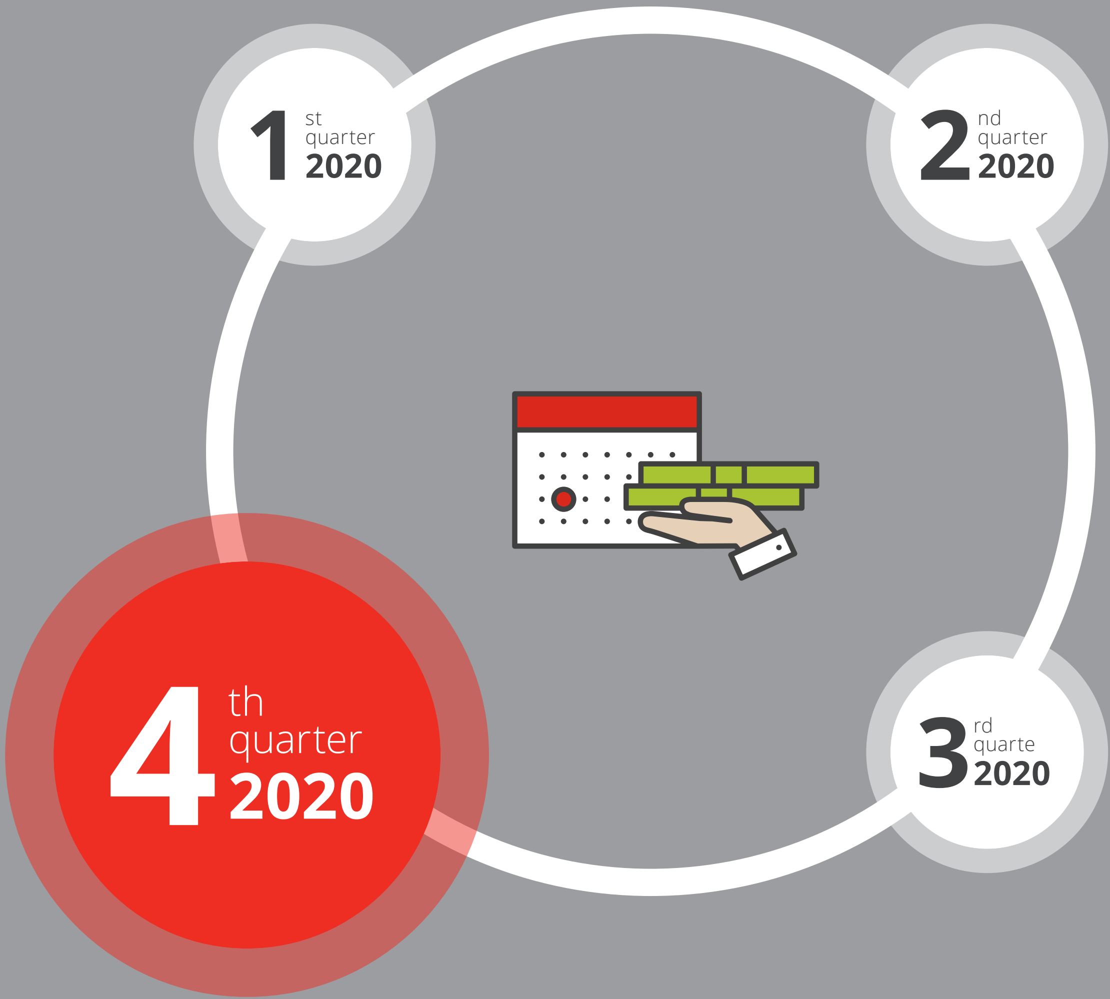
storebrand



Interim report 4th quarter 2020

Storebrand Group (unaudited)

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Storebrand Group

Leading the way in sustainable value creation

- **Group profit[1] of NOK 1,225m in the 4th quarter, strongest on record**
- **Solvency II ratio 178%**
- **Proposed dividend of NOK 3.25 per share**
- **22% growth in Unit Linked reserves, 16% growth in assets under management y/y**
- **18% growth in insurance portfolio premiums y/y, Combined Ratio 87% in the 4th quarter**

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.

COVID-19 UPDATE

Despite the outbreak of the covid-19 pandemic at the beginning of the year, Storebrand has been close to fully operational in 2020 and has been able to execute on strategic initiatives according to plan. Risks were mitigated due to well defined contingency plans. As a fully digital organisation, Storebrand quickly adapted to a remote work environment. It has been essential to secure Storebrand's critical operations and to support customers when they need our services the most. Apart from the negative impact from turbulent financial markets in the 1st quarter, and reserve strengthening in products with disability coverages, results have developed according to plan.

GROUP RESULT [2]

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
Fee and administration income	1,674	1,352	1,301	1,349	1,561	5,676	5,308
Insurance result	338	304	255	-71	223	825	1,005
Operational cost	-1,086	-984	-975	-1,024	-1,077	-4,068	-4,015
Operating profit	**926**	**672**	**580**	**254**	**707**	**2,433**	**2,298**
Financial items and risk result life	298	340	228	-588	319	278	739
Profit before amortisation	**1,225**	**1,012**	**808**	**-334**	**1,026**	**2,711**	**3,037**
Amortisation and write-downs of intangible assets	-125	-124	-124	-119	-117	-492	-444
Profit before tax	**1,099**	**889**	**684**	**-453**	**909**	**2,219**	**2,593**
Tax	-227	-123	-231	717	-234	136	-511
Profit after tax	**872**	**766**	**453**	**264**	**675**	**2,355**	**2,082**

The Group's profit before amortisation was NOK[3] 1,225m (NOK 1,026m) in the 4th quarter. The figures in brackets are from the corresponding period last year. Strong underlying growth within the Savings and the Insurance segment, combined with a strong insurance result and disciplined cost control, contribute to the growth in profits. Financial market returns led to profit sharing in both Norway and Sweden and strengthened buffer capital to more than 11% as a share of guaranteed customer reserves. Group profit before amortisation for the full year was NOK 2,711m – a decline from last year's NOK 3,037m primarily due to weak risk results and Covid-related reserve strengthening for products with disability coverage during the year. Market turbulence in the 1st quarter also led to a lower financial result in the company portfolios.

Total fee and administration income amounted to NOK 1,674m (NOK 1,561m) in the 4th quarter. Strong growth in assets under management within Savings, as well as performance fees booked for the full year in the quarter, contribute to the income. Fee and administration income in the Bank improved to pre-covid-19 levels as retail lending grew, but the net interest margin has declined compared to the same quarter last year with falling interest rates. In the Guaranteed segment, fee and administration income was in line with last year. The run-off nature of the guaranteed business will eventually lead to lower fees in the segment. For the full year, fee and administration income amounted to NOK 5,676m (NOK 5,308m). This is an increase of 7% compared to the same period last year, or 3% adjusted for currency effects.

[1] Earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting.
[2] The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.
[3] The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.

The Insurance result was NOK 338m (NOK 223m) and the total combined ratio for the Insurance segment was 87% (96%) in the 4th quarter – better than the target of 90-92%. For the full year, the Insurance result was NOK 825m (NOK 1,005m) and the combined ratio was 97% (91%). The reserve strengthening in the 1st quarter of 2020, which is still deemed to be satisfactory, led to a higher combined ratio in the beginning of the year.

The Group's operational cost for the quarter was NOK -1,086m (NOK -1,077m) and NOK -4,068m (NOK -4,015m) for the full year. Adjusted for costs related to acquired business, performance related results, and currency movements, the operational cost for the full year was NOK -3,780m – in line with the target of keeping cost nominally flat at NOK 3.8bn from 2018 to 2020.

Overall, the operating profit increased to NOK 926m (NOK 707m) in the quarter and NOK 2,433m (NOK 2,298m) for the full year due to growth in the Group's fee income, flat cost development, and a strong insurance result in the second half of the year.

Taxes for the Group amounted to NOK -227m (NOK -234m) in the 4th quarter and NOK +136m (NOK -511m) for the full year. The tax income in 2020, booked in the 1st quarter, is a result of new information and interpretation of the transition rules of 2018. The estimated normal tax rate is 21-23%, depending on each legal entity's contribution to the Group result. Different tax rates in different countries of operations and currency fluctuations impact the quarterly tax rate. Tax related issues are described in note 8.

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 664m (NOK 547m) in the quarter and NOK 1,730m (NOK 1,364m) for the full year, driven by growth in assets under management and strong cost control. Insurance reported a profit before amortisation of NOK 175m (NOK 70m) in the quarter due to high premium growth and a strong combined ratio, but the full year result declined to NOK 204m (NOK 439m) due to reserve strengthening in the beginning of the year. Guaranteed pension reported a profit before amortisation of NOK 387m (NOK 332m) in the quarter as good financial returns resulted in profit sharing.

GROUP RESULT BY RESULT AREA

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
Savings - non-guaranteed	664	394	396	276	547	1,730	1,364
Insurance	175	173	124	-268	70	204	439
Guaranteed pension	387	302	-8	95	332	775	1,029
Other profit	-2	144	296	-437	77	1	205
Profit before amortisation	**1,225**	**1,012**	**808**	**-334**	**1,026**	**2,711**	**3,037**

The 'financial items and risk result' amounted to NOK 298m (NOK 319m) in the 4th quarter. Positive development in the financial market contributed to investment gains on credit bonds, equities and real estate. Profit sharing in the Norwegian and Swedish Guaranteed business, as well as indexation fees and a lower need for Deferred Capital Contribution (DCC), resulted in net profit sharing of NOK 211m (NOK 118m) in the quarter. For the full year, the 'financial items and risk result' for the Group is was NOK 278m (NOK 739m). The lower result in 2020 is primarily due to a weak risk result related to disability coverages in the Norwegian Defined Benefit products and an overall increased need for DCC in SPP as result of lower discount rates and wider credit spreads.

Amortisation of intangible assets amounted to NOK -125m (NOK -117). The increase is due to the appreciation of the Swedish Krona in the period. Normal amortisation of intangible assets is expected to remain close to, but increase slightly from NOK -125m, due to acquired business.

A weak risk result in Norway and increased DCC in Sweden led to a lower result for the year of NOK 775m (NOK 1,029m). In the Other segment, profit before amortisation amounted to NOK -2m (NOK 77m) in the quarter and NOK 1m (NOK 205m) for the full year. Market turbulence in the 1st quarter led to a lower financial result in the company portfolios.

CAPITAL SITUATION

The solvency ratio was 178% at the end of the 4th quarter 2020, a marginal decrease of 1 percentage point from the last quarter due to rising interest rates decreasing the amount of transitional capital. This is within the targeted range of 150-180%. The Solvency ratio without transitional rules was 166%, corresponding to an increase of 16 percentage points from the last quarter. The increase in the solvency ratio in the quarter is due to a higher interest rate level, positive investment returns, as well as a strong group profit after tax, net of dividends set aside for 2020. A higher regulatory symmetric equity stress adjustment, due to rising equity markets, contributed negatively to the solvency ratio.

MARKET AND SALES PERFORMANCE

The growth in Unit linked savings is driven by premiums from existing contracts, new sales, investment returns, and increased savings rates. Both the Swedish and the Norwegian Unit Linked business manage over NOK 100bn of pension assets. In Norway, Storebrand is the market leader in Unit Linked occupational pension with a 29% market share of gross premiums written (at the end of the 3rd quarter 2020). SPP is the second largest provider and has an 18% market share of gross premiums written and transfers in the Swedish market for non-unionised occupational pensions ("Övrig Tjänstepension"). SPP is rapidly growing its sales within United Linked pensions and has received the largest share of transfers in the market this year. Total New sales in Unit Linked, measured in annual premium equivalent, grew by 46% in 2020 to NOK 3,577m (NOK 2,456m) and the net transfer balance was NOK 5,448m (NOK -235m).

Assets under management in Storebrand Asset Management increased by NOK 42bn (4.6%) to NOK 962bn in the 4th quarter, and by NOK 131bn (16%) compared to last year. In Norway, the Storebrand Group's market share within retail mutual funds was 13% as of end of December.

Within Insurance, the annual portfolio premiums grew by 18% in 2020, in line with growth ambitions. Lending volume in Storebrand Bank amounted to NOK 49.5bn and increased 3% during the year. The bank targets high growth rates going forward.

DIVIDEND

The board proposes an ordinary dividend of NOK 3.25 per share for 2020, equal to NOK 1,519m, 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 8.3% and a pay-out ratio of 65% of Group profit after tax.

GROUP - KEY FIGURES

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
Earnings per share adjusted	2.13	1.90	1.23	0.82	1.68	6.07	5.38
Equity	35,923	35,181	34,396	34,090	33,398	35,923	33,398
Quarterly adjusted ROE, annualised[1)]	12.4 %	11.0 %	7.1 %	4.7 %	10.4 %	8.6 %	8.0 %
Solvency II ratio[1)]	178%	179%	163%	172%	176%	178%	176%

Financial targets	Target	Actual 2020
Return on equity (after tax)[1)]	> 10%	8.6%
Future Storebrand (Savings & Insurance)[2)]		54%
Back book (Guaranteed & Other)[2)]		3%
Dividend pay-out ratio	> 50%	65%
Solvency II margin Storebrand Group	> 150%	178%

1) *After tax, adjusted for amortisation of intangible assets.*

2) *The RoE is calculated as annual profit for 2020, after tax and before amortization 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

- **30% growth in operating profit in 2020 compared to 2019, driven by 10% growth in fee and administration income combined with flat nominal costs**
- **22% growth in asset under management in the Unit Linked business y/y**
- **Total asset under management amounting to NOK 962bn, up 16% during 2020**

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

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
Fee and administration income	1,336	1,038	974	1,043	1,233	4,392	3,996
Operational cost	-704	-639	-600	-669	-692	-2,611	-2,621
Operating profit	**633**	**400**	**374**	**375**	**541**	**1,781**	**1,375**
Financial items and risk result life	31	-6	22	-98	6	-51	-11
Profit before amortisation	**664**	**394**	**396**	**276**	**547**	**1,730**	**1,364**

FINANCIAL PERFORMANCE

The Savings segment reported a profit before amortisation of NOK 664m (NOK 547m) in the 4th quarter and NOK 1 730m (NOK 1 364m) in 2020.

Compared to the full year 2019, fee- and administration income in the Savings segment increased by 10%, or 7% adjusted for currency effects. The income growth within Norwegian Unit Linked was 6% and within Swedish United Linked it was 12% (2% currency adjusted). Within Asset Management, the growth was 15%. According to IFRS, performance related income is booked for the whole year in the 4th quarter, amounting to NOK 249m in 2020, compared to NOK 203m in 2019. The performance related income earned in the 4th quarter in isolation was NOK 113m (-30m).

Fee income margins decreased in the quarter within Unit Linked, due to continued gradual margin decline and accrual effects. The interest margin in Storebrand Bank was 1.13% in the 4th quarter compared to 1.11% in the previous quarter. Compared to last year, it has decreased 18bp as the Norwegian policy rate has been reduced by 1.5 percentage points to 0% in 2020, with short term market rates following suit.

Operational cost within Savings have remained relatively stable in the 4th quarter and for the full year compared to last year, despite underlying growth in the business. This is partly explained by lower marketing activity in 2020 in light of Covid-19, but also by strong cost control. Performance related costs in funds with performance fees amounted to NOK -33m (NOK +15m) in the quarter and NOK -79m (NOK -63m) for the year.

The financial result was NOK 31m (NOK 6m) in the quarter and NOK -51m (NOK -11m) for the full year. The full year loss stems primarily from the 1st quarter when model-based loan loss provisions for future possible losses in the retail bank were made.

BALANCE SHEET AND MARKET TRENDS

Unit Linked premiums amounted to NOK 5.2bn (NOK 4.6bn) in the 4th quarter, growing 13% compared to last year. Total assets under management in Unit Linked increased by NOK 17bn (7%) during the 4th quarter to NOK 268bn. Compared to the same quarter last year, the growth is NOK 49bn (22%). Total net transfers in the quarter amounted to NOK -0.7bn net outflow, but a net NOK 5.4bn inflow for the year overall.

SAVINGS - KEY FIGURES

	2020				2019
(NOK million)	Q4	Q3	Q2	Q1	Q4
Unit linked Reserves	268,331	251,578	234,644	210,061	219,793
Unit linked Premiums	5,163	4,856	5,121	5,046	4,551
AuM Asset Management	962,472	920,540	880,177	828,749	831,204
Retail Lending	49,474	47,771	47,208	47,681	48,161

In the Norwegian Unit Linked business, assets under management increased by NOK 12.2bn (10%) in the quarter, and by NOK 22.6bn (20%) compared to the same quarter last year. The underlying growth is driven by growth in occupational pension premium payments as well as good market returns and new sales. Storebrand remains market leader with 29% market share of gross premiums written (at the end of the 3rd quarter 2020) within defined contribution corporate pensions.

In the Swedish market, SPP is the second largest, and fastest growing provider of non-unionised occupational pensions with a market share of 18% measured by gross premiums written including transfers within Unit Linked (as at the end of the 3rd quarter 2020). Assets under management increased by SEK 4.7bn (3.9%) in the quarter and SEK 13.8bn (12.3%) compared to the same quarter last year. The growth is driven by strong growth in sales (APE) and positive net transfers – both from occupational pensions savings and from portfolio transfers into SPP.

Assets under management in Storebrand Asset Management increased by NOK 41.9bn (4.6%) to NOK 962.5bn in the quarter, and by NOK 131.3bn (15.8%) compared to last year. The private equity manager Cubera, which was acquired in the 2nd quarter 2019, has performed well in 2020 with a net inflow of NOK 10bn and now manages NOK 29bn of assets.

The bank lending portfolio increased by NOK 1.7bn (3.6%) during the 4th quarter and by NOK 1.3bn (2.7%) compared to the same quarter last year. The portfolio consists of low-risk home mortgages with an average LTV of 56%. NOK 18bn of the mortgages are booked on the balance sheet of Storebrand Life Insurance.

Insurance

- **18% growth in portfolio premiums y/y**
- **Combined ratio of 87% in the quarter, target 90-92%**

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

	2020				2019	01.01 - 31.12	
NOK million	Q4	Q3	Q2	Q1	Q4	2020	2019
Insurance premiums f.o.a.	1,136	1,105	1,070	1,019	1,014	4,331	3,909
Claims f.o.a.	-799	-801	-816	-1,090	-792	-3,506	-2,904
Operational cost	-194	-168	-175	-175	-177	-712	-648
Operating profit	**143**	**135**	**80**	**-246**	**45**	**113**	**357**
Financial result	32	37	44	-22	25	91	83
Contribution from SB Helseforsikring AS	*5*	*18*	*15*	*-3*	*1*	*34*	*24*
Profit before amortisation	**175**	**173**	**124**	**-268**	**70**	**204**	**439**
Claims ratio	70%	73%	76%	107%	78%	81%	74%
Cost ratio	17%	15%	16%	17%	17%	16%	17%
Combined ratio	87%	88%	92%	124%	96%	97%	91%

FINANCIAL PERFORMANCE

Insurance delivered a profit before amortisation of NOK 175m (NOK 70m) in the 4th quarter and NOK 204m (NOK 439m) for the full year, leading to a combined ratio of 87% (96%) in the quarter and 97% (91%) in 2020. The 4th quarter result is better than the target (a combined ratio of 90-92%). The higher combined ratio for the full year is primarily due to a reserve strengthening of NOK 247m in the 1st quarter caused by the Covid-19 pandemic and an expected increase in disability levels.

The 4th quarter claims ratio was 70% (78%) and the strong results stems from the areas 'P&C & Inidvidual life' and 'Pension related disability insurance Nordic'.

For P&C and Individual life, the result was NOK 108m (NOK 87m) in 4th quarter and NOK 263m (NOK 335m) for the full year. The landslide at Gjerdrum in Norway in December, a natural disaster covered by the Natural Perils Pool, incurred a loss of NOK 11m net of reinsurance. A limited number of large P&C claims and new disability cases reported within Individual life improved the results in the quarter to a claims ratio of 59% (63%). Within Individual life, the full year result is weaker than normal due to increases in disability and child insurance claims. Price adjustments and discount restrictions have been implemented to improve the result.

Health and Group life reported a result of NOK 24m (NOK -34m) in the quarter and NOK -171m (NOK -41m) for the full year. Most of the reserve strengthening conducted in the 1st quarter is attributed to Group life, explaining the negative full year result. Further price increases will be implemented from 2021 to improve the results. Within Health insurance, premium growth and positive claims development contributed to an improved result.

The result for Pension related disability insurance Nordic was NOK 43m (NOK 16m) in the 4th quarter and NOK 112m (NOK 145m) for the year overall. Premium growth and a strong disability result in the Swedish business contributed to the positive development in the quarter.

The cost ratio remained stable at 17% in the quarter (same as last year), but the operational cost increased to NOK -194m (NOK -177m). The higher cost level is driven by an increase in FTEs and other take-on cost related to the acquisition of customer portfolios from Insr. Sales commissions have also increased in line with growth in sales. The cost ratio decreased to 16% (17%) for the full year, but costs have increased to NOK -712m (NOK -648m).

Insurance's investment portfolio in Norway amounted to NOK 8.96bn as of the end of the 4th quarter. It is primarily invested in fixed income securities with short to medium duration.

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. Overall growth in portfolio premiums (annual basis) amounted to 18% in 2020. The premium growth is attributed to increased business volumes in all lines of business as well as some price increases.

Storebrand's growth in the retail market has increased due to strong contribution from sales agents, new distribution partnerships and the acquisition of customer portfolios from Insr. Annual growth in P&C and Individual life portfolio premiums amounted to 22%, Health & Group life to 15% and Pension related disability insurance to 17% in 2020. As of the 4th quarter, portfolio premiums of approximately NOK 130m were transferred from Insr. With effect from 1 January 2021, a large group life contract has been terminated representing annual portfolio premiums of NOK 275m. Overall, double digit growth is expected to continue within Insurance in the coming years.

INSURANCE PREMIUMS

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
P&C & Individual life	2,341	2,144	2,057	1,958	1,915	2,341	1,915
Health & Group life [1]	1,885	1,870	1,829	1,809	1,639	1,885	1,639
Pension related disability insurance Nordic[2]	1,336	1,274	1,315	1,269	1,144	1,336	1,144
Total written premiums	**5,562**	**5,288**	**5,201**	**5,037**	**4,698**	**5,562**	**4,698**
Investment portfolio[2]	**8,961**	**8,840**	**8,742**	**8,792**	**8,304**	**8,961**	**8,304**

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

Guaranteed pension

- **Buffer capital >11% both in Norwegian and Swedish business**
- **Net profit sharing of NOK 211m**

GUARANTEED PENSION

	2020				2019	01.01 - 31.12	
NOK million	Q4	Q3	Q2	Q1	Q4	2020	2019
Fee and administration income	375	370	360	349	368	1,455	1,475
Operational cost	-214	-212	-214	-202	-225	-842	-819
Operating profit	**161**	**159**	**147**	**147**	**143**	**614**	**657**
Risk result life & pensions	15	-21	50	-26	71	17	215
Net profit sharing and loan losses	211	164	-205	-26	118	144	157
Profit before amortisation	**387**	**302**	**-8**	**95**	**332**	**775**	**1,029**

FINANCIAL PERFORMANCE

Guaranteed Pension achieved a profit before amortisation of NOK 387m (NOK 332m) in the 4th quarter and NOK 775m (NOK 1 029m) for the full year.

Fee and administration income remained relatively stable and amounted to NOK 375m (NOK 368m) in the 4th quarter and NOK 1,455m (1,475m) for the full year.

Operational cost amounted to NOK -214m (NOK -225m) in the 4th quarter and NOK -842m (NOK -819m) for the full year. The marginal cost increase in 2020 is due to an appreciation of the Swedish krona and costs related to new initiatives in public sector pensions.

The risk result amounted to NOK 15m (NOK 71m) in the 4th quarter and NOK 17m (NOK 215m) for the full year. A strong disability result in Norwegian Paid-up policies and a strong longevity result in Swedish SPP contributed positively to the result. In the Norwegian Defined Benefit portfolio, low reactivation levels of people in disability continued to contribute negatively to the results. To counter this, price adjustments are being implemented from 2021.

Net profit sharing amounted to NOK 211m (NOK 118m) in the 4th quarter and NOK 144m (NOK 157m) for the full year, driven by strong investment returns. In the Norwegian business, the result in the quarter was NOK 58m (NOK 17m) from profit sharing, after buffer capital strengthening. In SPP, net profit sharing amounted to NOK 153m (NOK 100m), primarily stemming from a reduced need for Deferred Capital Contributions (DCC) and from indexation fees.

BALANCE SHEET AND MARKET TRENDS

The majority of the guaranteed products are closed for new business and are in long term run-off as pension payments are being made 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, totalling NOK 9bn in reserves. The customers are transferred to Storebrand as of 1 January 2021.

As of the 4th quarter, customer reserves of guaranteed pensions amounted to NOK 277bn. This is an increase of NOK 13.5bn in 2020, but adjusted for currency effects the change is NOK 4.7bn. As a share of the total balance sheet, guaranteed reserves amounted to 50.8% (54.5%) at the end of the 4th quarter, a reduction of 3.7 percentage points since last year. The premium income for guaranteed pensions (excluding transfers) was NOK 0.7bn (NOK 1.2bn) in the 4th quarter and NOK 4.2bn (NOK 5.2bn) for the full year.

In the Norwegian business, Paid-up policies is the only guaranteed pension portfolio experiencing some growth over time as active Defined Benefit contracts eventually become Paid-up policies. The Paid-up portfolio amounted to NOK 145bn as of the 4th quarter – an increase of NOK 7.3bn from the same period last year. The increase is mainly attributed to one large Defined Benefit contract converting to a Hybrid pension plan, resulting in a transfer of NOK 3bn in assets to Paid up policies in the 1st quarter of 2020. Reserves for Defined Benefit pensions in Norway amounted to NOK 30bn at the end of the 4th quarter, representing a reduction of NOK 2.8bn compared to the level at the start of the year.

Guaranteed portfolios in the Swedish business totalled NOK 90bn as of the 4th quarter, an increase of NOK 9.8bn compared to the level at the start of the year. Adjusted for currency effects, reserves increased only by NOK 0.9bn.

Storebrand has a strategy to grow the buffer capital level in order to secure customer returns and protect shareholder's equity under turbulent market conditions. Buffer capital for Guaranteed pensions increased to 11.0% (8.6%) of reserves in Norway and to 11.4% (10.7%) in Sweden, corresponding to an overall increase of NOK 5.7bn since last year. Excess value of bonds at amortised cost decreased by NOK 1.6bn to NOK 8.8 bn in the 4th quarter due to increasing interest rates, but a lower interest rate level at the end of the year compared to last year has increased the level from NOK 4.7bn at year end 2019.

GUARANTEED PENSION - KEY FIGURES

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
Guaranteed reserves	276,755	276,995	274,343	272,051	263,185	276,755	263,185
Guaranteed reserves in % of total reserves	50.8%	52.4%	53.9%	56.4%	54.5%	50.8%	54.5%
Net transfers	704	-4	634	93	-16	1427	-103
Buffer capital in % of customer reserves Norway	11.0%	10.5%	9.5%	8.3%	8.6%	11.0%	8.6%
Buffer capital in % of customer reserves Sweden	11.4%	10.2%	9.3%	7.3%	10.7%	11.4%	10.7%

Other/Eliminations

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

RESULT EXCLUDING ELIMINATIONS

	2020				2019	01.01 - 31.12	
NOK million	Q4	Q3	Q2	Q1	Q4	2020	2019
Fee and administration income	23	9	19	13	13	65	51
Operational cost	-34	-31	-39	-35	-35	-139	-143
Operating profit	**-11**	**-21**	**-21**	**-22**	**-22**	**-75**	**-91**
Financial items and risk result life	9	165	317	-416	99	76	296
Profit before amortisation	**-2**	**144**	**296**	**-437**	**77**	**1**	**205**

ELIMINATIONS

	2020				2019	01.01 - 31.12	
(NOK million)	Q4	Q3	Q2	Q1	Q4	2020	2019
Fee and administration income	-60	-66	-53	-57	-52	-236	-215
Operational cost	60	66	53	57	52	236	215
Financial result							
Profit before amortisation							

The Other segment reported a profit before amortisation of NOK -2m (NOK 77m) in the 4th quarter. For the full year, profit before amortisation amount to NOK 1m (NOK 205m). The result stems primarily from returns in the company portfolios. Unrealised losses on investments in the portfolios that occurred in the 1st quarter during the financial market turmoil have been reversed through the remainder of the year.

Fee and administration income of NOK 23m as well as operational cost of NOK -34m were in line with the levels of previous quarters.

The financial result for the Other segment includes the company portfolios of SPP and Storebrand Life Insurance, and the financial result of Storebrand ASA and amounted to NOK 9m in the quarter (NOK 99m).

The investments are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio reported a return of 0.64% for the quarter and 1.98% for the full year. The Swedish company portfolio achieved a return of 0.20% in the quarter and 0.81% 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 80m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 27bn at end of the 4th quarter.

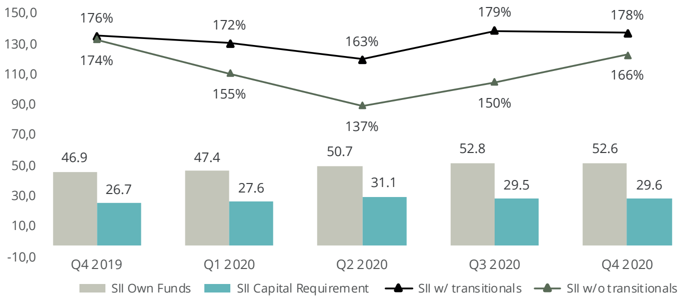
Balance sheet, solidity and capital situation

Continuous monitoring and active risk management is core to Storebrand's business. Risk and capital adequacy are monitored at both Group level and in the legal entities. Regulatory requirements for capital adequacy and risk management follow the legal entities. This section is thus divided by legal entities.

STOREBRAND GROUP

Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target solvency ratio in accordance with the Solvency II regulations is a minimum of 150%, including use of the transitional rules. The solvency ratio was 178% at the end of the 4th quarter 2020, a marginal decrease of 1 percentage point from the last quarter. This is within the targeted level of 150-180%. The Solvency ratio without transitional rules was 166%, corresponding to an increase of 16 percentage points from the last quarter. The increase in the solvency ratio in the quarter is due to a higher interest rate level, positive investment returns, as well as a strong group profit after tax, net of dividends set aside for 2020. A higher regulatory symmetric equity stress adjustment, due to rising equity markets, contributed negatively to the solvency ratio.

Storebrand is a blend of fast-growing capital-light business that delivers high returns on equity, and capital-intensive run-off business with low returns on equity. The back-book of guaranteed business ties up more than three quarters of the Group's capital, delivering an estimated return on equity of 3% in 2020 (4% in 2019), whereas the front-book, the "future Storebrand" delivered an estimated return on equity of 54% (28% in 2019). Large variations in the estimated pro forma return on equity in the front-book are expected as earnings are market dependent, while the capital base is primarily related to mortgage lending in the bank and to insurance. Overall, the Group's return on equity (adjusted for amortisation) was 8.6% for the year. As the business mix shifts, the return on equity is expected to reach the targeted 10% on a sustainable basis from 2023 onwards.



STOREBRAND ASA

Storebrand ASA (holding company) held liquid assets of NOK 5.0bn 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 2024.

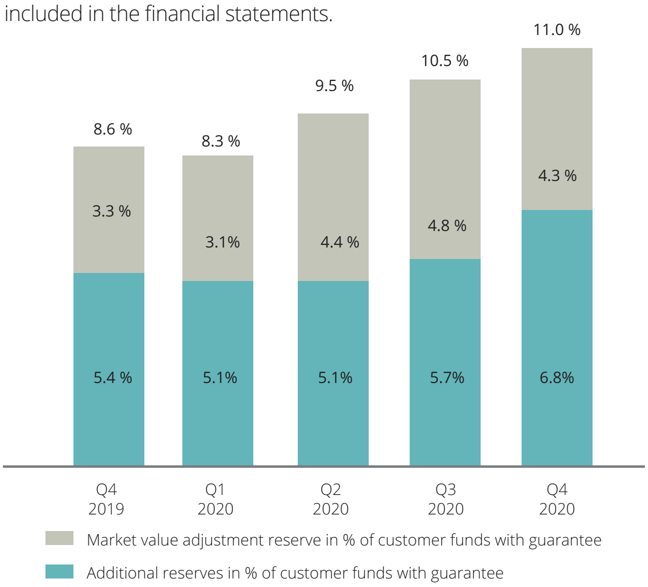
Storebrand ASA owned 0.09% (416 255) of the company's own shares at the end of the quarter.

STOREBRAND LIFE INSURANCE GROUP[1)]

The Solidity[2)] capital measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 72.8bn at the end of 4th quarter 2020, an increase in the 4th quarter by NOK 0.7bn and by NOK 10.3bn since last year. The change in the quarter is due to increased customer buffers in the Swedish operation and decreased in the Norwegian operation.

STOREBRAND LIVSFORSIKRING AS

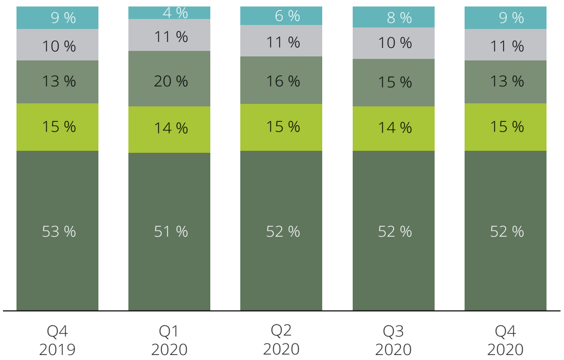
Customer buffers in the Norwegian business consist of market value adjustment reserve and additional statutory reserves. The market value adjustment reserve decreased during the 4th quarter by NOK 0.9bn and NOK 1.7bn since last year. The market value adjustment reserves amounted to NOK 7.2bn, corresponding to 4.3% of customer funds with guarantee, at the end of 4th quarter 2020. As a result of good investment return booked in customer portfolios, the additional statutory reserves have increased during the 4th quarter by NOK 1.7bn and by NOK 2.4bn since last year. The additional statutory reserves amounted to NOK 11.4bn, corresponding to 6.8% of customer funds with guarantee, at the end of the 4th quarter 2020. Together, the customer buffers amounted to 11.0% of customer funds with guarantee. The excess value of bonds and loans valued at amortised cost decreased by NOK 1.6bn in the 4th quarter but increased by NOK 4.1bn for the full year due to higher interest rates in the 4th quarter and lower interest rates compared to last year. The excess values of bonds and loans valued at amortised cost amounted to NOK 8.8bn at the end of the 4th quarter, but is not included in the financial statements.



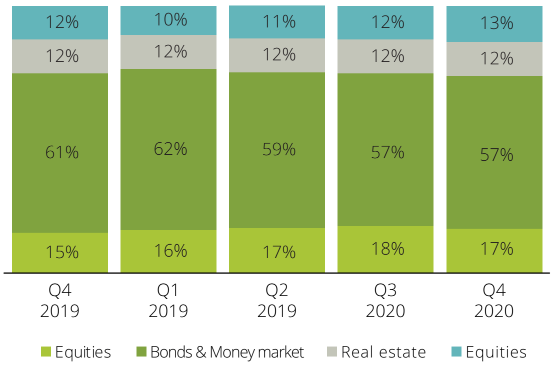
1) Storebrand Life Insurance, SPP and BenCo.

2) 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.

CUSTOMER BUFFERS



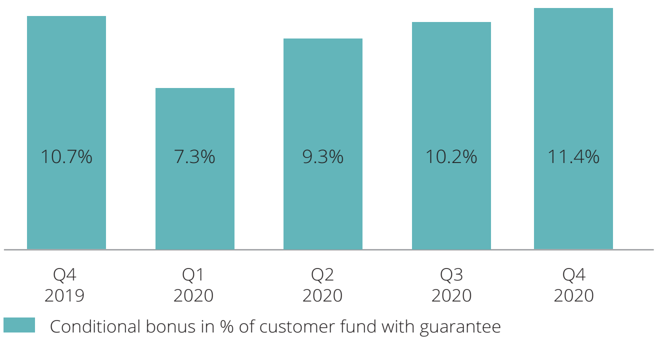
ALLOCATION OF GUARANTEED CUSTOMER ASSETS



ALLOCATION OF GUARANTEED CUSTOMER ASSETS
NOK 324bn at the end of the quarter. Customer assets within non-guaranteed savings increased NOK 12.2bn during the 4th quarter and NOK 31.9bn since last year, amounting to NOK 137bn at the end of the quarter. Guaranteed customer assets decreased in the 4th quarter by NOK 0.3bn and increased by NOK 3.2bn since last year, amounting to NOK 187bn at the end of the quarter.

SPP

CUSTOMER BUFFERS - SPP
The buffer capital amounted to SEK 10.3bn (SEK 8.3bn) at the end of the 4th quarter.



Total assets under management for customers in SPP were SEK 209bn (SEK 195bn) at the end of the 4th quarter. This corresponds to an increase of 7% compared to the 4th quarter last year. For customer assets in non-guaranteed savings, assets under management totalled SEK 126bn (SEK 112bn) at the end of the 4th quarter, which corresponds to an increase of 12%, compared with the 4th quarter 2019.

STOREBRAND BANK

The loan portfolio, including loans managed on behalf of Storebrand Livsforsikring AS, amounted to NOK 49.6 billion (NOK 47.9 billion) at the end of the 4th quarter, of which the share to Storebrand Livsforsikring AS was NOK 17.7 billion (NOK 17.7 billion). Lending to customers in the bank group totalled NOK 31.9 billion (NOK 30.2 billion) at the end of the 4th quarter.

The bank group has had an increase in the risk-weighted balance sheet of NOK 1.0 billion for the full year. The Storebrand Bank Group had a net capital base of NOK 2.6 billion at the end of the 4th quarter. The capital adequacy ratio was 18.7 per cent and the Core Equity Tier 1 (CET1) ratio was 15.1 per cent at the end of the 4th quarter, compared with 19.6 per cent and 15.8 per cent, respectively, at the end of 2019. The combined requirements for capital and CET1 were 15.8 per cent and 12.3 per cent respectively at the end of the 4th quarter.

Outlook

STRATEGY: LEADING THE WAY IN SUSTAINABLE VALUE CREATION
Storebrand follows a two-fold strategy that gives a compelling combination of self-funded growth in the front book, the growth areas of the "future Storebrand", and capital return from a maturing back book of guaranteed pensions.

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

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

FINANCIAL PERFORMANCE
In Norway, the defined contribution pension market has grown structurally over the past years. High single-digit growth in premiums and double-digit growth in assets under management are expected during the next years. We aim to defend Storebrand's market leader position, while also focusing on cost leadership and improved customer experience through end-to-end digitalisation. The market for private sector occupational pensions has experienced increased competition over the last years in anticipation of the new Individual Pension Accounts (IPA), described in more detail below. As individuals' contracts are merged into one account, fees will be reduced. The resulting economic effect for the Norwegian Unit Linked business is expected to be moderate in 2021 and slightly more negative in 2022, before recovering in 2023 through strong underlying growth as well as measures to increase profitability.

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

In the coming years, Storebrand is looking to leverage customer, product and capital synergies by expanding our insurance offering to corporate clients within P&C. The gradual transfer of contracts from the newly-acquired Insr portfolios is expected to support growth within this area in 2021.

In Sweden, SPP has become a significant result contributor to the Storebrand Group, driven by earnings growth and ongoing capital release. Growth is expected to continue, driven by 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 were 50.8% at the end of the year, 3.7 percentage points lower than last year. Storebrand's strategy is to secure customer returns and protect 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, asset classes offering prospects of higher margins. 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 250 billion in the coming three years, while maintaining a stable fee margin.

The individualisation of the market for pension and savings is expected to further increase and may be reinforced by the introduction of individual pension accounts in Norway. Retail has already become an increasingly large part of Storebrand, contributing 21% to the overall Group Profit in 2020. P&C insurance, where Storebrand will take over policies from the Insr portfolios in 2021, is an important area for growth. The ambition to grow more than 10% annually within savings, mortgage lending and insurance.

Adjusted for acquisitions, currency and performance related costs, the Group has reported flat nominal costs since 2012. Storebrand will continue to reduce underlying costs, but it will also be necessary to make selective investments to facilitate growth. The acquisition of the Insr portfolio, as well as accelerated digital investments, are expected to increase costs in 2021 by NOK 400m. Continued strong cost discipline will be a critical success factor to deliver a profit (before amortisation and tax) of NOK 4 billion in 2023.

RISK
Market risk is the Group's biggest 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.

Storebrand has adapted to the low interest rate environment by increasing duration in portfolios and building buffer capital. The level of the average annual interest rate guarantee is gradually reduced as older policies with higher guarantees are phased out. In the long term, continued low interest rates will represent a risk for products with guaranteed high interest rates. Storebrand has adjusted its asset allocation by building a robust portfolio of bonds at amortised cost to achieve sufficient returns. With over 11% of customer buffers as a share of customer reserves, Storebrand effectively has NOK 28bn more in customer assets than liabilities. Customer buffers increase the expected booked returns in Norway, currently estimated to be 3.6% compared to the average annual guarantee of 3.1%. The customer buffers can also be used to compensate for a shortfall in returns under poor market conditions, limiting the financial risk to shareholders.

For insurance risk, increased longevity and the development in disability are the factors that have greatest influence on solvency. Covid-19 combined with plummeting oil prices led to an increase in the number of temporarily laid off workers in Norway. A prolonged situation with unemployment could lead to increased disability, which may result in increased claims. Consequently, Storebrand has strengthened its disability reserves in 2020. Should the economic situation worsen, further reserve and price increases can be undertaken.

Operational risk may also have an effect on solvency. The risk is closely monitored. The span of outcomes from regulatory risk has increased. Several processes, both on the domestic and international level, with potential implications for capital, customer returns and commercial opportunities are described below.

Changes have been made to the Norwegian tax legislation for the insurance industry in recent years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three significant uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 8. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.8 billion may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.8 billion could be recognised. The Norwegian Tax Administration is expected to come with their decision on whether to retroactively change Storebrand's tax bill in early 2021. However, the timeline for settling the process with the Norwegian Tax Administration might take several years. If necessary, Storebrand will seek clarification from the court of law on the matter.

INDIVIDUAL PENSION ACCOUNT

The new legislation introducing Individual pension accounts in the Norwegian defined contribution market entered into force 1 January 2021.

Pension capital certificates issued by previous employers will be transferred into the active scheme unless the holder makes an active choice to stay with the current provider by opting out ("negative acceptance"). Employees can choose to opt out until 30 April. Transfer of approximately 1,5m certificates and NOK 70 billion certificates will then take place from May to November 2021. The long transfer period aims to minimize market impact of the process.

A key aim of the reform is to reduce the costs associated with the administration of pension contributions from previous employers. Regulation stipulates that individuals shall pay the same fee for former earning from pension capital certificates transferred to the Individual Pension Account as the employer pays for current earnings. This will lead to significantly lower income related to former earnings for the providers.

Storebrand currently has a higher market share for active defined contribution schemes than for certificates from such schemes and therefore expects some new net inflows of pension capital certificates. Employees can from 1 February choose to transfer pension savings from the employer's collective scheme to a provider of own choice.

GUARANTEED PENSIONS

The Ministry of Finance has conducted a public consultation on proposals for changes in guaranteed pension regulations.

The Ministry of Finance decided shortly after the public hearing that pension providers ability to
book fixed income at amortised cost would not be revoked.

The Ministry of Finance is expected to present a proposal to parliament regarding changes in buffer and guarantee regulation shortly.

SOLVENCY II REVIEW

The European Insurance and Occupational Pension Authority (EIOPA) presented final proposal for changes in the Solvency II standard model to the Commission in December 2020. EIOPA has proposed changes in the interest rate risk module that could increase the solvency capital requirement for Norwegian and Swedish insurers. EIOPA was expected to present final proposals to the Commission in June, but the timetable has been revised due to the impact of the Covid-19 pandemic.

We still 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 before 2026.

CHANGES IN IFRS

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

SUSTAINABLE FINANCE

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

The Financial Supervisory Authority has conducted a public consultation on legislation introducing the EU Taxonomy on classification of sustainable activities and regulation on climate-related disclosures in Norwegian law.

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. When the solvency margin reaches 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. A review of the solvency level and related share buybacks will be conducted after the full year results for 2021.

The Board has carefully reviewed the solvency position, liquidity position and result prognosis for the company, in light of the covid-19 pandemic and the resulting macroeconomic uncertainties. Based on the review, the Board maintains its commitment to paying the announced ordinary dividend.

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, 9 February 2021

Storebrand Group
Income statement

		Q4		01.01 - 31.12	
(NOK million)	Note	2020	2019	2020	2019
Premium income		8,711	8,049	44,188	32,366
Net income from financial assets and real estate for the company:					
- equities and fund units at fair value		9	42	22	40
- bonds and other fixed-income securities at fair value		320	63	785	600
- derivatives at fair value		-178	-37	-397	-12
- loans at fair value		8	7	37	14
- bonds at amortised cost		50	51	212	214
- loans at amortised cost		156	220	687	802
- profit from investments in associated companies/joint ventures		-10	130	52	39
Net income from financial assets and real estate for the customers:					
- equities and fund units at fair value		11,424	8,179	14,632	37,318
- bonds and other fixed-income securities at fair value		-455	32	3,550	4,167
- derivatives at fair value		4,305	-623	5,771	1,424
- loans at fair value		3	-223	23	11
- bonds at amortised cost		913	946	4,202	3,912
- loans at amortised cost		108	219	909	546
- properties		1,393	628	1,680	1,864
- profit from investments in associated companies/joint ventures		364	82	569	341
Other income		1,402	1,099	4,109	3,758
Total income		**28,522**	**18,862**	**81,031**	**87,403**
Insurance claims		-7,294	-6,261	-29,531	-26,756
Change in insurance liabilities		-16,155	-7,875	-37,929	-44,725
Change in capital buffer		-2,175	-1,924	-4,327	-5,892
Operating expenses	7	-1,318	-1,294	-4,914	-4,828
Other expenses		-182	-234	-826	-1,238
Interest expenses		-174	-249	-793	-927
Total expenses before amortisation		**-27,297**	**-17,836**	**-78,320**	**-84,366**
Group profit before amortisation		**1,225**	**1,026**	**2,711**	**3,037**
Amortisation of intangible assets		-125	-117	-492	-444
Group pre-tax profit		**1,099**	**909**	**2,219**	**2,593**
Tax expenses	8	-227	-234	136	-511
Profit/loss for the period		**872**	**675**	**2,355**	**2,082**
Profit/loss for the period attributable to:					
Share of profit for the period - shareholders		870	670	2,345	2,067
Share of profit for the period - hybrid capital investors		2	3	10	12
Share of profit for the period - non-controlling interests			3		3
Total		**872**	**675**	**2,355**	**2,082**
Earnings per ordinary share (NOK)		1.86	1.43	5.02	4.43
Average number of shares as basis for calculation (million)				467.2	466.8
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)	2020	2019	2020	2019
Profit/loss for the period	**872**	**675**	**2,355**	**2,082**
Actuarial assumptions pensions own employees	-104	11	-110	3
Fair value adjustment of properties for own use	59	-2	83	-22
Other comprehensive income allocated to customers	-59	2	-83	22
Tax on other comprehensive income elements not to be reclassified to profit/loss	15	12	15	12
Total other comprehensive income elements not to be reclassified to profit/loss	**-89**	**23**	**-95**	**15**
Translation differences foreign exchange	3	45	305	-168
Gains/losses from cash flow hedging	-33	-19	-33	-36
Total other comprehensive income elements that may be reclassified to profit/loss	**-30**	**26**	**273**	**-204**
Total other comprehensive income elements	**-119**	**50**	**178**	**-190**
Total comprehensive income	**753**	**725**	**2,532**	**1,892**
Total comprehensive income attributable to:				
Share of total comprehensive income - shareholders	743	714	2,515	1,879
Share of total comprehensive income - hybrid capital investors	2	3	10	12
Share of total comprehensive income - non-controlling interests	8	8	8	1
Total	**753**	**725**	**2,532**	**1,892**

Storebrand Group
Statement of financial position

(NOK million)	Note	31.12.20	31.12.19
Assets company portfolio			
Deferred tax assets		1,780	1,430
Intangible assets and excess value on purchased insurance contracts		6,303	6,220
Pension assets			2
Tangible fixed assets		1,397	1,075
Investments in associated companies and joint ventures		283	227
Financial assets at amortised cost:			
- Bonds	6	10,639	8,256
- Loans to financial institutions	6	103	41
- Loans to customers	6,9	31,058	29,798
Reinsurers' share of technical reserves		56	26
Investment properties at fair value	6	50	49
Biological assets		67	67
Accounts receivable and other short-term receivables		7,018	4,824
Financial assets at fair value:			
- Equities and fund units	6	384	323
- Bonds and other fixed-income securities	6	28,833	28,512
- Derivatives	6	1,389	1,183
- Loans to customers	6,9	722	389
Bank deposits		2,775	3,119
Minority portion of consolidated mutual funds		59,845	44,933
Total assets company portfolio		**152,701**	**130,474**
Assets customer portfolio			
Investments in associated companies and joint ventures		6,167	4,045
Financial assets at amortised cost:			
- Bonds	6	92,846	89,790
- Bonds held-to-maturity	6	13,026	13,377
- Loans to customers	6,9	23,769	23,735
Reinsurers' share of technical reserves		24	69
Investment properties at fair value	6	32,067	29,366
Properties for own use	6	1,609	1,375
Accounts receivable and other short-term receivables		404	450
Financial assets at fair value:			
- Equities and fund units	6	230,446	194,020
- Bonds and other fixed-income securities	6	148,162	128,127
- Derivatives	6	8,587	4,131
- Loans to customers	6,9	7,665	6,736
Bank deposits		10,290	7,475
Total assets customer portfolio		**575,061**	**502,695**
Total assets		**727,763**	**633,170**

Continue next page

Storebrand Group
Statement of financial position (continued)

(NOK million)	Note	31.12.20	31.12.19
Equity and liabilities			
Paid-in capital		12,858	12,856
Retained earnings		22,839	20,264
Hybrid capital		226	226
Non-controlling interests			52
Total equity		**35,923**	**33,398**
Subordinated loans	5.6	9,110	8,925
Capital buffer	10	29,319	23,825
Insurance liabilities		536,028	477,171
Pension liabilities		352	266
Deferred tax		849	768
Financial liabilities:			
- Liabilities to financial institutions	5.6	1,653	446
- Deposits from banking customers	6	15,506	14,404
- Securities issued	5.6	20,649	18,729
- Derivatives company portfolio		114	86
- Derivatives customer portfolio		851	908
- Other non-current liabilities		1,355	1,037
Other current liabilities		16,209	8,274
Minority portion of consolidated mutual funds		59,845	44,933
Total liabilities		**691,840**	**599,772**
Total equity and liabilities		**727,763**	**633,170**

Storebrand Group
Statement of changes in equity

	Majority's share of 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-con-trolling interests	Total equity
Equity at 31 December 2018	**2,339**	**-2**	**10,521**	**12,858**	**1,076**	**18,706**	**19,782**	**176**	**57**	**32,873**
Profit for the period						2,067	2,067	12	3	2,082
Total other comprehensive income elements					-166	-22	-188		-2	-190
Total comprehensive income for the period					**-166**	**2,045**	**1,879**	**12**	**1**	**1,892**
Equity transactions with owners:										
Own shares		-3		-3		-27	-27			-29
Hybrid capital classified as equity						3	3	50		53
Paid out interest hybrid capital								-12		-12
Dividend paid						-1,399	-1,399			-1,399
Other						27	27		-7	21
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 comprehnsive 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**

1) 467 813 982 shares with a nominal value of NOK 5.
2) Includes undistributable funds in the risk equalisation fund amounting to NOK 438 million and security reserves amounting NOK 68 million.
3) Perpetual hybrid tier 1 capital classified as equity.

Storebrand Group

Statement of cash flow

(NOK million)	01.01 - 31.12 2020	2019
Cash flow from operating activities		
Net receipts premium - insurance	28,825	26,343
Net payments claims and insurance benefits	-21,606	-20,723
Net receipts/payments - transfers	7,285	-118
Other receipts/payments - insurance liabilities	184	-765
Receipts - interest, commission and fees from customers	953	1,014
Payments - interest, commission and fees to customers	-102	-115
Taxes paid	-24	-21
Payments relating to operations	-5,197	-4,837
Net receipts/payments - other operating activities	3,790	5,742
Net cash flow from operations before financial assets and banking customers	*14,108*	*6,522*
Net receipts/payments - loans to customers	-1,801	-1,419
Net receipts/payments - deposits bank customers	1,102	-15
Net receipts/payments - securities	-12,270	-3,368
Net receipts/payments - investment properties	-511	-368
Net change in bank deposits for insurance customers (bank deposit in customer portfolio)	-2,657	-2,092
Net cash flow from financial assets and banking customers	*-16,137*	*-7,262*
Net cash flow from operating activities	**-2,029**	**-740**
Cash flow from investing activities		
Payments - purchase of subsidiaries	-220	-308
Net receipts/payments - sale/purchase of fixed assets	-48	-96
Net receipts/payments - sale of insurance portfolios	45	29
Net cash flow from investing activities	**-224**	**-375**
Cash flow from financing activities		
Receipts - new loans	9,012	3,001
Payments - repayments of loans	-7,048	-1,769
Payments - interest on loans	-371	-429
Receipts - subordinated loans	499	1,052
Payments - repayment of subordinated loans	-872	-253
Payments - interest on subordinated loans	-388	-365
Net receipts/payments - loans to financial institutions	1,205	443
Receipts - issuing of share capital / sale of shares to employees	26	33
Payments - repayment of share capital		-68
Payments - dividends		-1,399
Receipts - hybrid capital		125
Payments - repayment of hybrid capital		-75
Payments - interest on hybrid capital	-10	-12
Net cash flow from financing activities	**2,052**	**284**
Net cash flow for the period	**-201**	**-831**
Cash and cash equivalents at the start of the period	3,160	3,951
Currency translation cash/cash equivalents in foreign currency	-81	41
Cash and cash equivalents at the end of the period [1)]	**2,878**	**3,160**
[1)] **Consists of:**		
Loans to financial institutions	103	41
Bank deposits	2,775	3,119
Total	**2,878**	**3,160**

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 2019 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 2020 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 2019 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 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 and small subsidiaries of Storebrand Life Insurance and SPP. In addition, the activities at BenCo are reported in this segment. 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 are 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 2019 annual report in note 4 Segment reporting.

	Q4		01.01 - 31.12	
(NOK million)	2020	2019	2020	2019
Savings	664	547	1,730	1,364
Insurance	175	70	204	439
Guaranteed pension	387	332	775	1,029
Other	-2	77	1	205
Group profit before amortisation	**1,225**	**1,026**	**2,711**	**3,037**
Amortisation of intangible assets	-125	-117	-492	-444
Group pre-tax profit	**1,099**	**909**	**2,219**	**2,593**

SEGMENT INFORMATION AS OF Q4

	Savings		Insurance		Guaranteed pension	
	Q4		Q4		Q4	
(NOK million)	2020	2019	2020	2019	2020	2019
Fee and administration income	1,336	1,233			375	368
Insurance result			338	223		
- Insurance premiums for own account			*1,136*	*1,014*		
- Claims for own account			*-799*	*-792*		
Operating expense	-704	-692	-194	-177	-214	-225
Operating profit	**633**	**541**	**143**	**45**	**161**	**143**
Financial items and risk result life & pension	31	6	32	25	226	189
Group profit before amortisation	**664**	**547**	**175**	**70**	**387**	**332**
Amortisation of intangible assets [1]						
Group pre-tax profit						

	Other		Storebrand Group	
	Q4		Q4	
(NOK million)	2020	2019	2020	2019
Fee and administration income	-37	-39	1,674	1,561
Insurance result			338	223
- Insurance premiums for own account			*1,136*	*1,014*
- Claims for own account			*-799*	*-792*
Operating expense	26	17	-1,086	-1,077
Operating profit	**-11**	**-22**	**926**	**707**
Financial items and risk result life & pension	9	99	298	319
Group profit before amortisation	**-2**	**77**	**1,225**	**1,026**
Amortisation of intangible assets [1]			-125	-117
Group pre-tax profit			**1,099**	**909**

[1] *Amortisation of intangible assets are included in Storebrand Group*

SEGMENT INFORMATION AS OF 01.01 - 31.12

(NOK million)	Savings 01.01 - 31.12 2020	Savings 01.01 - 31.12 2019	Insurance 01.01 - 31.12 2020	Insurance 01.01 - 31.12 2019	Guaranteed pension 01.01 - 31.12 2020	Guaranteed pension 01.01 - 31.12 2019
Fee and administration income	4,392	3,996			1,455	1,475
Insurance result			825	1,005		
- Insurance premiums for own account			*4,331*	*3,909*		
- Claims for own account			*-3,506*	*-2,904*		
Operating expense	-2,611	-2,621	-712	-648	-842	-819
Operating profit	**1,781**	**1,375**	**113**	**357**	**614**	**657**
Financial items and risk result life & pension	-51	-11	91	83	162	372
Group profit before amortisation	**1,730**	**1,364**	**204**	**439**	**775**	**1,029**
Amortisation of intangible assets [1)]						
Group pre-tax profit						

(NOK million)	Other 01.01 - 31.12 2020	Other 01.01 - 31.12 2019	Storebrand Group 01.01 - 31.12 2020	Storebrand Group 01.01 - 31.12 2019
Fee and administration income	-172	-164	5,676	5,308
Insurance result			825	1,005
- Insurance premiums for own account			*4,331*	*3,909*
- Claims for own account			*-3,506*	*-2,904*
Operating expense	97	73	-4,068	-4,015
Operating profit	**-75**	**-91**	**2,433**	**2,298**
Financial items and risk result life & pension	76	296	278	739
Group profit before amortisation	**1**	**205**	**2,711**	**3,037**
Amortisation of intangible assets [1)]			-492	-444
Group pre-tax profit			**2,219**	**2,593**

1) *Amortisation of intangible assets are included in Storebrand Group*

KEY FIGURES BY BUSINESS AREA

(NOK million)	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Group								
Earnings per ordinary share [1]	5.02	3.16	1.52	0.56	4.43	2.99	2.01	1.05
Equity	35,923	35,181	34,396	34,090	33,398	32,680	32,242	33,177
Savings								
Premium income Unit Linked [2]	5,163	4,856	5,121	5,046	4,551	4,205	4,175	4,237
Unit Linked reserves	268,331	251,578	234,644	210,061	219,793	201,956	194,871	190,980
AuM asset management	962,472	920,540	880,177	828,749	831,204	786,326	751,926	707,102
Retail lending	49,474	47,771	47,208	47,681	48,161	46,722	46,201	46,476
Insurance								
Total written premiums	5,562	5,288	5,201	5,037	4,698	4,583	4,507	4,442
Claims ratio [2]	70%	73%	76%	107%	78%	73%	72%	74%
Cost ratio [2]	17%	15%	16%	17%	17%	17%	16%	16%
Combined ratio [2]	87%	88%	92%	124%	96%	89%	89%	90%
Guaranteed pension								
Guaranteed reserves	276,755	276,995	274,343	272,051	263,185	262,382	261,469	260,560
Guaranteed reseves in % of total reserves	50.8%	52.4%	53.9%	56.4%	54.5%	56.5%	57.3%	57.7%
Net transfer out of guaranteed reserves [2]	-704	4	-634	-93	16	14	-1	75
Capital buffer in % of customer reserves Storebrand Life Group [3]	11.0%	10.5%	9.5%	8.3%	8.6%	8.3%	7.9%	7.4%
Capital buffer in % of customer reserves SPP [4]	11.4%	10.2%	9.3%	7.3%	10.7%	9.9%	9.4%	9.4%
Solidity								
Solvency II [5]	178%	179%	163%	172%	176%	177%	167%	173%
Solidity capital (Storebrand Life Group) [6]	72,766	72,047	67,279	62,713	62,442	62,127	59,921	58,606
Capital adequacy Storebrand Bank	18.7%	18.0%	18.6%	18.7%	19.6%	18.4%	18.4%	19.2%
Core Capital adequacy Stobrand Bank	16.7%	16.0%	16.6%	16.7%	17.5%	16.2%	16.3%	16.6%

[1] Accumulated
[2] Quarterly figures
[3] Additional statutory reserves + market value adjustment reserve
[4] Conditional bonuses
[5] See note 12 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 04 Financial market risk and insurance risk

Risks are described in the annual report for 2019 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. 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.

2020 has been strongly affected by the development linked to the Coronavirus spread. From the last part of February and throughout March, the pandemic, and the consequences of containment both in Norway and globally, led to financial turmoil with falling equity prices, increased credit spreads, falling interest rates and lower tradability for many financial assets. In combination with reduced oil prices, the conditions also led to a significant weakening of the Norwegian Krone. In the last three quarters, the financial market and especially the equity market has recovered, helped by supporting policy measures. Storebrand has risk management which through policies and principles handles and dampens the effect of volatile financial markets, but the market turmoil has led to some negative effects for the results. The uncertainty regarding the financial markets and the effects from Covid-19 going forward is still higher than normal market risk.

The equity market was strong in the fourth quarter. Global equities increased 12 percent and Norwegian equities increased 14 percent in the fourth quarter. For the full year, global equities rose 13 percent and Norwegian equities rose 5 percent. The market for corporate bonds was also positive in the fourth quarter. Most of the increase in credit spreads in the first quarter is now reversed.

Interest rates rose during the fourth quarter, after large falls in the first half of the year. During the fourth quarter the Norwegian 10-year swap-rate rose 0.4pp, but the fall is still 0.8pp from the start of the year. Short term interest rates are down by approx. 1.4pp from the start of the year. The Swedish 10-year swap-rate is down by 0.3 pp from the start of the year. Due to most of the interest rate investments in the Norwegian customer portfolios being held at amortized cost, changes in interest rates have a limited effect on booked returns in the short term. However, with the present interest rates, new bond investments provide a lower return than the average interest rate guarantee. A lower interest rate is also negative for the solvency position.

The Norwegian Krone strengthened in the fourth quarter after a significant weakening, particularly in the first quarter. From the start of the year, the Norwegian Krone has weakened approx. 6 percent against the Euro, 3 percent against the US dollar and 11 percent against the Swedish Krona. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and Storebrand's market risk.

Financial instruments valued at fair value level three are priced based on models. Examples of such financial instruments are investment property, private equity and mortgages. The valuation models gather and employ information from a wide range of well-informed sources. There is greater uncertainty regarding the input factors and the valuation from these models than normal. Any continued spread of Covid-19, governmental measurements to contain the spread and the effects for the economy are uncertain and will have impact on the valuation of financial instruments. There is a large range of possible outcomes for these input data and thus for the modelled prices. Hence, the values reflect management's best estimate, but contain greater uncertainty than in a normal quarter. Sensitivities for the valuation from changes in key inputs are provided in note 6.

During the first quarter the investment allocation to equities was reduced in line with the principles for dynamic risk management. During the last three quarters there has been a reweighting of the equity position in line with positive equity markets.

The return for guaranteed customer portfolios both in Norway and Sweden on average was positive, both in the fourth quarter and for the full year.

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

Sensitivity analyses

The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios as a result of immediate changes in value related to financial market risk. The calculation is model-based, and the result is dependent on the choice of stress level for each category of asset. The stresses have been applied to the company portfolio and guaranteed customer portfolios as at 31 December 2020. The effect of each stress changes the return in each profile.

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

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

LEVEL OF STRESS

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

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

As a result of customer buffers, the effect of the stresses on the result will be lower than the values described in the tables. As at 31 December 2020, 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	4,275	2.0 %	-150	-0.2 %
Equtiy risk	-2,447	-1.1 %	-2,162	-2.3 %
Property risk	-2,585	-1.2 %	-1,224	-1.3 %
Credit risk	-1,007	-0.5 %	-857	-0.9 %
Total	**-1,764**	**-0.8 %**	**-4,392**	**-4.7 %**

STRESSTEST 2

Sensitivity	Storebrand Livsforsikring NOK Million	Storebrand Livsforsikring Share of portfolio	SPP Pension & Försäkring NOK Million	SPP Pension & Försäkring Share of portfolio
Interest rate risk	-4,274	-2.0 %	150	0.2 %
Equtiy risk	-1,466	-0.7 %	-1,297	-1.4 %
Property risk	-1,506	-0.7 %	-714	-0.8 %
Credit risk	-603	-0.3 %	-514	-0.5 %
Total	**-7,849**	**-3.7 %**	**-2,376**	**-2.5 %**

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 7.8 billion (NOK 7.2 billion as at 31 December 2019), which is equivalent to 3.7 (3.4) per cent of the investment portfolio.

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

SPP Pension & Insurance
For SPP it is stress test 1, which includes a fall in interest rates, that creates the greatest impact. The overall market risk is SEK 4.4 billion (SEK 3.5 billion as at 31 December 2019), which is equivalent to 4.7 (3.8) per cent of the investment portfolio.

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

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 weakening of the Norwegian economy in 2020 has led to a substantial increase in unemployment. This increase is possibly temporary due to the containment of the virus. There has historical been correlations between the unemployment rate and the disability levels. The governments are putting in place several measures to support the economy from effects from Covid-19, but the long-term unemployment rate and the outcome of the pandemic is uncertain.

Storebrand increased insurance reserves in the first quarter 2020 based on expected effects from the Covid-19 virus. The situation has been closely monitored during the rest of 2020, without any observed significant effects from Covid-19 on the reserves. 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 2020.

Note 05

Liquidity risk

SPECIFICATION OF SUBORDINATED LOANS [1)]

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Perpetual subordinated loans [2)]					
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Dated subordinated loans					
Storebrand Livsforsikring AS [3)]	750	SEK	Variable	2021	789
Storebrand Livsforsikring AS [3)]	1,000	SEK	Variable	2022	1,044
Storebrand Livsforsikring AS [3)]	900	SEK	Variable	2025	938
Storebrand Livsforsikring AS [3)]	1,000	SEK	Variable	2024	1,045
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499
Storebrand Livsforsikring AS [3)]	300	EUR	Fixed	2023	3,420
Storebrand Bank ASA	150	NOK	Variable	2022	150
Storebrand Bank ASA	125	NOK	Variable	2025	125
Total subordinated loans and hybrid tier 1 capital 31.12.20					**9,110**
Total subordinated loans and hybrid tier 1 capital 31.12.19					8,925

[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

SPECIFICATION OF LIABILITIES TO FINANCIAL INSTITUTIONS

	Book value	
(NOK million)	31.12.20	31.12.19
Call date		
2020		446
2021	1,653	
Total liabilities to financial institutions	**1,653**	**446**

SPECIFICATION OF SECURITIES ISSUED

	Book value	
(NOK million)	31.12.20	31.12.19
Call date		
2020		3,769
2021	1,637	4,916
2022	6,011	6,023
2023	4,766	4,021
2024	4,997	
2025	3,239	
Total securities issued	**20,649**	**18,729**

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 2024.

Note 06 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 2019.

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

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 31.12.20	Book value 31.12.20	Fair value 31.12.19	Book value 31.12.19
Financial assets				
Loans to and due from financial institutions	103	103	41	41
Loans to customers - corporate	6,076	6,064	6,180	6,206
Loans to customers - retail	48,763	48,763	47,327	47,327
Bonds held to maturity	14,244	13,026	14,433	13,377
Bonds classified as loans and receivables	111,359	103,484	101,728	98,046
Total financial assets 31.12.20	**180,546**	**171,441**		
Total financial assets 31.12.19			169,709	164,997
Financial liabilities				
Debt raised by issuance of securities	20,750	20,649	18,728	18,729
Liabilities to financial institutions	1,653	1,653	446	446
Deposits from banking customers	15,506	15,506	14,404	14,404
Subordinatd loan capital	9,184	9,110	9,010	8,925
Total financial liabilities 31.12.20	**47,094**	**46,918**		
Total financial liabilities 31.12.19			42,589	42,504

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	31.12.20	31.12.19
Assets:					
Equities and fund units					
- Equities	31,285	140	907	32,332	28,765
- Fund units	160	188,977	9,360	198,497	165,578
Total equities and fund units 31.12.20	**31,446**	**189,117**	**10,266**	**230,830**	
Total equities and fund units 31.12.19	28,205	156,591	9,548		194,343
Loans to customers					
- Loans to customers - corporate			7,665	7,665	6,736
- Loans to customers - retail			722	722	389
Total loans to customers 31.12.20			**8,387**	**8,387**	
Total loans to customers 31.12.19			7,125		7,125
Bonds and other fixed-income securities					
- Government bonds	15,959	18,675		34,634	32,256
- Corporate bonds		61,724	318	62,043	60,055
- Collateralised securities		7,051		7,051	3,648
- Bond funds	155	63,916	9,196	73,267	60,680
Total bonds and other fixed-income securities 31.12.20	**16,114**	**151,367**	**9,514**	**176,995**	
Total bonds and other fixed-income securities 31.12.19	10,818	140,316	5,505		156,639
Derivatives:					
- Equity derivatives					1
- Interest derivatives		5,659		5,659	2,537
- Currency derivatives		3,353		3,353	1,781
Total derivatives 31.12.20		**9,012**		**9,012**	
- of which derivatives with a positive market value		9,977		9,977	5,314
- of which derivatives with a negative market value		-964		-964	-995
Total derivatives 31.12.19		4,319			4,319
Properties:					
Investment properties			32,117	32,117	29,415
Properties for own use			1,609	1,609	1,375
Total properties 31.12.20			**33,726**	**33,726**	
Total properties 31.12.19			30,790		30,790

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 properties	Properties for own use
Book value 01.01.20	**532**	**9,016**	**7,126**	**15**	**5,490**	**29,416**	**1,375**
Net gains/losses on financial instruments	-117	184	-170	308	-287	84	72
Additions	511	1,253	2,294		3,798	1,099	45
Sales	-20	-1,334	-1,570	-6	-327		-2
Currency translation differences		241	707	1	523	1,086	115
Other						432	4
Book value 31.12.20	**907**	**9,360**	**8,387**	**318**	**9,196**	**32,117**	**1,609**

As at 31.12.20, Storebrand Livsforisikring had NOK 6.166 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 2019 annual report.

Equities

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

	Change in value at change in discount rate	
Million NOK	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 31.12.20	-12	11
Change in fair value per 31.12.19	-19	21

Fund units

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

	Change MSCI World	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 31.12.20	430	-430
Change in fair value per 31.12.19	413	-413

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

	Change in value underlying real estate	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 31.12.20	1	-1
Change in fair value per 31.12.19	1	-1

Loan to customers

Loans are appraised at fair value. The value of these loans is determinated by discounting future cash flows with the associated swap curve adjusted for an issuer-specific credit spread.

Loans from SPP Pension & Försäkring AB are appraised at fair value. The value of these loans is determined by future cash flows being discounted by an associated swap curve adjusted for a customer-specific credit spread.

	Change in marketspread	
Million NOK	+ 10 bp	- 10 bp
Change in fair value per 31.12.20	-30	31
Change in fair value per 31.12.19	-29	29

Corporate bonds

Bonds are usualy not priced at level 3, but in some cases, when they are non-preforming loans, they are priced based on the expected payment. As of 31.12.20, this was not a significant amount for Storebrand's accounts.

	Change MSCI World	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 31.12.20	15	-15
Change in fair value per 31.12.19	0	0

Properties

The sensitivity assessment for properties includes investments properties.

The valuation of property is particularly sensitive to a change in the required rate of return and the expected future cash flow. A change of 0.25 per cent in the required rate of return where everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 5.0 per cent. In the order of 25 percent of the property's cash flow is linked to lease agreeements entered into. This means that the changes in the uncertain parts of the cash flow by 1 per cent will result in a change in value of 0.75 per cent.

	Change in required rate of return	
Million NOK	0.25%	-0.25%
Change in fair value per 31.12.20	-1,827	2,041
Change in fair value per 31.12.19	-1,560	1,699

Note 07 Operating expenses

	Q4		01.01 - 31.12	
(NOK million)	2020	2019	2020	2019
Personnel expenses	-621	-559	-2,320	-2,281
Amortisation/write-downs	-88	-59	-267	-231
Other operating expenses	-610	-676	-2,328	-2,316
Total operating expenses	**-1,318**	**-1,294**	**-4,914**	**-4,828**

Note 08 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 income tax expense is also influenced by a tax effect relating to previous years. In the quarter there has been booked a tax income due to new information and interpretation of the transition rules of 2018. 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 21.4 per cent.

In the first quarter there was booked a tax income of NOK 356 million due to new information and revised interpretation of the transition rules of 2018. Due to a substantial weakening of NOK against SEK in the first quarter, the hedging of Swedish subsidiaries had a tax effect which increased the tax income. The NOK has increased during 2020 and the tax effect was reduced to NOK 217 million.

Uncertain tax positions
The tax rules for the insurance industry have undergone changes in recent years. In some cases, Storebrand and the Norwegian Tax Administration have had different interpretations of the tax rules and associated transitional rules. As a result of this, uncertain tax positions arise in connection with the recognised tax expenses. Whether or not the uncertain tax positions have to be recognised in the financial statements is assessed in accordance with IAS 12 and IFRIC 23. Uncertain tax positions will only be recognised in the financial statements if the company considers it to be preponderance that the Norwegian Tax Administration's interpretation will be accepted in a court of law. Significant uncertain tax positions are described below.

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In January 2018, Storebrand Livsforsikring AS received notice of an adjustment to the tax returns for 2015 which claimed that the calculated loss was excessive but provided no further quantification. Storebrand Livsforsikring AS disagrees with the arguments that were put forward and submitted its response to the Norwegian Tax Administration on 2 March 2018. The notice was unclear, but based on the notice, a provision was made in the 2017 annual financial statements for an uncertain tax position of approximately NOK 1.6 billion related to the former booked tax loss (appears as a reduction in the loss carryforward and, in isolation, gave an associated increased tax expense for 2017 of approximately NOK 0.4 billion). In May 2019, Storebrand Livsforsikring AS received a draft decision from the Norwegian Tax Administration claiming changes in the tax return from 2015. Storebrand disagrees with the notice from the Norwegian Tax Administration and submitted its response in October 2019. The company considers it to be preponderance that Storebrand's understanding of the tax legislation will be accepted by a court of law and thus, no uncertain tax position has been recognised in the financial statements based on the recieved draft 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, but in October 2019 received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. The uncertain tax position has therefore been recognised in the financial statements. Based on our revised best estimate, the difference between

Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

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

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

Note 09 Loans

(NOK million)	31.12.20	31.12.19
Corporate market [1]	13,738	12,954
Retail market	49,553	47,758
Gross loans	**63,291**	**60,712**
Write-down of loans losses	-77	-53
Net loans [2]	**63,214**	**60,658**
[1] Of which Storebrand Bank	21	23
[2] Of which Storebrand Bank	31,780	30,187
Of which Storebrand Livsforsikring	31,434	30,472

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	31.12.20	31.12.19
Non-performing and loss-exposed loans without identified impairment	71	73
Non-performing and loss-exposed loans with identified impairment	50	52
Gross non-performing loans	**121**	**125**
Individual write-downs	-17	-20
Net non-performing loans [1]	**104**	**105**

[1] The figures apply in their entirety Storebrand Bank

Note 10 Capital buffer

(NOK million)	31.12.20	31.12.19
Additional statutory reserves	11,380	9,023
Market adjustment reserves	7,170	5,500
Conditional bonuses	10,769	9,302
Total	**29,319**	**23,825**

Note 11 Contingent liabilities

(NOK million)	31.12.20	31.12.19
Guarantees		1
Unused credit facilities	3,063	3,072
Uncalled residual liabilities re limited partnership	8,251	7,297
Loan commitment retail market	2,962	1,466
Total contingent liabilities	**14,276**	**11,837**

Guarantees essentially encompass payment and contract guarantees.
Unused credit facilities encompass granted and any unused credit accounts and credit cards, as well as, any unused flexible mortgage facilities.

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see note 2 and note 43 in the 2019 annual report.

Note 12 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

NOK million	31.12.20 Total	31.12.20 Group 1 unlimited	31.12.20 Group 1 limited	31.12.20 Group 2	31.12.20 Group 3	31.12.19 Total
Share capital	2,339	2,339				2,339
Share premium	10,521	10,521				10,521
Reconciliation reserve	31,851	31,851				27,169
Including the effect of the transitional arrangement	*4,815*	*4,815*				
Subordinated loans	8,734		1,131	7,602		7,651
Deferred tax assets	247				247	268
Risk equalisation reserve	438			438		466
Minority interests						57
Unavailable minority interests						-41
Deductions for CRD IV subsidiaries	-3,006	-3,006				-2,970
Expected dividend 2020	-1,519	-1,519				-1,517
Total basic solvency capital	**49,605**	**40,186**	**1,131**	**8,040**	**247**	**43,943**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,006					2,970
Total solvency capital	**52,611**					**46,913**
Total solvency capital available to cover the minimum capital requirement	**43,533**	**40,186**	**1,131**	**2,215**		**38,614**

SOLVENCY CAPITAL REQUIREMENTS AND - MARGIN

NOK million	31.12.20	31.12.19
Market risk	25,675	22,040
Counterparty risk	951	779
Life insurance risk	10,859	10,702
Health insurance risk	935	761
P&C insurance risk	523	307
Operational risk	1,578	1,493
Diversification	-7,948	-7,207
Loss-absorbing ability defferd tax	-5,533	-4,847
Total solvency capital requirement - insurance company	**27,040**	**24,028**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,565	2,683
Total solvency capital requirement	**29,605**	**26,711**
Solvency margin	**178%**	**176%**
Minimum capital requirement	**11,074**	**9,788**
Minimum margin	**393%**	**394%**

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	31.12.20	31.12.19
Capital requirements for CRD IV companies	2,739	2,937
Solvency captial requirements for insurance	27,040	24,028
Total capital requirements	**29,779**	**26,966**
Net primary capital for companies included in the CRD IV report	3,006	2,970
Net primary capital for insurance	49,605	43,943
Total net primary capital	**52,611**	**46,913**
Overfulfilment	**22,833**	**19,947**

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 2020, the difference amounted to NOK 173 million.

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Note 13

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 2019 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 2020.

Storebrand ASA
Income statement

	Q4		01.01. - 31.12	
(NOK million)	2020	2019	2020	2019
Operating income				
Income from investments in subsidiaries	3,020	3,165	3,028	3,230
Net income and gains from financial instruments:				
- equities	-6	5	4	2
- bonds and other fixed-income securities	7	14	64	50
- financial derivatives/other financial instruments		-1	-3	-6
Other financial instruments			1	1
Operating income	**3,021**	**3,183**	**3,095**	**3,278**
Interest expenses	-5	-12	-30	-51
Other financial expenses	-7	20	6	
Operating expenses				
Personnel expenses	-10	-9	-40	-40
Other operating expenses	-9	-15	-56	-62
Total operating expenses	**-19**	**-24**	**-96**	**-102**
Total expenses	**-30**	**-16**	**-120**	**-153**
Pre-tax profit	**2,991**	**3,168**	**2,975**	**3,125**
Tax	-182	-198	-171	-173
Profit for the period	**2,808**	**2,970**	**2,804**	**2,952**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Q4		01.01. - 31.12	
(NOK million)	2020	2019	2020	2019
Profit for the period	**2,808**	**2,970**	**2,804**	**2,952**
Other total comprehensive income elements not to be reclassified to profit/loss				
Change in estimate deviation pension	-15	-8	-15	-8
Tax on other comprehensive elements	4	2	4	2
Total other comprehensive income elements	**-11**	**-6**	**-11**	**-6**
Total comprehensive income	**2,797**	**2,964**	**2,793**	**2,946**

Storebrand ASA
Statement of financial position

(NOK million)	31.12.20	31.12.19
Fixed assets		
Deferred tax assets	44	41
Tangible fixed assets	27	27
Shares in subsidiaries and associated companies	20,893	20,042
Total fixed assets	**20,964**	**20,110**
Current assets		
Owed within group	3,139	3,166
Other current receivables	15	16
Investments in trading portfolio:		
- equities	57	44
- bonds and other fixed-income securities	4,894	3,260
- financial derivatives/other financial instruments		3
Bank deposits	61	34
Total current assets	**8,166**	**6,523**
Total assets	**29,130**	**26,633**
Equity and liabilities		
Share capital	2,339	2,339
Own shares	-2	-5
Share premium reserve	10,521	10,521
Total paid in equity	**12,858**	**12,856**
Other equity	12,609	9,794
Total equity	**25,467**	**22,650**
Non-current liabilities		
Pension liabilities	157	154
Securities issued	1,001	1,309
Total non-current liabilities	**1,158**	**1,463**
Current liabilities		
Debt within group	910	900
Provision for dividend	1,519	1,517
Other current liabilities	76	103
Total current liabilities	**2,505**	**2,520**
Total equity and liabilities	**29,130**	**26,633**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2018	**2,339**	**-2**	**10,521**	**8,395**	**21,253**
Profit for the period				2,952	2,952
Total other result elements				-6	-6
Total comprehensive income				**2,946**	**2,946**
Provision for dividend				-1,514	-1,514
Own share bought back [2]		-5		-63	-68
Own share sold [2]		2		36	38
Employee share [2]				-6	-6
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 [2]		3		33	36
Employee share [2]				-10	-10
Equity at 31. December 2020	**2,339**	**-2**	**10,521**	**12,609**	**25,467**

[1] 467 813 982 shares with a nominal value of NOK 5.
[2] In 2020, 526 935 shares were sold to our own employees.
Holding of own shares 31. December 2020 was 416 255.

Storebrand ASA
Statement of cash flow

(NOK million)	01.01 - 31.12 2020	2019
Cash flow from operational activities		
Net receipts/payments - securities at fair value	-1,577	-1,408
Payments relating to operations	-112	-128
Net receipts/payments - other operational activities	3,163	4,157
Net cash flow from operational activities	**1,473**	**2,621**
Cash flow from investment activities		
Payments - purchase/capitalisation of subsidiaries	-1,144	-629
Net receipts/payments - sale/purchase of property and fixed assets		-1
Net cash flow from investment activities	**-1,144**	**-630**
Cash flow from financing activities		
Payments - repayments of loans	-800	-500
Receipts - new loans	500	1
Payments - interest on loans	-30	-58
Receipts - sold own shares to employees	26	33
Payments - buy own shares		-68
Payments - dividends		-1,399
Net cash flow from financing activities	**-304**	**-1,991**
Net cash flow for the period	**26**	**0**
Net movement in cash and cash equivalents	26	0
Cash and cash equivalents at start of the period	34	34
Cash and cash equivalents at the end of the period	**61**	**34**

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 2019. The accounting policies are described in the 2019 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)	2020	2019
Dated subordinated loans		
Storebrand Livsforsikring AS	2,222	2,200
Storebrand Bank ASA	80	244
Storebrand Asset Management AS	620	568
Storebrand Forsikring AS	105	153
Storebrand Facilities AS	1	
Storebrand Helseforsikring AS		65
Total	**3,028**	**3,230**

Note 04 Bond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	30.12.20	31.12.19
Bond loan 2013/2020	Fixed	NOK	300		305
Bond loan 2020/2025	Variable	NOK	500	501	
Bond loan 2017/2020	Variable	NOK	500		502
Bond loan 2017/2022	Variable	NOK	500	500	501
Total [1]				**1,001**	**1,309**

[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.

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Financial calendar

28 April 2021	Results Q1 2021
14 July 2021	Results Q2 2021
27 October 2021	Results Q3 2021

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