storebrand

Interim report 3rd quarter 2023

Storebrand Livsforsikring AS (unaudited)

3rd quarter 2023

Contents

Important notice:

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

Interim report Storebrand Livsforsikring Group
Third quarter 2023

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 3rd quarter result please refer to the Storebrand Group's interim report for the 3rd quarter of 2023. 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.

Changes in IFRS – How to read this report

From the 1st quarter 2023, Storebrand Livsforsikring Group reports its official IFRS financial statements in accordance with IFRS 17 and IFRS 9, which replaces IFRS 4 and IAS 39 from 1 January 2023. The purpose of the new standard is to establish uniform practices for the accounting treatment of insurance contracts and greater transparency, both between insurance companies and sectors. The implementation of IFRS 17 has a significant impact on the accounting for insurance contracts in the Storebrand Livsforsikring Group, including the timing of recognition and presentation in the financial statements.

A comment on the financial performance under IFRS is given in the subsection below. For the remainder of the report, Storebrand will continue to report and comment on the alternative income statement in parallel with IFRS statements of financial position. The alternative income statement may differ significantly from the IFRS financial statements, especially for the insurance part of the business reporting in accordance with IFRS 17. While the alternative income statement is an approximation of the cash generated in the period, the IFRS statement includes profit-and-loss effects of updated estimates and assumptions about the timing of future cash flows and insurance services provided. Detailed disclosure of Storebrand Group's IFRS statements and notes are available under the "Financial statements Storebrand Livsforsikring Group" section in this report.

The alternative income statement is based on statutory accounts issued in accordance with Norwegian GAAP (NGAAP) for the Norwegian entities and Swedish GAAP (SGAAP) for the Swedish entities. The reporting frameworks are similar to the previous reporting under IFRS 4. The alternative income statement is adjusted for intercompany transactions and result items related to customers' funds. The introduction of IFRS 17 will not have any material impact on neither the statutory accounts nor the alternative income statement, and the result is still a good approximation of free cash flow generated by the business units.

Financial performance (IFRS)

From the 1st quarter 2023, Storebrand Livsforsikring Group reports its official IFRS financial statements in accordance with IFRS 17 and IFRS 9, which replaces IFRS 4 and IAS 39 from 1 January 2023. Storebrand Livsforsikring Group's profit after tax expenses was NOK 679m (NOK 284) in the 3rd quarter and year to date NOK 2 170m (NOK 1 079m) under IFRS. Higher volatility is expected on general basis under IFRS 17 due to measurement models applied. For more information about implementation effects of IFRS 17 and IFRS 9, please see note 1, 2 and 8.

Financial performance (alternative income statement)

Profit Storebrand Livsforsikring Group

NOK million	2023 Q3	Q2	Q1	2022 Q4	Q3	01.01 - 30.09 2023	2022	Full year 2022
Fee and administration income	963	926	937	940	916	2,825	2,670	3,609
Insurance result	238	231	194	243	304	663	696	939
Operational expenses	-727	-754	-728	-772	-718	-2,210	-1,961	-2,733
Cash equivalent earnings from operations	**473**	**402**	**403**	**411**	**502**	**1,278**	**1,404**	**1,815**
Financial items and risk result life & pension	261	237	225	115	-44	723	-206	-92
Cash equivalent earnings before amortisation	**734**	**640**	**628**	**525**	**458**	**2,002**	**1,198**	**1,723**
Amortisation	-133	-44	-50	-50	-48	-227	-101	-151
Cash equivalent earnings before tax	**601**	**596**	**578**	**476**	**410**	**1,775**	**1,097**	**1,572**
Tax	-137	275	109	78	-87	247	351	429
Cash equivalent earnings after tax	**463**	**872**	**688**	**554**	**323**	**2,022**	**1,448**	**2,002**

The cash equivalent earnings before amortisation was NOK 734m (NOK 458m) in the 3rd quarter and NOK 2 002m (NOK 1 198m) year to date. The figures in brackets are from the corresponding period previous year.

The increased result reflects continued underlying growth across the business and improved financial results driven by increased interest rates. External factors such as persistent high inflation, currency effects and increasing disability levels have had negative implications on the cost and claims development. The underlying growth continues to be strong across the business. Rising global equity markets, positive net flow and favourable currency effects year to date drive assets under management. Measures include repricing and cost initiatives.

Total fee and administration income amounted to NOK 963m (NOK 916m) in the 3rd quarter and NOK 2 825m (NOK 2 670m) year to date, corresponding to an increase of 5% compared to the same quarter last year and an increase of 6% year to date (4% 3rd quarter and 4% year to date adjusted for currency). Income growth is driven by strong growth in Unit Linked Reserves in Norway.

The Insurance result decreased to NOK 238m (NOK 304m) in the 3rd quarter and NOK 663m (NOK 696m) year to date due to high claims in P&C and Group life segments. Compared to the corresponding period last year growth remains strong for all segments, driven by a combination of organic growth and the Danica acquisition. 'Group life' has a high claims ratio driven by increased claims frequency and high disability respectively. Measures, including further repricing with full effect from 2024, have been implemented to improve the robustness and profitability in the affected segments. The total combined ratio for the Insurance segment was 90% (82%) in the 3rd quarter and 92% (87%) year to date.

The Group's operational cost amounted to NOK -727m (NOK -718m) in the 3rd quarter and NOK -2 210m (NOK -1 961m) year to date. The increase is mainly attributed to acquired business and integration cost. Inflation, currency, performance related costs, growth initiatives and digital investments are also contributing factors. For the acquired business, profitability will increase as synergies are gradually realised.

Overall, the cash equivalent earnings from operations amounted to NOK 473m (NOK 502m) in the 3rd quarter and NOK 1 278m (NOK 1 404m) year to date.

The 'financial items and risk result' amounted to NOK 261m (NOK -44m) in the 3rd quarter and NOK 723m (NOK -206m) year to date. Net profit sharing amounted to NOK 41m (NOK -116m) in the 3rd quarter and NOK 113m (NOK -143m) year to date. The improvement stems from increased return in the company portfolios and a moderate profit sharing. In the Norwegian guaranteed portfolio profit sharing is close to zero in the quarter and year to date. In the Swedish guaranteed business profit sharing is positive but moderate in the quarter and year to date driven by development in market returns as well as the high Swedish inflation. The risk result amounted to NOK 69m (NOK 74m) in the 3rd quarter and NOK 218m (NOK 210m) year to date.

Amortisation of intangible assets from acquired business amounted to NOK -126m (NOK -42m) in the 3rd quarter and NOK -206m (NOK -81m) year to date. The increased amortisation compared to the restated figures for 2022 is attributed the Danica acquisition. In addition, a write-down of intangible assets of NOK -87m associated with distribution agreements that has been cancelled in connection with Danske Bank's sale of the Norwegian retail banking operation was conducted in the 3rd quarter. The write-down has no material effect on Storebrand's earnings as Storebrand no longer will pay commissions to Danske Bank from 3rd quarter 2023. The one-off write down this quarter will lead to correspondingly lower amortisation going forward.

Storebrand Livsforsikring Group booked a tax expenses of NOK 125m (NOK 9m) in the 3rd quarter and a tax income of NOK 230m (NOK 467m) year to date. The tax income year to date is driven by a tax gain of approx. NOK 440m in the 2nd quarter, as the Tax Appeals Committee gave Storebrand full consent in a disputed tax case for the income year 2015. The estimated normal tax rate is 19-22%, depending on each legal entity's contribution to the Group result. Different tax rates in different countries of operations as well as currency fluctuations impact the quarterly tax rate.

Profit Storebrand Livsforsikring group - by business ares

	2023			2022		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2023	2022	2022
Savings	206	156	201	161	171	563	544	705
Insurance	108	112	48	87	165	268	343	430
Guaranteed pensions	314	293	285	270	148	892	633	903
Other	106	79	94	8	-27	279	-323	-315
Cash equivalent earnings before amortisation	**734**	**640**	**628**	**525**	**458**	**2,002**	**1,198**	**1,723**

The Group reports its cash equivalent earnings by business segment. For a more detailed description, see the sections by segment in the report.

Capital situation

The solvency ratio for Storebrand Livsforsikring AS was 271% at the end of the 3rd quarter, an increase of 14 percentage points from the previous quarter. Reduced equity exposure is the main explanation behind the strengthening. To manage the annual return requirement in the Norwegian guaranteed pension products, risk has been reduced in the quarter in the form of lower equity exposure. Storebrand expects to increase risk and the associated expected customer returns into 2024. Storebrand expects to increase risk and the associated expected customer returns into 2024. Increased interest rates, reduced symmetric adjustment (SA) and a strong post tax result also contributed positively to the solvency position. Write-downs in the real estate portfolio and equity markets softening impacted the solvency ratio negatively. The real estate portfolio has been written down 6% in Norway and 1% in Sweden in the 3rd quarter. The board considers the capitalisation of the company to be strong.

Savings

- Cash equivalent earnings before amortisation up 21% compared to Q3 2022
- 12% growth in quarterly Unit Linked premiums compared to Q3 2022

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

	2023			2022		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2023	2022	2022
Fee and administration income	549	538	559	527	519	1,647	1,486	2,013
Operational expenses	-353	-375	-357	-376	-345	-1,084	-931	-1,306
Cash equivalent earnings from operations	**196**	**164**	**203**	**151**	**173**	**562**	**555**	**706**
Financial items and risk result life & pension	10	-8	-2	9	-2	1	-11	-2
Cash equivalent earnings before amortisation	**206**	**156**	**201**	**161**	**171**	**563**	**544**	**705**

Profit

The Savings segment reported cash equivalent earnings before amortisation of NOK 206m (NOK 171m) in the 3rd quarter and NOK 562m (NOK 555m) year to date. Positive net flow, acquisition, and market returns have led to growth in assets under management year to date.

The fee and administration income in the Savings segment amounted to NOK 549 m (NOK 519m) in the 3rd quarter and NOK 1 647m (NOK 1 486m) year to date, corresponding to a growth of 14% (adjusted for currency effect NOK vs SEK). In Unit Linked Norway, income grew 3% compared to the same quarter last year and 15% year to date. The development is explained by solid growth in the underlying business, positive market development, as well as margin pressure. In Sweden, income grew 9% compared to the same quarter last year and 6% year to date.

Operational cost amounted to NOK -353m (NOK -345m) in the 3rd quarter and NOK -1 084m (NOK -931m) year to date. Cost increases are below inflation, adjusted for currency effects and costs associated with acquisitions.

Balance sheet and market trends

Total assets under management in Unit Linked decreased to NOK 353bn (NOK 302bn) from NOK 357bn last quarter, due to weak financial markets in the quarter. Unit Linked premiums increased to NOK 7.1bn (NOK 6.3bn) in the 3rd quarter.

In the Norwegian Unit Linked business, assets under management increased to NOK 197bn (NOK 170bn). The growth stems from high occupational pension premiums, new sales, asset return and limited pension payments due to the young nature of the product. Net inflow (from premiums, claims and withdrawals, and transfers) amounted to NOK 3.0bn (NOK 1.9bn).

In the Swedish Unit Linked business, assets under management decreased during the quarter by SEK 2.3bn and amounted to SEK 160bn. Net inflow amounted to NOK 2.2bn (NOK 0.6bn) in the 3rd quarter.

Savings - Key figures

	2023			2022	
NOK mill	Q3	Q2	Q1	Q4	Q3
Unit Linked Reserves	353,448	357,150	343,347	314,992	302,337
Unit Linked Premiums	7,055	7,024	6,883	6,583	6,279

Insurance

- 18% overall growth in premiums f.o.a. compared to the corresponding quarter last year
- Combined ratio of 90% in the quarter impacted by high disability claim

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

	2023			2022		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2023	2022	2022
Insurance result	238	231	194	243	304	663	696	939
- Insurance premiums f.o.a.	996	995	970	923	939	2,961	2,512	3,435
- Claims f.o.a.	-758	-764	-776	-680	-635	-2,298	-1,816	-2,496
Operational expenses	-139	-136	-151	-145	-139	-426	-362	-507
Cash equivalent earnings from operations	**99**	**95**	**43**	**98**	**165**	**237**	**334**	**432**
Financial items and risk result life & pension	9	16	6	-11	0	31	9	-3
Cash equivalent earnings before amortisation	**108**	**112**	**48**	**87**	**165**	**268**	**343**	**430**

Profit

Insurance premiums f.o.a. amounted to NOK 996 m (NOK 939m) in the 3rd quarter and NOK 2 961 m (NOK 2 512m) year to date, corresponding to increase of 6% compared to the same quarter last year and an increase of 18% year to date. Adjusted for Danica, insurance premiums f.o.a. increased by 10% compared to the same quarter last year.

Cash equivalent earnings before amortisation amounted to NOK 108m (NOK 165m) in the 3rd quarter and NOK 268m (NOK 343m) year to date. The total combined ratio was 90% (82%) in the 3rd quarter and 92% (87%) year to date. High disability claims are negative contributor.

Within 'Individual life', strong growth continued with premiums f.o.a. growing 6% in the 3rd quarter compared to last year. The cash equivalent earnings before amortisation was NOK 74m (NOK 72m) in the 3rd quarter and NOK 197m (NOK 157m) year to date. The claims ratio was 54% (51%) in the 3rd quarter and 56% (56%) year to date.

'Group life' reported a cash equivalent earnings before amortisation of NOK -30m (NOK 11m) in the 3rd quarter and NOK -64m (NOK 26m) year to date. The disability development in the associations segment of the Group life has resulted in negative results and a major re-pricing has been implemented from 2024. The corporates segment of the business had a positive development in the 2nd quarter. In Group life reserves have been strengthened in the quarter due to inflation adjustment of the national base amount, which defines compensation levels in the products. In sum, 'Group life' reported a combined ratio of 113% (97%) in the 3rd quarter and 110% (98%) year to date.

The cash equivalent earnings before amortisation for 'Pension related disability insurance Nordic' was NOK 65m (NOK 82m) in the 3rd quarter and NOK 135m (NOK 160m) year to date. Disability levels improved in the Norwegian business in the 3rd quarter due to seasonal effects, but the development is being monitored closely as we generally see disturbing trends in work absence due to sickness and disability statistics. Price increases will be implemented with full effect from 2024. The Swedish business has improved its claims ratio in the quarter. Run-off gains contributed positively in the quarter. Altogether the combined ratio was 86% (78%) in the 3rd quarter and 90% (85%) year to date.

The cost ratio was 14% (16%), with cost amounting to NOK -139m (NOK -139m) in the 3rd quarter and NOK -426m (NOK -362m) year to date. The higher cost level is driven by growth in the business and the take-over of the Danica Business.

The Insurance investment portfolio is primarily invested in fixed income securities with short to medium duration and achieved a financial return of 0.8% in the 3rd quarter and 2.2% year to date. With higher rates, the return on the insurance investment portfolio is expected to increase in the coming quarters.

Balance sheet and market trends

The Insurance segment offers a broad range of products to the retail market in Norway, as well as to the corporate market in both Norway and Sweden. Storebrand has an ambition to grow the insurance business.

Overall growth in annual portfolio premiums amounted to 8% compared to the same quarter last year. Growth in 'Individual life' amounted to 8% and is driven by contribution from sales agents and distribution partnerships. 'Group life' grew by 8%, driven by price adjustments, and 'Pension related disability insurance' grew by 11%, driven by price adjustments and salary increases.

Portfolio premiums (annual)

NOK million	2023 Q3	Q2	Q1	2022 Q4	Q3
Individual life *	1,181	1,174	1,168	1,150	1,132
Group life **	1,040	1,027	970	978	966
Pension related disability insurance ***	1,884	1,856	1,834	1,738	1,703
Portfolio premium	4,105	4,057	3,972	3,866	3,801

** Individual life disability insurance*

*** Group disability, workers compensation insurance*

Key Figures

	2023 Q3	Q2	Q1	2022 Q4	Q3
Claims ratio	76%	77%	80%	74%	68%
Cost ratio	14%	14%	16%	16%	15%
Combined ratio	**90%**	**90%**	**96%**	**89%**	**82%**

Guaranteed pension

- **Solid cash equivalent earnings from operations based on top line growth**
- **Continued strong risk result**
- **Improved, but moderate, profit sharing result**

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

Guaranteed pension – Results

	2023			2022		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2023	2022	2022
Fee and administration income	413	387	378	413	398	1,179	1,184	1,597
Operational cost	-209	-216	-192	-233	-208	-617	-617	-850
Cash equivalent earnings from operations	**204**	**171**	**186**	**180**	**190**	**561**	**567**	**747**
Risk result life & pensions	69	69	81	53	74	218	210	262
Net profit sharing	41	53	18	38	-116	113	-143	-106
Cash equivalent earnings before amortisation	**314**	**293**	**285**	**270**	**148**	**892**	**633**	**903**

Financial performance
Guaranteed pension achieved cash equivalent earnings before amortisation of NOK 314m (NOK 148m) in the 3rd quarter and NOK 892m (NOK 633m) year to date.

Fee and administration income amounted to NOK 413m (NOK 398m) in the 3rd quarter and NOK 1,179m (NOK 1,184m) year to date. The increase stems from the Norwegian business where defined benefit income growth and positive inflow of pension funds converted to paid-up policies contributed positively.

Operational cost amounted to NOK -209m (NOK -208m) in the 3rd quarter and NOK -617m (NOK -617m) year to date.

The cash equivalent earnings from operations were satisfactory and amounted to NOK 204m (NOK 190m) in the 3rd quarter and NOK 561m (NOK 567m) year to date.

The risk result was NOK 69m (NOK 74m) in the 3rd quarter and NOK 218m (NOK 210m) year to date. A strong disability and longevity risk result in the Norwegian business and positive longevity result in the Swedish business were the main elements in the result. Net profit sharing amounted to NOK 41m (NOK -116m) in the 3rd quarter and NOK 113m (NOK -143m) year to date. Profit sharing is generated by the Swedish business while the Norwegian portfolio focuses on rebuilding buffer.

Balance sheet and market trends
The majority of the guaranteed products are in long term run-off. Most customers have switched from guaranteed to non-guaranteed products. As of the 3rd quarter, customer reserves of guaranteed pensions amounted to NOK 278bn. This is an increase of NOK 4bn year to date, primarily from the transfer of a closed pension fund and growth in public sector pensions. Net flow of guaranteed pensions amounted to NOK -2.7bn in 3rd quarter (NOK -2.7bn in 2022).

A growth area for Storebrand is public sector occupational pensions, where Storebrand won its first mandates in 2020. Reserves for public sector mandates were NOK 18bn as of the 3rd quarter reflecting an increase of 2bn year to date due to tender offers won in late 2022. New customers representing 1.0bn have been won as of the 3rd quarter and will be transferred in 2024.

Storebrand's strategy is to have solid buffer capital levels in order to secure customer returns and shield shareholder's equity during turbulent market conditions. Buffer capital (excl. excess value of bonds at amortised cost) was 23.4bn as of the 3rd quarter. As a share of guaranteed reserves, buffer capital levels in Norwegian products amounted to 5.1% (6.2%) and 21.4% (18.2%) in Swedish products. This does not include off-balance sheet excess values of bonds at amortised cost, which at the end of the 3rd quarter amounted to a deficit of NOK -17.1bn (NOK -13.2bn). As bonds at amortised cost mature, their excess values will trend to zero.

Guaranteed pension – Key figures

	2023			2022	
NOK million	Q3	Q2	Q1	Q4	Q3
Guaranteed reserves	277,789	279,358	282,559	273,673	275,622
Guaranteed reserves in % of total reserves	44.0%	43.9%	45.1%	46.5%	47.7%
Net flow of premiums and claims	-2,720	-2,486	-2,198	-2,846	-2,720
Buffer capital in % of customer reserves Norway	5.1%	6.0%	6.5%	6.3%	6.2%
Buffer capital in % of customer reserves Sweden	21.4%	21.1%	19.0%	19.0%	18.2%

Other

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

	2023			2022		01.01 - 30.09		Full year
NOK million	Q3	Q2	Q1	Q4	Q3	2023	2022	2022
Operational expenses	-26	-28	-29	-19	-26	-82	-52	-71
Cash equivalent earnings from operations	-26	-28	-29	-19	-26	-82	-52	-71
Financial items and risk result life & pension	131	107	123	27	-1	361	-271	-244
Cash equivalent earnings before amortisation	**106**	**79**	**94**	**8**	**-27**	**279**	**-323**	**-315**

Profit

The Other segment reported cash equivalent earnings before amortisation of NOK 106m (NOK -27m) in the 3rd quarter and 279m (NOK -323m) year to date. The positive result this year stems primarily from positive returns on investments in company portfolios due to higher interest rates and hence higher running yield in the bond portfolios.

The operational cost amounted to NOK -26m (NOK -26m) in the 3rd quarter and -82m (NOK -52m) year to date, and includes integration costs related to acquired business.

The financial result for the Other segment amounted to NOK 131m (NOK -1m) in the 3rd quarter and 229m (NOK -271m) year to date, reflecting higher yields on fixed income investments at higher interest rates. The result mainly stems from returns in the company portfolios of SPP and Storebrand Life Insurance. The investments in the company portfolios are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio achieved a return of 1.1% in the 3rd quarter and 2.7% year to date, while the Swedish company portfolio reported a return of 1.4% in the 3rd quarter and 3.2% year to date. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 26.6bn at the end of the quarter.

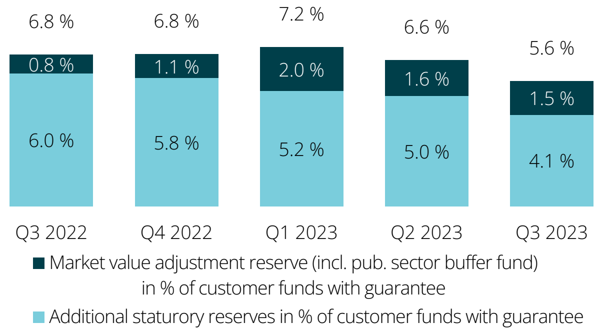
The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Interest expenses in the quarter amounted to NOK -138m. Given the interest rate level at the end of the 3rd quarter, interest expenses of approximately NOK -200m per quarter are expected going forward.

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 AS

Customer buffers (NOR)

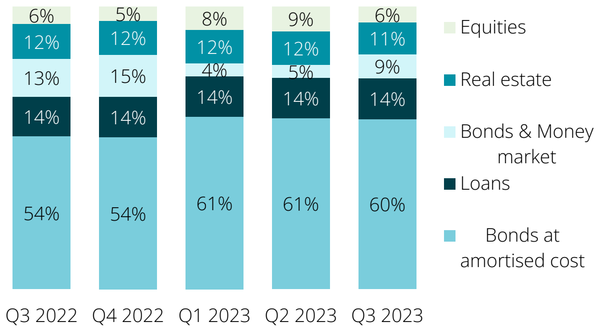


The market value adjustment reserve and buffer fund decreased during the 3rd quarter by NOK 0.1bn and increased by NOK 0.8bn year to date. At the end of 3rd quarter 2023 the market value adjustment reserve and buffer fund amounted to NOK 2.6bn, corresponding to 1.5% (1.6% at the end of 2nd quarter 2023) of customer funds with a guarantee.

The additional statutory reserves amounted to NOK 7.0bn, corresponding to 4.1% (5.0% at the end of the 2nd quarter 2023) of customer funds with guarantee at the end of the 3rd quarter. Investment returns in customer portfolios lower than the guaranteed interest rate decreased reserves by NOK 1.9bn in the 3rd quarter and NOK 2.6bn year to date.

Together, the customer buffers amounted to 5.6% of customer funds with guarantee at the end of the 3rd quarter 2023. The excess value of bonds and loans valued at amortised cost decreased by NOK 1.5bn in the 3rd quarter and NOK 6.9bn year to date due to increased interest rates and amounted to minus NOK 17.1bn at the end of the 3rd quarter 2023. The excess value of bonds and loans at amortised cost is not included in the financial statements of Storebrand Livsforsikring AS.

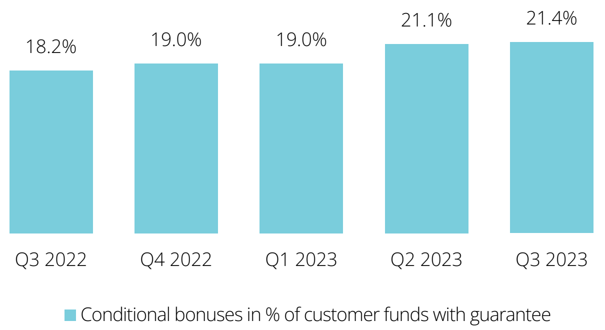
Allocation of guaranteed customer assets (NOR)



Customer assets increased in the 3rd quarter by NOK 2.0bn and by NOK 21.5bn year to date, amounting to NOK 395bn at the end of 3rd quarter 2023. Customer assets within non-guaranteed savings increased by NOK 0.6bn during the 3rd quarter and by NOK 17.2bn year to date, amounting to NOK 197bn at the end of 3rd quarter 2023. Guaranteed customer assets decreased by NOK 1.4bn in the 3rd quarter and increased by NOK 4.3bn year to date, amounting to NOK 199bn at the end of 3rd quarter 2023.

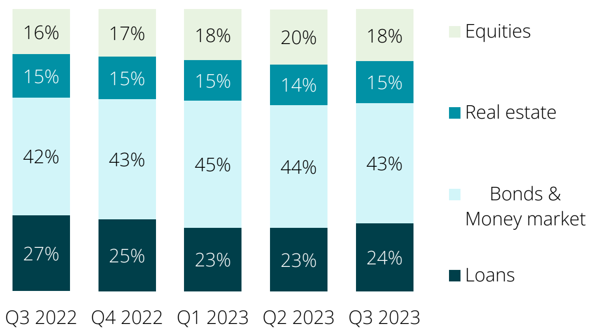
SPP

Customer buffers (SWE)



The buffer capital (conditional bonuses) amounted to SEK 14.2bn (SEK 12.4bn) at the end of the 3rd quarter.

Allocation of guaranteed customer assets (SWE)



Customer assets amounted to SEK 237bn (SEK 213bn) at the end of the 3rd quarter. Customer assets within non-guaranteed savings amounted to SEK 160bn (SEK 135bn) at the end of the 3rd quarter, which is an increase of 18% compared to the same quarter last year. Guaranteed customer assets had a stable development compared to the same quarter last year and amounted to SEK 77bn (SEK 78bn).

Outlook

Strategy
Storebrand Groups's (in which Storeband Life insurance is a significant part) strategy gives a compelling combination of self-funded growth in the front book, i.e. the growth areas of the "future Storebrand", and capital return from a maturing back book of guaranteed pensions.

Storebrand Group aims to (a) be 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 Group 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 ambition is to return NOK 10bn of excess capital by 2030, primarily in the form of share buybacks, while generating additional excess capital which may fund further growth or could be returned to shareholders.

Financial performance
During the year external factors such as persistent high inflation, currency effects and increasing disability levels have had negative implications on the cost and claims development. Whilst these factors represent increased uncertainty, the Group works actively with profitability measures including repricing and cost initiatives.

In Norway, the market for Defined Contribution pensions is growing structurally due to the young nature of the product. High single-digit growth in Defined Contribution premiums and double-digit growth in assets under management are expected during the next years. Storebrand aims to defend its strong position in the market, while also focusing on cost leadership and improved customer experience through end-to-end digitalisation. In July 2022, Storebrand acquired Danica in Norway, which will strengthen Storebrand's presence in the segment for small and medium sized businesses.

In Sweden, SPP is a leading market challenger within the segment for non-unionised pensions, with an edge in digital and ESG-enhanced solutions. SPP has become a significant profit contributor to the Storebrand Group, supported by an ongoing capital release from its guaranteed products in run-off. Growth is expected to continue, driven by new sales and transfers.

As a leading occupational pension provider in the private sector, Storebrand also has a competitive pension offering to the Norwegian public sector. It is a growing market which is larger than the private sector market. It is currently dominated by one monopolist. To succeed in the market, municipalities will need to tender their pension procurements to a larger extent than today. This represents a potential additional source of revenue for Storebrand. The ambition is to gain 1% market share annually, or approximately NOK 5bn in annual net inflow.

Overall reserves of guaranteed pensions are expected to decrease in the coming years. Guaranteed reserves represent a declining share of the Group's total pension reserves and amounted to 44% of the pension reserves at the end of the quarter, 6 percentage points lower than a year ago. With interest rates having risen to significantly higher levels than the average level of interest rate guarantees, the prospects for future profit sharing with customers has increased. Higher interest rates also allow Storebrand to build customer buffers at a faster pace, which strengthens the Group's solvency position.

The brand name 'Storebrand' is well recognised in Norway. It facilitates our rapid growth in the Norwegian retail market to leverage capital, customer, and operational synergies.

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. Should the growth not materialise, management has contingency plans in place to cut costs. High inflation rates, particularly wage inflation, is expected to increase the cost base and acquired business such as Danica will add to the total cost base.

Risk
Storebrand is exposed to several risk factors that have previously been elaborated on in the 'Outlook' section. These elements are from now covered by the notes and in the annual report for 2022.

Regulatory changes
Flexible buffer for guaranteed pension products from 1 January 2024
New legislation on flexible buffer fund for private sector guaranteed pension products such as paid-up policies and defined benefit contracts will take effect from 1 January 2024. Similar rules were introduced for municipal occupation pension in 2022.

Market value adjustment reserves will merge with the additional statutory reserves into a more flexible customer buffer fund which can cover negative returns. There is no cap on the size of the new buffer fund. The buffer fund is allocated to contracts and can be subject to profit sharing. Storebrand believe that the new flexible buffer fund will have a positive impact on the investment strategy for guaranteed pension products.

Parliament has asked the Government to consider further changes in the regulation of paid-up polices that could benefit policy holders, in a process involving the different stakeholders. This work has not yet started.

Changes in the National Insurance Pension Scheme
The Government is expected to deliver a proposal for changes in the National Insurance Pension Scheme this autumn, after an evaluation report on the pension reform was delivered last year.

Among the proposals expected is automatic adjustment of age limits in the pension system, such as the earliest age for possible withdrawal of pensions, as longevity expectations increase. Similar changes will likely also be introduced for occupation pensions and individual pension schemes.

The market for municipal occupational pensions
Storebrand has filed two complaints to the EFTA Surveillance Authority (ESA). Storebrand has claimed that municipalities, regional health authorities and hospitals have entered contracts on occupational pension with KLP, in breach of the rules on public procurement. Storebrand has also claimed that municipalities, regional health authorities and hospitals have granted KLP State aid in violation of EEA Agreement. According to Storebrand, KLP, by withholding earned equity when customers move to other providers, is given access to capital from municipalities and hospitals on more favourable terms than other market participants would receive.

The Norwegian government argues that EEA-legislation does not apply, as KLP is not an economic entity and municipal occupational pension is social security. Storebrand argues that this is an insurance product delivered by life insurance companies in the marketplace. Facilitating competition has been a major goal for Norwegian insurance regulation, also for regulation particular to this product.

Storebrand expects ESA to decide on the complaints before the end of the year or early next year.

Lysaker, 24 October 2023

Board of Directors Storebrand Livsforsikring AS

Storebrand Livsforsikring Group

Income Statement

	Q3		01.01 - 30.09		Full year
NOK million	2023	2022	2023	2022*	2022*
Insurance revenue	1,533	1,502	4,599	4,285	5,826
Insurance service expenses	-1,232	-1,073	-3,130	-2,600	-3,687
Net expenses from reinsurance contracts held	2	4	-53	-9	-34
Net insurance service result	**303**	**433**	**1,417**	**1,676**	**2,104**
Income from unit linked	496	480	1528	1350	1888
Other income	48	80	210	232	220
Total income	**847**	**993**	**3,154**	**3,258**	**4,212**
Operating expenses	-424	-407	-1,312	-1,123	-1,627
Other expenses	-18	-5	-84	-20	-26
Operating profit	**405**	**581**	**1,759**	**2,115**	**2,559**
Income from investments in subsidiaries, associated companies and joint ventures companies	-322	-180	-372	-17	-327
Net income on financial and property investments	-9,488	-10,362	21,714	-71,371	-36,482
Net change in investment contract liabilities	6,567	5,284	-21,966	37,395	9,833
Finance expenses from insurance contracts issued	3,696	5,056	1,582	33,245	26,624
Interest expenses securities issued and other interest expenses	-179	-96	-547	-288	-534
Net financial result	**274**	**-297**	**412**	**-1,037**	**-886**
Profit/loss before amortisation and tax	**679**	**284**	**2,170**	**1,079**	**1,673**
Amortisation and write-downs intangible assets	-126	-42	-206	-81	-123
Tax expenses	-125	-9	230	467	192
Profit/loss for the period	**428**	**233**	**2,195**	**1,464**	**1,742**
Change in actuarial assumptions	-3	-2	-8	-6	-29
Fair value adjustment of properties for own use	-16	19	-48	60	63
Other comprehensive income allocated to customers	16	-19	48	-60	-63
Tax on other profit elements not to be reclassified to profit/loss	-3				4
Other comprehensive income not to be reclassified to profit/loss	**-5**	**-2**	**-8**	**-6**	**-25**
Profit/loss cash flow hedging		-9	-10	-24	-12
Translation differences foreign exchange	80	104	-209	10	-4
Unrealised profit/loss on financial instruments FVOCI	-31	-146	-219	-722	-576
Tax on other profit elements that may be reclassified to profit/loss	8	42	57	186	144
Other profit comprehensive income that may be reclassified to profit	**49**	**-8**	**-438**	**-549**	**-448**
Other comprehensive income	**44**	**-10**	**-447**	**-555**	**-473**
TOTAL COMPREHENSIVE INCOME	**471**	**223**	**1,748**	**910**	**1,269**
PROFIT IS ATTRIBUTABLE TO:					
Share of profit for the period - shareholders	428	233	2,195	1,464	1,742
Share of profit for the peride - non-controlling interests					
COMPREHENSIVE INCOME IS ATTRIBUTABLE TO:					
Share of profit for the period - shareholders	479	223	1,805	910	1,269
Share of profit for the peride - non-controlling interests					
* Restated numbers					

Storebrand Livsforsikring Group

Statement of financial position

NOK million	30.09.23	30.09.22*	31.12.22*
ASSETS			
Goodwill			
Other intangible assets	2,790	3,101	2,968
Total intangible assets	**2,790**	**3,101**	**2,968**
Tangible fixed assets	642	663	633
Tax assets	3,262	3,305	2,943
Equities and units in subsidiaries, associated companies and joint ventures	8,128	8,890	8,685
Investment properties	34,299	35,664	35,171
Loans	27,511	28,883	28,384
Bonds and other fixed-income securities	258,334	258,179	261,689
Equities and fund units	310,800	268,559	270,216
Derivatives	14,066	10,954	14,289
Bank deposits	14,701	9,407	13,470
Total investments	**667,838**	**620,537**	**631,905**
Reinsurance contracts assets	179	272	301
Receivable in the group	113	119	138
Accounts receivable and other short-term receivables	39,235	11,494	3,576
TOTAL ASSETS	**714,059**	**639,490**	**642,464**
EQUITY AND LIABILITIES			
Paid in equity	15,578	15,150	15,150
Earned equity	1,097	1,258	1,622
Total equity	**16,675**	**16,409**	**16,772**
Subordinated loans and hybrid tier 1 capital	9,627	11,063	9,757
Insurance contracts liabilities	300,874	300,708	302,168
Reinsurance contracts liabilities	1	21	35
Investment contracts liabilities	329,484	281,469	292,931
Pension liabilities etc.	41	39	41
Deferred tax	1,166	1,121	1,137
Derivatives	13,431	19,050	12,561
Liabilities to group companies	44	39	27
Other liabilities	42,716	9,572	7,035
Total liabilities	**687,757**	**612,018**	**615,934**
TOTAL EQUITY AND LIABILITIES	**714,059**	**639,490**	**642,463**

* Restated numbers

Storebrand Livsforsikring Group

Statement of changes in equity

	Majority's share of equity					
NOK million	Share capital	Share premium	Other paid in equity	Total paid in equity	Other equity	Total equity
Equity at 31.12.2021	**3,540**	**9,711**	**1,110**	**14,361**	**11,649**	**26,010**
Equity effect when implementing IFRS 9 and IFRS 17					**-8,077**	
Equity at 1.1.2022	**3,540**	**9,711**	**1,110**	**14,361**	**3,572**	**26,010**
Profit for the period					1,465	1,465
Other comprehensive income					-555	-555
Total comprehensive income for the period					**910**	**910**
Equity transactions with owner:						
Received dividend/group contributions			790	790		790
Paid dividend/group contributions					-3,210	-3,210
Other					-14	-14
Equity at 30.09.2022	**3,540**	**9,711**	**1,900**	**15,151**	**1,258**	**16,409**
Profit for the period					1,817	1,817
Other comprehensive income					-549	-549
Total comprehensive income for the period					**1,268**	**1,268**
Equity transactions with owner:						
Received dividend/group contributions			790	790		790
Paid dividend/group contributions					-3,210	-3,210
Other					-9	-9
Equity at 31.12.2022	**3,540**	**9,711**	**1,899**	**15,150**	**1,621**	**16,772**
Profit for the period					2,195	2,195
Other comprehensive income					-389	-389
Total comprehensive income for the period					**1,805**	**1,805**
Equity transactions with owner:						
Received dividend/group contributions			427	427		427
Paid dividend/group contributions					-2,325	-2,325
Other					-4	-4
Equity at 30.09.2023	**3,540**	**9,711**	**2,327**	**15,578**	**1,097**	**16,675**

Storebrand Livsforsikring Group/AS

Statement of cash flow

Storebrand Livsforsikring group 01.01 - 30.09 2022	2023	NOK million	Storebrand Livsforsikring AS 01.01 - 30.09 2023	2022
		Cash flow from operating activities		
23,327	22,598	Net received - direct insurance	21,545	15,106
-16,156	-15,649	Net claims/benefits paid - direct insurance	-11,231	-9,697
-1,518	-378	Net receipts/payments - policy transfers	-396	-144
29,836	27,064	Net change insurance liabilities	27,209	568
-970	-642	Taxes paid	86	-773
-1,875	717	Net receipts/payments operations	-1,290	-1,104
973	4,135	Net receipts/payments - other operational activities	-1,128	1,055
33,618	37,844	**Net cash flow from operating activities before financial assets**	34,796	5,012
1,668	3,285	Net receipts/payments - loans to customers	45	1,399
-30,461	-37,696	Net receipts/payments - financial assets	-32,454	-5,096
658	928	Net receipts/payments - property activities		
633	2	Receipts - sale of investment properties		
-1,022	-277	Payment - purchase of investment properties		
-28,524	-33,758	**Net cash flow from operating activities from financial assets**	-32,409	-3,697
5,094	4,086	**Net cash flow from operating activities**	2,387	1,315
		Cash flow from investing activities		
-562		Net payments - purchase/capitalisation associated companies		-2,047
-25	-28	Net receipts/payments - sale/purchase of fixed assets	-10	-3
-2,886	-28	**Net cash flow from investing activities**	-10	-2,050
		Cash flow from financing activities		
648	-7	Receipts - subordinated loans issued	-7	648
-99	-432	Repayment of subordinated loans	-432	-99
-342	-204	Payments - interest on subordinated loans	-204	-342
1,050	565	Payments received of dividend and group contribution	1,441	2,432
-3,210	-2,325	Payment of dividend and group contribution	-2,325	-3,210
-1,953	-2,403	**Net cash flow from financing activities**	-1,527	-571
256	1,655	**Net cash flow for the period**	851	-1,306
28,779	35,413	of which net cash flow for the period before financial assets	33,259	2,390
256	1,655	Net movement in cash and cash equivalent assets	851	-1,306
9,139	13,046	Cash and cash equivalents at the start of the period	8,814	5,245
13		Currency translation differences		
9,407	14,701	**Cash and cash equivalent assets at the end of the period**	9,664	3,938

Storebrand Livsforsikring Group
Notes to the financial statements

Note 1 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 life insurance 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.

This is the first set of the group's interim financial statements in which IFRS 17 Insurance contracts and IFRS 9 Financial Instruments have been applied. The new changes to significant accounting policies are described below.

The remainder of the of the accounting policies applied in the preparation of the financial statements are described in the 2022 annual report, and the interim financial statements are prepared in accordance with these accounting policies. Accounting policies that relate to IFRS 4 Insurance contracts and IAS 39 Financial Instruments are no longer applicable.

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 2022.

1.1 New standards and changes to the accounting policies applied

IFRS 9

IFRS 9 Financial Instruments replaced IAS 39 and was generally applicable from 1 January 2018. However, for insurance-dominated groups and companies, IFRS 4 allowed for the implementation of IFRS 9 to be deferred until implementation of IFRS 17. The Storebrand Livsforsikring Group qualified for temporary deferral of IFRS 9 because over 90 per cent of the Group’s total liabilities as at 31 December 2015 were linked to the insurance businesses. For the Storebrand Livsforsikring Group, IFRS 9 was implemented together with IFRS 17 from 1 January 2023. Storebrand has restated the 2022-figures according to IFRS 9.

The Storebrand Livsforsikring Group did conduct a provisional analysis of the classification and measurement of financial instruments in accordance with IAS 39 for the transition to IFRS 9, based on the business model for the individual instruments. For debt instruments that were expected to be classified and measured at amortised cost or fair value through total comprehensive income upon transition to IFRS 9, a SPPI (”Solely payment of principal and interest”) test was carried out. A significant majority of the financial assets has been measured at fair value (the fair value option was used).

The Ministry of Finance has stipulated regulatory provisions that permit pension providers to recognise investments that are measured at fair value through total comprehensive income in accordance with IFRS 9 at amortised cost in the customer and company accounts. For the consolidated financial statements, the financial assets are measured at fair value through profit or loss, where the fair value option is used because the insurance liabilities are measured at fair value.

IFRS 9 - Financial instruments to amortised cost and FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 31.12.2022	Fair value after IFRS 9 1.1.23
Financial assets				
Bank deposits	AC	AC	13 470	13 470
Bonds and other fixed-income securities	AC	FVOCI	7 460	6 908
Accounts receivable and other short-term receivables	AC	AC	6 761	6 761
Total financial assets			**27 691**	**27 139**
Financial liabilities				
Subordinated loan capital	AC	AC	9 757	9 757
Other current liabilities	AC	AC	9 739	9 739
Total financial liabilities			**19 496**	**19 496**

IFRS 9 - Financial instruments at fair value

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 31.12.2022	Fair value after IFRS 9 1.1.23
Financial assets				
Shares and fund units	FVP&L (FVO)	FVP&L	270 216	270 216
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	146 724	146 724
Bonds and other fixed-income securities	AC	FVP&L	117 701	108 489
Loans to customers	FVP&L (FVO)	FVP&L	6 757	6 757
Loans to customers	AC	FVP&L	21 628	21 193
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	14 289	14 289
Total financial assets			**577 315**	**567 669**
Financial liabilities				
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	12 640	12 640
Total financial liabilities			**12 640**	**12 640**

An assessment of the effects for the Group from IAS 39 to IFRS 9 shows that the most significant changes in the transition from IAS 39 to IFRS 9 will be linked to hedge accounting and new calculation of expected losses. According to IFRS 9, provisions for losses must be calculated based on expected credit losses when establishing a commitment and must be continuously assessed for impairment in subsequent periods. At year-end 2022, expected credit loss (ECL) was calculated at NOK 1.2 million for the Storebrand Livsforsikring Group. The expected credit loss has not changed significantly when compared with the loss provision under IAS 39. The most important changes in hedge accounting for the Storebrand Livsforsikring Group is that IFRS 9 sets different criteria than IAS 39 for the use of hedge accounting. It is no longer a requirement under IFRS 9 that the hedging arrangement needs to be within a specific interval, and it is now possible to rebalance the hedge under existing hedging arrangements and it is also possible to use multiple hedging instruments for the same hedge item. The transition to IFRS 9 has no accounting effects for existing hedging.

IFRS 17

The Storebrand Livsforsikring Group have implemented IFRS 17 in the consolidated financial statements. The financial statements for Storebrand Livsforsikring AS and SPP Pension & Försäkring AB, the statutory reporting remains unchanged. Storebrand has chosen not to apply the OCI option for contracts measured under IFRS 17. The OCI option involves recognizing impacts of changes in financial assumptions for products measured under GMM or PAA over the other comprehensive income, rather than in the profit and loss.

1.1.1 Scope:
An insurance contract pursuant to IFRS 17 is a contract in which Storebrand accepts significant insurance risk from a policyholder by consenting to pay compensation to the policyholder if an insured event adversely affects the policyholder. Certain investment contracts that have a legal form of an insurance contract, but do not expose the Group to significant insurance risk, are classified as investment contracts under IFRS 9. Unit link for Storebrand and unit link at SPP are not considered to satisfy the definition of an insurance contract pursuant to IFRS 17 due to the insurance risk being considered immaterial. The contracts are therefore recognised in accordance with IFRS 9.

Storebrand uses reinsurance to limit insurance risk. Reinsurance contracts are covered by IFRS 17, but since the reinsurance programme is relatively limited, the new accounting policies have a minor impact on the accounts.

1.2 Accounting policies

1.2.1 Measurement model
IFRS 17 introduces measurement models in which insurance revenue is recognised through profit and loss over time as the entity provides insurance related services. The model is based on the present value of expected future cash flows that are expected to arise when the entity fulfils contracts (FCF), an explicit risk adjustment for non-financial risk (RA) and the unearned profit the entity expects to earn as it provides services, the contractual service margin (CSM).

Insurance contracts are subject to different requirements for measurement models based on whether the insurance contracts are classified as contracts with or without direct participation features, meaning whether the policyholder is expected to receive an amount equal to a substantial share of the returns on the underlying items, the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items, and the entity expects to pay a substantial proportion of any change in the amounts paid to the policyholder to vary with the change in fair value of the underlying items. Contracts with direct participation features are measured according to the variable fee approach (VFA), and contracts without direct participation features are measured according to the general measurement model (GMM). For short-term contracts with a coverage period up to 12 months, the simplified premium allocation approach (PAA) is applied.

Storebrand determines whether a contract meets the definition of a contract with direct participation features at inception. There is no new classification of the contract unless the contract is modified by amending the contract terms in such a manner that they no longer meet the mentioned conditions. Storebrand issues a number of insurance contracts which are essentially investment-related service contracts, for which the company promises a return on investment based on underlying items. These satisfy the definition of insurance contracts with direct participation features and include a substantial proportion of the Group's guaranteed products. Insurance contracts with direct participation features are measured using the variable fee approach. Other insurance contracts with a short coverage period up to 12 months are measured according to the premium allocation approach. The group disability pensions is measured according to the general measurement model.

Company	Product category	Measurement model
Storebrand Livsforsikring	Group pension, paid-up policy and paid-up policy with investment choice (Private)	Variable fee approach
	Individual endowment and pension insurance	Variable fee approach
	Group pension (Public)	Variable fee approach
	Hybrid pension	Variable fee approach
	Group pension related disability	General measurement model
	Group life and individual life	Premium allocation approach
SPP Pension & Försäkring	Individual pension insurance	Variable fee approach
	Group pension (Private)	Variable fee approach
	Individual pension related	Premium allocation approach

1.2.2 Contracts measured according to variable fee approach and general measurement method.

At initial recognition, the carrying value of the insurance contract liability is measured as the sum of:

1. An explicit, unbiased and probability-weighted estimate of all cash flows within the contract's boundary.
2. An adjustment for the time value of money based on a risk-free discount rate that is adjusted to reflect the liquidity of the cash flows.
3. An explicit risk adjustment for non-financial risk.
4. Contractual service margin which represents the unearned profit the entity will recognise as it provides insurance contract services in accordance with the insurance contracts in the Group.

Storebrand classifies a contract as onerous at initial recognition if the fulfilment cash flows that are allocated to the contracts, plus any cash flows previously recognised upon acquisition or at initial recognition, are expected to be a net outflow. This does not apply to contracts measured at transition based on the fair value.

The contractual service margin is included in the insurance liability for contracts that are not onerous and is systematically recognised in the income statement over the coverage period based on the pattern of transferred insurance contract services. Determining the release pattern is subject to significant use of judgement and is determined by:

- Identifying the coverage units (CU) in the Group based on the quantity of the insurance contract services that are provided under the contracts in the Group and the expected coverage period.
- Allocating the contractual service margin to each coverage unit provided in the current period and expected to be provided in the future.
- Recognising in profit or loss the amount allocated to coverage units provided in the period.

If an insurance contracts' cash flows is negative, Storebrand recognises a loss component (LC) in profit or loss equivalent to the net outflow for the group of onerous contracts. The determination of a loss component entails that the carrying value of the liability for the contract group is equal to the fulfilment cash flows, and that the contract group's contractual service margin is equal to zero after the loss recognition.

Upon subsequent measurement, the carrying value of a group of insurance contracts at the reporting date corresponds to the total sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). Liability for remaining coverage period corresponds to the present value of future fulfilment cash flows that relate to future services and the remaining contractual service margin. The liability for incurred claims includes fulfilment cash flows that relate to incurred claims, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses.

The present value of expected future cash flows is updated at the end of each period based on updated estimates of future cash flows, discount rate and risk adjustment for non-financial risk. The change in fulfilment cash flows is recognised as follows for contracts measured using the variable fee approach:

Changes that relate to future services, such as changes in assumptions relating to long life expectancy, disability and mortality.	Adjusted in relation to contractual service margin
Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable.	Adjusted in relation to contractual service margin
Changes that relate to current or previous services, for example difference between estimated and actual insurance service expenses.	Recognised in profit and loss from insurance services
The entity's share of the effects that result from the time value of money, financial risk and the effect of these on the cash flows.	Adjusted in relation to contractual service margin

In the subsequent measurement, the contractual service margin is only adjusted for changes that apply to future services. This entails that changes in cash flows for future services are recognised as profit or loss as Storebrand provides services.

At the end of each reporting period, the contractual service margin represents the profit that is not recognised in the income statement as profit or loss since it relates to future services.

One of the primary differences between the variable fee approach and general measurement model is that when using the variable fee approach, the contractual service margin must be adjusted for the entity's share of any effects resulting from market variables and their effect on the cash flows. The purpose of the adjustment is to reduce mismatch and volatility by recognising Storebrand's share of changes in the value of the underlying items in the contractual service margin.

When applying general measurement model, the entity is not permitted to make such an adjustment. The change in fulfilment cash flows is thereby recognised as follows for contracts measured using general measurement model:

Changes that relate to future services, such as changes in assumptions relating to long life expectancy, disability and mortality.	Adjusted in relation to contractual service margin.
Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable.	Not applicable for Storebrand contracts measured under the general measurement model.
Changes that relate to current or previous services, for example difference between estimated and actual insurance service expenses.	Recognised in profit and loss from insurance services.
Effects that result from time value of money, financial risk and the effect of these on the cash flows.	Recognised as financial insurance income or expenses.

CONSEQUENCES OF TRANSITION TO IFRS 17 IN THE FINANCIAL STATEMENT:

Change from IFRS 4	**Net effect on equity upon transition to IFRS 17**
The present value of fulfilment cash flows increases in total as a result of a reduction in discounting, since IFRS 17 requires the use of market values.	Reduction
IFRS 17 requires the calculation of a risk adjustment for non-financial risk that increases the present value of FCF.	Reduction
The contractual service margin upon transition is determined using the fair value method.	Reduction
Reclassification of risk equalisation reserve from equity to liability.	Reduction
Under IFRS 4, the value-of-in-force (VIF) that arises in connection with acquisitions is classified as intangible assets and amortized on an ongoing basis. With the introduction of IFRS 17, VIF is included as part of contractual service margin and thus the total intangible assets will be reduced upon the transition to IFRS 17.	Reduction

1.2.3 Contracts measured according to premium allocation approach

The premium allocation approach is an optional, simplified measurement model for insurance and reinsurance contracts with a short coverage period that is a maximum of 12 months, or when the entity reasonably expects that applying the premium allocation approach would produce a measurement of the liability for remaining coverage for the Group that would not differ materially from the one that would be produced applying the general measurement model. The coverage period is defined as the period during which the entity provides insurance contract services, which includes the insurance contract services that apply to all premiums within the limits of the contract. The premium allocation approach measures the liability for the remaining coverage period based on premiums received, rather than the present value of expected future fulfilment cash flows as under variable fee approach and general measurement model. Storebrand applies premium allocation approach to all P&C insurance and risk products in the Norwegian and Swedish markets.

Upon initial recognition of each group of insurance contracts, the carrying value of the liability for the remaining coverage period is measured as the total of premiums received as of the recognition date. Storebrand has chosen to recognise cash flows for the acquisition of insurance costs in the income statement when these are incurred. In the subsequent measurement, the carrying value of the liability for the remaining coverage period is increased by new premiums received and reduced by the share of premiums recognised for services provided. Insurance income for the period is equal to the amount of expected premium payments allocated to the period. The expected premium payments are allocated over each period based on the passage of time unless the expected pattern for release of risk during the coverage period differs significantly from the passage of time. Since Storebrand provides insurance services within one year of receiving the premiums, there will be no need to adjust the liability for the remaining coverage period for the time value of money in accordance with IFRS 17. If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, Storebrand recognises a loss in the income statement and correspondingly increase the liability for the remaining coverage period.

Storebrand recognises a liability for incurred claims for claims that are incurred as of the reporting date. The cash flows for incurred claims are adjusted for non-financial risk (RA) and discounted using the current discount rate if cash flows are expected to be paid out more than 12 months from the claim date. The premium allocation approach applies correspondingly to reinsurance contracts, with some adjustments which reflect that the reinsurance contracts entail that Storebrand has a net asset and that the risk adjustment is negative.

Change from IFRS 4	**Effect on equity upon transition to IFRS 17**
The present value of fulfilment cash flows related to claims incurred is discounted if the cash flows are paid more than 12 months from the date of the claim.	Increase
IFRS 17 requires the calculation of risk adjustment for non-financial risk that increases the present value of fulfilment cash flows.	Reduction
IFRS 17 requires adjustment of the income profile/liability for remaining coverage if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.	Increase/decrease

1.2.4 Aggregation level for insurance contracts

Under IFRS 17, insurance contracts are measured at group level. Groups of insurance contracts are determined by identifying portfolios of insurance contracts that include contracts that are subject to similar risk and are managed together. Storebrand identifies groups of insurance contracts by assessing the underlying insurance risk in the contracts and how changes in underlying assumptions influence the contracts. The insurance risks are described in more detail in Note 5. Furthermore, managed together is assessed based on, among other things, how the business areas manage the insurance contracts internally, the levels used when reporting to management and in risk management. Contracts within different product lines, or that are issued by different Group companies, are included in different portfolios of contracts. At initial recognition, contracts within a portfolio are further divided into groups of onerous contracts, groups that have no significant possibility of becoming onerous if any and groups of the remaining contracts in the portfolio.

The standard prohibits the grouping of contracts issued more than one year apart in the same group. This involves requirements for further division into annual cohorts based on the year of issue. In adopting IFRS 17, the EU has introduced an optional exemption from annual cohorts for contracts with direct participation features measured under variable fee approach. This means that portfolios of contracts with direct participation features are grouped solely based on profitability, irrespective of the year of issue. Storebrand has chosen to make use of the EU exemption from annual cohorts.

1.2.5 Cash flows within the boundaries of a contract

When measuring a group of insurance contracts under IFRS 17, all future cash flows within the boundaries of an existing insurance contract are included. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with insurance contract services.

Such an obligation to provide insurance contract services ends when:

- Storebrand has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Storebrand has the practical ability to set a price or level of benefits that fully reflects the risk in the portfolio until the date when the risks are reassessed and does not take into account the risks that relate to periods after the reassessment date.

For guaranteed products measured under the variable fee approach, the boundaries of the contract generally include future premiums, as well as the associated fulfilment cash flows. This is because Storebrand is unable to reassess the policyholder's risk and thus cannot set a new price or level of benefits that fully reflects these risks. This applies both to the individual contracts and at portfolio level.

The estimated cash flows for a group of contracts include all ingoing and outgoing payments that are directly related to the fulfilment of insurance contract services. This includes benefits and compensation to policyholders including, but not limited to:

- Premiums and any additional cash flows resulting from these premiums.
- Claims and benefits to or on behalf of a policyholder.
- Costs associated with handling compensation claims.
- Costs associated with handling and maintaining policies.
- Lapse from Storebrand.
- Transaction-based taxes and fees for SPP.
- An allocation of fixed and variable joint expenses that are directly attributable to fulfilling insurance contracts (for example, costs of accounting, HR and IT). Allocation takes place at group level using systematic and rational methods that are applied consistently.

In addition, cash flows arising from expenses relating to the sale, subscription and establishment of a group of insurance contracts will be included in the measurement of an insurance contract. This applies to cash flows that are directly attributable to the portfolio of insurance contracts to which the group belongs.

1.2.6 Risk adjustment

The risk adjustment for non-financial risk (RA) represents the compensation that Storebrand requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk. The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks such as:

- Mortality
- Long life expectancy
- Disability/reactivation
- P&C insurance risk
- Expenses
- Catastrophe
- Lapse

The risk adjustment is calculated separately from the estimates of future cash flows and included in the measurement of insurance contracts in an explicit way. This ensures that the estimates of future cash flows do not account for any additional risk adjustment beyond the explicitly calculated risk adjustment. The method used to calculate the risk adjustment for non-financial risks is described in Note 2.

1.2.7 Discount rate

To calculate a present value of future expected cash flows, a discount rate must be defined that reflects the time value of money and the financial risks associated with those cash flows. The discount curve is determined for the first time at the transition date and then updated continuously at each reporting date. Storebrand has chosen to use a bottom-up approach for determining the discount rate, whereby a risk-free yield curve is used that is adjusted for liquidity premium to reflect the liquidity characteristics of insurance contracts. The risk-free yield curve is derived using the Norwegian and Swedish ten year swap rate, and the credit risk adjustment is determined by using EIOPAs credit risk adjustment. After ten years, the yield curve is extrapolated to a forward rate using EIOPAs ultimate forward rate (UFR). An illiquidity premium is added to reflect the assumption that the fulfilment cash flows is illiquid during the period.

1.3 Transition to IFRS 17

According to IFRS 17 a retrospective transition method must be applied for the opening balance sheet. However, a modified retrospective transition method or fair value approach is permitted if retrospective application is impracticable. Storebrand has decided to use the fair value approach at the transition date when transitioning to IFRS 17, since the retrospective transition method is not considered to be practicable. This applies to contracts with a coverage period of more than one year. For contracts with a coverage period of less than one year the full retrospective approach has been applied, as there is concluded that only current and prospective information is required to reflect circumstances at the transition date. Storebrand uses the fair value hierarchy in accordance with IFRS 13, where fair value reflects the market price that well-informed parties would agree on as a fair transaction price. For products for which there is an active transfer market, the transfer value is used as an estimate of fair value. For contracts where there are no active market, Storebrand uses relevant transactions as a reference point to determine the fair value. By using the fair value approach at the transition date of 1 January 2022, the difference between the fair value of a group of contracts and the fulfilment cash flows, with the addition of risk adjustment in accordance with IFRS 17, will form the basis for the contractual service margin. For all contracts measured under the fair value approach, Storebrand has used reasonable and documentable information available at the transition date to make assessments related to the recognition and measurement of the contracts, including:

- Determining the level of aggregation based on portfolios and profitability groups.
- Determining risk adjustment.
- Determining measurement method, including assessment of criteria for the use of premium allocation approach for contracts with a short coverage period and variable fee approach for contracts that satisfy the definition of contracts with direct participation features.
- How to identify discretionary cash flows for insurance contracts without direct participation features.

1.3.1 Changes in equity at transition

The following table shows changes in equity during the transition to IFRS 17. In the transition to IFRS 17, the equity is decreased by approximately 31%. The decrease in equity will mainly be offset by the creation of the contractual service margin. Under IFRS 4, Value-of-in-force (VIF) which arises in connection with acquisitions were classified as intangible assets and are amortized on an ongoing basis. With the introduction of IFRS 17, VIF is included as part of contractual service margin and thus total intangible assets will be reduced by the transition to IFRS 17.

NOK million	Note	
Equity as of 31.12.2021		**26 010**
Implementation of new accounting standards (IFRS 9 and IFRS 17):		
Contractual service margin	1	-11 810
Risk adjustment	2	-4 627
Present value of future cash flows	3	5 461
Risk equalisation fund	4	-547
Deferred aquisition cost swedish business	5	-119
Value of business in force (VIF) acquired insurance business	6	-1 607
IFRS 9 - reclassification from amortised cost to fair value	7	3 363
Deferred tax assets	8	1 809
Equity opening balance as of 1.1.2022		**17 933**

Storebrand Livsforsikring Group

Opening balance

The table below shows a consolidated statement of the financial position in accordance with IFRS 9 and IFRS 17 for the opening balance on 1 January 2022 against the balance in the annual accounts as of 31.12.2021.

NOK million	Note	31.12.21	IFRS 17 and IFRS 9	1.1.22
Assets				
Deferred tax assets	8	1 058	1 809	2 868
Other assets	6	5 038	-1 607	3 431
Financial assets	7	636 072	3 363	639 435
Bank deposit		9 139		9 139
Receivable	5	8 797	-119	8 678
Total assets		**660 104**	**3 446**	**663 550**
Equity and liabilities				
Equity		**26 010**	**-8 077**	17 933
Insurance contract liabilities (excl CSM)	3,4	298 900	-4 914	293 986
Contractual Service Margin (CSM)	1	0	11 810	11 810
Risk Adjustment (RA)	2	0	4 627	4 627
Investment contracts liabilities		309 330		309 330
Reinsurance contracts liabilities		14		14
Financial liabilities		12 862		12 862
Other liabilities		12 987		12 987
Total liabilities		**634 093**	**11 523**	**645 617**
Total equity and liabilities		**660 104**	**3 446**	**663 550**

Deferred tax assets

The increase in deferred tax asset is due to effects on deferred tax as a result of changes in equity when implementing IFRS 9 and 17.

Other assets

Under previous reporting framework, IFRS 4, the value-of-in-force (VIF) that arises in connection with acquisitions was classified as intangible assets and amortized on an ongoing basis. With the introduction of IFRS 17, VIF is included as part of CSM and thus the total intangible assets is reduced.

Financial assets

The increase in financial assets is due to transition to IFRS 9 and is mainly related to an increase in the valuation of debt instruments which is measured at fair value through profit or loss. These instruments were previously measured at amortised cost under IFRS 4.

Receivable

The decrease in receivables is mainly related to reclassification effects where the receivables related to direct operations in the P&C business is reclassified to insurance liabilities. The decrease is related to deferred acquisition cost from the Swedish insurance business, SPP. With the introduction of IFRS 17, deferred acquisition costs is reduced, which impacts both receivables and other liabilities.

Equity

The decrease in equity is explained in the equity reconciliation above.

Insurance liabilities

The insurance liabilities excluding CSM and risk adjustment decrease with the introduction of IFRS 17. The decrease is due to reclassification effects as explained under Receivable, new measurement models and discounting effects. According to IFRS 17, the CSM and risk adjustment is a part of the insurance contract liability and will be presented collectively in the financial statement.

Contractual service margin

The contractual service margin is introduced with the transition to IFRS 17 and represents expected future profits. The contractual service margin is derived at transition from the difference between the fair value of a group of contracts and insurance liabilities including risk adjustment.

Risk adjustment
The risk adjustment is introduced with the transition to IFRS 17 and represents the non-financial risk arising from insurance contracts.

Other liabilities
The decrease is related to deferred acquisition cost from the Swedish insurance business, SPP. With the introduction of IFRS 17, deferred acquisition cost is reduced, which impacts both receivables and other liabilities.

Note 2 Important accounting estimates and judgements

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 2022 annual report in note 2, valuation of financial instruments at fair value is described in note 13 and in the interim financial statements note 10 Solvency II.

A description of the use of significant judgement and accounting estimates related to the new accounting policies introduced by IFRS 17 Insurance contracts and IFRS 9 Financial instruments is provided below.

2.1 Insurance contracts

2.1.1 Definition and classification:

Significance of insurance risk: Storebrand applies judgement to assess the significance of insurance risk. The assessment is performed at initial recognition on a contract-by-contract basis. When classifying contracts under IFRS 17, Storebrand takes into consideration its substantive rights and obligations, irrespective of whether these stem from a contract, a law, or a regulation. Storebrand considers possible elements that have commercial substance when assessing the significance of insurance risk, including events that are extremely unlikely.

Contracts that have a legal form of an insurance contract are considered to have insignificant insurance risk if the additional amounts paid upon the occurrence of an insured event make up 5% or less of the amount payable to the policyholder in all other circumstances. Contracts that fall marginally above or below this threshold are subject to closer assessment from a specialized unit to insure consistency across all group companies. The application of judgement in this area excludes unit-link contracts with investment choice in Storebrand and SPP from the scope of IFRS 17.

Investment component: Storebrand considers all the contractual terms to determine whether an investment component exists. The amount an insurance contract requires the group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs, are classified as non-distinct investment components. For collective group insurance contracts with mutualization features, amounts repayable to "a policyholder" include amounts the group is required to repay to any current or future policyholder within the collective group of policyholders.

All contracts measured under the variable fee approach feature investment components that the group is required to repay to current or future policyholders under all possible circumstances. Payouts that relate to such amounts are not part of the insurance service expenses. The effect of any deviation or changes in the expected pattern or timing of such repayments adjusts the CSM.

2.1.2 The methods and assumptions used to measure insurance contracts:

Storebrand uses a combination of deterministic and stochastic projection methods to estimate the future cash flows for a group of insurance contracts. The estimates of future cash flows reflect the Group's best estimates given current conditions at the reporting date and take into account any relevant market variables in accordance with observable market data.

Expenses: The estimated future expenses that are directly attributed to the fulfilment of existing insurance contracts are taken into account. The expenses are estimated according to the Group's own cost analyses and are based on the current level of operating costs during the most recent periods combined with assumptions about future inflationary trends and wage developments that reflect the management's best estimate. Only immediate cost-rationalization measures are taken into account when estimating future expenses.
The cash flows within the contract boundary include an allocation of fixed and variable overhead costs directly attributable to the fulfilment of insurance contracts. To reflect such overhead costs, Storebrand uses systematic and rational allocation methods that reflect the products driving the costs. The allocation method is applied consistently for cost categories that share similar characteristics.

Biometric assumptions: Contracts measured under the general measurement model and the variable fee approach expose Storebrand to biometric risks such as longevity, mortality and disability. This means that a key source of estimation uncertainty when measuring the fulfilment cash flows for non-PAA contracts is related to assumptions and estimates concerning biometric variables.

Storebrand applies widely recognized actuarial models to make best estimate assumptions related to biometric variables. When estimating biometric variables, the Group incorporates measures to reflect recent historical data and the characteristics of the underlying populations, including gender, age, disability and other relevant policyholder data. The best estimate assumptions used under IFRS 17 are consistent with those applied under Solvency II.

Adverse development in biometric risks may result in a reduction in the insurance service result or the contractual service margin. However, due to mutualisation, Storebrand's exposure to biometric risk is often limited by existing buffers.

Lapse rates: Lapse rates are determined using statistical measures based on the Group's own experience and vary by product category and external market conditions. For large parts of the guaranteed pension segment, the lapse rate is assumed to be close to zero percent. This is due to an inactive market for group and individual defined benefit plans in a low interest rate environment in recent years. Changes in the expected lapse rates affects mainly the contractual service margin.

Investment returns: Storebrand applies a stochastic modelling technique to project asset returns for all contracts measured under the variable fee approach or the general measurement model. Using this model, the Group generates a range of potential economic scenarios based on a probability distribution that reflects the investment strategy and other relevant market variables. The random variations are therefore based on the volatility of asset portfolios backing a specific category of insurance contracts.

Applying IFRS 17 standard, the expected return on assets equals on average the discount rate applied in the measurement of the fulfilment cash flows.

Discount rates: The discount rate is determined as the risk-free rate, plus an illiquidity premium to reflect the liquidity characteristics of the insurance contracts. The key sources of estimation uncertainty relate to determining the yield curve beyond the observable data points at which interest rate swaps in Norway and Sweden are traded, and adjusting for any inherent credit risk in the underlying reference rates. Storebrand addresses this uncertainty by using well established methodologies set out by EIOPA to determine the ultimate forward rate and credit risk adjustment. The methodology used is described in Note 1. This method maximizes the use of observable market variables and ensures that the estimates reflect the current market conditions and other reasonably available information. Other sources of estimation uncertainty relate to the estimation of the liquidity characteristics of the insurance contracts and the underlying financial instruments.

The yield curves that were applied for discounting the estimated future cash flows are listed below:

Q2 2023	1 year	5 years	10 years	15 years	20 years
NOK	5.11 %	4.34%	3.96%	3.82 %	3.75 %
SEK	4.11%	3.25 %	2.92 %	3.02%	3.12%

Risk adjustment for non-financial risk: The risk adjustment is calculated based on cost of capital. The basis for the calculation is the capital charge under Solvency II standard model for the relevant risks for the entire coverage period and a cost of capital of 6 percent p.a., discounted by the discount rate. This shares similarities with the risk margin under Solvency II, but with some adjustments which primarily are the exclusion of operational risk and counterparty risk.

The corresponding confidence level is based on the distribution of the one-year value at risk for the solvency capital due to losses from the included risks. The risk calibration is based on the partial internal model, including a simplified approach for non-life risks which are outside of scope for the partial internal model. The confidence level is >95 percent.

The main source of uncertainty when determining the risk adjustment for non-financial risk is related to the non-financial risk factors listed in note 5 Insurance risks.

Amortization of the contractual service margin: Storebrand applies judgement to identify the quantity of benefits provided in a group of insurance contracts and allocate the contractual service margin based on coverage units. The coverage units are determined based on the expected duration linked to the group of insurance contracts, this is applied consistently over time and across contracts that share similar characteristics:

Contracts with direct participation (VFA): Storebrand Livsforsikring uses the policyholder's reserves as a basis for determining the level of benefits provided when calculating the coverage unit per group of insurance contracts measured under the variable fee approach. For SPP, policyholder funds, including the deferred capital contribution (DCC), are used as a basis for the assessment of coverage unit. This insures a relatively stable amortization and serves as a scaling factor for variable fee approach contracts providing both insurance coverage and investment-related services.
Non-participating contracts (GMM): For group disability insurance in Norway, Storebrand uses insurance premiums as a basis to determine the quantity of benefits during the first coverage year (accumulation phase), as opposed to the policyholder reserves during the pay-out phase. At the end of each reporting period, the total coverage units are reassessed to reflect the expected pattern of service, contract cancellations and lapse when applicable. Storebrand provides no investment-return services under the group disability insurance, as the contract does not feature any investment components.

For contracts measured under the variable fee approach, Storebrand makes further adjustments to the coverage units to ensure that the contractual service margin release reflects the insurance services provided in the reporting period. These adjustments are made to account for the fact that the expected financial return on average exceeds the discount rate used to project future assets under IFRS 17. This creates a state in which the contractual service margin release must be adjusted to avoid an artificial delay in the recognition of such excess earnings for variable fee approach contracts. The contractual service margin is discounted using the discount rates provided above.

Note 3 Acquisitions

A final purchase price allocation (PPA) analysis has been completed within the measurement period of 12 months in accordance with IFRS 3. The final PPA of Danica Pensjonsforsikring is shown in the table below.

NOK mill.	Book values in the company Book values	Excess value upon acquistion	Book values
Assets			
- Distribution		106	106
- Customer relationships		809	809
- IT systems	21	-21	
Total intangible assets	21	894	915
Financial assets	**28,479**		**28,479**
Other assets	309		309
Bank deposits	362		362
Total assets	**29,170**	**894**	**30,064**
Liabilities			
Insurance liabilities	27,724	68	27,792
Current liabilities	282	18	300
Deferred tax	24	202	226
Net identifiable assets and liabilities	**1,140**	**606**	**1,746**
Goodwill			302
Fair value at acquisition date			**2,048**
Cash payment			**2,048**

Note 4 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 between the income statement and alternative income statement (segment)

The alternative income statement is based on the statutory accounts of the legal entities in the Group, adjusted for intercompany transactions. The statutory accounts in the legal entities is primarily similar to IFRS with the exception of

IFRS 17 for Storebrand Livsforsikring AS and SPP Pension & Forsäkring AB where the local GAAP is more aligned with the historical IFRS 4 reporting. Since the alternative income statement is based on the statutory accounts of the legal entities, the group adjustments related to amortisation and tax effects on acquired business is not included in the alternative income statement. The results in the segments are reconciled against the statutory income statement of each legal entity in the Group.

Due to the fundamental differences between the alternative income statement and IFRS 17, it is not possible to reconcile the numbers for most IFRS 17 products since the underlying drivers for the profit and loss recognition is based on different principles. Storebrand has communicated that it will continue to report its alternative income statement post IFRS 17, as this cash-equivalent reporting provides useful information about the value creation in the business.

Fee and administration income
Storebrand Livsforsikring charges a fee for interest rate guarantee and profit risk. The interest rate guarantees in group pension insurance with a interest guarantee must be priced upfront. The level of the interest rate guarantee, the size of the buffer capital (additional statutory reserves and market value adjustment reserve), and the investment risk of the portfolio in which the pensions assets are invested determine the fee that the customer pays for the interest rate guarantee.

There are also fee's for asset management and other administration fees for both savings and guaranteed products.

The **insurance result** consists of insurance premiums and claims.

Insurance premiums consist of premium income related to risk products (insurance segment) that are classified as insurance income in the statutory financial income statements.

Claims consist of paid-out claims and changes in provisions for claims incurred but not reported (IBNR) and claims reported but not settled (RBNS) relating to risk products that are classified as insurance expenses in the statutory income statements.

Operating costs consist of the Group’s operating costs excluding operating costs allocated to traditional individual products with profit sharing. Operating costs are classified as operating expenses and insurance expenses in the statutory income statement.

Financial items and risk result life and pensions include risk result life and pensions and financial result includes net profit sharing and Loan Losses.

Risk result life and pensions consists of the difference between risk premium and claims for products relating to defined-contribution pension, unit linked insurance contracts (savings segment) and defined-benefit pension (guaranteed pension segment). Risk premium is classified as insurance income in the statutory income statements.
The financial result consists of the return for the company portfolios of Storebrand Livsforsikring AS and SPP Pension & Försäkring AB (Other segment), while returns for the other company portfolios in the Group are a financial result within the segment which the business is associated with. Return on company portfolios are classified as net income on financial and property investment in the statutory income statements. The net income financial and property investment in the statutory income statements also includes return on customer assets, both guaranteed and non guaranteed.

Net profit sharing
Storebrand Livsforsikring AS
A modified profit-sharing regime was introduced for old and new individual contracts that have left group pension insurance policies (paid-up policies), which allows the company to retain up to 20 per cent of the profit from returns after any allocations to additional statutory reserves. The modified profit-sharing model means that any negative risk result can be deducted from the customers’ interest profit before sharing, if it is not covered by the risk equalisation fund. Individual endowment insurance and pensions written by the Group prior to 1 January 2008 will continue to apply the profit rules effective prior to 2008. New contracts may not be established in this portfolio. The Group can retain up to 35 per cent of the total result after allocations to additional statutory reserves. Any negative returns on customer portfolios and returns lower than the interest guarantee that cannot be covered by additional statutory reserves/buffer reserves must be covered by the company’s equity and will be included in the net profit-sharing and losses line.

Storebrand Livsforsikring Group

SPP Pension & Försäkring AB
For premiums paid from and including 2016, previous profit sharing is replaced by a guarantee fee for premium-determined insurance (IF portfolio). The guarantee fee is annual and is calculated as 0.2 per cent of the capital. This goes to the company. For contributions agreed to prior to 2016, the profit sharing is maintained, i.e. that if the total return on assets in one calendar year for a premium-determined insurance (IF portfolio) exceeds the guaranteed interest, profit sharing will be triggered. When profit sharing is triggered, 90 per cent of the total return on assets passes to the policyholder and 10 per cent to the company. The company's share of the total return on assets is included in the financial result. In the case of defined-benefit insurance (KF portfolio), the company is entitled to charge an indexing fee if the group profit allows the indexing of the insurance. Indexing is allowed up to a maximum equalling the change in the consumer price index (CPI) between the previous two Septembers. Pensions that are paid out are indexed if the ratio between assets and guaranteed insurance liabilities in the portfolio as at 30 September exceeds 107 per cent, and half of the fee is charged. The entire fee will be charged if the ratio between assets and guaranteed insurance liabilities in the portfolio as at 30 September exceeds 120 per cent, in which case paid-up policies can also be included. The total fee equals 0.8 per cent of the insurance capital. The guaranteed liability is continuously monitored. If the guaranteed liability is higher than the value of the assets, a provision must be made in the form of a deferred capital contribution. If the assets are lower than the guaranteed liability when the insurance payments start, the company supplies capital up to the guaranteed liability in the form of a realised capital contribution. Changes in the deferred capital contribution are included in the financial result.

Loan losses: Loan losses consist of individual and group write-downs on lending activities that are on the balance sheet of Storebrand Bank Group. In the Group's income statement, the item is classified under loan losses. With regard to loan losses that are on the balance sheet of the Storebrand Livsforsikring Group, these will not be included on this line in either the alternative income statement or in the Group's income statement, but in the Group's income statement will be included in the item, net income on financial and property investment in the statutory income statements..

Profit by segments

	Q3		01.01 - 30.09		Full year
NOK million	2023	2022	2023	2022	2022
Savings	206	171	563	544	705
Insurance	108	165	268	343	430
Guaranteed pension	314	148	892	633	903
Other	106	-27	279	-323	-315
Profit before amortisation	**734**	**458**	**2,002**	**1,198**	**1,723**
Amortisation and write-downs intangible assets	-133	-48	-227	-101	-151
Profit before tax	**601**	**410**	**1,775**	**1,097**	**1,572**

Storebrand Livsforsikring Group

Segment information Q3

	Savings		Insurance		Guaranteed pension	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	549	519			413	398
Insurance result			238	304		
- Insurance premiums for own account			996	939		
- Claims for own account			-758	-635		
Operational cost	-353	-345	-139	-139	-209	-208
Cash equivalent earnings from operations	**196**	**173**	**99**	**165**	**204**	**190**
Financial items and risk result life & pension	10	-2	9		69	74
Net profit sharing					41	-116
Cash equivalent earnings before amortisation	**206**	**171**	**108**	**165**	**314**	**148**

	Other		Storebrand Livsforsikring group	
NOK million	2023	2022	2023	2022
Fee and administration income			963	916
Insurance result			238	304
- Insurance premiums for own account			996	939
- Claims for own account			-758	-635
Operational cost	-26	-26	-727	-718
Cash equivalent earnings from operations	**-26**	**-26**	**473**	**502**
Financial items and risk result life & pension	131	-1	261	-44
Cash equivalent earnings before amortisation	**106**	**-27**	**734**	**458**
Amortisation and write-downs intangible assets			-133	-48
Cash equivalent earnings before tax	**106**	**-27**	**601**	**410**
Tax			-137	-87
Cash equivalent earnings after tax			**463**	**323**

Storebrand Livsforsikring Group

Segment information as at 30.09

	Savings		Insurance		Guaranteed pension	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	1,647	1,486			1,179	1,184
Insurance result			663	696		
- Insurance premiums for own account			2,961	2,512		
- Claims for own account			-2,298	-1,816		
Operational cost	-1,084	-931	-426	-362	-617	-617
Cash equivalent earnings from operations	**562**	**555**	**237**	**334**	**561**	**567**
Financial items and risk result life & pension	1	-11	31	9	218	210
Net profit sharing					113	-143
Cash equivalent earnings before amortisation	**563**	**544**	**268**	**343**	**892**	**633**

	Other		Storebrand Livsforsikring group	
NOK million	2023	2022	2023	2022
Fee and administration income			2,825	2,670
Insurance result			663	696
- Insurance premiums for own account			2,961	2,512
- Claims for own account			-2,298	-1,816
Operational cost	-82	-52	-2,210	-1,961
Cash equivalent earnings from operations	**-82**	**-52**	**1,278**	**1,404**
Financial items and risk result life & pension	361	-271	723	-206
Cash equivalent earnings before amortisation	**279**	**-323**	**2,002**	**1,198**
Amortisation and write-downs intangible assets			-227	-101
Cash equivalent earnings before tax			**1,775**	**1,097**
Tax			247	351
Cash equivalent earnings after tax			**2,022**	**1,448**

Note 5 Financial market risk and insurance risk

Risks are described in the annual report for 2022 in note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Credit risk), note 11 (Concentrations of risk) and note 12 (Climate risk).

The group accounts for Storebrand Livsforsikring are prepared in accordance with IFRS. From 2023, new accounting standards for financial instruments (IFRS 9) and insurance contracts (IFRS 17) applies. The corporate account for Storebrand Livsforsikring AS (Storebrand Livsforsikring) continue to be prepared in accordance with Norwegian GAAP, consistent with the customer accounts. The statutory accounts for SPP Pension & Försäkring AB (SPP) continues to be prepared in accordance with Swedish GAAP.

Storebrand Livsforsikring Group

The risk management of the investments is still aimed at controlling the risk based on the customer accounts and GAAP corporate account for Storebrand Livsforsikring and SPP. The description of financial market risk below, mainly reflect the risk measured by these principles.

The new IFRS-standards change the dynamics of the reported group results. The effect of changes in financial market for the IFRS result is reported below under Sensitivities.

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 are interest rate risk, equity market risk, property price risk, credit risk and currency exchange rate risk.

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 insurance) and customer portfolios with a guarantee.

The market risk in the company portfolios has a direct impact on the profit. Storebrand aims to take low financial risk for the company portfolios, and most of the funds are invested in short and medium-term fixed income securities with low credit risk.

The market risk in unit linked insurance 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. The buffers primarily consist of unrealised gains, additional statutory reserves, and conditional bonuses. Storebrand is responsible for meeting any shortfall that cannot be covered by the customer buffers. 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.

During the first three quarters of 2023, high inflation and rising interest rates continued to impact the economic news flow. Economic activity has held up better than many expected, but global growth is now slowing. Inflation has fallen from elevated levels, particularly due to falling energy prices, but the underlying price and wage-pressure is still considerable. Central banks have continued to rise interest rates to combat inflation. During the first three quarters of 2023, Bank of Norway raised the policy rate by 150bp to 4.25 percent and the Swedish Riksbank raised the policy rate by 150bp to 4.0 percent. Both banks signal one further increase later in 2023 and the rates to stay almost unchanged during 2024.

The equity market was positive in the first half of 2023 but have been more mixed in the third quarter. Global equities fell 3 percent in the third quarter but are still up 12 percent year to date. Norwegian equities rose 6 percent in the third quarter and 9 percent year to date. The credit market was temporarily negatively affected by the closure of two regional banks in the US and the forced merger of Credit Suisse with UBS, but credit spreads generally have fallen slightly during the first three quarters of the year.

Short-term interest rates continued to increase in the first three quarters of 2023, in line with increased policy-rates from the central banks. Long-term interest rates have also increased, as the market now expect a plateau for policy-rates, rather than a near-term peak. The Norwegian 10-year swap-rate rose to 4.2 percent, an increase of 0.3 percentage points in the third quarter and 0.9 percentage points year to date. The Swedish 10-year swap-rate rose to 3.5 percent, an increase of 0.4 percentage points in the third quarter and 0.3 percentage points year to date.

For the customer accounts and the corporate accounts for Storebrand Livsforsikring AS, most of the interest rate investments in the Norwegian guaranteed customer portfolios are valued 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 SPP, both investments and liabilities are valued at fair value. Since SPP has a similar interest rate sensitivity on assets and liabilities, changes in interest rates have a quite limited net effect on SPP's financial result under Swedish GAAP.

For the group accounts for Storebrand Livsforsikring AS and Storebrand ASA, all interest rate investments are valued at fair value. The value of these investments is negatively affected by rising interest rates and positively affected by falling interest rates. For the group accounts, the value of the insurance liabilities is also interest rate sensitive with value moving in the opposite direction of the investments. This dampens the risk, but net the risk is falling interest rates.

The Norwegian krone strengthened somewhat in the third quarter, but still weakened 4 percent against the Swedish krone, 8 percent against the euro and 9 percent against the US dollar in the first three quarters of 2023. 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.

There is an elevated risk associated with the valuation of financial instruments. There is thus greater uncertainty than normal related to pricing of financial instruments that are priced based on models, and it must be assumed that, when concerning illiquid assets, there is a difference between the estimated value and the price achieved when sold in the market. Valuations related to investment properties are considered to have particularly increased uncertainty because of macroeconomic developments, and the total transaction volume for investment properties was significantly lower in 2022 and in the first three quarters of 2023 when compared to 2021. Furthermore, the valuation of investment properties is sensitive to changes in input factors such as inflation and interest rates. There is a wide spectrum of possible outcomes for these input factors and thus for the modelled valuations. The values therefore reflect management's best estimate, however, contain greater uncertainty than what would be the case in a normal year.

The market-based return for guaranteed customer portfolios in Norway in general was positive in the first three quarters of 2023. The booked return was also positive but was lower than accrued interest rate guarantee for some of the portfolios. Based on expected investment returns for the rest of the year and the possibility of utilising customer buffers, the effect on the financial result was limited.

The return for guaranteed customer portfolios in Sweden was positive and higher than the change in the value of the liabilities. The effect on the financial result was limited.

The return for the unit linked portfolios was generally positive in the first three quarters of 2023 due to positive equity markets.

During the first quarter, the investment allocation to equities was increased for the guaranteed customer portfolios in Norway. The allocation to equities was reduced during the summer. Other than that, investment allocation has not been materially changed during the first three quarters of 2023.

Sensitivity analyses for the group IFRS result
The sensitivities show the effect for the IFRS result from changes in financial market variables. The effect is disclosed for Fulfillment cash-flows and Contractual Service Margin (CSM) or Loss component (LC).

Changes in Fulfillment cash-flows does not affect the result directly but impact the result through changes in CSM or LC. The CSM is transformed to result as the contractual service is performed. A lower CSM will correspond to a proportionate fall in future results. The CSM can't be negative, so further falls will lead to a LC with an immediate negative result effect. Similarly, an increase in LC will correspond to an immediate negative result effect.

For SPP the effect on CSM from interest rate movements should be limited as the interest rate sensitivity on the asset side closely matches the liability side. The interest rate hedge is however constructed to minimize volatility in the financial result according to Swedish GAAP and there could hence be some volatility in CSM due to the differences between the two accounting standards (IFRS and Swedish GAAP).

Part of SPP's investment strategy is to take investments risk via investments in credits, equities and real assets and the financial result is hence affected by movements in these type of assets. The asset allocation is however individualized, and the investment risk is adjusted according to the risk capacity on the different policies.

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.

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. The compensation for the Norwegian products group life and workmen's compensation is defined based upon the base amount (grunnbeløpet i folketrygden) at time of payment. The size of future payments will be estimated based upon assumed value of the future base amount and inflation. However, the current insurance reserves represent Storebrand's best estimate of the insurance liabilities.

Storebrand Livsforsikring AS acquired Danica Pensjonsforsikring Norge AS in 2022 and renamed the company to Storebrand Danica Pensjonsforsikring AS. The companies merged on the 2 January 2023. The insurance risk from Storebrand Danica Pensjonsforsikring is mainly related to disability risk. Other insurance risk was not materially changed during the first three quarters of 2023.

Sensitivities
The following sensitivities are calculated:

Financial sensitivities:

- Interest rates up 50bp: The interest rate curve is parallel shifted up 50 basis points for the first 10 years, which constitutes the liquid part of the curve. After 10 years the curve is extrapolated towards the long-run ultimate forward rate (UFR).
- Interest rates down 50bp: The interest rate curve is parallel shifted down 50 basis points for the first 10 years, which constitutes the liquid part of the curve. After 10 years the curve is extrapolated towards the long-run ultimate forward rate (UFR).
- Equity -25%: The value of all equities is reduced by 25 %.
- Spread +50bp: The credit spreads are increased by 50 basis points. The liquidity premium of the discount curve is increased by 15 basis points.
- Reals estate -10 %: The value of all real estate is reduced by 10 %.

Non-financial sensitivities:

- Expenses +5 %: All administration and overhead expenses are increased by 5 % for all the years of the projection.
- Disability +5 %, reactivation -5 %: Best estimate for disability is increased by 5 % for all the years of the projection, while the reactivation is reduced by 5 %.
- Mortality -5 %: The level of the best estimate for mortality is reduced by 5 %, reducing the mortality intensity for all the years of the projection. The trend is kept unchanged.

The insurance risk and financial market risk affect the CSM volatility and consequently the profit and loss. The sensitivities indicate the uncertainty of the mentioned risks. Storebrand's products hold different insurance- and financial market risk, but the sensitivity calculation is based on the same sensitivities for each product as it is assumed that any changes in assumptions are distributed evenly between the products. The sensitivities are calculated separately for SPP and SBL.

The sensitivities are chosen based on the assumption that they are expected to have the highest impact on the results.

- Non-financial: Expenses, mortality, disability, and reactivation
- Financial: Risk free interest rate curve up and down, real estate, credit spread and equity

The table presents the CSM impact per 30.09.2023 for the mentioned sensitivities.
The sensitivity calculations indicate that the financial market risks have the largest impact on CSM. A fall in the equity, real estate and interest rates reduce the CSM as it reduces the probability of achieving returns according to the guarantee. In addition, Storebrand's revenue decreases in line with the lower market value of the portfolio. CSM is also impacted negatively with the increase of credit spreads. Changes in non-financial factors gives a lower impact on the CSM.

NOK million	CSM as at end of period	Impact on CSM
	12 632	
Equity down		-1 801
Property down		-1 296
Interest rate up		542
Interest rate down		-688
Spread up		-930
Mortality down		-349
Disability up		-22
Expenses up		-302

Storebrand Livsforsikring Group

Note 6 Liquidity risk

Specification of subordinated loans

NOK million	Nominal value	Currency	Interest rate	Call date	Book value 30.09.23	Book value 30.09.22	Book value 31.12.22
Issuer							
Perpetual subordinated loans [1)]							
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100	1,101	1,101
Storebrand Livsforsikring AS [3)]	900	SEK	Variable	2026	885	886	856
Dated subordinated loans							
Storebrand Livsforsikring AS [2,3)]	899	SEK	Variable	2022		886	
Storebrand Livsforsikring AS [3)]	900	SEK	Variable	2025	881	883	851
Storebrand Livsforsikring AS [3)]	1,000	SEK	Variable	2024	981	983	947
Storebrand Livsforsikring AS	500	NOK	Variable	2025	500	500	500
Storebrand Livsforsikring AS [5)]	650	NOK	Variable	2027	652	651	651
Storebrand Livsforsikring AS [3,5)]	750	NOK	Fixed	2027	782		773
Storebrand Livsforsikring AS [5)]	1,250	NOK	Variable	2027	1,259		1,261
Storebrand Livsforsikring AS [3,4)]	38	EUR	Fixed	2023		2,754	421
Storebrand Livsforsikring AS [3,5)]	300	EUR	Fixed	2031	2,584	2,420	2,397
Total subordinated loans and hybrid capital					**9,627**	**11,063**	**9,757**

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

2) The loan has been repaid in November 2022

3) The loans are subject to hedge accounting.

4) The loan has been repaid in April 2023

5) Green bonds

Note 7 Valuation of financial instruments and investment properties

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuation are described in more detail in note 13 in the annual report for 2022.

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 30.09.23	Fair value 31.12.22	Book value 30.09.23	Book value 31.12.22
Subordinated loan capital	9,667	9,714	9,627	9,757

Valuation of financial instruments at fair value OCI

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total 30.09.2023	Total 31.12.2022
Bonds and other fixed income securities					
- Government bonds		1,772		1,772	1,863
- Corporate bonds		4,009		4,009	4,567
- Structured notes		473		473	479
Total bonds and other fixed income securities 30.09.2023		**6,254**		**6,254**	
Total bonds and other fixed income securities 31.12.2022		**6,909**			**6,909**

Storebrand Livsforsikring Group

Valuation of financial instruments and properties at fair value

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	30.09.23	31.12.22
Assets					
Equities and fund units					
- Equities	38,059	3,461	109	41,629	47,645
- Fund units		247,518	21,654	269,171	222,571
Total equities and fund units 30.09.2023	**38,059**	**250,979**	**21,763**	**310,800**	
Total equities and fund units 31.12.2022	**30,690**	**221,065**	**18,461**		**270,217**
Total loans to customers					
- Loans to customers - corporate			10,790	10,790	11,534
- Loans to customers - private			16,721	16,721	16,850
Bonds and other fixed income securities					
- Government bonds	23,315	29,956		53,271	54,222
- Corporate bonds		102,771	8	102,778	105,635
- Structured notes		13,186		13,186	14,292
- Collateralised securities		3,060		3,060	2,887
- Bond funds		64,913	14,871	79,784	77,745
Total bonds and other fixed income securities 30.09.2023	**23,315**	**213,886**	**14,879**	**252,080**	
Total bonds and other fixed income securities 31.12.2022	**16,824**	**224,138**	**13,818**		**254,780**
Derivatives:					
- Equity derivatives					
- Interest derivatives	9,310	-9,470		-160	-665
- Currency derivatives		794		794	2,393
Total derivatives 30.09.2023	**9,310**	**-8,675**		**635**	
- derivatives with a positive market value	9,310	4,756		14,066	14,289
- derivatives with a negative market value		-13,431		-13,431	-12,561
Total derivatives 31.12.2022	**7,761**	**-6,111**			**1,728**
Properties:					
- investment properties			32,609	32,609	33,481
- Owner-occupied properties			1,689	1,689	1,689
Total properties 30.09.2023			**34,299**	**34,299**	
Total properties 31.12.2022			**35,171**		**35,171**

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	**356**	**18,105**	**6,757**	**8**	**13,810**	**33,482**	**1,689**
Policy change IFRS 9			21,032				
Net profit/loss	-50	3,863	42		407	-354	-57
Supply/disposal		332			1,350	697	38
Sales/overdue/settlement	-197	-797	-559		-1,117		-2
To quoted prices and observable assumptions							
Currency translation differences		120	239		420	439	24
Other		31				-1,654	-3
Book value 30.09.2023	**109**	**21,654**	**27,511**	**8**	**14,871**	**32,609**	**1,689**

As of 30 September 2023, Storebrand Livsforsikring had NOK 7 685 million invested in Storebrand Eiendomsfond Norge KS and VIA, Oslo. The investments are classified as “investment in associated companies and joint ventures” in the Consolidated Financial Statements.

Sensitivity assessments

Sensitivity assessments of investments on level 3 are described in note 13 in the 2022 annual report. There is no significant change in sensitivity in this quarter or year to date.

Storebrand Livsforsikring Group

Note 8 Insurance contracts

Insurance revenue and expenses

NOK million	30.09.23 Guaranteed pension: Guaranteed products - Norway	Guaranteed products - Sweden	Pension related disability insurance - Norway	Insurance: P&C and Individual Life	Group Life and Disability Insurance	Total	30.09.22	31.12.22
Contracts measured under VFA and GMM								
Amounts relating to changes in LRC								
Expected incurred claims and other insurance service expenses								
Expected incurred claims			446			446	349	482
Expected incurred expenses	387	150	82			618	570	773
Change in the risk adjustment for non-financial risk for risk expired	135	74	41			251	259	344
CSM recognised in P&L for services provided	836	336	267			1,438	1,548	2,056
Other								
Recovery of insurance acquisition cash flows	1	3	4			9	78	7
Insurance revenue from contracts measured under VFA and GMM	**1,359**	**563**	**840**			**2,762**	**2,804**	**3,662**
Insurance revenue from contracts measured under the PAA				861	977	1,837	1,481	2,164
Total insurance revenue	**1,359**	**563**	**840**	**861**	**977**	**4,599**	**4,285**	**5,826**
Incurred claims and other directly attributable expenses								
Incurred claims	1		-414	-470	-902	-1,786	-1,373	-1,904
Incurred expenses	-451	-155	-71	-149	-133	-959	-871	-1,213
Changes that relate to past service - Adjustment to the LIC				-107	44	-63	-14	-97
Losses on onerous contracts and reversal on those losses	132	-8	-432		-4	-313	-337	-467
Insurance acquisition cash flows amortisation	-1	-3	-4			-9	-4	-7
Total insurance service expenses	**-320**	**-166**	**-922**	**-727**	**-995**	**-3,130**	**-2,599**	**-3,687**
Net income (expenses) from reinsurance contracts held	-1		-1	-42	-8	-53	-9	-34
Total insurance service result	**1,038**	**397**	**-83**	**92**	**-27**	**1,416**	**1,676**	**2,104**

Composition of the balance sheet

NOK million	Guaranteed pension				Insurance			
	Guaranteed products - Norway	Guaranteed products - Sweden	Pension related disability insurance - Norway	Total Guaranteed pension	P&C and Individual Life	Group Life and Disability Insurance	Total Insurance	Total
30.09.23								
Insurance contract assets								
Insurance contract liabilities	206,706	79,223	8,491	294,420	2,803	3,652	6,454	**300,874**
Reinsurance contract assets				1	173	5	178	**179**
Reinsurance contract liabilities					-8	9	1	**1**
30.09.22								
Insurance contract assets								
Insurance contract liabilities	205,265	81,949	7,436	294,650	2,512	3,546	6,058	**300,708**
Reinsurance contract assets	-1			-1	256	14	269	**269**
Reinsurance contract liabilities					21		21	**21**
31.12.22								
Insurance contract assets								
Insurance contract liabilities	209,311	79,168	7,692	296,171	2,646	3,350	5,996	**302,167**
Reinsurance contract assets					292	9	301	**301**
Reinsurance contract liabilities					34		34	**34**

Guaranteed pension

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC)

	30.09.23			
	LRC			
NOK million	Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	295,235	937		296,171
Opening insurance contract assets				
Net opening balance	**295,235**	**937**		**296,171**
Insurance revenue	-2,762			-2,762
Insurance service expenses				
Incurred claims and other directly attributable expenses		-13	1,105	1,092
Adjustment to liabilities for incurred claims				
Losses on onerous contracts and reversal of those losses		309		309
Insurance acquisition cash flows amortisation	9			9
Insurance service expenses	**9**	**296**	**1,105**	**1,410**
Insurance service result	**-2,753**	**296**	**1,105**	**-1,352**
Finance expenses from insurance contracts issued recognised in profit or loss	-1,568	-14		-1,582
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**-1,568**	**-14**		**-1,582**
Total amounts recognised in comprehensive income	**-4,322**	**282**	**1,105**	**-2,935**
Investment components	-12,057	-14	12,071	
Other changes	57			57
Effect of changes in foreign exchange rates	*2,875*			
Cash flows				
Premiums recieved	11,666			11,666
Claims and other directly attributable expenses paid	-202		-13,176	-13,378
Insurance acquisition cash flows	-38			-38
Total cash flows	**11,427**		**-13,176**	**-1,749**
Net closing balance	**293,215**	**1,205**		**294,420**
Closing insurance contract liabilities	293,215	1,205		294,420
Closing insurance contract assets				
Net closing balance	**293,215**	**1,205**		**294,420**

Storebrand Livsforsikring Group

NOK million	30.09.22			
	LRC			
	Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	327,380	480		327,860
Opening insurance contract assets				
Net opening balance	**327,380**	**480**		**327,860**
Insurance revenue	-2,731			-2,731
Insurance service expenses				
Incurred claims and other directly attributable expenses			965	965
Adjustment to liabilities for incurred claims				
Losses on onerous contracts and reversal of those losses		325		325
Insurance acquisition cash flows amortisation	4			4
Insurance service expenses	**4**	**325**	**965**	**1,293**
Insurance service result	**-2,727**	**325**	**965**	**-1,438**
Finance expenses from insurance contracts issued recognised in profit or loss	-33,244			-33,244
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**-33,244**			**-33,244**
Total amounts recognised in comprehensive income	**-35,971**	**325**	**965**	**-34,682**
Investment components	-11,404		11,404	
Other changes	-225			-225
Effect of changes in foreign exchange rates	*358*			*358*
Cash flows				
Premiums recieved	9,871			9,871
Claims and other directly attributable expenses paid	3,882		-12,370	-8,488
Insurance acquisition cash flows	-44			-44
Total cash flows	**13,709**		**-12,370**	**1,339**
Net closing balance	**293,846**	**805**	**-1**	**294,650**
Closing insurance contract liabilities	293,846	805		294,651
Closing insurance contract assets				
Net closing balance	**293,846**	**805**		**294,651**

Storebrand Livsforsikring Group

NOK million	31.12.22 LRC Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	327,380	480		327,860
Opening insurance contract assets				
Net opening balance	**327,380**	**480**		**327,860**
Insurance revenue	-3,662			-3,662
Insurance service expenses				
Incurred claims and other directly attributable expenses			1,331	1,331
Adjustment to liabilities for incurred claims				
Losses on onerous contracts and reversal of those losses		457		457
Insurance acquisition cash flows amortisation	7			7
Insurance service expenses	**7**	**457**	**1,331**	**1,795**
Insurance service result	**-3,655**	**457**	**1,331**	**-1,867**
Finance expenses from insurance contracts issued recognised in profit or loss	-26,624			-26,624
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**-26,624**			**-26,624**
Total amounts recognised in comprehensive income	**-30,279**	**457**	**1,331**	**-28,492**
Investment components	-15,216		15,216	
Other changes	-285			-285
Effect of changes in foreign exchange rates	*-2,693*			
Cash flows				
Premiums recieved	17,227			17,227
Claims and other directly attributable expenses paid	-843		-16,546	-17,390
Insurance acquisition cash flows	-56			-56
Total cash flows	**16,328**		**-16,546**	**-218**
Net closing balance	**295,235**	**937**		**296,172**
Closing insurance contract liabilities	295,235	937		296,172
Closing insurance contract assets				
Net closing balance	**295,235**	**937**		**296,172**

Storebrand Livsforsikring Group

Reconciliation of the measurement component of insurance contract balances

NOK million	30.09.23 Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	283,085	3,557	9,530	296,171
Opening insurance contract assets				
Net opening balance	**283,085**	**3,557**	**9,530**	**296,171**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided			-1,438	-1,438
Change in the risk adjustment for non-financial risk for the risk expired		-252		-252
Experience adjustments	29			29
Total changes that relate to current service	**29**	**-252**	**-1,438**	**-1,661**
Change that relate to future service				
Changes in estimates that adjust the CSM	-3,821	209	3,612	
Changes in estimates that results in onerous contract losses or reversal of losses	-34	144		109
Contracts initially recognised in the period	-739	134	804	199
Total changes that relate to future service	**-4,594**	**487**	**4,416**	**309**
Changes that relate to past service				
Adjustment to liabilities for incurred claims				
Insurance service result	**-4,565**	**235**	**2,978**	**-1,352**
Finance expenses from insurance contracts issued recognised in profit or loss	-1,610		27	-1,582
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**-1,610**		**27**	**-1,582**
Total amount recognised in comprehensive income	**-6,175**	**235**	**3,006**	**-2,935**
Other changes	57			57
Effect of changes in foreign exchange rates	2,741	37	97	2,875
Cash flows				
Premiums received	11,666			11,666
Claims and other directly attributable expenses paid	-13,378			-13,378
Insurance acquisition cash flows	-38			-38
Total cash flows	**-1,749**			**-1,749**
Net closing balance	**277,959**	**3,828**	**12,632**	**294,419**
Closing insurance contract liabilities	277,959	3,829	12,632	294,420
Closing insurance contract assets				
Net closing balance	**277,959**	**3,829**	**12,632**	**294,420**

Storebrand Livsforsikring Group

NOK million	30.09.22 Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	311,531	4,517	11,810	327,859
Opening insurance contract assets				
Net opening balance	**311,531**	**4,517**	**11,810**	**327,859**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided			-1,547	-1,547
Change in the risk adjustment for non-financial risk for the risk expired		-259		-259
Experience adjustments	47			47
Total changes that relate to current service	**47**	**-259**	**-1,547**	**-1,760**
Change that relate to future service				
Changes in estimates that adjust the CSM	-284	-668	952	
Changes in estimates that results in onerous contract losses or reversal of losses	78	-35		44
Contracts initially recognised in the period	-200	92	388	280
Total changes that relate to future service	**-406**	**-610**	**1,339**	**324**
Changes that relate to past service				
Adjustment to liabilities for incurred claims				
Insurance service result	**-359**	**-870**	**-208**	**-1,436**
Finance expenses from insurance contracts issued recognised in profit or loss	-32,920		-325	-33,245
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**-32,920**		**-325**	**-33,245**
Total amount recognised in comprehensive income	**-33,279**	**-870**	**-533**	**-34,681**
Other changes	-225			-225
Effect of changes in foreign exchange rates	357	1		358
Cash flows				
Premiums received	9,871			9,871
Claims and other directly attributable expenses paid	-8,487			-8,487
Insurance acquisition cash flows	-44			-44
Total cash flows	**1,340**			**1,340**
Net closing balance	**279,725**	**3,648**	**11,277**	**294,650**
Closing insurance contract liabilities	279,725	3,648	11,277	294,650
Closing insurance contract assets				
Net closing balance	**279,725**	**3,648**	**11,277**	**294,650**

Storebrand Livsforsikring Group

NOK million		31.12.22		
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	311,532	4,517	11,810	327,860
Opening insurance contract assets				
Net opening balance	**311,532**	**4,517**	**11,810**	**327,860**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided			-2,056	-2,056
Change in the risk adjustment for non-financial risk for the risk expired		-344		-344
Experience adjustments	75			75
Total changes that relate to current service	**75**	**-344**	**-2,056**	**-2,325**
Change that relate to future service				
Changes in estimates that adjust the CSM	900	-660	-240	
Changes in estimates that results in onerous contract losses or reversal of losses	193	-21		172
Contracts initially recognised in the period	-288	101	472	286
Total changes that relate to future service	**805**	**-580**	**232**	**458**
Changes that relate to past service				
Adjustment to liabilities for incurred claims				
Insurance service result	**880**	**-923**	**-1,824**	**-1,867**
Finance expenses from insurance contracts issued recognised in profit or loss	-26,276		-349	-26,624
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**-26,276**		**-349**	**-26,624**
Total amount recognised in comprehensive income	**-25,396**	**-923**	**-2,173**	**-28,492**
Other changes	-285			-285
Effect of changes in foreign exchange rates	-2,548	-38	-107	-2,693
Cash flows				
Premiums received	17,227			17,227
Claims and other directly attributable expenses paid	-17,390			-17,390
Insurance acquisition cash flows	-56			-56
Total cash flows	**-218**			**-218**
Net closing balance	**283,085**	**3,556**	**9,530**	**296,171**
Closing insurance contract liabilities	283,085	3,556	9,530	296,171
Closing insurance contract assets				
Net closing balance	**283,085**	**3,556**	**9,530**	**296,171**

Impact of contracts recognised in the year

	30.09.23						
	Contracts originated		Contracts aquired		Total		
NOK million	Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts aquired	Onerous contracts aquired	Non-onerous contracts total	Onerous contracts total	Total
Estimates of the present value of future cash outflows							
Insurance acquisition cash flows	18	20			18	20	38
Claims and other directly attributable expenses	1,233	2,436	4,354		5,587	2,436	8,023
Estimates of the present value of cash flows	1,250	2,456	4,354		5,605	2,456	8,060
Estimates of the present value of future cash inflows	-1,616	-2,320	-4,863		-6,479	-2,320	-8,799
Risk adjustment for non-financial risk	44	54	36		80	54	134
CSM	332		472		804		804
Increase in insurance contract liabilities from contracts recognised in the period	**10**	**189**			**10**	**189**	**199**

Insurance

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	30.09.23				
	LRC		LIC for contracts under the PAA		
NOK million	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	252	10	5,624	112	5,997
Opening insurance contract assets					
Net opening balance	**252**	**10**	**5,624**	**112**	**5,997**
Insurance revenue	**-1,837**				**-1,837**
Insurance service expenses					
Incurred claims and other directly attributable expenses			1,656		1,656
Adjustment to liabilities for incurred claims	355		-290	-1	63
Losses on onerous contracts and reversal of those losses		4			4
Insurance acquisition cash flows amortisation					
Insurance service expenses	**355**	**4**	**1,366**	**-1**	**1,723**
Insurance service result	**-1,482**	**4**	**1,366**	**-1**	**-114**
Finance expenses from insurance contracts issued recognised in profit or loss					
Finance expenses from insurance contracts issued recognised in OCI					
Finance expenses from insurance contracts issued					
Total amounts recognised in comprehensive income	**-1,482**	**4**	**1,366**	**-1**	**-114**
Investment components					
Other changes					
Effect of changes in foreign exchange rates			35	2	37
Cash flows					
Premiums recieved	1,925				1,925
Claims and other directly attributable expenses paid			-1,346		-1,346
Insurance acquisition cash flows			-45		-45
Total cash flows	**1,925**		**-1,391**		**534**
Net closing balance	**695**	**14**	**5,633**	**112**	**6,454**
Closing insurance contract liabilities	695	14	5,633	112	6,454
Closing insurance contract assets					
Net closing balance	**695**	**14**	**5,633**	**112**	**6,454**

Storebrand Livsforsikring Group

NOK million	30.09.22 LRC Excluding loss component	Loss component	LIC for contracts under the PAA Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	243		5,010	110	5,362
Opening insurance contract assets					
Net opening balance	**243**		**5,010**	**110**	**5,362**
Insurance revenue	**-1,555**				**-1,555**
Insurance service expenses					
Incurred claims and other directly attributable expenses			1,280		1,280
Adjustment to liabilities for incurred claims			36	-22	14
Losses on onerous contracts and reversal of those losses		12			12
Insurance acquisition cash flows amortisation					
Insurance service expenses		**12**	**1,316**	**-22**	**1,306**
Insurance service result	**-1,555**	**12**	**1,316**	**-22**	**-249**
Finance expenses from insurance contracts issued recognised in profit or loss					
Finance expenses from insurance contracts issued recognised in OCI					
Finance expenses from insurance contracts issued					
Total amounts recognised in comprehensive income	**-1,555**	**12**	**1,316**	**-22**	**-249**
Investment components					
Other changes					
Effect of changes in foreign exchange rates			6		6
Cash flows					
Premiums recieved	2,081				2,081
Claims and other directly attributable expenses paid			-1,143		-1,143
Insurance acquisition cash flows					
Total cash flows	**2,081**		**-1,143**		**938**
Net closing balance	**768**	**12**	**5,188**	**88**	**6,057**
Closing insurance contract liabilities	768	12	5,188	88	6,057
Closing insurance contract assets					
Net closing balance	**768**	**12**	**5,188**	**88**	**6,057**

NOK million	LRC Excluding loss component	LRC Loss component	LIC for contracts under the PAA Present value of future cash flows	LIC for contracts under the PAA Risk adjustment for non-financial risk	Total
	31.12.22				
Opening insurance contract liabilities	243		5,010	110	5,362
Opening insurance contract assets					
Net opening balance	**243**		**5,010**	**110**	**5,362**
Insurance revenue	**-2,164**				**-2,164**
Insurance service expenses					
Incurred claims and other directly attributable expenses			1,786		1,786
Adjustment to liabilities for incurred claims			120	-23	97
Losses on onerous contracts and reversal of those losses		10			10
Insurance acquisition cash flows amortisation					
Insurance service expenses		**10**	**1,906**	**-23**	**1,893**
Insurance service result	**-2,164**	**10**	**1,906**	**-23**	**-271**
Finance expenses from insurance contracts issued recognised in profit or loss					
Finance expenses from insurance contracts issued recognised in OCI					
Finance expenses from insurance contracts issued					
Total amounts recognised in comprehensive income	**-2,164**	**10**	**1,906**	**-23**	**-271**
Investment components					
Other changes					
Effect of changes in foreign exchange rates			-33	-2	-35
Cash flows					
Premiums recieved	2,583				2,583
Claims and other directly attributable expenses paid			-1,643		-1,643
Insurance acquisition cash flows					
Total cash flows	**2,583**		**-1,643**		**940**
Net closing balance	**662**	**10**	**5,240**	**85**	**5,996**
Closing insurance contract liabilities	662	10	5,240	85	5,996
Closing insurance contract assets					
Net closing balance	**662**	**10**	**5,240**	**85**	**5,996**

Underlying items for contracts measured under variable fee approach

NOK million	30.09.23 Garanteed products - Norway	30.09.23 Garanteed products - Sweden	30.09.22 Garanteed products - Norway	30.09.22 Garanteed products - Sweden	31.12.22 Garanteed products - Norway	31.12.22 Garanteed products - Sweden
Assets						
Shares and fund units	34,306	9,235	32,808	8,587	29,862	9,092
Bonds and other fixed-income securities	125,312	45,173	126,143	45,484	128,209	46,406
Loans to customers	15,222	6,357	15,664	7,100	15,729	6,636
Net derivatives	-410	1,113	-3,054	-877	-563	767
Investment properties	22,449	13,985	24,414	14,036	23,337	13,893
Cash and other underlying items	9,827	3,359	9,290	7,619	12,736	2,374
Total underlying items	**206,706**	**79,223**	**205,265**	**81,950**	**209,311**	**79,168**
Insurance contract liabilities	**206,706**	**79,223**	**205,265**	**81,949**	**209,311**	**79,168**

Note 9 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. For the Norwegian entities, 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, but a majority of Storebrand's business related to occupational pension is subject to a standardized return tax on the assets managed on behalf of policyholders and not company tax. The expected tax rate from Storebrand's Swedish business is therefore lower than the company tax rate.

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. Any paid tax related to the uncertain tax positions not recognised in the financial statements and is classified as receivables. Significant uncertain tax positions are described in the Annual report for 2022.

During the second quarter, Storebrand received a ruling from the Tax Appeals Committee which gives Storebrand full consent in previous uncertain tax positions. Based on the decision from the Tax Appeals Committee, Storebrand has recognized a tax gain of approx. NOK 440 million in the second quarter. The tax case in question is described in more detail in note 28 in the annual accounts for 2022 as "case A" and "case C". Case B is still an uncertain tax position as of third quarter 2023.

Storebrand has reviewed the uncertain tax positions as part of the 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 Storebrand will, if necessary, seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 10 Contingent assets and liabilities

	Storebrand Livsforsikring Group	
NOK million	30.09.23	31.12.22
Uncalled residual liabilities limitied partnership	3,861	4,087
Uncalled residual liabilities in alternative investment funds	11,644	12,238
Total contigent liabilities	**15,505**	**16,326**

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 Livsforsikring has received a letter from the Norwegian FSA (Finanstilsynet) regarding the fee structure on paid up policies. The fee element in question amounts to approximately NOK 100 million in annual fees. Storebrand is of the opinion that the fee is legitimate and hence that the company is entitled to it. Storebrand has however chosen not to recognize it as income for the current year until the case is settled/awaiting further proceedings.

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 2022 annual report.

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 2022 annual report.

Storebrand Livsforsikring has not carried out any material transactions other than normal business transactions with related parties during 2023, 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 30th September 2023 is NOK 17,1 billion, net changes of NOK 4,1 billion year to date. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expence year to date is NOK 50,6 million.

Storebrand Livsforsikring AS

Statement of comprehensive income

NOK million	Q3 2023	Q3 2022	01.01 - 30.09 2023	01.01 - 30.09 2022	Full year 2022
TECHNICAL ACCOUNT:					
Gross premiums written	6,173	4,897	19,994	15,331	20,300
Reinsurance premiums ceded	-3		-30	-7	-7
Premium reserves and pension capital transferred from other companies	3,197	1,440	9,084	7,612	9,474
Premiums for own account	**9,367**	**6,337**	**29,049**	**22,936**	**29,766**
Income from investments in subsidiaries, associated companies and joint ventures companies	-1,138	326	-1,064	712	103
of which from investment in property companies	-1,138	326	-1,064	712	103
Interest income and dividends etc. from financial assets	1,297	2,492	3,727	3,922	5,823
Changes in investment value	66	-1,902	607	-6,200	-6,095
Realised gains and losses on investments	-613	-2,339	-896	-2,841	-2,857
Total net income from investments in the collective portfolio	**-389**	**-1,424**	**2,375**	**-4,408**	**-3,025**
Income from investments in subsidiaries, associated companies and joint ventures companies	-317	70	-300	154	-8
of which from investment in rproperty companies	-317	70	-300	154	-8
Interest income and dividends etc. from financial assets	173	170	638	406	975
Changes in investment value	-4,462	-7,640	5,021	-17,615	-15,253
Realised gains and losses on investments	2,225	-2,550	7,087	-1,112	2,252
Total net income from investments in the investment selection portfolio	**-2,381**	**-9,950**	**12,446**	**-18,167**	**-12,034**
Other insurance related income	**198**	**215**	**574**	**613**	**817**
Gross claims paid	-3,855	-3,330	-11,288	-10,052	-13,425
Claims paid - reinsurance	5	2	31	30	30
Premium reserves, pension capital etc., additional satutory reserves and buffer fund transferred to other companies	-3,374	-1,996	-13,097	-7,756	-9,740
Claims for own account	**-7,224**	**-5,323**	**-24,354**	**-17,778**	**-23,135**
To/from premium reserve, gross	86	-128	-2,062	-3,471	-3,095
To/from additional statutory reserves	10	23	63	69	2,769
Change in market value adjustment fund	-180	1,114	-261	5,464	5,207
Change in buffer fund	234	797	-628	447	356
Change in premium fund, deposit fund and the pension surplus fund					-2
To/from technical reserves for non-life insurance business	18	7	42	-65	-43
Transfer of additional statutory reserves and buffer fund from other insurance companies/pension funds	11	-355	202	418	418
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	**180**	**1,458**	**-2,643**	**2,861**	**5,611**
Change in pension capital	-607	8,248	-17,346	14,153	5,429
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	**-607**	**8,248**	**-17,346**	**14,153**	**5,429**

Storebrand Livsforsikring AS

Statement of comprehensive income (continued)

	Q3		01.01 - 30.09		Full year
NOK million	2023	2022	2023	2022	2022
Profit on investment result					-75
Risk result allocated to insurance contracts					-230
Other allocation of profit					-83
Unallocated profit	133	-84	-323	-273	
Funds allocated to insurance contracts	**133**	**-84**	**-323**	**-273**	**-388**
Management expenses	-59	-58	-173	-175	-228
Selling expenses	-68	-66	-223	-200	-270
Insurance-related administration expenses (incl. commissions for reinsurance received)	-305	-241	-894	-729	-1,026
Insurance-related operating expenses	**-432**	**-365**	**-1,290**	**-1,104**	**-1,524**
Other insurance related expenses after reinsurance share	**2**	**-31**	**-14**	**-87**	**-119**
Technical insurance profit	**-1,153**	**-919**	**-1,524**	**-1,255**	**1,398**
NON-TECHNICAL ACCOUNT					
Income from investments in subsidiaries, associated companies and joint ventures companies	-153	128	1,310	1,424	1,247
Interest income and dividends etc. from financial assets	162	128	491	337	456
Changes in investment value	49	-137	207	-256	-155
Realised gains and losses on investments	150	-148	-424	1	211
Net income from investments in company portfolio	**208**	**-28**	**1,584**	**1,505**	**1,759**
Other income	**42**	**4**	**79**	**11**	**22**
Management expenses	-5	-5	-14	-15	-20
Other expenses	-315	-137	-828	-345	-613
Total management expenses and other costs linked to the company portfolio	**-320**	**-142**	**-842**	**-360**	**-633**
Profit or loss on non-technical account	**-70**	**-167**	**820**	**1,157**	**1,148**
Profit before tax	**-1,224**	**-1,086**	**-704**	**-98**	**2,546**
Tax expenses	265	325	941	950	461
Profit before other comprehensive income	**-959**	**-761**	**237**	**852**	**3,007**
Change in actuarial assumptions					3
Tax on other profit elements not to be reclassified to profit/loss			3		3
Other comprehensive income not to be reclassified to profit/loss			**3**		**6**

Storebrand Livsforsikring AS

Statement of comprehensive income (continued)

	Q3		01.01 - 30.09		Full year
NOK million	2023	2022	2023	2022	2022
Profit/loss cash flow hedging		-8	-10	-24	-12
Other profit comprehensive income that may be reclassified to profit /loss		**-8**	**-10**	**-24**	**-12**
Other comprehensive income		**-8**	**-8**	**-24**	**-6**
TOTAL COMPREHENSIVE INCOME	**-959**	**-770**	**229**	**828**	**3,000**

Storebrand Livsforsikring AS

Statement of financial position

NOK million	30.09.23	30.09.22	31.12.22
ASSETS			
ASSETS IN COMPANY PORTFOLIO			
Goodwill	302		
Other intangible assets	1,123	459	431
Total intangible assets	**1,425**	**459**	**431**
Equities and units in subsidiaries, associated companies and joint ventures	12,691	14,596	14,299
of which investment in property companies			
Loans at amortised cost	3,200	3,006	2,948
Bonds at amortised cost	13,400	7,465	7,460
Deposits at amoritsed cost	543	418	530
Equities and fund units at fair value	619	354	339
Bonds and other fixed-income securities at fair value	4,131	9,812	9,092
Derivatives at fair value	128	519	263
Total investments	**34,713**	**36,170**	**34,931**
Receivables in connection with direct business transactions	364	709	505
Receivables in connection with reinsurance transactions		4	
Receivables with group company	79	74	677
Other receivables	34,710	6,944	3,076
Total receivables	**35,154**	**7,731**	**4,258**
Tangible fixed assets	15	8	8
Cash, bank	3,473	1,468	1,394
Tax assets	2,058	1,747	1,123
Other assets designated according to type	4		4
Total other assets	**5,550**	**3,223**	**2,529**
Other pre-paid costs and income earned and not received	66	44	24
Total pre-paid costs and income earned and not received	**66**	**44**	**24**
Total assets in company portfolio	**76,908**	**47,627**	**42,173**

Storebrand Livsforsikring AS

Statement of financial position (continued)

NOK million	30.09.23	30.09.22	31.12.22
ASSETS IN CUSTOMER PORTFOLIOS			
Equities and units in subsidiaries, associated companies and joint ventures	22,449	24,414	23,921
of which investment in property companies	22,449	24,414	23,921
Bonds held to maturity		7,548	7,402
Bonds at amortised cost	133,777	110,217	110,220
Loans at amoritsed cost	17,792	17,742	17,785
Deposits at amoritsed cost	5,258	1,619	6,011
Equities and fund units at fair value	18,983	19,430	16,505
Bonds and other fixed-income securities at fair value	9,150	20,519	21,732
Derivatives at fair value	3,484	1,411	2,687
Total investments in collective portfolio	**210,894**	**202,899**	**206,262**
Reinsurance share of insurance obligations	**176**	**6**	**6**
Equities and units in subsidiaries, associated companies and joint ventures	6,270	6,374	6,162
of which investment in property companies	6,270	6,374	6,162
Bonds at amortised cost	189	79	79
Loans at amoritsed cost	584	910	894
Deposits at amoritsed cost	390	434	878
Equities and fund units at fair value	135,617	99,774	101,286
Bonds and other fixed-income securities at fair value	51,539	40,173	40,976
Loans at fair value	129	127	122
Derivatives at fair value	772	80	1,975
Other financial assets	19		
Total investments in investment selection portfolio	**195,509**	**147,951**	**152,372**
Total assets in customer portfolios	**406,578**	**350,855**	**358,640**
TOTAL ASSETS	**483,486**	**398,483**	**400,813**

Storebrand Livsforsikring AS

Statement of financial position (continued)

NOK million	30.09.23	30.09.22	31.12.22
EQUITY AND LIABILITIES			
Share capital	3,540	3,540	3,540
Share premium	9,711	9,711	9,711
Other paid in equity	2,327	1,899	2,327
Total paid in equity	**15,578**	**15,150**	**15,578**
Risk equalisation fund	1,027	752	809
Security reserves	8	5	8
Other earned equity	**10,449**	**10,638**	**10,426**
Total earned equity	**11,484**	**11,396**	**11,243**
Perpetual subordinated loans	1,985	1,986	1,957
Dated subordinated loans	7,641	9,077	7,800
Total subordinated loans and hybrid tier 1 capital	**9,627**	**11,063**	**9,757**
Premium reserves	191,523	184,310	185,269
Additional statutory reserves	9,602	12,242	9,622
Market value adjustment reserve	891	361	619
Buffer fund	1,668	1,047	1,137
Premium fund, deposit fund and the pension surplus fund	3,153	3,834	3,532
Unallocated profit to insurance contracts	343	292	
Other technical reserve	755	729	706
Total insurance obligations in life insurance - contractual obligations	**207,935**	**202,815**	**200,885**
Pension capital	196,678	143,644	152,558
Premium fund, deposit fund and the pension surplus fund	1		
Unallocated profit to insurance contracts	-34		
Total insurance obligations in life insurance - investment portfolio separately	**196,646**	**143,644**	**152,558**

Storebrand Livsforsikring AS

Statement of financial position (continued)

NOK million	30.09.23	30.09.22	31.12.22
Pension liabilities etc.	7	2	
Deferred tax	218		
Other provisions for liabilities	10		
Total provisions for liabilities	**235**	**2**	
Liabilities in connection with direct insurance	2,138	1,152	503
Liabilities in connection with reinsurance	1		
Derivatives	4,842	9,235	4,083
Liabilities to group companies	39	33	2,345
Other liabilities	34,467	3,602	3,616
Total liabilities	**41,486**	**14,022**	**10,547**
Other accrued expenses and received, unearned income	496	391	246
Total accrued expenses and received, unearned income	**496**	**391**	**246**
TOTAL EQUITY AND LIABILITIES	483,486	398,483	400,813

Storebrand Livsforsikring AS

Statement of changes 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 31.12.2021	**3,540**	**9,711**	**1,899**	**15,150**	**547**	**5**	**10,015**	**25,718**
Profit for the period					205		647	852
Other comprehensive income							-24	-24
Total comprehensive income for the period					**205**		**623**	**828**
Equity transactions with owner:								
Received dividend/group contributions								
Paid dividend/group contributions								
Other								
Equity at 30.09.2022	**3,540**	**9,711**	**1,899**	**15,150**	**752**	**5**	**10,639**	**26,546**
Profit for the period					262	3	2,742	237
Other comprehensive income							-6	-8
Total comprehensive income for the period					**262**	**3**	**2,735**	**229**
Equity transactions with owner:								
Received dividend/group contributions			428	428				428
Paid dividend/group contributions							-2,325	-2,325
Other								
Equity at 31.12.2022	**3,540**	**9,711**	**2,327**	**15,578**	**809**	**8**	**10,426**	**26,821**
Policy change IFRS 9							-3	-3
Equity at 01.01.2023	**3,540**	**9,711**	**2,327**	**15,578**	**809**	**8**	**10,423**	**26,818**
Profit for the period					195		41	237
Other comprehensive income							-8	-8
Total comprehensive income for the period					**195**		**34**	**229**
Equity transactions with owner:								
Received dividend/group contributions			-1	-1				-1
Paid dividend/group contributions								
Other					23		-8	15
Equity at 30.09.2023		**9,711**	**2,327**	**15,578**	**1,027**	**8**	**10,449**	**27,062**

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

Storebrand Livsforsikring AS
Notes to the financial statements

Note 1 Accounting policies

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 2022 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 2022.

There are none new or changed accounting standards that entered into effect in 2023 that have significant effect on Storebrand Livsforsikring's financial statements.

Note 2 Accounting estimates and judgements

In preparing the 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 2022 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.

Storebrand Livsforsikring AS

Note 3 Merger Storebrand Livsforsikring AS and Storebrand Danica Pensjonsforsikring AS

Storebrand Livsforsikring AS has purchased Danica Pensjonsforsikring AS. In connection with the purchase, the company has changed name to Storebrand Danica Pensjonsforsikring AS. A mother-daughter merger took place from 1th of January 2023.

NOK million	Storebrand Livsforsikring AS 01.01.23	Danica Pensjonsforsikring AS 01.01.23	Group continuity and other merger effects	Total
Intangible assets	431		1,212	1,643
Investments	34,931	881	-2,048	33,764
Receivables	4,258	22	-16	4,264
Other assets	2,553	128	3	2,683
Total assets in company portfolio	**42,173**	**1,031**	**-850**	**42,355**
Total investments in collective portfolio	**206,262**	**1,488**		**207,750**
Reinsurance share of insurance obligations	6	298		303
Total investments in investment selection portfolio	**152,372**	**26,859**		**179,231**
TOTAL ASSETS	**400,813**	**29,676**	**-850**	**429,639**
Paid in equity	15,578	406	-406	15,578
Earned equity	11,243	712	-694	11,260
Subordinated loans and hybrid tier 1 capital	9,757			9,757
Insurance obligations in life insurance - contractual obligations	200,885	1,488	10	202,383
Insurance obligations in life insurance - investment portfolio separately	152,558	26,879		179,437
Provisions for liabilities		29	256	285
Liabilities	10,793	162	-16	10,939
TOTAL EQUITY AND LIABILITIES	**400,813**	**29,676**	**-850**	**429,639**

A final purchase price allocation (PPA) analysis has been completed within the measurement period of 12 months in accordance with IFRS 3. Changes in values have been made to the accounts.

See note 3 for the consolidated accounts for changes in PPA.

Note 4 Segments - profit by business area

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. In addition, certain other subsidiaries in Storebrand Livsforsikring 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 corporate markets.

Storebrand Livsforsikring AS

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, paid-up policies and individual capital and pension insurances.

Other
The result for the company portfolios of Storebrand Livsforsikring and costs related to acquisitions are reported in the Other segment.

Reconciliation with the income statement
The statutory income statement 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 statutory income statement.

A description of the most important differences is included in the 2022 annual report in note 4 Segment reporting.

Profit by segments

	Q3		01.01 - 30.09		Full year
NOK million	2023	2022	2023	2022	2022
Savings	134	81	364	274	347
Insurance	45	104	163	216	257
Guaranteed pension	198	227	557	603	810
Other	43	-31	986	1,179	1,162
Profit before amortisation	**420**	**381**	**2,069**	**2,273**	**2,576**
Amortisation and write-downs intangible assets	-113	-7	-165	-22	-30
Profit before tax	**307**	**374**	**1,904**	**2,251**	**2,546**

Segment information Q3

	Savings		Insurance		Guaranteed pension	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	280	216			290	269
Insurance result			162	195		
- Insurance premiums for own account			921	773		
- Claims for own account			-759	-578		
Operational cost	-145	-133	-126	-96	-153	-133
Cash equivalent earnings from operations	**136**	**82**	**36**	**99**	**137**	**136**
Financial items and risk result life & pension	-2	-1	9	6	56	74
Net profit sharing					5	17
Cash equivalent earnings before amortisation	**134**	**81**	**45**	**104**	**198**	**227**

Storebrand Livsforsikring AS

NOK million	Other 2023	Other 2022	Storebrand Livsforsikring AS 2023	Storebrand Livsforsikring AS 2022
Fee and administration income			571	485
Insurance result			162	195
- Insurance premiums for own account			921	773
- Claims for own account			-759	-578
Operational cost	-24	-26	-447	-388
Cash equivalent earnings from operations	**-24**	**-26**	**285**	**291**
Financial items and risk result life & pension	67	-5	135	90
Cash equivalent earnings before amortisation	**43**	**-31**	**420**	**381**
Amortisation and write-downs intangible assets			-113	-7
Cash equivalent earnings before tax			**307**	**374**
Tax			-118	-57
Cash equivalent earnings after tax			**189**	**317**

Segment information as at 30.09

NOK million	Savings 2023	Savings 2022	Insurance 2023	Insurance 2022	Guaranteed pension 2023	Guaranteed pension 2022
Fee and administration income	835	667			796	790
Insurance result			512	481		
- Insurance premiums for own account			2,732	2,196		
- Claims for own account			-2,220	-1,714		
Operational cost	-463	-377	-380	-279	-441	-393
Operating profit	**372**	**290**	**132**	**202**	**355**	**397**
Financial items and risk result life & pension	-8	-16	31	14	193	194
Net profit sharing					9	12
Profit before amortisation	**364**	**274**	**163**	**216**	**557**	**603**

Storebrand Livsforsikring AS

	Other		Storebrand Livsforsikring AS	
NOK million	2023	2022	2023	2022
Fee and administration income			1,631	1,457
Insurance result			512	481
- Insurance premiums for own account			2,732	2,196
- Claims for own account			-2,220	-1,714
Operational cost	-76	-50	-1,360	-1,099
Cash equivalent earnings from operations	**-76**	**-50**	**783**	**839**
Financial items and risk result life & pension	1,062	1,230	1,287	1,434
Cash equivalent earnings before amortisation	**986**	**1,179**	**2,069**	**2,273**
Amortisation and write-downs intangible assets			-165	-22
Cash equivalent earnings before tax			**1,904**	**2,251**
Tax			289	363
Cash equivalent earnings after tax			**2,193**	**2,614**

Storebrand Livsforsikring AS

Note 5 Liquidity risk

Specification of subordinated loans

NOK million	Nominal value	Currency	Interest rate	Call date	Book value 30.09.23	Book value 30.09.22	Book value 31.12.22
Issuer							
Perpetual subordinated loans [1]							
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100	1,101	1,101
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2026	885	886	856
Dated subordinated loans							
Storebrand Livsforsikring AS [2,3]	899	SEK	Variable	2022		886	
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	881	883	851
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	981	983	947
Storebrand Livsforsikring AS	500	NOK	Variable	2025	500	500	500
Storebrand Livsforsikring AS [5]	650	NOK	Variable	2027	652	651	651
Storebrand Livsforsikring AS [3,5]	750	NOK	Fixed	2027	782		773
Storebrand Livsforsikring AS [5]	1,250	NOK	Variable	2027	1,259		1,261
Storebrand Livsforsikring AS [3,4]	38	EUR	Fixed	2023		2,754	421
Storebrand Livsforsikring AS [3,5]	300	EUR	Fixed	2031	2,584	2,420	2,397
Total subordinated loans and hybrid capital					**9,627**	**11,063**	**9,757**

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

[2] The loan has been repaid in November 2022

[3] The loans are subject to hedge accounting.

[4] The loan has been repaid in April 2023

[5] Green bonds

Note 6 Valuation of financial instruments and real estate

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 2022.

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 30.09.23	Fair value 31.12.22	Book value 30.09.23	Book value 31.12.22
Financial assets				
Loans to customers - corporate	4,348	4,392	4,475	4,539
Loans to customers - retail	16,721	16,800	17,100	17,088
Bonds held to maturity		7,474		7,402
Bonds classified as loans and receivables	130,865	107,924	147,367	117,758
Financial liabilities				
Subordinated loan capital	9,683	9,714	9,627	9,757

Storebrand Livsforsikring AS

Valuation of financial instruments and properties at fair value

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total 30.09.23	31.12.22
Assets					
Equities and fund units					
- Equities	36,882	3,422	109	40,414	29,674
- Fund units		96,516	18,290	114,805	88,456
Total equities and fund units 30.09.2023	**36,882**	**99,938**	**18,399**	**155,219**	
Total equities and fund units 31.12.2022	**29,357**	**73,826**	**14,947**		**118,130**
Total loans to customers					
- Loans to customers - corporate			129	129	122
Bonds and other fixed income securities					
- Government bonds	8,254			8,254	10,444
- Corporate bonds		3,090		3,090	20,385
- Structured notes		320		320	
- Collateralised securities					840
- Bond funds		50,407	2,749	53,157	40,130
Total bonds and other fixed income securities 30.09.2023	**7,485**	**51,523**	**2,634**	**64,821**	
Total bonds and other fixed income securities 31.12.2022	**10,170**	**59,494**	**2,135**		**71,799**
Derivatives:					
- Interest derivatives	1,263	-2,497		-1,235	-1,219
- Currency derivatives		776		776	2,062
Total derivatives 30.09.2023	**1,263**	**-1,721**		**-458**	
- derivatives with a positive market value	1,263	3,122		4,384	4,925
- derivatives with a negative market value		-4,842		-4,842	-4,083
Total derivatives 31.12.2022	**636**	**206**			**843**

Movement level 3

NOK million	Equities	Fund units	Loans to customers	Corporate bonds	Bond funds
Book value 01.01	**145**	**14,802**	**122**	**8**	**2,127**
Merger	211	439			
Net profit/loss	-44	3,404	7		204
Supply/disposal	-203	-355			418
Sales/overdue/settlement				-8	
Book value 30.09.2023	**109**	**18,290**	**129**		**2,749**

Expected credit loss

	30.09.23			
NOK million	Stage 1 12 months ECL	Stage 2 Lifetime ECL - credit risk significantly increased	Stage 3 LiftimeECL - credit impaired	Total
01.01.2023	**-60**			**-60**
The periods change in impairment losses stage 1				
The periods change in impairment losses stage 2				
The periods change in impairment losses stage 3				
New loans	-4			-4
Derecognition	6			6
ECL on financial assets without change in stage	-5			-5
30.09.23	**-64**			**-64**
ECL Amortized Cost	-64			-64
ECL Fair Value OCI				
Total	**-64**			**-64**

Sensitivity assessments

Sensitivity assessments of investments on level 3 are described in note 13 in the 2022 annual report. There is no significant change in sensitivity in this quarter.

Note 7 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. For the Norwegian entities, 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, but a majority of Storebrand's business related to occupational pension is subject to a standardized return tax on the assets managed on behalf of policyholders and not company tax. The expected tax rate from Storebrand's Swedish business is therefore lower than the company tax rate.

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. Any paid tax related to the uncertain tax positions not recognised in the financial statements and is classified as receivables. Significant uncertain tax positions are described in the Annual report for 2022.

During the second quarter, Storebrand received a ruling from the Tax Appeals Committee which gives Storebrand full consent in previous uncertain tax positions. Based on the decision from the Tax Appeals Committee, Storebrand has recognized a tax gain of approx. NOK 440 million in the second quarter. The tax case in question is described in more detail in note 28 in the annual accounts for 2022 as "case A" and "case C". Case B is still an uncertain tax position as of third quarter 2023.

Storebrand has reviewed the uncertain tax positions as part of the 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 Storebrand will, if necessary, seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 8 Contingent assets and liabilities

	Storebrand Livsforsikring AS	
NOK million	30.09.23	31.12.22
Uncalled residual liabilities limitied partnership	3,628	3,666
Uncalled residual liabilities in alternative investment funds	9,506	9,791
Total contigent liabilities	**13,134**	**13,457**

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 2022 annual report.

Storebrand Livsforsikring has received a letter from the Norwegian FSA (Finanstilsynet) regarding the fee structure on paid up policies. The fee element in question amounts to approximately NOK 100 million in annual fees. Storebrand is of the opinion that the fee is legitimate and hence that the company is entitled to it. Storebrand has however chosen not to recognize it as income for the current year until the case is settled/awaiting further proceedings.

Note 9 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..

Storebrand Livsforsikring AS

Solvency capital

NOK million	30.09.23 Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.22 Total
Share capital	3,540	3,540				3,540
Share premium	9,711	9,711				9,711
Reconciliation reserve	21,146	21,146				15,543
Including the effect of the transitional arrangement						
Counting subordinated loans	9,608		1,967	7,641		9,661
Deferred tax asset						306
Risk equalisation reserve	1,027			1,027		809
Expected dividend/group distributions	-1,500	-1,500				-1,885
Non-counting tier 3 capital	-783			-783		-231
Total solvency capital	**42,749**	**32,897**	**1,967**	**7,885**		**37,454**
Total solvency capital available to cover the minimum capital requirement	**36,082**	**32,897**	**1,967**	**1,218**		**30,121**

Solvency capital requirement and margin

NOK million	30.09.23	31.12.22
Market	14,647	18,219
Counterparty	675	997
Life	8,323	5,882
Health	723	672
Operational	994	1,003
Diversification	-5,340	-4,745
Loss-absorbing tax effect	-4,250	-4,725
Total solvency requirement	**15,771**	**17,301**
Solvency margin	**271%**	**216%**
Minimum capital requirement	**6,090**	**6,585**
Minimum margin	**592%**	**457%**

Note 10 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 2022 annual report.

Storebrand Livsforsikring has not carried out any material transactions other than normal business transactions with related parties during 2023, 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 30th September 2023 is NOK 17,1 billion, net changes of NOK 4,1 billion year to date. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expence year to date is NOK 50,6 million.

Financial calendar

7 February 2024 Results Q4 2023

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