storebrand

Storebrand Livsforsikring AS
Annual report

2021

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 2021-23: «LEADING THE WAY IN SUSTAINABLE VALUE CREATION»

Storebrand aims to help customers achieve greater security and financial wellness by offering long-term savings and insurance solutions. Our goal is to deliver sustainable solutions tailored to the customer's individual needs. This is how we create value for customers, shareholders, and society.

Storebrand follows a two-fold strategy that provides an attractive combination of self-funded growth within what we call Future Storebrand, and capital release from the guaranteed pensions business which is in run-of

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.

We believe the only way to secure a better future is to take part in creating it. We seek to actively use our position to lead the way in sustainable value creation and to differentiate ourselves from competitors. Read more about our work with social responsibility in the chapters Customer relations, People, and Keeping our house in order in Storebrand ASA's annual report for 2021.

Storebrand offers financial products, services, and customer experiences. 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 both grow the ordinary dividend from our earnings and to ensure capital-efficient management of products with interest rate guarantees. Our goal is to release an estimated NOK 10 billion of capital by 2030, while maintaining a strong solvency position and a balance sheet adapted to our risk and business.

STRATEGIC HIGHLIGHTS 2021

In 2021, we shifted into an even higher gear ensuring increased speed and growth. With a strong solvency ratio, a stable financial market that developed positively, and a balance sheet where the share of Defined Contribution pensions in growth exceeded the share of guaranteed pensions in run-off, we were able to strengthen our focus and deliveries in our growth strategy. Strong growth in the core business contributed to a larger customer base, an increased operating profit for the Group, as well as higher dividends to our shareholders.

Storebrand Livsforsikring AS issued its first green bond. The issuance was a time-limited subordinated bond of EUR 300 million. Storebrand continued to contribute to a growing market for sustainable bonds and stimulate the market for sustainable investments and financing.

The summer of 2021 marked a positive reopening of the economy after a prolonged period of restrictive measures due to the Covid-19 pandemic. However, by the end of the year, the outbreak of the Omicron variant contributed to renewed insecurity in the society and a need for new infection control measures. Storebrand has maintained operations fully and we have continued to follow our strategy throughout the period. The main impact of Covid-19 on Storebrand's business is the increased risk of lower employment and more disability in society, which can lead to higher claims. In response to this, Storebrand has made the necessary adjustments in provisions and prices. Throughout the pandemic, we have managed volatile markets and adapted our portfolios to ensure a good return on both our customers' funds and our own financial investments.

GROWTH IN CAPITAL-LIGHT BUSINESS AREAS IN THE FRONT BOOK

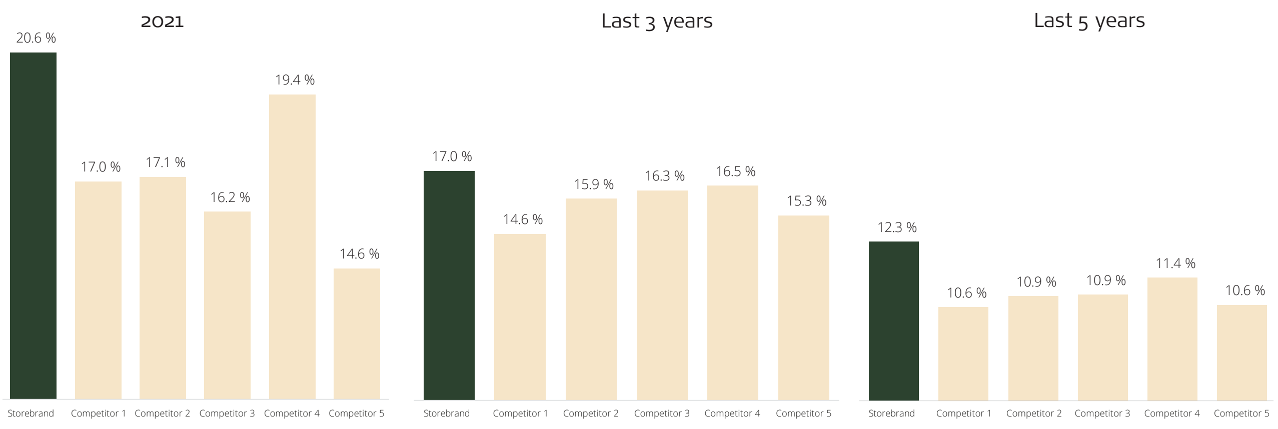
The core of Storebrand's strategy is to gather and manage savings from pension and institutional customers in Norway and Sweden, as well as retail customers in Norway. Storebrands's asset under management is our main revenue driver. In addition, we will build on existing savings and pension relationships with individuals by offering related products and solutions within retail insurance and banking in Norway.

LEADING PROVIDER OF OCCUPATIONAL PENSIONS IN NORWAY AND SWEDEN

In 2021, we once again delivered the market's best return to our Defined Contribution pension customers, compared to comparable investment profiles. This applies to both our largest and most common investment profiles with high and moderate equity content, which achieved a return of 20.6 per cent and 13.4 per cent, respectively. The return on the profiles is also the market's best over the last three and five years. Norwegian customers also received their Individual Pension Accounts in 2021. Employees' funds from previous pension capital certificates were combined into the same account as their active Defined Contribution account they have with current employers. The vast majority of employees at Storebrand's corporate customers chose to continue pension savings through employers' agreements with us. Only 2.5 per cent chose to move pension management to an alternative provider. For Storebrand, the total one-off effect from the automatic transfer of pension capital certificates was NOK -6 billion in net transferred capital.

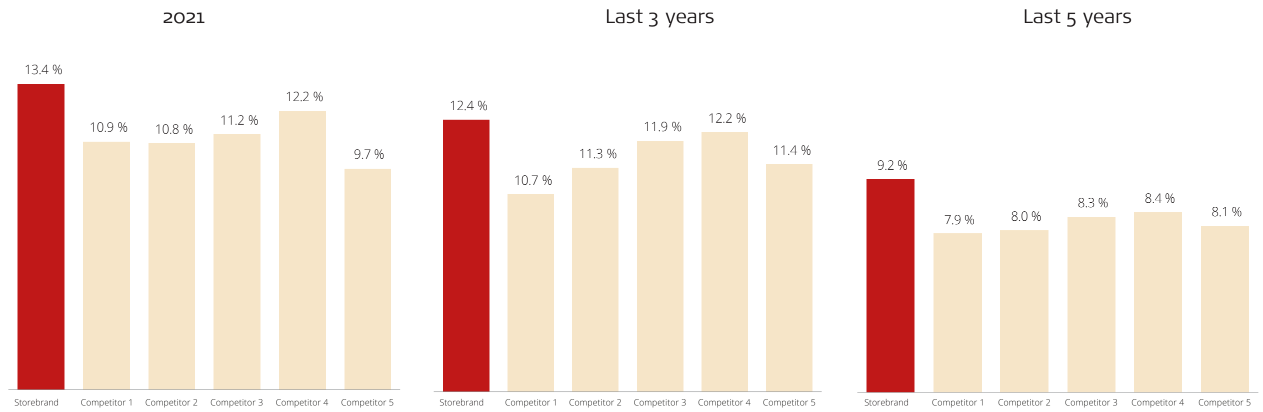
COMPETITIVE RETURN (ANNUALISED) ON DEFINED CONTRIBUTION PENSIONS FUNDS IN NORWAY

High equity content



Source: Norsk Pensjon

Moderate equity content



Source: Norsk Pensjon

After consolidation in the market and intense competition ahead of the introduction of the Individual Pension Account, Storebrand was the second largest provider of Defined Contribution pensions at the end of 2021, with a market share of 27 per cent (by the end of Q3). In December, Storebrand entered into an agreement to buy Danica, Norway's sixth largest provider of defined contribution pensions with a 5 per cent market share. Through Danica, we will strengthen our presence in the market for small and medium-sized companies and increase distribution power. In total, Storebrand managed NOK 158 billion within Unit Linked products in Norway at the end of the year.

At the same time, we strengthened our position in the market for public sector occupational pensions, where we won tenders that will give us a total of NOK 5.5 billion in transferred reserves at the beginning of 2022. We also took over the management of closed pension funds that contribute to earnings growth in the area Guaranteed pension.

SPP continued to grow in the Swedish pension market, supported by being the most sustainable and digitally innovative provider. The ”Hållbarhetskartan” (”Sustainability Map”) was launched in early 2021. The service provides companies and their employees with information about the sustainability profile in their pension savings. We also continued to attract customers in the transfer market, but intense competition resulted in a net transfer of funds of NOK -4 billion. Despite this, SPP delivered its strongest result ever and total funds in Unit Linked insurance grew to NOK 150 billion. The ongoing capital release from guaranteed products in run-off resulted in a dividend corresponding to 137 per cent of the result for 2021.

Storebrand also provided insurance coverage to corporate customers equivalent to NOK 2 billion in insurance premiums in 2021.

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.

With 250 years of history, the Storebrand brand name stands strong in society. In Norway, 1.3 million people are customers of Storebrand through their pension savings. They are our main target group for additional financial services that enable them to achieve financial freedom and security.

LEADERSHIP IN SUSTAINABILITY
For the past 25 years, Storebrand has pioneered sustainable investments to increase value creation. We strive to create value beyond financial returns. Our sustainable investments and enhanced sustainability funds grew substantially in 2021. We believe that our leading position in sustainable value creation will increase value for our customers and create positive ripple effects for society. We are committed to the Paris Agreement throughout our value chain. We are also constantly developing our work to assess climate as a financial risk. We have incorporated climate risk assessments into our ongoing risk monitoring, management and reporting to supervisory authorities. Storebrand is determined to lead and develop the sustainability agenda within the financial industry in the years to come.

Our sustainability position has been highly recognised in 2021. Storebrand was once again included in the Dow Jones Sustainability Index, recognised among the top 10 per cent most sustainable companies in the world. Corporate Knights also rated Storebrand as the world's most sustainable insurance company in its Global 100 ranking for a third consecutive year. Our employee satisfaction surveys show that Storebrand employees are proud to be a part of the company, and that our work on sustainability makes their job more meaningful. Our position on sustainability also attracts an increasing number of international talents.

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 when establishing an Individual Pension Account and merging customers' pension funds was over 99 per cent. In SPP, the proportion of individuals who retire digitally has increased from 15 per cent to 80 per cent in 2021. Through the use of machine learning, we have improved the price model for pension related disability insurance by 15 per cent and artificial intelligence means that we now detect 10 per cent more insurance fraud compared to through traditional techniques. The work with machine learning and insurance fraud achieved 2nd place in the Dataforeningens Innsiktspris (Data Association's Insight Award) for 2021.

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. In 2021, Euroben Pension Ltd was merged with SPP Pension & Försäkring 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 it is expected to be liquidated during the first half of 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 31 percent of Storebrand Eiendomsfond Norge KS through direct ownership interests, as well as through its wholly owned subsidiary Storebrand Eiendomfond Invest AS.

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 2021.

The official 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.

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	2021	2020
Fee and administration income	3,792	3,476
Insurance result	599	454
Operational cost	-2,523	-2,427
Operating profit	**1,868**	**1,503**
Financial itmens and risk result life & pension	1,223	204
Profit before amortisation	**3,091**	**1,707**
Amortisation	-366	-372
Profit before tax	**2,725**	**1,336**
Tax	-563	344
Profit after tax	**2,162**	**1,679**

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

Storebrand Livsforsikring achieved a group profit before amortisation of NOK 3 091 million kroner in 2021, compared to NOK 1 707 million in 2020. Profit before tax was NOK 2 725 million in 2021, compared to NOK 1 336 million in 2020. Profit after tax was NOK 2 162 million compared to NOK 1 679 million last year.

Fee and administration income increased by 9.1 per cent to NOK 3 792 million (NOK 3 376 million) mainly driven by underlying growth in asset under management. Adjusted for a strengthened Swedish krona, the income growth was 10.1 per cent.

The insurance result was NOK 599 million (NOK 454 million) and resulted in a combined ratio of 93 per cent (98 per cent). This is somewhat weaker than the targeted combined ratio of 90-92 per cent. This year's improvement is due to weak results in 2020 in products with disability coverage as a result of the covid-19 pandemic.

Operating expenses amounted to NOK 2 523 million (NOK 2 427 million). Storebrand has an ambitious plan to digitilize and improve efficiency.

Overall, the operating profit amounted to NOK 1 868 million in 2021 (NOK 1 503 million).

Financial items and risk result life was NOK 1 223 million (NOK 204 million). This year's result includes a positive effect on profit of NOK 409 million from the sale of AS Værdalsbruket. In addition, increased net profit sharing for guaranteed products and an improved risk result, after a period of weak results during the Covid-19 pandemic, contributed positively.

Amortisation of intangible assets amounted to NOK -366 million (NOK -372 million).

The Storebrand Livsforsikring Group reported tax expence of NOK 563 million (tax income NOK 344 million) for 2021. The tax income in 2020 is a result of new information and interpretation of the transitional rules for 2018.

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 tax transparency report 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	2021	2020
Savings	1,001	782
Insurance	261	89
Guaranteed pensions	1,432	805
Other	397	32
Profit before amortisation	**3,091**	**1,707**

The Savings business had a growth in fee and administration income of 10.2 per cent as a result of strong underlying volume growth in Unit Linked.

In the Insurance business the total combined ratio was 93 per cent (98 per cent) and the total operating profit was NOK 195 million (NOK 56 million) for the year.

Within Guaranteed pension the Risk result life & pension was strongly NOK 187 million (NOK 19 million), and in addition an increasing net profit sharing.

The Other business unit consist of financing and ivestment of company capital. In addtion, som minor subsidiaries is reported in this unit as well as a positive effect on profit of NOK 409 million from the sale of AS Værdalsbruket.

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.

PROFIT

NOK million	2021	2020
Fee and administration income	2,161	1,961
Operational cost	-1,177	-1,138
Operating profit	**984**	**824**
Financial items and risk result life & pension	17	-41
Profit before amortisation	**1,001**	**782**

Profit in Savings business amounted to NOK 1 001 million in 2021 compared to NOK 782 million last year.

Total fee and administration income increased by 10.2 per cent to NOK 2 161 million (NOK 1 961 million), as a result of strong underlying volume growth in Unit Linked. Income growth in Defined Contribution pensions in Norway was 5 per cent, despite the introduction of Individual Pension Accounts in 2021 contributing to reduced income margins.

Operating expenses amounted to NOK -1 177 million (NOK -1 138 million). Savings is a business area with strong growth and at the same time strong cost control.

BALANCE SHEET AND MARKET DEVELOPMENT

Assets under management grew significantly in 2021.

Unit Linked reserves grew by 15 per cent to NOK 308 billion. Positive market development and growth in paid-in premiums contributed positively, while net transfers of total assets contributed negatively with NOK -13.6 billion (NOK 5.4 billion). The reason for negative net transfers of capital is mainly a one-off effect in 2021 related to the automatic transfer of pension capital with the introduction of Individual Pension Accounts in the Norwegian market. Intense competition in the Swedish market also led to negative transfers in the Swedish business.

KEY FIGURES SAVINGS

NOK million	2021	2020
Unit Linked Reserves	308,351	268,331
Unit Linked Premiums	21,212	14,143

INSURANCE

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

PROFIT

NOK million	2021	2020
Insurance result	599	454
- Insurance premiums f.o.a.	2,988	2,938
- Claims f.o.a.	-2,389	-2,484
Operational cost	-404	-399
Operating profit	**195**	**56**
Financial items and risk result life & pension	65	33
Profit before amortisation	**261**	**89**

Profit before amortisation was NOK 261 million compared to NOK 89 million in 2020.

The insurance premiums increast with 1.7 per cent to NOK 2 988 million in 2020 (NOK 2 938 million). There is moderate overall growth as a result of the termination of a large Group Life contract with effect from 1 January 2021.

Insurance claims increased to NOK 2 389 million (2 484 million), but the claims ratio ended at 80 per cent, which is slightly better than 85 per cent the year before. The high claims ratio in 2020 was mainly a result of the covid-19 pandemic which led to reserve strengthening for all products with disability coverage. The claims ratio in 2021 was more normalised, but still characterised by high levels of claims related to disability coverage within the group life product.

Total operating expenses for the year amounted to NOK 404 million (NOK 399 million), which resulted in a flat development in the cost ratio of 14 percent (14 percent).

The total combined ratio was 93 per cent (98 per cent) and the total operating profit was NOK 195 million (NOK 56 million) for the year. It is somewhat weaker than the target combined ratio of 90-92 per cent. The growth product Individual Life achieved a strong combined ratio of 70 per cent (74 per cent), while Group Life and Pension related disability insurance achieved weaker combined ratios of 110 per cent (123 per cent) and 96 per cent (91 per cent), respectively.

The financial result was NOK 65 million (NOK 33 million). The insurance investment portfolio amounted to NOK 7.1 billion at the end of 2021 (NOK 7.0 billion) and achieved a return of 4.0 per cent. The investments are primarily in high rated fixed income securities either booked at amortised cost or with short duration.

KEY FIGURES – INSURANCE

NOK million	2021	2020
Claims ratio	80 %	85 %
Cost ratio	14 %	14 %
Combined ratio	**93 %**	**98 %**

BALANCE SHEET AND MARKET PERFORMANCE

The Insurance segment offers a broad range of products to the retail market in Norway, as well as to the corporate market in both Norway and Sweden.

The total growth in written portfolio premiums amounted to minus 1 per cent in 2021. There was 9 per cent growth in Individual Life. Pension related disability insurance grew by 7 per cent while Group Life decreased by 18 per cent due to a large group life contract was terminated representing annual portfolio premiums of NOK 275m, with effect from 1 January 2021. The written portfolio premiums at the end of the year amounted to NOK 3.0 billion, of which NOK 0.8 billion is in the retail market and NOK 2.2 billion in the corporate market.

PORTFOLIO PREMIUM (ANNUAL)

NOK million	2021	2020
Individual life *	784	721
Group life **	828	1,005
Pension related disability insurance ***	1,369	1,274
Portfolio premium	**2,981**	**2,999**

* Individual life disability insurance

** Group disability, workers compensation insurance

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

GUARANTEED PENSION

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.

PROFIT

NOK million	2021	2020
Fee and administration income	1,631	1,511
Operational cost	-890	-861
Operating profit	**741**	**650**
Risk result life & pension	187	187
Net profit sharing	504	-32
Profit before amortisation	**1,432**	**805**

Profit before amortisation in Guaranteed pension amounted to NOK 1 432 million (NOK 805 million).

The fee and administration income amounted to NOK 1,631 million (NOK 1,511 million). Growth in public sector occupational pensions and the takeover of closed pension funds contributed to increased income. Over time, fee income is expected to gradually decline because the products are mainly in long-term run-off.

Operating expenses amounted to NOK -890 million (NOK -861 million).

Risk result life & pension was NOK 187 million (NOK 19 million).

The improvement in earnings is due to an improvement in the risk result related to Defined Benefit pensions, partly explained by price adjustments that were introduced after weak results in 2020.

Net profit sharing, after further strengthening of the buffer capital, was NOK 504 million (NOK 136 million), driven by good returns in both Norwegian and Swedish products.

BALANCE SHEET AND MARKET PERFORMANCE

Guaranteed reserves at the end of the year amounted to NOK 291 billion. This is an increase of NOK 3 billion in 2021, but adjusted for currency effects, the change is NOK 10 billion. This is an increase of NOK 3 billion in 2021, but NOK 10 billion adjusted for currency effects. The increase is due to growth in public sector occupational pensions, takeover of closed pension funds and good returns. Net outflows, excluding transfers, amounted to NOK -10.2 billion (NOK -10.1 billion) as a result of larger pension payments being paid out than premium payments being paid in. As a share of total reserves, this corresponds to 48.5 per cent (51.7 per cent) at the end of the year, a decrease of 3.2 percentage points since last year.

Storebrand's strategy is to increase the buffer capital to secure customer returns and shield shareholder's equity under turbulent market conditions. Buffer capital for guaranteed pensions increased to 11.2 per cent (11.0 per cent) of customer reserves in Norway and to 17.8 per cent (11.4 per cent) in Sweden. This equates to an overall increase of NOK 4.4 billion since last year.

NOK million	2021	2020
Guaranteed reserves	290,862	287,614
Guaranteed reseves in % of total reserves	48.5 %	51.7 %
Net transfer of guaranteed reserves	6,610	-103
Buffer capital in % of customer reserves Storebrand	11.2 %	11.0 %
Buffer capital in % of customer reserves SPP	17.8 %	11.9 %

Premium income for Guaranteed Pension business (without transfers) was NOK 5.3 billion in 2021 (NOK 4.2 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	2021	2020
Defined Benefit private sector	2,216	1,979
Defined Benefit public sector	889	279
Paid-up policies	247	104
Individual life and pension	215	227
Guaranteed products SPP	1,689	1,564
Total	**5,256**	**4,152**

OTHER

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

PROFIT

NOK million	2021	2020
Fee and administration income	0	4
Operational cost	-53	-30
Operating profit	**-53**	**-26**
Financial items and risk result life & pension	450	57
Profit before amortisation	**397**	**32**

The result before amortisation for the Other segment activities was NOK 397 million in 2021, compared with NOK 32 million in 2020.

The operating profit was NOK -53 million (NOK -26 million). Transaction costs of NOK 25 million related to the acquisition process with Danica contribute to increased costs and a lower operating profit. The Financial items and risk result life was NOK 450 million, an increase from last year's NOK 57 million. The strong financial result is mainly explained by a positive effect of NOK 409 million from the sale of AS Værdalsbruket.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Assuming the current interest rate at the end of 2021, interest expenses are expected to be approximately NOK 100 million quarterly.

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 have a solvency ratio in accordance with Solvency II of at least 150 per cent, including use of the transitional rules. The solvency margin for the Storebrand Group was estimated at 175 per cent at the end of 2021 – a decrease of 3 percentage points from last year's solvency ratio including transitional rules at the end of 2020. Without transitional rules, we strengthened the solvency ratio by 9 percentage points from 166 per cent in 2020. Regulatory input factors in the solvency calculation, modelling changes and growth in the business weakened solvency, while a higher interest rate level combined with a good excess return from positive financial markets contributed to increases in the solvency. In total, new subordinated loans also contributed 6 percentage points, and we sold AS Værdalsbruket, which had a positive effect on profit of NOK 546 million and strengthened solvency by 2 percentage points. The result in 2021 helped to strengthen the solvency margin by about 12 percentage points. Storebrand uses the standard model for the calculation of Solvency II.

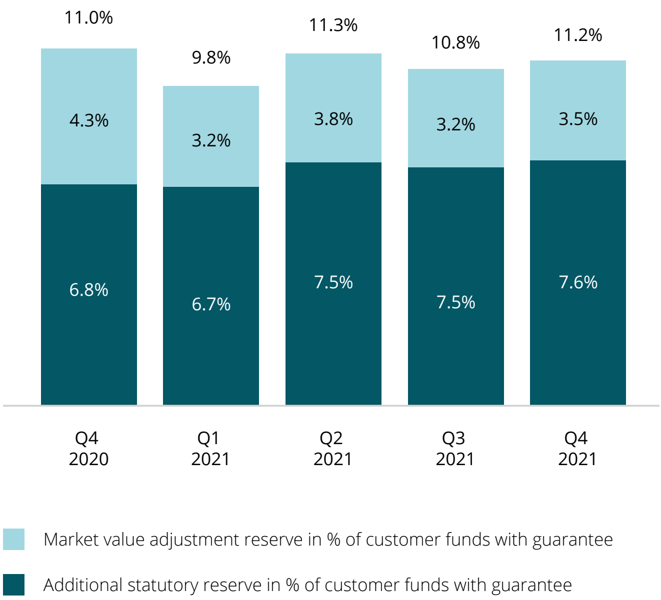
Storebrand Livsforsikring AS had a solvency margin after transitional rules of 214 per cent per 31.12.21 compared to 215 per cent in 2020. The Storebrand Livsforsikring Group is no longer required to report the solvency margin, requirement at consolidated level applies for the Storebrand Group. As of 31.12.2021, the transitional rule has no effect.

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 strengthened by NOK 1.3 billion in 2021 to NOK 74.1 billion. Issuances of new subordinated loans and repayments as well as exchange rate changes resulted in a net increase of NOK 2.0 billion in subordinated loans in 2021. The market value adjustment reserve has been reduced by NOK 0.9 billion as a result of rising interest rates, and amounts to NOK 6.3 billion at year-end. Conditional bonuses increased by NOK 3.0 billion and amounted to NOK 13.8 billion. Booked returns have increased the additional statutory reserves. The additional statutory reserves amounted to NOK 13.6 billion at the end of the year, an increase of NOK 2.2 billion for the year. The excess value of bonds and loans that are booked at amortised cost has been reduced by NOK 5.5 billion during the year and amounted to NOK 3.4 billion at year-end. The excess value of bonds and loans at amortised cost is not included in the financial statements.

STOREBRAND LIVSFORSIKRING GROUP – SOLIDITYCAPITAL

NOK million	2017	2018	2019	2020	2021
Equity	25,735	26,965	24,966	25,173	25,458
Subordinated loan capital	8,426	7,788	8,488	9,004	11,013
Risk equalisation fund	143	234	46,	438	547
Market value adjustment reserve	3,707	2,245	5,500	7,170	6,309
Additional statutory reserves (ASR)	8,254	8,494	9,023	11,380	13,602
Conditional bonus (CB)	9,176	8,243	9,302	10,769	13,781
Reserves on bonds to amortised cost	8,531	5,009	4,697	8,832	363
Total	**63,972**	**58,978**	**62,442**	**72,766**	**74,074**

CUSTOMER BUFFER STOREBRAND LIVSFORSIKRING



CUSTOMER BUFFER SPP PENSION & FÖRSÄKRING

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.Storebrand Livsforsikring AS's rating in June 2021 was confirmed as A- with stable 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.

There is still uncertainty about the consequences of Covid-19 and how it will affect financial markets going forward. With a solid solvency ratio of 175 per cent and more than 13 per cent buffer capital in guaranteed products, Storebrand is in a good position to navigate safely through demanding markets. The company also has a robust risk management framework, as described in a separate section below.

FINANCIAL RESULTS

In Norway, the market for defined contribution pensions has experienced strong structural growth in recent years. Going forward, high single-digit growth in premiums and double-digit growth in total assets are still expected. With the introduction of Individual Pension Accounts, the fees were reduced throughout the market. This will have a negative effect on earnings in 2022, but the expected growth and own profitability measures will bring results back to previous levels in 2023.

Our ambition is that Storebrand remains the market leader in pensions in the private sector by offering attractive and competitive customer solutions, while at the same time running a cost-effective business. The acquisition of Danica, pending regulatory approval, strengthens our ambition in the pension market. From July 2022, there will be increased requirements for which income is pensionable, which will increase the premium volume in the Norwegian market by approx. NOK 3 billion annually. We also have the ambition to take a 1 per cent market share annually, corresponding to NOK 5 billion in annual net inflow of assets, in the market for public sector occupational pensions. Storebrand aims to achieve further synergies across customers, products and capital by expanding our non-life insurance offering to corporate customers.

In Sweden, SPP has become a significant result contributor to the Storebrand Group, driven by earnings growth and ongoing capital release. Growth is expected to continue, driven by our competitive advantages in digital, sustainable solutions, and a strong market position. The market is expected to grow by about 8 per cent annually, supported by increasing relocation volumes. SPP's ambition is to grow between 14 and 16 per cent annually, twice as much as the overall market growth, by being the leading player in the transfer market.

Overall reserves for guaranteed pensions are expected to start decreasing in the coming years. Guaranteed reserves represent a declining share of the group's total pension reserves. These amounted to 48.5 per cent at the end of 2021, 3 percentage points lower than last year. Storebrand's strategy is to secure customer returns and shield shareholder's equity under turbulent market conditions by building customer buffers. Customer buffers make up more than 13 per cent of customer reserves in both Norway and Sweden. The levels will grow with an expected positive spread over the guaranteed rate on the policies.

The retail market has evolved into and increasingly larger part of Storebrand. The demand in the private savings and insurance markets is expected to increase further and contribute with profit growths for Storebrand.

CAPITAL MANAGEMENT

Storebrand group aims to maintain a solvency ratio of at least 150 per cent. At the end of 2021 it was 175 per cent for Storebrand group. On an annual basis, a net capital generation of about 6-7 percentage points of solvency is expected over the next few years. Of this, approximately 10 percentage points are generated in the business, 3 additional percentage points are expected as a result of the guaranteed business being in run-off, and around 5-6 per cent 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.

Realisation of the group's ambitions is expected to lead to an increasing return on equity over time.

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 particularly emphasises the importance of the insurance sector's role in financing the green transition and helping society to adapt to climate change. The proposed new model also intends to correct regulatory deficiencies and make the insurance sector more robust.

Storebrand currently applies what is commonly known as the standard model. Changes to the standard model could increase the solvency capital for Norwegian and Swedish insurers. The Commission's proposals appear to reflect Norwegian interest rates better 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 also 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. We expect final conclusions to be drawn by the Commission, the Parliament, and the Council in 2022. This will be followed by work on delegated acts and guidelines. Changes are not expected to enter into force until 2024-2025. The Commission will also 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. While the taxonomy regulations entered into force on 12 July 2020 in the EU, the new requirements will only apply from 2022 for the first two environmental goals (climate change mitigation and climate change adaptation), and from 2023 for the other four environmental goals (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biological diversity and ecosystems). Legislative measures including the EU Taxonomy and sustainability disclosures were passed by the Norwegian Parliament (Stortinget) in December 2021.

The new regulations entail a mapping of the legislative requirements for their products and services. Large, listed companies will be required to report on the proportion of their turnover, investments and operational costs that are covered by the EU Taxonomy. In 2023, companies must report on the share of turnover, investments and operational costs that are defined as environmentally sustainable activities in accordance with the technical criteria that the EU has prepared for each economic activity.

The new rules for sustainable finance will establish standards for sustainable asset management, as well as clarify disclosure and customer information requirements. We believe that the development will result in a higher quality of financial and non-financial reporting, better information to key stakeholders, and make it easier to compare data across the financial sector.

A challenge of implementing the new rules for sustainable finance is to get correct and necessary data. The Taxonomy's reporting requirements are increasing step by step, and we will report on the share of our business that will be classified as sustainable in the years to come.

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. Supplementary provisions on sustainability in MIFID II and IDD are being considered for incorporation into Norwegian law through the EEA Agreement. These regulatory changes will take effect in the EU in the second half of 2022.

Corporate Sustainability Reporting Directive (CSRD)
In April 2021, the European Commission adopted a proposal to prepare a new Corporate Sustainability Reporting Directive (CSRD) to replace the previous Non-Financial Reporting Directive (NFRD). CSRD aims to raise sustainability information to the same level as financial information. The proposal aims to improve the flow of information on sustainability within corporate governance. This will make sustainability reporting from companies more consistent, so that finance players, investors and the general public can use comparable and reliable sustainability information. Storebrand's annual report will be in line with this regulation.

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 sustainability of our products.

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.

Changes in IFRS
A new accounting standard for insurance contracts, IFRS 17, is set to be implemented in 2023. The purpose is to introduce common accounting rules for insurance contracts and improve the comparability of insurance accounts. IFRS 17 entails, among other things, market valuation of liabilities, separation of insurance cohorts in the accounts, income recognition over the contract period rather upfront, and an amended 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 valuation of insurance contracts, classification of fixed income investments and how profits

are recognised. Estimated effects for Storebrand will be presented closer to implementation. Whether IFRS 17 is implemented in the statutory reporting requirements is decided by national regulations in each country. Storebrand expects that its property and casualty business will be required to implement IFRS 17 in the statutory reporting. For the life insurance business, IFRS 17 is not expected to be applied in the statutory reporting requirements. The effects from the implementation of IFRS 17 is thus not expected to affect the Solvency calculations nor dividend capacity significantly.

During COP26, IFRS announced that it will establish an International Sustainability Standards Board (ISSB) with the aim of developing standards in sustainability reporting. Storebrand views this positively and believes it is an important measure to meet increasing demands for sustainability information.

NORWEGIAN REGULATIONS

Savings in Norwegian Defined Contribution pensions

In December 2021, new legislation was adopted making pension contributions mandatory for all of employees' income, not just income above 1G (G = NOK 17 Interim Report Storebrand Group 106,399) for employees working more than 20% and are above the age of 13. Companies need to adapt to the new legislation before 1 July 2022. It is estimated that the changes will increase total savings in the Defined Contribution pension market by about NOK 3 billion per year.

Individual pension savings

The savings limit in the IPS scheme for individual, tax-favoured pension savings has been reduced from NOK 40,000 to NOK 15,000 per year, with effect from the tax year 2022. The tax rules will continue unchanged. In this sense, this is still a favorable scheme, which is nevertheless weakened by a sharp reduction in how much it is allowed to save.

Changes announced in the government platform

The government parties have announced in the Hurdal platform that a sales tax on health insurance will be introduced, in order to reduce the use of such insurances.

The governing parties have also announced a revenue-neutral reorganisation of the financial tax, in which the increased employer's contribution for financial companies will be removed.

Public Occupational Pensions

The Norwegian parliament also passed new legislation in December 2021 regulating the buffer capital within public occupational pension schemes.

The new legislation merges the market value adjustment reserves with the additional statutory reserves into a more flexible customer buffer fund which can cover negative returns. There is no cap on the size of the new buffer fund.

The new regulation will facilitate competition in the market for public occupational pensions and is expected to be positive for Storebrand's growth ambitions in this market.

Paid-up policies

New legislation was passed for Paid-up policies in December 2021.

The final changes are:

- The ability for providers to build additional statutory reserves separately for individual contracts. This will allow for profit sharing and increased benefits on contracts with sufficient additional statutory reserves.
- Faster pay-outs for small paid up-policies. Providers can reduce the pay-out period for paid up-policies so that annual payments equal 0.3G (G = NOK 106,399). Policyholders can demand a reduced payout period so that annual payments equal 0.5G. The policyholder and provider also have the option to enter into an agreement to reduce the pay-out period so that the annual payments equal 1G. This can reduce longevity risk and duration risk for the affected contracts.
- Providers will be allowed to compensate customers who convert guaranteed paid-up policies to investment choice. It will still be possible to offer conversion without compensation. If compensation is offered, it should reflect the value of the guaranteed returns the customer surrenders. The legislation change passed regarding more flexible buffer capital management within public occupational pensions mentioned above was not passed for paid-up policies. The Ministry of Finance has however announced that it may consider further regulatory changes.

The Financial Supervisory Authority of Norway's proposal for a flexible buffer fund, where exchange rate adjustment funds and additional provisions are merged into a new customer-distributed buffer fund that can cover negative returns, has so far only been introduced for municipal pension schemes. This happened through the Norwegian Parliament's (Stortinget) consideration of Prop. 223 L. The Ministry of Finance announced there that it would assess the need for further regulatory changes later.

Transparency Act

The Transparency Act has been passed by the Parliament and will enter into force on 1 July 2022. The Norwegian Consumer Authority has been given the task of providing guidance and supervision of the Transparency Act. The law 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.

<u>Duty to perform due diligence assessments</u>

All eligible companies are obliged to carry out due diligence assessments in line with the OECD's guidelines for multinational companies. The requirement for the scope of the due diligence assessments must be proportionate to the size of the business, and the assessments must be carried out regularly.

<u>Duty to disclose the due diligence assessments</u>

Disclosures of the due diligence assessments shall be published each year. The statement must meet the minimum requirements under the Transparency Act, but can 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.

<u>Duty to disclose information</u>

The Transparency Act gives the opportunity for anyone to demand to receive information from companies about how they handle actual and potential negative consequences that have been assessed in the due diligence assessments. The right to information includes both general information about how the company handles negative consequences, and specific information related to goods and services.

Adaptations to the new regulatory requirements has been implemented both in departments that are 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 those related to reporting and transparency.

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 risk management framework is designed to take the right risk to deliver returns to customers and owners. The framework must also ensure that we protect our customers, owners, employees and other stakeholders from unwanted incidents and losses. The framework covers all risks Storebrand may be exposed to.

The Board of Storebrand Livsforsikring 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, troubled financial markets, especially falling stock, 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 guaranteed return on investment. Other risk areas include business risk, insurance risk, counterparty risk, operational risk, climate risk and liquidity risk.

Overall, we saw a stable development in the number of reported incidents in 2021. The number of customer and process-related incidents was at the same level as in 2020. However, the number of "high-risk incidents" was somewhat higher, where we reported several cases to the Norwegian Data Protection Authority in 2021.

The financial markets developments have been positive for Storebrand throughout the year, with rising stock markets and interest rates at the same time as credit spreads remained stable. Covid-19 har hatt begrenset påvirkning på Storebrands drift. Covid-19 has had a limited impact on Storebrand's operations. The reorganisation of work routines during the pandemic took place without significant adverse events, and the customer service and deliveries were affected only to a small degree. Increased use of digital services in the normal working day has, however, reinforced the need to take care of and further develop IT security solutions. One of the biggest financial risks associated with Covid-19 has been the risk associated with rising unemployment as a result of a weak economy. This has historically led to an increase in disability and related claims. Storebrand has strengthened its reserves to meet the increased uncertainty. The autumn of 2021 marked a reopening of Norwegian society, but the renewed infection pressure towards the end of the year means that the risk is still higher than usual.

The risk picture differs between business units. The main risks are described per business unit below.

Insurance
Insurance consists of 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 persons than expected may be disabled and/or fewer disabled persons will be able to work again. We also offer covers that provide a pay-out 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 unit-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.

Garantert Pensjon
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 rate. 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 zero percent guarantee.

Storebrand wants to grow in the guaranteed public occupational pension market and received new customers in 2021. 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 segemt encompasses the company portfolios of Storebrand Livsforsikring 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 regards to recognised tax expenses. These are described in more detail in note 26. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.8 billion may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.8 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).

Physical climate risk is impacted by the extent and speed of climate change. A common reference for total physical climate risk is the average global temperature increase since the pre-industrial age. The United Nations states that the global temperature rise already is 1.1 degrees. The development the next decade is expected to be a consequence of previous years' emissions. Decisions made during the next few years will affect the risk significantly in the long term.

The transition risk will be influenced by how extensive and fast the transmission to a low-carbon society will take place. The transmission will be affected by politics, regulatory demands, technological development, business priorities and consumer preferences.

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. The consequences may be further enhanced by changes to the oil price and activities in the oil and gas industry.

In 2020, Storebrand developed a climate strategy to contribute to global warming being limited to about 1.5 degrees. A key element is to ensure carbon-neutral investments by 2050, at the latest, with specific sub-goals along the way. Measures to reduce risks and maximise opportunities are described in the chapter, A driving force for sustainable investments in the Storebrand Group's annual report for 2021.

The effects on investments and obligations may be sudden, in the form of market volatility, or gradual, through lower returns and lasting low interest rates. Policy or regulations may also entail risk if it is difficult to meet targets due to limited technological or investment opportunities. Examples could be an abrupt change to Norway's policies in order to reach the Paris agreement targets, dropping interest rates or oil price, or reduced petroleum activities. As part of our work to reduce risk, we mapped Storebrand's exposure in the fossile fuel sector last year, particularly in terms of income from pension products, as well as disability coverage related to the industry and related sectors.

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 in the Storebrand Group's annual report for 2021, mainly in the chapter Keeping our house in order and in the chapter A driving force for sustainable investments.

We have established an index to describe where the TCFD-recommended disclosures are addressed in the Storebrand Group's annual report for 2021.

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.

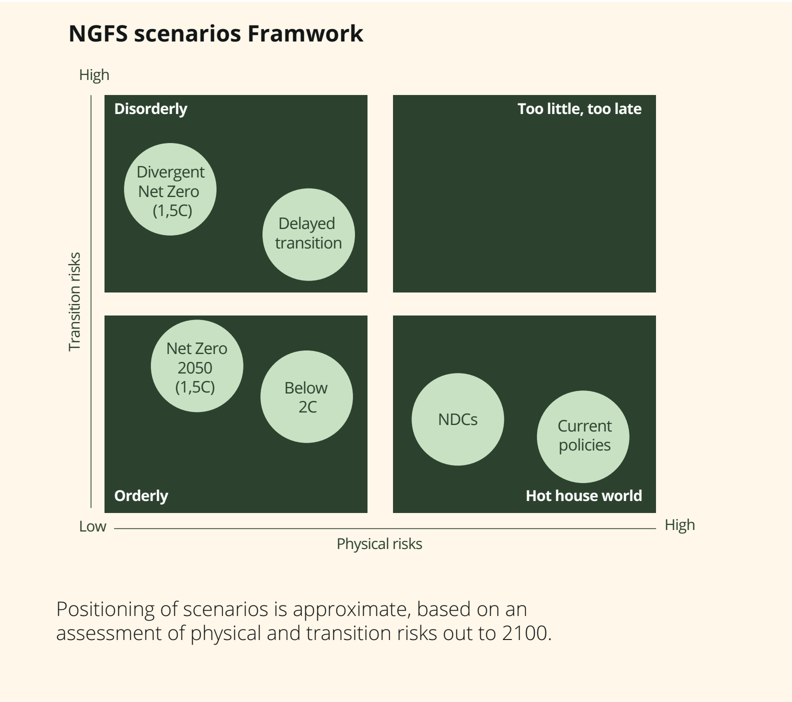


Figure: NGFS climate risk scenarios

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 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.

Storebrand's ″Delayed transition″ scenario is based on the NGFS-scenario carrying the same name. In this scenario, emissions continue to rise up 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.

A: Speedy transition	B: Delayed transition	C: Current policies
The scenario is based on the NGFS "Divergent Net Zero". Climate policies are subject to a major shift, and the technological development happens fast. The zero emission target by 2050 is reached. Global warming is contained at less than 1.5 degrees. Costs related to the transition will be considerable, accelerated by a lack of coordination among nations and sectors. The use of oil for transporation 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. The absence of regulations lead to economical growth in the wake of Covid-19 are based on 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. The overall emission decline is sufficient to ensure a global warming below 2 degrees.	The scenario is based on the NGSF "Current Policies" scenario. Limited awareness of the climate crisis combined with shortsighted political priorities prevent the implementation of future restrictions. Measures implemented to reduce emissions 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.

Figure: Storebrand's climate risk scenarios

It is useful to understand what the various scenarios mean for conditions that affect Storebrand's risks. A global temperature increase is a key indicator of physical risk, while carbon costs are a key indicator of the global temperature development. 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.

Areas where climate-related risks can 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
- Storebrand's life insurance liabilities
- 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.

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 as a whole 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 scenarios above is the long-term negative effect of physical climate risk. 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. It is therefore important that authorities and other actors adjust framework conditions and preferences so that companies and private individuals can adapt both behaviours and attitudes in the interest of society.

Storebrand's most important contribution is to ensure that the Group's investments are carbon neutral by 2050. Through active ownership, we work systematically to ensure that the companies that we invest in do their part to reduce emissions. Our work is carried out in direct dialogue with individual companies, and through several strategic collaborations, such as in 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 a number of 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.
- 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.

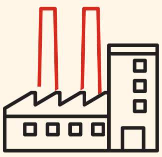
In 2020, we launched a new climate strategy for our investments, with the goal of entering into investments that greatly contribute to climate change. We no longer invest in companies that receive more than 5 per cent of the revenues from coal, oil sands-based activities, are involved in serious and / or systematic unsustainable production of palm oil, soy, cattle and timber. Storebrand will 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.

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 driver force: In 2021, we had our focus on the 20 companies with the highest emissions. The impact work took place mainly in collaboration with other investors, including Climate Action 100+. In addition, we held meetings with the management of the 20 companies in which we had ownership interests and which represented the largest emissions:

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 and 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 a measure of this).

Lower future returns for fossil fuel companies than solution companies are due to the climate effects being larger or coming faster than expected. 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, including the effects of climate risk.

Exposure for different technologies

The overview of high-emission sectors above is based on each individual company being assessed as a whole, based on its own main business. An oil and gas company is defined in the overview as 100 per cent fossil sector, even though it has activities within green energy or technology.

Storebrand has performed a more granular analysis for selected investment portfolios based on methodologies from PACTA. As an example, the PACTA analysis is used for "Storebrand Balansert Pensjon", which is the largest investment profile for Defined Contribution pensions in Storebrand Livsforsikring.

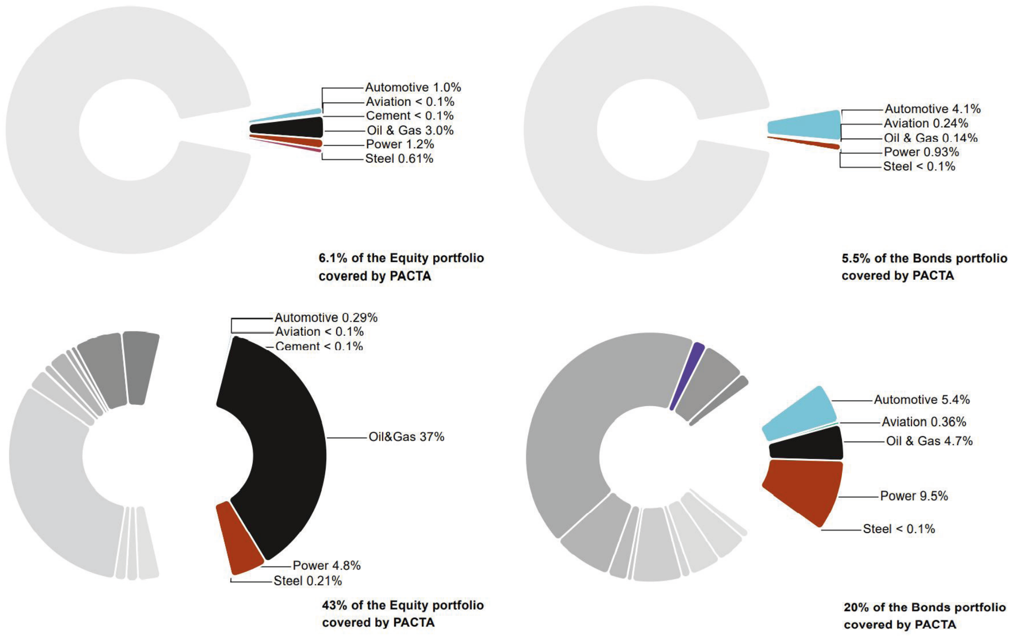


Figure: Storebrand Balansert Pensjon, share of investments / emissions for equities / bonds covered

PACTA analyses the industries with the largest greenhouse gas emissions. Overall, the analysed industries account for approximately 75 per cent of greenhouse gas emissions globally. Measured as a proportion of investments, the analysed industries amounted to approximately 6 per cent of the equity and bond investments for Storebrand Balansert Pensjon, while they accounted for 43 per cent of emissions from the equity investments and 20 per cent of emissions from the bond investments. The proportion of emissions covered by the analysis was significantly lower than 75 per cent. This was due to Storebrand having lower exposure than the rest of the market to the analysed sectors. Non-analysed sectors are considered to be relatively larger contributors to emissions

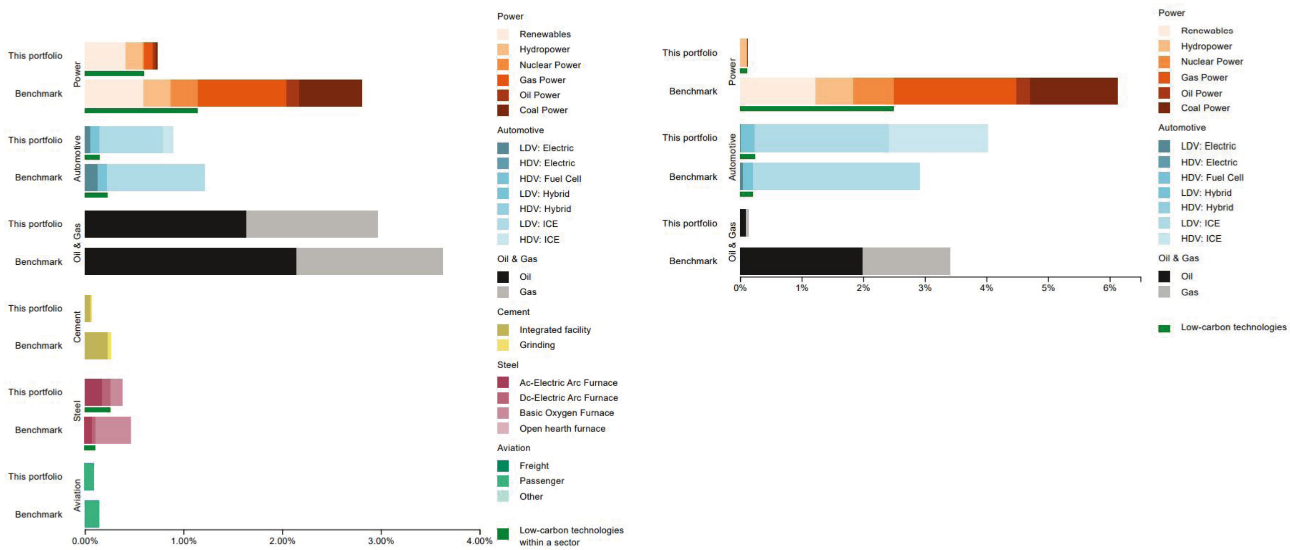


Figure: Storebrand Balansert Pensjon, exposure to different technologies for selected industries compared to index.

Storebrand had lower exposure than the index in the most exposed industries. As a consequence, Storebrand was therefore underexposed to some of the green technologies. This was especially relevant in power production, where Storebrand had lower exposure than the market to renewable energy. Many of the companies use fossil energy sources, including coal, while being involved in renewable energy. Other companies with exposure to renewable energy are excluded from other sustainability criteria, such as violations of basic human rights (this illustrates that a good strategy for climate and other sustainability adaptation requires many considerations).

Forward-looking analysis

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.

The PACTA tool provides an opportunity to assess how the companies' plans will affect the composition of technologies over time. The figure below shows what exposure to one of the expected future that our portfolio, as well as the world market index looks like. This is compared with what is required to be in line with the two degree-target or below (Aligned portfolio / benchmark).

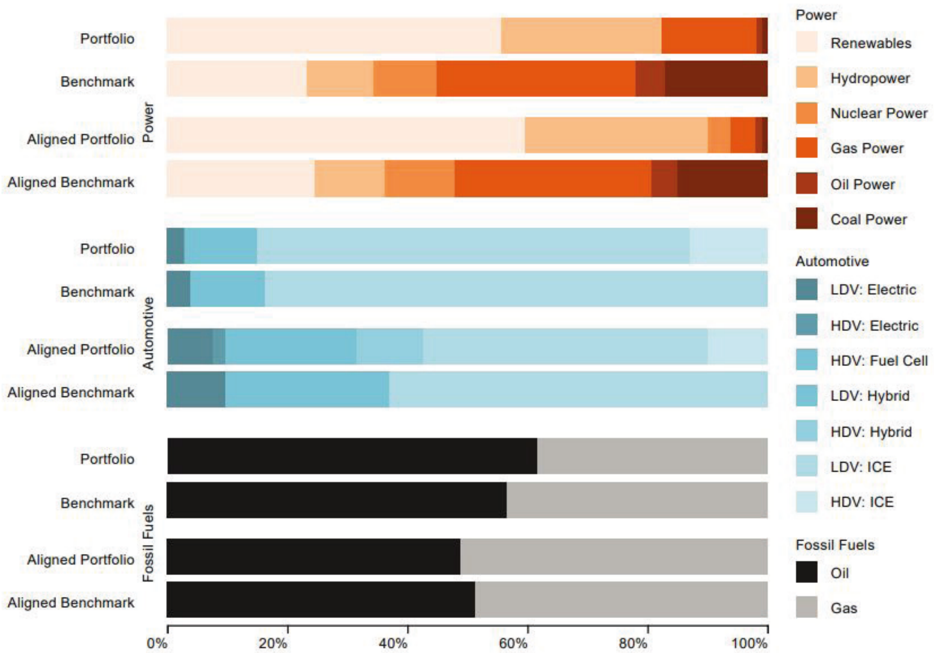


Figure: Storebrand Balansert Pensjon, exposure in five years based on the companies' plans

The analysis above assumes that Storebrand owns the same companies in five years. The portfolio's exposure over time can be influenced through dynamic goals for the investment strategy. Examples may be not investing in bonds issued by fossil fuel companies maturing after 2030 or setting gradually increasing targets for the share of solution companies. By investing fossil-free, we can also reduce our risk, but this will not help the world reach its emission targets today. Therefore, investments in companies moving in the right direction may be effective, even if they have large emissions in the short term.

Key figures

- Carbon footprint in equity investments: 12 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 17 index)
- Carbon intensity in real estate investments: 5.9 tonnes of CO2 equivalents per m2.
- Exposure to high-emitting sectors: NOK 42.5 billion / 9 per cent of total total assets.
- Number of active dialogues related to climate and environmental risks and opportunities: 318
- Number of companies that have been excluded due to serious climate and environmental damage: 176
- Equity investments in fossil energy, NOK billion / share of equity investments: NOK 9.1 billion / 1.8 per cent.

SECTOR-SPECIFIC EXPOSURE TO HIGH-EMITTING SECTORS

Sector	2018 (BNOK)	2019 (BNOK)	2020 (BNOK)	2021 (BNOK)	Change 2018-2021 (BNOK)
Aluminium	1.2	1.2	1.5	2.3	1.1
Aviation	3.1	3.6	3.3	3.6	0.5
Cement	0.3	0.4	0.6	0.9	0.6
Chemicals	6.8	8.0	9.8	12.4	5.6
Energy	15.8	12.2	7.0	9.1	-6.7
Heavy duty automobiles	0.6	0.9	1.1	2.3	1.7
Light duty automobiles	3.7	3.8	4.3	5.8	2.1
Shipping	0.9	0.6	0.7	1.2	0.3
Steel	0.8	1.1	1.4	1.8	1.0
Utilities	4.6	2.9	2.5	3.3	-1.3
Grand Total	37.7	34.6	32.2	42.5	4.8

Real estate investments

Storebrand manages direct real estate investments equivalent to NOK 74.6 billion, of which NOK 35 billion on Storebrand's balance sheet, which amounts to 6.8 per cent of assets under management. Physical risk is largely related 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 as a result 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, while climate risk is carefully assessed for new investments. 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, and supports development towards a global standard that reduces risk and greenhouse gas emissions.

Key indicators for climate risk in real estate:

- **Requirements regarding energy efficiency and 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:** The management of our direct real estate investments is ranked by GRESB in four different portfolios, and the portfolios are among the best in Northern Europe with a similar composition. In 2021, three out of four portfolios are ranked among the top 20 per cent globally, and awarded the maximum of 5 stars.

	2018	2019	2020	2021	Goal 2025
Carbon emissions kgCO2e/m2 per year	9.96	9.12	7.9	5.9	Reduce
Certified green real estate, percentage share AuM	30 %	41 %	43 %	68 %	74 %
GRESB-score	76.4 %	81.7 %	84.8 %	88.6 %	Increase

Risk of customers being affected by climate risk

If climate risk has a negative effect on Storebrand's customers, it may lead to a reduced business volume and thus lower revenues. The consequences of this are particularly significant for Defined Contribution pensions. The annual savings premium (2021) was NOK 20 billion, of which NOK 13 billion was in Norway. Given that Storebrand Livsforsikring maintains a market share of approximately 30 per cent for Defined Contribution pensions in Norway, growth in premiums be reliant on employee numbers in Norwegian companies as well as the increased or decreased wage growth effect on possible changes in savings rates. A scenario with negative economic effects in the transition to a low-emission society can affect all these conditions negatively. With no changes in the transition pathway, 1 per cent lower growth in the number of employees or 1 per cent lower wage growth will result in a NOK 130 million lower premium in the first year. The effect will grow and accumulate over time if the change is prolonged.

The risk of negative effects from transition risk can be particularly high for customers in the fossil fuel sector. A review of the customer base shows that Storebrand has a significant exposure to the fossil fuel sector.

A TCFD index has been prepared and can be found in the Storebrand Group's annual report for 2021. This provides an overview of how we respond to the various recommendations for reporting, as well as which pages of the annual report more detailed information can be found. The index ensures transparency, and makes it easier to find relevant information.

PEOPLE

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

2021 was also characterised by the pandemic and new ways of working, including extensive use of flexible working arrangements and hybrid working models. Storebrand uses the experiences from this work to create the workplace of the future that is to the benefit of employees, the company and society. Through the Future Storebrand initiative, in 2021 we invited managers and employees to define the best way in which to work. Our experience is that digital solutions and flexible working patterns provide both efficiency and freedom, however we still believe in the value of physical meetings and gatherings to strengthen diversity of opinion, relationships and a sense of belonging.

New ways of working helped increase employee engagement in the group to a record high of 8.4 out of 10 in our employee survey. This progress, combined with the company's solid financial results, provides the motivation and energy to continue the work of further developing Storebrand as a future-oriented workplace.

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

We offer courses and training programs and stimulate learning and the sharing of experiences through the work that is done each and every day. As an employer, it is our job to provide exciting tasks, new challenges and interaction across organisational units. Employees are encouraged to take the initiative to acquire new insight and new experiences. Managers and employees have a shared responsibility to contribute to evaluations and feedback that can provide continuous improvements.

Our ambition is to build a culture of learning with a high degree of psychological security. We shall have a culture of learning in which one can experiment, make mistakes, be open about the tasks that can be mastered, and in which one feels safe to provide input, different perspectives and feedback. Such a culture is the key to developing a diverse culture of innovation in a hybrid working model. Our culture of learning must also be characterised by each person experiencing and taking responsibility for both their own learning and that of others. We want team spirit to take precedence over the desire for individual success.

Committed, competent and courageous pathfinders
Storebrand's employees are our most important source of innovation, development and growth. We require employees who are courageous pathfinders that challenge prevailing norms and think innovatively to create a future for our customers to look forward to.

Our ambition is to strengthen employee satisfaction, job satisfaction and engagement through meaningful work, good management, a motivating working environment, development opportunities and confidence in management. Our managers are responsible for setting clear objectives and for encouraging employees to collaborate on achieving both collective and individual goals.

Transparency is a prerequisite for motivation, trust, and security. All employees should experience that they can raise issues with management and others in the Group. Storebrand has its own ethical guidelines.

In Norway, it is our ambition that 70 per cent of our advisers across savings, banking and insurance shall be authorised at all times. In 2021, 71 per cent of the bank's advisers were authorized, compared with 56 per cent in 2020.

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

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

Our goal is more diversity and greater gender diversity in senior positions in all parts of the Group. One strategy for achieving this is by nominating an increased proportion of women for leadership development programmes and in recruitment processes for leadership positions. For the Board of Storebrand ASA, the requirement is that both women and men should be represented by at least 40 per cent.

We will contribute to UN Sustainable Development Goal number 5, Gender Equality, by promoting gender equality in the workplace.

The proportion of female managers in the group at the end of 2020 was 37 per cent at management levels 1 to 4, below the target of at least 40 per cent female managers at these levels. We initiated a number of measures to become a more inclusive and equal organization in 2021 and have reached the goal of a 40 per cent share of female leaders. The proportion of female board members in Storebrand Livsforsikring is 29 per cent in 2021, unchanged from last year. In the group management, the proportion of women is 33 per cent.

KEEPING OUR HOUSE IN ORDER

Corporate governance and compliance: Privacy, Information Security, Corruption, Anti-Money Laundering and Terror Financing

Ethical guidelines and ethical practices at all levels of the organisation are prerequisites for gaining trust from customers, authorities, shareholders, and society in general. This trust is based on how we manage our business activities and the conduct of each individual employee.

PRIVACY AND DIGITAL TRUST

We live in a digital world with an increased risk that personal data may go astray, be stolen or be shared with unauthorized parties. Our customers must be able to trust that we manage their personal data in a responsible manner. Therefore, we are reliant on proper security measures, established procedures and processes for data protection. Moreover, our employees receive training to ensure they have expertise in how to manage personal information in a prudent manner.

New technology combined with smart use of information and personal data enable us to better understand our customers and their needs. As long as our customers continue to have high levels of trust, we can use this technology to develop better, more relevant products and services.

Our ambition is to engage our customers and build long-term relationships by delivering first-class customer experiences across all channels. This requires us to safeguard our customers' rights in accordance with the Personal Data Act.

COUNTERING CORRUPTION

Corruption is one of the biggest causes of poverty in many parts of the world. It is also important in Scandinavia to work purposefully against this form of crime. Corruption is a criminal offence in all countries where Storebrand operates. Corruption is a criminal offence for both the party making the offer and the recipient, and companies can face sanctions if they have not taken sufficient measures to avoid corruption.

Corruption can result in reduced trust in us as a company, and to the financial and insurance industry in general. Corruption is detrimental to healthy competition in all industries.

At Storebrand, we have zero tolerance for corruption and other financial misconduct. We work methodically to identify internal areas with increased risk and have initiated measures to prevent violations. Furthermore, we work systematically with our suppliers and partners.

All employees and board members must complete the Group's anti-corruption program. Exceptions are made for employees on leave or long-term sick leave. The goal is that 90 per cent of all employees will complete the program each year. Consultants who have been assigned for more than six months shall also complete the program, however are not included in the results for this year's measurement.

INFORMATION SECURITY

Storebrand is a company with significant influence over the society in which we live. As a financial institution, our digital infrastructure is critical to society. Our customers, partners, employees, and market position make us an attractive target for a number of threat actors. Cyberattacks are becoming increasingly more sophisticated. When combined with a hybrid working day, this increases the risk of not being able to detect undesirable activity. This challenge applies not only to us at Storebrand, but also our partners and suppliers. If we are the victim of a cyberattack, this may negatively impact the trust customers have in us being able to effectively safeguard their capital and assets.

Information security involves ensuring that information is correct and that it is accessible only to those people who shall have access to the information, when they need it. Our approach to information security work is through people, processes and technology. Storebrand's business operations involve the extensive use, communication and storage of various types of information – both electronically and physically. It is therefore extremely important for Storebrand to work systematically and continuously with information security. Good information security is a prerequisite for retaining the trust of our customers, the Group's reputation and our competitiveness.

To engage our customers while also developing and building long-term relationships with them, we continually work to provide first-class customer experiences. This requires us to have stable and secure IT solutions.

Stable and secure IT solutions are also a prerequisite for Storebrand to be able to conduct financial activities and increase our innovative power. Our ongoing work with information security helps us to manage cyber risk and maintain an acceptable threat level.

ANTI-MONEY LAUNDERING AND TERROR FINANCING

We are a key player in the Nordic financial market and therefore have a special responsibility to avoid being misused in connection with terror financing, money laundering or other forms of financial crime. Our stakeholders expect us to effectively fulfil this responsibility. Routines and management are important for upholding our reputation.

Storebrand shall act consistently and in compliance with relevant legislation in connection with matters relating to money laundering, terror financing and financial crime in general.

We work systematically to ensure that our companies are not used for money laundering, terror financing or other forms of financial crime. All employees must complete mandatory training each year.

RESPONSIBLE RESOURCE USE

At Storebrand, sustainability is an integrated part of our business strategy. We set requirements for the companies in which we invest, as well as for suppliers and partners. However, we also want to lead by example. That is why we work to ensure that our business activities are as sustainable as possible.

We have committed to setting science-based targets for our emissions that are in line with the Paris Agreement. The plan is to set science-based targets in line with the 1.5-degree target[1] for the entire business, including our own operations, by 2021. For our own operations, we aim to reduce greenhouse gas emissions by 7.6 per cent per annum with 2019 as a baseline year, in line with the 1.5-degree target and the findings of the UN Emissions Gap Report 2019.[2]

We are continuously working to become more energy efficient, reduce waste production, increase the proportion of waste that is sorted, and reduce our carbon footprint in connection with flights and commuting.

A SUSTAINABLE VALUE CHAIN

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

A key bjecttive is to avoid agreements with suppliers where production processes or products violate international agreements, national legislation or internal guidelines. Through our own business operations and procurement activities, we aim to contribute to sustainable development and to ensure that human rights and workers' rights are not infringed.

Our ambition for 2021 was to maintain the share of environmentally-certified[3] purchases at 60 per cent after having exceeded this target in 2020. Despite having exceeded the target in 2020, the dynamics of our supply chain and market conditions still make the 60 per cent target a challenge. Therefore, our aim is to work on maintaining a share of purchases from environmentally certified suppliers of over 60%.

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

- By 2025, the goal is that all suppliers have set short and medium term verifiable emission reduction targets.
- By 2025, the goal is that all suppliers will be climate neutral.[4]
- The goal is that the entire value chain for our deliveries will be climate neutral by 2030.

1) To achieve the goal of limiting average global warming to 1.5 °C by 2050 in accordance with the Paris Agreement.

2) https://wedocs.unep.org/bitstream/handle/20.500.11822/30797/EGR2019.pdf?sequence=1&isAllowed=y

3) Eco-Lighthouse, EMAS, ISO14001 and Swan Mark.

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

8.7 Through our procurement practices, we strive to contribute to effective efforts to end modern slavery and eliminate child labour in our value chain.
8.8 We aim to protect workers' rights and promote a safe and secure working environment for all employees, contractors and suppliers.

12.5 We aim to significantly reduce the amount of waste through prevention, reduction, recycling and reuse in the supply chain.
12.6 We encourage companies to introduce sustainable working methods and integrate information about sustainability into their reporting routines.
12.7 We promote sustainable procurement practices.

13.2 We incorporate action on climate change into our policies, strategies and plans.

WORKING ENVIRONMENT AND HSE

Every year, all managers must confirm in writing that they have discussed ethics and ethical dilemmas, information security, financial crime and HSE at departmental meetings.

Storebrand's absence due to illness has been at a stable low level for many years. Absence due to illness among employees was 2.3 per cent in the Norwegian operations and 1.7 per cent in the Swedish operations in 2021. We have been an "inclusive workplace" (IA) company since 2002 and, over the years, the Group's managers have built up routines for following up employees who are ill. All managers with Norwegian employees must complete a mandatory HSE course, in which following up absence due to illness is part of the training.

There were no (zero) injuries to staff members in 2021. There were also no reports of accidents or property damage.

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

MANAGEMENT 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 2021.

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 2021, a total of 16 board meetings were held, one of them a strategy meeting.

CHANGES IN THE BOARD

Employee-elected representatives Hanne Seim Grave and Jørn Hilstad have been replaced by Mari Tårnesvik Grøtting and Trond Thire.

The Board wishes to thank the retiring members of the Board of Directors for their valuable contributions to the company.

STOREBRAND LIVSFORSIKRING AS
The profit before tax was NOK 3 149 million (NOK 1 390 million). Results are discussed under each individual segment. The following factors have had an effect on the company accounts, but no effect on the consolidated accounts. There are received dividends and group contributions from subsidiaries of NOK 1 205 million (NOK 976 million) in 2021. The sale and liquidation of subsidiaries has resulted in a net gain in the company accounts of NOK 564 million (NOK 68 million) in 2021. The effect in the consolidated accounts for these transactions is NOK 388 million (NOK 0 million).

APPLICATION OF THE YEARS RESULT
The Board of Directors proposes to the General Meeting the following allocation of profit for the year:

Other equity	minus 605 million
Net paid group contribution	3 210 million
Total allocated	2 605 million

Lysaker, 8 February 2022
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Odd Arild Grefstad
Cairman of the Board

Martin Skancke | Vibeke Hammer Madsen | Mari Tårnesvik Grøtting

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

Geir Holmgren
Chief Executive Officer

Notes to the accounts

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

NOK million	Note	2021	2020
TECHNICAL ACCOUNT:			
Gross premiums written		29,467	27,379
Reinsurance premiums ceded		-19	-11
Premium reserves transferred from other companies		22,064	15,437
Premiums for own account	14	**51,512**	**42,805**
Income from investments in subsidiaries, associated companies and joint ventures companies	32	654	473
Interest income and dividends etc. from financial assets	18	6,787	6,992
Net operating income from properties	19	1,053	1,018
Changes in investment value	18	-1,577	3,028
Realised gains and losses on investments	18	3,939	2,918
Total net income from investments in the collective portfolio	13	**10,856**	**14,429**
Income from investments in subsidiaries, associated companies and joint ventures companies	32	136	96
Interest income and dividends etc. from financial assets	18	1,835	919
Net operating income from properties	17	178	168
Changes in investment value	18	37,659	10,396
Realised gains and losses on investments	18	7,875	4,838
Total net income from investments in the investment selection portfolio	13	**47,682**	**16,418**
Other insurance related income	14,20	**1,573**	**1,426**
Gross claims paid		-21,176	-20,372
Claims paid - reinsurance		9	15
Premium reserves etc. transferred to other companies		-29,777	-8,152
Claims for own account	14	**-50,945**	**-28,509**
To/from premium reserve, gross		373	-353
To/from additional statutory reserves		-2,290	-2,460
Change in marketvalue adjustment fund		861	-1,670
Change in premium fund, deposit fund and the pension surplus fund		-9	-3
To/from technical reserves for non-life insurance business		30	-106
Change in conditional bonus		-4,122	-223
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds		724	27
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	14	**-4,433**	**-4,788**
Change in pension capital		-49,599	-36,761
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	14	**-49,599**	**-36,761**
Profit on investment result		-1,211	-508
Risk result allocated to insurance contracts		-100	-113
Other allocation of profit		-84	-84
Funds allocated to insurance contracts	14	**-1,395**	**-705**

NOK million	Note	2021	2020
Management expenses		-235	-211
Selling expenses	22	-765	-782
Change in pre-paid direct selling expenses	22	29	68
Insurance-related administration expenses (incl. commissions for reinsurance received)		-1,488	-1,468
Insurance-related operating expenses	14	**-2,459**	**-2,393**
Other insurance related expenses	14,26	**-164**	**-279**
Technical insurance profit		**2,628**	**1,643**
IKKE-TEKNISK REGNSKAP			
Income from investments in subsidiaries, associated companies and joint ventures companies	32	13	19
Interest income and dividends etc. from financial assets	18	370	454
Changes in investment value	18	-43	30
Realised gains and losses on investments	18	150	-114
Net income from investments in company portfolio		**490**	**388**
Other income	21	**565**	**198**
Management expenses		-20	-19
Other expenses	27	-939	-875
Management expenses and other costs linked to the company portfolio		**-959**	**-894**
Profit or loss on non-technical account		**96**	**-307**
Profit before tax		**2,725**	**1,336**
Tax expenses	28	**-563**	**344**
Profit before other comprehensive income		**2,162**	**1,679**
Change in actuarial assumptions	23	124	-88
Fair value adjustment of properties for own use	31	139	83
Other comprehensive income allocated to customers		-139	-83
Tax on other profit elements not to be reclassified to profit/loss		10	10
Other comprehensive income not to be reclassified to profit/loss		**134**	**-78**
Profit/loss cash flow hedging	42	-56	-32
Translation differences foreign exchange		-137	282
Other profit comprehensive income that may be reclassified to profit /loss		**-193**	**250**
Other comprehensive income		**-59**	**172**
TOTAL COMPREHENSIVE INCOME		**2,103**	**1,851**
PROFIT IS ATTRIBUTABLE TO:			
Share of profit for the period - shareholders		2,162	1,672
Share of profit for the peride - non-controlling interests			7
COMPREHENSIVE INCOME IS ATTRIBUTABLE TO:			
Share of profit for the period - shareholders		2,103	1,844
Share of profit for the peride - non-controlling interests			8

Storebrand Livsforsikring Group
Statement of financial position
31. December

NOK million	Note	2021	2020
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Goodwill	29	778	831
Other intangible assets	29	2,735	3,195
Total intangible assets		**3,513**	**4,026**
Properties at fair value	13,31		50
Equities and units in subsidiaries, associated companies and joint ventures	32	215	133
Loans at amoritsed cost	10,13,30	1	2
Bonds at amortised cost	10,13,30,34	9,408	7,361
Deposits at amortised cost	10,30	725	434
Equities and fund units at fair value	13,30,34	273.0	102
Bonds and other fixed-income securities at fair value	10,13,30,35	17,723	17,350
Derivatives at fair value	13,30,36	843	1,316
Total investments		**29,189**	**26,747**
Receivables in connection with direct business transactions		499	263
Receivables in connection with reinsurance transactions			1
Receivables with group company		102	106
Other receivables	38	8,196	4,953
Total receivables		**8,797**	**5,323**
Tangible fixed assets	37	641	700
Cash, bank	10,30	1,971	1,785
Tax assets	28	1,058	1,723
Other assets designated according to type			67
Total other assets		**3,670**	**4,275**
Pre-paid direct selling expenses		699	717
Other pre-paid costs and income earned and not received		185	160
Total pre-paid costs and income earned and not received		**884**	**877**
Total assets in company portfolio		**46,053**	**41,249**
ASSETS IN CUSTOMER PORTFOLIOS			
Properties at fair value	13,31	28,543	27,652
Properties for own use	13,31	1,659	1,609
Equities and units in subsidiaries, associated companies and joint ventures	32	5,864	5,044
Bonds held to maturity	10,13,30,33	8,441	13,026
Bonds at amortised cost	10,13,30,33	104,974	92,846
Loans at amortised cost	10,13,30	22,043	23,733
Deposits at amortised cost	10,30	5,141	9,390
Equities and fund units at fair value	13,30,34	28,714	21,839
Bonds and other fixed-income securities at fair value	10,13,30,35	90,011	97,223
Loans at fair value	10,13,30	7,310	7,523
Derivatives at fair value	13,30,36	2,358	6,535
Total investments in collective portfolio		**305,059**	**306,419**
Reinsurance share of insurance obligations		**13**	**24**

NOK million	Note	2021	2020
Properties at fair value	13,31	4,833	4,415
Equities and units in subsidiaries, associated companies and joint ventures	32	1,277	1,123
Loans at amortised cost	10,13,30	1,008	36
Deposits at amortised cost	10,30	1,302	900
Equities and fund units at fair value	13,30,34	249,069	208,607
Bonds and other fixed-income securities at fair value	10,13,30,35	50,800	50,939
Loans at fair value	10,13,30	133	142
Derivatives at fair value	13,30,36	558	2,052
Total investments in investment selection portfolio		**308,979**	**268,215**
Total assets in customer portfolio		**614,051**	**574,657**
TOTAL ASSETS		**660,104**	**615,906**
EQUITY AND LIABILITIES			
Share capital		3,540	3,540
Share premium		9,711	9,711
Other paid in equity		1,110	599
Total paid in equity		**14,361**	**13,850**
Risk equalisation fund		547	438
Security reserves		5	5
Other earned equity		11,097	11,323
Non-controlling interests			69
Total earned equity		**11,649**	**11,835**
Perpetual subordinated loans		1,976	1,100
Dated subordinated loans		8,889	7,734
Total subordinated loans and hybrid tier 1 capital	10,13,30	**10,865**	**8,834**
Premium reserves		261,044	263,383
Additional statutory reserves		13,602	11,380
Market value adjustment reserve		6,309	7,170
Premium fund, deposit fund and the pension surplus fund		3,501	2,266
Conditional bonus		13,781	10,769
Other technical reserve		661	702
Total insurance obligations in life insurance - contractual obligations	39,40	**298,900**	**295,671**
Pension capital		308,331	268,331
Total insurance obligations in life insurance - investment portfolio separately	39,40	**308,331**	**268,331**
Pension liabilities etc.	23	31	180
Deferred tax	28	622	647
Other provisions for liabilities		48	115
Total provisions for liabilities		**702**	**942**
Liabilities in connection with direct insurance		999	695
Liabilities in connection with reinsurance		14	11
Derivatives	13,30,36	1,997	886
Liabilities to group companies		24	29
Other liabilities	41	11,751	14,276
Total liabilities		**14,785**	**15,897**
Other accrued expenses and received, unearned income		510	546
Total accrued expenses and received, unearned income		**510**	**546**
TOTAL EQUITY AND LIABILITIES		**660,104**	**615,906**

Lysaker, 8 February 2022
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Odd Arild Grefstad
Cairman of the Board

Martin Skancke | Vibeke Hammer Madsen | Mari Tårnesvik Grøtting

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

Geir Holmgren
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	Security reserves	Other equity	Non-controlling interests	Total equity
Equity at 31.12.2019	**3,540**	**9,711**	**88**	**13,339**	**466**	**5**	**11,628**	**113**	**25,550**
Profit for the period					-27		1,699	7	1,679
Other comprehensive income							164	8	172
Total comprehensive income for the period					**-27**		**1,864**	**15**	**1,851**
Equity transactions with owner:									
Received dividend/group contributions			511	511					511
Paid dividend/group contributions							-2,220		-2,220
Other							52	-59	-7
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								-69	-69
Equity at 31.12.2021	**3,540**	**9,711**	**1,110**	**14,361**	**547**	**5**	**11,098**	**0**	**26,010**

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

Storebrand Livsforsikring group			Storebrand Livsforsikring AS	
2020	2021	NOK million	2021	2020
		Cash flow from operational activities		
27,431	29,213	Net received - direct insurance	19,190	18,147
-20,625	-20,865	Net claims/benefits paid - direct insurance	-12,423	-12,500
7,285	-7,713	Net receipts/payments - policy transfers	-3,339	1,030
366	3,343	Net change insurance liabilities	3,494	54
-156	-211	Taxes paid	-1	-1
-2,393	-2,459	Net receipts/payments operations	-1,442	-1,362
1,133	2,107	Net receipts/payments - other operational activities	-2,129	-662
13,042	**3,413**	**Net cash flow from operating activities before financial assets**	**3,350**	**4,705**
-195	446	Net receipts/payments - loans to customers	873	22
-7,424	-7,661	Net receipts/payments - financial assets	-9,868	-2,701
-511	178	Net receipts/payments - investment properties		
	721	Receipts - sale of investment properties		
	-1,859	Payments - purchase of investment properties		
-2,657	3,674	Net change bank deposits insurance customers	3,445	-1,556
-10,786	**-4,500**	**Net cash flow from operating activities from financial assets**	**-5,550**	**-4,235**
2,256	**-1,087**	**Net cash flow from operating activities**	**-2,200**	**470**
		Cash flow from investing activities		
-28	613	Net payments - sale/purchase of subsidiaries	621	279
-30	-31	Net receipts/payments - sale/purchase of fixed assets	-5	-6
-58	**583**	**Net cash flow from investing activities**	**616**	**273**
		Cash flow from financing activities		
499	3,911	Receipts - subordinated loans issued	3,911	499
-872	-1,072	Repayment of subordinated loans	-1,072	-872
-381	-381	Payments - interest on subordinated loans	-381	-381
682	680	Payments received of dividend and group contribution	1,884	1,293
-2,202	-2,220	Payment of dividend and group contribution	-2,220	-1,526
-2,274	**917**	**Net cash flow from financing activities**	**2,121**	**-986**
-76	**413**	**Net cash flow for the period**	**537**	**-243**
10,710	4,913	of which net cash flow for the period before financial assets	6,087	3,992
-76	413	Net movement in cash and cash equivalent assets	537	-243
2,396	2,218	Cash and cash equivalents at the start of the period	1,167	1,410
-102	64	Currency translation differences		
2,218	**2,696**	**Cash and cash equivalent assets at the end of the period**	**1,704**	**1,167**

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

NOK million	Note	2021	2020
TECHNICAL ACCOUNT:			
Gross premiums written		19,436	18,099
Reinsurance premiums ceded		-9	-9
Premium reserves transferred from other companies	17	18,466	6,051
Premiums for own account	14,15	**37,893**	**24,142**
Income from investments in subsidiaries, associated companies and joint ventures companies	32	1,526	1,397
of which from investment in property companies		1,526	1,397
Interest income and dividends etc. from financial assets	18	5,130	5,389
Changes in investment value	18	-754	1,622
Realised gains and losses on investments	18	1,957	1,901
Total net income from investments in the collective portfolio	14	**7,859**	**10,308**
Income from investments in subsidiaries, associated companies and joint ventures companies	32	405	355
of which from investment in rproperty companies		405	357
Interest income and dividends etc. from financial assets	18	1,834	919
Changes in investment value	18	9,307	5,268
Realised gains and losses on investments	18	7,869	4,839
Total net income from investments in the investment selection portfolio	14	**19,416**	**11,381**
Other insurance related income	14,20	**863**	**815**
Gross claims paid		-12,798	-12,278
Claims paid - reinsurance		8	14
Premium reserves etc. transferred to other companies	17	-21,805	-5,021
Claims for own account	14	**-34,595**	**-17,285**
To/from premium reserve, gross	40	-5,448	554
To/from additional statutory reserves	40	-2,290	-2,460
Change in marketvalue adjustment fund	40	861	-1,670
Change in premium fund, deposit fund and the pension surplus fund	40	-9	-3
To/from technical reserves for non-life insurance business	40	30	-106
Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	17	724	27
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	14	**-6,132**	**-3,658**
Change in pension capital		-20,913	-22,580
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	14	**-20,913**	**-22,580**
Profit on investment result	40	-1,211	-508
Risk result allocated to insurance contracts	40	-100	-113
Other allocation of profit		-84	-84
Funds allocated to insurance contracts	14	**-1,395**	**-705**
Management expenses		-235	-211
Selling expenses	22	-243	-216
Insurance-related administration expenses (incl. commissions for reinsurance received)		-965	-936
Insurance-related operating expenses	14	**-1,442**	**-1,362**
Other insurance related expenses after reinsurance share	14,26	**-135**	**-247**
Technical insurance profit		**1,417**	**808**

NOK million	Note	2021	2020
NON-TECHNICAL ACCOUNT			
Income from investments in subsidiaries, associated companies and joint ventures companies	32	1,506	1,117
Interest income and dividends etc. from financial assets	18	369	418
Changes in investment value	18	-66	35
Realised gains and losses on investments	18	410	-581
Net income from investments in company portfolio		**2,220**	**989**
Other income	21	**12**	**4**
Management expenses		-20	-19
Other expenses	27	-481	-392
Total management expenses and other costs linked to the company portfolio		**-500**	**-411**
Profit or loss on non-technical account		**1,732**	**582**
Profit before tax		**3,149**	**1,390**
Tax expenses	28	-504	369
PROFIT BEFORE OTHER COMPREHENSIVE INCOME		**2,645**	**1,759**
Change in actuarial assumptions	23	2	-3
Tax on other profit elements not to be reclassified to profit/loss	28	14	8
Other comprehensive income not to be reclassified to profit/loss		**16**	**5**
Profit/loss cash flow hedging	42	-56	-32
Other profit comprehensive income that may be reclassified to profit /loss		**-56**	**-32**
Other comprehensive income		**-40**	**-27**
TOTAL COMPREHENSIVE INCOME		**2,605**	**1,732**

Storebrand Livsforsikring AS
Statement of financial position
31. December

NOK million	Note	2021	2020
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Other intangible assets	29	455	419
Total intangible assets		**455**	**419**
Equities and units in subsidiaries, associated companies and joint ventures	32	12,478	13,225
Bonds at amortised cost	10,13,30,33	9,408	7,361
Deposits at amoritsed cost	10	715	373
Equities and fund units at fair value	13,30,34	476	51
Bonds and other fixed-income securities at fair value	10,13,30,35	12,419	10,748
Loans at fair value	10,13,30		12
Derivatives at fair value	10,13,30,36	843	1,316
Total investments		**36,340**	**33,085**
Receivables in connection with direct business transactions		495	257
Receivables in connection with reinsurance transactions			1
Receivables with group company	32	1,111	753
Other receivables	38	5,823	1,474
Total receivables		**7,430**	**2,485**
Tangible fixed assets	37	10	14
Cash, bank	10,30	989	794
Tax assets	28	797	1,547
Total other assets		**1,796**	**2,355**
Other pre-paid costs and income earned and not received		40	27
Total pre-paid costs and income earned and not received		**40**	**27**
Total assets in company portfolio		**46,061**	**38,371**
ASSETS IN CUSTOMER PORTFOLIOS			
Equities and units in subsidiaries, associated companies and joint ventures	32	22,325	21,155
of which investment in property companies		22,325	21,104
Bonds held to maturity	10,13,30,33	8,441	13,026
Bonds at amortised cost	10,13,30,33	104,974	92,846
Loans at amoritsed cost	10,13,30	22,043	23,733
Deposits at amoritsed cost	10,30	2,701	6,499
Equities and fund units at fair value	13,30,34	19,006	11,902
Bonds and other fixed-income securities at fair value	10,13,30,35	26,107	27,035
Loans at fair value	10,13,30		104
Derivatives at fair value	10,13,30,36	1,276	4,247
Total investments in collective portfolio		**206,875**	**200,546**
Reinsurance share of insurance obligations		**4**	**15**
Equities and units in subsidiaries, associated companies and joint ventures	32	6,208	5,601
of which investment in property companies		6,208	5,586
Loans at amoritsed cost	10,13,30	1,008	36
Deposits at amoritsed cost	10,30	840	488
Equities and fund units at fair value	13,30,34	107,202	86,267
Bonds and other fixed-income securities at fair value	10,13,30,35	42,559	42,340
Loans at fair value	10,13,30	133	171
Derivatives at fair value	10,13,30,36	558	2,052
Total investments in investment selection portfolio		**158,508**	**136,955**
Total assets in customer portfolios		**365,386**	**337,515**
TOTAL ASSETS		**411,447**	**375,886**

NOK million	Note	2021	2020
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		547	438
Security reserves		5	5
Other earned equity		10,015	10,729
Total earned equity		**10,567**	**11,172**
Perpetual subordinated loans		1,976	1,100
Dated subordinated loans		8,889	7,734
Total subordinated loans and hybrid tier 1 capital	9,13,30	**10,865**	**8,834**
Premium reserves		180,684	172,089
Additional statutory reserves		13,602	11,380
Market value adjustment reserve		6,309	7,170
Premium fund, deposit fund and the pension surplus fund		3,501	2,266
Other technical reserve		661	702
Total insurance obligations in life insurance - contractual obligations	39,40	**204,759**	**193,607**
Pension capital		157,873	137,089
Total insurance obligations in life insurance - investment portfolio separately	39,40	**157,873**	**137,089**
Pension liabilities etc.	23	2	7
Total provisions for liabilities		**2**	**7**
Liabilities in connection with direct insurance		825	469
Derivatives	10,13,30,36	1,638	401
Liabilities to group companies		3,235	2,254
Other liabilities	41	6,377	7,553
Total liabilities		**12,075**	**10,678**
Other accrued expenses and received, unearned income		156	137
Total accrued expenses and received, unearned income		**156**	**137**
TOTAL EQUITY AND LIABILITIES		**411,447**	**375,886**

Lysaker, 8 February 2022
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Odd Arild Grefstad
Cairman of the Board

Martin Skancke
Vibeke Hammer Madsen
Mari Tårnesvik Grøtting

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

Geir Holmgren
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	Security reserves	Other equity	Total equity
Equity at 31.12.2019	**3,540**	**9,711**	**599**	**13,850**	**466**	**5**	**11,190**	**25,511**
Profit for the period					-27		1,787	1,759
Other comprehensive income							-27	-27
Total comprehensive income for the period					**-27**		**1,759**	**1,732**
Equity transactions with owner:								
Received dividend/group contributions			511	511				511
Paid dividend/group contributions							-2,222	-2,222
Other							1	1
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
Other							0	0
Equity at 31.12.2021	**3,540**	**9,711**	**1,899**	**15,150**	**547**	**5**	**10,015**	**25,718**

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

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 2021 were approved by the board on 8 February 2022. 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 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 Group, IFRS 9 will be implemented together with IFRS 17, which is expected to be 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. This is a provisional categorisation under IFRS9, based on the present asset allocation. No assessments have been made of any changes in classification and measurement of financial assets under IFRS9 in connection with the transition to IFRS 17.

IFRS 9 - FINANCIAL INSTRUMENTS TO AMORTISED COST AND FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2021	Fair value after IFRS 9 1.1.2021	Booked value after IAS 39 31.12.2021	Fair value after IFRS 9 31.12.2021
Financial assets						
Bank deposits	AC	AC	12,508	12,508	9,139	9,139
Bonds and other fixed-income securities	AC	AC	113,233	122,317	122,824	126,179
Loans to customers	AC	FVOCI	23,771	23,771	23,052	23,052
Accounts receivable and other short-term receivables	AC	AC	6,095	6,095	9,681	9,681
Total financial assets			**155,607**	**164,690**	**164,696**	**168,051**
Financial liabilities						
Subordinated loan capital	AC	AC	8,834	8,834	10,865	11,008
Other current liabilities	AC	AC	14,958	14,958	13,298	13,298
Total financial liabilities			**23,793**	**23,793**	**24,163**	**24,305**

IFRS 9 - FINANCIAL INSTRUMENTS AT FAIR VALUE

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2021	Fair value after IFRS 9 1.1.2021	Booked value after IAS 39 31.12.2021	Fair value after IFRS 9 31.12.2021
Financial assets						
Shares and fund units	FVP&L(FVO)	FVP&L	230,548	230,548	278,056	278,056
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	165,513	165,513	158,533	158,533
Loans to customers	FVP&L (FVO)	FVP&L	7,665	7,665	7,443	7,443
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	9,903	9,903	3,760	3,760
Total financial assets			**413,629**	**413,629**	**447,792**	**447,792**
Financial liabilities						
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	886	886	1,997	1,997
Total financial liabilities			**886**	**886**	**1,997**	**1,997**

A large majority of the financial assets are measured at fair value (the fair value option is used), whilst other financial instruments that are included in the categories Loans and receivables and Held to maturity are measured at amortised cost. Financial assets measured at amortised cost are largely related to Norwegian pension liabilities with annual interest rate guarantee.

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. This excess value 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. With the exception of derivatives, 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 2021. For changes in estimates, see Note 2 for further information.

Storebrand selected early implementation of "Interest Rate Benchmark Reform—Amendments to IAS 39 and IFRS 7" (IBOR Reform) that was issued in September 2019. The discontinuation of LIBOR rates has had no impact other than for hedge accounting (see note 42) because all ISDA/CSA agreements have been renegotiated, and EURSTR + 8.5bps has replaced EONIA based on the "fallback" calculation under the auspices of ISDA.

5. NEW IFRS THAT HAVE NOT ENTERED INTO FORCE

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

<u>IFRS 17:</u>
IFRS 17 replaces IFRS 4 Insurance Contracts and introduces new requirements for the recognition, measurement, presentation and disclosure of issued insurance contracts. The standard was adopted by the European Union in 2021 and will enter into force from 1 January 2023. The purpose of the new standard is to establish uniform practices for the accounting treatment of insurance contracts and greater transparency between insurance companies.

IFRS 17 is a comprehensive and complex standard, with fundamental differences to the present standard for measuring liabilities and recognising earnings. Insurance contracts must be recognised at the risk-adjusted present value of future cash flows, with the addition of unearned profit in a group of contracts. The unearned profit is the sum total of each contract's service margin and is recognised as income over the contract's service period in line with how the insurance services are provided. Loss-making contracts must be recognised immediately.

As a starting point, the retrospective transition method must be applied upon transition to IFRS 17, however the modified retrospective transition method or application is permitted or application based on the fair value on the transition date if retrospective application is impracticable.

IFRS 17 will be introduced into Storebrand s consolidated financial statements. The implementation date is 1 January 2023, with a requirement that comparable figures are stated for 2022. The financial regulatory authorities in Norway and Sweden have yet to decide on the rules for the company accounts of the legal entities, however it is expected that only the Group's P&C insurance companies will introduce IFRS 17 into the company accounts. The life insurance companies are expected to follow equivalent regulations to those that presently apply for the company accounts, and discrepancies will arise between the legal company accounts of the life insurance activities and the consolidated values from the activities in the consolidated financial statements.

Storebrand is working on preparing for implementation of IFRS17, including assessing the effects implementation of IFRS17 will have for Storebrand's consolidated financial statements.

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 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.

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 similar between companies in the Group are eliminated in the consolidated financial statements. 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, instead it is tested for impairment. Goodwill is tested for impairment annually when assessing the recoverable amount or if there are indications that impairment has occurred. Goodwill is allocated to the relevant cash generating units that are expected to benefit from the acquisition so that it can subsequently be tested for impairment. 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 statements 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 consolidated financial statements. In the consolidated financial statements, the insurance liabilities in the respective subsidiaries are included as these are calculated on the basis of the laws of the individual 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. The 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, conditional bonus and the profit for the year. Transferred additional reserves 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 subsidiaries, 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.

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 for own account 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 obligations 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 obligations 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 obligations 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 an group contributions is classified as equity until approved by the general meeting and presented as liabilities after this date. The proposed dividend and group contributions is 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 for 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 shows 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 a guaranteed interest rate 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 3.1 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, increases in values could, 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 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 types 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.

COVID-19

Storebrand is impacted by Covid-19 and the uncertainty associated with future economic development.

Mutations and new waves of infection resulted in more stringent infection control measures and effects for the economy during 2021. There is an uncertainty relating to future developments and the impact on Storebrand's accounts. The risk associated with Covid-19 is considered to have declined over the course of the year, however there is a risk that the scaling down of financial and monetary policy support packages could potentially weaken financial recovery. Negative financial market effects may be compounded by a high rate of savings, low interest rates and good access to credit having contributed to good investment returns and high valuations. Both the stock market and the property market are priced higher than before the pandemic. The risk for the property market is that demand for commercial space will fall as a consequence of a faster transition to online trade and increased use of remote work.

There is still uncertainty associated with the effect of the outbreak of Covid-19 on the insurance risk at Storebrand Livsforsikring. The assessment generally remains unchanged from 2020, however the uncertainty related to Covid-19 directly and financial uncertainty from infection control measures on the business sector have been more extensive than estimated in 2020. At the same time, the uncertainty of the insurance risk associated with the fall in oil prices during the first quarter of 2020 has proved less dramatic. There is thus considered to have been grounds for the extraordinary provisions relating to Covid-19 and financial uncertainty that were made in 2020. There is major uncertainty relating to these provisions and future developments. There is particular uncertainty associated with indications that Covid-19 may in some cases result in delayed harmful effects. New mutations (Delta — Omicron) may also be of significance to the potential effects of the virus. On the whole, there is still major uncertainty regarding the development of potential delayed harmful effects, and there are thus grounds for maintaining the provisions.

In 2020, there were temporary regulations which stipulated that benefit periods for the work assessment allowance (AAP) were extended by six months without consideration to the provisions concerning duration. The decision was applicable for jobseekers until 30 June 2021. Some AAP decisions, which were initially due to be clarified during the 2020 financial year and the first half of 2021, have therefore been deferred. In subsequent regulations, the extension has been expanded to apply until the end of June 2022. A reduction in unemployment has resulted in fewer people starting to receive AAP. At the same time, the option to access AAP for a longer period of time during the pandemic has resulted in fewer people no longer receiving AAP and disability pensions from Storebrand Livsforsikring are therefore maintained.

The Norwegian Institute of Public Health (FHI) recorded a "somewhat higher" mortality rate in the fourth quarter. Due to the increased mortality rate in the community, a good accident result was expected during the period. The increased mortality rate is viewed in connection with the infection control measures potentially having contributed to people who did not die one year ago dying now. This refers to delayed death, which occurs due to the limited prevalence of other infectious respiratory diseases and influenza viruses. An indication of mortality deficit was observed in 2020. This trend is observed evenly across the products, however, factors such as different dynamics in product regulations, previous provision levels and differences in portfolios mean that there are varied effects on the result. No significant shifts in assumptions related to future mortality have been assumed in the provisions.

The developments relating to Covid-19 directly and the financial uncertainty are being closely monitored. A continuation of the situation of high unemployment may lead to increased disability and result in higher provisions. The provisions as at 31 December 2021 are the company's best estimate and these provisions are considered adequate.

Storebrand has a risk management system which, through principles that have been adopted, manages and mitigates the impact of volatile financial markets. Storebrand will continue to monitor the development of Covid-19 and its effects on the economy. A long-term situation with high unemployment may result in higher levels of disability and increased liabilities. However, the current insurance liabilities represent Storebrand's best estimate of the insurance liabilities.

Covid-19 and the uncertain macroeconomic situation mean that there is greater uncertainty relating to several estimates at the end of 2021 than was the situation prior to the start of the pandemic. There is still major uncertainty about the spread of Covid-19 and the consequences for society. There is thus also increased uncertainty regarding cash flows associated with financial instruments and investment properties that are priced based on level 3 calculations, as well as estimated expected losses on lending.

MANAGEMENT FEE

In April 2021, the Financial Supervisory Authority of Norway sent an identical letter to all life insurance companies and pension funds regarding the treatment of management fees to management companies for securities funds and other managers of 'fund' structures. A united industry, including Storebrand, is of the opinion that the Financial Supervisory Authority of Norway's interpretation of the law is incorrect. Both Finance Norway and the Norwegian Association of Pension Funds have therefore asked the Ministry of Finance to review the Financial Supervisory Authority of Norway's interpretation. Both associations have obtained opinions supporting the industry's position. The question in the case is whether the management fee the fund pays to the manager should be deducted from the return (net entry) or should be covered by the company's cost result as part of the premium (gross entry). For some investment classes, for example, investments in infrastructure funds and private equity funds, for which investments are made in underlying funds to achieve effective risk diversified management, costs are recognised in the funds included in the customer's investment result. Storebrand considers the industry's legal understanding to be correct, and has therefore chosen to continue with previous practices, pending further clarification from the Ministry of Finance. The estimated annual effect for Storebrand, given present allocations and investments, is approximately NOK 45 million.

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 Acquisition

DANICA PENSJONSFORSIKRING NORGE

Storebrand Livsforsikring AS has 20 December 2021 entered into an agreement to buy 100% of the shares in Danica Pensjonsforsikring AS, Norway ("Danica"). Danica, a subsidiary of Danske Bank, is the 6th largest provider of Defined Contribution pensions in Norway with 5% market share. Storebrand Livsforsikring AS will pay NOK 2.01 billion for the shares of Danica (adjusted for the change in the net asset value of Danica in the period from 30 September 2021 to 31 December 2021). The conclusion of the transaction is expected in the first half of 2022 and is subject to approval from the Norwegian Financial Supervisory Authority and the Norwegian Competition Authority.

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. In addition, certain other subsidiaries in Storebrand Livsforsikring and SPP are included in Savings.

INSURANCE

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

GUARANTEED PENSION

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

OTHER

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 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. In the alternative income statement, the result before tax of certain unimportant subsidiaries is included in the financial result, while in the Group's income statement, this is shown as other income, operating costs and other costs.

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 1 January 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 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	2021	2020
Savings	1,001	782
Insurance	261	89
Guaranteed pension	1,432	775
Other	397	61
Profit before amortisation	**3,091**	**1,707**
Amortisation intangible assets	-366	-372
Profit before tax	**2,725**	**1,336**

SEGMENT INFORMATION AS AT 31.12

	Savings		Insurance		Guaranteed pension	
NOK million	2021	2020	2021	2020	2021	2020
Fee and administration income	2,161	1,961			1,631	1,511
Insurance result			599	454		
- Insurance premiums f.o.a.			2,988	2,938		
- Claims f.o.a.			-2,389	-2,484		
Operational cost	-1,177	-1,138	-404	-399	-890	-861
Operating profit	**984**	**824**	**195**	**56**	**741**	**650**
Financial items and risk result life & pension	17	-41	65	33	187	136
Net profitsharing					504	19
Profit before amortisation	**1,001**	**782**	**261**	**89**	**928**	**805**
Amortisation of intangible assets						
Profit before tax	**1,001**	**782**	**261**	**89**	**928**	**805**

	Other		Storebrand Livsforsikring group	
NOK million	2021	2020	2021	2020
Fee and administration income		4	3,792	3,476
Insurance result			599	454
- Insurance premiums f.o.a.			2,988	2,938
- Claims f.o.a.			-2,389	-2,484
Operational cost	-53	-30	-2,523	-2,427
Operating profit	**-53**	**-26**	**1,868**	**1,503**
Financial items and risk result life & pension	450	57	1,223	204
Profit before amortisation	**397**	**32**	**3,091**	**1,707**
Amortisation of intangible assets			-366	-372
Profit before tax	**397**	**32**	**2,725**	**1,336**
Tax			-563	344
Profit after tax			**2,162**	**1,679**

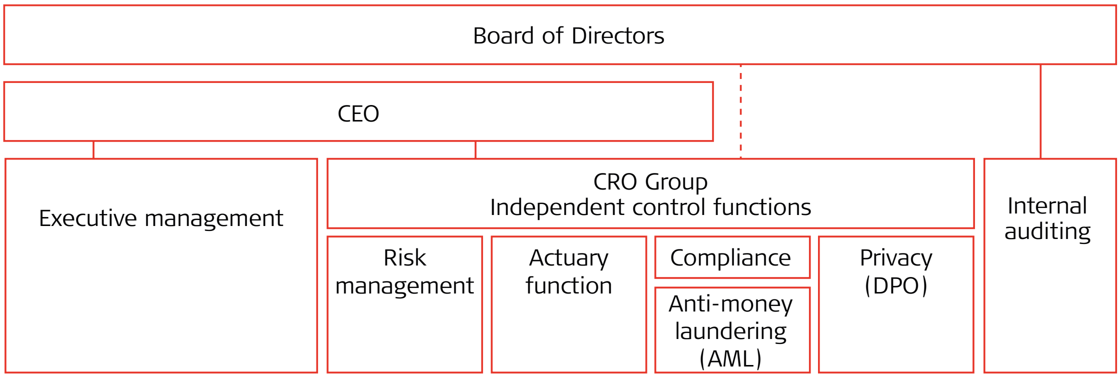
Note 5 Risk management and internal control

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 related to violations of internal or external regulations as a result of ineffective, insufficient or defective internal processes or systems, human error, external events or rules and guidelines not being followed.

The Group seeks to reduce operational risk through an effective system for internal control. Risks are followed up through the management's risk reviews, with documentation of risks, measures and the follow-up of incidents. In addition, Internal Audit carries out independent checks through audit projects adopted by the Board.

Contingency and continuity plans have been prepared to deal with serious incidents in business-critical processes.

Storebrand's IT systems are vital for operations and reliable financial reporting. Errors and disruptions may have consequences for commercial operations and can impact on the trust the Group has from both customers and shareholders. In the worst case, abnormal situations can result in penalties from the supervisory authorities. Storebrand's IT platform is characterised by complexity and integration between different specialist systems and joint systems. The operation of the IT systems has largely been outsourced to different service providers. A management model has been established with close follow-up of providers and internal control activities in order to reduce the risk associated with the development, administration and operation of the IT systems, as well as information security.

Storebrand is facing a major technological shift with the transition to cloud-based infrastructure and in 2021 the entire asset management business was migrated to cloud. Risks increase in connection with the actual transformation, and the consequence of errors can be greater when services are provided online. Cloud-based services and infrastructure have good inbuilt security solutions and reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. The asset management business has a modern and standardised core system, combined with self-developed applications. The bank platform and insurance platform are based on purchased standard systems that are operated and monitored through outsourcing agreements. There is a greater degree of own development for the life insurance activities, while parts of the operation of this have also been outsourced. The unit administration within defined-contribution occupational pension and unit linked products is managed in a purchased system solution.

In 2021, the security function was divided into two formal lines of responsibility. These consist of an independent second line placed with the Group's other control functions and an operational first line as an integrated part of infrastructure operations. Staffing was increased for both lines of responsibility and expanded monitoring systems were also implemented. During the pandemic, the threat landscape for information security and cyber-risk has changed in nature, and "home office fatigue", combined with migration to cloud platform, complex and manual processes, third-party vendors and dependency on key personnel have created increased short-term uncertainty.

The latter has to some extent already been addressed through the reinforcement and division of responsibilities that took place earlier in the year. The control function has been given a defined mandate and resources have been allocated that specifically address the expertise and awareness of employees now that we have a distributed work model. There is also an increased focus on and resources assigned to monitor third-party suppliers and technical vulnerabilities in infrastructure.

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. Occupational pension agreements (hybrid) are reported in the Guaranteed Pension 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.

Own pension accounts are also included in the Savings segment. In 2021, 1.5 million Norwegians received an own pension account. During 2021, defined-contribution pensions from current and former employers were combined in the person's own pension account. There is no longer a requirement for 12 months of employment for employees to be able to take their accrued pension capital with them. Storebrand has no insurance risks related to own pension accounts.

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 is still uncertainty related to the effect of the Covid-19 outbreak on the insurance risk in the Group. See the reference to Covid-19 under Note 2: Critical accounting estimates and judgements.

RULES FOR LAID-OFF EMPLOYEES IN PRIVATE OCCUPATIONAL PENSION SCHEMES

The duration of the temporary statutory amendments which give employers the option to decide that laid-off employees shall continue as members of the private pension scheme has been extended until 28 February 2022. The employer can choose whether the laid-off employees shall still be covered by the insurance coverage in the pension scheme. Laid-off employees who do not have their insurance coverage continued are entitled to take out separate individual insurance (continuation insurance). The employees who remain members of the pension scheme will not be issued with pension capital certificates, paid-up policies or pension certificates. The temporary statutory amendments are not considered to be of significance to Storebrand Livsforsikring's insurance risk.

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

The rules for pension from the first krone and day enter into force on 1 January 2022. The companies will be given until 30 June 2022 to adjust their pension schemes to the new rules. Among other things, the new rules entail that there will be 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) will be 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)[1]. There will no longer be separate exemption rules for seasonal workers.

The overall annual increased savings for Storebrand Livsforsikring are estimated at NOK 500 million. Increased savings also depend on how companies with savings rates that are higher than the minimum rate will potentially adapt the pension scheme.

INTRODUCTION OF BUFFER FUNDS FOR MUNICIPAL PENSION SCHEMES

The introduction of buffer funds for municipal pension schemes will enter into force on 1 January 2022. The new rules entail the introduction of a combined and customer-distributed buffer fund for municipal pension schemes effective from 1 January 2022. This buffer fund replaces the current additional statutory reserves and market value adjustment reserves for these schemes. Among other things, the rule change will facilitate a more neutral regulatory framework when transferring municipal pension schemes. The Ministry of Finance has stipulated transitional rules in regulations which entail that transfer processes initiated before the new rules enter into force must comply with the rules that applied at the time the decision to transfer was made. The new rules have no significance for Storebrand Livsforsikring as at 31 December 2021.

1) The a-ordning is a coordinated method for employers to report information about employees and income to Statistics Norway, the Norwegian Labour and Welfare Administration (NAV) and the Norwegian Tax Administration. This information will be sent electronically either via a service in Altinn or the employer's payroll system and entered into force on 1 January 2015. Through the scheme, employer reporting was simplified by going from five forms to one a-message (a-melding).

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 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	
NOK million	2021	2020	2021	2020
Longevity	33	7	83	54
Mortality	229	243	3	23
Disability	249	-26	48	134
Reinsurance	-3	5	-1	0
Pooling	-7	-44	-22	-26
Other	-1	-33	30	1
Total risk result	**500**	**153**	**139**	**186**

ADEQUACY 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 2021, and these therefore had no impact on the results in the financial statements for 2021.

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

STOREBRAND LIVSFORSIKRING

	Guaranteed Pension				
NOK million	Defined benefit pension	Occupational pension	Paid-up policies	Individual insurance	Total
Mortality	-4	NA	-15	-3	-22
Longevity	-11	-2	-66	-7	-87
Disability	-6	NA	-16	-4	-26
Recovering to work after disability	-2	-11	-3	NA	-16

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. There has been an estimated increase in the premium reserve for increased longevity of NOK 1.6 billion and an increase of NOK 0.4 billion as a result of increased disability and reduced reactivation as stated above. Such a development may also entail the need for an increased premium. Pursuant to Sections 3-15 and 3-16 of the Insurance Activity Act, increased premium reserves can be fully or partly covered by the profit for the year on the risk result, risk equalization fund and future profit on the risk result if the Financial Supervisory Authority of Norway has consented to the plan for strengthening reserves.

SPP PENSION & FÖRSÄKRING

	Guaranteed pension		Savings	
SEK mill	Individual pension and occupational pension insurance	Group pension	Unit Linked	Total
Mortality	-1	-4	NA	-5
Longevity	-9	-21	-4	-34
Disability	-6	-3	NA	-9
Recovering to work after disability	-7	-3	NA	-10

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.

STOREBRAND LIVSFORSIKRING AS – INSURANCE SEGMENT

NOK million	Insurance
5 percent change in earned gross premium	+/- 149
5 percentage point change in Combined Ratio	+/- 140

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. Falling interest rates are positive for the investment return in the short term due to price appreciation for bonds and interest rate swaps, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee. Both short and long-term money market rates increased in Norway in 2021. Long-term rates have increased in Sweden, while short-term money market rates have remained stable at close to zero.

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	12%	2%	1%
Bonds at amortised cost	37%	0%	29%
Money market	1%	2%	19%
Bonds at fair value	21%	15%	42%
Equities at fair value	12%	81%	0%
Lending at amortised cost	16%	1%	7%
Other	1%	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. The investment allocation was not significantly changed during 2021. 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.

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.

The table below shows the currency positions as at 31 December 2021. The currency exposure is primarily related to investments in the Norwegian and Swedish life insurance business.

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 2021		Net position 2020	Balance sheet items excluding currency derivatives	Forward contracts	Net position 2021		Net position 2020
NOK million	Netto på balansen	Netto salg	i valuta	i NOK	i NOK	Netto på balansen	Netto salg	i valuta	i NOK	i NOK
AUD	98	-132	-35	-224	-34	94	-125	-31	-201	-30
CAD	233	-406	-172	-1,203	-703	226	-387	-161	-1,125	-630
CHF	110	-128	-18	-178	-398	104	-121	-17	-166	-368
DKK	161	-237	-76	-103	-178	155	-216	-60	-82	-156
EUR	1,555	-1,706	-150	-1,506	-1,537	1,246	-1,468	-222	-2,222	-1,937
GBP	128	-267	-140	-1,669	-1,144	120	-238	-117	-1,403	-1,046
HKD	200	-802	-603	-682	-797	193	-516	-322	-364	-423
ILS	16			46	25	16			45	25
JPN	338	-542	-205	-1,567	-969	324	-518	-194	-1,488	-876
NZD	6	-21		-91	-91	6	-20		-84	-84
SEK	260,679	-9,921	250,759	244,236	233,790	26,214	-9,921	16,294	15,870	16,026
SGD	21	-27		-44	-45	20	-27		-45	-42
USD	4,593	-6,444	-1,851	-16,323	-9,172	3,629	-5,890	-2,261	-19,934	-12,561
NOK [1]	62,478	-1,319	61,158	61,158	37,518	57,217		57,217	57,217	34,151
Other				1					1	
Insurance liabilities in SEK	-251,134		-251,134	-244,602	-233,735					-430
Total net currency position 2021				**37,252**					**46,018**	
Total net currency position 2020					**22,531**					**31,621**

1) Equity and bond funds denominated in NOK with foreign currency exposure in i.a. EUR and USD NOK 57 billion.

STOREBRAND LIVSFORSIKRING

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. The company hedges most of the foreign exchange risk in the customer portfolios on an ongoing basis. Most of the non-guaranteed pension profiles are currency hedged. Most of the fixed-interest portfolios for the guaranteed pension portfolios are currency hedged, while approximately 70 per cent of global equity portfolios are currency hedged. Foreign exchange risk due to subordinated loans in a foreign currency is currency hedged.

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.

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:

STOREBRAND LIVSFORSIKRING
Customer portfolio divided on annual guaranteed return

Interest rate	2021	2020
6 %	0.2 %	0.3 %
5 %	0.2 %	0.3 %
4 %	39.8 %	42.9 %
3.4 %	0.4 %	0.3 %
3 %	28.9 %	28.8 %
2.75 %	1.7 %	1.8 %
2.50 %	10.5 %	10.9 %
2 %	14.3 %	12.2 %
1.5 %	0.1 %	0.1 %
0.5 %	1.8 %	1.6 %
0 %	0.6 %	0.9 %

The table includes premium reserve excluding IBNS

Average interest rate guarantee in per cent	2021	2020
Individual endowment insurance	2.5 %	2.6 %
Individual pension insurance	3.8 %	3.8 %
Group pension insurance	2.3 %	2.4 %
Paid-up policy	3.2 %	3.3 %
Group life insurance	0.1 %	0.2 %
Total	**3.1 %**	**3.1 %**

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.

To achieve adequate returns with the present interest rates, it is necessary to take an investment risk. This is primarily done 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.

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	2021	2020
5.20 %	10.2 %	12.1 %
4,5%-5,2%	0.1 %	0.4 %
4.00 %	4.9 %	4.5 %
3.00 %	50.6 %	47.4 %
2,75%-4,0%	4.9 %	5.0 %
2.70 %	0.1 %	0.1 %
2.50 %	5.3 %	5.9 %
1.60 %	0.0 %	0.0 %
1.50 %	1.4 %	1.9 %
1.25 %	3.5 %	4.2 %
1,25% *	10.8 %	9.7 %
0,5%-2,5%	2.4 %	3.5 %
0%	5.9 %	5.4 %

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

Average interest rate guarantee in per cent	2021	2020
Individual pension insurance	3.0 %	3.0 %
Group pension insurance	2.9 %	2.6 %
Individual occupational pension insurance	3.1 %	3.1 %
Total	**3.1 %**	**3.0 %**

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 2021. The effect of each stress changes the return in each profile.

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

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

Level of stress

	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 2021, the customer buffers were of such a size that the effects on the result were significantly lower.

STRESS TEST 1

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
Sensitivity	NOK million	Share of portfolio	SEK million	Share of portfolio
Interest rate risk	4,811	2.1 %	-283	-0.3 %
Equity risk	-4,406	-1.9 %	-2,565	-2.8 %
Real estate risk	-2,723	-1.2 %	-1,333	-1.4 %
Credit risk	-1,097	-0.5 %	-796	-0.9 %
Total	**-3,415**	**-1.5 %**	**-4,977**	**-5.4 %**

STRESS TEST 2

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
Sensitivity	NOK million	Share of portfolio	SEK million	Share of portfolio
Interest rate risk	-4,814	-2.1 %	283	0.3 %
Equity risk	-2,643	-1.1 %	-1,539	-1.7 %
Real estate risk	-1,588	-0.7 %	-778	-0.8 %
Credit risk	-658	-0.3 %	-478	-0.5 %
Total	**-9,703**	**-4.2 %**	**-2,512**	**-2.7 %**

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 9.7 billion, which is equivalent to 4.2 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 5.0 billion, which is equivalent to 5.4 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 Livsforsikring 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 obligations 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	Total	Book value 2021	Book value 2020
Subordinated loan capital	750	1,103	5,255	2,919	3,290	13,317	10,865	8,834
Other current liabilities	13,346					13,346	13,346	15,671
Uncalled residual liabilities Limited partnership	4,870					4,870		
Uncalled residual liabilities in alternative investment funds	10,093					10,093		
Total financial liabilities 2021	**18,966**	**1,103**	**5,255**	**2,919**	**3,290**	**31,533**	**24,212**	
Derivatives related to funding 2021	**-111**	**83**	**-93**	**61**	**-91**	**-151**	**657**	
Total financial liabilities 2020	**24,217**	**862**	**2,204**	**7,524**	**-0**	**34,806**		**24,505**
Derivatives related to funding 2020	**-143**	**74**	**-209**	**0**	**0**	**-278**		**1,220**

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 2021	Book value 2020
Issuer						
Perpetual subordinated loan capital						
Storebrand Livsforsikring AS [1]	1,100	NOK	Variable	2024	1,100	1,100
Storebrand Livsforsikring AS [1,3]	900	SEK	Variable	2026	876	0
Dated subordinated loan capital						
Storebrand Livsforsikring AS [2]	750	SEK	Variable	2021	0	789
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2022	976	1,044
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	877	938
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	976	1,045
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499	499
Storebrand Livsforsikring AS [3]	250	EUR	Fixed	2023	2,685	3,420
Storebrand Livsforsikring AS [3,4]	300	EUR	Fixed	2031	2,876	0
Total subordinated loan capital					**10,865**	**8,834**

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

FINANCING ACTIVITIES - MOVEMENTS DURING THE YEAR

NOK million	Subordinated loan capital 2021	2020
Book value 1.1	8,834	8,649
Admission of new loans/liabilities	3,911	499
Repayment of loans/liabilities	-1,072	-872
Change in accrued interest	-22	9
Translation differences	-629	566
Change in value/amortisation	-156	-16
Book value 31.12	**10,865**	**8,834**

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	Total	Book value 2021	Book value 2020
Subordinated loan capital	750	1,103	5,255	2,919	3,290	13,317	10,865	8,834
Other current liabilities	10,593					10,593	10,593	10,413
Uncalled residual liabilities Limited partnership	4,469					4,469		
Unused creditlines lending	7,843					7,843		
Total financial liabilities 2021	**15,812**	**1,103**	**5,255**	**2,919**	**3,290**	**28,380**	**21,459**	
Derivatives related to funding 2021	**-111**	**83**	**-93**	**61**	**-91**	**-151**	**657**	
Total financial liabilities 2020	**18,394**	**862**	**2,204**	**7,524**	**0**	**28,984**		**19,248**
Derivatives related to funding 2020	**-143**	**74**	**-209**	**0**	**0**	**-278**		**1,220**

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 obligations. 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 2021	Total Fair value 2020
Government bonds	23,336	9,820	335	10	8		33,509	38,803
Corporate bonds	16,856	5,927	30,736	33,929	4,493	1,604	93,545	99,910
Structured notes				23	13		36	35
Collateralised securities	3,491	203		30			3,724	3,579
Total interest bearing securities stated by rating	**43,683**	**15,951**	**31,071**	**33,991**	**4,513**	**1,604**	**130,814**	**142,328**
Bond funds not managed by Storebrand							24,224	20,847
Non-interest bearing securities managed by Storebrand							3,496	2,338
Total 2021	**43,683**	**15,951**	**31,071**	**33,991**	**4,513**	**1,604**	**158,533**	**165,513**
Total 2020	**51,046**	**17,664**	**29,253**	**38,789**	**5,575**	**0**		**142,328**

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	Total Fair value 2021	Total Fair value 2020
Government bonds	10,412	12,713	3,815			26,940	27,412
Corporate bonds	11,575	8,470	22,320	15,558	23,529	81,451	85,728
Structured notes		136			17,652	17,788	9,177
Total 2021	**21,986**	**21,319**	**26,135**	**15,558**	**41,181**	**126,179**	
Total 2020	**27,846**	**25,948**	**24,947**	**19,441**	**24,135**		**122,317**

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 2021	Total Fair value 2020
Derivatives	31	1,699	2,087		22	213	4,053	10,951
Of which derivatives in bond funds, managed by Storebrand		92	201				293	1,047
Total derivatives excluding derivatives in bond funds 2021	**31**	**1,607**	**1,886**	**0**	**22**	**213**	**3,760**	
Total derivatives excluding derivatives in bond funds 2020	**0**	**4,306**	**5,393**	**46**	**134**	**24**		**9,903**

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 2021	Total Fair value 2020
Bank deposits [1)]		3,592	7,198	5			10,796	13,967
Of which bank deposits in bond funds, managed by Storebrand			1,652	5			1,657	1,459
Total bank deposits excluding bank deposits in bond funds 2021	**0**	**3,592**	**5,546**	**0**	**0**	**0**	**9,139**	
Total bank deposits excluding bank deposits in bond funds 2020	**0**	**3,311**	**9,073**	**0**	**124**	**0**		**12,508**
1) of which tied-up bank deposit (tax deduction account)		293					293	261

Rating classes based on Standard & Poor's.

NIG = Non-investment grade.

STOREBRAND LIVSFORSIKRING AS

LOANS AT AMORTISED COST AND LOANS AT FAIR VALUE

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	Total Fair value 2021	Total Fair value 2020
Government bonds	9,991	1,849	283	10	8	12,140	11,937
Corporate bonds	6,844	2,469	23,005	25,754	1,369	59,442	60,728
Structured notes				23	13	36	35
Collateralised securities	1,227			30		1,257	1,210
Total interest bearing securities stated by rating	**18,062**	**4,318**	**23,288**	**25,817**	**1,390**	**72,875**	**73,911**
Bond funds not managed by Storebrand						4,756	3,955
Non-interest bearing securities managed by Storebrand						3,454	2,256
Total 2021	**18,062**	**4,318**	**23,288**	**25,817**	**1,390**	**81,086**	
Total 2020	**17,792**	**4,414**	**20,218**	**28,997**	**2,490**		**80,122**

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	Total Fair value 2021	Total Fair value 2020
Government bonds	10,412	12,713	3,815			26,940	27,412
Corporate bonds	11,575	8,470	22,320	15,558	23,529	81,451	85,728
Structured notes		136			17,652	17,788	9,177
Total 2021	**21,986**	**21,319**	**26,135**	**15,558**	**41,181**	**126,179**	
Total 2020	**27,846**	**25,948**	**24,947**	**19,441**	**24,135**		**122,317**

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 2021	Total Fair value 2020
Derivatives		1,668	1,170		22	105	2,965	8,648
Of which derivatives in bond funds, managed by Storebrand		89	198				287	1,034
Total derivatives excluding derivatives in bond funds 2021	**0**	**1,580**	**972**	**0**	**22**	**105**	**2,678**	
Total derivatives excluding derivatives in bond funds 2020	**0**	**4,158**	**3,298**	**0**	**134**	**24**		**7,615**
Bank deposits [1]		3,545	3,316	5			6,867	9,535
Of which bank deposits in bond funds, managed by Storebrand			1,617	5			1,622	1,382
Total bank deposits excluding bank deposits in bond funds 2021	**0**	**3,545**	**1,700**	**0**	**0**	**0**	**5,245**	
Total bank deposits excluding bank deposits in bond funds 2020	**0**	**3,287**	**4,741**	**0**	**124**	**0**		**8,153**
1) of which tied-up bank deposit (tax deduction account)		293					293	259

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	3,760	1,997	1,763	313	0	1,450
Total counterparts 2021	**3,760**	**1,997**	**1,763**			
Total counterparts 2020	**9,903**	**886**	**9,148**	**5,741**	**148**	**3,259**

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 Cash (+/-)	Collateral Securities (+/-)	Net exposure
Total counterparts 2021	**2,678**	**1,638**	**1,040**	**691**	**0**	**349**
Total counterparts 2020	**7,615**	**401**	**7,214**	**5,741**	**148**	**1,325**

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	2021	2020
Booked value maximum exposure for credit risk	165,976	173,178
Net credit risk	**165,976**	**173,178**
This year's change in fair value due to change in credit risk	617	-5
Accumulated change in fair value due to change in credit risk	70	-922

Storebrand has none related credit derivatives or collateral

STOREBRAND LIVSFORSIKRING AS

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

NOK million	2021	2020
Booked value maximum exposure for credit risk	81,218	80,409
Net credit risk	**81,218**	**80,409**
This year's change in fair value due to change in credit risk	282	77
Accumulated change in fair value due to change in credit risk	-217	-533

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 customer 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 51 per cent on home loans. About 95 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 72 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	Undrawn credit limits	Total commitments
Sale and operation of real estate	10,254		10,254
Other service providers	3		3
Wage-earners and others	17,945	62	18,007
Others	2,375		2,375
Total	**30,577**	**62**	**30,639**
Individual write-downs	-83		-83
Group write-downs			0
Total lending to and receivables from customers 2021	**30,495**	**62**	**30,556**
Total lending to and receivables from customers 2020	**31,435**	**64**	**31,500**

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	2021 Lending to and receivables from customers	2021 Undrawn credit limits	2021 Total commitments	2020 Lending to and receivables from customers	2020 Undrawn credit limits	2020 Total commitments
Up to one month	1		1			0
2 - 3 months	432		432	140		140
4 months - 1 year	21	7	27	472	5	477
2 -5 years	11,377	34	11,411	8,866	31	8,897
More than 5 years	18,746	21	18,766	21,002	48	21,050
Total gross commitments	**30,577**	**62**	**30,639**	**30,480**	**83**	**30,564**

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 writedowns	Total value changes recognised in the period
Others	-85	-85
Total 2021	**-85**	**-85**
Total 2020	-21	-21

Total engagement amount by remaining term to maturity

NOK million	2021 Lending to and receivables from customers	2021 Total commitments	2020 Guarantees	2020 Total commitments
Overdue 1-30 days	1	1	1	1
Overdue 31-60 days		0	2	2
Overdue 61-90 days		0	1	1
Overdue more than 90 days		0	6	6
Total	**1**	**1**	**10**	**10**

STOREBRAND LIVSFORSIKRING AS

Commitments by customer groups

NOK million	Lending to and receivables from customers	Undrawn credit limits	Total commitments	Commitments without writedowns	Individual writedowns	Net non-performing loans
Sale and operation of real estate	4,248		4,248			
Other service providers	3		3			
Wage-earners and others	17,944	62	18,006	15		15
Others	1,019		1,018.8		-1	1
Total	**23,214**	**62**	**23,276**	**15**	**-1**	**16**
Individual write-downs	-31		-31			
Group write-downs			0			
Total lending to and receivables from customers 2021	**23,184**	**62**	**23,245**	**15**	**-1**	**16**
Total lending to and receivables from customers 2020	**23,941**	**64**	**24,006**	**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

	2021			2020		
NOK million	Lending to and receivables from customers	Undrawn credit limits	Total commitments	Lending to and receivables from customers	Undrawn credit limits	Total commitments
Up to one month	1		1			0
2 - 3 months	252		252	462	2	464
4 months - 1 year	21	7	27	912	1	913
2 -5 years	4,782	34	4,817	3,721	23	3,743
More than 5 years	18,158	21	18,178	18,848	39	18,887
Total gross commitments	**23,214**	**62**	**23,276**	**23,942**	**64**	**24,007**

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 writedowns	Total value changes recognised in the period
Others	-31	-31
Total 2021	**-31**	**-31**
Total 2020	-1	-1

In the case of default, Storebrand will sell the securities or repossess the properties if this is most suitable.

Total engagement amount by remaining term to maturity

NOK million	2021 Lending to and receivables from customers	Total commitments	2020 Guarantees	Total commitments
Overdue 1-30 days	1	1	1	1
Overdue 31-60 days		0	2	2
Overdue 61-90 days		0	1	1
Overdue more than 90 days		0	6	6
Total	**1**	**1**	**10**	**10**

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 and SPP Pension & Försäkring AB.

For the life insurance businesses, the greatest risks are largely 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. A rapid transition to low emissions could impact the Norwegian economy in general and the fossil fuel sector in particular. This could result in an increased disability frequency and lower interest rates that increase insurance liabilities. For investments, the effect of climate risk is difficult to differentiate from other factors that influence financial market developments.

Reference is made to further descriptions of climate risk in the annual report under the chapter "Climate risks and opportunities".

Note 13: Valuation of financial instruments and properties

The Group conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Fund units are generally valued at the updated official NAV prices when such prices exist. Bonds are generally valued based on prices collected from Nordic bond pricing and Bloomberg. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. This principally applies to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will most often be specific to the issuer.

Unlisted derivatives, such as forward exchange contracts and interest rate and foreign exchange swaps, are also valued theoretically. Money market rates, swap rates and exchange rates that form the basis for valuations are supplied by Reuters and Bloomberg. The valuations of currency options and swaptions are provided by Markit.

The Group carries out continual checks to safeguard the quality of market data that has been collected from external sources. This involves controlling and assessing the likelihood of unusual changes.

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

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

This category encompasses listed equities that over the previous three months 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 month. 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. Storebrand is of the opinion that the valuation method used represents a best estimate of the mutual fund's market value.

Equities

Forestry represents most of the value of the level 3 shares. An external valuation was carried out as at 31 December which forms the basis for the valuation of the company's investments. The valuation is based on models that include non-observable assumptions.

For alternative investments organised as limited liability companies, equity investments are valued based on the value-adjusted equity reported by external sources when available.

In the case of private equity investments, the valuation is normally based on either the most recent transaction or a model in which a company that is in continuous operation is assessed by comparing the key figures with groups of equivalent listed companies.

Units

Of the fund units, it is private equity investments that represent the majority at level 3. Moreover, there are also some other types of funds, such as infrastructure funds and microfinance funds, loan funds and property funds here. The majority of Storebrand's private equity investments are investments in private equity funds. These fund investments are valued based on the value reported by the funds. Most of the funds report on a quarterly basis, while a few report less often. Reporting typically takes place with a few months' delay. The most recently received valuations are used as a basis, adjusted for cash flows and market effects in the period from the most recent valuation until the reporting date. For private equity, the market effect is calculated based on the development in value in the relevant index, multiplied by the estimated beta in relation to 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 2021. 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 are normally not priced at level 3, but if the loan is in default and a payment is expected, these are priced based on the expected payment. As at 31 December 2021, this was not a significant amount for Storebrand's financial statements.

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 2021, external valuations were obtained for properties worth NOK 24.6 billion (98 per cent of the portfolio's value as at 31 December 2021).

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. 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.

STOREBRAND LIVSFORSIKRING GROUP

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 2021	Total fair value 2021	Book value 2021	Book value 2020
Financial assets							
Loans to customers - corporate			5,055	5,055	6,065	5,044	6,052
Loans to customers - retail			18,021	18,021	17,719	18,008	17,719
Bonds held to maturity		9,103		9,103	14,244	8,441	13,026
Bonds classified as loans and receivables		117,077		117,077	108,072	114,383	100,207
Total fair value 2021		**126,179**	**23,077**	**149,256**		**145,876**	
Total fair value 2020		**120,681**	**25,420**		**146,100**		**137,004**
Financial liabilities							
Subordinated loan capital		11,008		11,008	8,903	10,865	8,834
Total fair value 2021		**11,008**		**11,008**		**10,865**	
Total fair value 2020		**8,903**			**8,903**		**8,834**

VALUATION AT FAIR VALUE

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total fair value 2021	Total fair value 2020
Assets					
Equities and units					
- Equities	40,071	232	309	40,611	32,233
- Units		222,766	14,678	237,445	198,314
Total equities and units 2021	**40,071**	**222,998**	**14,987**	**278,056**	
Total equities and units 2020	**31,285**	**189,064**	**10,199**		**230,548**
Loans to customers					
- Loans to customers - corporate			7,443	7,443	7,665
Total loans to customers 2021			**7,443**	**7,443**	
Total loans to customers 2020			**7,665**		**7,665**
Bonds and other fixed income securities					
- Government bonds	16,722	14,188		30,911	34,206
- Corporate bonds		55,346	8	55,354	62,043
- Collateralised securities		3,528		3,528	3,128
- Bond funds		56,079	12,663	68,741	66,136
Total bonds and other fixed income securities 2021	**16,722**	**129,141**	**12,670**	**158,533**	
Total bonds and other fixed income securities 2020	**15,959**	**140,040**	**5,505**		**165,513**
Derivatives:					
- Interest derivatives		2,286		2,286	5,664
- Currency derivatives		-523		-523	3,353
Total derivatives 2021		**1,763**		**1,763**	**9,017**
- derivatives with a positive market value		3,760		3,760	9,903
- derivatives with a negative market value		-1,997		-1,997	-886
Total derivatives 2020		**9,017**			**9,017**
Real estate:					
- real estate at fair value			33,376	33,376	32,117
- real estate for own use			1,659	1,659	1,609
Total real estate 2021			**35,035**	**35,035**	
Total real estate 2020			**33,726**		**33,726**

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	83	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	839	9,360	7,665	318	9,196	32,117	1,609
Net profit/loss	-17	6,350	43	-311	113	558	124
Supply/disposal	4	1,523	975	38	5,740	1,793	66
Sales/overdue/settlement	-517	-2,212	-746	-38	-1,846	-721	
Translation differences		-136	-495		-541	-775	-143
Other		-207				406	3
Book value 31.12.21	**309**	**14,678**	**7,443**	**8**	**12,663**	**33,376**	**1,659**

As of 31.12.21, Storebrand Livsforsikring had NOK 7 141 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS. The investments are classified as "Investment in Associated Companies/joint-controlled companies" in the Consolidated Financial Statements. Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 invests exclusively in real estate at fair value.

STOREBRAND LIVSFORSIKRING AS

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total fair value 2021	Total fair value 2020
Assets					
Equities and units					
- Equities	38,320	221	309	38,851	29,791
- Fund units		75,833	12,001	87,834	68,428
Total equities and units 2021	**38,320**	**76,055**	**12,310**	**126,685**	
Total equities and units 2020	**29,362**	**61,239**	**7,619**		**98,219**
Loans to customers					
- Loans to customers - corporate			133	133	287
Total loans to customers 2021			**133**	**133**	
Total loans to customers 2020			**287**		**287**
Bonds and other fixed income securities					
- Government bonds	9,667	282		9,949	7,661
- Corporate bonds		26,289	8	26,296	28,313
- Collateralised securities		1,227		1,227	1,097
- Bond funds		42,178	1,435	43,613	43,052
Total bonds and other fixed income securities 2021	**9,667**	**69,975**	**1,443**	**81,086**	
Total bonds and other fixed income securities 2020	**7,497**	**71,341**	**1,285**		**80,122**
Derivatives:					
- Interest derivatives		1,517		1,517	4,233
- Currency derivatives		-476		-476	2,981
Total derivatives 2021		**1,040**		**1,040**	
- derivatives with a positive market value		2,678		2,678	
- derivatives with a negative market value		-1,638		-1,638	
Total derivatives 2020		**7,214**			**7,214**

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	78	49

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	328	7,291	287	318	966
Net profit/loss	-17	5,038	-10	-311	-12
Supply/disposal	3	1,365		38	1,871
Sales/overdue/settlement	-4	-1,694	-145	-38	-1,390
Book value 31.12.21	**309**	**12,001**	**133**	**8**	**1,435**

SENSITIVITY ASSESSMENTS

EQUITIES

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

	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 31.12.21	-11	10	-11	10
Change in fair value as at 31.12.20	-12	11	-12	11

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 31.12.21	861	-861	709	-709
Change in fair value as at 31.12.20	430	-430	339	-339

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 31.12.21	1	-1	1	-1
Change in fair value as at 31.12.20	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 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 31.12.21	-29	29	-7	7
Change in fair value as at 31.12.20	-27	27	-7	7

CORPORATE BONDS

Bonds 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 31.12.21	0	0	0	0
Change in fair value as at 31.12.20	15	-15	15	-15

PROPERTIES

The sensitivity assessment for properties includes investments properties.

The valuation of property is particularly sensitive to a change in the required rate of return and the expected future cash flow. A change of 0.25 per cent in the required rate of return when everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 5.5 per cent. In the order of 25 - 30 per cent of the property's cash flow is linked to entered into leases. This means that the changes in the uncertain parts of the cash flow by 1 per cent entail a change in value of 0.70 to 0.75 per cent.

	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 31.12.21	-2 128	2 401	-1 348	1 515
Change in fair value as at 31.12.20	-1 827	2 041	-1 128	1 251

Note 14 Profit and loss account by class of business

NOK million	Group pension private sector	Group pension public sector	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance
Premium income	26,785	6,978	694	2,471	638	327
Net income from financial assets – collective portfolio	6,506	801	53	146	332	21
Net income from financial assets with investment choice	17,646			988	781	
Other insurance related income	710	16	1	81	56	
Claims	-30,466	-583	-716	-1,263	-1,287	-280
– Of which agreements terminated/withdrawals from endowment policies	-68	-177		-48	-12	
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations	-45	-6,816	30	-1	666	34
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	-18,009			-1,902	-1,002	
Funds allocated to insurance contracts contractual obligations	-986	-325		-65	-19	
Insurance related operating costs	-877	-99	-63	-228	-124	-51
Other insurance related costs	-97	-2	-32	-2	-1	-1
Technical result 2021	**1,167**	**-32**	**-33**	**225**	**39**	**50**
Technical result 2020	**786**	**-9**	**-102**	**164**	**2**	**-34**

NOK million	Storebrand Livsforsikring AS	SPP	Storebrand Livsforsikring group
Premium income	37,893	13,619	51,512
Net income from financial assets – collective portfolio	7,859	2,997	10,856
Net income from financial assets with investment choice	19,416	28,267	47,682
Other insurance related income	863	710	1,573
Claims	-34,595	-16,350	-50,945
– Of which agreements terminated/withdrawals from endowment policies	-305	-517	-305
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations	-6,132	1,699	-4,433
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	-20,913	-28,686	-49,599
Funds allocated to insurance contracts contractual obligations	-1,395		-1,395
Insurance related operating costs	-1,442	-1,017	-2,459
Other insurance related costs	-135	-29	-164
Technical result 2021	**1,417**	**1,211**	**2,629**
Technical result 2020	**808**	**805**	**1,643**

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2021	2020
Premium income	207	574	1,690	2,471	2,216
Net income from financial assets – collective portfolio	83	63		146	157
Net income from financial assets with investment choice	-		988	988	870
Other insurance related income			81	81	63
Claims	-280	-213	-770	-1,263	-1,278
Changes in insurance obligations recognised in the Profit and Loss account	-				
contractual obligations	125	-122	-5	-1	-26
Changes in insurance obligations recognised in the Profit and Loss account with investment choice			-1,902	-1,902	-1,572
Funds allocated to insurance contracts					
contractual obligations	-65			-65	-75
Insurance related operating costs	-37	-114	-78	-228	-185
Other insurance related costs	-1	-1		-2	-5
Technical result	**34**	**187**	**5**	**225**	**164**

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Investment choice	2021	2020
Premium income	18	619	638	712
Net income from financial assets – collective portfolio	332		332	362
Net income from financial assets with investment choice		781	781	505
Other insurance related income	1	55	56	45
Claims	-920		-1,287	-1,302
Changes in insurance obligations recognised in the Profit and Loss account				
contractual obligations	668	-2	666	644
Changes in insurance obligations recognised in the Profit and Loss account with investment choice		-1,002	-1,002	-826
Funds allocated to insurance contracts				
contractual obligations	-19		-19	-9
Insurance related operating costs	-58	-67	-124	-127
Other insurance related costs	-1		-1	-3
Technical result	**21**	**19**	**39**	**2**

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	2,026	39	236	1	227
Net income from financial assets – collective portfolio	810	5,452			136
Net income from financial assets with investment choice	-		2,236		
Other insurance related income	3	87	156		
Claims	-770	-6,627	-330		-452
Changes in insurance obligations recognised in the Profit and Loss account					
contractual obligations	-1,484	2,564		-2	213
Changes in insurance obligations recognised in the Profit and Loss account with investment choice			-2,187		
Funds allocated to insurance contracts					
contractual obligations	-286	-639	45		-70
Insurance related operating costs	-153	-259	-19		-17
Other insurance related costs	-6	-80			-2
Technical result	**141**	**537**	**136**	**-1**	**36**

GROUP PENSION PRIVATE INSURANCE

NOK million	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice
Premium income	973	196	1,159
Net income from financial assets – collective portfolio		7	90
Net income from financial assets with investment choice	391		
Other insurance related income	10		2
Claims	-50	-1	-60
Changes in insurance obligations recognised in the Profit and Loss account			
contractual obligations		-193	-1,066
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	-1,313		
Funds allocated to insurance contracts			
contractual obligations		-6	-29
Insurance related operating costs	-10		-97
Other insurance related costs	-0		-7
Technical result	**0**	**3**	**-6**

GROUP PENSION PRIVATE INSURANCE

NOK million	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	2021	2020
Premium income	21,559	181	188	26,785	19,408
Net income from financial assets – collective portfolio		11		6,506	9,505
Net income from financial assets with investment choice	10,765		4,255	17,646	10,006
Other insurance related income	203		247	710	706
Claims	-4,262	-111	-17,803	-30,466	-13,308
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations		-77		-45	-3,739
Changes in insurance obligations recognised in the Profit and Loss account with investment choice	-27,997		13,488	-18,009	-20,182
Funds allocated to insurance contracts contractual obligations				-986	-539
Insurance related operating costs	-205		-116	-877	-883
Other insurance related costs	-1		-1	-97	-187
Technical result	**62**	**3**	**257**	**1,167**	**786**

GROUP PENSION PUBLIC INSURANCE

NOK million	Defined benefit without investment choice	2021	2020
Premium income	6,978	6,978	613
Net income from financial assets – collective portfolio	801	801	197
Other insurance related income	16	16	
Claims	-583	-583	-452
Changes in insurance obligations recognised in the Profit and Loss account contractual obligations	-6,816	-6,816	-237
Changes in insurance obligations recognised in the Profit and Loss account with investment choice			
Funds allocated to insurance contracts contractual obligations	-325	-325	-82
Insurance related operating costs	-99	-99	-49
Other insurance related costs	-2	-2	
Technical result	**-32**	**-32**	**-9**

Note 15 Profit analysis by class of insurance

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endow-ment insurance	Annuity/ pension insurance	Non-life insurance	Storebrand Livsforsikring AS 2021	Storebrand Livsforsikring AS 2020	SPP 2021	Storebrand Livsforsikring group 2021	Storebrand Livsforsikring group 2020
Financial income [1]	25,157	543	62	1,148	1,119	24	28,054	19,939	3,910	31,964	23,930
Guaranteed yield	-22,538	-207	-32	-1,111	-1,077	-11	-24,976	-16,837	-3,217	-28,193	-20,813
- of which transferred to premium fund	-9						-9	-3		-9	-3
Investment result	**2,619**	**336**	**30**	**36**	**42**	**14**	**3,078**	**3,103**	**351**	**3,429**	**3,117**
Risk premium	13	-56	619	675	-103	273	1,421	1,577	44	1,465	1,758
Risk addition [1]	193	50	-671	-400	136	-244	-935	-1,385	105	-830	-1,376
Net reinsurance etc. 1)	-10		-32	-1		4	-38	-38	-10	-49	-41
Risk result	**196**	**-6**	**-84**	**275**	**33**	**33**	**447**	**153**	**139**	**586**	**341**
Administration premium [1]	1,504	35	84	208	127	55	2,013	1,884	1,737	3,751	3,515
Operating expenses	-877	-99	-63	-228	-124	-51	-1,442	-1,362	-1,017	-2,459	-2,360
Administration result	**628**	**-64**	**21**	**-20**	**3**	**4**	**571**	**522**	**721**	**1,292**	**1,155**
Other results [2]	51						51			51	
Premium for guaranteed interest	239	30					268	222		268	222
Risk profit	33	8					41	37		41	37
Gross result for sector	**3,765**	**305**	**-33**	**291**	**79**	**50**	**4,456**	**4,037**	**1,211**	**5,668**	**4,872**
To/from additional statutory reserve	-1,612	-11		-1	-20		-1,644	-2,524		-1,644	-2,524
Investment result to policyholders	-886	-325					-1,211	-508		-1,211	-508
Risk result to policyholders	-100						-100	-113		-100	-113
Other allocation of profit to customer				-65	-19		-84	-84		-84	-84
Profit for the year (to owner)	**1,167**	**-32**	**-33**	**225**	**39**	**50**	**1,417**	**808**	**1,211**	**2,628**	**1,643**
- of which allocated to risk equalisation fund	**114**	**-6**					**109**	**-27**		**109**	**-27**

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 2021	2020
Financial income [1]	86	74	988	1,148	1,010
Guaranteed yield	-72	-52	-988	-1,111	-999
Investment result	**15**	**22**	**-0**	**36**	**11**
Risk premium	183	487	6	675	628
Risk addition [1]	-109	-285	-6	-400	-373
Net reinsurance etc. [1]				-1	-1
Risk result	**74**	**201**	**0**	**275**	**254**
Administration premium [1]	47	78	83	208	164
Operating expenses	-37	-114	-78	-228	-185
Administration result	**11**	**-35**	**5**	**-20**	**-22**
Gross result for sector	**99**	**187**	**5**	**291**	**244**
To/from additional statutory reserve	-1			-1	-4
Other allocation of profit to customer	-65			-65	-75
Profit for the year (to owner)	**34**	**187**	**5**	**225**	**164**

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	Storebrand Livsforsikring AS 2021	2020
Financial income [1]	338	781	1,119	838
Guaranteed yield	-296	-781	-1,077	-828
Investment result	**42**	**-0**	**42**	**9**
Risk premium	-100	-2	-103	-101
Risk addition [1]	135	1	136	120
Net reinsurance etc. [1]				
Risk result	**35**	**-1**	**33**	**19**
Administration premium [1]	41	86	127	117
Operating expenses	-58	-67	-124	-127
Administration result	**-17**	**20**	**3**	**-10**
Gross result for sector	**60**	**19**	**79**	**19**
To/from additional statutory reserve	-20		-20	-8
Other allocation of profit to customer	-19		-19	-9
Profit for the year (to owner)	**21**	**19**	**39**	**2**

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]	939	6,286	2,235	159	391	8
Guaranteed yield	-468	-4,284	-2,236	-55	-391	
- of which transferred to premium fund	-8					
Investment result	**471**	**2,003**	**-0**	**104**	**0**	**8**
Risk premium	-68	-557	-87	-259		
Risk addition [1]	21	834	42	272		
Net reinsurance etc. [1]	-1	-1				
Risk result	**-48**	**276**	**-45**	**13**		
Administration premium [1]	100	486	156	23	10	1
Operating expenses	-153	-259	-19	-17	-10	
Administration result	**-53**	**227**	**137**	**5**	**0**	**1**
Other results [2]		51				
Premium for guaranteed interest	215			24		
Risk profit	**28**					
Gross result for sector	612	2,557	92	146	0	9
To/from additional statutory reserve	-185	-1,383		-40		
Investment result to policyholders	-286	-500		-64		-6
Risk result to policyholders		-139	45	-6		
Profit for the year (to owner)	**141**	**535**	**136**	**36**	**0**	**3**
- of which allocated to risk equalisation fund	**-48**	**156**		**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.

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 2021	2020
Financial income [1]	106	10,765	13	4,255	25,157	17,875
Guaranteed yield	-77	-10,765	-7	-4,255	-22,538	-14,902
- of which transferred to premium fund	-1				-9	-3
Investment result	**29**	**-0**	**5**	**-0**	**2,619**	**2,973**
Risk premium	984				13	
Risk addition [1]	-976				193	63
Net reinsurance etc. [1]	-8				-10	-27
Risk result	**0**	**-0**			**196**	**36**
Administration premium [1]	86	267	3	373	1,504	1,466
Operating expenses	-97	-205		-116	-877	-883
Administration result	**-11**	**62**	**3**	**257**	**628**	**582**
Other results [2]					51	0
Premium for guaranteed interest					239	209
Risk profit	5				33	33
Gross result for sector	**23**	**62**	**8**	**257**	**3,765**	**3,834**
To/from additional statutory reserve			-5		-1,612	-2,508
Investment result to policyholders	-29				-886	-430
Risk result to policyholders					-100	-109
Profit for the year (to owner)	**-6**	**62**	**3**	**257**	**1,167**	**786**
- of which allocated to risk equalisation fund					**114**	**-32**

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 2021	2020
Financial income [1]	543	543	143
Guaranteed yield	-207	-207	-62
Investment result	336	336	81
Risk premium	-56	-56	-7
Risk addition [1]	50	50	15
Net reinsurance etc. [1]			
Risk result	**-6**	**-6**	**9**
Administration premium [1]	35	35	19
Operating expenses	-99	-99	-49
Administration result	**-64**	**-64**	**-30**
Premium for guaranteed interest	30	30	13
Risk profit	8	8	4
Gross result for sector	**305**	**305**	**76**
To/from additional statutory reserve	-11	-11	-3
Investment result to policyholders	-325	-325	-78
Risk result to policyholders			-4
Profit for the year (to owner)	**-32**	**-32**	**-9**
- of which allocated to risk equalisation fund	**-6**	**-6**	**4**

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
2021	**106**	**10**	**4**	**981**	**141**	**21**	**1,263**
2020	305	0	11	858	125	18	1,316

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	2021	2020
Funds received						
Premium reserve	12,245	6,089	12	119	18,466	6,051
Additional statutory reserves	-20	744			724	27
Transfers of premium reserve etc.	**12,225**	**6,833**	**12**	**119**	**19,190**	**6,078**
Premium funds						
Number of policies/customers	141,240	48	106	310	141,704	9,034
Funds transferred out						
Premium reserve	-21,703		-31	-36	-21,769	-4,998
Additional statutory reserves	-15				-16	-8
Value adjustment fund	-19				-19	-15
Transfers of premium reserve etc.	**-21,737**		**-31**	**-37**	**-21,805**	**-5,021**
Premium funds						-54
Number of policies/customers	212,799		247	678	213,724	13,625

Note 18 Net financial income

NOK million	Storebrand Livsforsikring group 2021	Storebrand Livsforsikring group 2020	Storebrand Livsforsikring AS 2021	Storebrand Livsforsikring AS 2020
Interest lending	503	602	489	577
Interest bank	6	12	2	10
Interest bonds and other fixed-income securities at fair value	3,042	2,670	2,119	1,574
Interest bonds amortised cost	3,944	3,934	3,944	3,934
Interest derivatives	1,318	1,032	363	410
Interest income other	-459	-569	-221	-334
Equity dividends	636	682	636	553
Total interest income and equity dividends etc. financial assets	**8,991**	**8,365**	**7,332**	**6,726**
Revaluation of real estate	933	494		
Revaluation of equities	42,019	7,826	12,852	3,058
Revaluation bonds and other fixed-income securities	-2,066	1,225	-1,913	1,040
Revaluation derivatives	-4,847	3,915	-2,451	2,831
Revaluation loans		-5		-5
Total revaluation on investments	**36,039**	**13,455**	**8,487**	**6,925**
Profit on equities	10,947	5,857	9,417	5,220
Profit on bonds and other fixed-income securities at fair value	-190	97	-9	247
Profits on derivatives	5,458	-1,325	4,492	-2,964
Profit on bonds at amortised cost	293	450	293	450
Profit on other investments	-202	334	-202	332
Currency gains, equities	119	247	-91	634
Currency gains, bonds and other fixed-income securities	181	-21	-121	485
Currency gains, derivatives	-4,591	1,782	-3,576	1,438
Currency gains, bonds at amortised cost	1	208	1	208
Currency gains, other	-51	13	32	109
Total gains and losses on financial assets	**11,964**	**7,642**	**10,237**	**6,159**
Interest costs subordinated loans	-405	-356	-405	-356
Total interest costs	**-405**	**-356**	**-405**	**-356**

Note 19 Net income from real estate

NOK million	Storebrand Livsforsikring group 2021	Storebrand Livsforsikring group 2020
Rent income from real estate [1]	1,589	1,648
Operating costs (including maintenance and repairs) relating to real estate that have provided rent income during the period [2]	-381	-393
Result minority defined as liabilities	-183	-68
Net operating income real estate	**1,025**	**1,187**
Realised gains/losses	206	0
Change in fair value real estate	933	494
Total income real estate	**2,164**	**1,680**
1) Of which real estate for own use	104	97
2) Of which real estate for own use	-42	-42

Note 20 Other insurance related income

NOK million	Storebrand Livsforsikring group 2021	2020	Storebrand Livsforsikring AS 2021	2020
Interest income insurance	16	3	16	3
Management fee	126	127		
Other insurance relates fees	89	79	89	79
Return commissions	1330	1210	752	733
Other income	11	6	5	
Total other insurance related income	**1,573**	**1,426**	**863**	**815**

Note 21 Other income

NOK million	Storebrand Livsforsikring group 2021	2020	Storebrand Livsforsikring AS 2021	2020
Interest income on management bank deposits	3	2	3	2
Revenue from companies other than insurance	155	153		
Kickback	7			
Gain on purchase minority		17		
Gain on sale of subsidiaries	388			
Other income	13	26	9	2
Total other income	**565**	**198**	**12**	**4**

Note 22 Sales cost

NOK million	Storebrand Livsforsikring group 2021	2020	Storebrand Livsforsikring AS 2021	2020
Salaries and personnel costs own sales resources	-275	-257	-180	-161
Other sales costs own resources	-251	-258	-37	-32
Commissions to external distributors	-240	-267	-26	-22
Total sales costs	**-766**	**-782**	**-243**	**-216**
Change in deferred acquisition costs	29	68		

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 106,399 at 31 December 2021)
- 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 2.5 % in 2021.

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

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 1 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 2 per cent of salary up to and including 7.5 times the "basic income amount" and 30 per cent of salary between 7.5 and 30 times the "basic income amount".

The pension in the BTP2 agreement (defined-benefit occupational pension that is a closed scheme) amounts to 10 per cent of the annual salary up to 7.5 times the "basic income amount" (which was SEK 68,200 in 2021 and will be SEK 71.000 in 2022), 65 per cent of salary in the interval from 7.5 to 20, and 32.5 per cent in the interval from 20 to 30. No retirement pension is paid for the portion of salary in excess of 30 times the "basic income amount". Full pension entitlement is reached after 30 years of membership in the pension scheme. In addition to the defined-benefit part, the BTP plan has a smaller defined-contribution component. Here the employees can decide themselves how assets are to be invested (traditional insurance or unit-linked insurance). The defined-contribution part is 2 per cent of the annual salary.

The retirement age for SPP's CEO is 65 years. The CEO is covered by BTP1. In addition, the CEO has a defined-contribution based additional pension with SPP. The premium for this insurance is 20 per cent of salary that exceeds 30 times the "basic income amount".

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

NOK million	2021	2020
Present value of insured pension liabilities	981	1,204
Fair value of pension assets	-1,003	-1,050
Net pension liabilities/assets insured scheme	**-22**	**154**
Asset ceiling [1]	31	
Present value of unsecured liabilities	22	26
Net pension liabilities recognised in statement of financial position	31	180
Net pension liabilities recognised in statement of financial position	**31**	**180**

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	2021	2020
Pension liabilities	31	180

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

NOK million	2021	2020
Net pension liabilities 01.01	1,230	1,051
Pensions earned in the period	13	14
Interest expenses on the pension liability recognised in period	13	17
Estimate deviations	-144	72
Pensions paid	-33	-35
Pension liabilities additions/disposals and currency adjustments	-75	110
Net pension liabilities 31.12	**1,003**	**1,230**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2021	2020
Pension assets at fair value 01.01	1,050	951
Expected return	11	15
Estimate deviation	11	-16
Premiums paid	25	22
Pensions paid	-27	-30
Pension liabilities additions/disposals and currency adjustments	-67	107
Net pension assets 31.12	**1,003**	**1,050**

Expected premium payments (pension assets) in 2022	19
Expected premium payments (contributions) in 2022	128
Expected AFP early retirement scheme payments in 2022	12
Expected payments from operations (uninsured scheme) in 2022	32

PENSION ASSETS HAVE THE FOLLOWING COMPOSITION AS OF 31.12:

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
	2021	2020	2021	2020
Real estate at fair value	13 %	15 %	12 %	12 %
Bonds at amortised cost	39 %	34 %		
Loans at amortised cost	15 %	20 %	18 %	18 %
Equities and units at fair value	13 %	12 %	13 %	13 %
Bonds at fair value	19 %	17 %	57 %	57 %
Other short-term financial assets	1 %	3 %		
Total	**100 %**	**100 %**	**100 %**	**100 %**
Realised return on assets	4.5 %	4.4 %	1.9 %	4.8 %

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	2021	2020
Current service cost	13	14
Net interest cost/expected return	2	2
Total for defined benefit schemes	**14**	**16**
The period's payment to contribution scheme	159	149
The period's payment to contractual pension	17	12
Net pension cost recognised in profit and loss account in the period	**190**	**177**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2021	2020
Actuarial loss (gain) - change in discount rate	-106	89
Actuarial loss (gain) - change in other financial assumptions	-33	-12
Actuarial loss (gain) - experience DBO		-2
Loss (gain) - experience pension assets	-16	12
Investment management cost		1
Asset ceiling - asset adjustment	31	
Remeasurements loss (gain) in the period	**-124**	**88**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY 31.12

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
	2021	2020	2021	2020
Discount rate	2.0 %	1.5 %	1.8 %	1.2 %
Expected earnings growth	2.25 %	1.75 %	3.5 %	3.5 %
Expected annual increase in social security pensions	2.25 %	1.75 %		
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 31 December 2021.

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 1 January 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 31 December 2021, 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 %	10 %	-2 %	-4 %	2 %	-2 %
The period's net pension costs	-10 %	13 %	5 %	-4 %	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 106,399 at 31 December 2021)
- 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 2.5 % in 2021.

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

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

NOK million	2021	2020
Present value of insured pension liabilities	13	16
Fair value of pension assets	-34	-33
Net pension liabilities/assets insured scheme	**-21**	**-18**
Present value of unsecured liabilities	22	25
Net pension liabilities recognised in statement of financial position	**2**	**7**

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

BOOKED IN STATEMENT OF FINANCIAL POSITION

NOK Million	2021	2020
Pension assets	21	18
Pension liabilities	22	25

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

NOK million	2021	2020
Net pension liabilities 01.01	41	42
Interest expenses on the pension liability recognised in period	1	1
Estimate deviations	-2	1
Pensions paid	-4	-3
Net pension liabilities 31.12	**35**	**41**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2021	2020
Pension assets at fair value 01.01	33	35
Expected return	1	1
Estimate deviation		-2
Net pension assets 31.12	**34**	**33**

Expected premium payments (pension assets) in 2022	1
Expected premium payments (contributions) in 2022	76
Expected AFP early retirement scheme payments in 2022	12
Expected payments from operations (uninsured scheme) in 2022	4

PENSION ASSETS HAVE THE FOLLOWING COMPOSITION AS OF 31.12:

	Storebrand Livsforsikring AS	
	2021	2020
Real estate at fair value	13 %	15 %
Bonds at amortised cost	39 %	34 %
Loans at amortised cost	15 %	20 %
Equities and units at fair value	13 %	12 %
Bonds at fair value	19 %	17 %
Other short-term financial assets	1 %	3 %
Total	**100 %**	**100 %**
Realised return on assets	4.5 %	4.4 %

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	2021	2020
Total for defined benefit schemes	**0**	**0**
The period's payment to contribution scheme	83	79
The period's payment to contractual pension	12	11
Net pension cost recognised in profit and loss account in the period	**96**	**91**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2021	2020
Actuarial loss (gain) - change in discount rate	-2	3
Actuarial loss (gain) - experience DBO		-2
Investment management cost		2
Remeasurements loss (gain) in the period	**-2**	**3**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY 31.12

	2021	2020
Discount rate	2.0 %	1.5 %
Expected earnings growth	2.25 %	1.75 %
Expected annual increase in social security pensions	2.25 %	1.75 %
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 31 December 2021.

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 1 January 2015, the sensitivity has not been calculated.

Note 24 Remuneration of senior employees and elected officers of company

Geir Holmgren is CEO of Storebrand Livsforsikring AS. He 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 employees. The bonus scheme is linked to the company's value creation as well as individual performances.

NOK thousand	Ordinary salary [1)]	Other benefits [2)]	Total remuneration for the year	Pension accrued for the year	Post termination salary (months)	Loan [3)]	No. of shares owned [4)]
Geir Holmgren	5,025	202	5,227	945	12	6,035	100,770
Odd Arild Grefstad	7,638	185	7,823	1,493	24	5,384	221,242
Lars Aa. Løddesøl	5,900	201	6,101	1,130	18	10,000	140,384
Heidi Skaaret	5,053	177	5,230	950	12	3,009	110,379
Karin Greve-Isdahl	3,210	41	3,251	566	12	18,598	29,551
Trygve Håkedal	3,527	41	3,568	629	12	8,989	24,848
Tove Selnes	3,215	168	3,382	562	12	11,282	29,538
Terje Løken [5)]	3,527	158	3,686	629	12	6,786	24,695
Staffan Hansèn	6,528	28	6,555	1,682	12		99,083
Jan Erik Saugestad	6,531	153	6,684	1,256	12	1,200	120,176
Total 2021	**50,154**	**1,354**	**51,507**	**9,842**		**71,284**	**900,666**
Total 2020	47,812	1,498	49,310	9,598		69,128	664,613

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) Resigned from his position on 31 December 2021. Since Løken will commence in a different position outside of the Storebrand Group, he will not receive severance pay.

NOK thousand	Remuneration	No. of shares owned [1]	Loan [2]
The board			
Odd Arild Grefstad		221,242	5,384
Jan Otto Risebrobakken		8,962	5,386
Hans Henrik Klouman	236		
Vibeke Hammer Madsen	236	780	
Martin Skancke	236	30,000	
Trond Thire	101	595	7,250
Mari Tårnesvik Grøtting	101	560	3,729
Jørn Hilstad	57	1,960	4,340
Hanne Seim Grave	52	325	1,932
Total 2021	**1,020**	**264,424**	**28,021**
Total 2020	1,662	234,902	20,818

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 629 million.

Note 25 Remuneration paid to auditors

The Storebrand Group has PwC as external auditor.

	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
NOK million	2021	2020	2021	2020
Statutory audit	-5.3	-6.2	-1.8	-1.5
Other reporting duties	-0.4	-0.3	-0.4	0.0
Tax advice	0.0	0.0	0.0	0.0
Other non-audit services	-0.5	-0.2	-0.5	-0.2
Total remuneration to auditors	**-6.2**	**-6.6**	**-2.6**	**-1.7**

The amounts are excluding VAT.

Note 26 Other insurance related expenses

	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
NOK million	2021	2020	2021	2020
Pooling	-60	-69	-38	-44
Interest cost for insurance	-91	-75	-91	-75
Discount management fee		-51		-51
Yield tax	-4	-4		-1
Losses on policyholders	-7	-81	-7	-80
Other expenses	-3	2		4
Total other insurance related expenses	**-164**	**-279**	**-135**	**-247**

Note 27 Other costs

NOK million	Storebrand Livsforsikring group 2021	2020	Storebrand Livsforsikring AS 2021	2020
Borrowing costs	-405	-356	-405	-356
Amortisation of intangible assets	-366	-372	-29	-28
Other costs	-76	-52	-46	-8
Operational costs - non insurance	-92	-95		
Total other costs	**-939**	**-875**	**-481**	**-392**

Note 28 Tax

NOK million	Storebrand Livsforsikring group 2021	2020	Storebrand Livsforsikring AS 2021	2020
Tax payable	-35	-32		
Change deferred tax	-528	376	-504	369
Total tax charge	**-563**	**344**	**-504**	**369**

RECONCILIATION OF EXPECTED AND ACTUAL TAX EXPENSES

NOK million	Storebrand Livsforsikring group 2021	2020	Storebrand Livsforsikring AS 2021	2020
Pre-tax profit	2,725	1,336	3,149	1,390
Expected income tax at nominal rate	-681	-334	-787	-347
Tax effect of				
realised/unrealised shares	1	227	1	124
share dividends received	2		303	244
associated companies		-4		
profit subject to yield tax	161	82		
permanent differences	-5	-94	-4	
deferred tax on the increase in value of real estate for customer assets [1)]	-582	-566		
deferred tax on the increase in value of real estate for customer assets covered by customer returns [1)]	582	566		
change in tax rate	-25			
Changes from previous years	-16	467	-16	349
Total tax charge	**-563**	**344**	**-504**	**369**
Effective tax rate [2)]	21 %	-26 %	18 %	18 %

TAX EXPENSES ON OTHER COMPREHENSIVE INCOME ELEMENTS

NOK million	2021	2020	2021	2020
Tax on other comprehensive income elements not to be reclassified to profit/loss	10	10	14	8
Total tax expenses on other comprehensive income elements	**10**	**10**	**14**	**8**

CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
NOK million	2021	2020	2021	2020
Tax-increasing temporary differences				
Securities	3	158	3	158
Real estate [1]	2,748	2,696		
Fixed assets	25	24	25	17
Gain-/loss account	13	19	15	19
Other	371	443	100	117
Total tax-increasing temporary differences	**3,160**	**3,340**	**143**	**311**
Tax-reducing temporary differences				
Accrued liabilities	-7	-8		
Accrued pension liabilities		-1		
Gain-/loss account		-3	-2	-3
Total tax-reducing temporary differences	**-7**	**-12**	**-2**	**-3**
Carry forward losses	-3,330	-6,530	-3,327	-6,496
Basis for net deferred tax and tax assets	**-177**	**-3,202**	**-3,186**	**-6,187**
Net deferred tax assets/liabilities in balance sheet [3]	**-437**	**-1,077**	**-797**	**-1,547**
Recognised in balance sheet				
Deferred tax assets	1,058	1,723	797	1,547
Deferred tax liability	622	647	0	0

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 was changed to 20.6 per cent for 2021, from 21.4 per cent in 2020.

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 has in May 2021 challenged the decision to the Norwegian Tax Appeals Committee. Storebrand considers it to be probable that Storebrand's understanding of the tax legislation will be accepted by the Tax Appeals Committee or a court of law, and thus, no additional uncertain tax position has been recognised in the financial statements based on the received decision. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.2 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise.

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

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

Storebrand has reviewed the uncertain tax positions as part of the annual 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

	Intangible assets					
NOK million	IT- systems	Value of business in force	Other intangible assets	Goodwill	2021	2020
Acquisition cost 01.01	914	10,602	705	831	13,052	11,612
Additions in the period:	188		7		195	236
Developed in-house	13				13	45
Purchased separately	175		7		182	191
Currency differences	-23	-679	-46	-53	-801	1,204
Acquisition cost 31.12	**1,078**	**9,923**	**666**	**778**	**12,445**	**13,052**
Accumulated depreciation & write-downs 01.01	-367	-7,954	-705	0	-9,026	-7,789
Write-downs in the period	-10				-10	
Amortisation in the period	-107	-365	-1		-473	-409
Currency differences	3	527	46		576	-828
Accumulated depreciation & write-downs 31.12	**-481**	**-7,792**	**-659**	**0**	**-8,932**	**-9,026**
Book value 31.12.21	**598**	**2,131**	**6**	**778**	**3,513**	
Book value 31.12.20	**548**	**2,648**		**831**		**4,026**

SPECIFICATION OF INTANGIBLE ASSETS

NOK million	Useful economic life	Depreciation rate	Depreciation method	Book value 2021	Book value 2020
Value of business in force Silver acquisition	10 years	10 %	Straight line	168	197
IT systems	5 years/10 years	20%/10%	Straight line	598	548
Value of business inforce SPP	20 years	5 %	Straight line	1,963	2,451
Other intangible assets (customer lists and brand name etc.)	5 years	20 %	Straight line	6	

GOODWILL DISTRIBUTED BY BUSINESS ACQUISITION

NOK million	Acquisition cost 01.01.21	Book value 01.01.21	Additions/ disposals	Currency differences	Book value 31.12.21	Book value 31.12.20
Goodwill on acquisitions of SPP	831	831		-53	778	831
Total	**831**	**831**		**-53**	**778**	**831**

Goodwill is not amortised but tested annually for impairment.

STOREBRAND LIVSFORSIKRING AS

NOK million	IT- systems	Value of business in force	Other intangible assets	Sum 2021	Sum 2020
Acquisition cost 01.01	544	281		825	691
Additions in the period:	131		7	138	135
Developed in-house	13			13	45
Purchased separately	118		7	125	90
Acquisition cost 31.12	**675**	**281**	**7**	**963**	**825**
Accumulated depreciation & write-downs 01.01	-322	-84		-406	-353
Amortisation in the period	-72	-28	-1	-101	-53
Accumulated depreciation & write-downs 31.12	-395	-112	-1	-508	-406
Book value 31.12.	**281**	**169**	**6**	**455**	**419**

NOK million	Useful economic life	Depreciation rate	Depreciation method	Book value 2021	Book value 2020
IT systems	5 years	20 %	Straight line	281	222
Value of business in force Silver acquisition	10 years	10 %	Straight line	168	197
Other intangible assets	5 years	20 %	Straight line	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 2025 to 2031, 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 1.7 per cent is used. This is lower than Riksbanken's inflation target of 2.0 per cent, but is consistent with the risk-free interest rate used in the required rate of return. 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 6.7 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 Forsikring AS 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 customer portfolio from Insr is integrated into Storebrand's business and primarily Storebrand Forsikring AS and the Insurance segment. 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.

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 2021	Total 2020
Financial assets							
Bank deposits	9,139					9,139	12,508
Shares and units				278,056		278,056	230,548
Bonds and other fixed-income securities	114,383	8,441		158,533		281,358	278,746
Loans to customers	23,052			7,443		30,495	31,435
Accounts receivable and other short-term receivables	9,681					9,681	6,200
Derivatives			3,760			3,760	9,903
Total financial assets 2021	**156,255**	**8,441**	**3,760**	**444,032**	**0**	**612,488**	**0**
Total financial assets 2020	**142,686**	**13,026**	**9,903**	**403,726**	**0**		**569,341**
Financial liabilities							
Subordinated loan capital					10,865	10,865	8,834
Derivatives			1,997			1,997	886
Other current liabilities					13,298	13,298	15,556
Total financial liabilities 2021	**0**		**1,997**	**0**	**24,163**	**26,160**	
Total financial liabilities 2020	**0**		**886**	**0**	**24,390**		**25,277**

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 2021	Total 2020
Financial assets							
Bank deposits	5,245					5,245	8,153
Shares and units				126,685		126,685	98,219
Bonds and other fixed-income securities	114,383	8,441		81,086		203,910	193,355
Loans to customers	23,051					23,051	23,770
Accounts receivable and other short-term receivables	7,470					7,470	2,512
Derivatives			2,678			2,678	7,615
Total financial assets 2021	**150,149**	**8,441**	**2,678**	**207,770**	**0**	**369,039**	
Total financial assets 2020	**134,642**	**13,026**	**7,615**	**178,342**	**0**		**333,624**
Financial liabilities							
Subordinated loan capital					10,865	10,865	8,834
Derivatives			1,638			1,638	401
Other current liabilities					10,593	10,593	10,413
Total financial liabilities 2021	**0**		**1,638**	**0**	**21,459**	**23,096**	
Total financial liabilities 2020	**0**		**401**	**0**	**19,248**		**19,649**

Note 31 Real estate

TYPE OF REAL ESTATE

NOK million	2021	2020	2021 Required rate of return % 1)	2021 Average duration of lease (years) 3)	2021 Square meter
Office buildings (including parking and storage):					
Oslo-Vika/Filipstad Brygge	8,715	8,435	3.25 - 3.75	5.9	94,165
Rest of Greater Oslo	4,988	4,811	4.00 - 5.35	4.1	85,225
Office buildings in Sweden	724	790	4.4	3.7	16,987
Shopping centres (including parking and storage)					
Rest of Norway	5,611	5,497	5.00 - 6.30	3.4	180,173
Trading Sweden 2)	2,807	2,693	5.2	5.0	112,329
Car parks					
Multi-storey car parks in Oslo	933	858	4.2	1.0	27,393
Multi-storey car parks in Sweden			0.0		
Other real estate:					
Cultural/conference centres in Sweden		270	0.0		
Housing Sweden 2)	3,905	2,589	3.2	0.2	90,191
Hotel Sweden 2)	2,550	2,692	4.2	11.4	35,872
Service real estate Sweden 2)	2,434	2,750	4.3	10.0	49,579
Development project Norway	709	683	7.6		38,820
Conferance center Norway		50			
Total investment properties	**33,376**	**32,117**			**730,734**
Real estate for own use	1,659	1,609			
Total real estate	**35,035**	**33,726**			**730,734**

1) The real estate are valued on the basis of the following effective required rate of return (including 2.0 per cent inflation):
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).
3) The average duration of the leases has been calculated proportionately based on the value of the individual properties.

As of 31.12.21, Storebrand Livsforsikring had NOK 7 141 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS. 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 2021, a total of 8.0 per cent (7.4 per cent) of the floor space in the lettable properties was vacant.
The vacancy related to areas with ongoing development projects is 91.8 percent (78.6 percent)
At the end of 2021, a total of 10.7 per cent (13.8 per cent) of the floor space in the investment properties was vacant.
Sweden
At the end of 2021, a total of 0.5 per cent of the floor space in the investment properties was vacant.

TRANSACTIONS:

Purchases: Further SEK 539 millions in property acquisitions in SPP have been agreed on in 4 quarter 2021 in addition to the figures that has been finalised and included in the financial statements as of 31 December 2021.
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 2021.

REAL ESTATE FOR OWN USE

NOK million	2021	2020
Book value 01.01	1,609	1,375
Additions	27	8
Revaluation booked in balance sheet	124	72
Depreciation	-13	-14
Write-ups due to write-downs in the period	12	13
Currency differences from converting foreign units	-106	108
Other change	6	48
Book value 31.12	**1,659**	**1,609**
Acquisition cost opening balance	559	551
Acquisition cost closing balance	586	559
Accumulated depreciation and write-downs opening balance	-692	-677
Accumulated depreciation and write-downs closing balance	-705	-692
Allocation by company and customers:		
Properties for own use - company		
Properties for own use - customers	1,659	1,609
Total	**1,659**	**1,609**

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

SPECIFICATION OF SUBSIDIARIES WITH SUBSTANTIAL MINORITY (100% FIGURES)

	Værdalsbruket [1]	
NOK million	2021	2020
Assets		277
Liabilities		2
Equity - majority		206
Equity - minority		69
Ownership interest - minority		25
Voting rights as a percentage of the total number of shares		25
Income		31
Result after tax		29
Total comprehensive income		29
Dividend paid to minority		

1) Værdalsbruket is sold during 2021

OWNERSHIP INTERESTS IN ASSOCIATED AND JOINT-CONTROLLED COMPANIES STOREBRAND LIVSFORSIKRING GROUP

NOK million	Business location	Share of interest	Profit	Book value 31.12.21	Book value 31.12.20
Norsk Pensjon AS	Oslo	25 %			
Inntre Holding AS [2]	Steinkjer				127
Storebrand Eiendomsfond Norge KS	Oslo	31 %	398	4 089	3 694
Ruseløkkveien 26 AS [1]	Oslo	50 %	402	3 259	2 472
Pensjonskontoregisteret AS	Oslo	27 %			
Försäkringsgirot AB	Stockholm	17 %	3	8	5
Visit Karlstad [2]	Karlstad				0
Associated and joint-controlled companies Storebrand Livsforsikring group			**803**	**7 355**	**6 299**

1) Joint-controlled company

2) Company is sold during 2021

OWNERSHIP INTERESTS IN SUBSIDIARIES, ASSOCIATED AND JOINT-CONTROLLED COMPANIES STOREBRAND LIVSFORSIKRING AS

NOK million			Book value 31.12		
Company	Share of interest	Share of votes	2021	2020	Profit 2021
Storebrand Pensjonstjenester AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	18	18	
AS Værdalsbruket, 7660 Vuku [1]				54	564
Storebrand Holding AB, Stockholm	100.0	100.0	12,457	13,034	943
Storebrand Eiendom Trygg AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	14,601	14,148	700
Storebrand Eiendom Vekst AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	5,919	5,580	438
Storebrand Eiendom Utvikling AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	836	796	-7
Storebrand Eiendomsfond Invest AS, Professor Kohts vei 9, 1327 Lysaker	100.0	100.0	3,918	3,694	398
Benco Insurance Holding BV, Nederland [2]				110	
Storebrand Infrastructure Holding S.a.r.l, Luxembourg [1]				71	
Subsidiaries			**37,749**	**37,506**	**3,036**
Norsk Pensjon AS, Hansteensgate 2, 0253 Oslo	25.0	25.0	1	1	
Pensjonskontoregisteret AS, Oslo	27.2	27.2	1	1	
Ruseløkkveien 26, Oslo	50.0	50.0	3,259	2,472	402
Associated and joint-controlled companies			**3,261**	**2,474**	**402**
Total investment in subsidiaries, associated and joint-controlled companies			**41,010**	**39,980**	**3,438**

All transactions with assosiated companies are om market terms.

1) Company is sold during 2021

2) The company is liquidated during 2021

Note 33 Bonds at amortised cost

LOANS AND RECEIVABLES

	2021		2020	
NOK million	Book value	Fair value	Book value	Fair value
Government bonds	25,536	26,940	24,564	27,327
Corporate bonds	70,854	71,189	66,944	71,750
Structured notes	17,993	17,581	8,699	1,510
Total bonds at amortised cost	**114,383**	**115,710**	**100,207**	**100,588**
Modified duration		8.0		6.6
Average effective yield	3.0 %	2.5 %	1.6 %	1.7 %

BONDS HELD TO MATURITY

	2021		2020	
NOK million	Book value	Fair value	Book value	Fair value
Corporate bonds	8,441	9,103	13,026	14,244
Total bonds at amortised cost	**8,441**	**9,103**	**13,026**	**14,244**
Modified duration		3.5		3.1
Average effective yield	4.3 %	2.0 %	4.4 %	1.1 %

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	33	33
B2Holding AS	992249986	8	8
Buskerud Telemark Vestfold Investeringsfond AS	978661459		
DnB	981276957	315	316
Entra ASA	999296432	22	22
Gjensidige Forsikring ASA	995568217	92	92
NMI Frontier Fund KS	993147044	32	32
NMI Fund III KS	993147044	20	20
NMI Global Fund KS	993147044	18	18
Norwegian Microfinance Initiative AS	993147044	13	13
Olav Thon Eiendomsselskap	914594685	2	2
SpareBank 1 SMN	937901003	13	13
Sparebank 1 SR-Bank G	937895321	16	16
Total finance industry Norwegian companies		**584**	**585**
Other equities			
ADEVINTA ASA-B	921796226	43	43
Aker BP ASA	989795848	38	38
Equinor ASA	923609016	310	311
Mowi ASA	964118191	161	162
Norsk Hydro	914778271	175	175
Orkla	910747711	104	104
SalMar	960514718	55	55
Schibsted A	933739384	44	44
Schibsted B	933739384	39	39
Telenor	982463718	196	197
Tomra Systems	927124238	82	82
Yara International	986228608	158	159
Other Norwegian equities		356	356
Total other Norwegian equities		**1,762**	**1,764**

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Equities in foreing companies			
Finance industry			
3I Group		19	19
ABN AMRO Group NV		5	6
Aegon NV		12	12
Aflac Inc.		29	29
Ageas (BE)		1	1
AGNC Investment Corp (REIT)		13	14
AIA Group Ltd		74	76
Alexandria Real Estate Equities Inc		18	18
ALLEGHANY CORP		14	14
Allianz SE		107	109
Allstate Corp		19	20
Ally Financial Inc		15	16
American Express		67	69
American Financial Group Inc/OH		18	18
American International Group		54	55
American Tower Corp (REIT)		87	89
Ameriprise Financial		21	21
Amp Ltd.		2	2
Annaly Capital Management Inc (REIT)		17	17
Aon Corp		52	54
Aozora Bank Ltd		4	4
Apollo Global Management Inc		12	12
Arch Capital		4	4
Ascendas Real Estate Investment Trust (REIT)		4	4
Assicurazioni General		26	27
Assurant		2	2
ASX Ltd		1	1
Athene Holding Ltd		15	15
Aust & Nz Bank Group		41	42
AvalonBay Communities Inc (REIT)		49	49
Aviva PLC		30	30
Axa		52	53
AXA Equitable Holdings Inc		9	9
Azrieli Group		18	18
Banco Bilbao Vizcaya Argentaria S.A.		15	15
Banco BPM SpA			
Banco de Sabadell			
Banco Espirito Santo SA (delisted)			
Banco Santander		33	34
Bank Kyoto		3	3
Bank of America Corp		259	265
Bank of Cyprus Holdings PLC (GBP)			
Bank of East Asia			

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Bank of Montreal		67	69
Bank of New York Mellon		42	43
Bank of Nova Scotia		67	69
Bankinter		1	1
Barclays Bank		21	21
Berkshire Hathaway B		51	59
Blackrock		91	94
Blackstone Group LP/The		53	54
BNP Paribas		45	47
BOC Hong Kong Holdings		5	5
Boston Properties Inc (REIT)		29	30
Brighthouse Financial Inc			
British Land Co PLC (REIT)		7	7
Brown & Brown		2	2
Caixabank		2	2
Camden Property Trust (REIT)		9	9
Canadian Imperial Bank of Commerce		29	29
Capital One Financial		46	47
CapitaLand Integrated Commercial Trust (REIT)		11	11
Carlyle Group Inc/The			
CBOE Global Markets INC.		7	8
CBRE Group Inc		26	27
Charles Schwab Corp		86	89
Chiba Bank		4	4
Chubb Ltd		73	75
Ci Financial Corp		14	14
Cincinnati Finc. Corp		7	8
Citigroup		98	100
Citizens Financial Group Inc		17	18
City Developments		31	31
CK Asset Holdings Ltd			1
CME Group Inc/IL		48	50
CNP Assurances		27	27
Comerica Inc		21	21
Commerzbank AG		4	4
Commonwealth Bank of Australia		93	95
Concordia Financial Group Ltd			
Credit Agricole		21	21
Credit Suisse Group RG		14	14
Crown Castle International Corp (REIT)		62	64
Dai-Ichi Life Holdings, INC		13	13
Daito Trust Const		2	2
Daiwa House Industry		26	26
Daiwa House Residential Investment Corp		9	10
Daiwa Securities		1	1
Danske Bank A/S			

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
DBS Group Holdings Limited		31	32
Deutsche Bank		10	11
Deutsche Boerse		14	14
Digital Realty Trust Inc (REIT)		33	34
Discover Financial Services		23	23
Duke Realty Corp (REIT)		20	21
East West Bancorp Inc		6	6
Equinix Inc (REIT)		62	64
Equity Residential (REIT)		19	19
Erie Indemnity Co			
Erste Group Bank AG		10	10
Essex Property Trust Inc		10	10
Everest Re Group		6	6
EXOR NV		21	22
Extra Space Storage Inc		14	15
FactSet Research Systems Inc		3	4
Fairfax Financial Holdings Inc		7	8
Federal Realty Investment Trust (REIT)		4	4
Fifth Third Bancorp		7	8
FinecoBank Banca Fineco SpA			
First Republic Bank/CA		14	14
FNF Group		7	8
Franklin		1	1
Fukuoka Financial Group		4	4
Gecina SA (REIT)		29	29
Globe Life Inc		1	1
Goldman Sachs		98	100
GPT Group (REIT)		9	10
Groupe Bruxelles Lambert		2	2
H&R Real Estate Investment Trust (REIT)		4	4
Hachijuni Bank Ltd			
Hang Lung Properties		1	1
Hang Seng Bank		7	7
Hannon Armstrong Sustainable Infrastructure Capita		7	7
HARGREAVES LANSDOWN PLC		2	2
Hartford Financial Services		18	18
Healthpeak Properties Inc		18	18
Henderson Land		1	1
Hong Kong Exchanges & Clearing		41	43
Hongkong Land Holdings		0	1
HSBC Holdings (GBP)		75	77
Huntington Bancshares		7	7
Hysan Development		1	1
iA Financial Corp Inc		4	4
ICADE (REIT)		4	4
IGM Financial Inc		35	35

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Industrivaerden A			4
Ing-Groep		34	35
Insurance Australia Group		3	3
Intact Financial Corp			1
Intercontinental Exchange Inc		47	49
Intesa SanPaolo		22	22
Invesco Ltd USA		14	14
Investec Plc		6	6
Investment AB Kinnevik (B)		3	10
Investor AB-B		16	57
Iron Mountain Inc (REIT)		22	22
J.P Morgan Chase and Co		341	349
Japan Exchange Group Inc		1	1
Japan Post Bank Co Ltd		3	3
Japan Post Holdings Co Ltd		9	10
Japan Post Insurance Co Ltd		2	2
Japan Real Estate Investment Corp (REIT)		2	2
Japan Retail Fund Investment Corp (REIT)		2	2
Jones Lang LaSalle Inc		8	8
Julius Baer Group Ltd		1	1
KBC GROEP NV		25	25
Kerry Properties			
Keycorp		14	14
Kingston Financial Group Ltd			
KK DA Holdings (delisted)			
KKR & Co Inc		20	20
Klepierre (REIT)		10	10
Land Securities Group PLC (REIT)		8	8
Legal & General Group		42	43
LendLease Group		8	8
Lincoln National Corp		21	21
Link REIT (REIT)		9	9
Lloyds Banking Group PLC		27	27
Loews Corp		2	2
M&G PLC		5	5
M&T Bank Corp		3	3
Macquarie GP LTD		32	33
Magellan Financial Group Ltd		4	4
Manulife Financial		44	45
Mapfre SA		1	1
Markel Corp		8	8
MarketAxess Holdings Inc		2	2
Marsh & Mclennan Cos		66	68
Mebuki Financial Group Inc		4	4
Medibank Pvt Ltd		1	1
Mediobanca SpA		1	1
Metlife		27	28

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Mid-America Apartment Communities Inc		3	4
Mirvac Group (REIT)		30	31
Mitsubishi Estate		7	7
Mitsubishi UFJ Holdings Group		41	42
Mitsui Fudosan		14	14
Mizuho Financial Group		16	17
Moody's		34	35
Morgan Stanley		112	114
MS&AD Insurance Group Holdings		2	2
MSCI Inc		26	27
Muenchener Rueckversicherungs RG		27	28
Nasdaq Inc		6	6
National Australian Bank		47	49
National bank of Canada		11	11
Natwest Group PLC		4	5
Nedbank Group		1	1
New World Development		2	2
New York Community Bancorp			
Ninety One PLC		2	2
Nippon Building Fund Inc (REIT)		2	2
Nippon Prologis REIT Inc		7	7
NN Group NV		18	18
Nomura Holdings		13	13
Nomura Real Estate Holdings		3	3
Nomura Real Estate Master Fund Inc/New		9	9
Nordea Bank Abp		2	17
Northern Trust Corporation		19	19
Old Mutual Ltd		3	3
Onex Corp		28	28
Orix		17	17
Overseas-Chinese Bank		7	8
Peoples United Financial		4	4
PNC Financial Services		76	77
Poste Italiane SpA		20	20
Power Corp. of Canada		6	6
Principal Financial Grp		17	17
Progressive Corp		42	43
Prologis Inc (REIT)		102	104
Prudential		56	57
Prudential Financial Inc		35	36
Public Storage (REIT)		31	32
QBE Insurance Group		12	12
Raiffeisen Intl Bank		3	3
Realty Income Corp		20	21
Regency Centers Corp (REIT)		25	25
Regions Financial		7	7
Reinsurance Group of America Inc		6	6

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Renaissancere Holdings		9	9
Resona Holdings		2	2
RioCan Real Estate Investment Trust (REIT)		5	6
Royal Bank of Canada		129	133
S&P Global Inc		82	84
Scentre Group (REIT)		7	7
Schroders		2	2
SCOR SE		4	4
Segro PLC (REIT)		2	2
Sei Investments Co			
Shizuoka Bank			
Signature Bank/New York NY		6	6
Simon Property Group Inc (REIT)		40	41
Singapore Exchange		9	9
Sino Land			
Skandinaviska Enskilda Banken A		24	43
SmartCentres Real Estate Investment Trust		3	3
Societe Generale		13	13
Sompo Holdings Inc		8	8
Standard Chartered		4	4
State Street		23	24
Stockland (REIT)		4	4
Sumitomo Mitsui Financial Group		6	6
Sumitomo Mitsui Trust Holdings		14	14
Sumitomo Realty & Dev		4	4
Sun Hung Kai Properties		5	5
Sun Life Financial Inc		13	13
Suncorp Group Holding		6	6
SVB Financial Group		26	26
Svenska Handelsbanken A		2	17
Swedbank AB (A shs)		2	18
Swire Pacific		3	3
Swire Properties Ltd		6	6
Swiss Re Ltd		18	18
Synchrony Financial		10	11
T Rowe Price Group Inc		19	19
T&D HOLDINGS		14	14
The Travelers Companies, Inc.		36	37
Tokio Marine Holdings, Inc.		18	18
Tokyo Century Corp		1	1
Tokyu Fudosan Holdings, Corp		3	3
Toronto - Dominion Bank (CAD)		107	110
TRUIST FINANCIAL CORP		56	57
Tryg			
UBS Group AG		52	53
UDR Inc (REIT)		9	10

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
UmweltBank AG			
UniCredit SPA		10	10
United Overseas Bank		9	9
United Urban Investment Corp (REIT)		1	1
Unum Group		6	6
US Bancorp		41	43
Ventas Inc (REIT)		9	9
Vonovia SE		4	5
Vornado Realty Trust (REIT)		25	25
Voya Financial Inc		6	6
Wells Fargo		13	16
WELLS FARGO & CO DIVIDEND EQUALIZATION PFD			
Welltower Inc		19	19
Westpac Banking Corp		28	29
Weyerhaeuser Co (REIT)		58	59
Wharf		1	1
Willis Towers Watson Plc		20	21
WR Berkley		5	6
Zions Bancorporation		8	8
Zurich Financial Services AG		34	36
Total finance industry foreign companies		**6,190**	**6,464**
Other equities			
3M CO		75	78
ABB (CHF)		106	107
Abbott Laboratories		162	166
Abbvie		153	157
Accenture PLC		182	187
Adobe Inc		192	197
Advanced Micro Devices		113	115
Agilent Technologies		41	42
Air Products & Chemicals		65	66
Alphabet Inc Class A		540	554
Alphabet Inc Class C		496	510
Amazon Com		878	903
American Water Works Co Inc		182	184
Amgen		60	62
Anthem Inc		88	89
Antofagasta Plc		51	52
Apple Inc		1,737	1,785
Applied Materials		116	118
APTIV PLC.		63	64
Archer-Daniels-Midland		40	41
ASML Holding NV		172	178
Assa Abloy B		14	43
Astrazeneca (GBP)		120	123

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
AT&T Inc		133	136
Atlas Copco AB		32	93
Autodesk		54	55
Automatic Data Processing		64	66
Bakkafrost P/F		62	62
Becton Dickinson & Co		49	50
Block,Inc		46	47
Booking Holdings Inc		58	59
Boston Scientific		39	40
Bristol-Myers Squibb		109	112
Broadcom Inc		180	185
Canadian National Railway		54	56
Caterpillar		73	75
Charter Communications, Inc. - A		45	47
Cie Financiere Richemont SA		46	47
Cisco Systems		215	220
Coca-Cola		205	210
Colgate Palmolive		40	42
Comcast Corp A		130	133
Costco Wholesale		39	45
CSL Ltd		57	59
CSX		83	85
CVS Health		85	88
Daikin Industries		96	97
Daimler		58	59
Danaher Corp		153	157
Deere & Co		82	83
Deutsche Telecom		63	64
Dover		51	51
Dow Inc		45	46
EDP Renovaveis SA		51	51
Edwards Lifescienc		59	61
Eli Lilly & Co		156	159
Emerson Electric		45	46
Ericsson LM-B SHS		23	55
Estee Lauder Cos A		66	67
Ford Motor Co		79	80
General Mills		56	57
GETLINK		77	78
Gilead Sciences Inc		63	64
GlaxoSmithkline		125	127
Hancock Timberland VIII Inc		214	214
Home Depot		277	284
HP Inc		40	41
Hydro One Ltd		54	54
Illinois Tool Works		64	66

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Infineon		66	67
Intel		122	126
International Business Machines Corp		76	78
International Flavors & Fragrances Inc		43	44
Intuit		129	132
Intuitive Surgical		81	83
Kellogg Co		40	40
KERING		48	49
Keyence		65	67
Lam Research Corp		66	68
Legrand		53	53
Linde PLC		201	205
L'Oreal SA		104	106
Lowe's Cos Inc		111	114
Magna A		41	41
Mastercard Inc		193	199
McDonald's Corp		175	179
Medtronic PLC		99	102
Merck		49	50
Merck & Co		147	151
Meta Platforms, Inc		484	497
Micron Technology		65	67
Microsoft		1,436	1,475
Moderna Inc		56	57
Mondelez International Inc		102	104
Nestle		268	275
Netflix Inc		167	172
Newmont Corp		74	75
NIKE Inc - B		123	126
Nokia A		43	43
Novo-Nordisk B		101	105
Nucor Corp		45	45
NVIDIA		496	508
NXP Semiconductors NV		39	40
Old Dominion Freight Line Inc		40	40
Oracle Corporation		116	119
Palo Alto Networks Inc		54	55
PAYPAL HOLDINGS INC		134	138
Pepsico Inc		232	237
Pfizer		244	250
Procter & Gamble		266	273
Qualcomm		126	129
Recruit Holdings Co Ltd		51	52
Relx Plc		52	53
Republic Services		89	90
Roche Holding Genuss		211	217

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Rockwell Automation Inc		50	51
Roper Technologies		50	51
Salesforce.Com Inc		166	170
Sanofi		93	96
Sap SE		110	113
Stryker Corp		50	52
Suez		62	62
Sysco Corp		51	52
Target Corporation		89	91
Terna Rete Elettrica Nazionale SpA		66	67
Tesla Inc		104	118
Texas Instruments		113	116
Thermo Fisher Scientific Inc		177	181
Thomson Reuters Corp		71	71
T-Mobile US Inc		53	54
Tokyo Electron		100	102
Toyota Motor		118	121
Uber Technologies Inc		40	41
Unilever GB		88	91
Union Pacific Corp		131	134
United Health Group		308	317
United Parcel Services		66	68
United Utilities Water PLC		69	69
Verbund AG		63	63
Verizon Communications		146	151
Vestas Wind System		52	52
Vinci		71	72
Visa Inc - Class A shares		270	276
Vodafone Group		75	76
Volvo B		13	47
Walgreens Boots Alliance Inc		59	59
Walt Disney		174	179
Waste Connections Inc		58	58
Waste Mangement		134	135
WSP Global Inc		41	41
WW Grainger Inc		47	47
Xylem Inc		84	84
ZOETIS INC		109	111
Other equities foreign		9,283	10,097
Total other equities foreign companies		**30,314**	**31,799**
Total equities		**38,851**	**40,611**
Of which listed equities		38,527	40,287
Fund units			
Aktiv Påverkan R2 - B			248
Aktiv Påverkan R5 - A			196

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Aktiv Påverkan R5 - B			607
AMF Räntefond Kort			129
BlackRock Global Allocation USD			111
BlackRock World Gold USD			150
BNP Paribas Global Environment			112
Brummer Multi-Strategy			907
Brummer Multi-Strategy 2xL			1,401
Carnegie Fastighetsfond Norden			254
Carnegie Sverigefond			633
Carnegie Total			135
Cicero Hållbar Mix			273
Contrarian 65 - A			236
Contrarian 65 - B			662
Cubera International Private Equity 20 Class B-5		113	258
Cubera International Private Equity 20 Class B-6		486	486
Cubera International Private Equity 21 Class B-6		130	130
DEAS Eiendomsfond Norge 1 IS		184	184
Delphi Europe A		93	93
Delphi Global A		436	436
Delphi Global NOK			125
Delphi Global Valutasikret		76	76
Delphi Kombinasjon A		78	78
Delphi Nordic A		360	360
Delphi Nordic NOK			240
Delphi Norge A		330	330
East Capital Russian Fund		63	63
East Capital Rysslandsfonden			115
East Capital Östeuropafonden			112
Enter Sverige C			1,026
Equinor Aksjer Europa		360	360
Equinor Aksjer Norge		2,061	2,061
Equinor Aksjer Pacific		194	194
Equinor Aksjer USA		1,480	1,480
Espiria 60			128
Espiria 90			150
Espiria SDG Solutions			133
Fidelity Asian Special Sits. USD			652
First State Global Umbrella PLC-China Growth Fund		83	83
Fondsfinans Norge		113	113
FSSA China Growth Fund Class I USD			167
Handelsbanken Amerika Tema			321
Handelsbanken Latinamerikafond		14	116
Handelsbanken Nordiska Småbolag			1,009
Handelsbanken Tillväxtmarknad Tema			279
IKC 0-100			369
IKC Sverige Flexibel			138

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Janus Henderson Global Technology USD			1,496
JPMorgan Emerging Markets Small USD			197
JPMorgan Global Focus EUR			519
Lannebo Mixfond			477
Lannebo Småbolag			1,603
Lynx Active Balanced Fund D2 SEK			136
Mercer Advantage Balanced Growth Fund			309
Naventi Balanserad Flex			418
Naventi Defensiv Flex			155
Naventi Offensiv Flex			414
Navigera Aktie 1			1,732
Navigera Balans 1			783
Navigera Dynamica 90 Global			276
Navigera Global Change			250
Navigera Tillväxt 1			659
Norron Target			355
ODIN Sverige C			811
Partners Group L Private Equity USD			130
Placerum Balanserad Class B			358
Placerum Dynamisk Class B			551
Proaktiv 75 - A			2,569
Proaktiv 75 - B			1,975
Proaktiv 80 - A			1,767
Proaktiv 80 - B			1,247
Proaktiv 85 - A			640
Proaktiv 85 - B			325
Proaktiv 90 - A			258
Proaktiv 90 - B			106
Schroder ISF Indian Opportunities			249
SKAGEN Global A		502	502
SKAGEN Global NOK			743
SKAGEN Kon-Tiki A		255	255
SKAGEN Kon-Tiki NOK			269
SKAGEN Select 100		557	557
SKAGEN Select 30		152	152
SKAGEN Vekst A		63	63
SPP Aktiefond Europa			3,494
SPP Aktiefond Global			15,311
SPP Aktiefond Japan			840
SPP Aktiefond Stabil			124
SPP Aktiefond Stabil A SEK		299	299
SPP Aktiefond Sverige			10,444
SPP Aktiefond USA			8,339
SPP Emerging Markets Plus			1,607
SPP Emerging Markets Plus A SEK		6,349	6,349
SPP Emerging Markets SRI			1,261

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
SPP Emerging Markets SRI A SEK		3,516	3,516
SPP Generation 40-tal			1,560
SPP Generation 50-tal			10,325
SPP Generation 60-tal			22,099
SPP Generation 70-tal			10,769
SPP Generation 80-tal			1,516
SPP Global Multifactor			534
SPP Global Plus			3,394
SPP Global Solutions A			2,747
SPP Mix 100			893
SPP Mix 20			1,419
SPP Mix 50			1,048
SPP Mix 80			7,445
SPP Sverige Plus			1,570
SPP Sverige Småbolag Plus			362
State Street Europe ESG Scrn Index Equity Fund			118
State Street US ESG Scrn Index Equity Fund			150
State Street World ESG Scr Index Equity Fund			463
Storebrand Eiendomsfond Norge KS		207	
Storebrand Global ESG A		4,467	4,467
Storebrand Global ESG Plus A		7,574	7,574
Storebrand Global ESG Plus LUX I EUR		798	798
Storebrand Global Indeks A		289	289
Storebrand Global Indeks B		2,403	2,403
Storebrand Global Indeks Valutasikret A		94	94
Storebrand Global Multifactor A		14,934	14,934
Storebrand Global Multifaktor Valutasikret A		163	163
Storebrand Global Solutions A		6,470	6,470
Storebrand Global Solutions LUX I EUR		330	330
Storebrand Global Solutions Valutasikret A		57	57
Storebrand Global Value A		391	391
Storebrand Indeks - Norden A		57	57
Storebrand Indeks - Norge A		7,579	7,579
Storebrand Indeks Alle Markeder A		1,867	1,867
Storebrand Indeks Nye Markeder A		87	87
Storebrand Infrastructure Fund Class B-3		1,038	1,318
Storebrand Int. Private Eq. 15 Ltd - Class B-2			183
Storebrand Int. Private Eq. 15 Ltd - Class B-4		895	895
Storebrand Int. Private Eq. 16 Ltd - Class B-3			210
Storebrand Int. Private Eq. 16 Ltd - Class B-6		1,724	1,724
Storebrand Int. Private Eq. 17 Ltd - Class B-3			186
Storebrand Int. Private Eq. 17 Ltd - Class B-6		1,193	1,193
Storebrand International Private Eq 18 Class B-4			200
Storebrand International Private Eq 18 Class B-5		303	303
Storebrand International Private Eq 18 Class B-6		1,214	1,214
Storebrand International Private Eq 19 Class B-4			163

NOK million	Organisation number	Storebrand Livsforsikring AS Fair value	Storebrand Livsforsikring group Fair value
Storebrand International Private Eq 19 Class B-6		205	205
Storebrand International Private Eq 19 Class B-7		887	887
Storebrand International Private Equity 13 - B-3			161
Storebrand International Private Equity 13 - B-4		494	539
Storebrand International Private Equity 14 - B-2			174
Storebrand International Private Equity 14 - B-4		856	856
Storebrand International Private Equity IX - B3		15	105
Storebrand International Private Equity VI Ltd -B3		155	161
Storebrand International Private Equity VIII LtdB3		101	200
Storebrand International Private Equity X - B-3		193	289
Storebrand International Private Equity XI - B-3		645	830
Storebrand International Private Equity XII - B-3			136
Storebrand International Private Equity XII - B-4		490	490
Storebrand Nordic Private Equity III Ltd.		66	80
Storebrand Norge Fossilfri A		1,371	1,371
Storebrand Norge I		7,618	7,618
Storebrand Renewable Energy A		690	690
Storebrand Smart Cities A		150	150
Storebrand Vekst A		136	136
Storebrand Verdi A		219	219
Swedbank Robur Access Sverige			473
Swedish Sustainable Leaders			161
T.Rowe Price Asian ex-Japan Equity Fund		55	55
T.Rowe Price Emering Markets Equity			271
T.Rowe Price US Large Cap Value USD			142
T.Rowe Price US Smaller Comp. USD			223
Vanguard Emerging Markets Stock Index Fund			167
Vanguard ESG Developed World All Cap Equity Index			123
Vanguard Global Small-Cap Index Fund			113
Wellington Climate Strategy Fund			135
Wellington Global Health Care Equity Portfolio		161	161
Wellington Global Health Care USD			524
Öhman Småbolagsfond			283
Öhman Sweden Micro Cap			820
Other units		849	4,126
Total fund units		**87,834**	**237,444**
Total equities and fund units		**126,685**	**278,056**

Note 35 Bonds and other fixed income securities at fair value

STOREBRAND LIVSFORSIKRING GROUP

NOK million	2021 Fair value	2020 Fair value
Government bonds	30,911	34,206
Corporate bonds	55,354	62,043
Collateralised securities	3,528	3,128
Bond funds	68,741	66,136
Total bonds and other fixed-income securities	**158,533**	**165,513**

	Storebrand Livsforsikring AS	SPP Pension & Försäkring AB
Modified duration	7.31	6.66
Average effective yield	3.3 %	1.4 %

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	2021 Fair value	2020 Fair value
Government bonds	9,949	7,661
Corporate bonds	26,296	28,313
Collateralised securities	1,227	1,097
Bond funds	43,613	43,052
Total bonds and other fixed-income securities	**81,086**	**80,122**

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 2021	Net amount 2020
Interest derivatives	166,140	2,935	624				2,312	5,664
Currency derivatives	168,570	825	1,373				-548	3,353
Total derivatives 2021	**334,710**	**3,760**	**1,997**				**1,763**	
Total derivatives 2020	434,407	9,903	886					9,017

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 2021	Net amount 2020
Interest derivatives	140,643	1,866	323				1,542	4,233
Currency derivatives	153,910	813	1,314				-502	2,981
Total derivatives	**294,554**	**2,678**	**1,638**				**1,040**	
Total derivatives	342,095	7,615	401					7,214

1) Values 31.12.

Note 37 Tangible fixed assets and leases

STOREBRAND LIVSFORSIKRING GROUP

NOK million	Equipment	Fixtures & fittings	2021	2020
Book value 01.01	8	8	17	16
Additions		9	9	4
Disposals		-2	-2	0
Depreciation	-2		-3	-4
Book value 31.12	**6**	**15**	**21**	**17**

DEPRECIATION PLAN AND FINANCIAL LIFETIME:

Depreciation method:	Straight line
Equipment	3-10 years
Fixtures & fittings	3-8 years

SPECIFICATION OF TANGIBLE FIXED ASSETS AND LEASE AGREEMENTS IN BALANCE SHEET

NOK million	2021	2020
Tangible fixed assets	21	17
Right of use assets	620	683
Book value 31.12	**641**	**700**

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 2021	Total 2020
Acquisition cost 01.01	657	72	2	731	340
Additions	5			5	359
Currency differences from converting foreign units	-43	-4		-47	33
Acquisition cost 31.12	**619**	**68**	**2**	**688**	**731**
Accumulated write-downs/depreciations 01.01	-13	-35	-1	-48	-32
Depreciation	-5	-17		-23	-24
Currency differences from converting foreign units		2		3	7
Accumulated write-downs/depreciations 31.12	**-18**	**-50**	**-1**	**-69**	**-48**
Booked value 31.12	**601**	**18**	**1**	**620**	**683**

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	2021	2020
Less than 1 year	22	24
1-2 years	4	22
2-3 years	1	4
3-4 years		1
4-5 years		
Mote than 5 years	594	634
Total non-discounted lease liabilities 31.12	**621**	**685**

CHANGES IN LEASE LIABILITIES

NOK million	2021	2020
Initial recognition 01.01.	684	309
New/changed lease liabilities recognised during the period	5	359
Payment of principal	-24	-25
Payment of interest		1
Exchange rate differences when converting foreign unit	-44	40
Total lease liabilities 31.12.	**621**	**684**

OTHER LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

NOK million	2021	2020
Lease agreement with lower value	-17	-14
Total lease expenses included in operating expenses	**-17**	**-14**

STOREBRAND LIVSFORSIKRING AS

NOK million	Equipment	Fixtures & fittings	Total 2021	Total 2020
Book value 01. 01	**8**	**0**	**9**	**11**
Additions			0	1
Depreciation	-2		-2	-3
Booked value 31.12	**6**	**1**	**7**	**9**

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 2021	Total 2020
Acquisition cost 01.01	**6**	**4**	**10**	**10**
Acquisition cost 31.12	**6**	**4**	**10**	**10**
Accumulated depreciation & write-downs 01.01	**-4**	**-1**	**-4**	**-2**
Depreciation	-2	-1	-2	-3
Accumulated depreciation & write-downs 31.12.	**-5**	**-2**	**-7**	**-4**
Booked value 31.12	**1**	**2**	**3**	**6**

SPECIFICATION OF TANGIBLE FIXED ASSETS AND LEASE AGREEMENTS IN BALANCE SHEET

NOK million	2021	2020
Tangible fixed assets	7	9
Right of use assets	3	6
Book value 31.12	**10**	**14**

NOK million	2021	2020
Less than 1 year	1	3
1-2 years	1	1
2-3 years	1	1
3-4 years	0	1
4-5 years	0	0
More than 5 years	0	0
Total non-discounted lease liabilities 31. 12	**3**	**6**

CHANGES IN LEASE LIABILITIES

NOK million	2021	2020
Initial recognition 01.01	6	8
Payment of principal	-3	-3
Total lease liabilities 31.12	**3**	**6**

OTHER LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

NOK million	2021	2020
Lease agreement with lower value	-9	-8
Total lease expenses included in operating expenses	**-9**	**-8**

Note 38 Other receivables

	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
NOK million	2021	2020	2021	2020
Accounts receivable - not insurance related	158	164	1	
Receivables from brokers	5,351	2,138	4,624	512
Collateral received	2,335	2,022	1,178	928
Receivables yield tax	25	215		
Tax account	259	109		
Other current receivables	68	305	21	34
Total	**8,196**	**4,953**	**5,823**	**1,474**

Note 39 Insurance liabilities by class of business

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	Storebrand Livsforsikring AS 2021	2020
Premium reserve	298,353	9,253	1,515	14,975	14,461		338,557	309,179
- of which IBNS	1,936	67	1,416	1,192	27		4,639	4,501
- of which premium income received in advance	1,654	48	26				1,728	1,636
Additional statutory reserves	11,788	1,020		153	642		13,602	11,380
Market value adjustment reserve	5,563	492	34	44	165	14	6,309	7,170
Premium fund	1,536	1,566					3,101	1,763
Deposit fund	399						399	503
Pensioners' surplus fund	1						1	0
Conditional bonus							0	0
Other technical reserves						661	661	702
- of which IBNS						573	573	587
Total insurance liabilities	**317,639**	**12,330**	**1,548**	**15,171**	**15,267**	**675**	**362,632**	**330,697**

NOK million	SPP Pension & Försäkring 2021	2020	Storebrand Livsforsikring group 2021	2020
Premium reserve	230,819	222,807	569,376	531,715
- of which IBNS	957	1,025	5,596	5,526
- of which premium income received in advance			1,728	1,636
Additional statutory reserves			13,602	11,380
Market value adjustment reserve			6,309	7,170
Premium fund			3,101	1,763
Deposit fund			399	503
Pensioners' surplus fund			1	0
Conditional bonus	13,781	10,769	13,781	10,769
Other technical reserves			661	702
- of which IBNS			573	587
Total insurance liabilities	**244,600**	**222,436**	**607,232**	**564,002**

ENDOWMENT INSURANCE

NOK million	Profit allocation	Not eligible for profit allocation	Investment choice	2021	2020
Premium reserve	2,004	1,979	10,992	14,975	13,020
Additional statutory reserves	153			153	180
Market value adjustment reserve	34	10		44	57
Total insurance liabilities	**2,191**	**1,989**	**10,992**	**15,171**	**13,256**

ANNUITY/PENSION INSURANCE

NOK million	Profit allocation	Investment choice	2021	2020
Premium reserve	7,738	6,723	14,461	14,081
Additional statutory reserves	642		642	686
Market value adjustment reserve	165		165	165
Total insurance liabilities	**8,544**	**6,723**	**15,267**	**14,932**

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	17,616	134,272	19,905	3,428	3,140	349
Additional statutory reserves	1,599	9,993		191		
Market value adjustment reserve	1,037	4,279		151		6
Premium fund	579	9		329		
Deposit fund	399					
Pensioners' surplus fund	-2			3		
Total insurance liabilities	**21,227**	**148,553**	**19,905**	**4,101**	**3,140**	**355**

NOK million	Occupational pension without profitsharing	Defined contribution pension with investment choice	Pension capital certificate without investment choice	Pension capital certificate with investment choice	2021	2020
Premium reserve	2,151	95,515	360	21,617	298,353	277,856
Additional statutory reserves			5		11,788	10,250
Market value adjustment reserve	79		11		5,563	6,676
Premium fund	619				1,536	1,346
Deposit fund					399	503
Pensioners' surplus fund					1	0
Total insurance liabilities	**2,849**	**95,515**	**376**	**21,617**	**317,639**	**296,632**

GROUP PENSION PUBLIC SECTOR

NOK million	Defined benefit without investment choice	2021	2020
Premium reserve	9,253	9,253	2,686
Additional statutory reserves	1,020	1,020	264
Market value adjustment reserve	492	492	211
Premium fund	1,566	1,566	417
Total insurance liabilities	**12,330**	**12,330**	**3,579**

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	14	7
2-3 years	29	16
More than 3 years	300	207
Total	**343**	**231**

NON-LIFE INSURANCE

	Storebrand Livsforsikring AS	
NOK million	2021	2020
Reinsurance share of technical insurance reserves	4	15
Total assets	**4**	**15**
Premium reserve	89	116
IBNS	573	587
Total	**661**	**702**
Market value adjustment reserve	14	17
Total insurance liabilities	**675**	**720**

MARKET VALUE ADJUSTMENT RESERVE

NOK million	2021	2020	Change 2021
Equities and units	5,195	3,102	2,093
Bond and other fixed income securities	1,115	4,069	-2,954
Total	**6,309**	**7,170**	**-861**

Note 40 Change in insurance liabilities in life insurance

INSURANCE OBLIGATIONS IN LIFE INSURANCE - CONTRACTUAL OBLIGATIONS

NOK million	Premium reserve	Additional statutory reserves	Market value adjust-ment reserve	Premium-, deposit- and pension surplus fund	Other technical reserves non-life insurance	Storebrand Livsforsikring AS 2021	Storebrand Livsforsikring AS 2020
1. Book value 01.01	**172,089**	**11,380**	**7,170**	**2,266**	**702**	**193,607**	**189,160**
2. Changes in insurance obligations recognised in the Profit and Loss							
2.1 Net realised reserves	5,448	2,290	-861	9	-30	6,857	3,685
2.2 Profit on the return	507			704		1,211	508
2.3 The risk profit allocated to the insurance agreements	94			6		100	113
2.4 Other allocation of profit	84					84	84
Total changes in insurance obligations recognised in the Profit and Loss	**6,132**	**2,290**	**-861**	**720**	**-30**	**8,251**	**4,389**
3. Non-realised changes in insurance liabilities							
3.1 Transfers between funds	296	-219		84		161	30
3.2 Transfers to/from the company	2,167	152		431	-11	2,739	-13
Currency differences						-1	40
Total non-realised changes in insurance liabilities	**2,463**	**-67**		**515**	**-11**	**2,900**	**57**
4. Book value 31.12	**180,684**	**13,602**	**6,309**	**3,501**	**661**	**204,758**	**193,607**

INSURANCE OBLIGATIONS IN LIFE INSURANCE - INVESTMENT CHOICE PORTFOLIO SEPARATELY

NOK million	Premium reserve	Storebrand Livsforsikring AS 2021	Storebrand Livsforsikring AS 2020
1. Book value 01.01	**137,089**	**137,089**	**114,538**
2. Changes in insurance obligations recognised in the Profit and Loss			
2.1 Net realised reserves	20,913	20,913	22,580
Total changes in insurance obligations recognised in the Profit and Loss	**20,913**	**20,913**	**22,580**
3. Non-realised changes in insurance liabilities			
3.1 Transfers between funds	-82	-82	-32
3.2 Transfers to/from the company	-49	-49	
Currency differences	1	1	3
Total non-realised changes in insurance liabilities	**-130**	**-130**	**-29**
4. Book value 31.12	**157,873**	**157,873**	**137,090**

Note 41 Other liabilities

NOK million	Storebrand Livsforsikring group 2021	Storebrand Livsforsikring group 2020	Storebrand Livsforsikring AS 2021	Storebrand Livsforsikring AS 2020
Accounts payable	230	142	81	43
Governmental fees and tax withholding	115	343	88	81
Received collateral in cash	2,756	8,141	1,859	6,118
Debt broker	5,096	2,769	4,341	1,206
External financing of properties	2,411	1,746		
Leases liabilities	621	684	3	6
Other current liabilities	523	451	4	99
Total other current liabilities	**11,751**	**14,276**	**6,377**	**7,553**

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 99 per cent per 31.12.21.

Hedging instrument/hedged item

	2021					2020				
		Book value [1]					Book value [1]			
NOK million	Contract/ nominal value	Assets	Liabilities	Booked P/L	Recognised in comprehensive income	Contract/ nominal value	Assets	Liabilities	Booked P/L	Recognised in comprehensive income
Interest rate swaps	1,894	703			-391	2,273	1,094			141
Subordinated loans	-1,865		2,685	-1	335	-2,238		3,420	-2	-173

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.

Hedge effectiveness is monitored at an individual security level. Hedge effectiveness is 90 per cent per 31.12.21.

Hedging instrument/hedged item

	2021			
		Book value [1]		
NOK million	Contract/ nominal value	Assets	Liabilities	Booked P/L
Interest rate swaps	3,045		158	
Subordinated loans as a hedge instrument	-3,039		2,876	2

1) Book values at 31.12.

CURRENCY HEDGING OF NET INVESTMENT IN STOREBRAND HOLDING AB

In 2021, 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. 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 577 million were recognised in total comprehensive income in connection with the hedging of Storebrand Holding AB, compared with expenses of NOK 868 million in 2020.

Hedging instrument/hedged item

	2021			2020		
		Book value [1]			Book value [1]	
NOK million	Contract/ nominal value	Assets	Liabilities	Contract/ nominal value	Assets	Liabilities
Currency derivatives	-4,696		-18	-4,700		27
Subordinated loans as a hedge instrument	-3,800		3,704	-3,650		3,815
Underlying items		9,538	-		10,045	

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 99 per cent per 31.12.21.

Hedging instrument/hedged item

	2021					2020				
		Book value [1]					Book value [1]			
NOK million	Contract/ nominal value	Assets	Liabilities	Booked P/L	Recognised in comprehensive income	Contract/ nominal value	Assets	Liabilities	Booked P/L	Recognised in comprehensive income
Interest rate swaps	1,894	703			-391	2,273	1,094			141
Subordinated loans	-1,865		2,685	-1	335	-2,238		3,420	-2	-173

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.

Hedge effectiveness is monitored at an individual security level. Hedge effectiveness is 90 per cent per 31.12.21.

Hedging instrument/hedged item

NOK million	Contract/ nominal value	Book value 1) Assets	Book value 1) Liabilities	Booked P/L
	2021			
Interest rate swaps	3 045		158	
Subordinated loans	-3 039		2 876	2

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 550 million.

Note 43 Collateral

NOK million	Storebrand Livsforsikring group 2021	Storebrand Livsforsikring group 2020	Storebrand Livsforsikring AS 2021	Storebrand Livsforsikring AS 2020
Collateral for Derivatives trading	2,324	3,380	1,178	928
Collateral received in connection with Derivatives trading	-3,077	-8,828	-2,191	-6,817
Total received and pledged collateral	**-753**	**-5,448**	**-1,013**	**-5,889**

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 38 and 41 respectively.

Note 44 Contingent liabilities

	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
NOK million	2021	2020	2021	2020
Uncalled residual liabilities re limited partnership	4,870	8,251	4,469	7,686
Uncalled residual liabilities in alternative investment funds	10,093		7,843	
Total contingent liabilities	**14,963**	**8,251**	**12,312**	**7,686**

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	2021	2020
Lending of shares	207	
Collateral received for lent securities	-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, and lending.

During 2021 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 2021 totalled NOK 5 billion. The total portfolio of loans bought as of 31 December 2021 is NOK 18billion. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expense for 2021 is NOK 70.5 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.

	2021			2020		
NOK million	Sale/purchase of services	Interest	Receivables/ liabilities	Sale/ purchase of services	Interest	Receivables/ liabilities
Group companies:						
Storebrand ASA	102		3	41		-1
Storebrand Bank ASA	22		5	49		2
Storebrand Asset Management AS	-52		45	-56		30
Storebrand Forsikring AS	156		26	154		45

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

	31.12.21					31.12.20
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	19,884	19,884				23,393
Including the effect of the transitional arrangement	0					4,815
Subordinated loans	10,860		2,002	8,857		8,734
Deferred tax asset	0					0
Risk equalisation reserve	547			547		438
Expected dividend	-2,420	-2,420				-1,709
Total solvency capital	**42,121**					**44,107**
Total solvency capital available to cover the minimum capital requirement	**34,161**	**30,715**	**2,002**	**1,444**		**37,528**

SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK million	31.12.21	31.12.20
Market	20,424	21,635
Counterparty	620	818
Life	7,266	7,044
Health	635	644
Operational	1,067	1,062
Diversification	-5,228	-5,318
Loss-absorbing tax effect	-5,125	-5,367
Total solvency requirement	**19,659**	**20,518**
Solvency margin	**214.3 %**	**215.0 %**
Minimum capital requirement	**7,218**	**7,306**
Minimum margin	**473.3 %**	**513.7 %**

Note 48 Return on capital

STOREBRAND LIVSFORSIKRING AS

	2021		2020		2019		2018		2017 1)	
	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return
Contractual obligations total	4.5 %	3.9 %	4.8 %	5.5 %	3.8 %	5.5 %	3.2 %	2.4 %	4.5 %	5.1 %
As portfolio:										
Group defined benefit private	4.7 %	4.3 %	4.3 %	5.6 %	4.2 %	6.1 %	2.2 %	0.5 %	3.8 %	4.5 %
Swedish branch	4.0 %	0.1 %	3.0 %	2.3 %	4.5 %	6.1 %	4.4 %	1.1 %	6.1 %	5.7 %
Paid-up policies	4.6 %	3.9 %	5.0 %	5.7 %	3.9 %	5.5 %	3.5 %	2.9 %	4.7 %	5.4 %
Individual	3.8 %	3.7 %	3.6 %	3.9 %	3.6 %	4.7 %	2.9 %	0.0 %	4.5 %	4.2 %

1) Changed comparison figures to correspond to allocation in accounts

	2021	2020
Return on capital investment portfolio	13.8 %	7.9 %

	2021	2020	2019	2018	2017
Return on capital company portfolio	1.7 %	1.6 %	2.8 %	2.5 %	4.6 %

Note 49 Number of employees

	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
	2021	2020	2021	2020
Number of employees 31.12	1,169	1,251	774	804
Average number of employees	1,208	1,265	795	778
Fulltime equivalent positions 31.12	1,159	1,232	768	795
Average number of fulltime equivalents	1,196	1,247	787	769

Note 50: Sold/liquidated business

Storebrand has conducted a strategic review of its ownership in AS Værdalsbruket, which was a wholly owned subsidiary of Storebrand, and was owned 74.9% by Storebrand Livsforsikring AS and 25.1% by Storebrand ASA. AS Værdalsbruket is Norway's second largest private forest owning company located in Trøndelag county. The company owns significant limestone resources, provides nature tourism experiences and is part owner of Inntre Holding AS, a large exporter of building timber. In 2021, Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 409 million for the Storebrand Livsforsikring group. The gain is classified as Other income in the accounts.

During the year, Storebrand Livsforsikring discontinued the wholly-owned subsidiary BenCo Insurance Holding B.V. A loss of NOK 24 million was incurred in the financial result as a consequence of this.

Storebrand Livsforsikring AS has had a Swedish branch since 2005. During 2021, the insurance business was sold to SPP Pension & Försäkring AB on market terms.

Declaration by the Members of the Board and the CEO

STOREBRAND LIVSFORSIKRING AS OG 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 2021 financial year and as per 31 December 2021.

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 2021 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the assets, liabilities, financial standing and results as a whole as of 31 December 2021. 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, 8 February 2022
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Odd Arild Grefstad
Cairman of the Board

Martin Skancke

Vibeke Hammer Madsen

Mari Tårnesvik Grøtting

Trond Thire

Hans Henrik Klouman (sign.)

Jan Otto Risebrobakken

Geir Holmgren
Chief Executive Officer

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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 ASA, 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 2021, the statement of total comprehensive income, statement of changes 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 2021, the income statement, statement of total comprehensive income, statement of changes 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.

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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations 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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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.

We have been the auditor of the Company for 4 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 2021 financial statements.

Key Audit Matter	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. Our findings are that assumptions, methods and models were in

(2)

accordance with industry standards, regulatory requirements, and that they were used consistently.

We also considered and found that the information regarding the insurance liabilities in notes to the financial statements is sufficient and adequate.

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 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 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 assessed management's explanations as 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 valuations. 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 28 uncertain tax positions have occurred as

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 evaluated the external legal opinions, and whether the 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.

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. 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.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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 legal 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion
We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name stbliv-2021-12-31-nb.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities
Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

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, 8 February 2022
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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