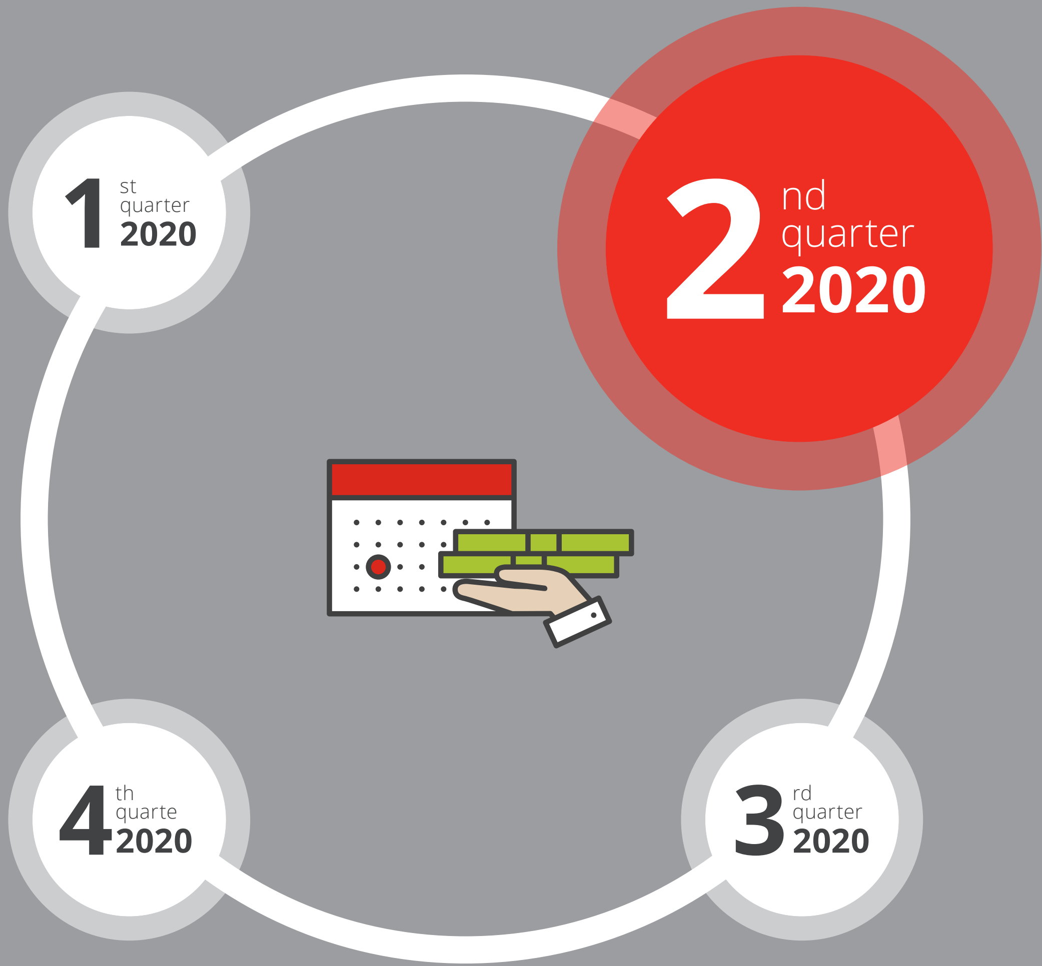
storebrand



Interim report 2nd quarter 2020

Storebrand Group

Contents

Important notice:

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

Storebrand Group

- **Group profit[1] of NOK 808m in the 2nd quarter, 40% growth y/y**
- **Solvency II ratio 163%**
- **23% growth in Unit Linked premiums y/y**
- **15% growth insurance portfolio premiums, Combined Ratio 92%**

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

In the 2nd quarter, the situation in the Norwegian and Swedish society following the COVID-19 pandemic has started to normalise after a turbulent 1st quarter. The immediate impact on Storebrand has been limited and the company has been close to fully operational throughout the pandemic and continued its strong growth in the underlying business. Storebrand's financial half-year results have been negatively affected by the financial market turmoil and a potential increase in disability in the society. Financial losses were reported in the 1st quarter, but these have partly been reversed in the 2nd quarter.

GROUP RESULT [2]

	2020		2019			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Fee and administration income	1,301	1,349	1,561	1,296	1,235	2,649	2,450	5,308
Insurance result	255	-71	223	268	269	184	514	1,005
Operational cost	-975	-1,024	-1,077	-979	-1,030	-1,999	-1,960	-4,015
Operating profit	**580**	**254**	**707**	**586**	**474**	**834**	**1,005**	**2,298**
Financial items and risk result life	228	-588	319	114	105	-360	307	739
Profit before amortisation	**808**	**-334**	**1,026**	**700**	**578**	**474**	**1,311**	**3,037**
Amortisation and write-downs of intangible assets	-124	-119	-117	-115	-114	-243	-213	-444
Profit before tax	**684**	**-453**	**909**	**585**	**464**	**231**	**1,098**	**2,593**
Tax	-231	717	-234	-124	-13	486	-153	-511
Profit after tax	**453**	**264**	**675**	**461**	**451**	**717**	**945**	**2,082**

The Group's profit before amortisation was NOK 808m (NOK 578m) in the 2nd quarter. The figures in brackets are from the corresponding period last year. Strong underlying growth within the Savings and the Insurance segment, combined with rebounding financial markets, a stable insurance result, and strong cost control contribute to the growth in profits. Financial market returns also contribute to significant increases in the buffer capital, which at the end of the 2nd quarter amounted to 9.3% in Sweden and 9.5% in Norway as a share of customer reserves.

Total fee and administration income amounted to NOK 1,301m (NOK 1,235m) in the 2nd quarter. This is an increase of 5% compared to the same period last year. Adjusted for currency effects, the increase was 4%. The increase is attributed to the savings segment where assets under management has grown, including Unit Linked in Norway and Sweden and Asset Management, but with the exception of the Bank where the net interest margin declined in the quarter. In the Guaranteed segment, fee and administration income declined marginally to NOK 360m for the quarter compared to NOK 364m last year, a decrease in line with the run-off nature of this business.

The Insurance result was NOK 255m (NOK 269m) and the total combined ratio for the Insurance segment was 92% (89%) in the 2nd quarter, in line with the target of 90-92%. Year to date, the Insurance result is NOK 184m (NOK 514m) and the combined ratio is 108% (89%). The lower result in the first half of 2020 is a result of reserve strengthening done in the 1st quarter due to the risk of increased disability in Norway in light of COVID-19 and a possible subsequent economic downturn. In the 2nd quarter, results have normalised.

[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 Group's operational costs for the quarter were NOK -975m (NOK -1,030m) as a result of strong cost discipline and somewhat lower marketing activity in the quarter than usual. The cost is in line with the group's targeted cost level, despite including costs related to the acquisition of Cubera, currency effects and performance related costs amounting to NOK -89m altogether in the quarter. The underlying cost control is strong, and the Group maintains the target of flat nominal costs in 2020 compared to 2018.

Overall, the operating profit increased to NOK 580m (NOK 474m) in the quarter due to growth in the Group's income, lower costs and a stable insurance result.

The financial items and risk result' improved to NOK 228m (NOK 105m) in the quarter and from NOK -588m in the 1st quarter. Rebounding financial markets in the quarter reversed some of the mark to market losses from spreads widening on credit bond investments in the first quarter, primarily in the company portfolios. However, a lower volatility adjustment (VA) increases the need for Deferred Capital Contribution in the guaranteed Swedish pensions, resulting in negative total net profit sharing of NOK -205m for the Group. Year to date, the financial result is still negative at NOK -360m (NOK 307m).

Amortisation of intangible assets amounted to NOK -124m (NOK -114m). The increase is due to currency depreciation NOK against SEK. Normal amortisation of intangible assets is expected to remain at around NOK -120m per quarter.

The Group booked a tax expense of NOK -231m (NOK -13m) in the 2nd quarter. The effective tax rate in the 2nd quarter is affected by a partial reversal of the tax loss booked in the first quarter due to currency hedging of subsidiaries. Generally, 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 it varies from quarter to quarter depending on each legal entity's contribution to the Group result. The estimated normal tax rate is 21-23%, but currency can 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. In the 2nd quarter, the Savings segment reported a profit before amortisation of NOK 396m (NOK 224m), driven by increased assets under management and strong cost control. The insurance segment had a stable result development and reported a profit before amortisation of NOK 124m (NOK 139m). A loss of NOK -8m (NOK 211m) occurred in the Guaranteed pension segment, primarily due to increased need for Deferred Capital Contribution in SPP. In the Other segment, the profit amounted to NOK 296m (NOK 5m) as some of the unrealised losses on credit bonds in the company portfolios that occurred in the 1st quarter were reversed in the 2nd quarter.

GROUP RESULT BY RESULT AREA

	2020		2019			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Savings - non-guaranteed	396	276	547	303	224	672	514	1,364
Insurance	124	-268	70	128	139	-144	242	439
Guaranteed pension	-8	95	332	237	211	86	460	1,029
Other profit	296	-437	77	32	5	-141	96	205
Profit before amortisation	**808**	**-334**	**1,026**	**700**	**578**	**474**	**1,311**	**3,037**

CAPITAL SITUATION
Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target solvency margin in accordance with the Solvency II regulations is a minimum of 150%, including use of the transitional rules. The solvency margin was 163% at the end of the 2nd quarter 2020, this is within the targeted level of 150-180%. The Solvency margin without transitional rules was 137%. The reduction of the solvency margin in the quarter is due to record low interest rates, lower regulatory volatility adjustment and increased equity stress, as well as a higher allocation to bonds and equites. Market returns and group profit after tax, net of dividend set aside for 2020, as well as issuance of sub debt contribute positively to the solvency margin.

MARKET AND SALES PERFORMANCE
The growth in Unit Linked savings is driven by premiums from existing contracts, new sales, investment returns, conversion from Defined Benefit to Defined Contribution schemes and increased savings rates. Both the Swedish and the Norwegian Unit Linked business manage over NOK 100bn of pension assets each. In Norway, Storebrand is the market leader in Unit Linked occupational pension with 30% market share of gross premiums written (at the end of the 1st quarter 2020). SPP has a

market share of 14% in the Swedish market for non-unionised occupational pensions ("Övrig Tjänstepension") and is rapidly growing its sales within United Linked pensions. New sales, measured in annual premium equivalent, grew to NOK 1,183m (NOK 453m) in the quarter and the net transfer balance was NOK 4,609m (NOK 339m).

Assets under management in Storebrand Asset Management increased by NOK 51.4bn (6.2%) to NOK 880bn in the quarter, and by NOK 128.3bn (17.1%) compared to last year, despite the market turmoil in March. In Norway, the Storebrand Group's market share within retail mutual funds was 13% as of end of May.

Within Insurance, the annual portfolio premiums grew by 15% compared to the same period last year, in line with our growth ambitions. Lending volume in Storebrand Bank amounted to NOK 47.2bn and increased 2% compared to the same period last year. The growth in lending has slowed since the bank balance has reached a targeted level of NOK 45-50bn in mortgages.

DIVIDEND

The Board confirms its commitment to the dividend policy and has made provisions for an ordinary dividend for the financial year of 2020 in the first half year. However, the annual general meeting of Storebrand ASA supported the Board's recommendation not to pay dividend for the financial year of 2019 due to the pronounced expectations from the Norwegian Ministry of Finance, Norwegian FSA and EIOPA to suspend dividends until the great uncertainty about the economic development in light of COVID-19 has been reduced.

GROUP - KEY FIGURES

	2020	2019				01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Earnings per share adjusted	1.23	0.82	1.68	1.22	1.21	2.04	2.47	5.38
Equity	34,396	34,090	33,398	32,680	32,242	34,396	32,242	33,398
Quarterly adjusted ROE, annualised[1)]	7.1%	4.7%	10.4%	7.5%	7.4%	5.9%	5.7%	8.0%
Solvency II ratio [1)]	163%	172%	176%	177%	167%	163%	167%	176%

Financial targets	Target	Actual 2019
Return on equity (after tax)[1)]	> 10%	5.9%
Dividend pay-out ratio	> 50%	NA
Solvency II margin Storebrand Group	> 150%	163%

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

Savings

- **56% growth in operating profit in the 2nd quarter compared to last year**
- **23% growth in Unit Linked premiums compared to last year**
- **Total asset under management amounting to NOK 880bn, up 17% from last year**
- **Strong cost control**

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 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Fee and administration income	974	1,043	1,233	957	911	2,017	1,807	3,996
Operational cost	-600	-669	-692	-643	-672	-1,269	-1,287	-2,621
Operating profit	**374**	**375**	**541**	**314**	**239**	**748**	**521**	**1,375**
Financial items and risk result life	22	-98	6	-11	-16	-76	-7	-11
Profit before amortisation	**396**	**276**	**547**	**303**	**224**	**672**	**514**	**1,364**

FINANCIAL PERFORMANCE

The Savings segment reported a profit before amortisation of NOK 396m (NOK 224m) in the 2nd quarter and NOK 672m (NOK 514m) year to date. Compared to the 2nd quarter last year, the fee- and administration income in the Savings segment increased by 12% year to date, or 8% when adjusted for currency effects. The income growth within Norwegian Unit Linked is 12%, for Swedish Unit Linked it is 12% (3% currency adjusted), and for Asset Management the growth is 15%.

Despite a record high unemployment level at the peak of the COVID-19 pandemic in Norway, pension premium payments have remained stable and retail savings into mutual funds have increased in the 2nd quarter. Large scale transactions within alternative assets have been postponed to some extent, leading to lower transaction fees within Asset Management. Returns, new sales and higher savings rates have driven asset growth leading to growth in management fees. Some of the growth is also attributed to currency effects from the Swedish business.

Underlying product margins remained stable in the quarter while reported margins are affected by volatility in the asset base and by currency effects. Storebrand Bank, in light of the COVID-19 situation, decided to accelerate the implementation of lending rates in the 2nd quarter. This led to lower interest margin in the quarter, down from 1.31% in the 1st quarter to 0.87% in the 2nd quarter. Year to date the net interest income decreased 10 bp to 1.09% from 1.19% last year. The interest margin will improve going forward.

Operational cost within Savings decreased in the 2nd quarter both compared to the 1st quarter 2020 and to the 2nd quarter 2019. This is partly explained by lower marketing activity in the quarter in light of COVID-19, and generally good cost control. Performance related costs in funds with performance fees amounted to NOK 9m (NOK 25m) in the quarter and NOK 20m (NOK 43m) year to date. The corresponding performance related income earned, not booked was NOK 19m (NOK 79m) in the quarter and NOK 78m (NOK 147m) year to date.

The financial result was NOK 22m (NOK -16m), explained by positive effects from reduced credit spreads in the quarter. Year to date the financial result is NOK -76m (NOK -7m) due to the negative effects in the 1st quarter related to COVID-19, including loan loss provisions for future possible losses in the retail bank and wider credit spreads.

SAVINGS - KEY FIGURES

	2020		2019		
(NOK million)	Q2	Q1	Q4	Q3	Q2
Unit linked Reserves	234,644	210,061	219,793	206,717	198,032
Unit linked Premiums	5,121	5,046	4,551	4,205	4,175
AuM Asset Management	880,177	828,749	831,204	786,326	751,926
Retail Lending	47,208	47,681	48,161	46,722	46,201

BALANCE SHEET AND MARKET TRENDS

The Unit Linked premiums were NOK 5.1bn (NOK 4.2bn) at the end of 2nd quarter, growing 23% compared to the 2nd quarter last year. Total assets under management in Unit Linked increased by NOK 25bn (12%) during the 2nd quarter to NOK 235bn. Compared to the same quarter last year, the growth is NOK 37bn (18%). Total net transfers in the quarter amounted to NOK 3.7bn net inflow, and NOK 7.0bn year to date.

In the Norwegian Unit Linked business, assets under management increased by NOK 12.1bn (12%) in the quarter, and by NOK 13.5bn (13%) 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 30% market share of gross premiums written (at the end of the 1st quarter 2020) within defined contribution corporate pensions.

In the Swedish market, SPP is the fourth largest, and fastest growing provider of non-unionised occupational pensions with a market share of 14% measured by gross premiums written (excluding transfers) within Unit Linked. Assets under management increased by SEK 14.3bn in the quarter and SEK 10.8bn (10.5%) compared to the same quarter last year. The growth is driven by strong growth in sales (APE) and positive net transfers – both from individual's pensions savings, but also from small scale consolidation of funds into SPP.

Assets under management in Storebrand Asset Management increased by NOK 51.4bn (6.2%) to NOK 880bn in the quarter, and by NOK 128.3bn (17.1%) compared to last year. Currency effects in the quarter are estimated to have decreased assets under management by NOK 22bn due to strengthened NOK, but the currency effect is positive with NOK 35bn year to date.

The bank lending portfolio increased by NOK 1.0bn (2.2%) compared to the same quarter last year but decreased by NOK 0.5bn (-1%) during the 2nd quarter. The portfolio consists of low-risk home mortgages with an average LTV of 56%. NOK 16bn of the mortgages are booked on the balance sheet of Storebrand Life Insurance.

Insurance

- **15% growth in portfolio premiums y/y**
- **Combined ratio of 92% in the quarter, target 90-92%**
- **Stability and positive results from all lines of business**

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 - 30.06		Full year
NOK million	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Insurance premiums f.o.a.	1,070	1,019	1,014	981	965	2,090	1,913	3,909
Claims f.o.a.	-816	-1,090	-792	-713	-696	-1,906	-1,399	-2,904
Operational cost	-175	-175	-177	-162	-159	-350	-309	-648
Operating profit	**80**	**-246**	**45**	**106**	**111**	**-166**	**205**	**357**
Financial result	44	-22	25	21	28	22	36	83
Contribution from SB Helseforsikring AS	*15*	*-3*	*1*	*12*	*10*	*11*	*11*	*24*
Profit before amortisation	**124**	**-268**	**70**	**128**	**139**	**-144**	**242**	**439**
Claims ratio	76%	107%	78%	73%	72%	91%	73%	74%
Cost ratio	16%	17%	17%	17%	16%	17%	16%	17%
Combined ratio	92%	124%	96%	89%	89%	108%	89%	91%

FINANCIAL PERFORMANCE

Insurance delivered a profit before amortisation of NOK 124m (NOK 139m) in the 2nd quarter and NOK -144m (NOK 242m) year to date, leading to a combined ratio of 92% (89%) in the quarter and 108% (89%) year to date. The 2nd quarter result is in line with the target (a combined ratio of 90-92%) and an improvement from the 1st quarter when reserve strengthening of NOK 247m was taken due to the COVID-19 pandemic and an expected increase in disability levels. The 2nd quarter claims ratio was 76% (72%) and all the three main product categories are generating positive results.

For P&C & Individual life, the result was NOK 58m (NOK 108m) in 2nd quarter and NOK 59m (NOK 193m) year to date. The P&C result in the quarter was mainly affected by some large claims and run-off losses. Increased travel insurance claims due to COVID-19 have largely been covered by a reserve strengthening in the 1st quarter. For Individual life, the result is weaker than normal due to increases in disability and child insurance claims. Price adjustments and discount restrictions have been implemented to improve results.

For Health and Group life, the result was NOK 31m (NOK -9m) in the quarter and NOK -232m (NOK -29m) year to date. Most of the reserve strengthening conducted in the 1st quarter is attributed to Group life, explaining the negative result year to date. In light of this, the result in the quarter is satisfactory with for Group life. Improvement in the result for Health insurance is driven by a positive claims development.

The result for Pension related disability insurance Nordic was NOK 35m (NOK 40m) in 2nd quarter and NOK 29m (NOK 77m) year to date. The positive result is mainly generated in the Swedish business with continuing lower disability claims. In the Norwegian business, disability claims are stable.

Cost control is satisfactory. The cost ratio was at 16% in the 2nd quarter, the same level as in the corresponding quarter last year and marginally lower compared to the 1st quarter.

Insurance's investment portfolio in Norway amounted to NOK 8.7bn as of the 2nd quarter. It is primarily invested in fixed income securities with short to medium duration and achieved a financial return of 1.6% in the quarter and 1.3% year to date.

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 15% year to date, which is above Storebrand's target of 5%. 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 and through new distribution partnerships. Annual growth in P&C & Individual life portfolio premiums amounted to 14% and in Health & Group life to 17% as of the 2nd quarter. The distribution setup is expected to continue to contribute to profitable growth.

INSURANCE PREMIUMS

	2020		2019			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
P&C & Individual life	2,057	1,958	1,915	1,845	1,810	2,057	1,810	1,915
Health & Group life [1]	1,829	1,809	1,639	1,609	1,563	1,829	1,563	1,639
Pension related disability insurance Nordic[2]	1,315	1,269	1,144	1,130	1,134	1,315	1,134	1,144
Total written premiums	**5,201**	**5,037**	**4,698**	**4,583**	**4,507**	**5,201**	**4,507**	**4,698**
Investment portfolio[3]	**8,742**	**8,792**	**8,304**	**8,146**	**8,177**	**8,742**	**8,177**	**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] DC risk premium Norwegian line of business.
[3] NOK 2,8bn of the investment portfolio is linked to disability coverages where the investment result goes to the customer reserves and not as a result element in the P&L.

Guaranteed pension

- **Income development in line with strategy and long term run-off**
- **Negative profit sharing driven by reduction in volatility adjustment (VA) in Sweden**

GUARANTEED PENSION

	2020		2019			01.01 - 30.06		Full year
NOK million	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Fee and administration income	360	349	368	384	364	710	724	1,475
Operational cost	-214	-202	-225	-199	-209	-416	-395	-819
Operating profit	**147**	**147**	**143**	**185**	**155**	**294**	**329**	**657**
Risk result life & pensions	50	-26	71	30	52	24	113	215
Net profit sharing and loan losses	-205	-26	118	22	4	-231	18	157
Profit before amortisation	**-8**	**95**	**332**	**237**	**211**	**86**	**460**	**1,029**

FINANCIAL PERFORMANCE

Guaranteed Pension achieved a loss (profit before amortisation) of NOK -8m (NOK 211m) in the 2nd quarter and NOK 86m (NOK 460m) year to date.

Fee and administration income has performed in line with the fact that a large part of the portfolio is mature and in long-term decline. Income of NOK 360m (NOK 364m) in the 2nd quarter and NOK 710m (724m) year to date represents a stable level.

Operating costs amounted to NOK 214m (NOK 209m) in the 2nd quarter and NOK 416m (NOK 395m) year to date. Over time, operating costs will be reduced as a result of the products being in long-term run-off.

The risk result amounted to NOK 50m (NOK 52m) in the 2nd quarter and NOK 24m (NOK 113m) year to date. The risk result continues to be acceptable in Norwegian Paid-up policies in the quarter based on strong tariffs for disability. In addition, SPP delivered a solid risk result in the quarter driven by positive longevity and disability improvements. However, the result in the Norwegian Defined Benefit portfolio is negative in the quarter and year to date due to weak disability results. To counter this, price adjustments are being implemented.

The result from profit sharing was NOK -205m (NOK 4m) in the 2nd quarter and NOK -231m (NOK 18m) year to date. The negative result stems primarily from Swedish Guaranteed business in SPP, which amounted to NOK -211m in the 2nd quarter and NOK -240m year to date. The negative result is mainly driven by developments in credit spreads, leading to unrealised losses and an increased need for Deferred Capital Contributions, as well as by changes in the volatility adjustment (VA). Although changes in VA should offset the financial impact of credit spread movements, an imperfect match between the actual investment portfolio and the VA reference portfolio impact the results.

BALANCE SHEET AND MARKET TRENDS

The majority of the guaranteed products are closed for new business, and the customers' choice of transferring from guaranteed to non-guaranteed products is in line with the Group's strategy. As of the 2nd quarter, customer reserves for guaranteed pensions amounted to NOK 274bn. This is an increase of NOK 11.2bn year to date, but adjusted for currency effects the change is NOK 2.8bn year to date. As a share of the total balance sheet, guaranteed reserves amounted to 53.9% (57.0%) as of the 2nd quarter, a reduction of 3.1 percentage points since last year. The premium income for Guaranteed Pensions (excluding transfers) was NOK 0.8bn (NOK 1.3bn) in the 2nd quarter and NOK 2.7bn (NOK 3.0bn) year to date.

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 143bn as of the 2nd quarter – an increase of NOK 6.5bn from 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 this year. Reserves for Defined Benefit pensions in Norway amounted to NOK 30bn at the end of the 2nd quarter, representing a reduction of NOK 3.2bn compared to the level at the start of the year.

Guaranteed portfolios in the Swedish business totalled NOK 89bn as of the 2nd quarter, an increase of NOK 8.6bn compared to the level at the start of the year. Adjusted for currency effects, reserves increased by only NOK 0.3bn.

Driven by the development in financial markets, the total buffer capital for Guaranteed Pension increased by NOK 5.6bn in the 2nd quarter to NOK 33.1bn. Significant increases in the market value adjustment reserve, excess value of bonds at amortised cost and in conditional bonuses are the main reasons. As a share of the total customer reserves, the buffer capital in Sweden increased by 2.0 percentage points to 9.3% in the quarter, while the buffer capital in Norway increased by 1.2 percentage points to 9.5%.

GUARANTEED PENSION - KEY FIGURES

	2020		2019			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Guaranteed reserves	274,343	272,051	263,185	263,677	261,973	274,343	261,973	263,185
Guaranteed reserves in % of total reserves	53.9%	56.4%	54.5%	56.1%	57.0%	53.9%	57.0%	54.5%
Net transfers	634	93	-16	-14	1	727	-74	-103
Buffer capital in % of customer reserves Norway	9.5%	8.3%	8.6%	8.3%	7.9%	9.5%	7.9%	8.6%
Buffer capital in % of customer reserves Sweden	9.3%	7.3%	10.7%	9.8%	9.9%	9.3%	9.9%	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. In addition, the activities at BenCo are reported in this segment. Group eliminations are reported in a separate table below.

RESULT EXCLUDING ELIMINATIONS

	2020		2019			01.01 - 30.06		Full year
NOK million	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Fee and administration income	19	13	13	10	14	32	28	51
Operational cost	-39	-35	-35	-29	-45	-75	-78	-143
Operating profit	**-21**	**-22**	**-22**	**-19**	**-31**	**-42**	**-50**	**-91**
Financial items and risk result life	317	-416	99	51	36	-98	146	296
Profit before amortisation	**296**	**-437**	**77**	**32**	**5**	**-141**	**96**	**205**

ELIMINATIONS

	2020		2019			01.01 - 30.06		Full year
(NOK million)	Q2	Q1	Q4	Q3	Q2	2020	2019	2019
Fee and administration income	-53	-57	-52	-54	-54	-110	-109	-215
Operational cost	53	57	52	54	54	110	109	215
Financial result								
Profit before amortisation								

The Other segment reported a profit before amortisation of NOK 296m (NOK 5m) in the 2nd quarter. The positive result stems primarily from spreads narrowing on credit bond investments in the company portfolios, reversing some of the unrealised losses that occurred in the 1st quarter during the financial market turmoil. Year to date however, profit before amortisation still amount to a loss of NOK -141m (NOK 96m).

Fee and administration income of NOK 19m as well as operational cost of NOK -39m 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. The investments are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio reported a return of 1.87% for the quarter and 0.62% year to date. The Swedish company portfolio achieved a return of 0.80% in the quarter and 0.06% year to date.

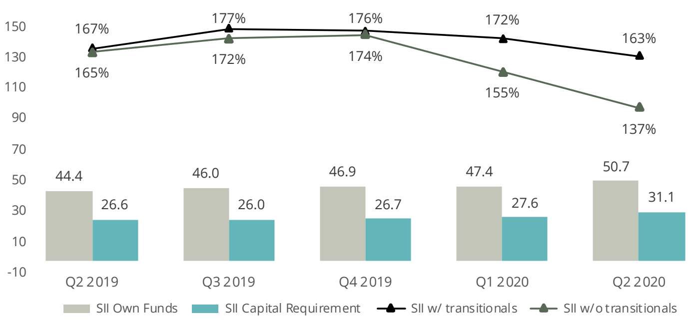
The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Given the interest rate level at the end of the 2nd quarter, interest expenses of approximately NOK 70m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 27bn at end of the 2nd 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

The solvency margin was 163% at the end of the 2nd quarter 2020, a decrease from 172% by the end of the 1st quarter. The Solvency margin without transitional rules was 137%. The reduction of the solvency margin in the quarter is due to record low interest rates, lower regulatory volatility adjustment and increased equity stress, as well as a higher allocation to bonds and equites. Market returns and group profit after tax, net of dividend set aside for 2020, as well as issuance of sub debt contribute positively to the solvency margin.



STOREBRAND ASA

Storebrand ASA (holding company) held liquid assets of NOK 3.4bn 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 0,8 bn at the end of the quarter. This corresponds to a net liquidity ratio of 12%. The next maturity date for bond debt is in October 2020. 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% (423 793) of the company's own shares at the end of the quarter.

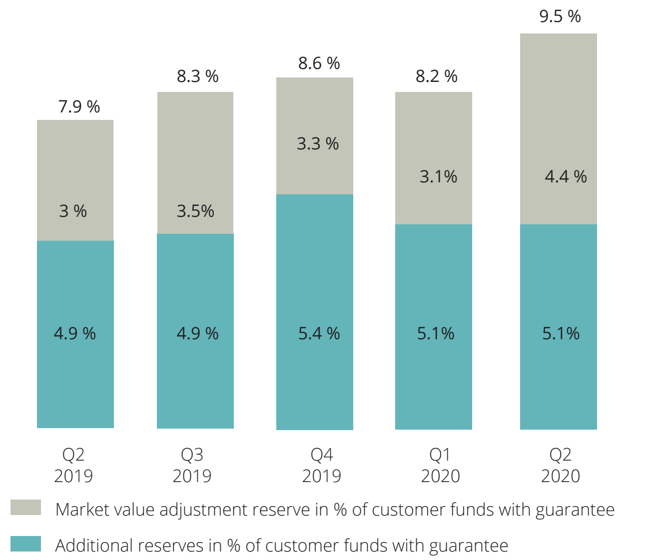
STOREBRAND LIFE INSURANCE GROUP[1)]

The Solidity capital[2)] measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 67.3bn at the end of 1st half year 2020, an increase of NOK 4.6bn in 2nd quarter and NOK 4.8bn year to date. The change in the quarter is due to increased customer buffers in both the Norwegian and Swedish operations.

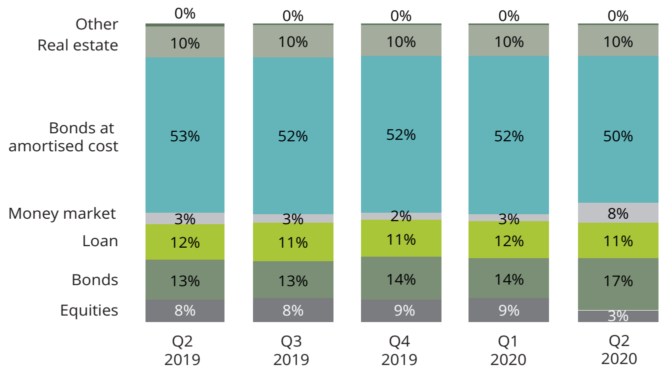
STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve increased during the 2nd quarter by NOK 2.1bn and NOK 1.9bn year to date. The market value adjustment reserves amounted to NOK 7.4bn at the end of the 1st half year 2020. The additional statutory reserves are unchanged during the 2nd quarter and amounted to NOK 8.7bn at the end of the 1st half year 2020. The excess value of bonds and loans valued at amortised cost increased by NOK 2.7bn in the 2nd quarter and by NOK 4.7bn year to date due to decreases in interest rates. The excess value of bonds and loans valued at amortised cost amounted to NOK 9.4bn at the end of the 1st half year 2020. The excess value of bonds and loans at amortised cost is not included in the financial statements.

CUSTOMER BUFFERS



ALLOCATION OF GUARANTEED CUSTOMER ASSETS



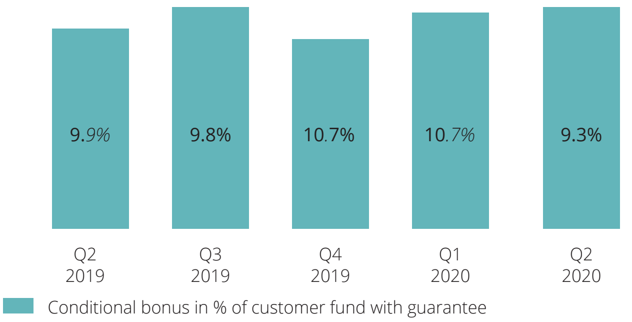
Customer assets in Storebrand Livsforsikring increased by NOK 14.0bn in the 2nd quarter and NOK 5.3bn year to date. Customer assets totalled NOK 303bn at the end of the 1st half year 2020. Customer assets within non-guaranteed savings increased NOK 12.1bn during the 2nd quarter and NOK 2.8 year to date. Customer assets within non-guaranteed savings amounted to NOK 117bn at the end of 1st half year 2020. Guaranteed customer assets increased in the 2nd quarter by NOK 1.9bn and by NOK 2.5bn year to date. Guaranteed customer asset amounted to NOK 185bn at the end of 1st half year 2020.

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.

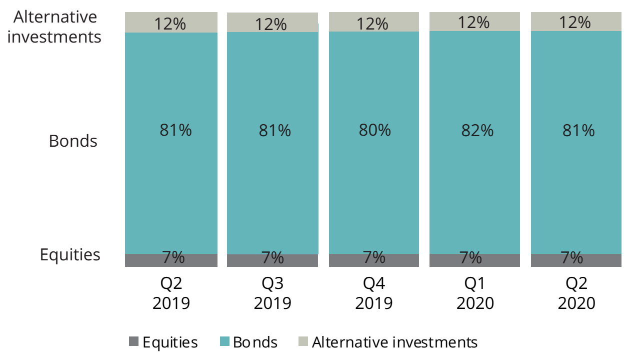
SPP

CUSTOMER BUFFERS - SPP



The buffer capital amounted to SEK 7.4bn (SEK 7.8bn) at the end of the 2nd quarter.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS



Total assets under management for customers in SPP were SEK 195bn (SEK 186bn) at the end of the 2nd quarter. This corresponds to an increase of 5.2% compared to the 2nd quarter last year. For customer assets in non-guaranteed savings, assets under management totalled SEK 113bn (SEK 103bn) at the end of the 2nd quarter, which corresponds to an increase of 11%, compared with the 2nd quarter 2019.

STOREBRAND BANK

The loan portfolio including loans managed on behalf of Storebrand Livsforsikring AS amounted to NOK 47.2 billion (NOK 48.2 billion) at the end of the second quarter, of which the share to Storebrand Livsforsikring AS was NOK 16.3 billion (NOK 18.0 billion). Lending to customers in the bank group totalled NOK 30.9 billion (NOK 30.2 billion) at the end of the 2nd quarter.

The bank group has had an increase in the risk-weighted balance of NOK 0.6 billion year to date. The Storebrand Bank Group had a net capital base of NOK 2.6 billion at the end of the quarter. The capital adequacy ratio was 18.6 per cent and the Core Equity Tier 1 (CET1) ratio was 14.9 per cent at the end of the first half-year, 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 2nd quarter.

Outlook

STRATEGY

Storebrand follows a twofold strategy. First, Storebrand aims to build a world class Savings Group supported by Insurance. Storebrand is the market leader in pension solutions to Norwegian businesses and a challenger in the Swedish market, and uniquely positioned in the growing retail savings market. Storebrand Asset Management has a strong competitive position and clear growth ambitions. Second, through cost control and disciplined use of capital, Storebrand aims to increase return to shareholders. Storebrand expects to start capital release as dividends and/or share buy backs when the solvency margin is above 180%. Under normal circumstances, the solvency margin is expected to grow 5 percentage points annually after dividends. The guaranteed business in long term run-off is projected to release NOK 10bn over the next years, but recent decline in interest rates increases uncertainty in its timing.

FINANCIAL PERFORMANCE

As an immediate impact of COVID-19 and the economic downturn, Storebrand's financial half-year results have been affected negatively by credit spreads widening and increased unemployment has affected the disability insurance results negatively as reported in the 1st quarter. The situation in Norway is gradually normalising, but how the current unprecedented situation will unfold remains uncertain. Storebrand's financial risk management systems have performed well in the crisis and the Group is robust to handle a further economic downturn. Storebrand is fully operational with close to normal productivity and has made plans for various economic scenarios and has experienced strong underlying growth through the 1st half year despite the COVID-19 pandemic.

The market for Defined Contribution pensions is growing, and Storebrand's total reserves within Unit Linked increased by 18% in the last 12 months, despite the financial market turmoil following the COVID-19 pandemic. Adjusted for currency, the growth is 13% in Norway and 11% in Sweden. Continued good growth for Defined Contribution pensions is expected in the future. The loyalty program for employees at companies that have a pension scheme at Storebrand remains an important area of focus. The sale of banking products and P&C insurance contributes to growth within the Savings and Insurance segments. The competition in the market has resulted in pressure on margins within these segments. This in turn sets requirements for relative cost reductions and efficiency improvements in distribution and product solutions to achieve continued profitable growth. In order to realise the ambitions in the retail market, sales must continue to increase.

Asset management is an important business area within the Savings segment. With the acquisition of Skagen, Storebrand became a top three mutual fund provider in Norway. The asset management platform is competitive and scalable for further growth. With the acquisition of Cubera as of 1 April 2019, Storebrand has one of the strongest offerings of alternative assets in the Nordic Region.

The Guaranteed Pension segment is in long term run-off and the reserves for the guaranteed Defined Benefit solutions are decreasing. However, there is continued growth in the reserves linked to Paid-up policies due to companies choosing to convert existing Defined Benefit schemes to Defined Contribution schemes and because Defined Benefit policies are converted to Paid-up policies as policyholders are entering retirement. It is expected that the growth in Paid-up policies will decline in the next few years and that there will be flat growth in reserves over several years before the reserves start to fall. The portfolio of Paid-up policies makes a limited contribution to the Group results with the present interest rates. Guaranteed reserves represent a declining share of the Group's total pension reserves and were 53.9% at the end of the quarter, a 3.1 percentage point reduction from the same period last year.

Adjusted for acquisitions, currency and performance related costs, the group has reported flat nominal costs from 2012 to 2019 and has the ambition to continue do so in 2020. This is in spite of assets under management having doubled in the period and selected investments in growth initiatives having taken place. This implies a significant real reduction in costs. The cost ambition is excluding any performance related costs in Asset Management, currency effects and potential acquisitions. Lower cost through automation, digitalisation and the partnerships are expected to make up for normal investments in business growth and inflation.

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. Much of the unrealised financial losses in the 1st quarter have been reversed in the 2nd quarter as credit spreads have narrowed and equity markets have rebounded. However, should the economic situation worsen and financial markets deteriorate again, investment losses may occur from credit spreads widening or declining real estate valuations for example.

Storebrand has adapted to the low interest rates 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 a return above the guaranteed interest rate.

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, but many have already returned to work. A prolonged situation with unemployment could lead to increased disability, which may result in increased claims. In the 1st quarter, Storebrand took extensive measures to strengthen its disability reserves. As of the 2nd quarter, these measures are deemed to be satisfactory. Should the 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.

INDIVIDUAL PENSION ACCOUNT

The Ministry of Finance has confirmed the timetable for introducing Individual Pension Accounts in 2021.

Supplementary regulation has been sent on a public hearing until 3 August.

Defined contribution pension capital certificates issued by previous employers ("pensjonskapitalbevis") 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"). A key aim of the reform is to reduce the costs associated with the administration of pension contributions from previous employers. The Ministry of Finance has proposed that individuals shall pay the same fee for former earnings transferred to the Individual Pension Account as the employer pays for current earnings. We expect this will be part of the final legislation, initially leading to significantly lower income for pension suppliers.

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 certificates from the proposed changes. Individuals will be able to transfer the pension account (both current and former earnings) to other providers.

Storebrand is participating in the Ministry of Finance implementing group on individual pension accounts.

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 consultation that pension providers' ability to
book fixed income at amortised cost would not be revoked. Fixed income booked at amortised cost is an important tool for risk managing the guaranteed portfolio.

The Ministry of Finance is still working on which proposals to put forward to parliament regarding changes in buffer and guarantee regulation.

SOLVENCY II REVIEW

The European Insurance and Occupational Pension Authority (EIOPA) has launched a public consultation on changes in the Solvency II standard model. 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 2020. Due to the impact of the COVID-19 pandemic, EIOPA and the Commission has agreed on a revised timetable. EIOPA's advice will therefore not be delivered to the Commission until the end of December 2020.

The Commission has launched a public consultation asking for stakeholders' views on the broad objectives of the European framework, in particular issues relating to insurers' role in the long-term financing of the economy and the supply of long-term guarantees to clients.

We still expect final conclusions to be drawn by the Commission, the Parliament and the Council in 2022.

DIVIDEND POLICY

The Board confirms its commitment to the dividend policy and has made provisions for an ordinary dividend for the financial year of 2020 in the first half year. However, the annual general meeting of Storebrand ASA supported the Board's recommendation not to pay dividend for the financial year of 2019 due to the pronounced expectations from the Norwegian Ministry of Finance, Norwegian FSA and EIOPA to suspend dividends until the great uncertainty about the economic development in light of COVID-19 has been reduced.

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%, 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 normally be conducted every six months.

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, 14 July 2020

Storebrand Group
Income statement

		Q2		01.01 - 30.06		Full year
(NOK million)	Note	2020	2019	2020	2019	2019
Premium income		13,497	8,201	27,672	16,985	32,366
Net income from financial assets and real estate for the company:						
- equities and fund units at fair value		20	-14	5	-10	40
- bonds and other fixed-income securities at fair value		309	153	397	332	600
- financial derivatives at fair value		137	-12	-302	9	-12
- loans at fair value		19	2	28	4	14
- bonds at amortised cost		54	54	108	107	214
- loans at amortised cost		168	192	376	379	802
- profit from investments in associated companies and joint ventures		39	11	35	19	39
Net income from financial assets and real estate for the customers:						
- equities and fund units at fair value		15,636	4,546	-9,407	21,177	37,318
- bonds and other fixed-income securities at fair value		2,575	1,416	2,851	3,283	4,167
- financial derivatives at fair value		6,247	1,655	-383	3,077	1,424
- loans at fair value		2	54	12	177	11
- bonds at amortised cost		1,233	960	2,344	1,938	3,912
- loans at amortised cost		51	7	638	191	546
- properties		-78	617	35	944	1,864
- profit from investments in associated companies and joint ventures		-22	54	98	170	341
Other income		682	987	1,771	1,601	3,758
Total income		**40,570**	**18,884**	**26,277**	**50,383**	**87,403**
Insurance claims		-7,174	-6,305	-15,054	-14,430	-26,756
Change in insurance liabilities		-27,980	-9,126	-7,668	-27,650	-44,725
Change in capital buffer		-2,983	-972	275	-3,521	-5,892
Operating expenses	7	-1,170	-1,239	-2,403	-2,345	-4,828
Other expenses		-210	-442	-480	-687	-1,238
Interest expenses		-245	-221	-472	-438	-927
Total expenses before amortisation		**-39,762**	**-18,306**	**-25,803**	**-49,072**	**-84,366**
Group profit before amortisation		**808**	**578**	**474**	**1,311**	**3,037**
Amortisation of intangible assets		-124	-114	-243	-213	-444
Group pre-tax profit		**684**	**464**	**231**	**1,098**	**2,593**
Tax expenses	8	-231	-13	486	-153	-511
Profit/loss for the period		**453**	**451**	**717**	**945**	**2,082**
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		448	449	711	940	2,067
Share of profit for the period - hybrid capital investors		3	3	6	6	12
Share of profit for the period - minority		2	-1			3
Total		**453**	**451**	**717**	**945**	**2,082**
Earnings per ordinary share (NOK)		0.96	0.96	1.52	2.01	4.43
Average number of shares as basis for calculation (million)				467.0	466.8	466.8
There is no dilution of the shares						

Storebrand Group
Statement of comprehensive income

	Q2		01.01 - 30.06		Full year
(NOK million)	2020	2019	2020	2019	2019
Profit/loss for the period	**453**	**451**	**717**	**945**	**2,082**
Actuarial assumptions pensions own employees	-2	-3	-4	-5	3
Adjustment of value of properties for own use	3	11	22	-22	-22
Total comprehensive income elements allocated to customers	-3	-11	-22	22	22
Tax on other comprehensive income elements not to be classified to profit/loss					12
Total other comprehensive income elements not to be classified to profit/loss	**-2**	**-3**	**-4**	**-6**	**15**
Translation differences foreign exchange	-136		266	-195	-168
Gains/losses from cash flow hedging	-20		14	-21	-36
Total other comprehensive income elements that may be classified to profit/loss	**-156**		**280**	**-216**	**-204**
Total other comprehensive income elements	**-158**	**-4**	**276**	**-222**	**-190**
Total comprehensive income	**295**	**448**	**993**	**723**	**1,892**
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	297	443	987	718	1,879
Share of total comprehensive income - hybrid capital investors	3	3	6	6	12
Share of total comprehensive income - minority	-4	1		-1	1
Total	**295**	**448**	**993**	**723**	**1,892**

Storebrand Group
Statement of financial position

(NOK million)	Note	30.06.20	30.06.19	31.12.19
Assets company portfolio				
Deferred tax assets		1,975	1,868	1,430
Intangible assets and excess value on purchased insurance contracts		6,466	6,345	6,220
Pension assets		2	5	2
Tangible fixed assets		1,091	1,117	1,075
Investments in associated companies and joint ventures		249	209	227
Financial assets at amortised cost:				
- Bonds	6	10,995	8,532	8,256
- Loans to financial institutions	6	42	1,443	41
- Loans to customers	6,9	30,077	27,914	29,798
Reinsurers' share of technical reserves		42	30	26
Investment properties at fair value	6	49	50	49
Biological assets		67	67	67
Accounts receivable and other short-term receivables		5,402	7,818	4,824
Financial assets at fair value:				
- Equities and fund units	6	293	242	323
- Bonds and other fixed-income securities	6	26,795	26,475	28,512
- Derivatives	6	1,385	1,126	1,183
- Loans to customers	6,9	816	385	389
Bank deposits		3,839	3,369	3,119
Minority interests in consolidated mutual funds		47,433	24,760	44,933
Total assets company portfolio		**137,017**	**111,755**	**130,474**
Assets customer portfolio				
Investments in associated companies and joint ventures		5,913	4,031	4,045
Financial assets at amortised cost:				
- Bonds	6	91,312	88,587	89,790
- Bonds held-to-maturity	6	13,394	13,376	13,377
- Loans to customers	6,9	23,414	24,046	23,735
Reinsurers' share of technical reserves		24	67	69
Investment properties at fair value	6	30,478	28,255	29,366
Properties for own use	6	1,537	1,309	1,375
Accounts receivable and other short-term receivables		654	592	450
Financial assets at fair value:				
- Equities and fund units	6	196,331	173,124	194,020
- Bonds and other fixed-income securities	6	147,980	128,976	128,127
- Derivatives	6	9,177	4,557	4,131
- Loans to customers	6,9	7,788	5,384	6,736
Bank deposits		10,611	8,103	7,475
Total assets customer portfolio		**538,612**	**480,407**	**502,695**
Total assets		**675,629**	**592,162**	**633,170**

Continue next page

Storebrand Group
Statement of financial position (continue)

(NOK million)	Note	30.06.20	30.06.19	31.12.19
Equity and liabilities				
Paid-in capital		12,858	12,855	12,856
Retained earnings		21,312	19,065	20,264
Hybrid capital		226	271	226
Minority interests			49	52
Total equity		**34,396**	**32,242**	**33,398**
Subordinated loan capital	5.6	9,107	7,992	8,925
Capital buffer	10	24,510	21,601	23,825
Insurance liabilities		504,244	456,307	477,171
Pension liabilities		271	310	266
Deferred tax		824	368	768
Financial liabilities:				
- Liabilities to financial institutions	5.6	1,302	152	446
- Deposits from banking customers	6	15,966	15,134	14,404
- Securities issued	5.6	19,701	18,701	18,729
- Derivatives company portfolio		159	102	86
- Derivatives customer portfolio		1,233	806	908
- Other non-current liabilities		1,046	1,083	1,037
Other current liabilities		15,439	12,604	8,274
Minority interests in consolidated mutual funds		47,433	24,760	44,933
Total liabilities		**641,234**	**559,920**	**599,772**
Total equity and liabilities		**675,629**	**592,162**	**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]	Minority 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						711	711	6		717
Total other comprehnsive income elements					266	10	276			276
Total comprehensive income for the period					**266**	**721**	**987**	**6**		**993**
Equity transactions with owners:										
Own shares		3		3		33	33			35
Hybrid capital classified as equity						1	1			1
Paid out interest hybrid capital								-6		-6
Other						26	26		-52	-26
Equity at 30 June 2020	**2,339**	**-2**	**10,521**	**12,858**	**1,176**	**20,136**	**21,312**	**226**		**34,396**

1) 467 813 982 shares with a nominal value of NOK 5.
2) Includes undistributable funds in the risk equalisation fund amounting to NOK 459 million and security reserves amounting NOK 64 million.
3) Perpetual hybrid tier 1 capital classified as 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						940	940	6		945
Total other comprehensive income elements					-195	-27	-222			-222
Total comprehensive income for the period					**-195**	**913**	**718**	**6**	**-1**	**723**
Equity transactions with owners:										
Own shares		-3		-3		-27	-27			-30
Hybrid capital classified as equity						1	1	95		97
Paid out interest hybrid capital								-5		-5
Dividend paid						-1,399	-1,399			-1,399
Other						-10	-10		-7	-16
Equity at 30 June 2019	**2,339**	**-5**	**10,521**	**12,856**	**881**	**18,184**	**19,065**	**271**	**49**	**32,242**

Storebrand Group
Statement of cash flow

(NOK million)	01.01 - 30.06 2020	2019
Cash flow from operational activities		
Net receipts premium - insurance	15,284	13,645
Net payments claims and insurance benefits	-11,021	-10,582
Net receipts/payments - transfers	8,167	-559
Net receipts/payments - insurance liabilities	-49	-6,310
Receipts - interest, commission and fees from customers	1,226	1,536
Payments - interest, commission and fees to customers	-200	-336
Taxes paid	-21	-16
Payments relating to operations	-2,533	-2,216
Net receipts/payments - other operational activities	1,171	7,996
Net cash flow from operations before financial assets and banking customers	*12,023*	*3,158*
Net receipts/payments - loans to customers	-727	1,359
Net receipts/payments - deposits bank customers	1,520	683
Net receipts/payments - securities	-10,124	-983
Net receipts/payments - investment properties	481	42
Net change in bank deposits for insurance customers (bank deposit in customer portfolio)	-2,988	-2,789
Net cash flow from financial assets and banking customers	*-11,838*	*-1,688*
Net cash flow from operational activities	**185**	**1,470**
Cash flow from investment activities		
Payments - purchase of subsidaries	-221	-309
Net receipts/payments - sale/purchase of fixed assets	-53	-64
Net receipts/payments - sale of insurance portfolios	-25	153
Net cash flow from investment activities	**-299**	**-220**
Cash flow from financing activities		
Receipts - new loans	5,300	2,050
Repayments of loans	-4,319	-899
Payments - interest on loans	-253	-187
Receipts - subordinated loan capital	499	125
Payments - repayment of subordinated loan capital	-872	-70
Payments - interest on subordinated loan capital	-318	-276
Net receipts/payments - loans to and claims from other financial institutions	856	150
Receipts - issuing of share capital / sale of shares to own employees	25	-36
Payments - dividends		-1,399
Receipts - hybrid capital		125
Payments - repayment of hybrid capital		-30
Payments - interest on hybrid capital	-6	-5
Net cash flow from financing activities	**913**	**-451**
Net cash flow for the period	**799**	**799**
Cash and cash equivalents at start of the period	3,160	3,951
Currency translation cash/cash equivalents in foreign currency	-77	62
Cash and cash equivalents at the end of the period [1)]	**3,882**	**4,812**
[1)] Consist of:		
Loans to financial institutions	42	1,443
Bank deposits	3,839	3,369
Total	**3,882**	**4,812**

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 Estimates

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 Swedish 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.

(NOK million)	Q2 2020	Q2 2019	01.01 - 30.06 2020	01.01 - 30.06 2019	Full year 2019
Savings	396	224	672	514	1,364
Insurance	124	139	-144	242	439
Guaranteed pension	-8	211	86	460	1,029
Other	296	5	-141	96	205
Group profit before amortisation	**808**	**578**	**474**	**1,311**	**3,037**
Amortisation of intangible assets	-124	-114	-243	-213	-444
Group pre-tax profit	**684**	**464**	**231**	**1,098**	**2,593**

SEGMENT INFORMATION AS OF Q2

	Savings		Insurance		Guaranteed pension	
	Q2		Q2		Q2	
(NOK million)	2020	2019	2020	2019	2020	2019
Fee and administration income	974	911			360	364
Insurance result			255	269		
- Insurance premiums for own account			*1,070*	*965*		
- Claims for own account			*-816*	*-696*		
Operating expense	-600	-672	-175	-159	-214	-209
Operating profit	**374**	**239**	**80**	**111**	**147**	**155**
Financial items and risk result life & pension	22	-16	44	28	-155	56
Group profit before amortisation	**396**	**224**	**124**	**139**	**-8**	**211**
Amortisation of intangible assets [1]						
Group pre-tax profit						

	Other		Storebrand Group	
	Q2		Q2	
(NOK million)	2020	2019	2020	2019
Fee and administration income	-34	-40	1,301	1,235
Insurance result			255	269
- Insurance premiums for own account			*1,070*	*965*
- Claims for own account			*-816*	*-696*
Operating expense	13	9	-975	-1,030
Operating profit	**-21**	**-31**	**580**	**474**
Financial items and risk result life & pension	317	36	228	105
Group profit before amortisation	**296**	**5**	**808**	**578**
Amortisation of intangible assets [1]			-124	-114
Group pre-tax profit			**684**	**464**

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

SEGMENT INFORMATION AS OF 01.01 - 30.06

(NOK million)	Savings 01.01 - 30.06 2020	Savings 01.01 - 30.06 2019	Insurance 01.01 - 30.06 2020	Insurance 01.01 - 30.06 2019	Guaranteed pension 01.01 - 30.06 2020	Guaranteed pension 01.01 - 30.06 2019
Fee and administration income	2,017	1,807			710	724
Insurance result			184	514		
- Insurance premiums for own account			*2,090*	*1,913*		
- Claims for own account			*-1,906*	*-1,399*		
Operating expense	-1,269	-1,287	-350	-309	-416	-395
Operating profit	**748**	**521**	**-166**	**205**	**294**	**329**
Financial items and risk result life & pension	-76	-7	22	36	-208	131
Group profit before amortisation	**672**	**514**	**-144**	**242**	**86**	**460**
Amortisation of intangible assets [1)]						
Group pre-tax profit						

(NOK million)	Other 01.01 - 30.06 2020	Other 01.01 - 30.06 2019	Storebrand Group 01.01 - 30.06 2020	Storebrand Group 01.01 - 30.06 2019
Fee and administration income	-78	-81	2,649	2,450
Insurance result			184	514
- Insurance premiums for own account			*2,090*	*1,913*
- Claims for own account			*-1,906*	*-1,399*
Operating expense	35	31	-1,999	-1,960
Operating profit	**-42**	**-50**	**834**	**1,005**
Financial items and risk result life & pension	-98	146	-360	307
Group profit before amortisation	**-141**	**96**	**474**	**1,311**
Amortisation of intangible assets [1)]			-243	-213
Group pre-tax profit			**231**	**1,098**

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

KEY FIGURES BY BUSINESS AREA

(NOK million)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Group								
Earnings per ordinary share [1]	1.52	0.56	4.43	2.99	2.01	1.05	7.89	3.92
Equity	34,396	34,090	33,398	32,680	32,242	33,177	32,873	30,742
Savings								
Premium income Unit Linked [2]	5,121	5,046	4,551	4,205	4,175	4,237	4,086	4,096
Unit Linked reserves	234,644	210,061	219,793	206,717	198,032	190,980	179,299	187,016
AuM asset management	880,177	828,749	831,204	786,326	751,926	728,712	707,102	707,102
Retail lending	47,208	47,681	48,161	46,722	46,201	46,476	46,526	45,669
Insurance								
Total written premiums	5,201	5,037	4,698	4,583	4,507	4,442	4,455	4,408
Claims ratio [2]	76%	107%	78%	73%	72%	74%	72%	67%
Cost ratio [2]	16%	17%	17%	17%	16%	16%	17%	14%
Combined ratio [2]	92%	124%	96%	89%	89%	90%	89%	81%
Guaranteed pension								
Guaranteed reserves	274,343	272,051	263,185	263,677	261,973	260,560	260,572	257,570
Guaranteed reseves in % of total reserves	53.9%	56.4%	54.5%	56.1%	57.0%	57.7%	59.2%	57.9%
Net transfer out of guaranteed reserves [2]	-634	-93	16	14	-1	75	10	24
Capital buffer in % of customer reserves Storebrand Life Group [3]	9.5%	8.3%	8.6%	8.3%	7.9%	7.4%	6.4%	6.6%
Capital buffer in % of customer reserves SPP [4]	9.3%	7.3%	10.7%	9.8%	9.9%	9.4%	8.7%	9.5%
Solidity								
Solvency II [5]	163%	172%	176%	177%	167%	173%	173%	169%
Solidity capital (Storebrand Life Group) [6]	67,279	62,713	62,442	62,127	59,921	58,606	58,978	57,702
Capital adequacy Storebrand Bank	18.6%	18.7%	19.6%	18.4%	18.4%	19.2%	18.9%	18.4%
Core Capital adequacy Stobrand Bank	16.6%	16.7%	17.5%	16.2%	16.3%	16.6%	16.6%	16.1%

[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.

The first half of 2020 has been strongly affected by the development linked to the COVID-19 virus spread. From the last part of February and throughout March, the contagion, 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 second quarter, 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 lead to negative effects on the half-year 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 second quarter, recovering most of the losses from the first quarter. Global equities increased 19 percent and Norwegian equities increased 12 percent in the second quarter. For the first half year, global equities ended down 5 percent while Norwegian equities fell 15 percent. The market for corporate bonds was also strong in the second quarter, recovering more than half the increase in credit spreads from the first quarter. Increased credit spreads contributed to a negative return in the first half, but higher spreads are positive for expected return going forward.

Norges Bank reduced the interest rate further in the second quarter to zero, from 1.75 percent at the start of the year. Short term interest rates are down by approx. 1.5 pp from the start of the year. Long term interest rates have also declined during the first half of 2020. The Norwegian 10-year swap-rate fell by 1.2 pp. The Swedish 10-year swap-rate fell by 0.4 pp. 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 second quarter, but not enough to make up for the significant weakening in the first quarter. From the start of the year, the Norwegian Krone has weakened approx. 10 percent against both the US dollar, the Euro and 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 second quarter there has been a reweighting of the equity position in line with increasing equity markets.

Despite weak equity and credit markets, the return for the guaranteed customer portfolios in Norway on average was positive in the first half. Unrealised gains for equities fell, but this was more than countered by an increase in unrealised gains for interest rate swaps. The return for guaranteed customer portfolios in Sweden was positive in the first half, but lower than the change in value of the liabilities. This led to a decrease in conditional bonuses and an increase in deferred capital contribution.

The return in the unit linked portfolios was positive in the second quarter, but negative in the first half, mainly due to the weak equity markets. This will lead to lower income for Storebrand going forward, dependant on whether and when the market recovers further.

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 30 June 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 30 June 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	4,072	1.9 %	-287	-0.3 %
Equtiy risk	-3,024	-1.4 %	-1,863	-2.1 %
Property risk	-2,510	-1.2 %	-1,205	-1.4 %
Credit risk	-1,412	-0.7 %	-925	-1.1 %
Total	**-2,875**	**-1.3 %**	**-4,280**	**-4.9 %**

STRESSTEST 2

Sensitivity	Storebrand Livsforsikring NOK Million	Share of portfolio	SPP Pension & Försäkring NOK Million	Share of portfolio
Interest rate risk	-4,072	-1.9 %	287	0.3 %
Equtiy risk	-1,815	-0.9 %	-1,118	-1.3 %
Property risk	-1,464	-0.7 %	-703	-0.8 %
Credit risk	-860	-0.4 %	-555	-0.6 %
Total	**-8,210**	**-3.8 %**	**-2,089**	**-2.4 %**

Storebrand Livsforsikring
Stress test 2, which includes an increase in interest rates, makes the greatest impact for Storebrand Livsforsikring. The overall market risk is NOK 8.2 billion (NOK 7.2 billion as at 31 December 2019), which is equivalent to 3.8 (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 4.3 billion (SEK 3.5 billion as at 31 December 2019), which is equivalent to 4.9 (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 the first quarter 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 second quarter, without any observed significant effects from COVID-19 on the reserves. The development of the insurance reserves is dependent on future scenarios and 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.

Note 05

Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL[1)]

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Perpetual subordinated loan capital[2)]					
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Dated subordinated loan capital					
Storebrand Livsforsikring AS	750	SEK	Variable	2021	784
Storebrand Livsforsikring AS	1,000	SEK	Variable	2022	1,037
Storebrand Livsforsikring AS	900	SEK	Variable	2025	930
Storebrand Livsforsikring AS	1,000	SEK	Variable	2024	1,037
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,444
Storebrand Bank ASA	150	NOK	Variable	2022	150
Storebrand Bank ASA	125	NOK	Variable	2025	125
Total subordinated loans and hybrid tier 1 capital 30.06.20					**9,107**
Total subordinated loans and hybrid tier 1 capital 30.06.19					7,992
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

SPECIFICATION OF LIABILITIES TO FINANCIAL INSTITUTIONS

	Book value		
(NOK million)	30.06.20	30.06.19	31.12.19
Call date			
2019		152	
2020	1,302		446
Total liabilities to financial institutions	**1,302**	**152**	**446**

SPECIFICATION OF SECURITIES ISSUED

	Book value		
(NOK million)	30.06.20	30.06.19	31.12.19
Call date			
2019		2,059	
2020	813	4,149	3,769
2021	4,062	4,914	4,916
2022	5,513	5,071	6,023
2023	4,316	2,508	4,021
2024	4,996		
Total securities issued	**19,701**	**18,701**	**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 minimising the uncertainty of valuations.

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

(NOK million)	Fair value 30.06.20	Book value 30.06.20	Fair value 31.12.19	Book value 31.12.19
Financial assets				
Loans to and due from financial institutions	42	42	41	41
Loans to customers - corporate	6,222	6,232	6,180	6,206
Loans to customers - retail	47,259	47,259	47,327	47,327
Bonds held to maturity	14,876	13,394	14,433	13,377
Bonds classified as loans and receivables	110,245	102,307	101,728	98,046
Total financial assets 30.06.20	**178,644**	**169,234**		
Total financial assets 31.12.19			169,709	164,997
Financial liabilities				
Debt raised by issuance of securities	19,783	19,701	18,728	18,729
Liabilities to financial institutions	1,302	1,302	446	446
Deposits from banking customers	15,966	15,966	14,404	14,404
Subordinatd loan capital	9,161	9,107	9,010	8,925
Total financial liabilities 30.06.20	**46,212**	**46,076**		
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	30.06.20	31.12.19
Assets:					
Equities and fund units					
- Equities	22,659	153	551	23,362	28,765
- Fund units	141	163,909	9,211	173,261	165,578
Total equities and fund units 30.06.20	**22,800**	**164,062**	**9,762**	**196,624**	
Total equities and fund units 31.12.19	28,205	156,591	9,548		194,343
Loans to customers					
- Loans to customers - corporate			7,788	7,788	6,736
- Loans to customers - retail			816	816	389
Loans to customers 30.06.20			**8,604**	**8,604**	
Loans to customers 31.12.19			7,125		7,125
Bonds and other fixed-income securities					
- Government bonds	16,936	20,265		37,202	32,256
- Corporate bonds		62,556	12	62,568	60,055
- Collateralised securities		5,922		5,922	3,648
- Bond funds	69	61,116	7,898	69,083	60,680
Total bonds and other fixed-income securities 30.06.20	**17,006**	**149,859**	**7,910**	**174,774**	
Total bonds and other fixed-income securities 31.12.19	10,818	140,316	5,505		156,639
Derivatives:					
- Equity derivatives					1
- Interest derivatives		8,487	-136	8,350	2,537
- Currency derivatives		820		820	1,781
Total derivatives 30.06.20		**9,307**	-136	**9,171**	
- of which derivatives with a positive market value		10,572		10,572	5,314
- of which derivatives with a negative market value		-1,265	-136	-1,401	-995
Total derivatives 31.12.19		4,319			4,319
Properties:					
Investment properties			30,527	30,527	29,415
Properties for own use			1,537	1,537	1,375
Total properties 30.06.20			**32,064**	**32,064**	
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**	**7,125**	**15**	**5,490**	**29,415**	**1,375**
Net gains/losses on financial instruments	39	152	-162		-80	-42	16
Additions		468	1,590		2,128	665	41
Sales	-20	-650	-609	-4	-127		-1
Currency translation differences		225	659	1	487	1,012	105
Other						-523	1
Book value 30.06.20	**551**	**9,211**	**8,604**	**12**	**7,898**	**30,527**	**1,537**

As at 30.06.20, Storebrand Livsforisikring had NOK 5.913 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26, 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 primarily investments in forests that are classified under equity at level 3. 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 30.06.20	-19	18
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 0.46.

	Change MSCI World	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 30.06.20	423	423
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 30.06.20	1	-1
Change in fair value per 31.12.19	1	-1

Loan to customers

The value of fixed-rate loans is determined by discounting the agreed cash flows over the remaining maturity by the current discount rate adjusted for market spread. The discount rate that is used is based on a swap interest rate (mid swap) with a maturity that corresponds to the remaining lock-in period for the underlying loans. The market spread that is used on the date of the balance sheet is determined by assessing the market conditions, market price and the associated swap interest rate.

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 30.06.20	-33	33
Change in fair value per 31.12.19	-29	29

Corporate bonds

Corporate bonds at level 3 are typical non-performing loans and convertible bonds.
They are not priced by a discount rate as bonds normally are, and therefore these investments are included in the same sensitivity test as private equity.

	Change MSCI World	
Million NOK	Increase + 10%	Decrease - 10%
Change in fair value per 30.06.20	0	0
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 when everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 5.5 per cent.

	Change in required rate of return	
Million NOK	0.25%	-0.25%
Change in fair value per 30.06.20	-1,711	1,914
Change in fair value per 31.12.19	-1,560	1,699

Note 07 Operating expenses

	Q2		01.01 - 30.06		Full year
(NOK million)	2020	2019	2020	2019	2019
Personnel expenses	-549	-611	-1,117	-1,147	-2,281
Amortisation/write-downs	-57	-61	-114	-116	-231
Other operating expenses	-565	-567	-1,172	-1,082	-2,316
Total operating expenses	**-1,170**	**-1,239**	**-2,403**	**-2,345**	**-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. 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 increased against SEK during the second quarter and the tax effect was reduced to a tax income of NOK 202 million for the first half of 2020.

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 6.3 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)	30.06.20	30.06.19	21.12.19
Corporate market [1]	14,021	11,530	12,943
Retail market	48,156	46,251	47,768
Gross loans	**62,177**	**57,781**	**60,712**
Write-down of loans losses	-83	-52	-53
Net loans [2]	**62,094**	**57,729**	**60,658**
[1] Of which Storebrand Bank	13	24	13
[2] Of which Storebrand Bank	30,892	28,298	30,187
Of which Storebrand Livsforsikring	31,202	29,431	30,472

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	30.06.20	30.06.19	21.12.19
Non-performing and loss-exposed loans without identified impairment	76	70	73
Non-performing and loss-exposed loans with identified impairment	48	58	52
Gross non-performing loans	**125**	**127**	**125**
Individual write-downs	-20	-20	-20
Net non-performing loans [1]	**105**	**108**	**105**

[1] The figures apply in their entirety Storebrand Bank

Note 10 Capital buffer

(NOK million)	30.06.20	30.06.19	21.12.19
Additional statutory reserves	8,653	8,218	9,023
Market adjustment reserves	7,403	5,140	5,500
Conditional bonuses	8,453	8,243	9,302
Total	**24,510**	**21,601**	**23,825**

Note 11 Contingent liabilities

(NOK million)	30.06.20	30.06.19	21.12.19
Guarantees	1	2	1
Unused credit facilities	3,079	3,394	3,072
Uncalled residual liabilities re limited partnership	6,753	7,647	7,297
Loan commitment retail market	2,513	2,469	1,466
Total contingent liabilities	**12,347**	**13,512**	**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	30.06.20					31.12.19
	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	2,339	2,339				2,339
Share premium	10,521	10,521				10,521
Reconciliation reserve	29,166	29,166				27,169
Including the effect of the transitional arrangement	*10,794*	*10,794*				
Subordinated loans	8,819		1,133	7,686		7,651
Deferred tax assets	54				54	268
Risk equalisation reserve	459			459		466
Minority interests						57
Unavailable minority interests						-41
Deductions for CRD IV subsidiaries	-3,005	-3,005				-2,970
Expected dividend 2020	-700	-700				-1,517
Total basic solvency capital	**47,653**	**38,321**	**1,133**	**8,144**	**54**	**43,943**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,005					2,970
Total solvency capital	**50,658**					**46,913**
Total solvency capital available to cover the minimum capital requirement	**41,693**	**38,321**	**1,133**	**2,238**		**38,614**

SOLVENCY CAPITAL REQUIREMENTS AND - MARGIN

NOK million	30.06.20	31.12.19
Market	27,605	22,040
Counterparty	1,471	779
Life	11,275	10,702
Health	843	761
P&C	324	307
Operational	1,622	1,493
Diversification	-8,377	-7,207
Loss-absorbing tax effect	-6,189	-4,847
Total solvency capital requirement - insurance company	**28,574**	**24,028**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,542	2,683
Total solvency capital requirement	**31,116**	**26,711**
Solvency margin with transitional rules	**163%**	**176%**
Minimum capital requirement	**11,191**	**9,788**
Minimum margin	**373%**	**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	30.06.20	31.12.19
Capital requirements for CRD IV companies	2,730	2,937
Solvency captial requirements for insurance	28,574	24,028
Total capital requirements	**31,304**	**26,966**
Net primary capital for companies included in the CRD IV report	3,005	2,970
Net primary capital for insurance	47,653	43,943
Total net primary capital	**50,658**	**46,913**
Overfunding	**19,354**	**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 30 June 2020, the difference amounted to NOK 188 million.

.

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 23 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 2nd quarter 2020.

Storebrand ASA
Income statement

(NOK million)	Q2 2020	Q2 2019	01.01. - 30.06 2020	01.01. - 30.06 2019	Full year 2019
Operating income					
Income from investments in subsidiaries	8	65	8	65	3,230
Net income and gains from financial instruments:					
- equities and other units	9	-1	4	-2	2
- bonds and other fixed-income securities	54	10	45	19	50
- financial derivatives/other financial instruments	-1	-2		-3	-6
Other financial instruments		1		1	1
Operating income	**71**	**73**	**57**	**80**	**3,278**
Interest expenses	-8	-13	-20	-26	-51
Other financial expenses	-15	-10	-31	-12	
Operating expenses					
Personnel expenses	-9	-13	-20	-22	-40
Other operating expenses	-20	-21	-34	-34	-62
Total operating expenses	**-29**	**-34**	**-54**	**-56**	**-102**
Total expenses	**-52**	**-58**	**-105**	**-95**	**-153**
Pre-tax profit	**18**	**15**	**-48**	**-15**	**3,125**
Tax	-4	13	7	20	-173
Profit for the period	**14**	**28**	**-41**	**5**	**2,952**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

(NOK million)	Q2 2020	Q2 2019	01.01. - 30.06 2020	01.01. - 30.06 2019	Full year 2019
Profit for the period	**14**	**28**	**-41**	**5**	**2,952**
Other total comprehensive income elements not to be classified to profit/loss					
Change in estimate deviation pension					-8
Tax on other comprehensive elements					2
Total other comprehensive income elements					-6
Total comprehensive income	**14**	**28**	**-41**	**5**	**2,946**

Storebrand ASA
Statement of financial position

(NOK million)	30.06.20	30.06.19	31.12.19
Fixed assets			
Deferred tax assets	50	64	41
Tangible fixed assets	27	26	27
Shares in subsidiaries and associated companies	20,123	19,286	20,042
Total fixed assets	**20,200**	**19,376**	**20,110**
Current assets			
Owed within group	1,518		3,166
Other current receivables	17	32	16
Investments in trading portfolio:			
- equities and other units	48	20	44
- bonds and other fixed-income securities	3,381	3,827	3,260
- financial derivatives/other financial instruments	11	13	3
Bank deposits	60	57	34
Total current assets	**5,035**	**3,949**	**6,523**
Total assets	**25,235**	**23,325**	**26,633**
Equity and liabilities			
Share capital	2,339	2,339	2,339
Own shares	-2	-5	-5
Share premium reserve	10,521	10,521	10,521
Total paid in equity	**12,858**	**12,855**	**12,856**
Other equity	11,293	8,370	9,794
Total equity	**24,151**	**21,226**	**22,650**
Non-current liabilities			
Pension liabilities	154	161	154
Securities issued	813	1,818	1,309
Total non-current liabilities	**967**	**1,979**	**1,463**
Current liabilities			
Debt within group	3	8	900
Provision for dividend			1,517
Other current liabilities	114	113	103
Total current liabilities	**117**	**120**	**2,520**
Total equity and liabilities	**25,235**	**23,325**	**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**
					0
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				-41	-41
Total other result elements					
Total comprehensive income				**-41**	**-41**
Reversed dividend				1,517	1,517
Own share sold [2]		3		33	35
Employee share [2]				-10	-10
Equity at 30. June 2020	**2,339**	**-2**	**10,521**	**11,293**	**24,151**

[1] 467 813 982 shares with a nominal value of NOK 5.
[2] In 2020, 519 397 shares were sold to our own employees.
Holding of own shares 30. June 2020 was 423 793.

Equity at 31. December 2018	**2,339**	**-2**	**10,521**	8,395	21,253
Profit for the period				5	5
Total other result elements					
Total comprehensive income				**5**	**5**
Provision for dividend				3	3
Own share bought back		-5		-63	-68
Own share sold		2		35	38
Employee share				-5	-5
Equity at 30. June 2019	**2,339**	**-5**	**10,521**	**8,370**	**21,226**

Storebrand ASA
Statement of cash flow

	01.01 - 30.06	
(NOK million)	2020	2019
Cash flow from operational activities		
Net receipts/payments - securities at fair value	-76	-1,987
Payments relating to operations	-57	-80
Net receipts/payments - other operational activities	1,648	4,154
Net cash flow from operational activities	**1,515**	**2,087**
Cash flow from investment activities		
Payments - purchase/capitalisation of subsidiaries	-995	-605
Net cash flow from investment activities	**-995**	**-605**
Cash flow from financing activities		
Payments - repayments of loans	-500	
Payments - interest on loans	-20	-26
Receipts - sold own shares to employees	25	
Payments - dividends		-1,399
Net cash flow from financing activities	**-494**	**-1,425**
Net cash flow for the period	**25**	**58**
Net movement in cash and cash equivalents	25	58
Cash and cash equivalents at start of the period	34	34
Cash and cash equivalents at the end of the period	**60**	**92**

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 Bond and bank loans

(NOK million)	Interest rate	Currency	Net nominal value	30.06.20	30.06.19	31.12.19
Bond loan 2013/2020 [1]	Fixed	NOK	300	313	315	305
Bond loan 2014/2019	Variable	NOK	500		501	
Bond loan 2017/2020	Variable	NOK	500	501	502	502
Bond loan 2017/2022	Variable	NOK	500		501	501
Total [2]				**813**	**1,818**	**1,309**

[1] Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.
[2] 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.

Storebrand ASA
– Declaration by the members of the Board and the CEO

The Board of Directors and the Chief Executive Officer have today considered and approved the Interim report and Interim financial statements for Storebrand ASA and the Storebrand Group for the first six months of 2020 (Report for the first six months, 2020).

The Interim report has been prepared in accordance with the requirements of IAS, 34 Interim Financial Reporting as adopted by the EU and additional Norwegian requirements pursuant to the Norwegian Securities Trading Act.

In the best judgement of the Board and the CEO, the financial statements for the first six months of 2019 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the parent company's and Group's assets, liabilities, financial standing and results as a whole as at 30 June 2019. In the best judgement of the Board and the CEO, the six-month report provides a fair and true overview of important events during the accounting period and their effects on the financial statements for the first six months for Storebrand ASA and the Storebrand Group. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the Group faces in the remaining six months, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, 14 July 2020
Board of Directors of Storebrand ASA

Didrik Munch
Chairman of the Board

Laila S. Dahlen	Karin Bing Orgland	Marianne Bergmann Røren
Karl Sandlund	Martin Skancke	Fredrik Åtting
Magnus Gard	Hans-Petter Salvesen	Bodil Cathrine Valvik

Odd Arild Grefstad
Chief Executive Officer

To the Board of Directors of Storebrand ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Storebrand ASA as of 30 June 2020, the income statement, the statement of total comprehensive income, the statement of changes in equity and the statement of cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 June 2020, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 14 July 2020
PricewaterhouseCoopers AS

Magne Sem

Magne Sem
State Authorised Public Accountant

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

MAIN OFFICE:

Storebrand ASA
Professor Kohts vei 9
Postboks 500
1327 Lysaker, Norway
Phone: 22 31 50 50
www.storebrand.no

Customer service:
915 08 880

OTHER GROUP COMPANIES:

SPP Livförsäkring AB
Vasagatan 10
S-105 39 Stockholm, Sweden
Phone: +46 8 451 70 00
www.spp.se

Storebrand Livsforsikring AS
- filial Sverige
Vasagatan 10
S-105 39 Stockholm, Sweden
Phone: +46 8 700 22 00
www.storebrand.se

Storebrand Kapitalforvaltning AS -
filial Sverige
Vasagatan 10
S-105 39 Stockholm, Sweden
Phone: +46 8 614 24 00
www.storebrand.se

Storebrand Helseforsikring AS
Professor Kohts vei 9
Postboks 464
1327 Lysaker, Sweden
Phone: 22 31 13 30
www.storebrandhelse.no

DKV Hälsa
Vasagatan 10
S-105 39 Stockholm, Sweden
Phone: +46 8 619 62 00
www.dkvhalsa.se

Financial calendar

15 July 2020:	Results Q2 2020
21 October 2020:	Results Q3 2020
10 December 2020:	Capital Markets Day 2020
10 February 2021:	Results Q4 2020

Investor Relations contacts

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

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

www.storebrand.com/ir

storebrand