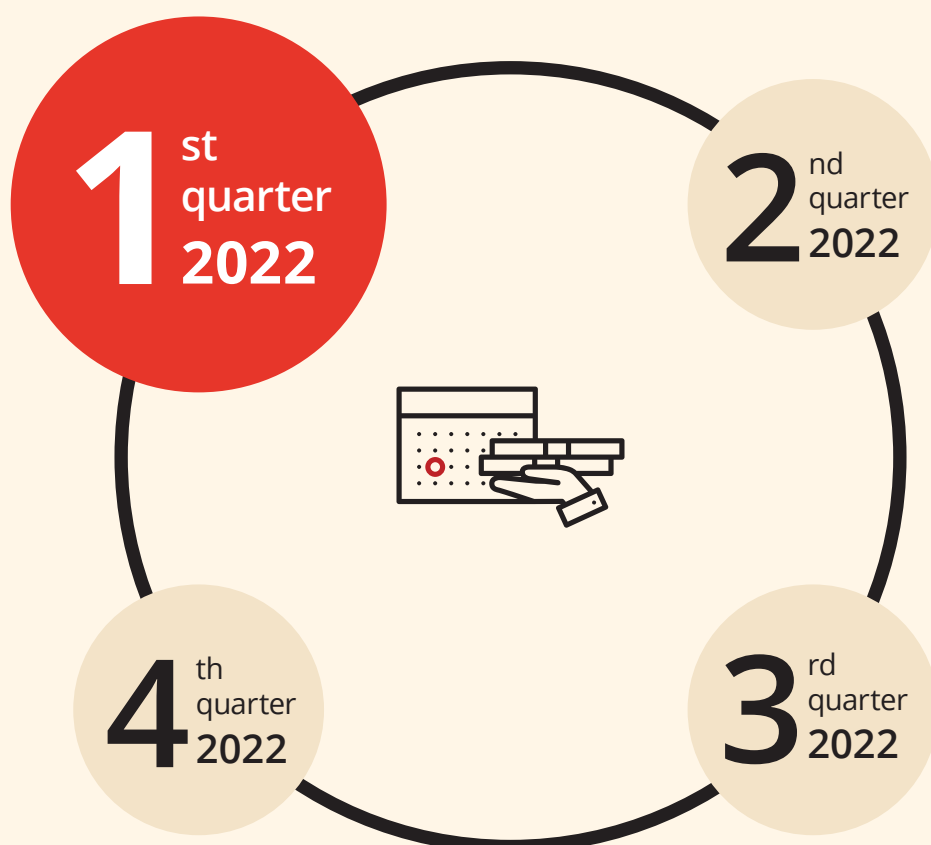


Interim report 2022

Storebrand Livsforsikring AS (unaudited)



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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

Interim report Storebrand Livsforsikring Group

First quarter 2022

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 1st quarter result please refer to the Storebrand Group's interim report for the 1st quarter of 2022. Storebrand Group'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.

The figures in brackets are from the corresponding period last year.

Profit Storebrand Livsforsikring Group

(NOK million)	2022		2021			1.1 - 31.03		Full year
	Q1	Q4	Q3	Q2	Q1	2022	2021	2021
Fee and administration income	898	936	959	938	959	898	959	3,792
Insurance result	184	158	148	168	125	184	125	599
Operational expenses	-617	-724	-602	-614	-584	-617	-584	-2,523
Operating profit	464	371	505	492	500	464	500	1,868
Financial items and risk result life & pension	-5	361	141	543	178	-5	178	1,223
Profit before amortisation	459	731	646	1,035	678	459	678	3,091
Amortisation	-87	-90	-92	-91	-92	-87	-92	-366
Profit before tax	372	641	554	944	586	372	586	2,725
Tax	425	-157	-118	-23	-265	425	-265	-563
Profit after tax	797	484	436	921	320	797	320	2,162

The profit before amortisation was NOK 459m (NOK 678m) in the 1st quarter. The quarterly result is negatively affected by increased financial market volatility following Russia's invasion of Ukraine. Storebrand does not have any operations in the affected countries, and financial exposure has been limited to a few investments, particularly in customer funds with an emerging market focus. The underlying growth within Savings and Insurance has continued in the quarter, but sharply rising interest rates and falling global equity markets have resulted in weak market returns and decrease of insurance reserves in the quarter. Strong buffer capital levels have shielded customer returns and the Group's results. The buffer capital remains intact at more than 11% of guaranteed customer reserves in the Group.

Total fee and administration income amounted to NOK 898m (NOK 959m) in the quarter, corresponding to an decrease of 6% for the 1st quarter compared to last year. Income growth is dampened by weak financial markets in the quarter and an appreciation of the Norwegian Krone. Adjusted for currency effects, the fee and administration income decreased 3%. The growth in Public Occupational Pensions contribute to the income growth, while lower fee margins in Unit Linked, mainly as a consequence of Individual Pensions Accounts having been introduced last year, led to income decline in the products as anticipated.

The Insurance result was NOK 184m (NOK 125m) in the 1st quarter. The total combined ratio for the Insurance segment was 90% (97%) in the 1st quarter – in line with the target range of 90-92%.

The operating costs for the quarter was NOK -617m (NOK -584m). Storebrand continues its focus on strong cost discipline as has been demonstrated over the past 9 years.

Overall, the operating profit ended at NOK 464m (NOK 500m) in the quarter.

The 'financial items and risk result' amounted to NOK -5m (NOK 178m) in the 1st quarter. Rising interest rates and wider credit spreads have resulted in lower mark-to-market valuations of fixed income investments. As a consequence, there has been an increase in deferred capital contributions (DCC) in SPP leading to negative profit sharing results in Sweden, while profit sharing in the Norwegian guaranteed business has been absent in the quarter. Looking ahead, running yield in the portfolios have increased accordingly.

Storebrand Livsforsikring Group booked a tax income of NOK 425m (expence NOK 265m) in the quarter. New information in a decision received from The Norwegian Tax Administration on the uncertain tax position for the income year 2018 has resulted in a tax income of NOK 568m being booked in the 1st quarter. Adjusted for this

effect, the effective tax rate was 38%. The high effective tax rate in the quarter is a consequence of taxable unrealised gains on currency hedges related to the Swedish business and corresponding non-deductible unrealised losses on the shares in the subsidiaries, as the Swedish krona depreciated 4% against the Norwegian krone. The

estimated normal tax rate is 21-23%, depending on each legal entity's contribution to the lifeinsurance group result. Different tax rates in different countries of operations and currency fluctuations impact the quarterly tax rate. The lifeinsurance group has uncertain tax positions. Tax related issues are described in note 8.

Profit Storebrand Livsforsikring Group - by business area

(NOK million)	2022		2021			1.1 - 31.03		Full year 2021
	Q1	Q4	Q3	Q2	Q1	2022	2021	
Savings	211	197	250	250	304	211	304	1,001
Insurance	81	55	64	86	56	81	56	261
Guaranteed pensions	232	485	315	310	322	232	322	1,432
Other	-64	-6	17	390	-4	-64	-4	397
Profit before amortisation	459	731	646	1,035	678	459	678	3,091

The Group reports the results by business segment. For a more detailed description of the results, see the sections by segment below. Savings reported a profit before amortisation of NOK 211m (NOK 304m) in the quarter. Profit before amortisation in Insurance increased to NOK 81m (NOK 56m) in the 1st quarter due to improvements in claims. In Guaranteed pensions, it decreased to NOK 232m (NOK 322m) in the 1st quarter due to weak profit sharing. In the Other segment, profit before amortisation also fell to NOK -64m (NOK -4m) in the 1st quarter due to weaker financial returns on company portfolios.

Capital situation

The solvency ratio for Storebrand Group was 184% at the end of the 1st quarter, an increase of 9 percentage points from the previous quarter and 4 percentage points above the targeted range of 150-180%. Turbulent financial markets, with falling equity markets and wider credit spreads, detracted 7 percentage points from the solvency ratio while rising interest rates added 3 percentage points. Countercyclical regulatory factors, including an increase in the volatility adjustment (VA) and a lower symmetric equity stress, added 7 percentage points. Changes made in the investment portfolios improve the solvency ratio by 5 percentage points and the group profit after tax, net of dividends set aside for 2022, contributed an additional 3 percentage points to the solvency ratio.

Savings

- Continued underlying growth and cost control, but growth dampened by financial market turbulence in the 1st quarter
- Total unit linked reserves amounting to NOK 291bn, up 4% y/y

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

Savings

(NOK million)	2022		2021			1.1 - 31.03		Full year
	Q1	Q4	Q3	Q2	Q1	2022	2021	2021
Fee and administration income	507	519	536	530	576	507	576	2,161
Operational expenses	-294	-329	-283	-283	-282	-294	-282	-1,177
Operating profit	213	190	253	247	294	213	294	984
Financial items and risk result life & pension	-2	6	-3	3	10	-2	10	17
Profit before amortisation	211	197	250	250	304	211	304	1,001

Profit

The Savings segment reported a profit before amortisation of NOK 211m (NOK 304m) in the 1st quarter.

The fee- and administration income in the Savings segment amounted to NOK 507m (NOK 576m) in the 1st quarter, a decrease of 12% compared to the same quarter last year. The income in the 1st quarter last year included non-recurring transaction fees amounting to SEK 37m. Adjusted for this gain and negative currency effects, the income within Savings was decreased/increased by 9% compared to the same quarter last year. Income growth is dampened in the quarter because negative returns from turbulent financial markets decrease assets under management.

The fee- and administration income within Norwegian Unit Linked decreased by 5% compared to the same quarter last year, but includes a positive reallocation of fees from Asset Management of NOK 17m in the quarter. Adjusted for this effect, the income decreased by 11% as a consequence of Individual Pension Accounts (IPA) having been introduced in 2021, reducing the fees for Defined Contribution pensions. Storebrand has estimated the total negative result impact of the introduction of IPAs to be around NOK -100m in 2022. The resulting fee margin was 0.64% in the quarter, adjusted for the positive reallocation of NOK 17m. The income within Swedish Unit Linked decreased 1% adjusted for the previous year's gain and currency effect mentioned above.

Operational cost amounted to NOK -294m (NOK -282m) in the 1st quarter. Cost control still remains strong, and the increase is attributed to growth initiatives in the business and digital investments.

The financial result was NOK -2m (NOK 10m) in the quarter.

Key Figures

(NOK million)	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Unit Linked Reserves	291,036	308,351	295,790	295,195	278,702
Unit Linked Premiums	5,288	5,350	5,201	5,316	5,346

Insurance

- Stable result development, combined ratio of 94% for the quarter
- 9% growth in portfolio premiums y/y for Individual life
- Measures have been taken to improve profitability further
- 19% overall growth in portfolio premiums y/y, 24% growth in 'P&C & Individual life'
- Stable and normalised claims ratio of 74% for the quarter
- Strong growth increases operational cost

The Insurance segment provides personal risk products in the Norwegian and Swedish retail market and employee insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance

(NOK million)	2022		2021			1.1 - 31.03		Full year
	Q1	Q4	Q3	Q2	Q1	2022	2021	2021
Insurance result	184	158	148	168	125	184	125	599
- Insurance premiums f.o.a.	770	759	745	742	742	770	742	2,988
- Claims f.o.a.	-586	-601	-598	-574	-617	-586	-617	-2,389
Operational expenses	-108	-115	-94	-96	-99	-108	-99	-404
Operating profit	76	43	54	72	26	76	26	195
Financial items and risk result life & pension	5	12	10	14	30	5	30	65
Profit before amortisation	81	55	64	86	56	81	56	261

Profit

Insurance delivered a profit before amortisation of NOK 81m (NOK 56m) in the 1st quarter, representing a combined ratio of 90% (97%). The result is in line with the target combined ratio of 90-92%, with overall normalised claims levels. While there are signs of improving labour market conditions in the economy after the removal of infection controls, the development in disability levels remains uncertain.

For Individual life, the profit before amortisation was NOK 35m (NOK 65m) in 1st quarter, which represents a stable result in the quarter but affected by some increase in disability claims. Group life¹ reported a profit before amortisation of NOK 1m (NOK 8m) in the 1st quarter. Measures, including pricing, have been taken to improve the robustness and profitability in the Group Life product. The claims ratio in the 1st quarter was 90% (91%) for Group Life.

The result for 'Pension related disability insurance Nordic' was NOK 44m (NOK -17m) in the 1st quarter. The Norwegian business experienced increases in disability claims, partly due to effects of Covid-19 restrictions on the labour market during the past two years. In the Swedish business, the result in the 1st quarter was strong due to low claims. Altogether the claims ratio in the 1st quarter for this segment improved to 75% (92%) and the combined ratio to 87% (105%).

Cost control has continued to be satisfactory. The cost ratio was 14% (13%) in the 1st quarter. Operational cost amounted to NOK -108m (NOK -99m) in the quarter.

Insurance's investment portfolio in Norway amounted to NOK 7.4bn¹⁾ as of the end of the 1st quarter. It is primarily invested in fixed income securities with short to medium duration and achieved a financial return of 0.5% in the quarter.

Balance sheet and market trends

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

Annual portfolio premiums as of 1st quarter was 12% higher compared to the same period last year. The Individual Life product line grew 8%, while Group Life had 11% increase. Pension related disability insurance grew by 14% in the 1st quarter compared to the same period last year. Premium growth is driven by price adjustments, basic amount increase (salary inflation) and customer base development.

1) NOK 2.7bn 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.

Portfolio Premium (annual)

(NOK million)	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Individual life *	807	784	754	753	747
Group life **	919	828	824	814	827
Pension related disability insurance ***	1,474	1,369	1,351	1,346	1,293
Portfolio premium	3,200	2,981	2,929	2,913	2,867

* Individual life disability insurance ** Group disability, workers compensation insurance *** DC disability risk premium Norway and disability risk Sweden

Key Figures

(NOK million)	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Claims ratio	76 %	79 %	80 %	77 %	83 %
Cost ratio	14 %	15 %	13 %	13 %	13 %
Combined ratio	90 %	94 %	93 %	90 %	97 %

Guaranteed pension

- Stable operating profit and strong risk result
- Growth in public sector occupational pensions
- Negative profit sharing due to turbulent financial markets and increased deferred capital contributions
- Reduced, but solid buffer capital levels

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

Guaranteed pension

(NOK million)	2022		2021			1.1 - 31.03		Full year 2021
	Q1	Q4	Q3	Q2	Q1	2022	2021	
Fee and administration income	391	418	423	407	383	391	383	1,631
Operational expenses	-202	-248	-217	-227	-197	-202	-197	-890
Operating profit	189	169	206	180	186	189	186	741
Risk result life & pension	82	63	70	21	32	82	32	187
Net profit sharing	-39	253	38	108	104	-39	104	504
Profit before amortisation	232	485	315	310	322	232	322	1,432

Profit

Guaranteed pension achieved a profit before amortisation of NOK 232m (NOK 322m) in the 1st quarter.

Fee and administration income grew to NOK 391m (NOK 383m) in the 1st quarter. The majority of the guaranteed products are closed for new business and are in long term run-off. However, growth in public sector occupational pensions (reported as Defined Benefit Norway) and transfers of closed corporate Defined Benefit plans drive the increase in fee income.

Operational cost amounted to NOK -202m (NOK -197m) in the 1st quarter.

The operating profit was in line with last year's level and amounted to NOK 189m (NOK 186m) in the 1st quarter.

The risk result improved to NOK 82m (NOK 32m) in the 1st quarter. Positive longevity and disability risk results in Norwegian Paid-up policies and Defined Benefit products are the main contributors to the result. The Swedish products also continued to report positive risk results in the quarter.

Net profit sharing amounted to NOK -39m (NOK 104m) in the 1st quarter. Declining equity markets and lower mark-to-market valuations of fixed income investments due to rising interest rates and wider credit spreads have resulted in weak investment returns in the quarter. As a consequence, profit sharing in the Norwegian guaranteed products

has been absent in the quarter. There has also been an increase in deferred capital contributions (DCC) in Swedish products amounting to NOK -78bn and leading to a negative profit sharing result of NOK -38m in SPP. Indexation fees remained at NOK 33m in the quarter.

Balance sheet and market trends

The majority of the guaranteed products are in long term run-off as pension payments are paid out to policyholders. Most customers have switched from guaranteed to non-guaranteed products.

As of the 1st quarter, customer reserves of guaranteed pensions amounted to NOK 281bn. This is a decrease of NOK 9bn in 2022. Adjusted for currency effects, reserves decreased NOK 6bn, driven by a combination of weak financial market returns and a net outflow of guaranteed reserves (excluding transfers) amounting to NOK 2.6bn in the quarter. The latter is as a result of more pensions being paid out than premiums being paid in as the Guaranteed business is in run-off. As a share of the total balance sheet, guaranteed reserves amounted to 49.2% (50.7%) at the end of the 1st quarter, a reduction of 1.5 percentage points over the last year.

A new growth area for Storebrand is public sector occupational pensions, where Storebrand won its first mandates in 2020. The public sector effort has been the driver for a net increase in Defined Benefit reserves in the Norwegian business. Mandates amounting to an estimated NOK 5.5bn of reserves were won in 2021, out of which NOK 4.2bn has been transferred to Storebrand as of the 1st quarter this year.

Paid-up policies are experiencing some growth over time as active Defined Benefit contracts eventually become Paid-up policies. Reserves amounted to NOK 146bn as of the 1st quarter, a decrease of NOK 3.5bn in 2022. The decrease is largely attributed to development in financial markets.

Guaranteed portfolios in the Swedish business totalled NOK 84bn as of the 1st quarter, a decrease of NOK 9.0bn in 2022. Adjusted for currency effects, the decrease was NOK 5.6bn.

Storebrand's strategy is to have solid buffer capital levels in order to secure customer returns and shield shareholder's equity under turbulent

market conditions. Buffer capital decreased by NOK 0.4bn to NOK 28.5bn compared to the same quarter last year, but by NOK 5.2bn during the 1st quarter alone as a result of declining equity markets, rising interest rates, and wider credit spreads. As a share of guaranteed reserves, buffer capital levels in Norwegian products still amount to a solid 8.6% (9.8%) and 17.9% (14.1%) in Swedish products. This does not include off-balance sheet excess values of bonds at amortised cost, which at the end of the 1st quarter were reduced to a deficit of NOK 4.8bn from a previous surplus of NOK 3.4bn last quarter. As bonds at amortised cost mature, their excess values will tend to zero.

Key Figures

(NOK million)	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Guaranteed reserves	281 474	290 862	292 161	294 909	286 410
Guaranteed reserves in % of total reserves	49.2 %	48.5 %	49.7 %	50.0 %	50.7 %
Net flow of premiums and claims	-2 609	-2,735	-2,876	-2,550	-2,107
Buffer capital in % of customer reserves Storebrand	8.6 %	11.2 %	10.8 %	11.3 %	9.8 %
Buffer capital in % of customer reserves SPP	17.9 %	17.8 %	15.5 %	15.1 %	14.1 %

Other

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

Other

(NOK million)	2022		2021			1.1 - 31.03		Full year
	Q1	Q4	Q3	Q2	Q1	2022	2021	2021
Operational expenses	-13	-32	-7	-7	-6	-13	-6	-53
Operating profit	-13	-32	-7	-7	-6	-13	-6	-53
Financial items and risk result life & pension	-51	26	24	397	2	-51	2	450
Profit before amortisation	-64	-6	17	390	-4	-64	-4	397

Profit

The Other segment reported a profit before amortisation of NOK -64m (NOK -4m) in the 1st quarter. The loss stems from modest returns on investments in company portfolios due to rising interest rates and wider credit spreads. Correspondingly, the running yield has increased.

The financial result for the Other segment includes the company portfolios of SPP and Storebrand Life Insurance. The financial result for the other segment amounted to NOK -51m in the 1st quarter, primarily due to weak returns.

The investments in the company portfolios are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio achieved a return of 0.1% in the quarter, while the Swedish company portfolio reported a return of -0.7%.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Interest expenses in the quarter amounted to NOK -93m. Given the interest rate level at the end of the 1st quarter, interest expenses of approximately NOK -110m per quarter are expected going forward. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 26.8bn at the end of the quarter.

Balance sheet and capital situation

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

Storebrand Livsforsikring Group

The Solidity capital¹⁾ measures the amount of IFRS capital available to cover customer liabilities. The solidity capital amounted to NOK 57.7bn at the end of 1st quarter 2022, a decrease in the 1st quarter by NOK 16.4bn. The change in the quarter is primarily due to increased interest rates and decreased customer buffers in primarily in Norway.

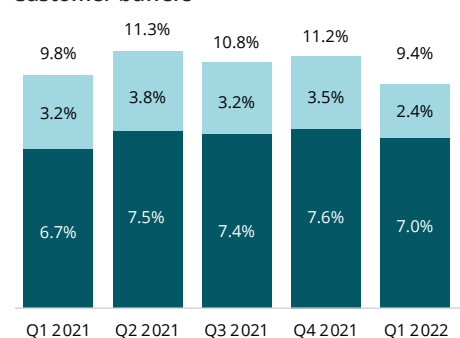
Storebrand Livsforsikring AS

The market value adjustment reserve and bufferfund decreased during the 1st quarter by NOK 2.4bn. At the end of 1st quarter the market value adjustment reserve and bufferfund amounted to NOK 3.9bn, corresponding to 2.4% (3.6% at the end of 4th quarter 2021) of customer funds with a guarantee. New business transferred in contributed positively with NOK 0.8bn in bufferfund year to date.

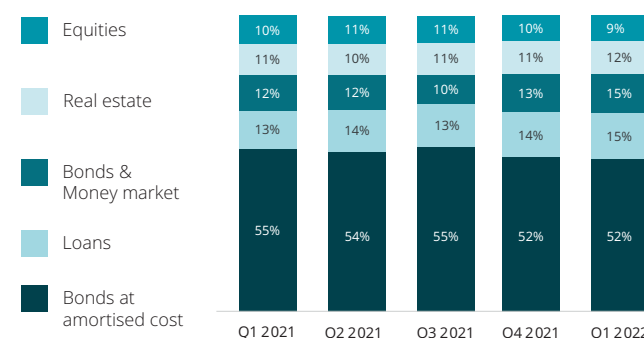
The additional statutory reserves amounted to NOK 11.7bn, corresponding to 7.0% (7.6% at the end of the 4th quarter 2021) of customer funds with guarantee, at the end of the 1st quarter 2022. Investment returns in customer portfolios lower than the guaranteed interest rate in the quarter decreased reserves by NOK 0.5bn. In connection with implementation of buffer fund in Public Sector at the start of the year NOK 1bn was transferred between market value adjustment reserve and additional statutory reserves.

The excess value of bonds and loans valued at amortised cost decreased by NOK 8.1bn in the 1st quarter due to higher interest rates and amounted to minus NOK 4.8bn at the end of the 1st quarter, but is not included in the financial statements.

Customer buffers



Allocation of guaranteed customer assets

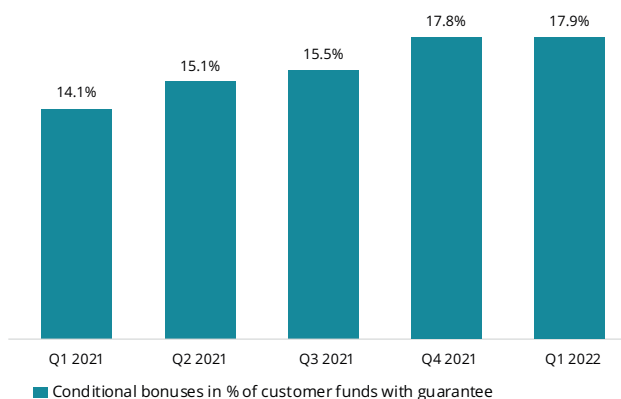


Customer assets decreased in the 1st quarter by NOK 4.1bn, amounting to NOK 351bn at the end of 1st quarter 2022. Customer assets within non-guaranteed savings decreased by NOK 3.7bn during the 1st quarter, amounting to NOK 154bn at the end of 1st quarter 2022. Guaranteed customer assets are decreased by NOK 0.4bn in the 1st quarter, amounting to NOK 197bn at the end of 1st quarter 2022.

¹ Consists of equity, subordinated loan capital, market value adjustments reserve, risk equalisation reserve, unrealised gains/losses on bonds and loans and loans at amortised cost, additional statutory reserves, conditional bonuses

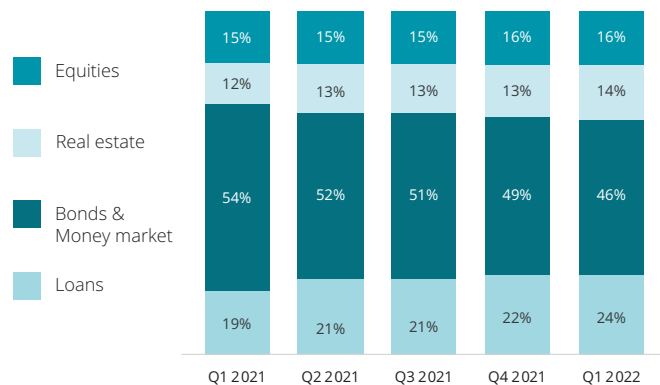
SPP

Customer buffers



The buffer capital, conditional bonuses, amounted to SEK 13.6bn (SEK 11.9bn) at the end of the 1st quarter.

Allocation of Guaranteed Customer Assets



Customer assets amounted to SEK 232bn (SEK 219bn) at the end of the quarter, corresponding to an increase of SEK 12.6bn over the last year. Customer assets within non-guaranteed savings amounted to SEK 146bn (SEK 138bn) at the end of the quarter, which is an increase of SEK 8.4bn compared to the same quarter last year. Guaranteed customer assets increased by SEK 4.2bn in the same period and amounted to SEK 86bn (SEK 82bn) at the end of the quarter.

Outlook

Strategy

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

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

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

Financial performance

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

In December 2021, Storebrand announced that it has entered into an agreement to acquire Danica in Norway, which holds a market share of 5% in Defined Contribution pensions. The acquisition is expected to close in the 2nd quarter of 2022. This will strengthen Storebrand's presence in the segment for small and medium sized businesses, and it will increase Storebrand's distribution capacity of both Defined Contribution pensions and personal risk products.

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

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

Overall reserves for guaranteed pensions are expected to start decreasing in the coming years. Guaranteed reserves represent a declining share of the Group's total pension reserves and amounted to 49.2% of the pension reserves at the end of the quarter, 1.5 percentage points lower than a year ago. Storebrand's strategy is to secure customer returns and shield shareholder's equity under turbulent market conditions by building customer buffers.

The individualisation of the market for pension and savings is expected to further increase and may be reinforced by the introduction of individual pension accounts in Norway. Retail has already become an increasingly large part of Storebrand. In 2021, Storebrand received 62,000 new retail customers, corresponding to a 16% increase.

Strong cost discipline will be a critical success factor to deliver on the earnings ambition. Storebrand will continue to reduce underlying costs, but it will also be necessary to make selective investments to facilitate profitable growth.

Risk

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

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

The 1st quarter of 2022 has witnessed reintroduced Covid-19 lockdowns with the outbreak of the Omicron-variant, albeit only for a few weeks in Norway at the start of the year, as well as an outbreak of war on the European continent with increased geopolitical and economic uncertainty resulting in financial market volatility. As a consequence, Storebrand has been on heightened alert with increased monitoring of suppliers and value chains, cyber risk, anti-money laundering (AML) and financial market risk.

Inflation expectations have risen in much of the world, including in Norway and Sweden, as a consequence of global supply chain risk and increased food and energy costs. High and rapidly rising inflation rates may increase costs and insurance claims in Storebrand. While pension premiums and some insurance premiums are directly linked to wage inflation, which could automatically result in premium growth, other products including P&C insurance will have to be repriced to mitigate the negative effects of inflation.

A consequence of higher inflation may be rising interest rates, as seen in the 1st quarter of the year. Higher interest rates improve Storebrand's ability to fulfil its guaranteed pension liabilities in the long run, which also strengthens the solvency ratio. However, the immediate short term impact may be mark-to-market losses on fixed income investments and insufficient investment returns to fulfil the annual guarantee in a single year. To reduce the impact of rising interest rates, Storebrand has built a robust portfolio of bonds at amortised cost which is not affected by rising rates. Storebrand has also prioritised building buffer capital from excess returns. The customer buffers limit the financial risk to shareholders and policyholders in markets with rising interest rates by absorbing investment losses. With over 11% of customer buffers as a share of customer reserves, Storebrand effectively has NOK 28bn more in customer assets than liabilities.

In the long term, low interest rates represent a risk for products with guaranteed high interest rates. The level of the average annual interest rate guarantee is gradually reduced as older policies with higher guarantees are phased out. To reduce the risk, Storebrand

has increased the asset duration in the Norwegian portfolio and has an asset-duration matched portfolio in Sweden. Customer buffers also increase the expected booked returns in Norway and can compensate for a shortfall in returns in a low-rate environment, limiting the financial risk to shareholders and policyholders.

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

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

Changes have been made to the Norwegian tax legislation for the insurance industry over many years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 8. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.2bn may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.7bn could be recognised. The timeline for settling the process with the Norwegian Tax Administration might take several years. If necessary, Storebrand will seek clarification from the court of law on the matter.

Regulatory changes

Savings in Norwegian Defined Contribution pensions

In December 2021, new legislation was adopted making pension contributions mandatory for all of employees' income, not just income above 1G (G = NOK 106,399) for employees working more than 20% and are above the age of 13. Companies need to adapt to the new legislation before 1 July 2022. It is estimated that the changes will increase total savings in the Defined Contribution pension market by about NOK 3bn per year, of which Storebrand expects to receive its fair market share of premiums which was 27% at the end of 2021.

Solvency II review

The European Commission presented proposals for changes in the Solvency II standard model in September 2021. The Commission's proposals differ significantly compared to earlier proposals from The European Insurance and Occupational Pension Authority (EIOPA).

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

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

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

Changes in IFRS

A new accounting standard for insurance contracts, IFRS 17, is set to be implemented in 2023. The purpose is to introduce common accounting rules for insurance contracts and improve the comparability of insurance accounts. IFRS 17 entails, among other things, market valuation of liabilities, separation of insurance cohorts in the accounts, income recognition over the contract period rather upfront, and an amended profit and loss statement. Storebrand will implement IFRS 9 for financial instruments at the same time. In preparation for IFRS 9, The Ministry of Finance is conducting a public consultation on changes in Norwegian regulation to facilitate fixed income booked at amortised cost in customers' accounts.

For Storebrand's consolidated financial statements, the new standards will lead to changes in the valuation of insurance contracts, classification of fixed income investments and how profits are recognised. Estimated effects for Storebrand will be presented closer to implementation. Whether IFRS 17 is implemented in the statutory reporting requirements is decided by national regulations in each country. Storebrand expects that its property and casualty business will be required to implement IFRS 17 in the statutory reporting. For the life insurance business, IFRS 17 is not expected to be applied in the statutory reporting requirements. The effects from the implementation of IFRS 17 is thus not expected to significantly affect the Solvency calculations nor dividend capacity significantly.

Sustainable Finance

The European Union's Action Plan on Sustainable Finance aims to contribute to realising the Paris goals of reduced carbon emissions. It intends to increase the share of sustainable investments, promote long-termism and clarify which financial products are actually sustainable. This is followed by new regulation to increase investments in sustainable activities and increase the resilience of the financial system when it comes to climate risk. New legislation introducing the EU Taxonomy on classification of sustainable activities and regulation on climate-related disclosures in Norwegian law was passed in December 2021. The new rules for sustainable finance will establish standards for sustainable asset management, as well as clarify disclosure and customer information requirements. The development should result in a higher quality of financial and nonfinancial reporting, give better information to key stakeholders, and make it easier to compare data across the financial sector.

Lysaker, 3 May 2022

Board of directors Storebrand Livsforsikring AS

Storebrand Livsforsikring Group

Statement of comprehensive income

(NOK million)	1.1 - 31.03		Full year
	2022	2021	2021
Technical account:			
Gross premiums written	8,035	8,388	29,467
Reinsurance premiums ceded	-9	-7	-19
Premium reserves and pension capital transferred from other companies	5,666	8,678	22,064
Premiums for own account	13,691	17,058	51,512
Income from investments in subsidiaries, associated companies and joint ventures companies	96	62	654
Interest income and dividends etc. from financial assets	675	1,532	6,787
Net operating income from properties	250	401	1,053
Changes in investment value	-6,765	-2,862	-1,577
Realised gains and losses on investments	-2,031	837	3,939
Total net income from investments in the collective portfolio	-7,775	-31	10,856
Income from investments in subsidiaries, associated companies and joint ventures companies	21	19	136
Interest income and dividends etc. from financial assets	107	66	1,835
Net operating income from properties	31	43	178
Changes in investment value	-16,944	14,296	37,659
Realised gains and losses on investments	3,612	2,506	7,875
Total net income from investments in the investment selection portfolio	-13,172	16,930	47,682
Other insurance related income	356	356	1,573
Gross claims paid	-5,472	-5,080	-21,176
Claims paid - reinsurance		7	9
Premium reserves, pension capital etc., additional statutory reserves and buffer fund transferred to other companies	-4,737	-4,065	-29,777
Claims for own account	-10,209	-9,138	-50,945
To/from premium reserve, gross	1,637	-4,362	373
To/from additional statutory reserves	564	-560	-2,290
Change in market value adjustment fund	3,848	1,621	861
Change in buffer fund	-458		
Change in premium fund, deposit fund and the pension surplus fund		-1	-9
To/from technical reserves for non-life insurance business	-51	-8	30
Change in conditional bonus	303	-1,777	-4,122
Transfer of additional statutory reserves and buffer fund from other insurance companies/pension funds	757	445	724
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	6,600	-4,642	-4,433
Change in pension capital	11,738	-19,172	-49,599
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	11,738	-19,172	-49,599
Profit on investment result			-1,211
Risk result allocated to insurance contracts			-100
Other allocation of profit			-84
Unallocated profit	-82	-117	
Funds allocated to insurance contracts	-82	-117	-1,395

Storebrand Livsforsikring Group

Statement of comprehensive income continue

(NOK million)	1.1 - 31.03		Full year
	2022	2021	2021
Management expenses	-61	-53	-235
Selling expenses	-180	-194	-765
Change in pre-paid direct selling expenses	6	8	29
Insurance-related administration expenses (incl. commissions for reinsurance received)	-359	-330	-1,488
Insurance-related operating expenses	-594	-569	-2,459
Other insurance related expenses	-40	-47	-164
Technical insurance profit	513	628	2,628
Non-technical account			
Income from investments in subsidiaries, associated companies and joint ventures companies	13	5	13
Interest income and dividends etc. from financial assets	98	84	370
Changes in investment value	-131	-12	-43
Realised gains and losses on investments	42	47	150
Net income from investments in company portfolio	23	123	490
Other income	38	56	565
Management expenses	-5	-4	-20
Other expenses	-197	-217	-939
Management expenses and other costs linked to the company portfolio	-203	-222	-959
Profit or loss on non-technical account	-141	-42	96
Profit before tax	372	586	2,725
Tax expenses	425	-265	-563
Profit before other comprehensive income	797	320	2,162
Change in actuarial assumptions	-2	-2	124
Fair value adjustment of properties for own use	3	58	139
Other comprehensive income allocated to customers	-3	-58	-139
Tax on other profit elements not to be reclassified to profit/loss			10
Other comprehensive income not to be reclassified to profit/loss	-2	-2	134
Profit/loss cash flow hedging	-6	-17	-56
Translation differences foreign exchange	-131	-136	-137
Other profit comprehensive income that may be reclassified to profit /loss	-137	-153	-193
Other comprehensive income	-139	-155	-59
TOTAL COMPREHENSIVE INCOME	658	165	2,103
PROFIT IS ATTRIBUTABLE TO:			
Share of profit for the period - shareholders	797	312	2,154
Share of profit for the periode - non-controlling interests	0	8	7
COMPREHENSIVE INCOME IS ATTRIBUTABLE TO:			
Share of profit for the period - shareholders	658	158	2,095
Share of profit for the periode - non-controlling interests	0	8	8

Storebrand Livsforsikring Group

Statement of financial position

(NOK million)	31.03.2022	31.03.2021	31.12.2021
Assets			
Assets in company portfolio			
Goodwill	750	780	778
Other intangible assets	2,589	2,975	2,735
Total intangible assets	3,339	3,755	3,513
Properties at fair value		50	
Equities and units in subsidiaries, associated companies and joint ventures	226	137	215
Loans at amortised cost	2,013	1	1
Bonds at amortised cost	8,579	6,985	9,408
Deposits at amortised cost	577	2,977	725
Equities and fund units at fair value	204	91	273
Bonds and other fixed-income securities at fair value	14,768	17,202	17,723
Derivatives at fair value	849	1,112	843
Total investments	27,217	28,556	29,189
Receivables in connection with direct business transactions	2,373	578	499
Receivables in connection with reinsurance transactions		1	
Receivables with group company	180	73	102
Other receivables	4,130	4,154	8,196
Total receivables	6,684	4,806	8,797
Tangible fixed assets	619	651	641
Cash, bank	2,478	1,714	1,971
Tax assets	1,471	1,511	1,058
Other assets designated according to type		67	
Total other assets	4,567	3,944	3,670
Pre-paid direct selling expenses	679	680	699
Other pre-paid costs and income earned and not received	261	266	185
Total pre-paid costs and income earned and not received	940	946	884
Total assets in company portfolio	42,748	42,007	46,053

Storebrand Livsforsikring Group

Statement of financial position continue

(NOK million)	31.03.2022	31.03.2021	31.12.2021
Assets in customer portfolios			
Properties at fair value	28,906	26,446	28,543
Properties for own use	1,606	1,566	1,659
Equities and units in subsidiaries, associated companies and joint ventures	6,158	4,805	5,864
Bonds held to maturity	8,426	10,992	8,441
Bonds at amortised cost	99,813	102,062	104,974
Loans at amortised cost	20,597	21,993	22,043
Deposits at amortised cost	6,814	9,872	5,141
Equities and fund units at fair value	29,755	24,839	28,714
Bonds and other fixed-income securities at fair value	84,365	89,485	90,011
Loans at fair value	6,733	7,330	7,310
Derivatives at fair value	2,422	3,605	2,358
Total investments in collective portfolio	295,596	302,995	305,059
Reinsurance share of insurance obligations	12	11	13
Properties at fair value	4,364	4,735	4,833
Equities and units in subsidiaries, associated companies and joint ventures	1,819	1,098	1,277
Loans	957	960	1,008
Deposits at amortised cost	1,372	1,010	1,302
Equities and fund units at fair value	231,558	219,679	249,069
Bonds and other fixed-income securities at fair value	49,900	50,386	50,800
Loans at fair value	123	134	133
Derivatives at fair value	1,066	625	558
Total investments in investment selection portfolio	291,159	278,628	308,979
Total assets in customer portfolio	586,768	581,635	614,051
TOTAL ASSETS	629,515	623,642	660,104
Equity and liabilities			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Other paid in equity	1,110	599	1,110
Total paid in equity	14,361	13,850	14,361
Risk equalisation fund	620	430	547
Security reserves	5	5	5
Other earned equity	8,473	9,276	11,097
Non-controlling interests		70	
Total earned equity	9,098	9,781	11,649

Storebrand Livsforsikring Group

Statement of financial position continue

(NOK million)	31.03.2022	31.03.2021	31.12.2021
Perpetual subordinated loans	1,945	1,100	1,976
Dated subordinated loans	8,409	9,807	8,889
Total subordinated loans and hybrid tier 1 capital	10,354	10,908	10,865
Premium reserves	256,794	262,594	261,044
Additional statutory reserves	11,745	11,718	13,602
Market value adjustment reserve	1,977	5,549	6,309
Buffer fund	1,960		
Premium fund, deposit fund and the pension surplus fund	3,729	2,308	3,501
Conditional bonus	12,804	11,590	13,781
Unallocated profit to insurance contracts	91	133	
Other technical reserve	712	698	661
Total insurance obligations in life insurance - contractual obligations	289,814	294,591	298,900
Pension capital	291,016	278,702	308,331
Total insurance obligations in life insurance - investment portfolio separately	291,016	278,702	308,331
Pension liabilities etc.	30	168	31
Deferred tax	588	657	622
Other provisions for liabilities	45	110	48
Total provisions for liabilities	663	935	702
Liabilities in connection with direct insurance	2,617	644	999
Liabilities in connection with reinsurance	14	11	14
Derivatives	3,702	1,449	1,997
Liabilities to group companies	1,077	704	24
Other liabilities	5,788	11,545	11,751
Total liabilities	13,199	14,352	14,785
Other accrued expenses and received, unearned income	1,011	523	510
Total accrued expenses and received, unearned income	1,011	523	510
TOTAL EQUITY AND LIABILITIES	629,515	623,642	660,104

Storebrand Livsforsikring Group

Statement of change in equity

(NOK million)	Majority's share of equity									Total equity
	Share capital	Share premium	Other paid in equity	Total paid in equity	Risk equalisation fund	Security reserves	Other equity	Non-controlling interests		
Equity at 31.12.2020	3,540	9,711	599	13,850	438	5	11,323	69	25,686	
Profit for the period					-8		327	1	320	
Other comprehensive income							-155		-155	
Total comprehensive income for the period					-8		172	1	165	
Equity transactions with owner:										
Received dividend/group contributions										
Paid dividend/group contributions							-2,220		-2,220	
Other							1		1	
Equity at 31.03.2021	3,540	9,711	599	13,850	430	5	9,277	70	23,632	
Profit for the period					109		2,053		2,162	
Other comprehensive income							-59		-59	
Total comprehensive income for the period					109		1,994	0	2,103	
Equity transactions with owner:										
Received dividend/group contributions			511	511					511	
Paid dividend/group contributions							-2,220		-2,220	
Other								-69	-69	
Equity at 31.12.2021	3,540	9,711	1,110	14,361	547	5	11,098	0	26,010	
Profit for the period					73		724		797	
Other comprehensive income							-139		-139	
Total comprehensive income for the period					73		585	0	658	
Equity transactions with owner:										
Received dividend/group contributions										
Paid dividend/group contributions							-3,210		-3,210	
Other										
Equity at 31.03.2022	3,540	9,711	1,110	14,361	620	5	8,473	0	23,459	

Storebrand Livsforsikring

Statement of cash flow 1. January - 31. March

Storebrand Livsforsikring group			Storebrand Livsforsikring AS	
2021	2022	(NOK million)	2022	2021
Cash flow from operating activities				
8,066	6,151	Net received - direct insurance	3,708	5,583
-5,127	-3,861	Net claims/benefits paid - direct insurance	-1,741	-3,060
4,613	930	Net receipts/payments - policy transfers	1,492	5,088
-4	-105	Net change insurance liabilities	827	471
-106	-100	Payment of tax	1	
-569	-594	Net receipts/payments operations	-357	-323
537	1,190	Net receipts/payments - other operational activities	-1,457	-1,770
7,409	3,611	Net cash flow from operating activities before financial assets	2,473	5,989
545	-186	Net receipts/payments - loans to customers	-450	969
-6,318	1,184	Net receipts/payments - financial assets	71	-6,420
233	200	Net receipts/payments - property activities		
418		Receipts - sale of investment properties		
-119	-218	Payment - purchase of investment properties		
-756	-1,833	Net change bank deposits insurance customers	-603	-93
-5,997	-854	Net cash flow from operating activities from financial assets	-982	-5,544
1,412	3,319	Net cash flow from operating activities	1,491	445
Cash flow from investing activities				
0	-562	Net payments - purchase/capitalisation associated companies	0	0
-6	-228	Net receipts/payments - sale/purchase of fixed assets	-14	-1
-6	-790	Net cash flow from investing activities	-14	-1
Cash flow from financing activities				
3,004	0	Receipts - subordinated loans issued	0	3,004
0	-42	Receipts - issuing of share capital	0	0
-373	0	Repayment of subordinated loans	0	-373
-85	0	Payments - interest on subordinated loans	-42	-85
0	0	Payments received of dividend and group contribution	1,382	1,204
-1,540	-2,160	Payment of dividend and group contribution	-2,160	-1,540
1,006	-2,202	Net cash flow from financing activities	-820	2,210
2,412	326	Net cash flow for the period	657	2,653
8,409	618	of which net cash flow for the period before financial assets	1,639	8,197
2,412	326	Net movement in cash and cash equivalent assets	657	2,653
2,218	2,696	Cash and cash equivalents at the start of the period	1,704	1,167
61	33	Currency translation differences	0	0
4,691	3,055	Cash and cash equivalent assets at the end of the period	2,361	3,820

Storebrand Livsforsikring AS

Statement of comprehensive income

(NOK million)	1.1 - 31.03		Full year
	2022	2021	2021
Technical account:			
Gross premiums written	5,590	5,906	19,436
Reinsurance premiums ceded	-7	-6	-9
Premium reserves and pension capital transferred from other companies	4,815	7,814	18,466
Premiums for own account	10,398	13,713	37,893
Income from investments in subsidiaries, associated companies and joint ventures companies	606	272	1,526
of which from investment in property companies	606	272	1,526
Interest income and dividends etc. from financial assets	329	1,004	5,130
Changes in investment value	-3,647	-1,569	-754
Realised gains and losses on investments	-532	303	1,957
Total net income from investments in the collective portfolio	-3,245	11	7,859
Income from investments in subsidiaries, associated companies and joint ventures companies	137	83	405
of which from investment in rproperty companies	137	83	405
Interest income and dividends etc. from financial assets	107	66	1,834
Changes in investment value	-8,253	3,115	9,307
Realised gains and losses on investments	3,589	2,502	7,869
Total net income from investments in the investment selection portfolio	-4,420	5,766	19,416
Other insurance related income	188	188	863
Gross claims paid	-3,400	-3,065	-12,798
Claims paid - reinsurance		7	8
Premium reserves, pension capital etc., additional statutory reserves and buffer fund transferred to other companies	-3,323	-2,726	-21,805
Claims for own account	-6,723	-5,784	-34,595
To/from premium reserve, gross	-3,726	-7,358	-5,448
To/from additional statutory reserves	21	-434	-2,290
Change in market value adjustment fund	3,848	1,621	861
Change in buffer fund	-458		
Change in premium fund, deposit fund and the pension surplus fund		-1	-9
To/from technical reserves for non-life insurance business	-51	-8	30
Transfer of additional statutory reserves and buffer fund from other insurance companies/pension funds	757	445	724
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	390	-5,734	-6,132
Change in pension capital	3,690	-7,261	-20,913
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	3,690	-7,261	-20,913
Profit on investment result			-1,211
Risk result allocated to insurance contracts			-100
Other allocation of profit			-84
Unallocated profit	-83	-345	
Funds allocated to insurance contracts	-83	-345	-1,395

Storebrand Livsforsikring AS

Statement of comprehensive income continue

(NOK million)	1.1 - 31.03		Full year
	2022	2021	2021
Management expenses	-61	-53	-235
Selling expenses	-66	-65	-243
Insurance-related administration expenses (incl. commissions for reinsurance received)	-231	-204	-965
Insurance-related operating expenses	-357	-323	-1,442
Other insurance related expenses after reinsurance share	-36	-32	-135
Technical insurance profit	-197	200	1,417
Non-technical account			
Income from investments in subsidiaries, associated companies and joint ventures companies	1,213	904	1,506
Interest income and dividends etc. from financial assets	98	81	369
Changes in investment value	-88	-20	-66
Realised gains and losses on investments	226	337	410
Net income from investments in company portfolio	1,449	1,302	2,220
Other income	2	1	12
Management expenses	-5	-4	-20
Other expenses	-83	-96	-481
Total management expenses and other costs linked to the company portfolio	-89	-100	-500
Profit or loss on non-technical account	1,363	1,203	1,732
Profit before tax	1,166	1,403	3,149
Tax expenses	545	-184	-504
Profit before other comprehensive income	1,710	1,219	2,645
Change in actuarial assumptions			2
Tax on other profit elements not to be reclassified to profit/loss			14
Other comprehensive income not to be reclassified to profit/loss	0	0	16
Profit/loss cash flow hedging	-6	-17	-56
Other profit comprehensive income that may be reclassified to profit /loss	-6	-17	-56
Other comprehensive income	-6	-17	-40
Total comprehensive income	1,704	1,201	2,605

Storebrand Livsforsikring AS

Statement of financial position

(NOK million)	31.03.2022	31.03.2021	31.12.2021
Assets			
Assets in company portfolio			
Other intangible assets	465	441	455
Total intangible assets	465	441	455
Equities and units in subsidiaries, associated companies and joint ventures	12,171	12,580	12,478
Loans at amortised cost	2,012		
Bonds at amortised cost	8,579	6,985	9,408
Deposits at amortised cost	577	2,918	715
Equities and fund units at fair value	420	90	476
Bonds and other fixed-income securities at fair value	10,734	11,559	12,419
Derivatives at fair value	849	1,112	843
Total investments	35,343	35,244	36,340
Receivables in connection with direct business transactions	2,370	573	495
Receivables in connection with reinsurance transactions		1	
Receivables with group company	1,205	726	1,111
Other receivables	1,715	1,098	5,823
Total receivables	5,290	2,397	7,430
Tangible fixed assets	9	13	10
Cash, bank	1,784	903	989
Tax assets	1,341	1,363	797
Total other assets	3,134	2,279	1,796
Other pre-paid costs and income earned and not received	54	53	40
Total pre-paid costs and income earned and not received	54	53	40
Total assets in company portfolio	44,286	40,414	46,061
Assets in customer portfolios			
Equities and units in subsidiaries, associated companies and joint ventures	23,551	20,787	22,325
of which investment in property companies	23,551	20,787	22,325
Bonds held to maturity	8,426	10,992	8,441
Bonds at amortised cost	99,813	102,062	104,974
Loans at amortised cost	20,597	21,993	22,043
Deposits at amortised cost	3,450	6,491	2,701
Equities and fund units at fair value	20,883	15,228	19,006
Bonds and other fixed-income securities at fair value	28,997	26,006	26,107
Loans at fair value	-55		
Derivatives at fair value	1,775	2,099	1,276
Total investments in collective portfolio	207,439	205,658	206,875

Storebrand Livsforsikring AS

Statement of financial position continue

(NOK million)	31.03.2022	31.03.2021	31.12.2021
Reinsurance share of insurance obligations	4	3	4
Equities and units in subsidiaries, associated companies and joint ventures	6,379	5,924	6,208
of which investment in property companies	6,379	5,924	6,208
Loans at amortised cost	957	960	1,008
Deposits at amortised cost	694	588	840
Equities and fund units at fair value	103,581	93,270	107,202
Bonds and other fixed-income securities at fair value	41,537	42,733	42,559
Loans at fair value	123	134	133
Derivatives at fair value	1,066	625	558
Total investments in investment selection portfolio	154,337	144,235	158,508
Total assets in customer portfolios	361,779	349,896	365,386
TOTAL ASSETS	406,065	390,310	411,447
Equity and liabilities			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Other paid in equity	1,899	1,110	1,899
Total paid in equity	15,150	14,361	15,150
Risk equalisation fund	620	430	547
Security reserves	5	5	5
Other earned equity	11,646	11,939	10,015
Total earned equity	12,271	12,374	10,567
Perpetual subordinated loans	1,945	1,100	1,976
Dated subordinated loans	8,409	9,807	8,889
Total subordinated loans and hybrid tier 1 capital	10,354	10,908	10,865
Premium reserves	184,546	179,675	180,684
Additional statutory reserves	12,289	11,592	13,602
Market value adjustment reserve	1,977	5,549	6,309
Buffer fund	1,960		
Premium fund, deposit fund and the pension surplus fund	3,729	2,308	3,501
Unallocated profit to insurance contracts	92	362	
Other technical reserve	712	698	661
Total insurance obligations in life insurance - contractual obligations	205,306	200,184	204,759
Pension capital	154,155	144,324	157,873
Total insurance obligations in life insurance - investment portfolio separately	154,155	144,324	157,873
Pension liabilities etc.	2	7	2
Total provisions for liabilities	2	7	2
Liabilities in connection with direct insurance	2,484	456	825
Derivatives	3,332	703	1,638
Liabilities to group companies	1,071	698	3,235
Other liabilities	1,246	6,132	6,377
Total liabilities	8,134	7,989	12,075
Other accrued expenses and received, unearned income	692	163	156
Total accrued expenses and received, unearned income	692	163	156
TOTAL EQUITY AND LIABILITIES	406,065	390,310	411,447

Storebrand Livsforsikring AS

Statement of change in equity

(NOK million)	Share capital ¹⁾	Share premium reserve	Other paid in capital	Total paid in equity	Risk equalisation fund	Security reserves	Other equity	Total equity
Equity at 31.12.2020	3,540	9,711	1,110	14,361	438	5	10,729	25,533
Profit for the period					-8		1,227	1,219
Other comprehensive income							-17	-17
Total comprehensive income for the period					-8		1,209	1,201
Equity transactions with owner:								
Received dividend/group contributions								
Paid dividend/group contributions								
Other							1	1
Equity at 31.03.2021	3,540	9,711	1,110	14,361	430	5	11,939	26,736
Profit for the period					109		2,536	1,710
Other comprehensive income							-40	-6
Total comprehensive income for the period					109		2,496	1,704
Equity transactions with owner:								
Received dividend/group contributions			789	789				789
Paid dividend/group contributions							-3,210	-3,210
Other								
Equity at 31.12.2021	3,540	9,711	1,899	15,150	547	5	10,015	25,718
Profit for the period					73		1,638	1,710
Other comprehensive income							-6	-6
Total comprehensive income for the period					73		1,631	1,704
Equity transactions with owner:								
Received dividend/group contributions								
Paid dividend/group contributions								
Other								
Equity at 31.03.2022	3,540	9,711	1,899	15,150	620	5	11,647	27,422

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

Notes

Storebrand Livsforsikring Group

Note 01 | Accounting policies

The Group's interim financial statements include Storebrand Livsforsikring AS, subsidiaries, associated and joint-ventures companies. The financial statements are prepared in accordance with the "Regulation on the annual accounts etc. of lifeinsurance companies" for the parent company and the consolidated financial statements 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 2021 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

Storebrand Livsforsikring AS - the company's financial statements

The financial statements have been prepared in accordance with the accounting principles that were used in the annual report for 2021.

There are none new or changed accounting standards that entered into effect in 2022 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 2021 annual report in note 2, insurance risk in note 7, valuation of financial instruments at fair value is described in note 13 and in the interim financial statements note 10 Solvency II.

Note 03 | Acquisition

Storebrand Livsforsikring AS has 20. December 2021 entered into an agreement to buy 100% of the shares in Danica Pensjonsforsikring AS, Norway ("Danica"). Danica, a subsidiary of Danske Bank, is the 6th largest provider of Defined Contribution pensions in Norway with 5% market share. Storebrand Livsforsikring AS will pay NOK 2.01 billion for the shares of Danica (adjusted for the change in the net asset value of Danica in the period from 30 September 2021 to 31 December 2021). The conclusion of the transaction is expected in the 2nd quarter of 2022 and is subject to approval from the Norwegian Financial Supervisory Authority and the Norwegian Competition Authority.

Note 04 | Profit by segments

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

Savings

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

Insurance

The insurance segment provides personal risk products in the Norwegian retail market 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 savings 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 the company portfolios of Storebrand Livsforsikring and SPP are reported in the Other segment.

Reconciliation with the profit and loss account

Profit in the segments are reconciled with the corporate profit and loss account before tax. The corporate profit and loss account includes 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 2021 annual report in note 4 Segment reporting.

Profit by segments

(NOK million)	01.01-31.03		
	2022	2021	Full year 2021
Savings	211	304	782
Insurance	81	56	89
Guaranteed pension	232	322	775
Other	-64	-4	61
Profit before amortisation	459	678	1,707
Amortisation intangible assets	-87	-92	-372
Profit before tax	372	586	1,336

Segment information as at 31.03

(NOK million)	Savings		Insurance		Guaranteed pension	
	2022	2021	2022	2021	2022	2021
Fee and administration income	507	576			391	383
Insurance result			184	125		
- Insurance premiums for own account			770	742		
- Claims for own account			-586	-617		
Operational cost	-294	-282	-108	-99	-202	-197
Operating profit	213	294	76	26	189	186
Financial items and risk result life & pension	-2	10	5	30	82	32
Net profit sharing					-39	104
Profit before amortisation	211	304	81	56	232	322
Amortisation of intangible assets						
Profit before tax	211	304	81	56	232	322

(NOK million)	Other		Storebrand Livsforsikring group	
	2022	2021	2022	2021
Fee and administration income			898	959
Insurance result			184	125
- Insurance premiums for own account			770	742
- Claims for own account			-586	-617
Operational cost	-13	-6	-617	-584
Operating profit	-13	-6	464	500
Financial items and risk result life & pension	-51	2	-5	178
Profit before amortisation	-64	-4	459	678
Amortisation of intangible assets			-87	-92
Profit before tax	-64	-4	372	586
Tax			425	-265
Profit after tax			797	320

Note
05

Financial market risk and insurance risk

Risks are described in the annual report for 2021 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk) and note 11 (Concentrations of risk).

Financial market risk

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

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

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

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

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

For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Rising interest rates are negative in the short term because resulting price depreciation for bonds and interest rates swaps reduce investment return and buffers. But long term, rising interest rates are positive due to higher probability of achieving a return above the guarantee.

The first quarter has been volatile for financial markets. At the turn of the year, renewed restrictions due to widespread outbreaks of the Omicron-variant of Corona affected the market.

Towards the end of February, the Russian invasion of Ukraine unsettled the markets. The Russian equity-market was closed for business after the invasion and are still closed for non-Russian parties. The international society has put in place widespread bans on doing business with Russians parties. This has introduced significant risk for pricing and tradability of Russian assets. Storebrand has decided to exit all investment in Russia, but the execution requires markets to reopen with sufficient transparency to ensure that bans are not violated. The direct effect for investment return and results are small, as Storebrand has limited exposure to Russian assets in the corporate portfolios and guaranteed customer portfolios. The main financial risk for Storebrand is from effects the war may have on the financial market in general.

Going into 2022, inflation was increasing due to supply-shortages. The trend has been reinforced during the first quarter as the Ukraine war has led to a surge in energy and raw-material prices. There is growing risk for the pick-up in inflation to be more than transitory. Higher inflation and expectations for central banks to gradually increase rates and reduce the monetary stimulus, has led to increased interest rates. In March, Bank of Norway increased the policy rate by 0,25 pp to 0,75 percent.

The effects from Covid-19, the increase in inflation and the effects from the war in Ukraine going forward, implies that the risk may still be higher than normal market risk. Storebrand has risk management which through policies and principles handles and dampens the effect of volatile financial markets.

Global equities fell 5 percent in the first quarter. The fall was more severe just after the outbreak of war, but the equity-market recovered towards the end of the quarter. Norwegian equities rose 5 percent in the first quarter as rising oil- and gas-price was positive. The credit spreads for corporate bonds rose but reversed partly towards the end of the quarter in line with more positive equity markets.

Long-term interest rates rose strongly in the first quarter. The Norwegian 10-year swap-rate rose 0,9 pp to 2.8 percent. The Swedish 10-year swap-rate rose 0.9 pp to 1.9 percent. Short term interest rates have increased in Norway, as the Bank of Norway continued to increase interest rates and signalled more aggressive increases going forward. In Sweden, the short-term interest rates are still close to zero. Most of the interest rate investments in the Norwegian customer portfolios are held at amortized cost. This dampens the effect from interest rate changes on booked returns. The amortized cost portfolio valuation in the accounts is now higher than fair value. For other bond investments and exposure towards interest rate swaps, the increase in interest rates have affected investment returns negatively. Higher interest rates are positive for reinvestment opportunities and for the solvency position.

The Norwegian krone strengthened 4 percent against the Swedish krone, 3 percent against the Euro and were little changed against the US dollar in the first quarter. 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, the war in Ukraine, sanctions against Russia and rapid increase in inflation, creates extra uncertainty for the economy and may have impact on the valuation of financial instruments. There is a large range of possible outcomes for these input data and thus for the modelled prices. Hence, the values reflect management's best estimate, but contain greater uncertainty than in a normal quarter.

During the first quarter the investment allocation towards equities has been somewhat reduced because of normal risk management. Other than that, investment allocation has not been materially changed.

The market-based return for guaranteed customer portfolios in Norway in general was negative in the first quarter because of weak equity and credit markets and increased interest rates. The booked return was positive after use of customer buffers, mainly market value adjustment reserve. The return for guaranteed customer portfolios in Sweden was negative. The effect on the financial result was limited, as reduced value of the liabilities from higher interest rates compensated for lower asset values.

The return for the unit linked portfolios was generally slightly negative in the first quarter due to weak equity markets.

Sensitivity analyses

The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios because of immediate changes in value related to financial market risk. The calculation is model-based, and the result is dependent on the choice of stress level for each category of asset. The stresses have been applied to the company portfolio and guaranteed customer portfolios as of 31 March 2022. The effect of each stress changes the return in each investment profile.

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

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

Level of stress

	Stresstest 1	Stresstest 2
Interest level (parallel shift)	-100bp	+100bp
Equity	-20%	- 12 %
Property	- 12 %	- 7 %
Credit spread (share of Solvency 2)	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 of 31 March 2022, the customer buffers are of such a size that the effects on the result are significantly lower.

Stresstest 1

Sensitivity	Storebrand Livsforsikring		SPP Pension & Försäkring	
	NOK Million	Share of portfolio	NOK Million	Share of portfolio
Interest rate risk	3,794	1.7 %	-372	-0.4 %
Equity risk	-3,837	-1.7 %	-2,361	-2.8 %
Property risk	-2,845	-1.2 %	-1,339	-1.6 %
Credit risk	-950	-0.4 %	-803	-0.9 %
Total	-3,837	-1.7 %	-4,875	-5.7 %

Stresstest 2

Sensitivity	Storebrand Livsforsikring		SPP Pension & Försäkring	
	NOK Million	Share of portfolio	NOK Million	Share of portfolio
Interest rate risk	-3,794	1.7 %	-372	-0.4 %
Equity risk	-2,302	-1.0 %	-1,416	-1.7 %
Property risk	-1,659	-0.7 %	-781	-0.9 %
Credit risk	-570	-0.2 %	-482	-0.6 %
Total	-8,325	-3.6 %	-2,307	-2.7 %

Storebrand Livsforsikring

Stress test 2, which includes an increase in interest rates, makes the greatest impact for Storebrand Livsforsikring. The overall market risk is NOK 8.3 billion (NOK 9.7 billion as of 31 December 2021), which is equivalent to 3.6 (4.2) percent of the investment portfolio.

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

SPP Pension & Försäkring

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 4.9 billion (SEK 5.0 billion as of 31 December 2021), which is equivalent to 5.7 (5.4) percent of the investment portfolio.

The buffer situation for the individual contracts will determine if all or portions of the fall in value will affect the financial result. If the portion of the fall in value cannot be covered by the customer buffer the result will be affected. In addition, the reduced profit sharing or loss of the indexing fees may affect the financial result.

Insurance risk

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

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

Other insurance risk was not materially changed during the first quarter.

Note 06

Liquidty risk

Specification of subordinated loans

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value 31.03.2022	Book value 31.03.2021	Book value 31.12.2021
Issuer							
Perpetual subordinated loans ¹⁾							
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,101	1,100	1,100
Storebrand Livsforsikring AS ³⁾	900	SEK	Variable	2026	845		876
Dated subordinated loans							
Storebrand Livsforsikring AS ²⁾	750	SEK	Variable	2021		740	
Storebrand Livsforsikring AS ³⁾	1,000	SEK	Variable	2022	940	981	976
Storebrand Livsforsikring AS ³⁾	900	SEK	Variable	2025	844	882	877
Storebrand Livsforsikring AS ³⁾	1,000	SEK	Variable	2024	939	981	976
Storebrand Livsforsikring AS	500	NOK	Variable	2025	500	499	499
Storebrand Livsforsikring AS ³⁾	250	EUR	Fixed	2023	2,631	2,762	2,685
Storebrand Livsforsikring AS ^{3,4)}	300	EUR	Fixed	2031	2,555	2,963	2,876
Total subordinated loans and hybrid capital					10,354	10,908	10,865

1) Regarding perpetual subordinated loans, the cash flow has been calculated until the first call.

2) The loan was repurchased on 11.10.2021

3) The loans are subject to hedge accounting.

4) 300 million EUR in Storebrand's first green bond issuance in March 2021

Note 07

Valuation of financial instruments and properties

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 13 in the annual report for 2021.

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

Fair value of financial assets and liabilities at amortised cost

(NOK million)	Fair value 31.03.2022	Fair value 31.12.2021	Book value 31.03.2022	Book value 31.12.2021
Financial assets				
Loans to customers - corporate	4,617	5,055	4,734	5,044
Loans to customers - retail	18,586	18,021	18,832	18,008
Bonds held to maturity	8,723	9,103	8,426	8,441
Bonds classified as loans and receivables	103,641	117,077	108,393	114,383
Financial liabilities				
Subordinated loan capital	10,427	11,926	10,354	10,865

Valuation of financial instruments and properties at fair value

Storebrand Livsforsikring Group

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total 31.03.2022	Total 31.12.2021
Assets					
Equities and fund units					
- Equities	34,148	198	313	34,659	40,611
- Fund units		210,817	16,042	226,860	237,445
Total equities and fund units 31.03.2022	34,148	211,015	16,356	261,518	
Total equities and fund units 31.12.2021	40,071	222,998	14,987		278,056
Total loans to customers					
- Loans to customers - corporate			6,856	6,856	7,443
Bonds and other fixed income securities					
- Government bonds	15,972	10,265		26,237	30,911
- Corporate bonds		55,250	8	55,257	55,354
- Collateralised securities		2,914		2,914	3,528
- Bond funds		52,077	12,548	64,625	68,741
Total bonds and other fixed income securities 31.03.2022	15,972	120,506	12,556	149,034	
Total bonds and other fixed income securities 31.12.2021	16,722	129,141	12,670		158,533
Derivatives:					
- Interest derivatives		-788		-788	2,286
- Currency derivatives		1,423		1,423	-523
Total derivatives 31.03.2022		635		635	
- derivatives with a positive market value		4,337		4,337	3,760
- derivatives with a negative market value		-3,702		-3,702	-1,997
Total derivatives 31.12.2021		1,763			1,763
Properties:					
- investment properties			33,270	33,270	33,376
- Owner-occupied properties			1,606	1,606	1,659
Total properties 31.03.2022			34,876	34,876	
Total properties 31.12.2021			35,035		35,035

There is no significant movement between level 1 and level 2 in this quarter and year to date.

Movement level 3

(NOK million)	Equities	Fund units	Loans to customers	Corporate bonds	Bond funds	Investment properties	Owner-occupied properties
Book value 01.01	309	14,678	7,443	8	12,663	33,376	1,659
Net profit/loss	5	2,049	-140		30	-23	
Supply/disposal		376			417	173	45
Sales/overdue/settlement	-1	-944	-177		-150		
Currency translation differences		-106	-268		-412	-456	-98
Other			-2			199	
Book value 31.03.2022	313	16,042	6,856	8	12,548	33,270	1,606

As at 31 March 2022, Storebrand Livsforsikring had NOK 7 977 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS, Oslo. The investments are classified as "investment in associated companies and joint ventures" in the Consolidated Financial Statements.

Storebrand Livsforsikring AS

(NOK million)	Level 1	Level 2	Level 3	Total 31.03.2022	Total 31.12.2021
	Quoted prices	Observable assumptions	Non-observable assumptions		
Assets					
Equities and fund units					
- Equities	32,584	191	313	33,088	38,851
- Fund units		78,644	13,152	91,796	87,834
Total equities and fund units 31.03.2022	32,584	78,835	13,465	124,884	
Total equities and fund units 31.12.2021	38,320	76,055	12,310		126,685
Total loans to customers					
- Loans to customers - corporate				68	68
Bonds and other fixed income securities					
- Government bonds	11,440	276		11,716	9,949
- Corporate bonds		29,001	8	29,008	26,296
- Collateralised securities		878		878	1,227
- Bond funds		38,216	1,450	39,666	43,613
Total bonds and other fixed income securities 31.03.2022	11,440	68,370	1,458	81,267	
Total bonds and other fixed income securities 31.12.2021	9,667	69,975	1,443		81,086
Derivatives:					
- Interest derivatives		-928		-928	1,517
- Currency derivatives		1,287		1,287	-476
Total derivatives 31.03.2022		359		359	
- derivatives with a positive market value		3,691		3,691	2,678
- derivatives with a negative market value		-3,332		-3,332	-1,638
Total derivatives 31.12.2021		1,040			1,040

Movement level 3

(NOK million)	Equities	Fund units	Loans to customers	Corporate bonds	Bond funds
Book value 01.01	309	12,001	133	8	1,435
Net profit/loss	5	1,550	-62		-42
Supply/disposal		323			100
Sales/overdue/settlement	-1	-723			-43
Book value 31.03.2022	313	13,152	68	8	1,450

Sensitivity assessments

Sensitivity assessments of investments on level 3 are described in note 13 in the 2021 annual report. There is no significant change in sensitivity in this quarter or year to date.

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 tax rate for companies' subject to the financial tax is 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual companies is used (22 or 25 per cent).

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

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

Uncertain tax positions

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

- A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In January 2018, Storebrand Livsforsikring AS received notice of an adjustment to the tax returns for 2015 which claimed that the calculated loss was excessive but provided no further quantification. Storebrand Livsforsikring AS disagrees with the arguments that were put forward and submitted its response to the Norwegian Tax Administration on 2 March 2018. The notice was unclear, but based on the notice, a provision was made in the 2017 annual financial statements for an uncertain tax position of approximately NOK 1.6 billion related to the former booked tax loss (appears as a reduction in the loss carryforward and, in isolation, gave an associated increased tax expense for 2017 of approximately NOK 0.4 billion). In May 2019, Storebrand Livsforsikring AS received a draft decision from the Norwegian Tax Administration claiming changes in the tax return from 2015. Storebrand disagrees with the notice from the Norwegian Tax Administration and submitted its response in October 2019. In March 2021 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration in this case and has in May 2021 challenged the decision to the Norwegian Tax Appeals Committee. Storebrand considers it to be probable that Storebrand's understanding of the tax legislation will be accepted by the Tax Appeals Committee or a court of law, and thus, no additional uncertain tax position has been recognised in the financial statements based on the received decision. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.2 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise.
- B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. When presenting the national budget for 2020 in October 2019, the Ministry of Finance proposed a clarification of the wording of the transitional rules in line with the interpretive statement from the Norwegian Directorate of Taxes. The clarification was approved by the Norwegian Parliament in December 2019. Storebrand considers there to be uncertainty regarding the value such subsequent work on a legal rule has as a source of law, and which in this instance only applies for a previous financial year. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment

of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. In April 2022 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration and intends to challenge the decision to the Norwegian Tax Appeals Committee. The uncertain tax position has therefore been recognised in the financial statements. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

- C. The outcome of the interpretation of tax rules for group contributions referred to above under (A) will have an impact when calculating the effect from the transitional rules for the new tax rules referred to under point (B). An equivalent interpretation to that described under (A) has been used as a basis in the financial statements when calculating tax input values on property shares owned by customer assets for 2016 and 2017. There is thus an uncertain tax position relating to the effect from the transitional rules described in (B). The received decision in April 2022 (described under (B)) has reduced the uncertain tax position and has led to a tax income of NOK 0.6 billion being booked in Q1 2022. This effect will depend on the interpretation and outcome of (A). If Storebrand's position is accepted under (A), Storebrand will recognise an additional tax income of approximately NOK 0.2 billion if Storebrand's position under (B) is accepted. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.5 billion.

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

Note
09

Contingent liabilities

(NOK million)	Storebrand Livsforsikring group		Storebrand Livsforsikring AS	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Uncalled residual liabilities limited partnership	4,865	4,870	4,466	4,469
Uncalled residual liabilities in alternative investment funds	10,775	10,093	8,694	7,843
Total contingent liabilities	15,640	14,963	13,160	12,312

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 also note 2 and note 44 in the 2021 annual report.

Note
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Solvency II

Storebrand Livsforsikring is an insurance company with capital requirements in accordance with Solvency II.

The calculations below are for Storebrand Livsforsikring AS when Storebrand Livsforsikring Group no longer entitled to report solvency. The requirement on consolidated level only applies to Storebrand Group.

The solvency capital requirement and minimum capital requirement are calculated in accordance with Section 46 (1) – (3) of the Solvency II Regulations using the standard method.

Solvency capital

(NOK million)	31.03.2022				31.12.2021	
	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	3,540	3,540				3,540
Share premium	9,711	9,711				9,711
Reconciliation reserve	16,824	16,824				19,884
Including the effect of the transitional arrangement						
Counting subordinated loans	10,228		1,953	8,276		10,860
Deferred tax asset						
Risk equalisation reserve	620			620		547
Expected dividend/group distributions ¹⁾	132	132				-2,420
Total solvency capital	41,054	30,206	1,953	8,895		42,121
Total solvency capital available to cover the minimum capital requirement						
	33,514	30,206	1,953	1,355		34,161

1) Net Group contribution from Storebrand ASA MNOK 789,6 (approved on Annual General Meeting 6th of April), and expected group contribution from Storebrand Livsforsikring from 1st quarter result 2022, MNOK 658.

Solvency capital requirement and margin

(NOK million)	31.03.2022	31.12.2021
Market	19,695	20,424
Counterparty	789	620
Life	7,010	7,266
Health	639	635
P&C		
Operational	1,031	1,067
Diversification	-5,189	-5,228
Loss-absorbing tax effect	-5,125	-5,125
Total solvency requirement	18,849	19,659
Solvency margin	218 %	214 %
Minimum capital requirement	6,774	7,218
Minimum margin	495 %	473 %

Note 11 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 24 and 46 in the 2021 annual report.

Storebrand Livsforsikring has not carried out any material transactions other than normal business transactions with related parties during 2022, other than Storebrand Livsforsikring AS having acquired mortgages from the sister company Storebrand Bank ASA. The mortgages were transferred on commercial terms. Storebrand Livsforsikring transfers loans back to Storebrand Bank when mortgages are renegotiated or terminated. The total portfolio of loans bought as of the 1st quarter in 2022 is NOK 18,8 billion, net changes of NOK 2.2 billion in 1st quarter. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expense in the 1st quarter is NOK 17,4 million.

Financial calendar



14 July	Results Q2 2022
26 October	Results Q3 2022
February 2023	Results Q4 2022

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