the value of the contracts that were purchased, despite these not being a separate cash-generating unit.. In order to determine whether there has been impairment that is less than the book values, the parameters used in the valuation and acquisition analysis are assessed. A comparison is also made with the development of expected values used in the valuation upon acquisition.

The value will be influenced by the assumptions regarding expected returns in the financial markets, costs, transfers, income development and the discount rate. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value, cf. IAS 36.

INTANGIBLE ASSETS RELATED TO THE PURCHASE OF CUSTOMER PORTFOLIO FROM INSR

In 2020, Storebrand entered into an agreement to acquire a customer portfolio from Insr Insurance Group ASA. The policies were renewed in Storebrand's systems during 2020 and 2021, and the intangible asset was accrued based on actual renewals, cf. IAS 38. The recoverable amount is determined by calculating the utility value of the business. It is considered most accurate to estimate the value of the contracts that were acquired, despite these not being a separate cashflow generating unit. In order to determine whether there has been impairment that is less than the book values, the parameters used in the valuation and acquisition analysis are assessed. A comparison is also made with the development of expected values used in the valuation upon the entering into of the agreement to acquire the customer portfolio.

The utility value will be influenced by the assumption of profitability and claims ratio, customer loss, and the required rate of return that is used. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value, cf. IAS 36.

INTANGIBLE ASSETS LINKED TO THE ACQUISITION OF DANICA

Storebrand Livsforsikring AS acquired Danica Pensjon AS (Danica) in 2022. Intangible assets related to the acquisition of Danica are customer relations, distribution agreements and goodwill. Budgets and forecasts approved by the Board for the next three years are used as the basis for the valuation. See further reference to the acquisition in Note 3.

The utility value will be influenced by the assumptions regarding expected returns in the financial markets, costs, customer loss, income development and the required rate of return that is used as a basis. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value, cf. IAS 36.

SENSITIVITIES IN THE VALUATIONS

Calculations related to the future will be uncertain. The utility value will be influenced by the assumptions regarding expected returns in the financial markets, costs, customer loss, income development and the required rate of return that is used as a basis. Simulations with reasonable and also conservative assumptions indicate that all cash generating units have a value that justifies the book value, cf. IAS 36. The sensitivity analyses indicate that the utility value for all units exceeds the book value even with a minimum increase in the required rate of return of 2.5 percentage points or with a growth rate of 0 per cent in the terminal value.

Note 30 Classification of financial assets and liabilities

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Loans and receivables	Investments, held to maturity	Fair value, held for trading	Fair value, FVO	Liabilities at amortised cost	Total 2022	Total 2021
Financial assets							
Bank deposits	13,470					13,470	9,139
Shares and units				270,216		270,216	278,056
Bonds and other fixed-income securities	117,758	7,402		146,724		271,884	281,358
Loans to customers	21,628			6,757		28,385	30,495
Accounts receivable and other short-term receivables	6,761					6,761	9,681
Derivatives			14,289			14,289	3,760
Total financial assets 2022	**159,617**	**7,402**	**14,289**	**423,698**	**0**	**605,006**	
Total financial assets 2021	**156,255**	**8,441**	**3,760**	**444,032**	**0**		**612,488**
Financial liabilities							
Subordinated loan capital					9,757	9,757	10,865
Derivatives			12,640			12,640	1,997
Other current liabilities					9,739	9,739	13,298
Total financial liabilities 2022	**0**		**12,640**	**0**	**19,496**	**32,136**	
Total financial liabilities 2021	**0**		**1,997**	**0**	**24,163**		**26,160**

STOREBRAND LIVSFORSIKRING AS

NOK million	Loans and receivables	Investments, held to maturity	Fair value, held for trading	Fair value, FVO	Liabilities at amortised cost	Total 2022	Total 2021
Financial assets							
Bank deposits	8,814					8,814	5,245
Shares and units				118,130		118,130	126,685
Bonds and other fixed-income securities	117,758	7,402		71,799		196,960	203,910
Loans to customers	21,627			122		21,749	23,184
Accounts receivable and other short-term receivables	4,282					4,282	7,470
Derivatives			4,925			4,925	2,678
Total financial assets 2022	**152,480**	**7,402**	**4,925**	**190,052**	**0**	**354,859**	
Total financial assets 2021	**150,149**	**8,441**	**2,678**	**207,770**	**0**		**369,039**
Financial liabilities							
Subordinated loan capital					9,757	9,757	10,865
Derivatives			4,083			4,083	1,638
Other current liabilities					6,710	6,710	10,593
Total financial liabilities 2022	**0**		**4,083**	**0**	**16,467**	**20,550**	
Total financial liabilities 2021	**0**		**1,638**	**0**	**21,459**		**23,096**

Note 31 Real estate

TYPE OF REAL ESTATE

NOK million	2022	2021	2022 Required rate of return % [1]	2022 Average duration of lease (years) [3]	2022 Square meter
Office buildings (including parking and storage):					
Oslo-Vika/Filipstad Brygge	8,854	8,715	3,75 - 4,90	6.1	96,607
Rest of Greater Oslo	4,760	4,988	4,03 - 5,83	3.6	86,619
Office buildings in Sweden	73	724	3.8	6.4	1,573
Shopping centres (including parking and storage)					
Rest of Norway	5,725	5,611	4,86 - 6,72	3.0	181,009
Trading Sweden [2]	2,829	2,807	5.6	5.4	112,247
Car parks					
Multi-storey car parks in Oslo	944	933	4.7	5.5	27,393
Other real estate:					
Housing Sweden [2]	3,574	3,905	3.6	0.6	91,788
Hotel Sweden [2]	2,720	2,550	4.4	10.4	35,872
Service real estate Sweden [2]	3,008	2,434	3.9	9.9	58,971
Development project Norway	995	709	7.5	0.0	38,820
Total investment properties	**33,482**	**33,376**			**730,899**
Real estate for own use	1,689	1,659	0.0	6.6	18,894
Total real estate	**35,171**	**35,035**			**749,793**

1) The real estate are valued on the basis of the following effective required rate of return (including 2.0 per cent inflation):
The properties are valued on the basis of the following effective required rate of return (inluded 2 per cent inflation). For 2023, rents have been adjusted with CPI of 7.5 per cent, however the model uses Norges Bank's inflation target of 2 per cent as a basis for other years.
2) All of the properties in Sweden are appraised externally. This appraisal is based on the required rates of return in the market (including 2 per cent inflation for the year 2023, 4.75 per cent is assumed)
3) The average duration of the leases has been calculated proportionately based on the value of the individual properties.

As of 31.12.22, Storebrand Livsforsikring had NOK 8 211 million invested in Storebrand Eiendomsfond Norge KS and VIA, Oslo.
The investments are classified as "Investment in Associated Companies/joint-controlled companies" in the Consolidated Financial Statements.
The companies invests exclusively in real estate at fair value.

VACANCY

Norway

At the end of 2022, a total of 5.6 per cent (7.7 per cent) of the floor space in the lettable properties was vacant.
The vacancy rate is decreasing largely due to Filipstad Brygge having been transferred to the development portfolio.
At the end of 2022, a total of 13.9 per cent (10.7 per cent) of the floor space in the investment properties was vacant.

Sweden

At the end of 2022, a total of 0.4 per cent (0.5 per cent) of the floor space in the investment properties was vacant.

TRANSACTIONS:

Purchases: No further property acquisitions has been agreed on in addition to the figures that has been finalised and included in the financial statements as of 31 December 2022.

Sale: No further property sales has been agreed on in addition to the figures that has been finalised and included in the financial statements as of 31 December 2022.

REAL ESTATE FOR OWN USE

NOK million	2022	2021
Book value 01.01	1,659	1,609
Additions	24	27
Revaluation booked in balance sheet	51	124
Depreciation	-14	-13
Write-ups due to write-downs in the period	12	12
Currency differences from converting foreign units	-49	-106
Other change	6	6
Book value 31.12	**1,690**	**1,659**
Acquisition cost opening balance	586	559
Acquisition cost closing balance	610	586
Accumulated depreciation and write-downs opening balance	-705	-692
Accumulated depreciation and write-downs closing balance	-719	-705
Properties for own use - company		
Properties for own use - customers	1,690	1,659
Total	**1,690**	**1,659**

Depreciation method:	Straight line	
Depreciation plan and financial lifetime real estate Norway:	50 year	
Depreciation plan and financial lifetime real estate Sweden:	100 year	

Note 32 Investments in subsidiaries, associated and joint-controlled companies

OWNERSHIP INTERESTS IN ASSOCIATED AND JOINT-CONTROLLED COMPANIES STOREBRAND LIVSFORSIKRING GROUP

NOK million	Business location	Share of interest	Profit	Book value 31.12.22	Book value 31.12.21
Norsk Pensjon AS	Oslo	27 %			
Storebrand Eiendomsfond Norge KS	Oslo	33.8 %	-183	5,290	4,089
VIA AS [1]	Oslo	50.0 %	-145	3,386	3,259
Pensjonskontoregisteret AS	Oslo	31.1 %			
Försäkringsgirot AB	Stockholm	16.7 %	1	9	8
Associated and joint-controlled companies Storebrand Livsforsikring group			-327	8,685	7,355

1) Joint-controlled company

OWNERSHIP INTERESTS IN SUBSIDIARIES, ASSOCIATED AND JOINT-CONTROLLED COMPANIES STOREBRAND LIVSFORSIKRING AS

NOK million	Share of	Share of	Book value 31.12		Profit 2022
Selskap	interest	votes	2022	2021	
Storebrand Pensjonstjenester AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	18	18	
Storebrand Holding AB, Stockholm	100.0	100.0	12,231	12,457	1,231
Storebrand Eiendom Trygg AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	12,991	14,601	-56
Storebrand Eiendom Vekst AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	5,808	5,919	-8
Storebrand Eiendom Utvikling AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	2,982	836	446
Storebrand Eiendomsfond Invest AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	4,916	3,918	-141
Storebrand Danica Pensjonsforsikring AS, Søndre Gate 14, 7011 Trondheim	100	100	2048		16
Subsidiaries			**40,994**	**37,749**	**1,487**
Norsk Pensjon AS, Hansteensgate 2, 0253 Oslo	25.0	25.0	1	1	
Pensjonskontoregisteret AS, Oslo	27.2	27.2	1	1	
VIA, Oslo	50.0	50.0	3,386	3,259	-145
Associated and joint-controlled companies			**3,388**	**3,261**	**-145**
Total investment in subsidiaries, associated and joint-controlled companies			**44,382**	**41,010**	**1,342**

All transactions with assosiated companies are om market terms.

Note 33 Bonds at amortised cost

LOANS AND RECEIVABLES

	2022		2021	
NOK million	Book value	Fair value	Book value	Fair value
Government bonds	30,705	28,805	25,536	26,940
Corporate bonds	69,463	64,251	70,854	71,189
Structured notes	17,591	14,868	17,993	17,581
Total bonds at amortised cost	**117,758**	**107,924**	**114,383**	**115,710**
Modified duration		7.9		8.0
Average effective yield	2.9 %	4.2 %	3.0 %	2.5 %

BONDS HELD TO MATURITY

	2022		2021	
NOK million	Book value	Fair value	Book value	Fair value
Corporate bonds	7,402	7,474	8,441	9,103
Total bonds at amortised cost	**7,402**	**7,474**	**8,441**	**9,103**
Modified duration		3.0		3.5
Average effective yield	4.2 %	4.1 %	4.3 %	2.0 %

A yield is calculated for each bond, based on both the paper's book value and the observed market price (fair value). For fixed income securities with no observed market prices the effective interest rate is calculated on the basis of the fixed interest rate period and classification of the individual security with respect to liquidity and credit risk. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

Note 34 Equities and fund units

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Equities in Norwegian companies			
Finance industry			
Aker	886581432	30	30
B2Holding AS	992249986	6	6
DnB	981276957	334	334
Entra ASA	999296432	8	8
Gjensidige Forsikring ASA	995568217	87	87
NMI Frontier Fund KS	993147044	39	39
NMI Fund III KS	993147044	26	26
NMI Global Fund KS	993147044	21	21
Norwegian Microfinance Initiative AS	993147044	14	14
Olav Thon Eiendomsselskap	914594685	2	2
SpareBank 1 SMN	937901003	13	13
Sparebank 1 SR-Bank G	937895321	16	16
Sparebanken 1 østlandet	920426530	3	3
Total finance industry Norwegian companies		**598**	**599**
Other equities			
Aker BP ASA	989795848	76	76
Equinor ASA	923609016	477	478
Kongsberg Gruppen	943753709	55	55
Mowi ASA	964118191	134	134
Norsk Hydro	914778271	186	186
Orkla	910747711	85	85
SalMar	960514718	46	46
Telenor	982463718	136	136
Tomra Systems	927124238	45	45
Yara International	986228608	188	189
Uspesifiserte norske aksjer		431	431
Other Norwegian equities		**431**	**431**
Total other Norwegian equities		1859.8	1862.0
Equities in foreing companies			
Finance industry			
3I Group		21	21
ABN AMRO Group NV		5	5
Aegon NV		14	14
Aflac Inc.		44	45
Ageas (BE)		1	1
AGNC Investment Corp (REIT)		5	5
AIA Group Ltd		85	88
Alexandria Real Estate Equities Inc		8	8
Allianz SE		86	88
Allstate Corp		23	24
Ally Financial Inc		8	8

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
American Express		65	66
American Financial Group Inc/OH		8	8
American International Group		44	45
American Tower Corp (REIT)		75	76
Ameriprise Financial		22	23
Amp Ltd.		2	2
Annaly Capital Management Inc (REIT)		9	10
Aon Corp		51	52
Aozora Bank Ltd		1	1
Apollo Global Management Inc		14	14
Arch Capital		12	12
Assicurazioni General		25	25
Assurant		1	1
ASX Ltd		1	1
Aust & Nz Bank Group		35	36
AvalonBay Communities Inc (REIT)		21	21
Aviva PLC		17	17
Axa		56	57
AXA Equitable Holdings Inc		9	9
Azrieli Group		15	15
Baloise		-	0
Banco Bilbao Vizcaya Argentaria S.A.		16	16
Banco BPM SpA		-	0
Banco de Sabadell		-	0
Banco Santander		21	22
Bank Kyoto		3	3
Bank of America Corp		169	173
Bank of Cyprus Holdings PLC (GBP)		-	0
Bank of East Asia		-	0
Bank of Montreal		63	65
Bank of New York Mellon		23	24
Bank of Nova Scotia		52	54
Bankinter		1	1
Barclays Bank		3	4
Bendigo and Adelaine Bank		-	0
Berkshire Hathaway B		140	147
Blackrock		51	53
Blackstone Group LP/The		22	22
BNP Paribas		36	37
BOC Hong Kong Holdings		5	5
Boston Properties Inc (REIT)		22	22
Brighthouse Financial Inc		-	0
British Land Co PLC (REIT)		5	5
Brown & Brown		4	4
Caixabank		3	3
Camden Property Trust (REIT)		6	6

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Canadian Imperial Bank of Commerce		24	25
Capital One Financial		30	30
CapitaLand Integrated Commercial Trust (REIT)		12	12
CapLand Ascendas REIT		4	4
Carlyle Group Inc/The		0	0
CBOE Global Markets INC.		1	1
CBRE Group Inc		21	21
Challenger		-	0
Charles Schwab Corp		64	66
Chiba Bank		6	6
Chubb Ltd		68	70
Ci Financial Corp		6	6
Cincinnati Finc. Corp		6	6
Citigroup		66	68
Citizens Financial Group Inc		23	23
City Developments		41	41
CK Asset Holdings Ltd		0	0
CME Group Inc/IL		32	33
Comerica Inc		13	13
Commerzbank AG		1	1
Commonwealth Bank of Australia		67	69
Concordia Financial Group Ltd		-	0
Credit Agricole		14	14
Credit Saison		-	0
Credit Suisse Group RG		6	6
Crown Castle Inc (REIT)		36	37
Dai-Ichi Life Holdings, INC		14	14
Daito Trust Const		1	1
Daiwa House Industry		19	19
Daiwa House Residential Investment Corp		3	3
Daiwa Securities		1	1
Danske Bank A/S		-	0
DBS Group Holdings Limited		36	37
Deutsche Bank		16	16
Deutsche Boerse		15	15
Digital Realty Trust Inc (REIT)		18	18
Discover Financial Services		21	22
East West Bancorp Inc		5	5
Equinix Inc (REIT)		51	52
Equity Residential (REIT)		14	14
Erie Indemnity Co		-	0
Erste Group Bank AG		8	8
Essex Property Trust Inc		6	7
Everest Re Group		8	8
EXOR NV		20	20
Extra Space Storage Inc		10	11

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
FactSet Research Systems Inc		3	3
Fairfax Financial Holdings Inc		10	10
Federal Realty Investment Trust (REIT)		2	2
Fifth Third Bancorp		9	9
FinecoBank Banca Fineco SpA		-	0
First Horizon National		1	1
First Republic Bank/CA		5	5
FNF Group		3	3
Franklin		1	1
Fukuoka Financial Group		6	7
Gecina SA (REIT)		19	19
Globe Life Inc		1	1
Goldman Sachs		76	78
GPT Group (REIT)		4	4
Great West Lifeco		-	0
Groupe Bruxelles Lambert		2	2
H&R Real Estate Investment Trust (REIT)		1	1
Hachijuni Bank Ltd		-	0
Hang Lung Properties		0	1
Hang Seng Bank		7	8
Hannon Armstrong Sustainable Infrastructure Capita		3	3
HARGREAVES LANSDOWN PLC		-	0
Hartford Financial Services		22	23
Healthpeak Properties Inc		9	9
Henderson Land		-	0
Hong Kong Exchanges & Clearing		20	21
Hongkong Land Holdings		-	0
HSBC Holdings (GBP)		70	72
Huntington Bancshares		7	7
iA Financial Corp Inc		8	8
ICADE (REIT)		2	2
IGM Financial Inc		25	25
Industrivaerden A		0	3
Industrivaerden C		-	0
Ing-Groep		20	21
Insurance Australia Group		4	4
Intact Financial Corp		-	0
Intercontinental Exchange Inc		36	37
Intesa SanPaolo		22	22
Invesco Ltd USA		11	11
Investec Plc		8	8
Investment AB Kinnevik (B)		1	3
Investor AB-A		-	8
Investor AB-B		22	53
Iron Mountain Inc (REIT)		14	14
J.P Morgan Chase and Co		246	254

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Japan Exchange Group Inc		0	1
Japan Post Bank Co Ltd		1	1
Japan Post Holdings Co Ltd		3	4
Japan Post Insurance Co Ltd		-	0
Japan Real Estate Investment Corp (REIT)		0	0
Japan Retail Fund Investment Corp (REIT)		2	2
Jones Lang LaSalle Inc		2	2
Julius Baer Group Ltd		1	1
KBC GROEP NV		7	8
Kerry Properties		0	0
Keycorp		10	10
Kimco Realty Corp (REIT)		2	2
Kingston Financial Group Ltd		-	0
KK DA Holdings (delisted)		0	0
KKR & Co Inc		14	15
Klepierre (REIT)		8	8
L E Lundbergforetagen AB - B		-	2
Land Securities Group PLC (REIT)		-	0
Legal & General Group		36	37
LendLease Group		2	2
Lincoln National Corp		8	8
Link REIT (REIT)		2	2
Lloyds Banking Group PLC		28	29
Loews Corp		2	2
London Stock Exchange		5	5
M&G PLC		4	4
M&T Bank Corp		14	15
Macquarie GP LTD		24	24
Magellan Financial Group Ltd		3	3
Manulife Financial		40	41
Mapfre SA		1	1
Markel Corp		8	8
MarketAxess Holdings Inc		1	1
Marsh & Mclennan Cos		70	72
Mebuki Financial Group Inc		5	5
Medibank Pvt Ltd		1	1
Mediobanca SpA		0	1
Metlife		45	46
Mid-America Apartment Communities Inc		1	1
Mirvac Group (REIT)		18	18
Mitsubishi Estate		9	9
Mitsubishi UFJ Holdings Group		58	60
Mitsui Fudosan		12	13
Mizuho Financial Group		16	17
Moody's		35	35
Morgan Stanley		80	81

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
MS&AD Insurance Group Holdings		3	3
MSCI Inc		16	16
Muenchener Rueckversicherungs RG		20	20
Nasdaq Inc		8	9
National Australian Bank		49	50
National bank of Canada		12	12
Natwest Group PLC		5	5
Nedbank Group		-	0
New World Development		1	1
New York Community Bancorp		-	0
Ninety One PLC		1	1
Nippon Building Fund Inc (REIT)		2	2
Nippon Prologis REIT Inc		2	2
NN Group NV		3	3
Nomura Holdings		5	5
Nomura Real Estate Holdings		4	4
Nomura Real Estate Master Fund Inc/New		6	6
Nordea Bank Abp		2	15
Northern Trust Corporation		10	10
Old Mutual Ltd		2	2
Onex Corp		18	18
Orix		8	8
Overseas-Chinese Bank		9	9
PNC Financial Services		57	58
Poste Italiane SpA		16	17
Power Corp. of Canada		4	4
Principal Financial Grp		26	26
Progressive Corp		42	43
Prologis Inc (REIT)		61	62
Prudential		32	33
Prudential Financial Inc		48	49
Public Storage (REIT)		21	22
QBE Insurance Group		14	14
Raiffeisen Intl Bank		2	2
Realty Income Corp		11	11
Regency Centers Corp (REIT)		8	8
Regions Financial		12	12
Reinsurance Group of America Inc		6	6
Renaissancere Holdings		10	11
Resona Holdings		4	4
RioCan Real Estate Investment Trust (REIT)		2	2
Royal Bank of Canada		91	94
S&P Global Inc		65	67
Scentre Group (REIT)		8	8
Schroders		1	1
SCOR SE		2	2

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Segro PLC (REIT)		1	1
Signature Bank/New York NY		3	3
Simon Property Group Inc (REIT)		34	34
Singapore Exchange		7	7
Sino Land		0	0
Skandinaviska Enskilda Banken A		5	22
SmartCentres Real Estate Investment Trust		3	3
Societe Generale		14	14
Sompo Holdings Inc		9	9
Standard Chartered		-	0
State Street		13	13
Stockland (REIT)		6	6
Sumitomo Mitsui Financial Group		7	7
Sumitomo Mitsui Trust Holdings		9	10
Sumitomo Realty & Dev		3	4
Sun Hung Kai Properties		2	2
Sun Life Financial Inc		7	7
Suncorp Group Holding		8	8
SVB Financial Group		8	9
Svenska Handelsbanken A		2	17
Swedbank AB (A shs)		2	16
Swire Pacific		5	6
Swire Properties Ltd		2	2
Swiss Re Ltd		22	22
Synchrony Financial		10	11
T Rowe Price Group Inc		3	4
T&D HOLDINGS		7	8
The Travelers Companies, Inc.		39	40
Tokio Marine Holdings, Inc.		18	18
Tokyo Century Corp		1	1
Tokyu Fudosan Holdings, Corp		3	3
Toronto - Dominion Bank (CAD)		98	101
TRUIST FINANCIAL CORP		47	48
UBS Group AG		55	57
UDR Inc (REIT)		6	7
UmweltBank AG		0	0
UniCredit SPA		10	10
United Overseas Bank		12	12
United Urban Investment Corp (REIT)		1	2
Unum Group		10	10
US Bancorp		33	34
Ventas Inc (REIT)		8	8
Vicinity Centres		1	1
Vonovia SE		1	1
Vornado Realty Trust (REIT)		12	12
Voya Financial Inc		3	3

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Wells Fargo		52	54
WELLS FARGO & CO DIVIDEND EQUALIZATION PFD		0	0
Welltower Inc		10	11
Westpac Banking Corp		34	34
Weyerhaeuser Co (REIT)		38	38
Wharf		-	0
Willis Towers Watson Plc		23	23
WR Berkley		5	6
Zions Bancorporation		7	7
Zurich Financial Services AG		35	37
Total finance industry foreign companies		**4992**	**5236**
Other equities			
ABB (CHF)		70	72
Abbott Laboratories		124	128
Abbvie		177	183
Accenture PLC		119	122
Adobe Inc		96	99
Air Products & Chemicals		78	79
Alphabet Inc Class A		330	339
Alphabet Inc Class C		238	246
Amazon Com		429	441
American Water Works Co Inc		174	175
Amgen		80	83
Apple Inc		1 174	1 208
Applied Materials		62	63
ASML Holding NV		107	111
Astrazeneca (GBP)		120	124
AT&T Inc		94	96
Atlas Copco AB		28	71
Automatic Data Processing		61	63
Bakkafrost P/F		69	69
Bristol-Myers Squibb		151	154
Broadcom Inc		137	141
Caterpillar		71	73
Cisco Systems		179	183
Coca-Cola		200	206
Comcast Corp A		68	70
Corteva Inc		68	69
CSL Ltd		61	63
CVS Health		72	74
Danaher Corp		117	120
Deere & Co		90	92
Deutsche Telecom		72	73

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
EDP Renovaveis SA		69	69
Elevance Health Inc		103	105
Eli Lilly & Co		197	203
General Mills		82	84
GETLINK		82	82
Gilead Sciences Inc		80	82
Hershey Foods Common		73	74
Home Depot		185	191
International Business Machines Corp		110	112
Intuit		71	73
Linde PLC		173	176
Lowe's Cos Inc		79	81
Mastercard Inc		186	192
McDonald's Corp		145	149
Merck & Co		205	211
Meta Platforms, Inc		150	155
Microsoft		996	1 025
Mondelez International Inc		97	99
Nestle		143	149
Netflix Inc		70	73
Newmont Corp		65	66
Novo-Nordisk B		106	110
Nutrien Ltd		101	102
NVIDIA		207	213
Oracle Corporation		96	99
Pepsico Inc		237	243
Pfizer		210	215
Procter & Gamble		100	107
Qualcomm		74	76
Republic Services		65	66
Roche Holding Genuss		125	130
Salesforce Inc		87	89
Sanofi		87	89
Sap SE		95	98
Schneider Electric		90	92
Siemens		91	93
Starbucks Corp		67	69
Steel Dynamics Inc		93	93
Tesla Inc		182	188
Texas Instruments		95	98
Thermo Fisher Scientific Inc		120	124
T-Mobile US Inc		69	71
Toyota Motor		76	78
Transdigm Group		89	89
Unilever GB		89	91
Union Pacific Corp		86	89

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
United Health Group		296	305
Verizon Communications		111	115
Vinci		69	70
Visa Inc - Class A shares		235	241
Walt Disney		91	94
Waste Mangement		113	114
Xylem Inc		84	84
ZOETIS INC		62	64
Other equities foreign		10,149	10,883
Total other equities foreign companies		**22,224**	**23,321**
Total equities		**29,674**	**31,017**
Of which listed equities		29,511	30,931
Fund units			
Aktiv Påverkan R2 - A		-	87
Aktiv Påverkan R2 - B		-	243
Aktiv Påverkan R5 - A		-	167
Aktiv Påverkan R5 - B		-	617
Alternative R2 - B		-	64
Alternative R5 - B		-	98
AMF Räntefond Kort		-	120
AXCEL VI		-	67
BlackRock Global Allocation USD		-	96
BlackRock World Energy USD		-	293
BlackRock World Gold USD		-	151
BNP Paribas Global Environment		-	91
Brummer Multi-Strategy		-	886
Brummer Multi-Strategy 2xL		-	1 370
Carnegie Fastighetsfond Norden		-	135
Carnegie SPAR Balanserad A		-	108
Carnegie SPAR Global A		-	73
Carnegie Sverigefond		-	571
Carnegie Total		-	106
Cicero Hållbar Mix		-	227
Contrarian 65 - A		-	163
Contrarian 65 - B		-	536
Cubera Continuation Fund Limited		383	567
Danske Invest Norske Aksjer Institusjon I		-	1 130
Danske Invest SICAV Europe A		-	88
Delphi Europe A		71	71
Delphi Global A		294	294
Delphi Global NOK		-	91
Delphi Kombinasjon A		65	65
Delphi Nordic A		250	250
Delphi Nordic NOK		-	179
Delphi Norge A		229	229

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
DI Index Global AC Restricted, klasse NOK		-	1 376
DI Index Global Emerging Mkts Restricted, NOK		-	561
DI SICAV Global Index Restricted SA		-	1 615
DigitalBridge Partners II		-	81
Eika Balansert		-	558
Eika Global		-	430
Eika Norden		-	218
Eika Norge		-	211
Eika Pensjon		-	3 525
Enter Sverige C		-	580
Equinor Aksjer Europa		366	366
Equinor Aksjer Norge		2 116	2 116
Equinor Aksjer Pacific		201	201
Equinor Aksjer USA		1 409	1 409
Espiria 60		-	124
Espiria 90		-	115
Espiria SDG Solutions		-	117
FDR PELF SCA, SICAV - RAIF		-	80
Fidelity Asian Special Sits. USD		-	523
Fidelity FIRST All Country World Fund (EUR)		-	102
First State Global Umbrella PLC-China Growth Fund		63	63
Fondsfinans Norge		130	130
FSSA China Growth Fund Class I USD		-	140
Global Sustainable Leaders		-	410
Handelsbanken Amerika Tema		-	230
Handelsbanken Nordiska Småbolag		-	645
Handelsbanken Tillväxtmarknad Tema		-	301
IKC 0-100		-	285
IKC Sverige Flexibel		-	85
Janus Henderson Global Technology USD		-	988
JPMorgan Emerging Markets Small USD		-	166
JPMorgan Global Focus EUR		-	467
Lannebo Mixfond Offensiv		-	378
Lannebo Småbolag		-	1 009
Lynx		-	88
Lynx Active Balanced Fund D2 SEK		-	100
Lynx Dynamic		-	114
M&G (Lux) European Strategic Value		-	92
Mercer Advantage Balanced Growth Fund		-	303
Naventi Balanserad Flex		-	261
Naventi Defensiv Flex		-	119
Naventi Offensiv Flex		-	255
Navigera Aktie 1		-	1 386
Navigera Balans 1		-	595
Navigera Dynamica 90 Global		-	222
Navigera Global Change		-	232
Navigera Tillväxt 1		-	502

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Norron Target		-	265
ODIN Sverige C		-	468
Partners Group L Private Equity USD		-	85
Patrizia PanEuropean Property 2		-	102
Placerum Balanserad Class B		-	371
Placerum Dynamisk Class B		-	549
Proaktiv 75 - A		-	1 803
Proaktiv 75 - B		-	1 522
Proaktiv 80 - A		-	1 318
Proaktiv 80 - B		-	1 014
Proaktiv 85 - A		-	464
Proaktiv 85 - B		-	289
Proaktiv 90 - A		-	195
Proaktiv 90 - B		-	99
Profil Invest Danica Pension Norge Aksj Oms.b.		-	3 233
Schroder Alt Solution Commodity USD		-	72
Schroder ISF Indian Opportunities		-	202
Schroder ISF Latin American EUR		-	145
SKAGEN Global (Norge)		-	110
SKAGEN Global A		369	369
SKAGEN Global NOK		-	585
SKAGEN Kon-Tiki A		207	207
SKAGEN Kon-Tiki NOK		-	228
SKAGEN Select 100		469	469
SKAGEN Select 30		163	163
SPP Generation 40-tal		-	1 258
SPP Generation 50-tal		-	8 369
SPP Generation 60-tal		-	19 328
SPP Generation 70-tal		-	9 487
SPP Generation 80-tal		-	1 418
SPP Mix 100		-	734
SPP Mix 20		-	1 352
SPP Mix 50		-	946
SPP Mix 80		-	6 803
State Street Europe ESG Scrn Index Equity Fund		-	109
State Street PAC Ex Japan ESG Scrn Index Equity Fund		-	85
State Street US ESG Scrn Index Equity Fund		-	136
State Street World ESG Scr Index Equity Fund		-	420
STB Indeks - Norge		-	125
Storebrand Eiendomsfond Norge KS		207	
Storebrand Emerging Markets		-	1 018
Storebrand Emerging Markets A SEK		1 597	1 772
Storebrand Emerging Markets Plus		-	312
Storebrand Emerging Markets Plus A SEK		6 168	7 447
Storebrand Europa		-	3 512
Storebrand Europa Plus		-	90

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Storebrand Global All Countries		-	15 339
Storebrand Global ESG A		4 475	4 475
Storebrand Global ESG Plus A		5 491	5 491
Storebrand Global ESG Plus LUX I EUR		704	704
Storebrand Global Indeks A		325	325
Storebrand Global Indeks B		2 381	2 381
Storebrand Global Indeks Valutasikret A		84	84
Storebrand Global Low Volatility		-	299
Storebrand Global Low Volatility A SEK		283	283
Storebrand Global Multifactor		-	487
Storebrand Global Multifactor A		19 281	19 281
Storebrand Global Multifaktor		-	580
Storebrand Global Multifaktor Valutasikret A		66	66
Storebrand Global Plus		-	1 689
Storebrand Global Plus A SEK		-	1 698
Storebrand Global Solutions A		5 157	7 199
Storebrand Global Solutions A SEK		-	565
Storebrand Global Solutions LUX I EUR		292	292
Storebrand Global Value A		309	309
Storebrand Indeks - Norden A		71	71
Storebrand Indeks - Norge A		7 610	7 610
Storebrand Indeks Alle Markeder A		1 614	1 614
Storebrand Indeks Nye Markeder A		77	77
Storebrand Infrastructure Fund Class B-3		2 216	2 727
Storebrand Int. Private Eq. 15 Ltd - Class B-2		-	185
Storebrand Int. Private Eq. 15 Ltd - Class B-4		906	906
Storebrand Int. Private Eq. 16 Ltd - Class B-3		-	175
Storebrand Int. Private Eq. 16 Ltd - Class B-6		1 447	1 447
Storebrand Int. Private Eq. 17 Ltd - Class B-3		-	208
Storebrand Int. Private Eq. 17 Ltd - Class B-6		1 343	1 343
Storebrand International Private Eq 18 Class B-4		-	250
Storebrand International Private Eq 18 Class B-5		380	380
Storebrand International Private Eq 18 Class B-6		1 529	1 529
Storebrand International Private Eq 19 Class B-4		-	272
Storebrand International Private Eq 19 Class B-6		343	343
Storebrand International Private Eq 19 Class B-7		1 495	1 495
Storebrand International Private Equity 13 - B-3		-	137
Storebrand International Private Equity 13 - B-4		423	462
Storebrand International Private Equity 14 - B-2		-	179
Storebrand International Private Equity 14 - B-4		880	880
Storebrand International Private Equity XI - B-3		532	686
Storebrand International Private Equity XII - B-3		-	115
Storebrand International Private Equity XII - B-4		417	417
Storebrand Japan		-	810
Storebrand Norge Fossilfri A		1 111	1 111
Storebrand Norge I		7 838	7 838

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring Group Fair value
Storebrand Renewable Energy A		748	748
Storebrand Renewable Energy A2		-	189
Storebrand Smart Cities A		84	84
Storebrand Sverige		-	9 110
Storebrand Sverige Plus		-	786
Storebrand Sverige Plus A SEK		-	595
Storebrand Sverige Småbolag Plus		-	232
Storebrand Sverige Småbolag Plus A SEK		-	105
Storebrand USA		-	7 849
Storebrand Vekst A		93	93
Storebrand Verdi A		570	570
Swedbank Robur Access Sverige		-	386
Swedish Sustainable Leaders		-	244
T.Rowe Price Emering Markets Equity		-	202
T.Rowe Price Global Natural Resources USD		-	91
T.Rowe Price U.S. Large-Cap Value Equity A		70	70
T.Rowe Price US Large Cap Value USD		-	175
T.Rowe Price US Smaller Comp. USD		-	177
Vanguard Emerging Markets Stock Index Fund		-	149
Vanguard ESG Developed World All Cap Equity Index		-	116
Vanguard Global Small-Cap Index Fund		-	112
Vanguard US 500 Stock Index Fund		-	94
Wealth Invest SEB EmMkt.Eqt.(Hermes) AKL DKK I		-	221
Wellington Climate Strategy Fund		-	172
Wellington Global Health Care Equity Portfolio		142	142
Wellington Global Health Care USD		-	529
Öhman Småbolagsfond		-	198
Öhman Sweden Micro Cap		-	535
Other units		960	4,091
Total fund units		**88,456**	**239,199**
Total equities and fund units		**118,130**	**270,216**

Note 35 Bonds and other fixed income securities at fair value

STOREBRAND LIVSFORSIKRING GROUP

NOK million	2022 Fair value	2021 Fair value
Government bonds	24,266	30,911
Corporate bonds	43,066	55,354
Structured notes	43	
Collateralised securities	2,887	3,528
Bond funds	76,462	68,741
Total bonds and other fixed-income securities	**146,724**	**158,533**

	Storebrand Livsforsikring AS	SPP Pension & Försäkring AB	Storebrand Danica Pensjons-forsikring AS
Modified duration	3.0	8.1	2.0
Average effective yield	3.7 %	4.6 %	2.8 %

The effective yield for each security is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.Interest derivatives are included in the calculation of modified duration and average effective interest rate.

STOREBRAND LIVSFORSIKRING AS

NOK million	2022 Fair value	2021 Fair value
Government bonds	10,444	9,949
Corporate bonds	20,385	26,296
Collateralised securities	840	1,227
Bond funds	40,130	43,613
Total bonds and other fixed-income securities	**71,799**	**81,086**

Note 36 Derivates

Storebrand Livsforsikring makes active use of financial derivatives. Derivative contracts are used in particular to make effective use of exposure to investment risk in order to create the potential for a sound long-term risk-adjusted investment return. Derivatives often provide a quicker, simpler and cheaper way to increase or reduce exposure to specific risks, and can also be used to protect the investment portfolio against adverse developments. The individual share and bond portfolios use financial derivatives to manage the overall risk exposure within the limits applied. Definitions of the various derivatives contracts used can be found in the "Terms and expressions" section.

NOMINAL VOLUME

Financial derivatives are related to underlying amounts which are not recognised in the statement of financial position. In order to quantify the scope of the derivatives, reference is made to amounts described as the underlying nominal principal, nominal volume, etc. Nominal volume is arrived at differently for different classes of derivatives, and provides some indication of the size of the position and risk the derivative presents.

Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume provides some indication of the risk exposure. However , nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivatives. Unlike gross nominal volume, the calculation of net nominal volume also takes into account which direction of market risk exposure the instrument represents by differentiating between long (asset) positions and short (liability) positions.

A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. For currency derivatives, a long position results in a positive change in value if the relevant exchange rate strengthens against the NOK.

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Gross nominal volume [1]	Gross booked value financial assets	Gross booked value financial liabilities	Net booked financial. assets/ liabilities	Amounts that can, but are not presented net in the balance sheet: Financial assets	Financial. liabilities	Net amount 2022	Net amount 2021
Interest derivatives [2]	174,199	11,070	11,813				-744	2,312
Currency derivatives	176,974	3,220	827				2,393	-548
Total derivatives 2022	**351,173**	**14,289**	**12,640**				**1,649**	
Total derivatives 2021	334,710	4,855	3,092					1,763

1) Values 31.12.

STOREBRAND LIVSFORSIKRING AS

NOK million	Gross nominal volume [1]	Gross booked value financial assets	Gross booked value financial liabilities	Net booked financial. assets/ liabilities	Amounts that can, but are not presented net in the balance sheet: Financial assets	Financial. liabilities	Net amount 2022	Net amount 2021
Interest derivatives [2]	78,874	2,156	3,375				-1,219	1,542
Currency derivatives	165,495	2,769	708				2,062	-502
Total derivatives 2022	**244,369**	**4,925**	**4,083**				**843**	
Total derivatives 2021	294,554	2,678	1,638					1,040

1) Values 31.12.
2) See note 43 collateral for derivative trading classified as derivatives.

Note 37 Tangible fixed assets and leases

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Equipment	Fixtures & fittings	2022	2021
Book value 01.01	6	14	21	17
Additions	1	5	6	9
Disposals				-2
Depreciation	-2	-3	-5	-3
Currency differences from converting foreign units		-1	-1	
Book value 31.12	**5**	**16**	**21**	**21**

DEPRECIATION PLAN AND FINANCIAL LIFETIME:

Depreciation method:	Straight line
Equipment	3-4 years
Fixtures & fittings	3-8 years

SPECIFICATION OF TANGIBLE FIXED ASSETS AND LEASE AGREEMENTS IN BALANCE SHEET

NOK million	2022	2021
Tangible fixed assets	21	21
Right of use assets	612	620
Book value 31.12	**633**	**641**

LEASES

The Group's leased assets include offices and other real estate, IT equipment and other equipment. The Group's right-of-use assets are categorised and presented in the table below:

Assets recognized in accordance with IFRS 16 are depreciated in accordance with the lease period.

NOK million	Buildings	IT-equipment	Other equipment	Total 2022	Total 2021
Acquisition cost 01.01	619	68	2	688	731
Additions	3	16	1	19	5
Purchased by acquistion/merger	14	0	0	14	
Currency differences from converting foreign units	-18	-2	-0	-20	-47
Acquisition cost 31.12	**617**	**82**	**2**	**701**	**688**
Accumulated write-downs/depreciations 01.01	-17	-49	-1	-68	-48
Depreciation	-7	-17	-0	-24	-23
Currency differences from converting foreign units	0	1	0	2	3
Accumulated write-downs/depreciations 31.12	**-24**	**-64**	**-1**	**-89**	**-69**
Booked value 31.12	**593**	**17**	**1**	**612**	**620**

Applied practical solutions

The Group also leases PCs, IT equipment and machinery with contract terms from 1 to 3 years. The Group has decided not to recognise leases when the underlying asset has a low value and therefore does not recognise lease liabilities and right-of-use assets for any of these leases. Instead, the lease payments are expensed as they are incurred. The Group also does not recognise lease liabilities and right-of-use assets for short-term leases of less than 12 months.

DEPRECIATIONS LEASE AGREEMENTS

Lease agreements for right-of-use assets are depreciated on a straight-line basis over the lease term.

LEASE LIABILITIES

NOK MillioN	2022	2021
Less than 1 year	23	22
1-2 years	2	4
2-3 years		1
3-4 years		
4-5 years		
Mote than 5 years	577	594
Total non-discounted lease liabilities 31.12	**601**	**621**

CHANGES IN LEASE LIABILITIES

NOK million	2022	2021
Initial recognition 01.01.	621	684
New/changed lease liabilities recognised during the period	19	5
Payment of principal	-22	-24
Payment of interest	0	
Exchange rate differences when converting foreign unit	-18	-44
Total lease liabilities 31.12.	**601**	**621**

OTHER LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

NOK million	2022	2021
Lease agreement with lower value	-17	-17
Total lease expenses included in operating expenses	**-17**	**-17**

STOREBRAND LIVSFORSIKRING AS

NOK million	Equipment	Fixtures & fittings	Total 2022	Total 2021
Book value 01. 01	6	1	7	9
Additions	1	0	1	0
Depreciation	-2	0	-2	-2
Booked value 31.12	**5**	**1**	**6**	**7**

DEPRECIATION PLAN AND FINANCIAL LIFETIME:

Depreciation method:	Straight line
Equipment	3-4 years
Fixtures & fittings	3-8 years

LEASES

NOK million	Buildings	IT-equipment	Total 2022	Total 2021
Acquisition cost 01.01	**6**	**4**	**10**	**10**
Acquisition cost 31.12	**6**	**4**	**10**	**10**
Accumulated depreciation & write-downs 01.01	**-5**	**-2**	**-7**	**-4**
Depreciation	-1	-1	-1	-2
Accumulated depreciation & write-downs 31.12.	**-6**	**-2**	**-8**	**-7**
Booked value 31.12	**1**	**1**	**2**	**3**

SPECIFICATION OF TANGIBLE FIXED ASSETS AND LEASE AGREEMENTS IN BALANCE SHEET

NOK million	2022	2021
Tangible fixed assets	6	7
Right of use assets	2	3
Book value 31.12	**8**	**10**

NOK million	2022	2021
Less than 1 year	1	1
1-2 years	1	1
2-3 years	0	1
3-4 years	0	0
4-5 years	0	0
More than 5 years	0	0
Total non-discounted lease liabilities 31. 12	**2**	**3**

CHANGES IN LEASE LIABILITIES

NOK million	2022	2021
Initial recognition 01.01	3	6
Payment of principal	-1	-3
Total lease liabilities 31.12	**2**	**3**

OTHER LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

NOK million	2022	2021
Lease agreement with lower value	-9	-9
Total lease expenses included in operating expenses	**-9**	**-9**

Note 38 Other receivables

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
NOK million	2022	2021	2022	2021
Accounts receivable - not insurance related	262	158		1
Receivables from brokers	2,712	5,351	2,019	4,624
Collateral received	1,036	2,335	262	1,178
Receivables yield tax		25		
Tax account	318	259		
Paid tax uncertain tax positions [1]	774		774	
Other current receivables	53	68	20	21
Total	**5,154**	**8,196**	**3,076**	**5,823**

1) Paid tax related to uncertain tax positions, see note 28 Tax

Note 39 Insurance liabilities by class of business

STOREBRAND LIVSFORSIKRING AS

							Storebrand Livsforsikring AS	
NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	2022	2021
Premium reserve	294,845	13,426	1,661	14,509	13,385		337,827	338,557
- of which IBNS	1,999	105	1,553	1,259	28		4,944	4,639
- of which premium income received in advance	1,811	76	35				1,922	1,728
Additional statutory reserves [1]	9,031			123	467		9,622	13,602
Bufferfund		1,137					1,137	
Market value adjustment reserve	748		-10	-59	-54	-5	618	6,309
Premium fund	1,280	1,838					3,118	3,101
Deposit fund	414						414	399
Pensioners' surplus fund								1
Conditional bonus								0
Other technical reserves						706	706	661
- of which IBNS						642	642	573
Total insurance liabilities	**306,318**	**16,401**	**1,651**	**14,574**	**13,798**	**701**	**353,443**	**362,632**

1) Transferred bufferfund public business with NOK 1 018 million per 1.1.2022.

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2022	2021
Premium reserve	1,932	2,192	10,384	14,509	14,975
Additional statutory reserves	123	-0	0	123	153
Market value adjustment reserve	-16	-42	0	-59	44
Total insurance liabilities	**2,039**	**2,150**	**10,384**	**14,574**	**15,171**

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Investment choice	2022	2021
Premium reserve	7,143	6,242	13,385	14,461
Additional statutory reserves	467	0	467	642
Market value adjustment reserve	-54	0	-54	165
Total insurance liabilities	**7,557**	**6,242**	**13,798**	**15,267**

GROUP PENSION PRIVATE SECTOR

NOK million	Company pension without investment choice	Paid-up policies without investment choice	Paid-up policies with investment choice	Occupational pension without investment choice	Occupational pension with investment choice	Pension certificate without investment choice
Premium reserve	17,527	133,736	18,321	4,364	3,740	668
Additional statutory reserves	1,157	7,746	0	132	0	0
Market value adjustment reserve	148	568	0	37	0	3
Premium fund	326	9	0	346	0	0
Deposit fund	414	0	0	0	0	0
Pensioners' surplus fund	-3			3	0	0
Total insurance liabilities	**19,569**	**142,059**	**18,321**	**4,882**	**3,740**	**671**

NOK million	Occupational pension without profitsharing	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	2022	2021
Premium reserve	2,179	92,913	416	20,981	294,845	298,353
Additional statutory reserves	0	0	-5	0	9,031	11,788
Market value adjustment reserve	-9	0	2	0	748	5,563
Premium fund	599	0	0	0	1,280	1,536
Deposit fund	0	0	0	0	414	399
Pensioners' surplus fund						1
Total insurance liabilities	**2,769**	**92,913**	**413**	**20,981**	**306,318**	**317,639**

GROUP PENSION PUBLIC SECTOR

NOK million	Defined benefit without investment choice	2022	2021
Premium reserve	13,426	13,426	9,253
Additional statutory reserves	0	0	1,020
Bufferfund	1,137	1,137	
Market value adjustment reserve	-0	-0	492
Premium fund	1,838	1,838	1,566
Total insurance liabilities	**16,401**	**16,401**	**12,330**

The table below shows the anticipated compensation payments (excl. repurchase and payment).

DEVELOPMENT IN EXECTED INSURANCE CLAIM PAYMENTS

NOK billion	Storebrand Livsforsikring AS	SPP Pension & Försäkring
0-1 year	15	7
2-3 years	31	16
More than 3 years	296	207
Total	**342**	**231**

NON-LIFE INSURANCE

	Storebrand Livsforsikring AS	
NOK million	2022	2021
Reinsurance share of technical insurance reserves	6	4
Total assets	**6**	**4**
Premium reserve	64	89
IBNS	642	573
Total	**706**	**661**
Market value adjustment reserve	-5	14
Total insurance liabilities	**701**	**675**

MARKET VALUE ADJUSTMENT RESERVE

NOK million	2022	2021	Change 2022	Of which transferred bufferfund
Equities and units	2,047	5,195	-3,148	
Bond and other fixed income securities	-1,428	1,115	-2,543	
Total	**618**	**6,309**	**-5,691**	**-484**

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	Total norwegian business 2022	Total norwegian business 2021
Premium reserve	317,873	13,426	1,662	17,585	15,487		366,033	338,557
- of which IBNS	2,298	105	1,553	1,483	235		5,674	4,639
- of which premium income received in advance	1,811	76	35	22	3		1,947	1,728
Additional statutory reserves [1]	9,052			123	467		9,643	13,602
Bufferfund		1,137					1,137	
Market value adjustment reserve	757		-10	-57	-51	-4	632	6,309
Premium fund	1,290	1,838					3,128	3,101
Deposit fund	478						478	399
Pensioners' surplus fund	7						7	1
Conditional bonus							0	0
Other technical reserves						761	761	661
- of which IBNS						664	664	573
Total insurance liabilities	**329,456**	**16,401**	**1,652**	**17,651**	**15,903**	**757**	**381,820**	**362,632**

	Swedish business		Storebrand Livsforsikring Group	
NOK million	2022	2021	2022	
Premium reserve	202,445	230,819	568,479	569,376
- of which IBNS	809	957	6,483	5,596
- of which premium income received in advance			1,947	1,728
Additional statutory reserves			9,643	13,602
Bufferfund			1,137	
Market value adjustment reserve			632	6,309
Premium fund			3,128	3,101
Deposit fund			478	399
Pensioners' surplus fund			7	1
Conditional bonus	12,540	13,781	12,540	13,781
Other technical reserves			761	661
- of which IBNS			664	573
Total insurance liabilities	**214,985**	**244,600**	**596,805**	**607,232**

Norwegian business consists of Storebrand Livsforsikring AS and Storebrand Danica Pensjonsforsikring AS. Swedish business consists of SPP Pension & Försäkring AB. The tables below only contain Norwegian business.

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2022	2021
Premium reserve	1,932	2,438	13,215	17,585	14,975
Additional statutory reserves	123	-0	0	123	153
Market value adjustment reserve	-16	-41	0	-57	44
Total insurance liabilities	**2,039**	**2,397**	**13,215**	**17,651**	**15,171**

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2022	2021
Premium reserve	7,264	89	8,134	15,487	14,461
Additional statutory reserves	467		0	467	642
Market value adjustment reserve	-53	1	0	-51	165
Total insurance liabilities	**7,679**	**90**	**8,134**	**15,903**	**15,267**

GROUP PENSION PRIVATE SECTOR

NOK million	Company pension without investment choice	Paid-up policies without investment choice	Paid-up policies with investment choice	Occupational pension without investment choice	Occupational pension with investment choice	Pension certificate without investment choice
Premium reserve	17,527	133,924	18,321	4,809	3,740	668
Additional statutory reserves	1,157	7,750	0	149	0	0
Market value adjustment reserve	148	570	0	41	0	3
Premium fund	326	9	0	356	0	0
Deposit fund	414	0	0	0	0	0
Pensioners' surplus fund	-3	2	0	8	0	0
Total insurance liabilities	**19,569**	**142,255**	**18,321**	**5,364**	**3,740**	**671**

NOK million	Occupational pension without profitsharing	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	2022	2021
Premium reserve	2,480	105,686	9,736	20,981	317,873	298,353
Additional statutory reserves	0	0	-5	0	9,052	11,788
Market value adjustment reserve	-7	0	2	0	757	5,563
Premium fund	599	0	0	0	1,290	1,536
Deposit fund	0	64	0	0	478	399
Pensioners' surplus fund					7	1
Total insurance liabilities	**3,073**	**105,750**	**9,733**	**20,981**	**329,456**	**317,639**

GROUP PENSION PUBLIC SECTOR

NOK million	Defined benefit without investment choice	2022	2021
Premium reserve	13,426	13,426	9,253
Additional statutory reserves	0	0	1,020
Bufferfund	1,137	1,137	
Market value adjustment reserve	-0	-0	492
Premium fund	1,838	1,838	1,566
Total insurance liabilities	**16,401**	**16,401**	**12,330**

The table below shows the anticipated compensation payments (excl. repurchase and payment).

DEVELOPMENT IN EXECTED INSURANCE CLAIM PAYMENTS

NOK billion	Storebrand Livs-forsikring AS	SPP Pension & Försäkring	Storebrand Danica Pensjons-forsikring
0-1 year	15	7	4
2-3 years	31	16	1
More than 3 years	296	179	23
Total	**342**	**202**	**28**

NON-LIFE INSURANCE

	Storebrand Livsforsikring AS		Storebrand Danica Pensjonsforsikring	Storebrand Livsforsikring Group	
NOK million	2022	2021	2022	2022	2021
Reinsurance share of technical insurance reserves	6	4	0	6	4
Total assets	**6**	**4**	**0**	**6**	**4**
Premium reserve	74	89	23	97	89
IBNS	642	573	22	664	573
Total	**716**	**661**	**45**	**761**	**661**
Market value adjustment reserve	-5	14	0	-5	14
Total insurance liabilities	**701**	**675**	**0**	**701**	**675**

MARKET VALUE ADJUSTMENT RESERVE

NOK million	2022	2021	Change 2022	Of which transferred bufferfund
Equities and units	2,047	5,195	-3,148	
Bond and other fixed income securities	-1,415	1,115	-2,529	
Total	**632**	**6,309**	**-5,677**	**-484.0**

Note 40 Change in insurance liabilities in life insurance

STOREBRAND LIVSFORSIKRING AS

INSURANCE OBLIGATIONS IN LIFE INSURANCE - CONTRACTUAL OBLIGATIONS

	Premium reserve	Additional statutory reserves	Bufferfund	Market value adjust-ment reserve	Premium-, deposit- and pension surplus fund	Other technical reserves non-life insurance	Store-brand Livsfor-sikring AS 2022	Store-brand Livsfor-sikring AS 2021
1. Book value 01.01	**180,684**	**13,602**	**0**	**6,309**	**3,501**	**661**	**204,759**	**193,607**
2. Changes in insurance obligations recognised in the Profit and Loss								
2.1 Net realised reserves	3,095	-2,769	-356	-5,207	2	43	-5,192	6,857
2.2 Profit on the return	40	0	0	0	35	0	75	1,211
2.3 The risk profit allocated to the insurance agreements	183	0	0	0	47	0	230	100
2.4 Other allocation of profit	83	0	0	0	0	0	83	84
Total changes in insurance obligations recognised in the Profit and Loss	3,401	-2,769	-356	-5,207	84	43	-4,805	8,251
3. Non-realised changes in insurance liabilities								
3.1 Transfers between funds	291	-1,303	1,493	-484	50	0	48	161
3.2 Transfers to/from the company	893	91	0	0	-103	2	883	2,739
Currency differences	0	0	0	0	0	0	0	-1
Total non-realised changes in insurance liabilities	**1,184**	**-1,211**	**1,493**	**-484**	**-53**	**2**	**931**	**2,900**
4. Book value 31.12	**185,269**	**9,622**	**1,137**	**619**	**3,532**	**706**	**200,885**	**204,758**

INSURANCE OBLIGATIONS IN LIFE INSURANCE - INVESTMENT CHOICE PORTFOLIO SEPARATELY

		Storebrand Livsforsikring AS	
NOK million	Premium reserve	2022	2021
1. Book value 01.01	**157,873**	**157,873**	**137,089**
2. Changes in insurance obligations recognised in the Profit and Loss			
2.1 Net realised reserves	-5,429	-5,429	20,913
Total changes in insurance obligations recognised in the Profit and Loss	-5,429	-5,429	20,913
3. Non-realised changes in insurance liabilities			
3.1 Transfers between funds	-48	-48	-82
3.2 Transfers to/from the company	161	161	-49
Currency differences			1
Total non-realised changes in insurance liabilities	113	113	-130
4. Book value 31.12	**152,558**	**152,558**	**157,873**

STOREBRAND LIVSFORSIKRING GROUP

INSURANCE OBLIGATIONS IN LIFE INSURANCE - CONTRACTUAL OBLIGATIONS

	Premium reserve	Additional statutory reserves	Bufferfund	Market value adjustment reserve	Premium-, deposit- and pension surplus fund	Other technical reserves non-life insurance	Total norwegian business 2022
1. Book value 01.01	**181,999**	**13,632**	**0**	**6,309**	**3,518**	**709**	**206,168**
2. Changes in insurance obligations recognised in the Profit and Loss							
2.1 Net realised reserves	3,041	-2,760	-356	-5,221	2	44	-5,250
2.2 Profit on the return	40	0	0	0	35	0	75
2.3 The risk profit allocated to the insurance agreements	182	0	0	0	47	0	229
2.4 Other allocation of profit	83	0	0	0	0	0	83
Total changes in insurance obligations recognised in the Profit and Loss	3,346	-2,760	-356	-5,221	84	44	-4,863
3. Non-realised changes in insurance liabilities							
3.1 Transfers between funds	291	-1,303	1,493	-484	50	0	48
3.2 Transfers to/from the company	1,025	73	0	28	-103	9	1,032
Currency differences	0	0	0	0	0	0	0
Total non-realised changes in insurance liabilities	**1,316**	**-1,229**	**1,493**	**-456**	**-53**	**-1**	**1,070**
4. Book value 31.12	**186,661**	**9,643**	**1,137**	**633**	**3,549**	**762**	**202,385**

INSURANCE OBLIGATIONS IN LIFE INSURANCE - INVESTMENT CHOICE PORTFOLIO SEPARATELY

NOK million	Premium reserve	Premium-, deposit- and pension surplus fund	Total norwegian business 2022
1. Book value 01.01	**184,128**	**66**	**184,194**
2. Changes in insurance obligations recognised in the Profit and Loss			
2.1 Net realised reserves	-6,256		-6,256
Total changes in insurance obligations recognised in the Profit and Loss	-6,256	0	-6,256
3. Non-realised changes in insurance liabilities			
3.1 Transfers between funds	-48	-2	-48
3.2 Transfers to/from the company	1,548		1,546
Currency differences	0		0
Total non-realised changes in insurance liabilities	**1,500**	**-2**	**1,498**
4. Book value 31.12	**179,373**	**64**	**179,437**

Note 41 Other liabilities

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Accounts payable	228	230	64	81
Governmental fees and tax withholding	346	115	102	88
Received collateral in cash	1,318	2,756	1,308	1,859
Debt broker	2,720	5,096	2,123	4,341
External financing of properties	2,614	2,411		
Leases liabilities	612	621	2	3
Other current liabilities	569	523	17	4
Total other current liabilities	**8,407**	**11,751**	**3,616**	**6,377**

Note 42 Hedge accounting

STOREBRAND LIVSFORSIKRING GROUP

FAIR VALUE HEDGING OF INTEREST RATE RISK AND CASH FLOW HEDGING OF FOREIGN EXCHANGE RISK

Storebrand uses fair value hedging for the interest rate risk. The hedged items are financial assets and 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. Hedge effectiveness is monitored at an individual security level.

Storebrand uses cash flow hedging for the credit margin. The hedged items are liabilities measured at amortised cost. Derivatives are recognised at fair value. The proportion of the profit or loss on the hedging instrument that is deemed to be effective hedging is recognised in total comprehensive income. The proportion is subsequently reclassified to profit or loss in step with the hedged item's effect on earnings. Hedge effectiveness is 103 per cent per 31.12.22.

Hedging instrument/hedged item

	2022					2021				
	Contract/	Book value [1]			Recognised in	Contract/	Book value [1]			Recognised in
NOK million	nominal value	Assets	Liabilities	Booked P/L	comprehensive income	nominal value	Assets	Liabilities	Booked P/L	comprehensive income
Interest rate swaps	38	112			-590	250	703	0	0	-391
Subordinated loans	-38		421	0	578	-250	0	2,685	-1	335

1) Book values as at 31.12.

FAIR VALUE HEDGING OF INTEREST RATE RISK

Storebrand uses fair value hedging for the interest rate risk. The hedged items are financial assets and 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. Hedging loans in Euro also includes hedging foreign exchange risk.

Hedge effectiveness is monitored at an individual security level. Hedge effectiveness is 88 and 100 per cent per 31.12.22.

Hedging instrument/hedged item

NOK million	2022 Contract/ nominal value	2022 Book value [1] Assets	2022 Book value [1] Liabilities	2022 Booked P/L	2021 Contract/ nominal value (EUR)	2021 Book value [1] Assets	2021 Book value [1] Liabilities	2021 Booked P/L
Interest rate swaps	300		648		300	0	158	0
Subordinated loans as a hedge instrument	-300		2,397	28	-300	0	2,876	2

1) Book values at 31.12.

NOK million	2022 Contract/ nominal value	2022 Book value [1] Assets	2022 Book value [1] Liabilities	2022 Booked P/L
Renteswapper	750	16		
Ansvarlig lånekapital	-750		773	0

1) Book values at 31.12..

CURRENCY HEDGING OF NET INVESTMENT IN STOREBRAND HOLDING AB

In 2022, Storebrand used cash flow hedging of the foreign exchange risk linked to Storebrand's net investment in Storebrand Holding AB. Three-month rolling currency derivatives were used, and the spot element of these was used as a hedging instrument. As of 31 December 2022, three loans have been taken out that are used as hedging instruments. The effective share of the hedging instruments is recognised in total comprehensive income. There is partial hedging of the net investment in Storebrand Holding AS and it is therefore expected that the hedge effectiveness in the future will be about 100 per cent. Income of NOK 226 million were recognised in total comprehensive income in connection with the hedging of Storebrand Holding AB, compared with NOK 577 million in 2021.

Hedging instrument/hedged item

NOK million	2022 Contract/ nominal value (SEK)	2022 Book value [1] Assets	2022 Book value [1] Liabilities	2021 Contract/ nominal value (SEK)	2021 Book value [1] Assets	2021 Book value [1] Liabilities
Currency derivatives	-9,691		-111	-4,696		-18
Subordinated loans as a hedge instrument	-2,800		2,654	-3,800		3,704
Underlying items		11,823			9,538	

1) Book values at 31.12.

STOREBRAND LIVSFORSIKRING AS

FAIR VALUE HEDGING OF INTEREST RATE RISK AND CASH FLOW HEDGING OF FOREIGN EXCHANGE RISK

Storebrand uses fair value hedging for the interest rate risk. The hedged items are financial assets and 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. Hedge effectiveness is monitored at an individual security level.

Storebrand uses cash flow hedging for the credit margin. The hedged items are liabilities measured at amortised cost. Derivatives are recognised at fair value. The proportion of the profit or loss on the hedging instrument that is deemed to be effective hedging is recognised in total comprehensive income. The proportion is subsequently reclassified to profit or loss in step with the hedged item's effect on earnings. Hedge effectiveness is 103 per cent per 31.12.22.

Hedging instrument/hedged item

NOK million	2022 Contract/ nominal value	2022 Book value 1) Assets	2022 Book value 1) Liabilities	2022 Booked P/L	2022 Recognised in comprehensive income	2021 Contract/ nominal value	2021 Book value 1) Assets	2021 Book value 1) Liabilities	2021 Booked P/L	2021 Recognised in comprehensive income
Interest rate swaps	38	112			-590	250	703			-391
Subordinated loans	-38		421	0	578	-250		2,685	-1	335

1) Book values at 31.12.

FAIR VALUE HEDGING OF INTEREST RATE RISK

Storebrand uses fair value hedging for the interest rate risk. The hedged items are financial assets and 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. Hedging loans in Euro also includes hedging foreign exchange risk.

Hedge effectiveness is monitored at an individual security level. Hedge effectiveness is 88 per cent per 31.12.22.

Hedging instrument/hedged item

NOK million	2022 Contract/ nominal value	2022 Book value 1) Assets	2022 Book value 1) Liabilities	2022 Booked P/L	2021 Contract/ nominal value (EUR)	2021 Book value 1) Assets	2021 Book value 1) Liabilities	2021 Booked P/L
Interest rate swaps	300	0	648	0	300	0	158	0
Subordinated loans as a hedge instrument	-300	0	2,397	28	-300	0	2,876	2

1) Book values at 31.12.

NOK million	2022 Contract/ nominal value	2022 Book value 1) Assets	2022 Book value 1) Liabilities	2022 Booked P/L
Interest rate swaps	750	16	0	0
Subordinated loans as a hedge instrument	-750	0	773	0

The phasing out of LIBOR on various currencies as reference rates has received a great deal of attention throughout 2021. The transition to new "overnight rates" has been demanding for many market participants, but the transition has gone better than many feared. From 1 January 2022, LIBOR for USD, GBP, EUR, CHF and JPY will be replaced by new "interest rates", SOFR, SONIA, EurSTR, SARON and TONA. In 2022, value will still be quoted on some of the LIBOR interest rates, but only synthetically for GBP and JPY. The transition and use of the new official "overnight rates" will continue in 2022.

For Storebrand, the process of phasing out LIBOR interest rates has not been particularly demanding as exposure to LIBOR interest rates has been limited. Necessary adaptation of agreements related to EONIA in relation to certain counterparties has been implemented in Q4 2021. EONIA has been replaced by EurSTR and the stipulated "fallbacks" which have resulted in a continuation of the values based on EONIA. NIBOR and STIBOR, which have the greatest significance in the management of Storebrand's customer portfolios, will be continued for the time being. The same applies to EURIBOR.

Storebrand secures an exposure in the reference rate EURIBOR 3M divided into two cross currency swapers EUR / NOK which has a total nominal amount of EUR 338 million.

Note 43 Collateral

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Collateral provided in cash in connection with derivatives trading	8,765	1,200	898	1,200
Collateral provided in bonds	3,596		2,405	
Collateral received in connection with Derivatives trading	-1,337	-3,445	-1,326	-1,869
Collateral received in bonds	-93	-322	-71	-322
Total received and pledged collateral	**10,932**	**-753**	**1,906**	**-1,013**

The CSA agreements entered into with 15 counterparties regulate the security that can be used by the parties in OTC contracts that have been entered into. Most of the agreements have a minimum transfer amount of EUR 500,000. All agreements stipulate that cash in EUR and NOK can be used as security. In some of the agreements, government bonds are also defined as approved security. Interest is calculated based on the NOWA and EONIA rates respectively.

Security provided for futures and options is adjusted daily on the basis of a daily margin settlement for each contract.

Security is received and provided in the form of both cash and securities. Security in the form of cash is recognised in the balance sheet and classified as other receivables and other current liabilities in Notes 36, 38 and 41 respectively.

Note 44 Contingent liabilities

NOK million	Storebrand Livsforsikring Group 2022	Storebrand Livsforsikring Group 2021	Storebrand Livsforsikring AS 2022	Storebrand Livsforsikring AS 2021
Uncalled residual liabilities re limited partnership	4,087	4,870	3,666	4,469
Uncalled residual liabilities in alternative investment funds	12,238	10,093	9,791	7,843
Total contingent liabilities	**16,326**	**14,963**	**13,457**	**12,312**

Storebrand Livsforsikring AS has unutilized credit limits in connection with lending to and receivables from customers. See note 10 Credit risk.

The Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become part in legal disputes.

Note 45 Securities lending and buy-back agreements

NOK million	2022	2021
Lending of shares	1,274	207
Collateral received for lent securities	-1,411	-227

Storebrand Livsforsikring has entered into an agreement on securities lending with a number of counterparties. JPMorgan Luxembourg is the agent for the securities lending and wikk execute the lending on behalf of Storebrand Livsforsikring. Only shares are lent. Storebrand Livsforsikring receives 80% of the income from securities lending. JPmorgan charges a cost of 20%

Note 46 Transactions with related parties

Companies in the Storebrand Livsforsikring Group have transactions with other companies in the Storebrand Group, senior employees and shareholders in Storebrand ASA. These are transactions that are a part of the products and services offered by the companies in the group to their customers. The transactions are entered into on commercial terms and include occupational pensions, private pensions savings, leasing of premises, asset management and lending.

During 2022 Storebrand Livsforsikring AS has bought mortgages from sister company Storebrand Bank ASA.The transactions are entered into in commercial terms. The portfolio of loans that have been transferred in 2022 totalled NOK 4.3 billion. The total portfolio of loans bought as of 31 December 2022 is NOK 17.1 billion. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expense for 2022 is NOK 70.8 million.

Internal transactions between group companies are eliminated in the consolidated financial statements, with the exception of transactions between the customer portfolio in Storebrand Livsforsikring AS and other units in the group. See further description in Note 1 Accounting Principles. Also see note 24 Remuneration of senior employees and elected officers and note 32 Parent company's holding of equities in subsidiaries and associated companies.

	2022			
NOK million	Sale/purchase of services	Receivables/ liabilities	Sale/purchase of services	Receivables/ liabilities
Group companies:				
Storebrand ASA	138	0	102	3
Storebrand Bank ASA	36	3	22	5
Storebrand Asset Management AS	44	45	-52	45
Storebrand Forsikring AS	150	63	156	26

Note 47 Solvency II

Storebrand Livsforsikring is an insurance company with capital requirements in accordance with Solvency II.

The calculations below are for Storebrand Livsforsikring AS when Storebrand Livsforsikring Group no longer entitled to report solvency. The requirement on consolidated level only applies to Storebrand Group.

The solvency capital requirement and minimum capital requirement are calculated in accordance with Section 46 (1) – (3) of the Solvency II Regulations using the standard method and include the effect of the transitional arrangement for shares pursuant to Section 58 of the Solvency II Regulations.

SOLVENCY CAPITAL

	31.12.22					31.12.21
NOK million	Total	Tier 1 unlimited	Tier 1 limited	Tier 2	Tier 3	Total
Share capital	3,540	3,540				3,540
Share premium	9,711	9,711				9,711
Reconciliation reserve	15,543	15,543				19,884
Including the effect of the transitional arrangement	0	0				0
Subordinated loans	9,661		1,894	7,766		10,860
Deferred tax asset	306				306	0
Risk equalisation reserve	809			809		547
Expected dividend	-1,885	-1,885				-2,420
Not counting tier 3 capital	-231				-231	
Total solvency capital	**37,454**	**26,909**	**1,894**	**8,576**	**75**	**42,121**
Total solvency capital available to cover the minimum capital requirement	**30,121**	**26,909**	**1,894**	**1,317**		**34,161**

SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK million	31.12.22	31.12.21
Market	18,219	20,424
Counterparty	997	620
Life	5,882	7,266
Health	672	635
Operational	1,003	1,067
Diversification	-4,745	-5,228
Loss-absorbing tax effect	-4,725	-5,125
Total solvency requirement	**17,301**	**19,659**
Solvency margin	**216.5 %**	**214.3 %**
Minimum capital requirement	**6,585**	**7,218**
Minimum margin	**457.4 %**	**473.3 %**

Note 48 Return on capital

STOREBRAND LIVSFORSIKRING AS

	2022		2021		2020		2019		2018	
	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return
Contractual obligations total	1.1 %	-3.0 %	4.5 %	3.9 %	4.8 %	5.5 %	3.8 %	5.5 %	3.2 %	2.4 %
As portfolio:										
Group defined benefit private	-0.7 %	-1.1 %	4.7 %	4.3 %	4.3 %	5.6 %	4.2 %	6.1 %	2.2 %	0.5 %
Swedish branch	3.0 %	0.0 %	4.0 %	0.1 %	3.0 %	2.3 %	4.5 %	6.1 %	4.4 %	1.1 %
Paid-up policies	1.5 %	-0.6 %	4.6 %	3.9 %	5.0 %	5.7 %	3.9 %	5.5 %	3.5 %	2.9 %
Individual	2.0 %	-3.0 %	3.8 %	3.7 %	3.6 %	3.9 %	3.6 %	4.7 %	2.9 %	0.0 %

	2022	2021	2020
Return on capital investment portfolio	-8.0 %	13.8 %	7.9 %

	2022	2021	2020	2019	2018
Return on capital company portfolio	1.5 %	1.7 %	1.6 %	2.8 %	2.5 %

Note 49 Number of employees

	Storebrand Livsforsikring Group		Storebrand Livsforsikring AS	
	2022	2021	2022	2021
Number of employees 31.12	1,338	1,169	869	774
Average number of employees	1,300	1,208	821	795
Fulltime equivalent positions 31.12	1,328	1,159	863	768
Average number of fulltime equivalents	1,288	1,196	815	787

Note 50: Sold/liquidated business

Storebrand Livsforsikring AS has had a Swedish branch since 2005. In 2021, the insurance business was sold to SPP Pension & Försäkring AB to market conditions and when there was no longer operation in the branch it was discontinued on 31st of May.

Declaration by the Members of the Board and the CEO

STOREBRAND LIVSFORSIKRING AS AND STOREBRAND LIVSFORSIKRING GROUP

On this date, the Board and CEO have discussed and approved the annual report and annual financial statements for Storebrand Livsforsikring AS and Storebrand Livsforsikring Group for the 2022 financial year and as per 31 December 2022.

The financial statements are prepared in accordance with the “Regulation on the annual accounts etc. of insurance companies” for the parent company and the consolidated financial statements are presented using EU-approved International Financial Reporting Standards (IFRS) and the additional requirements of the Securities Trading Act.

In the best judgment of the Board and CEO the annual accounts 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 assets, liabilities, financial standing and results as a whole as of 31 December 2022. In the best judgment of the Board and 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 and consolidated financial statements. In the best judgment of the Board and CEO the descriptions of the most important risk and uncertainty factors the group faces in the next accounting period, as well as the descriptions of related parties’ significant transactions, also provide a fair and true overview.

Lysaker, 7 February 2023
The Board of Directors of Storebrand Livsforsikring AS

Translation not to be signed

Odd Arild Grefstad
Chairman of the Board

Martin Skancke

Anne Kathrine Slungård

Mari Tårnesvik Grøtting

Trond Thire

Hans Henrik Klouman

Jan Otto Risebrobakken

Vivi Måhede Gevelt
Chief Executive Officer

Audit report

To the General Meeting of Storebrand Livsforsikring AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Storebrand Livsforsikring AS, which comprise:

- the financial statements of the parent company Storebrand Livsforsikring AS (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of change in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Storebrand Livsforsikring AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of change in equity and statement of cash flow for the year then ended, and notes to the financial statements, 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 Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated 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.

Our opinion is consistent with our additional report to the Audit Committee.

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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 19 March 2018 for the accounting year 2018.

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 group's activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other material events that qualified as new key audit matters for our audit of the 2022 financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of life insurance liabilities	
We focused on the valuation of the insurance liabilities because it is significant estimates in the financial statements. The estimates involves complex assessment concerning the probability that insured events occurs, and uncertainty related to whether the provisions are sufficient to cover the total liabilities to the policyholders. Small adjustments of the assumptions may have significant impact on the estimates. The calculation of the insurance liabilities will to a large extent depend on good quality of data in the insurance system and use of assumptions that are in accordance with regulatory requirements and appropriate industry standards. Refer to note 1, 2, 7 and 39 in the financial statements where management further describes the insurance liabilities, assumptions and uncertainty of the estimates.	In our audit we have considered and tested the design and effectiveness of established controls for review of used assumptions and calculation methods, including the company's internal recalculations of the insurance liabilities. We also examined whether management had established effective controls that ensured good data quality for the calculation of the insurance liabilities. This included controls related to data collection, data processing, reconciliation of the insurance systems and IT General Controls relevant for financial reporting. Those controls we elected to base our audit on, was working efficiently. We also performed independent calculations for a selection of insurance obligations using our internal actuarial models and compared these with the company's calculations. We used our internal actuaries for this work. The comparison did not indicate any deviations of significance. We considered and challenged management's use of key assumptions that the estimated insurance liabilities are based on. We did the same for the method and the models the management used. We used our own internal actuaries for parts of this work We also considered and found that the information regarding the insurance liabilities in notes to the financial statements is sufficient and adequate, and that the information satisfies the requirements of the accounting rules.

Valuation of investment properties

The Group has investment properties that mainly consists of office and retail properties. We have focused on investment property because it represents an estimate and a substantial part of the assets in the Group's statement of financial position.

These properties are measured at fair value and classified in level 3 according to IFRS 13. Valuation of the properties involves use of assumptions which are subject to management judgement. Important assumptions for the value of individual properties are primarily expected future cash flows and discount rate.

The basis for management's estimate is an internal valuation model and external valuations. Management obtain observations of market data from various market participants. Management considers reasonableness of their own estimates through obtaining valuations from external valuers for a sample of properties on a continuing basis. The valuers were engaged by management.

Refer to note 1, 2, 13 and 31 in the financial statements for management's further description of investment properties, the methods used and the assumptions the valuations are based on.

Through our audit we have assessed and tested design and effectiveness of established controls for review of applied assumptions and calculation methods, including the company's internal valuation of investment properties. We particularly examined whether management had established controls to ensure assessment of market rent and discount rate. We found that routines to ensure that these elements regularly were checked against both external valuations and marked data was established. Those controls that we elected to base our audit on, was in our view working efficiently.

We obtained, read through and understood the internal valuation model. We concluded that the model contains the elements required by the financial reporting framework and therefore is appropriate as a basis for determining fair value on the Group's investment properties. We tested whether, and concluded that the model made mathematically correct calculations.

In our assessment of the valuation, we challenged the assumptions for expected future cash flows and discount rate by comparing a sample of properties against information from relevant external sources. Substantial changes in value from previous periods was subject to discussions with management. We concluded that assumptions were consistent with information from relevant sources and that explanations regarding substantial changes in value were based on changes in the information from relevant sources.

We also assessed the qualifications, competence and objectivity of the external valuers. We reviewed the engagement letters with the valuers to assess whether there were any clauses or fee provisions that may have affected their objectivity or in any other way limited their engagement. We did not find any indications of such circumstances.

We compared the internal valuations against the valuers estimates on values for a sample of properties. We challenged management on substantial deviations and obtained explanations on deviations. We challenged the management and external valuers on the possible effects from climate risk in setting fair value. We assessed the explanations reasonable.

We also assessed and came to the conclusion that the information about investment properties in the notes to the financial statements were in accordance with the accounting principles and provides an adequate description of the method and the underlying assumptions that is used for the valuation.

Valuation of financial assets measured at fair value

We have focused on this area both because financial assets represent a substantial part of the assets in the statement of financial position, and because the fair value in certain instances will have to be estimated using valuation models that apply judgement.

Most of the financial assets that are measured at fair value is based on quoted prices in active markets (level 1 investments), or derived from observable market information (level 2 investments). Routines and processes that ensures an accurate basis for the valuation is important for these assets. For financial assets that is measured based on models and certain assumptions that is not observable (level 3 investments), we focused on assessing both the models and the assumptions underlying the valuation.

Refer to note 1, 2 and 13 in the financial statements for a further description of management's valuation of financial assets measured at fair value.

In our audit we considered design and tested effectiveness of Storebrand's established controls over valuation of financial assets measured at fair value. Particularly we focused on those controls that ensured complete and accurate use of quoted market prices and other observable masterdata, return on investments controls and IT General Controls relevant for financial reporting. In our opinion, the controls that we have chosen to base our audit on are working effectively.

For financial assets measured through use of models and assumptions that are not observable, we assessed valuation principles, the models and assumptions that were used. We found that the models and assumptions were reasonable and used consistently.

For a sample of investments, we also tested that fair value was in accordance with external sources. We considered the reliability of the sources of information, when relevant. Our tests did not reveal substantial deviations.

We also assessed and found that the information in the notes regarding the Group's valuation principles and fair value determination were sufficient and adequate.

New tax rules and uncertain tax positions

Tax rules for life insurance companies and financial groups are complex and has changed significantly during the last couple of years. As described in note 27

We have reviewed and challenged management assessment of the uncertain tax positions. Management obtained external legal opinions as a basis for their conclusions. We evaluated the competence, integrity and objectivity of the external legal advisors. We uncertain tax positions have occurred as part of the group's activities related to liquidation of a subsidiary in 2015 and new tax rules for life insurance companies in 2018. Management applied significant judgment in their assessment of whether the uncertain tax positions should be recognized in the financial statements and have therefore been a focus area.

evaluated the external legal opinions, and whether the arguments used by the legal advisors are reasonable and that the considerations were neutral.

We also assessed the information regarding the uncertain tax positions in the financial statements. We found that the information meets the requirements in the accounting standards.

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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use 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 and 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's 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 Livsforsikring AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name stbliv-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.

Terms and expressions

GENERAL

Subordinated loan capital
Subordinated loan capital is loan capital that ranks after all other debt. Subordinated loan capital forms part of the tier 2 capital for solvency capital calculations.

Duration
Average remaining term to maturity of the cash flow from interest-bearing securities. The modified duration is calculated based on the duration and expresses the sensitivity to the underlying interest rate changes.

Equity
Equity consists of paid-in capital, retained earnings and minority interests. Paid-in capital includes share capital, share premium reserve and other paid-in capital. Retained earnings include other equity and reserves.

Solvency II
Solvency II is a common set of European regulatory requirements for the insurance industry. Under Solvency II, the size of the capital requirement will be determined by the amount of risk the company is exposed to.

INSURANCE

Reinsurance (Reassurance)
The transfer of part of the risk to another insurance company.

IBNR reserves (incurred but not reported)
Reserves for the compensation of insured events that have occurred, but not yet been reported to the insurance company.

RBNS reserves (reported but not settled)
Reserves for the compensation of reported, but not yet settled claims.

LIFE INSURANCE

RETURN ON CAPITAL
The booked return on capital shows net realised income from financial assets and changes in the value of real estate and exchange rate changes for financial assets, expressed as a percentage of the year's average capital in customer funds with guarantees and in the company portfolio, respectively. The market return shows the total income realised from financial assets, changes in the value of real estate and the year's change in unrealised gains or losses, expressed as a percentage of the year's average total capital in customer funds with guarantees and in the company portfolio, respectively, at market value.

GROUP CONTRACTS
Group defined benefit pensions (DB)
Guaranteed pension payments from a specified age for as long as the insured person lives. Alternatively, it can be agreed that the pension will end at a specified age. The product is offered in both the private and public sectors. The cover includes retirement, disability and survivor pensions.

Group defined contribution pensions (defined contribution – DC)
In group defined contribution pensions the premium is stated as a percentage of pay, while the payments are unknown. The customer bears all the financial risk during the saving period.

Group one-year risk cover
These products involve guaranteed payments upon death or disability, and a waiver of premiums in the event of disability.

Paid-up policies (benefit) and pension capital certificate (contribution)
These are contracts with earned rights that are issued upon withdrawal from or the termination of pension contracts.

Group life insurance
Group life insurance in which an insured sum is payable on the death of a member of the group. Such insurance can be extended to cover disability insurance.

Unit Linked
Life insurance offering an investment choice, whereby the customer can influence the level of risk and return by selecting in which funds assets are to be invested. Applies to both individual policies and group defined contribution pensions.

INDIVIDUAL CONTRACTS
Individual allocated annuity or pension insurance
Contracts with guaranteed payments for as long as the insured person lives. Alternatively, it can be agreed that the pension will end at a specified age.

Individual endowment insurance
Contracts involving a single payment in the event of attaining a specified age, death or disability.

Individual Unit Linked insurance
Endowment insurance or allocated annuity in which the customer bears the financial risk.

Contractual liabilities
Allocations to premium reserves for contractual liabilities shall, as a minimum, equal the difference between the capital value of the company's future liabilities and the capital value of future net premiums (prospective calculation method). Additional benefits due to an added surplus are included.

RESULT

Administration result
The administration result is the difference between the premiums paid by customers pursuant to the tariff and the company's actual operating costs. The income consists of fees based on the size of customer assets, premium volumes or numbers in the form of unit prices. Operating costs consist of, among other things, personnel costs, marketing, commissions and IT costs.

Financial result
The financial result consists of the net financial income from financial assets for the group portfolio (group and individual products without any investment choice) less the guaranteed return.

Risk result
The risk result consists of premiums the company charges to cover insurance risks less the actual costs in the form of insurance reserves and payments for insured events such as death, pensions, disability and accidents.

Insurance reserves – life insurance
For a more detailed description of the technical insurance reserves and accrual accounting for premiums and compensation, see note 1 – accounting policies.

Solidity capital
The term solidity capital includes equity, subordinated loan capital, market value adjustment reserve, additional statutory reserves, conditional bonuses, surplus/deficit related to bonds at amortised cost and retained earnings. The solvency capital is also calculated as a percentage of total customer funds, excluding additional statutory reserves and conditional bonuses.

Buffer capital
Consists of market value adjustment reserve, additional statutory reserves and conditional bonuses

FINANCIAL DERIVATIVES

The term ”financial derivatives” embraces a wide range of financial instruments for which the current value and future price movements are determined by equities, bonds, foreign currencies or other traditional financial instruments. Derivatives require less capital than is the case for traditional financial instruments, such as equities and bonds, and are used as a flexible and cost-effective supplement to traditional instruments in portfolio management. Financial derivatives can be used to hedge against unwanted financial risks, or to create a desired risk exposure in place of using traditional financial instruments.

Share options
The purchase of share options confers a right (but not an obligation) to buy or sell shares at a pre-determined price. Share options may be related to stock market indices as well as to specific individual stocks. The sale of share options implies the equivalent one-sided obligation. In general, exchange traded and cleared options are used.

Stock futures (stock index futures)
Stock futures contracts can be related to individual shares, but are normally related to stock market indices. Stock futures contracts are standardised futures contracts, which are exchange traded, and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily, and are settled on the following day.

Cross currency swaps
A cross currency swap is an agreement to exchange principal and interest rate terms in different currencies. At the maturity of the contract, the principal and interest rate terms are exchanged back to the original currency. Cross currency swaps are used, for example, to hedge returns in a specific currency or to hedge foreign currency exposure.

Forward Rate Agreements (FRA)
FRAs are agreements to pay or receive the difference between an agreed fixed rate of interest and the actual rate for a fixed amount and period of time. This difference is settled at the start of the future interest period. FRA contracts are particularly appropriate for the management of short-term interest rate exposure.

Credit derivatives
Credit derivatives are financial contracts that transfer all or part of the credit risk associated with loans, bonds and similar instruments from the purchaser of the protection (seller of the risk) to the seller of the protection (purchaser of the risk). Credit derivatives are transferable instruments that make it possible to transfer the credit risk associated with particular assets to a third party without selling the assets.

Interest rate futures
Interest rate futures contracts are related to government bond rates or short-term benchmark interest rates. Interest rate futures are standardised contracts which are exchange traded and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily and settled on the following day.

Interest rate swaps/asset swaps
Interest rate swaps/asset swaps are agreements between two-parties to exchange interest rate terms for a specified period. This is normally an agreement to exchange fixed rate payments for floating rate payments.This instrument is used to manage or change the interest rate risk.

Interest rate options
Interest rate options can be related to either bond yields or money market rates. The purchase of interest rate options related to bonds (also known as bond options) confers a right (but not an obligation) to buy or sell bonds at a pre-determined price. Interest rate options can be used as a flexible instrument for the management of both long and short-term interest rate exposure.

Forward foreign exchange contracts/swaps
Forward foreign exchange contracts/swaps relate to the purchase or sale of a currency for an agreed price at a future date. These contracts are principally used to hedge the currency exposure arising from securities, bank deposits, subordinated loans and insurance reserves. These contracts also include spot foreign exchange transactions.

Currency options
Currency options give the holder a right, but not an obligation to a future exchange of currency at a predetermined rate. Currency options are used for hedging subordinated loans in foreign currency.

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