Interim report
4th quarter 2021

Storebrand Group (unaudited)

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Storebrand Group

- **Group profit[1] of NOK 1,367m in the 4th quarter and NOK 4,503m for the full year**
- **NOK 550m in performance related income in 2021, all booked in the 4th quarter**
- **14% growth in Assets under management in 2021 to NOK 1,097 billion**
- **22% growth in Insurance Portfolio Premiums in 2021**
- **Solvency II ratio of 175%**
- **Dividend of NOK 3.50 per share proposed**

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	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Fee and administration income	2,108	1,544	1,473	1,482	1,674	6,607	5,676
Insurance result	307	342	332	220	338	1,201	825
Operational cost	-1,377	-1,124	-1,119	-1,057	-1,086	-4,678	-4,068
Operating profit	**1,038**	**762**	**686**	**645**	**926**	**3,130**	**2,433**
Financial items and risk result life	329	151	667	225	298	1,372	278
Profit before amortisation	**1,367**	**912**	**1,353**	**870**	**1,225**	**4,503**	**2,711**
Amortisation and write-downs of intangible assets	-140	-133	-129	-125	-125	-527	-492
Profit before tax	**1,227**	**779**	**1,225**	**745**	**1,099**	**3,976**	**2,219**
Tax	-310	-181	-52	-302	-227	-846	136
Profit after tax	**917**	**598**	**1,173**	**443**	**872**	**3,130**	**2,355**

The Group's profit before amortisation was NOK 1,367m (NOK 1,225m) in the 4th quarter and NOK 4,503m (NOK 2,711m) for the full year. The figures in brackets are from the corresponding period last year. Continued volume growth in Savings and Insurance, strong performance related results in Asset Management and a solid 'Financial items and risk result' in the Guaranteed business contribute to profit growth across all business units. The Swedish business SPP continues to deliver growing profits and increasing dividends, while releasing capital from its mature back book. Since 2015, SPP has repaid subordinated loans and paid dividends of SEK 8.7bn, which is SEK 5.0bn more than the results generated in the same period. The overall buffer capital level remains strong at 13% of guaranteed customer reserves and Storebrand's solvency ratio remained stable in the upper end of the target range at 175%. Storebrand's results in 2021 have not been particularly impacted by the Covid-19 pandemic.

Total fee and administration income amounted to NOK 2,108m (NOK 1,674m) in the quarter and NOK 6,607m (NOK 5,676m) for the full year. This corresponds to an increase of 26% for the 4th quarter compared to last year and 16% for the full year. Performance related income for the year, all booked in the 4th quarter, amounted to NOK 550m (NOK 234m). Adjusted for this effect, the growth was 8% in the 4th quarter and 11% for the full year. Strong growth in assets under management in all product segments within Savings, as well as growth in public sector occupational pensions (defined benefit) and paid-up policies, contribute to the income growth.

The Insurance result was NOK 307m (NOK 338m) in the 4th quarter and NOK 1,201 (NOK 825m) for the full year. The total combined ratio for the Insurance segment was 96% (87%) in the 4th quarter and 94% (97%) for the full year – slightly higher than the target range of 90-92%.

The Group's operational cost for the 4th quarter was NOK -1,377m (NOK -1,086m) in the 4th quarter and NOK -4,678m (NOK -4,068m) for the full year. Performance related costs in Asset Management amo-unted to NOK -96m (NOK -33m) in the quarter and NOK -255m (NOK

[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.

-79m) for the full year. Adjusted for performance related costs and acquired business in 2021, the costs amounted to NOK -4,410m. This is in line with the Group's cost ambition of NOK -4.4bn for the full year. Storebrand continues to focus on strong cost discipline, as demonstrated over the past 9 years.

Overall, the operating profit amounted to NOK 1,038m (NOK 926m) in the 4th quarter and NOK 3,130m (NOK 2,433m) for the full year. Adjusted for performance related elements, the operating result was NOK 584m (NOK 725m) in the 4th quarter and NOK 2,835m (NOK 2,278m) for the full year.

The 'financial items and risk result' amounted to NOK 329m (NOK 298m) in the 4th quarter and NOK 1,372m (NOK 278m) for the full year. The result in 2021 includes a positive effect of NOK 546m from the divestment of AS Værdalsbruket in the 2nd quarter. Returns on invested assets were satisfactory, despite rising interest rates leading to lower mark-to-market values but higher yields going forward. Net profit sharing in guaranteed products amounted to NOK 504m (NOK 136m) for the full year and the risk result improved to NOK 187m (NOK 19m) in 2021 after a period of weak results during the Covid-19 pandemic.

Amortisation of intangible assets amounted to NOK -140m (NOK -125m). Quarterly amortisation of intangible assets is expected to increase to around NOK -150m due to acquired business.

Taxes for the Group amounted to NOK -310m (NOK -227m) in the quarter and NOK -846m (NOK 136m) full year. The tax income in 2020 was a result of new information and interpretation of the transition rules of 2018. 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.

Dividend

The board proposes an ordinary dividend of NOK 3.50 per share for 2021, equal to NOK 1,635m, to the Annual General Meeting. This represents a NOK 0.25 nominal increase in ordinary dividends compared to the previously paid dividend, corresponding to an increase of 7.7% and a pay-out ratio of 52% of Group profit after tax.

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 916m (NOK 664m) in the 4th quarter and NOK 2,355m (NOK 1,730m) for the full year, driven by growth in assets under management and retail lending, as well as strong cost control. In Insurance, strong volume growth and a better year for personal risk products generated a profit before amortisation of NOK 61m (NOK 175m) in the 4th quarter and NOK 423m (NOK 204m) for the full year. The profit in Guaranteed pension improved to NOK 485m (NOK 396m) in the 4th quarter and NOK 1,432m (NOK 805m) for the full year. In the Other segment, the profit amounted to NOK -95m (NOK -10m) in the 4th quarter and NOK 293m (NOK -28m) for the full year.

Capital situation

The solvency ratio was 175% at the end of the 4th quarter, a decrease of 3 percentage points from last quarter. This is within the targeted range of 150-180%. Lower long term interest rates, a slightly lower volatility adjustment and a higher equity stress, reduced the solvency ratio. Asset returns and a strong profit (net of dividends) contributed positively to the solvency ratio in the quarter.

Group result by result area

	2021				2020	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Savings - non-guaranteed	916	476	435	528	664	2,355	1,730
Insurance	61	162	145	55	175	423	204
Guaranteed pension	485	315	310	322	396	1,432	805
Other profit	-95	-40	464	-35	-10	293	-28
Profit before amortisation	**1,367**	**912**	**1,353**	**870**	**1,225**	**4,503**	**2,711**

Group - Key figures

	2021				2020	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Earnings per share, adjusted	2.25	1.56	2.79	1.21	2.13	7.81	6.07
Equity	37,709	36,735	35,823	36,069	35,923	37,709	35,923
Adjusted ROE, annualised	12.8 %	8.7 %	16.1 %	6.9 %	12.4 %	10.7 %	8.6 %
Solvency II ratio	175%	178%	172%	176%	178%	175%	178%

Financial targets	Target	Actual 2021
Return on equity (after tax)[1)]	> 10%	10.7%
Future Storebrand (Savings & Insurance)[2)]		35%
Back book (Guaranteed & Other)[2)]		5%
Dividend pay-out ratio	> 50%	52%
Solvency II margin Storebrand Group	> 150%	175%

[1)] *YTD profit 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 9,1%.*

[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.*

Savings

- **28% growth in operating profit compared to 2020 y/y**
- **Total assets under management amounting to NOK 1,097bn, up 14% y/y**
- **15% growth in the bank lending portfolio y/y**

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	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Fee and administration income	1,748	1,182	1,129	1,156	1,336	5,215	4,392
Operational cost	-838	-716	-703	-671	-704	-2,927	-2,611
Operating profit	**910**	**466**	**427**	**485**	**633**	**2,288**	**1,781**
Financial items and risk result life	6	9	8	43	31	67	-51
Profit before amortisation	**916**	**476**	**435**	**528**	**664**	**2,355**	**1,730**

Financial performance

The Savings segment reported a profit before amortisation of NOK 916m (NOK 664m) in the 4th quarter and NOK 2,355m (NOK 1,730m) for the full year.

Compared to the 4th quarter last year, fee- and administration income in the Savings segment increased by 31% in the quarter and 19% for the full year. The income growth within Norwegian Unit Linked was 6% compared to the same quarter last year and 5% for the full year. 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 3% compared to the same quarter last year and 15% for the full year. The income in the 1st quarter included non-recurring transaction fees amounting to SEK 37m. Adjusted for this gain the growth was 11% for the full year. Within Asset Management, the 4th quarter income grew 53% compared to last year and 29% for the full year. According to IFRS, performance related income is booked for the whole year in the 4th quarter, amounting to NOK 550m in 2021 compared to NOK 234m last year.

Unit Linked Norway reported a margin of 0.65%, down from 0.70% 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 0.73%, down from 0.75% in the previous quarter. The total fee income margin in Asset Management was 0.40% in the 4th, including performance related income. Adjusted for performance related income the fee income margin in the quarter was 0.19%, up from 0.18% in the previous quarter. The net interest margin in Storebrand Bank was 1.19%, down from 1.22% in the previous quarter but up from 1.13% in the 4th quarter last year.

Operational cost amounted to NOK -838m (NOK -704m) in the 4th quarter and NOK -2,927m (NOK -2,611m) for the full year. Performance related costs in funds with performance fees amounted to NOK -96m (NOK -33m) in the quarter and NOK -255m (NOK -79m) for the full year. Adjusted for the increase in performance related costs, operational cost increased by 5.5% in 2021. The increase is attributed to growth initiatives in the business, digital investments, and NOK -13m in cost base from the newly acquired Danish real estate manager Capital Investment.

The financial result was NOK 6m (NOK 31m) in the quarter and NOK 67m (NOK -51m) for the full year. 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)	Q4	Q3	Q2	Q1	Q4
Unit linked Reserves	308,351	295,790	295,195	278,702	268,331
Unit linked Premiums	5,350	5,201	5,316	5,346	5,163
AuM Asset Management	1,096,556	1,058,435	1,037,470	987,397	962,472
Retail Lending	57,015	55,663	54,288	51,594	49,474

Balance sheet and market trends

Unit Linked premiums amounted to NOK 5.4bn (NOK 5.2bn) in the 4th quarter, an increase of 4% compared to last year. Total assets under management in Unit Linked increased by NOK 12.6bn (4%) during the 4th quarter to NOK 308bn and by NOK 40bn (15%) in 2021.

In the Norwegian Unit Linked business, assets under management increased by NOK 6.5bn (4%) to NOK 158bn in the quarter, and by NOK 21bn (15%) in 2021. The growth temporarily slowed in 2021 due to the process of transferring Pension Capital Certificates to Individual Pensions Accounts, where more capital has been transferred out than into Storebrand. Net Transfers amounted to NOK -9.4bn in 2021. However, underlying growth remains strong, driven by growth in occupational pension premium payments and new sales, as well as market return. 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 3rd quarter 2021).

In the Swedish market, SPP is the second largest provider of non-unionised occupational pensions with a market share of 13% measured by gross premiums written including transfers within Unit Linked (as at the end of Q3 2021). Unit Linked assets under management increased by SEK 9.8bn (7%) to SEK 155bn in the quarter, and SEK 28.7bn (23%) in 2021, despite a year with elevated competition in the transfer market. The growth is driven by strong growth in sales (APE) and market returns.

Assets under management in Storebrand Asset Management increased by NOK 39bn (4%) to NOK 1,097bn in the quarter, and by NOK 134bn (14%) 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 2 bn of assets to the total in the quarter and NOK 23bn accumulated.

The bank lending portfolio increased by NOK 1.4bn (2.4%) to NOK 57bn during the 4th quarter and by NOK 7.5bn (15%) in 2021. The growth is attributed to improved sales in 2021. The portfolio consists of low-risk home mortgages with an average LTV of 57%. NOK 18bn of the mortgages are booked on the balance sheet of Storebrand Livsforsikring AS.

Insurance

- **22% overall growth in portfolio premiums y/y, 54% growth in P&C & Individual life**
- **Stable and normalised claims ratio of 78% for the quarter**
- **Strong growth increases operational cost**

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	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Insurance premiums f.o.a.	1,366	1,336	1,279	1,194	1,136	5,175	4,331
Claims f.o.a.	-1,059	-995	-946	-974	-799	-3,974	-3,506
Operational cost	-253	-207	-214	-202	-194	-875	-712
Operating profit	**54**	**135**	**119**	**18**	**143**	**326**	**113**
Financial result	6	27	27	37	32	97	91
Contribution from SB Helseforsikring AS	*-9*	*13*	*10*	*3*	*5*	*17*	*34*
Profit before amortisation	**61**	**162**	**145**	**55**	**175**	**423**	**204**
Claims ratio	78%	74%	74%	82%	70%	77%	81%
Cost ratio	19%	15%	17%	17%	17%	17%	16%
Combined ratio	96%	90%	91%	98%	87%	94%	97%

Financial performance

Insurance delivered a profit before amortisation of NOK 61m (NOK 175m) in the 4th quarter and NOK 423m (NOK 204m) for the full year, representing a combined ratio of 96% (87%) in the quarter and 94% (97%) for the full year. The 4th quarter result is weaker than the target combined ratio of 90-92%. The combined ratio in the quarter is driven by claims in line with normalised levels, but higher operational cost. The Health insurance result was also affected by the write downs.

Within 'P&C and Individual life', strong growth continued with 4th quarter premiums f.o.a. growing 44% compared to last year and 42% for the full year. Profit before amortisation was NOK 54m (NOK 108m) in the 4th quarter and NOK 393m (NOK 263m) for the full year. The claims ratio in the 4th quarter was 72% (59%) which is in line with a normalised level. Operational cost is higher in the quarter due to increased activity and write down of IT systems. Altogether the product segment delivers a combined ratio of 94% (82%) in the quarter and 88% (89%) in 2021.

'Health and Group life' reported a loss before amortisation of NOK -6m (NOK 24m) in the 4th quarter and NOK -26m (NOK -171m) for the full year. The Group life result improved in the quarter compared to previous periods. Measures, including pricing, have been taken to improve the robustness and profitability in the product. The Health insurance business delivered satisfactory claims ratio. However, write down of IT system incurred a loss in the quarter.

The result for 'Pension related disability insurance Nordic' was NOK 13m (NOK 43m) in the 4th quarter and NOK 56m (NOK 112m) for the full year. The Norwegian business experienced increases in disability levels, partly due to seasonal effects, but the result remained positive. In the Swedish business, the result in the quarter was stable.

The cost ratio increased to 19% (17%) in the quarter and 17% (16%) for the full year. Operational cost amounted to NOK -253m (NOK -194m) in the quarter and NOK -875m (NOK -712m) for the full year. 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 0.8% in the quarter and 3.3% for the full year.

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 4th quarter, 50% of the insurance portfolio is now within P&C and Individual Life, compared to 41% in the same period last year. Storebrand was the fastest growing company within Norwegian retail P&C in 2021 and grew its market share to 5.9% as of the 3rd quarter 2021, from 4.1% last year.

Overall growth in annual portfolio premiums amounted to 22% in 2021. 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 740m in annual premiums to Storebrand since December 2020. Growth in P&C and Individual life annual portfolio premiums amounted to 54% during the year, while Health & Group life decreased by -6% and Pension related disability insurance grew by 6%. Overall, double digit growth is expected to continue within Insurance in the coming years.

Insurance Premiums

	2021				2020
(NOK million)	Q4	Q3	Q2	Q1	Q4
P&C & Individual life	3,301	3,160	3,053	2,738	2,144
Health & Group life [1]	1,775	1,752	1,734	1,714	1,870
Pension related disability insurance Nordic	1,369	1,351	1,346	1,293	1,274
Total written premiums	**6,445**	**6,263**	**6,133**	**5,745**	**5,288**
Investment portfolio [2]	**9,584**	**9,879**	**9,813**	**9,726**	**8,840**

[1] Includes all written premiums in Storebrand Helseforsikring AS (50/50 joint venture with Munich Health).
[2] Ca. NOK 2.8bn 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

- **14% growth in operating profit y/y**
- **Solid risk result**
- **Strong profit sharing**
- **Further strengthening of buffer capital**

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 insurances.

Guaranteed pension

	2021				2020	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2021	2020
Fee and administration income	418	423	407	383	389	1,631	1,511
Operational cost	-248	-217	-227	-197	-218	-890	-861
Operating profit	**169**	**206**	**180**	**186**	**171**	**741**	**650**
Risk result life & pensions	63	70	21	32	14	187	19
Net profit sharing and loan losses	253	38	108	104	211	504	136
Profit before amortisation	**485**	**315**	**310**	**322**	**396**	**1,432**	**805**

Financial performance

Guaranteed Pension achieved a profit before amortisation of NOK 485m (NOK 396m) in the 4th quarter and NOK 1,432m (NOK 805m) for the full year.

Fee and administration income amounted to NOK 418m (NOK 389m) in the 4th quarter and NOK 1,631m (NOK 1,511m) for the full year. 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 -248m (NOK -218m) in the 4th quarter and NOK -890m (NOK -861m) for the full year.

For the full year operating profit increased by 14% to NOK 741m (NOK 650m).

The risk result amounted to NOK 63m (NOK 14m) in the quarter and NOK 187m (NOK 19m) for the full year. A positive disability and longevity risk result in Norwegian Paid-up policies are the main contributors to the result. In the Norwegian Defined Benefit portfolio, the result in the quarter amounted to NOK 8m (NOK -42m), representing improvement compared to earlier quarters.

Net profit sharing amounted to NOK 253m (NOK 211m) in the 4th quarter and NOK 504m (NOK 136m) for the full year. In the Norwegian business, Paid-up policies and Individual life and pension contributed with NOK 98m (NOK 58m) in the quarter due to financial returns and risk results to be shared between the company and policyholders. In SPP, net profit sharing was NOK 155m (NOK 152m) in the quarter, driven by strong asset return, particularly within real estate investments.

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 7.4bn year to date. Additional mandates, estimated to NOK 5.5bn of reserves was won during 2021, but will be transferred to Storebrand in early 2022.

As of the 4th quarter, customer reserves of guaranteed pensions amounted to NOK 291bn. This is an increase of NOK 3bn in 2021. Adjusted for currency effects, reserves increased by NOK 10bn and is attributed to the growth in public occupational pensions and excess returns.

As a share of the total balance sheet, guaranteed reserves amounted to 48.5% (51.7%) at the end of the 4th quarter, a reduction of 3.2 percentage points during 2021. Net outflow of guaranteed reserves (excluding transfers) amounted to NOK -2.7bn in the quarter and NOK -10.3bn for the full year. 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 are experiencing some growth over time as active Defined Benefit contracts eventually become Paid-up policies. Reserves amounted to NOK 149bn as of the 4th quarter, an increase of NOK 4.5bn in 2021. The increase is largely attributed to NOK 3.0bn in transfers of profitable guaranteed business to Storebrand.

Guaranteed portfolios in the Swedish business totalled NOK 93bn as of the 4th quarter, a decrease of NOK 7.9bn in 2021. Adjusted for currency effects, the decrease was NOK -1.2bn.

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. In the 4th quarter alone, the buffer capital increased NOK 2bn. Buffer capital for Guaranteed pensions amounted to 11.2% (11.0%) of reserves in Norway, corresponding to an increase of NOK 1.4bn in 2021. This does not include NOK 4.8bn of off-balance sheet excess values of bonds held at amortised cost. In Sweden, buffer capital amounted to 17.8% (11.4%), corresponding to an overall increase of NOK 3bn in 2021 (NOK 3.7bn adjusted for currency effects).

Guaranteed pension - Key figures

	2021				2020	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Guaranteed reserves	290,862	292,161	294,909	286,410	287,614	290,862	287,614
Guaranteed reserves in % of total reserves	48.5 %	49.7 %	50.0 %	50.7 %	51.7 %	48.5 %	51.7 %
Net transfers	447	-683	-94	6,941	704	6,610	1,427
Buffer capital in % of customer reserves Norway	11.2 %	10.8 %	11.3 %	9.8 %	11.0 %	11.2 %	11.0 %
Buffer capital in % of customer reserves Sweden	17.8 %	15.5 %	15.1 %	14.1 %	11.4 %	17.8 %	11.4 %

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	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Fee and administration income	8	6	4	4	9	21	9
Operational cost	-103	-52	-43	-47	-30	-246	-120
Operating profit	**-96**	**-46**	**-39**	**-44**	**-21**	**-225**	**-111**
Financial items and risk result life	0	6	503	9	11	518	83
Profit before amortisation	**-95**	**-40**	**464**	**-35**	**-10**	**293**	**-28**

Eliminations

	2021				2020	Full year	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2021	2020
Fee and administration income	-66	-67	-67	-60	-60	-260	-236
Operational cost	66	67	67	60	60	260	236
Financial result							
Profit before amortisation							

The Other segment reported a profit before amortisation of NOK -95m (NOK -10m) in the 4th quarter and NOK 293m (NOK -28m) for the full year. The strong result in 2021 is attributed to the sale of AS Værdalsbruket in the 2nd quarter with a net gain of NOK 546m booked as a financial result. In 2020, the result was modest due to financial market developments. Unrealised losses on investments occurred in the 1st quarter during the financial market turmoil but were reversed throughout the remainder of the year. The loss in the 4th quarter in 2021 stems primarily from operational cost in the holding company Storebrand ASA, which increased due to transaction costs related to the acquisition of Danica and other group-wide initiatives.

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 0m in the quarter (NOK 11m) and NOK 518m (NOK 83m) for the full year.

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 1.7% for the full year. The Swedish company portfolio achieved a return of -0.1% in the quarter and 0.4% for the full year.

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 4th quarter, interest expenses of approximately NOK 120m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies and the holding company amounted to NOK 33.6bn at end of the year.

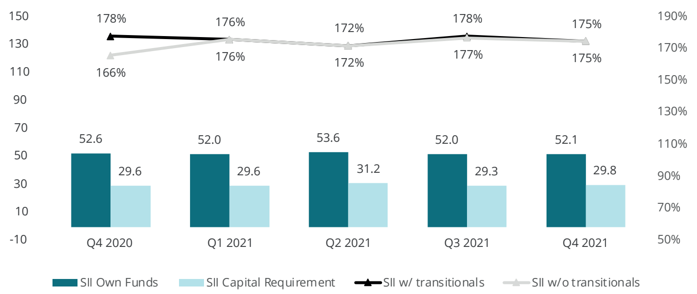
Balance sheet, solidity and capital situation

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 175% at the end of the 4th quarter, a decrease of 3 percentage points from last quarter. This is within the targeted range of 150-180%. Lower long term interest rates, a slightly lower volatility adjustment and a higher equity stress, reduced the solvency ratio. Asset returns and a strong profit (net of dividends) contributed positively to the solvency ratio in the quarter.

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 backbook 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. The frontbook, the "future Storebrand" delivered an estimated return on equity of 35%[1]. Large variations in the estimated pro forma return on equity in the frontbook 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 12.8% on an annualised basis, and 10.7% for the full year. 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 and SPP.

[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 4.8bn 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 74.1bn at the end of 4th quarter 2021, an increase in the 4th quarter by NOK 0.3bn and year to date by NOK 1.3bn. The change in the quarter is primarily due to increased interest rates in Norway and increased customer buffers in both Norway and Sweden. During the 1st quarter, a subordinated loan of 300m EUR has been issued and 50m EUR has been repurchased In the 3rd quarter, a subordinated loan of SEK 900m has been issued. In October a subordinated loan of SEK 750m has been repurchased.

Storebrand Livsforsikring AS

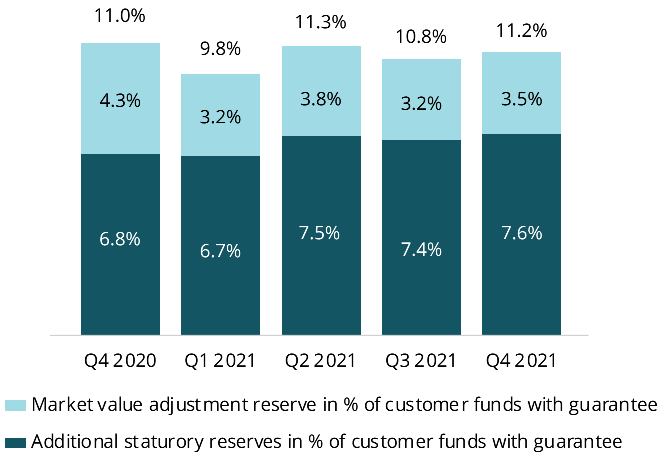
The market value adjustment reserve increased during the 4th quarter by NOK 0.6bn and a decreased by NOK 0.9bn for the full year. At the end of 4th quarter, the market value adjustment reserve amounted to NOK 6.3bn, corresponding to 3.5% (3.2% at the end of 3rd quarter) of customer funds with a guarantee.

The additional statutory reserves amounted to NOK 13.6bn, corresponding to 7.6% (7.4% at the end of the 3rd quarter) of customer funds with guarantee, at the end of the 4th quarter 2021. Investment returns in customer portfolios higher than the guaranteed interest rate in the quarter and year to date increased reserves by NOK 1.6bn while new business transferred in contributed positively with NOK 0.6bn in additional statutory reserves year to date.

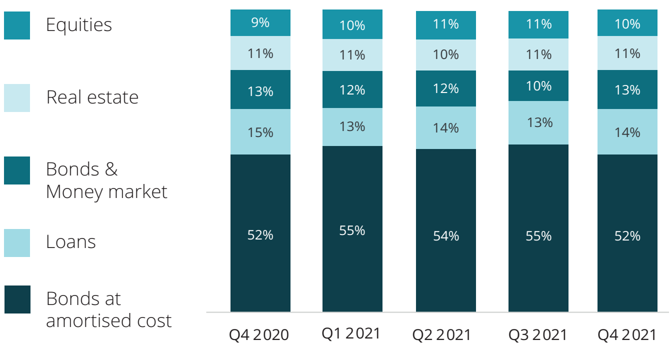
Together, the customer buffers amounted to 11.2% (10.6% at the end of the 3rd quarter) of customer funds with guarantee.

The excess value of bonds and loans valued at amortised cost decreased by NOK 1.5bn in the 4th quarter and by NOK 5.5bn year to date due to higher interest rates and amounted to NOK 3.4bn at the end of the 4th quarter, but is not included in the financial statements.

CUSTOMER BUFFERS



ALLOCATION OF GUARANTEED CUSTOMER ASSETS

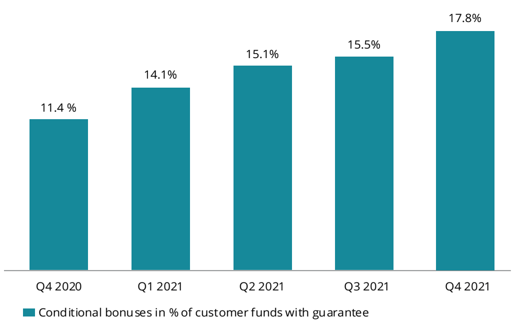


Customer assets increased in the 4th quarter by NOK 6.5bn and by NOK 31.9bn for the full year, amounting to NOK 356bn at the end of the year. Customer assets within non-guaranteed savings increased by NOK 6.5bn during the 4th quarter and by NOK 20.8bn for the full year, amounting to NOK 157bn at the end of the year. Guaranteed customer assets are unchanged in the 4th quarter and increased by NOK 11.1bn year to date, amounting to NOK 198bn at the end of the year.

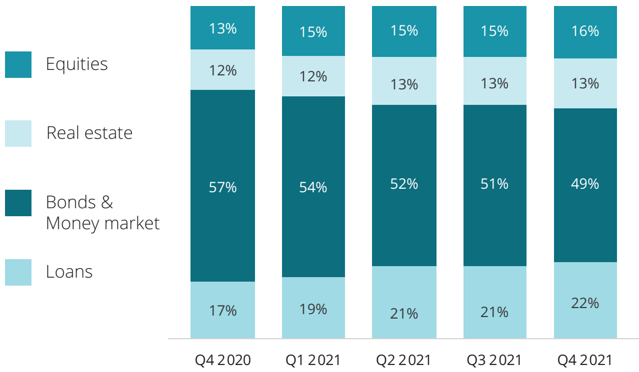
SPP

CUSTOMER BUFFERS

The buffer capital (conditional bonuses) amounted to SEK 14.1bn (SEK 10.3bn) at the end of the 4th quarter.



ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management for customers in SPP were SEK 247bn (SEK 209bn) at the end of the 4th quarter. This corresponds to an increase of 18% in 2021. For customer assets in non-guaranteed savings, assets under management amounted to SEK 155bn (SEK 126bn) at the end of the 4th quarter, which corresponds to an increase of 23% in 2021.

Storebrand Bank

Loans outstanding increased by NOK 0.1bn during the quarter. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS increased by NOK 1.3bn during the quarter. The combined portfolio of loans in Storebrand Bank and Storebrand Livsforsikring increased by NOK 1.3bn during the quarter and NOK 7.5bn in 2021.

The bank group has had an increase in the risk-weighted balance sheet of NOK 2.3bn in 2021. The Storebrand Bank group had a net capital base of NOK 3.3bn at the end of the fourth quarter. The capital adequacy ratio was 20.3% and the Core Equity Tier 1 (CET1) ratio was 15.4% at the end of the 4th quarter, compared with 18.7% and 15.1%, respectively, at the end of 2020. The combined requirements for capital and CET1 were 15.8% and 12.3 per cent respectively at the end of the 4th 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.

At the capital markets day in December 2020, Storebrand announced an ambition to achieve a profit before amortisation and tax of about NOK 4bn in 2023. The profit ambition was reached in 2021, helped by gains from the sale of AS Værdalsbruket and strong performance in funds with performance fees. The full economic effect of individual pension accounts is expected to give a negative result contribution of NOK 100m in 2022. The acquisition of Danica, given regulatory approval, will have full effects from in 2023. Strong growth across the Group provides a solid platform for profitable growth in the coming years.

Storebrand 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 in 2021. Consequently, the Unit Linked segment in Norway has been reporting a gradually lower fee income margin. This has been reinforced by individuals' contracts being merged into one account in 2021. 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.

In December 2021, Storebrand announced that it has entered into an agreement to acquire Danica in Norway, which holds a market share of 5% in Defined Contribution pensions. The acquisition is expected to close during the first half of 2022. This will strengthen Storebrand's presence in the segment for small and medium sized businesses, and it will increase Storebrand's distribution capacity of both Defined Contribution pensions and personal risk products.

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

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 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 48.5% of the pension reserves at the end of the year, 3.2 percentage points lower than at the end of last year. Storebrand's 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 around 20% to the overall Group Profit. P&C insurance 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. In 2021, we delivered on the ambition to keep cost at NOK 4.4bn. The underlying cost base is expected to grow to approximately NOK 4.9bn in 2022. This is partly explained by investments in profitable growth, including public occupational pensions and our P&C offering in the market for small and medium sized enterprises, as well as newly acquired Capital Investment. Together, these growth initiatives are expected to increase costs by NOK 400m. Should the growth not materialise, management has contingency plans in place to cut costs. High inflation rates, particularly wage inflation, is also expected to increase the cost base by NOK 100m. Acquired business such as Danica (pending regulatory approval) and performance related costs will add to the total cost base.

Risk

Our risk management framework is designed to take appropriate risk in order to deliver returns to customers and shareholders. At the same time, the framework shall ensure that we shield our customers, shareholders, employees and other stakeholders from undesirable incidents and losses. The framework covers all risks that Storebrand may be exposed to.

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 52% 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 13% of customer buffers as a share of customer reserves, Storebrand effectively has NOK 34bn more in customer assets than liabilities and NOK 3.4bn 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 has 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 over many years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 10. 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 preliminary 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

Savings in Norwegian Defined Contribution pensions

In December 2021, new legislation was adopted making pension contributions mandatory for all of employees' income, not just income above 1G (G = NOK

106,399) for employees working more than 20% and are above the age of 13. Companies need to adapt to the new legislation before 1 July 2022. It is estimated that the changes will increase total savings in the Defined Contribution pension market by about NOK 3bn per year.

Public Occupational Pensions
The Norwegian parliament also passed new legislation in December 2021 regulating the buffer capital within public occupational pension schemes. The new legislation merges the market value adjustment reserves with the additional statutory reserves into a more flexible customer buffer fund which can cover negative returns. There is no cap on the size of the new buffer fund. The new regulation will facilitate competition in the market for public occupational pensions and is expected to be positive for Storebrand's growth ambitions in this market.

Paid-up policies
New legislation was passed for Paid-up policies in December 2021. The final changes are:

- The ability for providers to build additional statutory reserves separately for individual contracts. This will allow for profit sharing and increased benefits on contracts with sufficient additional statutory reserves.
- Faster pay-outs for small paid up-policies. Providers can reduce the pay-out period for paid up-policies so that annual payments equal 0.3G (G = NOK 106,399). Policyholders can demand a reduced pay-out period so that annual payments equal 0.5G. The policyholder and provider also have the option to enter into an agreement to reduce the pay-out period so that the annual payments equal 1G. This can reduce longevity risk and duration risk for the affected contracts.
- Providers will be allowed to compensate customers who convert guaranteed paid-up policies to investment choice. It will still be possible to offer conversion without compensation. If compensation is offered, it should reflect the value of the guaranteed returns the customer surrenders.

The legislation change passed regarding more flexible buffer capital management within public occupational pensions mentioned above was not passed for paid-up policies. The Ministry of Finance has however announced that it may consider further regulatory changes.

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

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

The Commission has not outlined a timeline for the further process on adapting changes in the standard model. We expect final conclusions to be drawn by the Commission, the Parliament and the Council in 2022. This will be followed by work on delegated acts and guidelines. Changes are not expected to enter into force until 2024-2025. The Commission will also consider a phasing-in period of five years for new rules related to the calculation of interest rate risk and the new extrapolation method for interest rates will be phased in gradually until the end of 2031.

Changes in IFRS
A new accounting standard for insurance contracts, IFRS 17, is set to be implemented in 2023. The purpose is to introduce common accounting rules for insurance contracts and improve the comparability of insurance accounts. IFRS 17 entails, among other things, market valuation of liabilities, separation of insurance cohorts in the accounts, income recognition over the contract period rather upfront, and an amended profit and loss statement. Storebrand will implement IFRS 9 for financial instruments at the same time. For Storebrand's consolidated financial statements, the new standards will lead to changes in the valuation of insurance contracts, classification of fixed income investments and how profits are recognised. Estimated effects for Storebrand will be presented closer to implementation. Whether IFRS 17 is implemented in the statutory reporting requirements is decided by national regulations in each country. Storebrand expects that its property and casualty business will be required to implement IFRS 17 in the statutory reporting. For the life insurance business, IFRS 17 is not expected to be applied in the statutory reporting requirements. The effects from the implementation of IFRS 17 is thus not expected to affect the Solvency calculations nor dividend capacity significantly.

Sustainable Finance
The European Union's Action Plan on Sustainable Finance aims to contribute to realising the Paris goals of reduced carbon emissions. It intends to increase the share of sustainable investments, promote long-termism and clarify which financial products are actually sustainable. This is follo-

wed by new regulation to increase investments in sustainable activities and increase the resilience of the financial system when it comes to climate risk. New legislation introducing the EU Taxonomy on classification of sustainable activities and regulation on climate-related disclosures in Norwegian law was passed in December 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. 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, 8 February 2022

Storebrand Group
Income statement

(NOK million)	Note	Q4 2021	Q4 2020	01.01 - 31.12 2021	01.01 - 31.12 2020
Premium income		13,469	8,711	53,681	44,188
Net income from financial assets and real estate for the company:					
- equities and fund units at fair value		8	9	37	22
- bonds and other fixed-income securities at fair value		20	320	220	785
- derivatives at fair value		56	-178	94	-397
- loans at fair value		-2	8	3	37
- bonds at amortised cost		61	50	220	212
- loans at amortised cost		195	156	720	687
- profit from investments in associated companies/joint ventures		3	-10	30	52
Net income from financial assets and real estate for the customers:					
- equities and fund units at fair value		19,135	11,424	53,776	14,632
- bonds and other fixed-income securities at fair value		80	-455	780	3,550
- derivatives at fair value		84	4,303	-2,834	5,771
- loans at fair value		8	3	26	23
- bonds at amortised cost		1,073	913	4,101	4,202
- loans at amortised cost		60	108	275	909
- properties		612	1,393	2,164	1,680
- profit from investments in associated companies/joint ventures		543	364	790	569
Other income	4	1,754	1,402	5,698	4,109
Total income		**37,159**	**28,520**	**119,781**	**81,031**
Insurance claims		-15,482	-7,294	-52,529	-29,531
Change in insurance liabilities		-15,833	-16,155	-50,615	-37,929
Change in capital buffer		-2,392	-2,175	-4,827	-4,327
Operating expenses	9	-1,694	-1,318	-5,784	-4,914
Other expenses		-196	-180	-836	-826
Interest expenses		-195	-174	-686	-793
Total expenses before amortisation		**-35,792**	**-27,296**	**-115,278**	**-78,320**
Group profit before amortisation		**1,367**	**1,225**	**4,503**	**2,711**
Amortisation of intangible assets		-140	-125	-527	-492
Group pre-tax profit		**1,227**	**1,099**	**3,976**	**2,219**
Tax expenses	10	-310	-227	-846	136
Profit/loss for the period		**917**	**872**	**3,130**	**2,355**
Profit/loss for the period attributable to:					
Share of profit for the period - shareholders		915	870	3,121	2,345
Share of profit for the period - hybrid capital investors		2	2	9	10
Total		**917**	**872**	**3,130**	**2,355**
Earnings per ordinary share (NOK)		1.95	1.86	6.68	5.02
Average number of shares as basis for calculation (million)				467.1	467.2
There is no financial instruments that gives diluted effect on earnings per share					

Storebrand Group
Statement of comprehensive income

	Q4		01.01 - 31.12	
(NOK million)	2021	2020	2021	2020
Profit/loss for the period	**917**	**872**	**3,130**	**2,355**
Actuarial assumptions pensions own employees	139	-104	131	-110
Fair value adjustment of properties for own use	66	59	139	83
Other comprehensive income allocated to customers	-66	-59	-139	-83
Tax on other comprehensive income elements not to be reclassified to profit/loss	9	15	8	15
Total other comprehensive income elements not to be reclassified to profit/loss	**147**	**-89**	**140**	**-95**
Translation differences foreign exchange	-65	3	-167	305
Gains/losses from cash flow hedging	-21	-33	-52	-33
Total other comprehensive income elements that may be reclassified to profit/loss	**-85**	**-30**	**-219**	**273**
Total other comprehensive income elements	**62**	**-119**	**-79**	**178**
Total comprehensive income	**979**	**753**	**3,051**	**2,532**
Total comprehensive income attributable to:				
Share of total comprehensive income - shareholders	977	743	3,042	2,515
Share of total comprehensive income - hybrid capital investors	2	2	9	10
Share of total comprehensive income - non-controlling interests		8		8
Total	**979**	**753**	**3,051**	**2,532**

Storebrand Group
Statement of financial position

(NOK million)	Note	31.12.21	31.12.20
Assets company portfolio			
Deferred tax assets		1,104	1,780
Intangible assets and excess value on purchased insurance contracts		6,667	6,303
Tangible fixed assets		1,266	1,397
Investments in associated companies and joint ventures		387	283
Financial assets at amortised cost:			
- Bonds	8	12,955	10,639
- Loans to financial institutions	8	67	103
- Loans to customers	8,11	38,503	31,058
Reinsurers' share of technical reserves		32	56
Investment properties at fair value	8		50
Biological assets			67
Accounts receivable and other short-term receivables		11,024	7,018
Financial assets at fair value:			
- Equities and fund units	8	543	384
- Bonds and other fixed-income securities	8	27,706	28,833
- Derivatives	8	903	1,389
- Loans to customers	8,11	489	722
Bank deposits		3,543	2,775
Minority portion of consolidated mutual funds		54,912	59,845
Total assets company portfolio		**160,101**	**152,701**
Assets customer portfolio			
Investments in associated companies and joint ventures		7,141	6,167
Financial assets at amortised cost:			
- Bonds	8	104,974	92,846
- Bonds held-to-maturity	8	8,441	13,026
- Loans to customers	8,11	23,051	23,769
Reinsurers' share of technical reserves		13	24
Investment properties at fair value	8	33,376	32,067
Properties for own use	8	1,659	1,609
Accounts receivable and other short-term receivables		638	404
Financial assets at fair value:			
- Equities and fund units	8	277,783	230,446
- Bonds and other fixed-income securities	8	140,810	148,162
- Derivatives	8	2,916	8,587
- Loans to customers	8,11	7,443	7,665
Bank deposits		6,443	10,290
Total assets customer portfolio		**614,689**	**575,061**
Total assets		**774,790**	**727,763**

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Storebrand Group
Statement of financial position (continued)

(NOK million)	Note	31.12.21	31.12.20
Equity and liabilities			
Paid-in capital		13,192	12,858
Retained earnings		24,291	22,839
Hybrid capital		226	226
Total equity		**37,709**	**35,923**
Subordinated loans	7,8	11,441	9,110
Capital buffer	12	33,693	29,319
Insurance liabilities		575,457	536,028
Pension liabilities		181	352
Deferred tax		832	849
Financial liabilities:			
- Liabilities to financial institutions	7,8	502	1,653
- Deposits from banking customers	8	17,239	15,506
- Securities issued	7,8	24,924	20,649
- Derivatives company portfolio		208	114
- Derivatives customer portfolio		1,840	851
- Other non-current liabilities		1,210	1,355
Other current liabilities		14,643	16,209
Minority portion of consolidated mutual funds		54,912	59,845
Total liabilities		**737,081**	**691,840**
Total equity and liabilities		**774,790**	**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						3,121	3,121	9		3,130
Total other comprehnsive income elements					-167	87	-79			-79
Total comprehensive income for the period					**-167**	**3,208**	**3,042**	**9**		**3,051**
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								-9		-9
Dividend paid						-1,513	-1,513			-1,513
Other						18	18			18
Equity at 31 December 2021	**2,360**	**-9**	**10,842**	**13,192**	**1,041**	**23,249**	**24,291**	**226**		**37,709**

[1] *471 974 890 shares with a nominal value of NOK 5.*
[2] *Includes undistributable funds in the risk equalisation fund amounting to NOK 547 million and security reserves/natural perials capital amounting NOK 154 million.*
[3] *Perpetual hybrid tier 1 capital classified as equity.*

Storebrand Group

Statement of cash flow

(NOK million)	01.01 - 31.12 2021	2020
Cash flow from operating activities		
Net receipts premium - insurance	31,510	28,825
Net payments claims and insurance benefits	-22,151	-21,606
Net receipts/payments - transfers	-7,313	7,285
Other receipts/payments - insurance liabilities	2,942	366
Receipts - interest, commission and fees from customers	918	953
Payments - interest, commission and fees to customers	-64	-102
Taxes paid	-222	-187
Payments relating to operations	-5,851	-5,197
Net receipts/payments - other operating activities	5,582	3,816
Net cash flow from operations before financial assets and banking customers	*5,350*	*14,152*
Net receipts/payments - loans to customers	-6,762	-1,801
Net receipts/payments - deposits bank customers	1,733	1,102
Net receipts/payments - securities	-6,524	-12,270
Net receipts/payments - investment properties	178	-511
Receipts - sale of investment properties	721	
Payments - purchase of investment properties	-1,859	
Net change in bank deposits for insurance customers (bank deposit in customer portfolio)	3,674	-2,657
Net cash flow from financial assets and banking customers	*-8,839*	*-16,137*
Net cash flow from operating activities	**-3,489**	**-1,984**
Cash flow from investing activities		
Receipts - sale of subsidiaries	815	
Payments - purchase of subsidiaries	-408	-220
Net receipts/payments - sale/purchase of fixed assets	-292	-48
Net receipts/payments - sale/purchase of associated companies and joint ventures	-4	
Net cash flow from investing activities	**111**	**-269**
Cash flow from financing activities		
Receipts - new loans	6,430	9,012
Payments - repayments of loans	-2,106	-7,048
Payments - interest on loans	-260	-371
Receipts - subordinated loans	4,211	499
Payments - repayment of subordinated loans	-1,072	-872
Payments - interest on subordinated loans	-388	-388
Net receipts/payments - loans to financial institutions	-1,150	1,205
Receipts - issuing of share capital / sale of shares to employees	44	26
Payments - repayment of share capital	-144	
Payments - dividends	-1,513	
Payments - interest on hybrid capital	-9	-10
Net cash flow from financing activities	**4,043**	**2,052**
Net cash flow for the period	**665**	**-201**
Cash and cash equivalents at the start of the period	2,878	3,160
Currency translation cash/cash equivalents in foreign currency	68	-81
Cash and cash equivalents at the end of the period [1)]	**3,611**	**2,878**
[1)] Consists of:		
Loans to financial institutions	67	103
Bank deposits	3,543	2,775
Total	**3,611**	**2,878**

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 692 million upon completion of the transaction, divided between newly issued shares in Storebrand ASA and a cash consideration of NOK 351 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		581	581
Fair value at acquisition date		**770**	**785**
Conditional payment			93
Cash payment			**692**

Settlement of cash consideration

(NOK million)	Amount
Consideration shares	341
Paid in cash	351
Total	**692**

Income statement Capital Investment 2021

(NOK million)	After acquisition	Before acquisition
Income	18	70
Pre-tax profit	4	5

Danica Pensjonsforsikring Norge

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

Note 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.

(NOK million)	Q4 2021	Q4 2020	01.01 - 31.12 2021	01.01 - 31.12 2020
Savings	916	664	2,355	1,730
Insurance	61	175	423	204
Guaranteed pension[1]	485	396	1,432	805
Other[1]	-95	-10	293	-28
Group profit before amortisation	**1,367**	**1,225**	**4,503**	**2,711**
Amortisation of intangible assets	-140	-125	-527	-492
Group pre-tax profit	**1,227**	**1,099**	**3,976**	**2,219**

Segment information as Q4

	Savings		Insurance		Guaranteed pension	
	Q4		Q4		Q4	
(NOK million)	2021	2020	2021	2020	2021	2020[1]
Fee and administration income	1,748	1,336			418	389
Insurance result			307	338		
- Insurance premiums for own account			*1,366*	*1,136*		
- Claims for own account			*-1,059*	*-799*		
Operating expense	-838	-704	-253	-194	-248	-218
Operating profit	**910**	**633**	**54**	**143**	**169**	**171**
Financial items and risk result life & pension	6	31	6	32	316	224
Group profit before amortisation	**916**	**664**	**61**	**175**	**485**	**396**
Amortisation of intangible assets[2]						
Group pre-tax profit						

	Other		Storebrand Group	
	Q4		Q4	
(NOK million)	2021	2020[1]	2021	2020
Fee and administration income	-58	-51	2,108	1,674
Insurance result			307	338
- Insurance premiums for own account			*1,366*	*1,136*
- Claims for own account			*-1,059*	*-799*
Operating expense	-38	31	-1,377	-1,086
Operating profit	**-96**	**-21**	**1,038**	**926**
Financial items and risk result life & pension		11	329	298
Group profit before amortisation	**-95**	**-10**	**1,367**	**1,225**
Amortisation of intangible assets[2]			-140	-125
Group pre-tax profit			**1,227**	**1,099**

[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*

Segment information as of 01.01 - 31.12

(NOK million)	Savings 01.01 - 31.12 2021	Savings 2020	Insurance 01.01 - 31.12 2021	Insurance 2020	Guaranteed pension 01.01 - 31.12 2021	Guaranteed pension 2020[1]
Fee and administration income	5,215	4,392			1,631	1,511
Insurance result			1,201	825		
- Insurance premiums for own account			*5,175*	*4,331*		
- Claims for own account			*-3,974*	*-3,506*		
Operating expense	-2,927	-2,611	-875	-712	-890	-861
Operating profit	**2,288**	**1,781**	**326**	**113**	**741**	**650**
Financial items and risk result life & pension	67	-51	97	91	691	155
Group profit before amortisation	**2,355**	**1,730**	**423**	**204**	**1,432**	**805**
Amortisation of intangible assets [2]						
Group pre-tax profit						

(NOK million)	Other 01.01 - 31.12 2021	Other 2020[1]	Storebrand Group 01.01 - 31.12 2021	Storebrand Group 2020
Fee and administration income	-239	-227	6,607	5,676
Insurance result			1,201	825
- Insurance premiums for own account			*5,175*	*4,331*
- Claims for own account			*-3,974*	*-3,506*
Operating expense	14	116	-4,678	-4,068
Operating profit	**-225**	**-111**	**3,130**	**2,433**
Financial items and risk result life & pension	518	83	1,372	278
Group profit before amortisation	**293**	**-28**	**4,503**	**2,711**
Amortisation of intangible assets [2]			-527	-492
Group pre-tax profit			**3,976**	**2,219**

[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)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Group								
Earnings per ordinary share [1]	6.68	4.73	3.46	0.94	5.02	3.16	1.52	0.56
Equity	37,709	36,735	35,823	36,069	35,923	35,181	34,396	34,090
Savings								
Premium income Unit Linked [2]	5,350	5,201	5,316	5,346	5,163	5,064	4,890	4,175
Unit Linked reserves	308,351	295,790	295,195	278,702	268,331	242,198	222,209	194,871
AuM asset management	1,096,556	1,058,435	1,037,470	987,397	962,472	920,540	880,177	751,926
Retail lending	57,015	55,663	54,288	51,594	49,474	47,771	47,208	46,201
Insurance								
Total written premiums	6,445	6,263	6,133	5,745	5,288	5,201	5,037	4,507
Claims ratio [2]	78%	74%	74%	82%	70%	73%	76%	72%
Cost ratio [2]	19%	15%	17%	17%	17%	15%	16%	16%
Combined ratio [2]	96%	90%	91%	98%	87%	88%	92%	89%

(NOK million)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Guaranteed pension								
Guaranteed reserves	290,862	292,161	294,909	286,410	287,614	286,427	284,339	261,469
Guaranteed reseves in % of total reserves	48.5%	49.7%	50.0%	50.7%	51.7%	54.2%	56.1%	57.3%
Net transfer out of guaranteed reserves [2)]	447	-683	-94	6,941	704	697	-8	1
Capital buffer in % of customer reserves Storebrand Life Group [3)]	11.2%	10.8%	11.3%	9.8%	11.0%	10.5%	9.5%	7.9%
Capital buffer in % of customer reserves SPP [4)]	17.8%	15.5%	15.1%	14.1%	11.4%	10.2%	9.3%	9.4%
Solidity								
Solvency II [5)]	175%	178%	172%	176%	178%	179%	163%	172%
Solidity capital (Storebrand Life Group) [6)]	74,074	73,780	75,284	69,352	72,766	72,047	67,279	59,921
Capital adequacy Storebrand Bank	20.3%	19.6%	18.5%	17.4%	18.7%	18.0%	18.6%	18.4%
Core Capital adequacy Stobrand Bank	16.8%	16.1%	16.8%	15.6%	16.7%	16.0%	16.6%	16.3%

[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.

2021 has been generally benign for risk assets, in particular equities. Positive drivers are increased economic activity as the society gradually learns to cope with the effects of corona, 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. Higher inflation and expectations for central banks to gradually reduce the monetary stimulus, has led to increased interest rates. 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 rose 8 percent in the fourth quarter and rose 24 percent in 2021. Norwegian equities rose 3 percent in the fourth quarter and rose 23 percent in 2021. The credit spreads for corporate bonds are little changed in the fourth quarter and in 2021.

Long-term interest rates are little changed in the fourth quarter but rose during 2021. The Norwegian 10-year swap-rate rose 0.6 pp to 1.9 percent in 2021. The Swedish 10-year swap-rate rose 0.6 pp to 1.0 percent in 2021. 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 a further 0.25 pp in December. Bank of Norway signal further increases during 2022. 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 low risk 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 and were little changed against the US dollar in the fourth quarter. Since the start of the year, the Norwegian krone has strengthened with 7 percent against the Swedish krone, 5 percent against the euro but has weakened with 3 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 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. Sensitivities for the valuation from changes in key inputs are provided in note 6.

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

The market-based return for guaranteed customer portfolios in Norway in general was higher than the guarantee in the fourth quarter and in 2021. In Sweden, the return for guaranteed customer portfolios was better than the change in value for the liabilities in the fourth quarter and in 2021, mainly resulting in increased conditional bonuses.

The return for the unit linked portfolios was generally positive, both in the fourth quarter and in 2021.

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 of 31 December 2021. The effect of each stress changes the return in each investment 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)	-100bp	+100bp
Equity	-20%	- 12%
Property	- 12%	- 7%
Credit spread (share of Solvency II)	50%	30%

Due to the very low interest rates at the start of 2021, the interest rate down stress was reduced to -50bp from -100bp for the first three quarters. For 2022 the stress is reinstated at -100bp, and this is reflected in the calculations as of 31 December 2021.

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 of 31 December 2021, the customer buffers are of such a size that the effects on the result are significantly lower.

Stresstest 1

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

Stresstest 2

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

Storebrand Livsforsikring
Stress test 2, which includes an increase in interest rates, makes the greatest impact for Storebrand Livsforsikring. The overall market risk is NOK 9.7 billion (NOK 8.8 billion as of 30 September 2021), which is equivalent to 4.2 (3.8) percent 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 5.0 billion (SEK 4.6 billion as of 30 September 2021), which is equivalent to 5.4 (5.1) percent 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 2021.

Note 07 Liquidity risk

Specification of subordinated loans [1]

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value 2021	Book value 2020
Issuer						
Perpetual subordinated loans [2]						
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100	1,100
Storebrand Livsforsikring AS[3]	900	SEK	Variable	2026	876	
Dated subordinated loans						
Storebrand Livsforsikring AS [3][4]	750	SEK	Variable	2021		789
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2022	976	1,044
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	877	938
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	976	1,045
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499	499
Storebrand Livsforsikring AS [3]	250	EUR	Fixed	2023	2,685	3,420
Storebrand Livsforsikring AS [3][5]	300	EUR	Fixed	2031	2,876	
Storebrand Bank ASA	150	NOK	Variable	2022	150	150
Storebrand Bank ASA	125	NOK	Variable	2025	125	125
Storebrand Bank ASA	300	NOK	Variable	2026	300	
Total subordinated loans and hybrid tier 1 capital					**11,441**	**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*
[5] *300 million EUR in Storebrand`s first green bond issuance in March 2021*

Specification of liabilities to financial institutions

(NOK million)	Book value 31.12.21	Book value 31.12.20
Call date		
2021		1,653
2022	502	
Total loans and deposits from credit institutions	**502**	**1,653**

Specification of securities issued

(NOK million)	Book value 31.12.21	Book value 31.12.20
Call date		
2021		1,637
2022	5,532	6,011
2023	3,282	4,766
2024	6,100	4,997
2025	6,139	3,239
2026	3,075	
2027	795	
Total securities issued	**24,924**	**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 31.12.21	Book value 31.12.21	Fair value 31.12.20	Book value 31.12.20
Financial assets				
Loans to and due from financial institutions	67	67	103	103
Loans to customers - corporate	5,058	5,046	6,076	6,064
Loans to customers - retail	56,521	56,507	48,763	48,763
Bonds held to maturity	9,103	8,441	14,244	13,026
Bonds classified as loans and receivables	120,623	117,929	111,359	103,484
Total financial assets 31.12.21	**191,372**	**187,991**		
Total financial assets 31.12.20			180,546	171,441
Financial liabilities				
Debt raised by issuance of securities	25,000	24,924	20,750	20,649
Liabilities to financial institutions	502	502	1,653	1,653
Deposits from banking customers	17,239	17,239	15,506	15,506
Subordinatd loan capital	11,584	11,441	9,184	9,110
Total financial liabilities 31.12.21	**54,324**	**54,106**		
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	31.12.21	31.12.20
Assets:					
Equities and fund units					
- Equities	40,071	261	375	40,707	32,332
- Fund units		222,940	14,678	237,619	198,497
Total equities and fund units 31.12.21	**40,071**	**223,201**	**15,054**	**278,326**	
Total equities and fund units 31.12.20	31,446	189,117	10,266		230,830
Loans to customers					
- Loans to customers - corporate			7,443	7,443	7,665
- Loans to customers - retail			489	489	722
Total loans to customers 31.12.21			**7,932**	**7,932**	
Total loans to customers 31.12.20			8,387		8,387
Bonds and other fixed-income securities					
- Government bonds	16,722	14,426		31,148	34,634
- Corporate bonds		55,346	8	55,354	62,043
- Collateralised securities		5,550		5,550	7,051
- Bond funds		63,802	12,663	76,464	73,267
Total bonds and other fixed-income securities 31.12.21	**16,722**	**139,124**	**12,670**	**168,516**	
Total bonds and other fixed-income securities 31.12.20	16,114	151,367	9,514		176,995

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.12.21	31.12.20
Derivatives:					
- Interest derivatives		2,292		2,292	5,659
- Currency derivatives		-519		-519	3,353
Total derivatives 31.12.21		**1,772**		**1,772**	
- of which derivatives with a positive market value		3,820		3,820	9,977
- of which derivatives with a negative market value		-2,048		-2,048	-964
Total derivatives 31.12.20		9,012			9,012
Properties:					
Investment properties			33,376	33,376	32,117
Properties for own use			1,659	1,659	1,609
Total properties 31.12.21			**35,035**	**35,035**	
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	-18	6,350	35	-311	113	558	124
Additions	4	1,523	1,338	38	5,740	1,793	66
Sales	-517	-2,212	-1,334	-38	-1,846	-721	
Currency translation differences		-136	-495		-541	-775	-143
Other		-207				406	3
Book value 31.12.21	**376**	**14,678**	**7,932**	**8**	**12,663**	**33,376**	**1,659**

As at 31.12.21, Storebrand Livsforisikring had NOK 7.141 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 expenses

(NOK million)	Q4 2021	Q4 2020	01.01 - 31.12 2021	01.01 - 31.12 2020
Personnel expenses	-751	-621	-2,725	-2,320
Amortisation/write-downs	-115	-88	-329	-267
Other operating expenses	-829	-610	-2,731	-2,328
Total operating expenses	**-1,694**	**-1,318**	**-5,784**	**-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 an additional tax income of approximately NOK 0.8 billion if Storebrand's position under (B) is accepted. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.6 billion.

Storebrand has reviewed the uncertain tax positions as part of the annual reporting process. The review has not reduced the company's assessment of the probability that Storebrand's interpretation will be accepted in a court of law. The timeline for the continued process with the Norwegian Tax Appeals Committee is unclear, but if necessary, Storebrand will seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 11 Loans

(NOK million)	31.12.21	31.12.20
Corporate market	12,532	13,738
Retail market	57,042	49,553
Gross loans	**69,574**	**63,291**
Write-down of loans losses	-88	-77
Net loans [1]	**69,486**	**63,214**
[1] Of which Storebrand Bank	38,992	31,780
Of which Storebrand Livsforsikring	30,494	31,434

Non-performing and loss-exposed loans

(NOK million)	31.12.21	31.12.20
Non-performing and loss-exposed loans without identified impairment	48	71
Non-performing and loss-exposed loans with identified impairment	29	50
Gross non-performing loans	**77**	**121**
Individual write-downs	-18	-17
Net non-performing loans [1]	**59**	**104**

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

Note 12 Capital buffer

(NOK million)	31.12.21	31.12.20
Additional statutory reserves	13,602	11,380
Market adjustment reserves	6,309	7,170
Conditional bonuses	13,781	10,769
Total	**33,693**	**29,319**

Note 13 Contingent liabilities

(NOK million)	31.12.21	31.12.20
Unused credit facilities	3,322	3,063
Loan commitment retail market	3,516	2,962
Uncalled residual liabilities re limited partnership	4,870	8,251
Undrawn capital in alternative investment funds	10,093	
Total contingent liabilities	**21,801**	**14,276**

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 also 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

	31.12.21					31.12.20
NOK million	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	2,360	2,360				2,339
Share premium	10,842	10,842				10,521
Reconciliation reserve	28,711	28,711				31,851
Including the effect of the transitional arrangement						4,815
Counting subordinated loans	10,860		2,002	8,857		8,734
Deferred tax assets	356				356	247
Risk equalisation reserve	616			616		438
Deductions for CRD IV subsidiaries	-3,728	-3,728				-3,006
Expected dividend	-1,645	-1,645				-1,519
Total basic solvency capital	**48,369**	**36,538**	**2,002**	**9,473**	**356**	**49,605**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,728					3,006
Total solvency capital	**52,098**					**52,611**
Total solvency capital available to cover the minimum capital requirement	**40,688**	**36,538**	**2,002**	**2,148**		**43,533**

Solvency capital requirements and - margin

NOK million	31.12.21	31.12.20
Market risk	25,258	25,675
Counterparty risk	720	951
Life insurance risk	10,829	10,859
Health insurance risk	931	935
P&C insurance risk	590	523
Operational risk	1,550	1,578
Diversification	-7,804	-7,948
Loss-absorbing ability defferd tax	-5,218	-5,533
Total solvency capital requirement - insurance company	**26,856**	**27,040**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,944	2,565
Total solvency capital requirement	**29,800**	**29,605**
Solvency margin	**175%**	**178%**
Minimum capital requirement	**10,738**	**11,074**
Minimum margin	**379%**	**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	31.12.21	31.12.20
Capital requirements for CRD IV companies	3,125	2,739
Solvency captial requirements for insurance	26,856	27,040
Total capital requirements	**29,982**	**29,779**
Net primary capital for companies included in the CRD IV report	3,728	3,006
Net primary capital for insurance	48,369	49,605
Total net primary capital	**52,098**	**52,611**
Overfulfilment	**22,116**	**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 31 December 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 4th quarter 2021.

Storebrand ASA
Income statement

(NOK million)	Q4 2021	Q4 2020	01.01. - 31.12 2021	01.01. - 31.12 2020
Operating income				
Income from investments in subsidiaries	4,542	3,020	4,542	3,028
Net income and gains from financial instruments:				
- equities	-1	-6	-2	4
- bonds and other fixed-income securities	6	7	39	64
- financial derivatives/other financial instruments				-3
Other financial instruments			204	1
Operating income	**4,547**	**3,021**	**4,783**	**3,095**
Interest expenses	-5	-5	-18	-30
Other financial expenses	-24	-7	-79	6
Operating expenses				
Personnel expenses	-11	-10	-44	-40
Other operating expenses	-48	-9	-136	-56
Total operating expenses	**-59**	**-19**	**-180**	**-96**
Total expenses	**-88**	**-30**	**-277**	**-120**
Pre-tax profit	**4,459**	**2,991**	**4,505**	**2,975**
Tax	-285	-182	-258	-171
Profit for the period	**4,174**	**2,808**	**4,248**	**2,804**

Statement of total comprehensive income

(NOK million)	Q4 2021	Q4 2020	01.01. - 31.12 2021	01.01. - 31.12 2020
Profit for the period	**4,174**	**2,808**	**4,248**	**2,804**
Other total comprehensive income elements not to be reclassified to profit/loss				
Change in estimate deviation pension	6	-15	6	-15
Tax on other comprehensive elements	-1	4	-1	4
Total other comprehensive income elements	**4**	**-11**	**4**	**-11**
Total comprehensive income	**4,179**	**2,797**	**4,252**	**2,793**

Storebrand ASA
Statement of financial position

(NOK million)	31.12.21	31.12.20
Fixed assets		
Deferred tax assets	46	44
Tangible fixed assets	27	27
Shares in subsidiaries and associated companies	23,006	20,893
Total fixed assets	**23,079**	**20,964**
Current assets		
Owed within group	4,542	3,139
Other current receivables	15	15
Investments in trading portfolio:		
- equities and other units	55	57
- bonds and other fixed-income securities	4,811	4,894
Bank deposits	28	61
Total current assets	**9,450**	**8,166**
Total assets	**32,530**	**29,130**
Equity and liabilities		
Share capital	2,360	2,339
Own shares	-9	-2
Share premium reserve	10,842	10,521
Total paid in equity	**13,192**	**12,858**
Other equity	15,128	12,609
Total equity	**28,321**	**25,467**
Non-current liabilities		
Pension liabilities	142	157
Securities issued	1,001	1,001
Total non-current liabilities	**1,143**	**1,158**
Current liabilities		
Debt within group	1,193	910
Provision for dividend	1,645	1,519
Other current liabilities	228	76
Total current liabilities	**3,066**	**2,505**
Total equity and liabilities	**32,530**	**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				4,248	4,248
Total other result elements				4	4
Total comprehensive income				**4,252**	**4,252**
Issues of shares [2]	21		320		341
Provision for dividend				-1,640	-1,640
Own share sold[3]		-7		-97	-104
Employee share[3]				4	4
Equity at 31 December 2021	**2,360**	**-9**	**10,842**	**15,128**	**28,321**

[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 31 December 2021 was 1 839 776.

Storebrand ASA
Statement of cash flow

	01.01 - 31.12	
(NOK million)	2021	2020
Cash flow from operational activities		
Net receipts/payments - securities at fair value	130	-1,577
Payments relating to operations	-184	-112
Net receipts/payments - other operational activities	3,126	3,163
Net cash flow from operational activities	**3,071**	**1,473**
Cash flow from investment activities		
Receipts - sale of subsidiaries	202	
Payments - purchase/capitalisation of subsidiaries	-1,675	-1,144
Net receipts/payments - sale/purchase of property and fixed assets	-1	
Net cash flow from investment activities	**-1,473**	**-1,144**
Cash flow from financing activities		
Payments - repayments of loans		-800
Receipts - new loans		500
Payments - interest on loans	-18	-30
Receipts - sold own shares to employees	44	26
Payments - buy own shares	-144	
Payments - dividends	-1,513	
Net cash flow from financing activities	**-1,631**	**-304**
Net cash flow for the period	**-33**	**26**
Net movement in cash and cash equivalents	-33	26
Cash and cash equivalents at start of the period	61	34
Cash and cash equivalents at the end of the period	**28**	**61**

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 subsidiaries

(NOK million)	2021	2020
Storebrand Livsforsikring AS	3,210	2,222
Storebrand Bank ASA	238	80
Storebrand Asset Management AS	948	620
Storebrand Forsikring AS	146	105
Storebrand Facilities AS		1
Total	**4,542**	**3,028**

Note 04 Bond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	31.12.21	31.12.20
Bond loan 2020/2025	Variable	NOK	500	500	501
Bond loan 2017/2022	Variable	NOK	500	501	500
Total [1]				**1,001**	**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 05 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.

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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

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