Interim report
3rd quarter 2021

Storebrand Group

3rd quarter 2021

Contents

Storebrand Group

- **Group profit[1] of NOK 912m in the 3rd quarter**
- **Operating profit of NOK 762m, 13% growth compared to 3rd quarter last year**
- **18% growth in insurance portfolio premiums, 17% growth in bank lending y/y**
- **Total asset under management NOK 1,058bn, up 15% y/y**
- **<50% guaranteed reserves as a share of total pension reserves**
- **Solvency II ratio of 178%[3]**

Storebrand's ambition is to provide our customers with financial freedom and security by being the best provider of long-term savings and insurance. The Group offers an integrated product range spanning from life insurance, P&C insurance, asset management and banking to private individuals, companies and public sector entities. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other.

Group profit [2]

	2021			2020		01.01 - 30.09		Full year
(NOK million)	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Fee and administration income	1,544	1,473	1,482	1,674	1,352	4,499	4,001	5,676
Insurance result	342	332	220	338	304	894	488	825
Operational cost	-1,124	-1,119	-1,057	-1,086	-984	-3,301	-2,983	-4,068
Operating profit	**762**	**686**	**645**	**926**	**672**	**2,092**	**1,506**	**2,433**
Financial items and risk result life	151	667	225	298	340	1,043	-20	278
Profit before amortisation	**912**	**1,353**	**870**	**1,225**	**1,012**	**3,136**	**1,486**	**2,711**
Amortisation and write-downs of intangible assets	-133	-129	-125	-125	-124	-387	-367	-492
Profit before tax	**779**	**1,225**	**745**	**1,099**	**889**	**2,749**	**1,119**	**2,219**
Tax	-181	-52	-302	-227	-123	-536	363	136
Profit after tax	**598**	**1,173**	**443**	**872**	**766**	**2,213**	**1,483**	**2,355**

The Group's profit before amortisation was NOK 912m (NOK 1,012m) in the 3rd quarter and NOK 3,136m (NOK 1,486m) year to date. The figures in brackets are from the corresponding period last year. The quarter is characterised by a very strong operating profit (adjusted for performance related elements) resulting from high volume and income growth, disciplined cost control and a solid insurance result. Financial markets, with rising interest rates, resulted in a stable but modest Financial result. The overall buffer capital level remains strong at 11% of guaranteed customer reserves. Storebrand's results in 2021 have not been particularly impacted by the Covid-19 pandemic.

Total fee and administration income amounted to NOK 1,544m (NOK 1,352m) in the quarter, corresponding to an increase of 14%. Strong growth in assets under management within the Savings segment contribute with NOK 144m to the income growth. In the Guaranteed segment, the corresponding increase was NOK 43m due to growth in public sector occupational pensions (defined benefit) and paid-up policies.

The Insurance result was NOK 342m (NOK 304m) and the total combined ratio for the Insurance segment was 90% (88%) in the 3rd quarter – in line with the target of 90-92%. The combined ratio in the quarter is driven by a strong result in P&C and Individual life, stable and satisfactory results in Pension related disability insurance, but a weak result in Group life. Year to date, the Insurance result is NOK 894m (NOK 488m) and the combined ratio is 93% (101%).

The Group's operational cost for the quarter was NOK -1,124m (NOK -984m), including performance related costs of NOK -64m (NOK -26m) in Asset Management. Year to date, the cost is NOK -3,301m (NOK -2,983m). This is well within the cost ambition of NOK 4.4bn for the full year, which is excluding performance related costs in Asset Management. Storebrand continues to focus on strong cost discipline, as demonstrated over the past 8 years.

[1] Earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting.
[2] The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.
[3] Including use of transitional rules

Overall, the operating profit amounted to NOK 762m (NOK 672m) in the quarter and NOK 2,092m (NOK 1,506m) year to date. In addition, the Group has earned a total of NOK 134m (NOK 49m) in the quarter and NOK 364m (NOK 137m) year to date in performance related fees, which will be booked in Q4 should the performance persist.

The 'financial items and risk result' amounted to NOK 151m (NOK 340m) in the quarter. The financial result benefitted from some profit sharing in the guaranteed products, but only modest returns from financial markets due to rising interest rates. The risk result in guaranteed products showed some improvement after several weak quarters during the Covid-19 pandemic.

Amortisation of intangible assets amounted to NOK -133m (NOK -124m). Normal quarterly amortisation of intangible assets is expected to increase to around NOK -150m due to acquired business.

Taxes for the Group amounted to NOK -181m (NOK -123m) in the quarter and NOK -536 (NOK 363m) year to date. The estimated normal tax rate is 19-22%, depending on each legal entity's contribution to the Group result. Different tax rates in different countries of operations as well as currency fluctuations impact the quarterly tax rate. The Group has uncertain tax positions. Tax related issues are described in note 10.

The Group reports the results by business segment. For a more detailed description of the results, see the sections by segment below. Savings reported a profit before amortisation of NOK 476m (NOK 394m) in the quarter, driven by growth in assets under management and retail lending, as well as strong cost control. Profit before amortisation in Insurance was NOK 162m (NOK 173m), it was NOK 315m (NOK 308m) in Guaranteed pension, and in the Other segment it amounted to NOK -40m (NOK 137m) in the quarter.

Capital situation

The solvency ratio was 178% at the end of the 3rd quarter, an increase of 6 percentage points from last quarter. This is within the targeted range of 150-180%. Rising long term interest rates, a slightly higher volatility adjustment and lower equity stress, as well as changes in the investment portfolio, a strong profit (net of dividends), and 0.7 percentage points of transitional capital contributed positively to the solvency ratio in the quarter. The acquisition of Capital Investment and assumption changes reduced the solvency ratio.

Group result by result area

	2021			2020		01.01 - 30.09		Full year
(NOK million)	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Savings - non-guaranteed	476	435	528	664	394	1,438	1,066	1,730
Insurance	162	145	55	175	173	363	29	204
Guaranteed pension	315	310	322	396	308	946	409	805
Other profit	-40	464	-35	-10	137	388	-18	-28
Profit before amortisation	**912**	**1,353**	**870**	**1,225**	**1,012**	**3,136**	**1,486**	**2,711**

Group - Key figures

	2021			2020		01.01 - 30.09		Full year
(NOK million)	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Earnings per share, adjusted	1.56	2.79	1.21	2.13	1.90	5.56	3.94	6.07
Equity	36,735	35,823	36,069	35,923	35,181	36,735	35,181	35,923
Adjusted ROE, annualised	8.7 %	16.1 %	6.9 %	12.4 %	11.0 %	10.2 %	7.5 %	8.6 %
Solvency II ratio	178%	172%	176%	178%	179%	178%	179%	178%

Financial targets	Target	Actual Q3 2021
Return on equity (after tax)[1)]	> 10%	10.2%
Future Storebrand (Savings & Insurance)[2)]		35%
Back book (Guaranteed & Other)[2)]		5%
Dividend pay-out ratio	> 50%	N/A
Solvency II margin Storebrand Group[3)]	> 150%	78%

[1)] *YTD profit after after tax, adjusted for amortisation of intangible assets. Adjusted for the gain on the divestment of shares in AS Værdalsbruket in the 2nd quarter 2021, the return on equity was 8%.*

[2)] *The RoE is calculated based on the profit for the last 12 months, after tax and before amortisation of intangible assets, divided on a pro forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings, Insurance and Other are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment. The methodology is an estimation of ROE pr. reporting segment.*

[3)] *Including transitional capital*

Savings

- **17% growth in the bank lending portfolio y/y**
- **Total asset under management amounting to NOK 1,058bn, up 15% y/y**
- **17% growth in operating profit compared to 3rd quarter last year**

The Savings segment includes products for retirement savings with no interest rate guarantees. The segment consists of defined contribution pensions in Norway and Sweden, asset management and retail banking products.

Savings - Non guaranteed

	2021			2020		01.01 - 30.09		Full year
(NOK million)	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Fee and administration income	1,182	1,129	1,156	1,336	1,038	3,467	3,055	4,392
Operational cost	-716	-703	-671	-704	-639	-2,089	-1,908	-2,611
Operating profit	**466**	**427**	**485**	**633**	**400**	**1,378**	**1,148**	**1,781**
Financial items and risk result life	9	8	43	31	-6	60	-82	-51
Profit before amortisation	**476**	**435**	**528**	**664**	**394**	**1,438**	**1,066**	**1,730**

Financial performance

The Savings segment reported a profit before amortisation of NOK 476m (NOK 394m) in the 3rd quarter and NOK 1,438m (NOK 1,066m) year to date.

Compared to the 3rd quarter last year, fee- and administration income in the Savings segment increased by 14% both in the quarter and year to date. The income growth within Norwegian Unit Linked was 6% compared to the same quarter last year as well as year to date. This is despite the gradual implementation of Individual Pension accounts taking place this year, which reduces fees for Defined Contribution pensions. The income growth within Swedish Unit Linked was 15% compared to the same quarter last year and 20% year to date. The income in the 1st quarter included non-recurring transaction fees amounting to SEK 37m. Adjusted for this gain the growth was 15% year to date. Within Asset Management, the growth was 16% in the 3rd quarter and 15% year to date. According to IFRS, performance related income is booked for the whole year in the 4th quarter. The performance related income earned but not booked was NOK 134m (NOK 49m) in the quarter and NOK 364m (NOK 137m) on an accumulated basis year to date.

Unit Linked Norway reported a margin of 0.70%, down from 0.73% in the previous quarter. This is in line with expectations due to the introduction of Individual Pensions Accounts. Unit Linked Sweden reported a margin of 0.75%, up from 0.74% in the previous quarter. The fee income margin in Asset Management was 0.18%, in line with previous quarters. The net interest margin in Storebrand Bank was 1.22%, up from 1.14% in the previous quarter and 1.11% in the 3rd quarter 2020.

Operational cost amounted to NOK -716m (NOK -639m) and NOK -2,089m (NOK -1,908m) year to date. Performance related costs in funds with performance fees amounted to NOK -64m (NOK -26m) in the quarter and NOK -159m (NOK -46m) year to date. Adjusted for the increase in performance related costs, operational cost increased by 3.7% year to date, but cost control remains strong. The increase is attributed to growth initiatives in the business, digital investments and costs related to the acquisition of Danish real estate manager Capital Investment, which was announced in in the quarter.

The financial result was NOK 9m (NOK -6m) in the quarter and NOK 60m (NOK -82m) year to date. The loss in 2020 stemmed primarily from model-based loan loss provisions for future possible losses in the retail bank as the Covid-19 pandemic unfolded.

Savings - Key figures

	2021			2020	
(NOK million)	Q3	Q2	Q1	Q4	Q3
Unit linked Reserves	295,790	295,195	278,702	268,331	251,577
Unit linked Premiums	5,201	5,316	5,346	5,163	4,856
AuM Asset Management	1,058,435	1,037,470	987,397	962,472	920,540
Retail Lending	55,663	54,288	51,594	49,474	47,771

Balance sheet and market trends

Unit Linked premiums amounted to NOK 5.2bn (NOK 4.9bn) in the 3rd quarter, an increase of 7% compared to last year. Total assets under management in Unit Linked increased by NOK 0.6bn (0.2%) during the 3rd quarter to NOK 296bn and NOK 27bn (10%) year to date. Compared to the same quarter last year, the growth is NOK 44bn (18%).

In the Norwegian Unit Linked business, assets under management increased by NOK 0.7bn (0.4%) to NOK 151bn in the quarter, and by NOK 27bn (21%) compared to the same quarter last year. The growth has temporarily slowed in the quarter due to the ongoing process of transferring Pension Capital Certificates to Individual Pensions Accounts. Market returns have been strong year to date, but only modest in the 3rd quarter. Underlying growth is strong however, driven by growth in occupational pension premium payments and new sales as well as market returns. Storebrand is the second largest provider of defined contribution pensions in Norway, with a market share of 27% of gross premiums written (at the end of the 2nd quarter 2021).

In the Swedish market, SPP is the second largest provider of non-unionised occupational pensions with a market share of 14% measured by gross premiums written including transfers within Unit Linked (as at the end of Q2 2021). Unit Linked assets under management increased by SEK 1.1bn (1%) to SEK 145bn in the quarter, and SEK 18.8 (15%) year to date. Compared to the same quarter last year the growth is SEK 23.5bn (19%). The growth is driven by strong growth in sales (APE) and market returns.

Assets under management in Storebrand Asset Management increased by NOK 21bn (2%) to NOK 1,058bn in the quarter, and by NOK 137.9bn (15%) compared to last year. The growth in 2021 is driven by positive net flow from new sales as well as market returns. The acquisition of Capital Investment added NOK 21 bn of assets to the total in the quarter.

The bank lending portfolio increased by NOK 1.4bn (2.5%) to NOK 55.7bn during the 3rd quarter and by NOK 6.2bn (12.5%) year to date. Compared to the same quarter last year the growth is NOK 7.9bn (17%). The growth is attributed to improved sales in 2021. The portfolio consists of low-risk home mortgages with an average LTV of 56%. NOK 17bn of the mortgages are booked on the balance sheet of Storebrand Livsforsikring AS.

Insurance

- **Positive result development, combined ratio of 90% for the quarter**
- **18% overall growth in portfolio premiums y/y, 47% growth in P&C & Individual life**
- **89% growth in P&C & Individual life operating profit compared to 3rd quarter last year**

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

Insurance

	2021			2020		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Insurance premiums f.o.a.	1,336	1,279	1,194	1,136	1,105	3,809	3,195	4,331
Claims f.o.a.	-995	-946	-974	-799	-801	-2,915	-2,707	-3,506
Operational cost	-207	-214	-202	-194	-168	-622	-518	-712
Operating profit	**135**	**119**	**18**	**143**	**135**	**272**	**-30**	**113**
Financial result	27	27	37	32	37	91	59	91
Contribution from SB Helseforsikring AS	*13*	*10*	*3*	*5*	*18*	*26*	*29*	*34*
Profit before amortisation	**162**	**145**	**55**	**175**	**173**	**363**	**29**	**204**
Claims ratio	74%	74%	82%	70%	73%	77%	85%	81%
Cost ratio	15%	17%	17%	17%	15%	16%	16%	16%
Combined ratio	90%	91%	98%	87%	88%	93%	101%	97%

Financial performance

Insurance delivered a profit before amortisation of NOK 162m (NOK 173m) in the 3rd quarter and NOK 363m (NOK 29m) year to date, driven by a combined ratio of 90% (88%) in the quarter and 93% (101%) year to date. The 3rd quarter result is in line with the target combined ratio of 90-92%. The combined ratio in the quarter is driven by a strong result in P&C and Individual life, stable and satisfactory results in Pension related disability insurance, but a weak result in Group life.

Within 'P&C and Individual life', strong growth continued with premiums f.o.a. growing 7% in the quarter and 47% compared to the 3rd quarter last year. The cost ratio improved to 18% in the quarter, compared to 21% in the previous quarter. Profit before amortisation was NOK 168m (NOK 95m) in the 3rd quarter and NOK 339m (NOK 154m) year to date. The strong result within P&C was driven by few large claims and strong results in motor, housing and travel insurance. The disability result within Individual life was also strong. Despite a period with strong growth, the product segment delivers a combined ratio of 79% (84%) in the quarter and 86% (91%) year to date.

'Health and Group life' reported a loss before amortisation of NOK -24m (NOK 37m) in the 3rd quarter and NOK -21m (NOK -194m) year to date. Claims in Group life were negatively affected by persistent uncertainty in overall disability levels, partly related to indirect consequences of the Covid-19 pandemic. Measures, including pricing, have been taken to improve the robustness and profitability for the Group life business. The Health insurance business delivered a satisfactory result driven by low claims, especially in Sweden.

The result for 'Pension related disability insurance Nordic' was NOK 18m (NOK 40m) in the 3rd quarter and NOK 44m (NOK 69m) year to date.

The cost ratio improved to 15% in the quarter from 17% in the previous quarter. Operational cost amounted to NOK -207m (NOK -168m) in the quarter and NOK -622m (NOK -518m) year to date. The higher cost level is driven by the growth in the business including the acquisition of customer portfolios from Insr. Sales commissions have also increased in line with the growth in sales.

The Insurance investment portfolio is primarily invested in fixed income securities with short to medium duration and achieved a financial return of 0.7% in the quarter.

Balance sheet and market trends

The Insurance segment offers a broad range of products to the retail market in Norway, as well as to the corporate market in both Norway and Sweden. Storebrand has an ambition to grow the insurance business, particularly within P&C. As of the 3rd quarter, 50% of the insurance portfolio is now within P&C and Individual Life, compared to 41% in the period last year. Storebrand's market share within retail P&C grew to 5.7% as of the 2nd quarter 2021, from 4.0% a year earlier.

Overall growth in annual portfolio premiums amounted to 18% in the 3rd quarter compared to the same period last year. The premium growth is primarily attributed to P&C insurance due to strong contribution from sales agents, new distribution partnerships and the acquisition of customer portfolios from Insr, which has transferred NOK 648m annual premiums to Storebrand since December 2021. Growth in P&C and Individual life annual portfolio premiums amounted to 48%, while Health & Group life decreased by -6% and Pension related disability insurance grew by 6% in the 3rd quarter compared to the same period last year. Overall, double digit growth is expected to continue within Insurance in the coming years.

Insurance Premiums

	2021			2020	
(NOK million)	Q3	Q2	Q1	Q4	Q3
P&C & Individual life	3,160	3,053	2,738	2,341	2,144
Health & Group life [1]	1,752	1,734	1,714	1,885	1,870
Pension related disability insurance Nordic	1,351	1,346	1,293	1,336	1,274
Total written premiums	**6,263**	**6,133**	**5,745**	**5,562**	**5,288**
Investment portfolio[2]	**9,879**	**9,813**	**9,726**	**8,961**	**8,840**

[1] Group disability, workers comp. and health insurance. Includes all written premiums in Storebrand Helseforsikring AS (50/50 joint venture with Munich Health).
[2] NOK 2,9bn of the investment portfolio is linked to disability coverages where the investment result goes to the customer reserves and not as a result element in the P&L.

Guaranteed pension

- **19% growth in operating profit y/y**
- **Improved risk result**
- **Solid and stable buffer capital**
- **Guaranteed reserves now amount to <50% of total pension reserves**

The Guaranteed Pension segment includes long-term pension savings products that give customers a guaranteed rate of return, but most products are closed for new business and are in run-off. The area includes defined benefit pensions in Norway and Sweden, paid-up policies, public sector occupational pensions, and individual capital and pension insurance.

Guaranteed pension

	2021			2020		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Fee and administration income	423	407	383	389	380	1,213	1,121	1,511
Operational cost	-217	-227	-197	-218	-217	-641	-643	-861
Operating profit	**206**	**180**	**186**	**171**	**163**	**572**	**479**	**650**
Risk result life & pensions	70	21	32	14	-21	124	6	19
Net profit sharing and loan losses	38	108	104	211	167	251	-75	136
Profit before amortisation	**315**	**310**	**322**	**396**	**308**	**946**	**409**	**805**

Financial performance

Guaranteed Pension achieved a profit before amortisation of NOK 315m (NOK 308m) in the 3rd quarter and NOK 946m (NOK 409m) year to date.

Fee and administration income amounted to NOK 423m (NOK 380m) in the 3rd quarter and NOK 1,213m (1,121m) year to date. The majority of the guaranteed products are closed for new business and are in long term run-off. However, growth in public sector occupational pensions (reported as Defined Benefit Norway) and transfers of closed Defined Benefit plans to Paid-up policies drive the increase in fee income.

Operational cost amounted to NOK -217m (NOK -217m) in the 3rd quarter and NOK -641m (NOK -643m) year to date. Costs will gradually be reduced as a result of the products being in long-term run-off.

The operating profit increased by 27% to NOK 206m (NOK 163m) in the 3rd quarter and by 19% to NOK 572m (NOK 479m) year to date.

The risk result amounted to NOK 70m (NOK -21m) in the quarter and NOK 124m (NOK 6m) year to date. A positive disability risk result in Norwegian Paid-up policies and a positive longevity result in Swedish SPP contributed positively to the result. In the Norwegian Defined Benefit portfolio, the result in the quarter amounted to NOK -1m (NOK-67m), representing improvement compared to earlier quarters.

Net profit sharing amounted to NOK 38m (NOK 167m) in the 3rd quarter and NOK 251m (NOK -75m) year to date. In the Norwegian business, Paid-up policies and Individual life and pension contributed with NOK 21m (NOK 28m) in the quarter due to financial returns and risk results to be shared between company and policyholders. In SPP, net profit sharing was moderate at NOK 18m (NOK 139m) in the quarter, which is primarily attributed to indexation fees.

Balance sheet and market trends

The majority of the guaranteed products are in long term run-off as pension payments are paid out to policyholders. Most customers have switched from guaranteed to non-guaranteed products, in line with the Group's strategy. A new growth area for Storebrand is public sector occupational pensions, where Storebrand won its first mandates in 2020, transferred in 1st quarter 2021. This has been the main driver for a large net increase in Defined Benefit reserves in the Norwegian business of NOK 7.3bn year to date. An additional mandate, estimated to NOK 1.7bn of reserves was won in the 3rd quarter, but will be transferred to Storebrand in early 2022.

As of the 3rd quarter, customer reserves of guaranteed pensions amounted to NOK 292bn. This is a decrease of NOK -2.7bn in the quarter. Adjusted for currency effects, the decrease was NOK 1.2bn.

As a share of the total balance sheet, guaranteed reserves amounted to 49.7% (53.4%) at the end of the 3rd quarter, a reduction of 3.7 percentage points since the same quarter last year. Net outflow of guaranteed reserves (excluding transfers) amounted to NOK -2.9bn in the quarter and NOK -7.5bn year to date. This is as a result of more pensions being paid out than premiums being paid in as the Guaranteed business is in run-off.

Paid-up policies is experiencing some growth over time as active Defined Benefit contracts eventually become Paid-up policies. Reserves amounted to NOK 149bn as of the 3rd quarter, an increase of NOK 4.2bn from same period last year. The increase is partly caused by a NOK 3bn transfer of profitable guaranteed business.

Guaranteed portfolios in the Swedish business totalled NOK 95bn as of the 3rd quarter, a decrease of NOK 6.3n from same period last year. Adjusted for currency effects, the decrease was NOK 1.7bn.

Storebrand's strategy is to have a solid buffer capital level in order to secure customer returns and shield shareholder's equity under turbulent market conditions. Buffer capital for Guaranteed pensions amounted to 10.6% (10.5%) of reserves in Norway (not including NOK 4.8bn in additional surplus values of bonds held at amortised cost) and 15.5% (10.4%) in Sweden, corresponding to an overall increase of NOK 1.7bn since same period last year. In the 3rd quarter the decrease in buffer capital was NOK 1.5bn as a result of rising interest rates.

Guaranteed pension - Key figures

	2021			2020		01.01 - 30.09		Full year
(NOK million)	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Guaranteed reserves	292,162	294,909	286,410	287,614	287,740	292,162	287,740	287,614
Guaranteed reserves in % of total reserves	49.7 %	50.0 %	50.7 %	51.7 %	53.4 %	49.7 %	53.4 %	51.7 %
Net transfers	-712	-94	6941	704	-4	6135	723	1427
Buffer capital in % of customer reserves Norway	10.6 %	11.3 %	9.8 %	11.0 %	10.5 %	10.6 %	10.5 %	11.0 %
Buffer capital in % of customer reserves Sweden	15.5 %	15.1 %	14.1 %	11.9 %	10.4 %	15.5 %	10.4 %	11.9 %

Other/Eliminations

The result for Storebrand ASA is reported under Other, as well as the financial result for the company portfolios of Storebrand Life Insurance and SPP. Group eliminations are reported in a separate table below.

Result excluding eliminations

	2021			2020		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Fee and administration income	6	4	4	9	0	13	1	9
Operational cost	-52	-43	-47	-30	-26	-142	-90	-120
Operating profit	**-46**	**-39**	**-44**	**-21**	**-25**	**-129**	**-90**	**-111**
Financial items and risk result life	6	503	9	11	163	518	72	83
Profit before amortisation	**-40**	**464**	**-35**	**-10**	**137**	**388**	**-18**	**-28**

Eliminations

	2021			2020		01.01 - 30.09		Full year
(NOK million)	Q3	Q2	Q1	Q4	Q3	2021	2020	2020
Fee and administration income	-67	-67	-60	-60	-66	-195	-176	-236
Operational cost	67	67	60	60	66	195	176	236
Financial result								
Profit before amortisation								

The Other segment reported a profit before amortisation of NOK -40m (NOK 137m) in the 3rd quarter and NOK 388m (NOK -18m) year to date. The strong result year to date in 2021 is attributed to the sale of AS Værdalsbruket in the 2nd quarter with a net gain of NOK 546m, while the weak result in 2020 stemmed from unrealised losses on investments in the company portfolios that occurred during the financial market turmoil during the first half of the year. The unrealised losses were largely regained in the 3rd quarter, resulting in the strong 3rd quarter result last year. The loss in the 3rd quarter this year stems from operational cost in the holding company Storebrand ASA.

The financial result for the Other segment includes the company portfolios of SPP and Storebrand Life Insurance, and the financial result of Storebrand ASA. The financial result for the other segment amounted to NOK 6m in the quarter (NOK 163m).

The investments in the company portfolios are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio reported a return of 0.4% in the quarter and 1.4% year to date. The Swedish company portfolio achieved a return of 0.2% in the quarter and 0.5% year to date.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Given the interest rate level at the end of the 3rd quarter, interest expenses of approximately NOK 100m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies and the holding company amounted to NOK 33.9bn at end of the 3rd quarter.

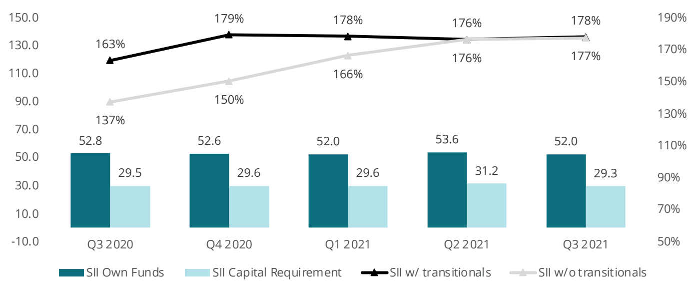
Balance sheet, solidity and capital situation

Continuous monitoring and active risk management is a core area of Storebrand's business. Risk and solidity are monitored at both Group level and in the legal entities. Regulatory requirements for financial strength and risk management follow the legal entities to a large extent. The section is thus divided by legal entities.

Storebrand Group

Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target solvency ratio in accordance with the Solvency II regulations is a minimum of 150%, including use of the transitional rules. The solvency ratio was 178% at the end of the 3rd quarter, an increase of 6 percentage points from last quarter. This is within the targeted range of 150-180%. Rising long term interest rates, a slightly higher volatility adjustment and lower equity stress, as well as changes in the investment portfolio, a strong profit (net of dividends), and 0.7 percentage points of transitional capital contributed positively to the solvency ratio in the quarter. The acquisition of Capital Investment and assumption changes detracted from the solvency ratio.

Storebrand is a blend of fast-growing capital-light business that delivers high returns on equity, and capital-intensive run-off business with low returns on equity. The back-book of guaranteed business ties up more than three quarters of the Group's capital, delivering an estimated return on equity of 5% over the last twelve months, whereas the front-book, the "future Storebrand" delivered an estimated return on equity of 35%[1]. Large variations in the estimated pro forma return on equity in the front-book are expected as earnings are market dependent, while the capital base is primarily related to mortgage lending in the bank and to insurance. Overall, the Group's quarterly return on equity (adjusted for amortisation) was 8.7% on an annualised basis. As the business mix shifts, the return on equity is expected to reach the targeted 10% on a sustainable basis from 2023 onwards.



[1] The RoE is calculated based on the profit for the last 12 months, after tax and before amortisation of intangible assets, divided on a pro forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings, Insurance and Other are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment. The methodology is an estimation of ROE pr. reporting segment.

[2] Storebrand Life Insurance, SPP and BenCo.

[3] Consists of equity, subordinated loan capital, market value adjustment reserve, risk equalisation reserve, unrealised gains/losses on bonds and loans at amortised cost, additional statutory reserves, conditional bonuses.

Storebrand ASA

Storebrand ASA (holding company) held liquid assets of NOK 4.9bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities with a good credit rating and bank deposits. Storebrand ASA's total interest-bearing liabilities were NOK 1.0 bn at the end of the quarter. The next maturity date for bond debt is in May 2022, when NOK 500m matures. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 200m that runs until December 2025.

Storebrand ASA owned 0.39% (1,839,776) of the company's total shares at the end of the quarter.

Storebrand Life Insurance Group[2]

The Solidity capital[3] measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 73.8bn at the end of 3rd quarter 2021, a decrease in the 3rd quarter by NOK 1.5bn, but an increase year to date by NOK 1.0bn. The change in the quarter is primarily due to increased interest rates in Norway. During the 1st quarter, issuance of a new subordinated loan and the repurchase of outstanding bonds added net NOK 2.1bn. In the 3rd quarter, a subordinated loan of SEK 900m has been issued. In October a subordinated loan of SEK 750m will be repurchased.

Storebrand Livsforsikring AS

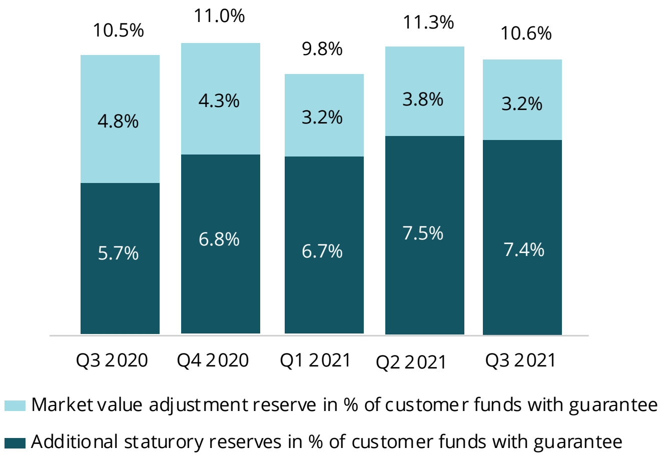
The market value adjustment reserve decreased during the 3rd quarter by NOK 1.5bn and an increase by NOK 1.0bn year to date. At the end of 3rd quarter the market value adjustment reserve amounted to NOK 5.7bn, corresponding to 3.2% (3.8% at the end of 2nd quarter) of customer funds with a guarantee.

The additional statutory reserves amounted to NOK 13.2bn, corresponding to 7.4% (7.5% at the end of the 2nd quarter) of customer funds with guarantee, at the end of the 3rd quarter 2021. Investment returns in customer portfolios higher than the guaranteed interest rate in the quarter and year to date increased reserves by NOK 1.2bn while new business transferred in contributed positively with NOK 0.6bn in additional statutory reserves year to date.

Together, the customer buffers amounted to 10.6% (11.3% at the end of the 2nd quarter) of customer funds with guarantee.

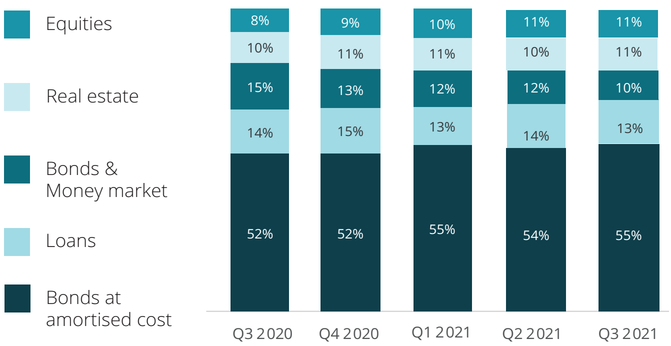
The excess value of bonds and loans valued at amortised cost decreased by NOK 1.6bn in the 3rd quarter and by NOK 4.0bn year to date due to higher interest rates and amounted to NOK 4.8bn at the end of the 3rd quarter, but is not included in the financial statements.

CUSTOMER BUFFERS



ALLOCATION OF GUARANTEED CUSTOMER ASSETS

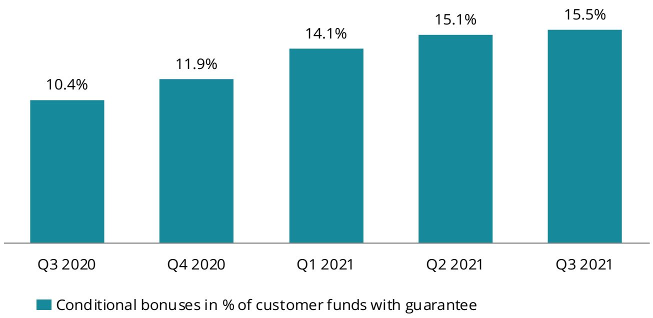
Customer assets are unchanged in the 3rd quarter and increased by NOK 25.4bn year to date, amounting to NOK 349bn at the end of the quarter. Customer assets within non-guaranteed savings increased by NOK 0.7bn during the 3rd quarter and by NOK 14.3bn year to date, amounting to NOK 151bn at the end of the quarter. Guaranteed customer assets decreased in the 3rd quarter by NOK 0.7bn and NOK 11.1bn year to date, amounting to NOK 198bn at the end of the quarter.



SPP

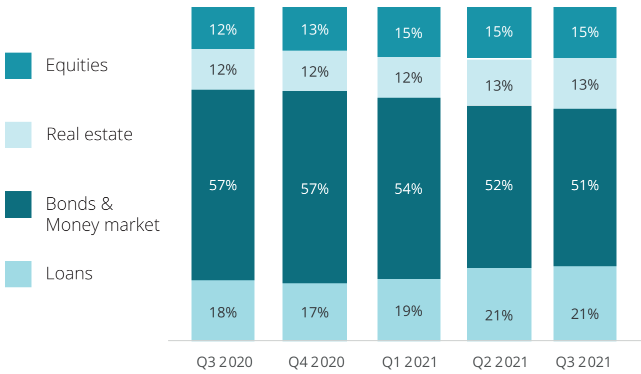
CUSTOMER BUFFERS

The buffer capital (conditional bonuses) including Euroben amounted to SEK 12.8bn (SEK 8.1bn) at the end of the 3rd quarter.



ALLOCATION OF GUARANTEED CUSTOMER ASSETS

Total assets under management for customers in SPP were SEK 236bn (SEK 203bn) at the end of the 3rd quarter, including Euroben (SEK 10.5bn). This corresponds to an increase of 16% compared to the 3rd quarter last year. For customer assets in non-guaranteed savings, assets under management amounted to SEK 144.7bn (SEK 121.2bn) at the end of the 3rd quarter, which corresponds to an increase of 19% compared with the 3rd quarter last year.



Storebrand Bank

Loans outstanding increased by NOK 2.5bn during the quarter. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS decreased by NOK 1.2bn during the quarter. The combined portfolio of loans in Storebrand Bank and Storebrand Livsforsikring increased by NOK 1.4bn during the quarter and NOK 6.1bn year to date.

The bank group has had an increase in the risk-weighted balance sheet of NOK 2.2bn year to date. The Storebrand Bank group had a net capital base of NOK 3.2bn at the end of the third quarter. The capital adequacy ratio was 19.6 per cent and the Core Equity Tier 1 (CET1) ratio was 14.7 per cent at the end of the third quarter, compared with 18.7 per cent and 15.1 per cent, respectively, at the end of 2020. The combined requirements for capital and CET1 were 15.8 per cent and 12.3 per cent respectively at the end of the third quarter.

Outlook

Strategy

Storebrand follows a two-fold strategy that gives a compelling combination of self-funded growth in the front book, the growth areas of the "future Storebrand", and capital return from a maturing back book of guaranteed pensions.

Storebrand aims to be (a) the leading provider of Occupational Pensions in both Norway and Sweden, (b) continue a strategy to build a Nordic Powerhouse in Asset Management and (c) ensure fast growth as a challenger in the Norwegian retail market for financial services. The combined capital, customer base, cost and data synergies across the Group provide a solid platform for profitable growth and value creation. The ambition is to deliver a profit (before amortisation and tax) of about NOK 4bn in 2023.

Storebrand also continues to manage capital and a back book with guaranteed products for increased shareholder return. This includes both a dividend policy of growing ordinary dividends from earnings as well as managing the legacy products that carry interest guarantees in a capital-efficient manner. The goal is to release an estimated NOK 10bn of capital by 2030.

Financial performance

In Norway, the market for private sector occupational pensions has experienced increased competition over the last years in anticipation of the new Individual Pension Accounts (IPA) introduced this year. Consequently, the Unit Linked segment in Norway has been reporting a gradually lower fee income margin. Continued margin decline is registered as expected within Unit Linked as individuals' contracts are gradually merged into one account in 2021. As of the 3rd quarter, approximately 65% of the contracts have been transferred into Individual Pensions Accounts in the market. The product's profit is expected to decline in 2022, before recovering in 2023 through strong underlying growth as well as measures to increase profitability. The market has grown structurally over the past years. High single-digit growth in Defined Contribution premiums and double-digit growth in assets under management are expected during the next years. We aim to defend Storebrand's strong position in the market, while also focusing on cost leadership and improved customer experience through end-to-end digitalisation.

As a leading occupational pension provider in the private sector, Storebrand also has a competitive offering to the public sector market. Premiums in the public sector pension market are growing and it is larger in reserves than the private sector. This represents a potential additional source of revenue generation for Storebrand. The ambition is to gain 1% market share annually, or approximately NOK 5bn in annual net inflow.

In the coming years, Storebrand is looking to leverage customer, product and capital synergies by expanding our insurance offering to corporate clients within P&C. This will generate an additional income stream for the Group. The gradual transfer of contracts from the Insr portfolios has contributed to growth within this area in 2021.

In Sweden, SPP has become a significant profit contributor to the Storebrand Group, driven by earnings growth and ongoing capital release. Growth is expected to continue, driven by an edge in digital and ESG-enhanced solutions, and a strong market position. The market is expected to grow about 8% annually, supported by increasing transfer volumes. Going forward, SPP's ambition is to grow 14-16% annually – twice the overall market growth – through capturing the largest share of transfers.

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 and amounted to 49.7% of the pension reserves at the end of the 3rd quarter, 3.7 percentage points lower than for the corresponding period last year. Storebrand has a strategy is to secure customer returns and shield shareholder's equity under turbulent market conditions by building customer buffers.

In addition to managing internal pension funds, Storebrand Asset Management is growing its external mandates from institutional and retail investors, both in the Nordics and across Europe. Storebrand has a full product range including index, factor, and active management. We are also one of the strongest providers of alternative assets in the Nordic region, an asset class offering prospects of higher margins. In the 3rd quarter, Storebrand acquired real estate manager Capital Investment in Denmark to expand our offering of alternative assets. In combination with a strong track record with ESG-enhanced mutual funds, Storebrand is aiming to capitalise on these two trends. The overall ambition is to grow assets under management by NOK 250bn in the period 2021-2023, while maintaining a stable fee margin.

The individualisation of the market for pension and savings is expected to further increase and may be reinforced by the introduction of individual pension accounts in Norway. Retail has already become an increasingly large part of Storebrand, contributing 21% to the overall Group Profit in 2020 and 33% in the 3rd quarter 2021. P&C insurance, where Storebrand has transferred policies from Insr since December 2020, has been an important area for growth. Own sales channels and distribution partnerships will continue to support growth. The ambition is to grow more than 10% annually within savings, mortgage lending and insurance.

Adjusted for acquisitions, currency and performance related cost, the Group has reported flat nominal cost from 2012-2020. Storebrand will continue to reduce underlying costs, but it will also be necessary to make selective investments to facilitate growth. New business and the acquisition of the Insr portfolio, as well as accelerated digital investments, are expected to increase costs in 2021 by NOK 400m. As of the 3rd quarter of 2021, the Group is well within the cost ambition of NOK 4.4bn for the full year. A gradual increase in costs is expected as the activity in the economy increases. Continued strong cost discipline will be a critical success factor to deliver a profit (before amortisation and tax) of NOK 4bn in 2023.

Risk

Financial market risk is the Group's biggest risk, but main risks also include business risk, insurance risk, counterparty risk, operational risk, climate risk and liquidity risk. In the Board's self-assessment of risk and solvency (ORSA) process, developments in interest rates, credit spreads, and equity and property values are considered to be the biggest risks that influence the solvency of the Group. Should the economic situation worsen, and financial markets deteriorate, investment losses may occur from reduced valuations of such instruments.

In the long term, continued low interest rates represent a risk for products with guaranteed high interest rates. The level of the average annual interest rate guarantee is gradually reduced as older policies with higher guarantees are phased out. Storebrand has also adapted to the low interest rate environment by increasing the asset duration, building a robust portfolio of bonds at amortised cost to achieve sufficient returns, and building up buffer capital. The investment portfolio in Norway with 55% of the bonds booked at amortised cost, as well as an asset-duration matched portfolio in Sweden, reduce the impact of interest rate movements. With over 11% of customer buffers as a share of customer reserves, Storebrand effectively has NOK 32bn more in customer assets than liabilities and NOK 4.8bn in surplus values in bonds held at amortised cost. Customer buffers increase the expected booked returns in Norway. The customer buffers can also be used to compensate for a shortfall in returns under poor market conditions, limiting the financial risk to shareholders and policyholders. In markets with rising interest rates, the buffer capital absorbs lower mark-to-market values on bonds.

Increased longevity and development in disability are the main insurance risk factors for the Group. A weakening of the Norwegian economy that leads to higher unemployment may lead to higher disability levels, which can result in increased claims. The Covid-19 pandemic led to increased uncertainty in disability and related claims. Storebrand continues to monitor the development closely.

Operational risk may also influence solvency. Several regulatory processes, both on the domestic and international level, with potential implications for capital, customer returns and commercial opportunities are described below in a separate section.

Changes have been made to the Norwegian tax legislation for the insurance industry in recent 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 8. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.8bn may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.8bn could be recognised. 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.

REGULATORY CHANGES

Guaranteed pensions

The Ministry of Finance has presented a bill to parliament regarding changes in the regulation of guaranteed pension products. The proposed 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. Pay-out periods for paid up-policies can today be reduced so that the yearly benefit equals about 0,3 G (G = NOK 106 399). The Financial Supervisory Authority proposed increasing this threshold to 0,5 G. The Ministry of Finance goes further and proposes that pay-out periods can be reduced so that the yearly benefit equals about 1 G, with the option for customers to choose even faster pay-out up to yearly benefits of 1,5 G. This will reduce longevity risk and duration risk for the affected contracts.
- The ability for providers 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.

We expect the bill to be passed by parliament before the end of 2021. The Ministry of Finance has not proposed changes to the buffer fund model in this bill. The Ministry of Finance will consider the need for additional regulatory changes later and refers to changes that can facilitate improved competition for public occupational pensions. This could lead to more flexible rules for buffer fund use for public occupational pensions, allowing for additional statutory reserves to cover negative returns.

Savings in Norwegian Defined Contribution pensions

- The aforementioned bill to Parliament also proposes changes to the rules for savings in Defined Contribution pensions:

- All of workers' income should be the basis for pension contributions under the Mandatory Occupational Pension rules, not just income above 1 G, or working more than 20 per cent of full time, which is the case today.
- The right to pension contributions from the age of 13.

The proposals are expected to increase total annual savings in the Defined Contribution market by roughly NOK 3bn annually when they enter into force, probably in 2023.

Solvency II review

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 Commission emphasises the insurance sector's important role when it comes to financing the green transition and helping society to adapt to climate changes. The Commission considers the review an opportunity to ensure that the regulatory framework is conducive to long-term investment and increased capacity to invest in businesses.

In the review, changes to the interest rate risk module could increase the solvency capital requirement for Norwegian and Swedish insurers. The Commission's proposals appear more representative for Norwegian interest rates than earlier proposals from EIOPA. The Commission also proposes changes that could have offsetting effects to increased capital requirements, such as a reduced risk margin.

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.

Changes in IFRS

A new accounting standard for insurance contracts, IFRS 17, is expected to be implemented in 2023. Storebrand will also implement IFRS 9, Financial instruments, at the same time. The new standards will lead to changes in the valuation of the insurance contracts and how the profit is accounted. Estimated effects for Storebrand will be presented closer to the implementation date.

Sustainable Finance

The European Union's Action Plan on Sustainable Finance aims to contribute to realising the Paris goals of reduced carbon emissions. This is followed by new regulation to increase investments in sustainable activities and increase the resilience of the financial system when it comes to climate risk.

The Financial Supervisory Authority has conducted a public consultation on legislation introducing the EU Taxonomy on classification of sustainable activities and regulation on climate-related disclosures in Norwegian law. We expect this law to be passed before the end of 2021.

Dividend policy

Storebrand has established a framework for capital management that links dividends to the solvency margin. The dividend policy intends to reflect the strong growth in fee-based earnings, the more volatile financial markets related earnings and the future capital release from the guaranteed book. The Board's ambition is to pay a gradually and growing ordinary dividend. Should the solvency margin remain sustainably above 180% without material use of transitional capital, the Board intends to initiate a share buyback program. A review of the solvency level and related share buybacks will be conducted after the full year results for 2021. The purpose of the buyback program is to return excess capital released from the guaranteed liabilities that are in long-term run-off.

Storebrand's dividend policy is stated as following:

Storebrand aims to pay an ordinary dividend of more than 50% of Group result after tax. The Board of Directors' ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year. Ordinary dividends are subject to a sustainable solvency margin of above 150%. If the solvency margin is above 180%, the Board of Directors intends to propose special dividends or share buy backs.

Lysaker, 26 October 2021

Storebrand Group
Income statement

		Q3		01.01 - 30.09		Full year
(NOK million)	Note	2021	2020	2021	2020	2020
Premium income		11,992	7,805	40,212	35,477	44,188
Net income from financial assets and real estate for the company:						
- equities and fund units at fair value		8	8	29	13	22
- bonds and other fixed-income securities at fair value		75	68	200	465	785
- derivatives at fair value		-4	83	38	-219	-397
- loans at fair value		5	1	5	30	37
- bonds at amortised cost		51	54	159	162	212
- loans at amortised cost		186	155	525	530	687
- profit from investments in associated companies/joint ventures		14	27	28	62	52
Net income from financial assets and real estate for the customers:						
- equities and fund units at fair value		2,826	12,615	34,640	3,208	14,632
- bonds and other fixed-income securities at fair value		289	1,154	700	4,005	3,550
- derivatives at fair value		-1,739	1,849	-2,918	1,466	5,771
- loans at fair value		8	9	17	20	23
- bonds at amortised cost		1,010	945	3,028	3,289	4,202
- loans at amortised cost		94	163	215	800	909
- properties		468	253	1,551	288	1,680
- profit from investments in associated companies/joint ventures		116	107	247	205	569
Other income	4	1,203	936	3,944	2,707	4,109
Total income		**16,602**	**26,232**	**82,622**	**52,509**	**81,031**
Insurance claims		-14,518	-7,183	-37,048	-22,237	-29,531
Change in insurance liabilities		-22	-14,106	-34,782	-21,774	-37,929
Change in capital buffer		567	-2,427	-2,434	-2,152	-4,327
Operating expenses	9	-1,400	-1,193	-4,090	-3,596	-4,914
Other expenses		-146	-164	-641	-645	-826
Interest expenses		-170	-147	-491	-619	-793
Total expenses before amortisation		**-15,689**	**-25,220**	**-79,486**	**-51,023**	**-78,320**
Group profit before amortisation		**912**	**1,012**	**3,136**	**1,486**	**2,711**
Amortisation of intangible assets		-133	-124	-387	-367	-492
Group pre-tax profit		**779**	**889**	**2,749**	**1,119**	**2,219**
Tax expenses	10	-181	-123	-536	363	136
Profit/loss for the period		**598**	**766**	**2,213**	**1,483**	**2,355**
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		596	764	2,206	1,475	2,345
Share of profit for the period - hybrid capital investors		2	2	7	8	10
Total		**598**	**766**	**2,213**	**1,483**	**2,355**
Earnings per ordinary share (NOK)		1.28	1.63	4.73	3.16	5.02
Average number of shares as basis for calculation (million)				466.1	467.2	467.2
There is no financial instruments that gives diluted effect on earnings per share						

Storebrand Group
Statement of comprehensive income

	Q3		01.01 - 30.09		Full year
(NOK million)	2021	2020	2021	2020	2020
Profit/loss for the period	**598**	**766**	**2,213**	**1,483**	**2,355**
Actuarial assumptions pensions own employees	-2	-2	-8	-6	-110
Fair value adjustment of properties for own use	4	2	73	24	83
Other comprehensive income allocated to customers	-4	-2	-73	-24	-83
Tax on other comprehensive income elements not to be reclassified to profit/loss					15
Total other comprehensive income elements not to be reclassified to profit/loss	**-2**	**-2**	**-8**	**-6**	**-95**
Translation differences foreign exchange	-20	36	-102	302	305
Gains/losses from cash flow hedging	-7	-14	-32		-33
Total other comprehensive income elements that may be reclassified to profit/loss	**-27**	**23**	**-134**	**302**	**273**
Total other comprehensive income elements	**-29**	**20**	**-141**	**297**	**178**
Total comprehensive income	**569**	**787**	**2,072**	**1,779**	**2,532**
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	567	784	2,065	1,772	2,515
Share of total comprehensive income - hybrid capital investors	2	2	7	8	10
Share of total comprehensive income - non-controlling interests					8
Total	**569**	**787**	**2,072**	**1,779**	**2,532**

Storebrand Group
Statement of financial position

(NOK million)	Note	30.09.21	30.09.20	31.12.20
Assets company portfolio				
Deferred tax assets		1,287	1,888	1,780
Intangible assets and excess value on purchased insurance contracts		6,898	6,414	6,303
Pension assets			2	
Tangible fixed assets		1,287	1,433	1,397
Investments in associated companies and joint ventures		346	275	283
Financial assets at amortised cost:				
- Bonds	8	11,579	10,997	10,639
- Loans to financial institutions	8	56	742	103
- Loans to customers	8,11	38,202	30,356	31,058
Reinsurers' share of technical reserves		45	40	56
Investment properties at fair value	8		50	50
Biological assets			67	67
Accounts receivable and other short-term receivables		11,117	7,101	7,018
Financial assets at fair value:				
- Equities and fund units	8	525	326	384
- Bonds and other fixed-income securities	8	29,142	27,983	28,833
- Derivatives	8	956	1,469	1,389
- Loans to customers	8,11	707	431	722
Bank deposits		4,465	3,123	2,775
Minority portion of consolidated mutual funds		55,046	50,236	59,845
Total assets company portfolio		**161,657**	**142,934**	**152,701**
Assets customer portfolio				
Investments in associated companies and joint ventures		6,608	5,710	6,167
Financial assets at amortised cost:				
- Bonds	8	106,658	91,914	92,846
- Bonds held-to-maturity	8	10,071	13,473	13,026
- Loans to customers	8,11	22,541	22,366	23,769
Reinsurers' share of technical reserves		13	29	24
Investment properties at fair value	8	32,385	30,679	32,067
Properties for own use	8	1,618	1,551	1,609
Accounts receivable and other short-term receivables		792	529	404
Financial assets at fair value:				
- Equities and fund units	8	263,981	215,834	230,446
- Bonds and other fixed-income securities	8	138,299	148,460	148,162
- Derivatives	8	4,038	7,938	8,587
- Loans to customers	8,11	7,823	8,320	7,665
Bank deposits		8,145	9,225	10,290
Total assets customer portfolio		**602,973**	**556,028**	**575,061**
Total assets		**764,630**	**698,963**	**727,763**

Continue next page

Storebrand Group
Statement of financial position (continued)

(NOK million)	Note	30.09.21	30.09.20	31.12.20
Equity and liabilities				
Paid-in capital		13,192	12,858	12,858
Retained earnings		23,317	22,097	22,839
Hybrid capital		226	226	226
Total equity		**36,735**	**35,181**	**35,923**
Subordinated loans	7,8	12,334	9,236	9,110
Capital buffer	12	31,636	27,321	29,319
Insurance liabilities		565,153	520,331	536,028
Pension liabilities		339	270	352
Deferred tax		954	796	849
Financial liabilities:				
- Liabilities to financial institutions	7,8	202	1,640	1,653
- Deposits from banking customers	8	16,776	15,419	15,506
- Securities issued	7,8	25,878	20,648	20,649
- Derivatives company portfolio		164	202	114
- Derivatives customer portfolio		1,592	2,779	851
- Other non-current liabilities		1,240	1,389	1,355
Other current liabilities		16,581	13,517	16,209
Minority portion of consolidated mutual funds		55,046	50,236	59,845
Total liabilities		**727,895**	**663,782**	**691,840**
Total equity and liabilities		**764,630**	**698,963**	**727,763**

Storebrand Group
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Total paid in equity	Currency translation differences	Other equity [2]	Total retained earnings	Hybrid capital[3]	Non-controlling interests	Total equity
	Majority's share of equity									
Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**12,856**	**910**	**19,355**	**20,264**	**226**	**52**	**33,398**
Profit for the period						2,345	2,345	10		2,355
Total other comprehensive income elements					298	-128	170		8	178
Total comprehensive income for the period					**298**	**2,217**	**2,515**	**10**	**8**	**2,532**
Equity transactions with owners:										
Own shares		3		3		33	33			36
Hybrid capital classified as equity						3	3			3
Paid out interest hybrid capital								-10		-10
Other						24	24		-59	-35
Equity at 31 December 2020	**2,339**	**-2**	**10,521**	**12,858**	**1,208**	**21,631**	**22,839**	**226**		**35,923**
Profit for the period						2,206	2,206	7		2,213
Total other comprehnsive income elements					-102	-40	-141			-141
Total comprehensive income for the period					**-102**	**2,167**	**2,065**	**7**		**2,072**
Equity transactions with owners:										
Own shares		-7		-7		-97	-97			-104
Issue of shares	21		320	341						341
Hybrid capital classified as equity						2	2			2
Paid out interest hybrid capital								-6		-6
Dividend paid						-1,513	-1,513			-1,513
Other						22	22			22
Equity at 30 September 2021	**2,360**	**-9**	**10,842**	**13,192**	**1,106**	**22,212**	**23,317**	**226**		**36,735**

[1] 471 974 890 shares with a nominal value of NOK 5.
[2] Includes undistributable funds in the risk equalisation fund amounting to NOK 485 million and security reserves/natural perials capital amounting NOK 148 million.
[3] Perpetual hybrid tier 1 capital classified as equity.

0

Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**12,856**	**910**	**19,355**	**20,264**	**226**	**52**	**33,398**
Profit for the period						1,475	1,475	8		1,483
Total other comprehensive income elements					302	-6	297			297
Total comprehensive income for the period					**302**	**1,469**	**1,772**	**8**		**1,779**
Equity transactions with owners:										
Own shares		3		3		33	33			36
Hybrid capital classified as equity						2	2			2
Paid out interest hybrid capital								-8		-8
Other						26	26		-52	-26
Equity at 30 September 2020	**2,339**	**-2**	**10,521**	**12,858**	**1,212**	**20,885**	**22,097**	**226**		**35,181**

Storebrand Group
Statement of cash flow

(NOK million)	01.01 - 30.09 2021	2020
Cash flow from operating activities		
Net receipts premium - insurance	23,613	21,920
Net payments claims and insurance benefits	-15,458	-16,195
Net receipts/payments - transfers	-3,824	7,353
Other receipts/payments - insurance liabilities	3,715	975
Receipts - interest, commission and fees from customers	669	739
Payments - interest, commission and fees to customers	-24	-31
Taxes paid	-13	-26
Payments relating to operations	-4,213	-3,726
Net receipts/payments - other operating activities	3,005	1,631
Net cash flow from operations before financial assets and banking customers	*7,470*	*12,640*
Net receipts/payments - loans to customers	-6,376	-45
Net receipts/payments - deposits bank customers	1,247	961
Net receipts/payments - securities	-9,245	-13,756
Net receipts/payments - investment properties	145	698
Net change in bank deposits for insurance customers (bank deposit in customer portfolio)	2,032	-1,587
Net cash flow from financial assets and banking customers	*-12,197*	*-13,730*
Net cash flow from operating activities	**-4,727**	**-1,090**
Cash flow from investing activities		
Receipts - sale of subsidiaries	815	
Payments - purchase of subsidiaries	-393	-167
Net receipts/payments - sale/purchase of fixed assets	-244	-65
Net receipts/payments - sale/purchase of associated companies and joint ventures	-1	
Net cash flow from investing activities	**178**	**-232**
Cash flow from financing activities		
Receipts - new loans	7,528	8,496
Payments - repayments of loans	-1,630	-6,555
Payments - interest on loans	-170	-318
Receipts - subordinated loans	4,211	499
Payments - repayment of subordinated loans	-373	-872
Payments - interest on subordinated loans	-356	-350
Net receipts/payments - loans to financial institutions	-1,450	1,193
Receipts - issuing of share capital / sale of shares to employees	45	26
Payments - repayment of share capital	-144	
Payments - dividends	-1,513	
Payments - interest on hybrid capital	-6	-8
Net cash flow from financing activities	**6,139**	**2,112**
Net cash flow for the period	**1,591**	**790**
Cash and cash equivalents at the start of the period	2,878	3,160
Currency translation cash/cash equivalents in foreign currency	53	-84
Cash and cash equivalents at the end of the period [1)]	**4,521**	**3,865**
[1)] Consists of:		
Loans to financial institutions	56	742
Bank deposits	4,465	3,123
Total	**4,521**	**3,865**

Notes to the interim accounts Storebrand Group

Note 01 Accounting policies

The Group's interim financial statements include Storebrand ASA, subsidiaries, associated companies and joint ventures. The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2020 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

There are none new or changed accounting standards that entered into effect in 2021 that have significant effect on Storebrand's consolidated financial statements.

Note 02 Important accounting estimates and jugdements

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

Actual results may differ from these estimates.

A description of the most critical estimates and judgements that can affect recognised amounts is included in the 2020 annual report in note 2, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 12.

Note 03 Acquisition

Storebrand has acquired Capital Investment, which is a Danish real estate investment advisory and asset manager with close to DKK 20 billion in assets under management headquartered in Copenhagen. The acquisition includes two legal companies: Capital Investment A/S and CI AM ApS. The transaction was completed on 30 September 2021.

Capital Investment delivers a comprehensive suite of real estate investment management services, handling the entire investment process from the beginning to the end on behalf of national and international clients. Capital Investment has 18 employees.

The acquisition of Capital Investment is in line with Storebrand's growth strategy within Nordic alternative investments and will further build Storebrand's position as a gateway to the Nordic market in asset management.

All shares in Capital Investment that were acquired by Storebrand ASA were transferred to Storebrand Asset Management AS as of 30 September 2021 as a contribution in kind.

Storebrand has paid the selling shareholders consideration for the shares amounting to NOK 698 million upon completion of the transaction, divided between newly issued shares in Storebrand ASA and a cash consideration of NOK 356 million. Upon completion of the transaction, 4,160,908 new shares have been issued in Storebrand ASA as a partial financing of the share acquisition by the capital increase having been carried out in return for contributions in the form of assets other than cash so that shareholders do not have preferential rights. The value of the consideration that Storebrand ASA is paying for the shares in Capital Investment is based on the price of the shares in Storebrand ASA of NOK 82.02 per share. In addition, there may be additional consideration based on developments in results and income in Capital Investment, estimated to NOK 93 million as of 30 September. The additional consideration has an upper limit of NOK 273 million.

The acquisition of the shares in Capital Investment was made public on 31 August 2021, and the transaction has been approved by the Financial Supervisory Authority of Norway and the Norwegian Ministry of Finance.

The table below shows a preliminary acquisition analysis. The final closing purchase price will be calculated based on audited financial statements on the closing date.

Acquisition analysis Capital Investment

(NOK million)	Book values in the company	Excess value upon acquistion	Book values
Assets			
Customer contracts		242	242
Other assets	6		6
Bank deposits	20		20
Total assets	**27**	**242**	**269**
Liabilities			
Current liabilities	11		11
Deferred tax		53	53
Net identifiable assets and liabilities	**16**	**189**	**205**
Goodwill		586	586
Fair value at acquisition date		**775**	**791**
Conditional payment			93
Cash payment			**698**

Settlement of cash consideration

(NOK million)	Amount
Consideration shares	341
Paid in cash	356
Total	**698**

Income statement Capital Investment 01.01 - 30.09 2021

(NOK million)	Amount
Income	70
Pre-tax profit	5
Profit after tax	**4**

No result from Capital Investment has been included in Storebrand's income statement as of 30 September 2021.

Note 04 Divestment of subsidiary

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.

During the second quarter Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 546 million. The gain is classified as Other income in the accounts, and as Financial items in the segment note under the Other segment. There are no contingent liabilities associated with this transaction.

Note 05 Profit by segments

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

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

Insurance
The insurance segment provides health insurance in the Norwegian and Swe¬dish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market in addition to 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 saving products which provides customers a guaranteed rate of return. The area includes defined benefit pensions in Norway and Sweden, paid-up policies and individual capital and pension insurances.

Other
The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios of Storebrand Livsforsikring and SPP. The elimination of intra-group transactions is also included in the Other segment.

Reconciliation with the official profit and loss accounting
Profit in the segments is reconciled with the corporate profit and loss account before tax. The corporate profit and loss account include gross income and gross expenses linked to both the insurance customers and owners. The various segments are to a large extent followed up on net profit margins, including risk and administration results. The profit lines that are used in segment reporting will therefore not be identical with the profit lines in the corporate profit and loss account.

A description of the most important differences is included in the 2020 annual report in note 4 Segment reporting.

	Q3		01.01 - 30.09		Full year
(NOK million)	2021	2020	2021	2020	2020
Savings	476	394	1,438	1,066	1,730
Insurance	162	173	363	29	204
Guaranteed pension[1)]	315	308	946	409	805
Other[1)]	-40	137	388	-18	-28
Group profit before amortisation	**912**	**1,012**	**3,136**	**1,486**	**2,711**
Amortisation of intangible assets	-133	-124	-387	-367	-492
Group pre-tax profit	**779**	**889**	**2,749**	**1,119**	**2,219**

[1)] *Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".*

Segment information as Q3

	Savings		Insurance		Guaranteed pension	
	Q3		Q3		Q3	
(NOK million)	2021	2020	2021	2020	2021	2020[1]
Fee and administration income	1,182	1,038			423	380
Insurance result			342	304		
- Insurance premiums for own account			*1,336*	*1,105*		
- Claims for own account			*-995*	*-801*		
Operating expense	-716	-639	-207	-168	-217	-217
Operating profit	**466**	**400**	**135**	**135**	**206**	**163**
Financial items and risk result life & pension	9	-6	27	37	109	146
Group profit before amortisation	**476**	**394**	**162**	**173**	**315**	**308**
Amortisation of intangible assets [2]						
Group pre-tax profit						

	Other		Storebrand Group	
	Q3		Q3	
(NOK million)	2021	2020[1]	2021	2020
Fee and administration income	-61	-66	1,544	1,352
Insurance result			342	304
- Insurance premiums for own account			*1,336*	*1,105*
- Claims for own account			*-995*	*-801*
Operating expense	15	40	-1,124	-984
Operating profit	**-46**	**-25**	**762**	**672**
Financial items and risk result life & pension	6	163	151	340
Group profit before amortisation	**-40**	**137**	**912**	**1,012**
Amortisation of intangible assets [2]			-133	-124
Group pre-tax profit			**779**	**889**

Segment information as of 01.01 - 30.09

	Savings		Insurance		Guaranteed pension	
	01.01 - 30.09		01.01 - 30.09		01.01 - 30.09	
(NOK million)	2021	2020	2021	2020	2021	2020[1]
Fee and administration income	3,467	3,055			1,213	1,121
Insurance result			894	488		
- Insurance premiums for own account			*3,809*	*3,195*		
- Claims for own account			*-2,915*	*-2,707*		
Operating expense	-2,089	-1,908	-622	-518	-641	-643
Operating profit	**1,378**	**1,148**	**272**	**-30**	**572**	**479**
Financial items and risk result life & pension	60	-82	91	59	375	-70
Group profit before amortisation	**1,438**	**1,066**	**363**	**29**	**946**	**409**
Amortisation of intangible assets [2]						
Group pre-tax profit						

[1] *Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".*
[2] *Amortisation of intangible assets are included in Storebrand Group*

(NOK million)	Other 01.01 - 30.09 2021	Other 01.01 - 30.09 2020[1)]	Storebrand Group 01.01 - 30.09 2021	Storebrand Group 01.01 - 30.09 2020
Fee and administration income	-181	-175	4,499	4,001
Insurance result			894	488
- Insurance premiums for own account			*3,809*	*3,195*
- Claims for own account			*-2,915*	*-2,707*
Operating expense	52	86	-3,301	-2,983
Operating profit	**-129**	**-90**	**2,092**	**1,506**
Financial items and risk result life & pension	518	72	1,043	-20
Group profit before amortisation	**388**	**-18**	**3,136**	**1,486**
Amortisation of intangible assets [2)]			-387	-367
Group pre-tax profit			**2,749**	**1,119**

[1)] *Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".*
[2)] *Amortisation of intangible assets are included in Storebrand Group*

Key figures by business area

(NOK million)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Group								
Earnings per ordinary share [1)]	4.73	3.46	0.94	5.02	3.16	1.52	0.56	4.43
Equity	36,735	35,823	36,069	35,923	35,181	34,396	34,090	33,398
Savings								
Premium income Unit Linked [2)]	5,201	5,316	5,346	5,163	4,856	5,121	5,046	4,551
Unit Linked reserves	295,790	295,195	278,702	268,331	251,577	234,644	210,061	219,793
AuM asset management	1,058,435	1,037,470	987,397	962,472	920,540	880,177	828,749	831,209
Retail lending	55,663	54,288	51,594	49,474	47,771	47,208	47,681	48,161
Insurance								
Total written premiums	6,263	6,133	5,745	5,562	5,288	5,201	5,037	4,698
Claims ratio [2)]	74%	74%	82%	70%	73%	76%	107%	78%
Cost ratio [2)]	15%	17%	17%	17%	15%	16%	17%	17%
Combined ratio [2)]	90%	91%	98%	87%	88%	92%	124%	96%
Guaranteed pension								
Guaranteed reserves	292,162	294,909	286,410	287,614	287,740	284,832	282,439	272,970
Guaranteed reseves in % of total reserves	49.7%	50.0%	50.7%	51.7%	53.4%	54.8%	57.3%	55.4%
Net transfer out of guaranteed reserves [2)]	-712	-94	6,941	704	-4	634	93	-16
Capital buffer in % of customer reserves Storebrand Life Group [3)]	10.6%	11.3%	9.8%	11.0%	10.5%	9.5%	8.3%	8.6%
Capital buffer in % of customer reserves SPP [4)]	15.5%	15.1%	14.1%	11.9%	10.4%	9.3%	8.0%	11.5%
Solidity								
Solvency II [5)]	178%	172%	176%	178%	179%	163%	172%	176%
Solidity capital (Storebrand Life Group) [6)]	73,780	75,284	69,352	72,766	72,047	67,279	62,713	62,442
Capital adequacy Storebrand Bank	19.6%	18.5%	17.4%	18.7%	18.0%	18.6%	18.7%	19.6%
Core Capital adequacy Stobrand Bank	16.1%	16.8%	15.6%	16.7%	16.0%	16.6%	16.7%	17.5%

[1)] *Accumulated*
[2)] *Quarterly figures*
[3)] *Additional statutory reserves + market value adjustment reserve*
[4)] Conditional bonuses
[5)] See note 14 for specification of Solvency II
[6)] The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

Note 06 Financial market risk and insurance risk

Risks are described in the annual report for 2020 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk) and note 11 (Concentrations of risk).

Financial market risk

Market risk means changes in the value of assets due to unexpected volatility or price changes in the financial markets. It also refers to the risk that the value of the insurance liability develops differently than the assets due to interest rate changes. The most significant market risks for Storebrand are interest rate risk, equity market risk, property price risk, credit risk and currency exchange rate risk.

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

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

The market risk in customer portfolios without a guarantee (unit linked) is borne by the customers, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based mainly on the size of the portfolios, while the costs tend to be fixed. Lower returns from the financial market than expected will therefore have a negative effect on Storebrand's income and profit.

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of risk sharing with customers depends on several factors, the most important being the size and flexibility of the customer buffers, and the level and duration of the interest rate guarantee. If the investment return is not sufficiently high to meet the guaranteed interest rate, the shortfall will be met by using customer buffers in the form of risk capital built up from previous years' surpluses. Risk capital primarily consists of unrealised gains, additional statutory reserves, and conditional bonuses. Storebrand is responsible for meeting any shortfall that cannot be covered by the customer buffers.

For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Falling interest rates are positive for the investment return in the short term due to price appreciation for bonds, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee.

The first three quarters of 2021 has been generally benign for risk assets, in particular equities. Positive drivers are increased economic activity as the society gradually reopens, the roll-out of vaccines, and continued fiscal and monetary stimulus. Inflation has increased due to supply-shortages. The pick-up in inflation has caused some uncertainty and market volatility, as some fear that the increase is more than transitory. The uncertainty regarding the financial markets and the effects from Covid-19 going forward is still higher than normal market risk. Storebrand has risk management which through policies and principles handles and dampens the effect of volatile financial markets.

Global equities were almost unchanged in the third quarter and rose 15 percent year to date. Norwegian equities rose 4 percent in the third quarter and rose 19 percent year to date. The credit spreads for corporate bonds have increased slightly in the third quarter and year to date.

Long-term interest rates rose during the third quarter and year to date. The Norwegian 10-year swap-rate rose 0.3 pp in the third quarter and 0.6 pp year to date. The Swedish 10-year swap-rate rose 0.25 pp in the third quarter and 0.5 pp year to date. Short term interest rates have increased in Norway, as the Bank of Norway has increased the policy rate with 0,25 pp in September and signal further increases. In Sweden, the short-term interest rates are still close to zero. Due to most of the interest rate investments in the Norwegian customer portfolios being held at amortized cost, changes in interest rates have a limited effect on booked returns in the short term. However, with the present interest rates, new bond investments provide a lower return than the average interest rate guarantee. A lower interest rate is also negative for the solvency position.

The Norwegian krone strengthened slightly against the Swedish krone and the Euro but weakened against the US dollar in the third quarter. Since the start of the year, the Norwegian krone has strengthened with 4 percent against the Swedish krone, 3 percent against the euro but has weakened with 2 percent against the US dollar. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and Storebrand's market risk.

Financial instruments valued at fair value level three are priced based on models. Examples of such financial instruments are investment property, private equity, and mortgages. The valuation models gather and employ information from a wide range of well-informed sources. There is greater uncertainty regarding the input factors and the valuation from these models than normal. Any continued spread of Covid-19, governmental measurements to contain the spread and the effects for the economy are uncertain and will have impact on the valuation of financial instruments. There is a large range of possible outcomes for these input data and thus for the modelled prices. Hence, the values reflect management's best estimate, but contain greater uncertainty than in a normal quarter.

During the year the investment allocation has not been materially changed.

The market-based return for guaranteed customer portfolios in Norway in general was lower than the guarantee in the third quarter. Year to date the market-based return is slightly lower than the guarantee, as higher interest rates have a negative effect. In Sweden the return for guaranteed customer portfolios was better than the change in value for the liabilities in the third quarter and year to date, mainly resulting in increased conditional bonuses.

The return for the unit linked portfolios was generally positive, both in third quarter and year to date.

Sensitivity analyses

The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios because 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 30 September 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

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

For 2021, the interest rate down stress has been changed to -50bp from -100bp.

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

As a result of customer buffers, the effect of the stresses on the result will be lower than the values described in the tables. As at 30 September 2021, the customer buffers are of such a size that the effects on the result are significantly lower.

Stresstest 1

Sensitivity	Storebrand Livsforsikring NOK Million	Storebrand Livsforsikring Share of portfolio	SPP Pension & Försäkring NOK Million	SPP Pension & Försäkring Share of portfolio
Interest rate risk	2,123	0.9%	-132	-0.1%
Equtiy risk	-3,592	-1.6%	-2,418	-2.7%
Property risk	-2,742	-1.2%	-1,245	-1.4%
Credit risk	-1,296	-0.6%	-828	-0.9%
Total	**-5,506**	**-2.4%**	**-4,624**	**-5.1%**

Stresstest 2

Sensitivity	Storebrand Livsforsikring NOK Million	Storebrand Livsforsikring Share of portfolio	SPP Pension & Försäkring NOK Million	SPP Pension & Försäkring Share of portfolio
Interest rate risk	-4,247	-1.9%	265	0.3%
Equtiy risk	-2,155	-0.9%	-1,451	-1.6%
Property risk	-1,599	-0.7%	-726	-0.8%
Credit risk	-778	-0.3%	-497	-0.5%
Total	**-8,779**	**-3.8%**	**-2,409**	**-2.7%**

Storebrand Livsforsikring
Stress test 2, which includes an increase in interest rates, makes the greatest impact for Storebrand Livsforsikring. The overall market risk is NOK 8.8 billion (NOK 8.6 billion as at 30 June 2021), which is equivalent to 3.8 (3.8) 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. Similarly, if the customer buffer is not adequate the result will also be negatively impacted. Other negative effects on the result are a lower return from the company portfolio and that there is no profit sharing from paid-up policies and individual contracts.

SPP Pension & Insurance
For SPP it is stress test 1, which includes a fall in interest rates, that creates the greatest impact. The overall market risk is SEK 4.6 billion (SEK 4.8 billion as at 30 June 2021), which is equivalent to 5.1 (5.2) 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. If the portion of the fall in value cannot be covered by the customer buffer the result will be affected. In addition, the reduced profit sharing or loss of the indexing fees may affect the financial result.

Insurance risk
Insurance risk is the risk of higher-than-expected payments and/or an unfavourable change in the value of an insurance liability due to actual developments deviating from what was expected when premiums or provisions were calculated. Most of the insurance risk for the group is related to life insurance. Changes in longevity is the greatest insurance risk for Storebrand because higher longevity means that the guaranteed benefits must be paid over a longer period. There are also risks related to disability and early death.

The development of the insurance reserves is dependent on future scenarios and are currently more uncertain than normal. Storebrand will continue to monitor the development of Covid-19 and effects for the economy. A prolonged situation with high unemployment could lead to higher disability levels and increased reserves. However, the current insurance reserves represent Storebrand's best estimate of the insurance liabilities.

Other insurance risk was not materially changed during the first three quarters.

Note 07

Liquidity risk

Specification of subordinated loans [1]

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Perpetual subordinated loans [2]					
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Storebrand Livsforsikring AS[3]	900	SEK	Variable	2026	897
Dated subordinated loans					
Storebrand Livsforsikring AS [4]	750	SEK	Variable	2021	754
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2022	1,000
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	1,001
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	899
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499
Storebrand Livsforsikring AS [3]	250	EUR	Fixed	2023	2,676
Storebrand Livsforsikring AS [3]	300	EUR	Fixed	2031	2,933
Storebrand Bank ASA	150	NOK	Variable	2022	150
Storebrand Bank ASA	125	NOK	Variable	2025	125
Storebrand Bank ASA	300	NOK	Variable	2026	300
Total subordinated loans and hybrid tier 1 capital 30.09.21					**12,334**
Total subordinated loans and hybrid tier 1 capital 30.09.20					**9,236**
Total subordinated loans and hybrid tier 1 capital 31.12.20					9,110

[1] *Storebrand Bank ASA has issued hybrid tier 1 capital bonds/hybrid capital that is classified as equity. See the statement of changes in equity.*
[2] *in the case of perpetual subordinated loans, the cash flow is calculated through to the first call date*
[3] *The loans are subject to hedge accounting*
[4] *The loan has been repaid on 11.10.21*

Specification of liabilities to financial institutions

	Book value		
(NOK million)	30.09.21	30.09.20	31.12.20
Call date			
2020		1,139	
2021	202	501	1,653
Total liabilities to financial institutions	**202**	**1,640**	**1,653**

Specification of securities issued

	Book value		
(NOK million)	30.09.21	30.09.20	31.12.20
Call date			
2020		2,149	
2021		5,512	1,637
2022	5,494	5,266	6,011
2023	4,761	4,996	4,766
2024	6,099	2,226	4,997
2025	5,647	500	3,239
2026	3,082		
2031	795		
Total securities issued	**25,878**	**20,648**	**20,649**

The loan agreements contain standard covenants.

Covered bonds

For issued covered bonds, a regulatory requirement for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent for bonds issued before 21 June 2017 apply.

Credit facilities

Storebrand ASA has an unused credit facility of EUR 200 million, expiration December 2025.

Note 08 Valuation of financial instruments and investment properties

Storebrand classify financial instruments valued at fair value in three different levels. The criteria for the classification and processes associated with valuing are described in more detail in note 12 in the annual report for 2020.

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

Valuation of financial instruments to amortised cost

(NOK million)	Fair value 30.09.21	Book value 30.09.21	Fair value 31.12.20	Book value 31.12.20
Financial assets				
Loans to and due from financial institutions	56	56	103	103
Loans to customers - corporate	5,681	5,697	6,076	6,064
Loans to customers - retail	55,192	55,046	48,763	48,763
Bonds held to maturity	10,848	10,071	14,244	13,026
Bonds classified as loans and receivables	122,152	118,237	111,359	103,484
Total financial assets 30.09.21	**193,929**	**189,107**		
Total financial assets 31.12.20			180,546	171,441
Financial liabilities				
Debt raised by issuance of securities	26,000	25,878	20,750	20,649
Liabilities to financial institutions	202	202	1,653	1,653
Deposits from banking customers	16,776	16,776	15,506	15,506
Subordinatd loan capital	12,506	12,334	9,184	9,110
Total financial liabilities 30.09.21	**55,485**	**55,191**		
Total financial liabilities 31.12.20			47,094	46,918

Valuation of financial instruments and real estate at fair value

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	30.09.21	31.12.20
Assets:					
Equities and fund units					
- Equities	37,593	200	374	38,166	32,332
- Fund units		213,103	13,236	226,339	198,497
Total equities and fund units 30.09.21	**37,593**	**213,303**	**13,609**	**264,506**	
Total equities and fund units 31.12.20	31,446	189,117	10,266		230,830
Loans to customers					
- Loans to customers - corporate			7,823	7,823	7,665
- Loans to customers - retail			707	707	722
Total loans to customers 30.09.21			**8,530**	**8,530**	
Total loans to customers 31.12.20			8,387		8,387
Bonds and other fixed-income securities					
- Government bonds	17,028	14,397		31,425	34,634
- Corporate bonds		54,729		54,729	62,043
- Collateralised securities		6,539		6,539	7,051
- Bond funds		62,606	12,141	74,748	73,267
Total bonds and other fixed-income securities 30.09.21	**17,028**	**138,272**	**12,141**	**167,441**	
Total bonds and other fixed-income securities 31.12.20	16,114	151,367	9,514		176,995
Derivatives:					
- Interest derivatives		2,960		2,960	5,659
- Currency derivatives		277		277	3,353
Total derivatives 30.09.21		**3,238**		**3,238**	
- of which derivatives with a positive market value		4,994		4,994	9,977
- of which derivatives with a negative market value		-1,756		-1,756	-964
Total derivatives 31.12.20		9,012			9,012
Properties:					
Investment properties			32,385	32,385	32,117
Properties for own use			1,618	1,618	1,609
Total properties 30.09.21			**34,003**	**34,003**	
Total properties 31.12.20			33,726		33,726

There is no significant movements between level 1 and level 2 in this quarter.

Financial instruments and real estate at fair value - level 3

(NOK million)	Equities	Fund units	Loans to custo-mers	Corporate bonds	Bond funds	Investment propeties	Properties for own use
Book value 01.01.21	**907**	**9,360**	**8,387**	**318**	**9,196**	**32,117**	**1,609**
Net gains/losses on financial instruments	-23	4,150	-23	-281	35	258	64
Additions	3	1,499	1,596		4,792	944	51
Sales	-513	-1,524	-1,107	-38	-1,528	-738	
Currency translation differences		-89	-323		-353	-506	-106
Other		-161				310	
Book value 30.09.21	**374**	**13,236**	**8,530**		**12,141**	**32,385**	**1,618**

As at 30.09.21, Storebrand Livsforisikring had NOK 6.608 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS, Oslo. The investments are classified as "Investment in associated Ccmpanies and joint ventures" in the Consolidated Financial Statements.

Sensitivity assessments

Sensitivity assessments of investments on level 3 are described in note 12 in the 2020 annual report. There is no significant changes in sensitivity in this quarter.

Note 09 Operating costs

	Q3		01.01 - 30.09		Full year
(NOK million)	2021	2020	2021	2020	2020
Personnel expenses	-676	-582	-1,974	-1,699	-2,320
Amortisation/write-downs	-72	-65	-214	-179	-267
Other operating expenses	-653	-546	-1,902	-1,718	-2,328
Total operating expenses	**-1,400**	**-1,193**	**-4,090**	**-3,596**	**-4,914**

Note 10 Tax

The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway and differences from currency hedging of the Swedish subsidiary SPP. The tax rate for companies' subject to the financial tax is 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual companies is used (22 or 25 per cent).

The tax rate for companies in Sweden is 20.6 per cent.

Storebrand has hedged part of the currency risk from the investment in the Swedish subsidiaries. Gains/losses on currency derivatives are taxable/deducible, while agio/disagio on the shares in the subsidiaries falls under the exemption method. Hence, large SEK/NOK movements will affect the group tax cost.

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 probable 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 a tax income of approximately NOK 0.8 billion. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.6 billion.

The timeline for the continued process with the Norwegian Tax Administration is unclear, but if necessary, Storebrand will seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 11 Loans

(NOK million)	30.09.21	30.09.20	31.12.20
Corporate market [1]	13,560	14,656	13,738
Retail market	55,802	46,896	49,553
Gross loans	**69,362**	**61,553**	**63,291**
Write-down of loans losses	-88	-79	-77
Net loans [2]	**69,273**	**61,473**	**63,214**
[1] Of which Storebrand Bank	22	22	21
[2] Of which Storebrand Bank	38,908	30,787	31,780
Of which Storebrand Livsforsikring	30,365	30,687	31,434

Non-performing and loss-exposed loans

(NOK million)	30.09.21	30.09.20	31.12.20
Non-performing and loss-exposed loans without identified impairment	33	59	33
Non-performing and loss-exposed loans with identified impairment	38	46	50
Gross non-performing loans	**71**	**104**	**83**
Individual write-downs	-16	-17	-17
Net non-performing loans [1]	**55**	**87**	**66**

[1] *The figures apply in their entirety Storebrand Bank*

Note 12 Capital buffer

(NOK million)	30.09.21	30.09.20	31.12.20
Additional statutory reserves	13,218	9,689	11,380
Market adjustment reserves	5,692	8,092	7,170
Conditional bonuses	12,725	9,539	10,769
Total	**31,636**	**27,321**	**29,319**

Note 13 Contingent liabilities

(NOK million)	30.09.21	30.09.20	31.12.20
Unused credit facilities	3,269	2,938	3,063
Uncalled residual liabilities re limited partnership	4,806	5,948	8,251
Undrawn capital in alternative investment funds	8,980		
Loan commitment retail market	3,729	2,753	2,962
Total contingent liabilities	**20,784**	**11,639**	**14,276**

Guarantees essentially encompass payment and contract guarantees

Unused credit facilities encompass granted and any unused credit accounts and credit cards, as well as, any unused flexible mortgage facilities.

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see note 2 and note 43 in the 2020 annual report.

Note 14 Solidity and capital management

The Storebrand Group is an insurance-dominated, cross-sectoral financial group with capital requirements in accordance with Solvency II. Storebrand calculates Solvency II according to the standard method as defined in the Solvency II Regulations.

Consolidation is carried out in accordance with Section 18-2 of the Norwegian Act relating to Financial Undertakings and Financial Groups. The solvency capital requirement and minimum capital requirement for the group are calculated in accordance with Section 46 (1)-(3) of the Solvency II Regulations using the standard method.

Capital management

Storebrand places particular emphasis on continually and systematically adapting the levels of equity in the Group. The level is adapted to the financial risk and capital requirements in the business, where growth and the composition of segments are important motivating factors for the need for capital. The purpose of capital management is to ensure an efficient capital structure and provide for an appropriate balance between in-house goals and regulatory and rating company requirements. If there is a need for new capital, this is raised by the holding company Storebrand ASA, which is listed on the stock exchange and is the ultimate parent company.

The Storebrand companies are subject to various capital requirements depending on the type of business. In addition to the capital requirements for the Storebrand Group and insurance companies, the banking and asset management businesses have capital requirements in accordance with CRD IV. The companies in the group governed by CRD IV are included in the group's solvency capital and solvency capital requirements with their respective primary capital and capital requirements.

Storebrand has the goal of paying a dividend of more than 50% of the Group profit after tax. The board has the ambition of ordinary dividends per share being, at a minimum, at the same nominal level as the previous year. The normal dividend is paid with a sustainable solvency margin of more than 150%. If there is a solvency margin of more than 180%, the board's intention is to propose extraordinary dividends or share buy-backs. In general, equity in the Group can be controlled without material limitations if the capital requirement is met and the respective legal entities have sufficient solvency.

Solvency capital

	30.09.21					
NOK million	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.20 Total
Share capital	2,360	2,360				2,339
Share premium	10,842	10,842				10,521
Reconciliation reserve	28,246	28,246				31,851
Including the effect of the transitional arrangement	*257*	*257*				4,815
Counting subordinated loans[1)]	11,081		2,036	9,045		8,734
Deferred tax assets	80				80	247
Risk equalisation reserve	551			551		438
Deductions for CRD IV subsidiaries	-3,606	-3,606				-3,006
Expected dividend	-1,139	-1,139				-1,519
Total basic solvency capital	**48,415**	**36,702**	**2,036**	**9,596**	**80**	**49,605**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,606					3,006
Total solvency capital	**52,021**					**52,611**
Total solvency capital available to cover the minimum capital requirement	**40,839**	**36,702**	**2,036**	**2,100**		**43,533**

Solvency capital requirements and - margin

[1)] *Excluding subordinated loan of NOK 749 mill with call in October*

NOK million	30.09.21	31.12.20
Market risk	24,921	25,675
Counterparty risk	869	951
Life insurance risk	10,500	10,859
Health insurance risk	931	935
P&C insurance risk	553	523
Operational risk	1,558	1,578
Diversification	-7,712	-7,948
Loss-absorbing ability defferd tax	-5,262	-5,533
Total solvency capital requirement - insurance company	**26,357**	**27,040**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,930	2,565
Total solvency capital requirement	**29,287**	**29,605**
Solvency margin	**178%**	**178%**
Minimum capital requirement	**10,501**	**11,074**
Minimum margin	**389%**	**393%**

The Storebrand Group has also a requirement to report capital adequacy in a multi-sectoral financial group (conglomerate directive). The calculation in accordance with the Solvency II regulations and capital adequacy calculation in accordance with the conglomerate directive give the same primary capital and essentially the same capital requirements.

Capital- and capital requirement in accordance with the conglomerate directive

NOK million	30.09.21	31.12.20
Capital requirements for CRD IV companies	3,111	2,739
Solvency captial requirements for insurance	26,357	27,040
Total capital requirements	**29,468**	**29,779**
Net primary capital for companies included in the CRD IV report	3,606	3,006
Net primary capital for insurance	48,415	49,605
Total net primary capital	**52,021**	**52,611**
Overfulfilment	**22,552**	**22,833**

Under Solvency II, the capital requirement from the CRD IV companies in the Group is included in accordance with their respective capital requirements. In a multi-sectoral financial group, all the capital requirements of the CRD IV companies are calculated based on their respective applicable requirements, including buffer requirement for the largest company in the Group (Storebrand Bank). This increases the total requirement from the CRD IV companies in relation to what is included in the Solvency II calculation. As at 30 September 2021, the difference amounted to NOK 181 million.

Note 15 Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 22 and 45 in the 2020 annual report.

Storebrand has not carried out any material transactions other than normal business transactions with related parties at the close of the 3rd quarter 2021.

Storebrand ASA
Income statement

(NOK million)	Q3 2021	Q3 2020	01.01. - 30.09 2021	01.01. - 30.09 2020	Full year 2020
Operating income					
Income from investments in subsidiaries				8	3,028
Net income and gains from financial instruments:					
- equities		6	-1	10	4
- bonds and other fixed-income securities	9	12	33	57	64
- financial derivatives/other financial instruments		-2		-2	-3
Other financial instruments			204		1
Operating income	**9**	**17**	**236**	**74**	**3,095**
Interest expenses	-4	-5	-13	-25	-30
Other financial expenses	-20	43	-55	12	6
Operating expenses					
Personnel expenses	-11	-10	-33	-30	-40
Other operating expenses	-31	-13	-89	-47	-56
Total operating expenses	**-41**	**-23**	**-121**	**-77**	**-96**
Total expenses	**-66**	**15**	**-190**	**-90**	**-120**
Pre-tax profit	**-57**	**32**	**46**	**-16**	**2,975**
Tax	10	4	27	11	-171
Profit for the period	**-47**	**37**	**73**	**-5**	**2,804**

Statement of total comprehensive income

(NOK million)	Q3 2021	Q3 2020	01.01. - 30.09 2021	01.01. - 30.09 2020	Full year 2020
Profit for the period	**-47**	**37**	**73**	**-5**	**2,804**
Other total comprehensive income elements not to be reclassified to profit/loss					
Change in estimate deviation pension					-15
Tax on other comprehensive elements					4
Total other comprehensive income elements					**-11**
Total comprehensive income	**-47**	**37**	**73**	**-5**	**2,793**

Storebrand ASA
Statement of financial position

(NOK million)	30.09.21	30.09.20	31.12.20
Fixed assets			
Deferred tax assets	72	54	44
Tangible fixed assets	27	27	27
Shares in subsidiaries and associated companies	22,077	20,123	20,893
Total fixed assets	**22,176**	**20,205**	**20,964**
Current assets			
Owed within group		1,521	3,139
Other current receivables	15	16	15
Investments in trading portfolio:			
- equities	57	54	57
- bonds and other fixed-income securities	4,847	3,388	4,894
- financial derivatives/other financial instruments		13	
Bank deposits	51	538	61
Total current assets	**4,970**	**5,532**	**8,166**
Total assets	**27,145**	**25,736**	**29,130**
Equity and liabilities			
Share capital	2,360	2,339	2,339
Own shares	-9	-2	-2
Share premium reserve	10,842	10,521	10,521
Total paid in equity	**13,192**	**12,858**	**12,858**
Other equity	12,595	11,330	12,609
Total equity	**25,788**	**24,189**	**25,467**
Non-current liabilities			
Pension liabilities	157	154	157
Securities issued	1,001	1,315	1,001
Total non-current liabilities	**1,158**	**1,469**	**1,158**
Current liabilities			
Debt within group	3		910
Provision for dividend			1,519
Other current liabilities	197	79	76
Total current liabilities	**200**	**79**	**2,505**
Total equity and liabilities	**27,145**	**25,736**	**29,130**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2019	**2,339**	**-5**	**10,521**	**9,794**	**22,650**
Profit for the period				2,804	2,804
Total other result elements				-11	-11
Total comprehensive income				**2,793**	**2,793**
Reversed dividend				1,517	1,517
Provision for dividend				-1,519	-1,519
Own share sold		3		33	36
Employee share				-10	-10
Equity at 31. December 2020	**2,339**	**-2**	**10,521**	**12,609**	**25,467**
Profit for the period				73	73
Total other result elements					
Total comprehensive income				**73**	**73**
Issues of shares [2]	21		320		341
Provision for dividend				6	6
Own share bought back[3]		-10		-134	-144
Own share sold[3]		3		37	40
Employee share[3]				5	5
Equity at 30. September 2021	**2,360**	**-9**	**10,842**	**12,595**	**25,788**

[1] 471 974 890 shares with a nominal value of NOK 5.
[2] A capital increase was carried out in september2021 by issuing 4,160,908 shares with a subscription price of NOK 82.02. The shares have been used as consideration for the purchase of shares in Capital Investement.
[3] In 2021, Storebrand ASA has bought 2 000 000 own shares. In 2021, 576 479 shares were sold to our own employees.
Holding of own shares 30. September 2021 was 1 839 776.

Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**9,794**	**22,650**
Profit for the period				-5	-5
Total other result elements					
Total comprehensive income				**-5**	**-5**
Reversed dividend				1,517	1,517
Own share sold		3		33	36
Employee share				-10	-10
Equity at 30 September 2020	**2,339**	**-2**	**10,521**	**11,330**	**24,189**

Storebrand ASA
Statement of cash flow

	01.01 - 30.09	
(NOK million)	2021	2020
Cash flow from operational activities		
Net receipts/payments - securities at fair value	88	-71
Payments relating to operations	-124	-78
Net receipts/payments - other operational activities	3,125	1,647
Net cash flow from operational activities	**3,089**	**1,497**
Cash flow from investment activities		
Receipts - sale of subsidiaries	202	
Payments - purchase/capitalisation of subsidiaries	-1,674	-994
Net cash flow from investment activities	**-1,473**	**-995**
Cash flow from financing activities		
Payments - repayments of loans		-500
Receipts - new loans		500
Payments - interest on loans	-13	-25
Receipts - sold own shares to employees	45	26
Payments - buy own shares	-144	
Payments - dividends	-1,513	
Net cash flow from financing activities	**-1,626**	**1**
Net cash flow for the period	**-10**	**504**
Net movement in cash and cash equivalents	-10	504
Cash and cash equivalents at start of the period	61	34
Cash and cash equivalents at the end of the period	**51**	**538**

Notes to the financial statements Storebrand ASA

Note 01 Accounting policies

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2020. The accounting policies are described in the 2020 annual report.

Storebrand ASA does not apply IFRS to the parent company's financial statements.

Note 02 Estimates

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, and costs, and information in the notes to the financial statements. The final values realised may differ from these estimates.

Note 03 Income from investments in subsidiariesBond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	30.09.21	30.09.20	31.12.20
Bond loan 2013/2020	Fixed	NOK	300		314	
Bond loan 2020/2025	Variable	NOK	500	501	500	501
Bond loan 2017/2022	Variable	NOK	500	500	501	500
Total [1]				**1,001**	**1,315**	**1,001**

[1] Loans are booked at amortised cost and include earned not due interest.
Signed loan agreements have covenant requirements.
Storebrand ASA has an unused drawing facility for EUR 200 million, experiation December 2025.

Note 04 Divestment of subsidiary

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 country. The company owns significant limestone resources, provides nature tourism experiences and is part owner of Inntre Holding AS, a large exporter of building timber.

During the second quarter Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 202 million for Storebrand ASA. There are no contingent liabilities associated with this transaction.

To the Board of Directors of Storebrand ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Storebrand ASA as of 30 September 2021, the income statement, the statement of total comprehensive income, the statement of changes in equity, and the statement of cash flow for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 September 2021, and its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 26 October 2021
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant
(signed electronically)

19120 04/2021

Financial calendar

9 February 2022	Results Q4 2021
6 April 2022	AGM
4 May 2022	Results Q1 2022
14 July 2022	Results Q2 2022
26 October 2022	Results Q3 2022

Investor Relations contacts

Lars Aa. Løddesøl	Group CFO	lars.loddesol@storebrand.no	+47 934 80 151
Kjetil R. Krøkje	Group Head of Finance, Strategy and M&A	kjetil.r.krokje@storebrand.no	+47 934 12 155
Daniel Sundahl	Head of Investor Relations and Rating	daniel.sundahl@storebrand.no	+47 913 61 899

Storebrand ASA
Professor Kohtsvei 9, P.O. Box 500,
N-1327 Lysaker, Norway
Phone +47 22 31 50 50

www.storebrand.com/ir