storebrand

Interim report 1st quarter 2023

Storebrand Group (unaudited)

1 st 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.

Storebrand Group

- **Cash equivalent earnings[1] of NOK 773m in the 1st quarter**
- **Solvency II ratio 179%**
- **All-time high assets under management amounting to NOK 1,111bn, up 9% in the quarter supported by NOK 18bn in net inflow**

Storebrand's ambition is to provide our customers with financial freedom and security by being the best provider of long-term savings and insurance. The Group offers an integrated product range spanning from life insurance, P&C insurance, asset management and banking to private individuals, companies and public sector entities. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other.

Cash equivalent earnings[2]

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Fee and administration income	1,552	1,641	1,507	1,456	1,457	6,062
Insurance result	357	390	475	427	372	1,664
Operational cost	-1,391	-1,410	-1,272	-1,181	-1,145	-5,008
Cash equivalent earnings from operations	**518**	**621**	**710**	**703**	**685**	**2,718**
Financial items and risk result life	255	219	-38	-119	-49	13
Cash equivalent earnings before amortisation	**773**	**841**	**672**	**583**	**636**	**2,732**
Amortisation and write-downs of intangible assets	-62	-62	-61	-39	-39	-202
Cash equivalent earnings before tax	**711**	**778**	**611**	**544**	**597**	**2,530**
Tax	70	12	-136	-37	386	225
Cash equivalent earnings after tax	**781**	**790**	**475**	**507**	**983**	**2,754**

Changes in IFRS – How to read this report
From the 1st quarter 2023, Storebrand 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 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[3]. Detailed disclosure of Storebrand Group's IFRS statements and notes are available under the "Financial statements Storebrand 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[4]. 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)
Storebrand Group's net insurance service result under IFRS was NOK 637m in the 1st quarter (NOK 687m). Figures in brackets are restated numbers according to IFRS 17 from the corresponding period last year. A decrease of NOK 50m is primarily related to the IFRS 17 contracts with a coverage period on less than 12 months, and is driven by the increase in inflation, as well as an increase in the reported claims. The contracts measured under variable fee approach and general measurement model have contributed positively to the total net insurance service result in the 1st quarter, mainly due to recognition of new business that increases the contractual service margin and thus the contractual service margin release into the insurance service revenue. Storebrand Group's profit after tax expenses was NOK 1,050m in the 1st quarter under IFRS, compared to NOK 1,060m on a restated basis for the corresponding period last year. Whilst the profits were stable this quarter, higher volatility is expected on general basis

[1] Cash equivalent earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting.
[2] The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.
[3] Due to the fundamental differences between IFRS 17 and the alternative income statement, it is not possible to reconcile the numbers.
[4] Please find detailed information in Storebrand's guide to Alternative Performance Measures (APMs) on the investor relations pages.

under IFRS 17 due to measurement models applied. For more information about the implementation effects of IFRS 17 and IFRS 9, please see note 1, 2 and 8.

Financial performance (alternative income statement)

Storebrand Group's cash equivalent earnings before amortisation were NOK 773m (NOK 636m) in the 1st quarter. The underlying growth continues to be strong across the business. Rising global equity markets, positive net flow and favourable currency effects drive record high assets under management, despite financial market turbulence throughout the quarter. In some areas, external factors such as persistent high inflation and an increasing disability trend represent increased uncertainty. Despite this, the NOK 4bn profit ambition for 2023 is maintained.

Total fee and administration income amounted to NOK 1,552m (NOK 1,457m) in the 1st quarter, corresponding to an increase of 7% compared to the same quarter last year (6% adjusted for currency). Income growth is driven by strong performance in Unit Linked Norway, supported by the Danica acquisition, and in Storebrand Bank. In Asset Management, fewer transaction fees have led to some income decline compared to last year.

The Insurance result decreased to NOK 357m (NOK 372m) in the 1st quarter due to high seasonal claims in P&C and high disability claims. Compared to the corresponding period last year growth remains strong for all segments, driven by a combination of organic growth and the Danica acquisition. Disability levels are high both in Group Life and Pension related disability insurance in Norway, and the development is followed closely. Further price increases will be implemented with full effect from 2024. The total combined ratio for the Insurance segment was 97% (91%) in the 1st quarter – above the full year target of 90-92%.

The Group's operational cost amounted to NOK -1,391m (NOK -1,145m) in the 1st quarter. The increase is attributed to inflation, currency, acquired business, growth initiatives and digital investments. Storebrand continues to focus on strong cost discipline, as has been demonstrated over the past decade. The cost guidance for 2023 (full year) of NOK 5.2bn remains intact, and includes the acquired businesses Danica and Kron. The estimate excludes performance related cost, currency effects, potential future acquisitions and integration cost of acquired business.

Overall, the cash equivalent earnings from operations amounted to NOK 518m (NOK 685m) in the 1st quarter.

The 'financial items and risk result' amounted to NOK 255m (NOK -49m) in the 1st quarter. Net profit sharing amounted to NOK 18m (NOK -39m) in the 1st quarter, as the Norwegian portfolio focus is rebuilding buffer capital and the Swedish business had moderate profit sharing due to strengthened deferred capital contribution (DCC). The risk result amounted to NOK 81m (NOK 82m) in the 1st quarter. A strong longevity risk result as well as a positive reserve adjustment in Norwegian Paid-up policies are the main contributing factors.

Amortisation of intangible assets from acquired business amounted to NOK -62m (NOK -39m) in the 1st quarter. The increase compared to the restated figures for 2022 is attributed to the Danica acquisition.

Storebrand booked a tax income for the Group of NOK 70m (NOK 386m) in the 1st quarter. The tax income is a consequence of taxable unrealised losses on currency hedges related to the Swedish business and corresponding non-deductible unrealised gains on the shares in the subsidiaries, as the Swedish krona strengthened 7% against the Norwegian krone during the quarter. Tax related issues are described more under the Outlook section and in note 10. The estimated normal tax rate is 19-22%, depending on each legal entity's contribution to the Group result. Different tax rates in different countries of operations as well as currency fluctuations impact the quarterly tax rate.

The Group 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 was 179% at the end of the 1st quarter, a decrease of 5 percentage points from the previous quarter. Earnings generation from operations and positive changes stemming from model and assumption changes contributed positive to the solvency ratio. The improvement was partly offset by increased equity allocation and a higher symmetric equity stress adjustment (SA), and a reduction in interest rates. Furthermore, capital created in the quarter is offset by capital set aside for dividends and the share buyback program, while redemption of subordinated loans and the acquisition of Kron also reduce the solvency ratio. The solvency ratio continues to be above the threshold for overcapitalisation of 175%.

Dividend and share buyback

A share buyback program amounting to NOK 500m was initiated after the presentation of the full year 2022 accounts. The program has been temporarily paused in connection with the Annual General Meeting (AGM) of Storebrand ASA. Storebrand will continue the program when a renewed approval is received from the FSA, based on the authorisation granted by the AGM. Based on the strong solvency position at the end of the 1st quarter, Storebrand will apply for a new tranche to follow the current one. The ambition is to return NOK 10bn of excess capital by the end of 2030, primarily in the form of share buybacks, as the run-off of the guaranteed business releases capital.

Cash equivalent earnings by segment

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Savings - non-guaranteed	361	456	401	392	404	1,653
Insurance	56	92	211	176	117	596
Guaranteed pension	285	270	148	254	232	903
Other profit	71	23	-89	-238	-116	-420
Cash equivalent earnings before amortisation	**773**	**841**	**672**	**583**	**636**	**2,732**

Group - Key figures

	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Cash equivalent EPS	1.82	1.83	1.14	1.16	2.17	6.31
Equity	30,266	29,519	28,903	28,968	30,298	29,519
Cash ROE, annualised	12.9%	12.7%	7.8%	8.1%	15.8%	10.6%
Solvency II ratio	179%	184%	174%	195%	184%	184%

Financial targets

	Target	Actual
Cash return on equity (after tax)		12.9%
Future Storebrand (Savings & Insurance)*		43%
Back book (Guaranteed & Other)*		3%
Dividend pay-out ratio		72%
Solvency II ratio Storebrand Group	> 150%	179%

* The RoE is calculated based on the profit for the last 12 months, after tax and before amortisation of intangible assets, divided on a pro forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings, Insurance and Other are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment. The methodology is an estimation of ROE pr. reporting segment.

Savings

- **Total assets under management all-time high, amounting to NOK 1,111bn, up 9% in the quarter supported by NOK 18bn in net inflow**
- **30% growth in quarterly Unit Linked premiums y/y**
- **18% growth in the Bank's lending volume y/y, with 40% growth in fee income compared to Q1 2022**

The Savings segment includes savings products without interest rate guarantees. The segment consists of Defined Contribution pensions in Norway and Sweden under the Unit Linked products, asset management and retail banking products.

Savings – Results

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Fee and administration income	1,234	1,293	1,174	1,130	1,136	4,733
Operational cost	-861	-848	-763	-718	-702	-3,031
Cash equivalent earnings from operations	**373**	**445**	**410**	**412**	**434**	**1,701**
Financial items and risk result life	-12	11	-9	-20	-30	-49
Cash equivalent earnings before amortisation	**361**	**456**	**401**	**392**	**404**	**1,653**

Financial performance

The Savings segment reported cash equivalent earnings before amortisation of NOK 361m (NOK 404m) in the 1st quarter. Positive net flow and good market return have led to strong growth in assets under management during the quarter and to an all-time high level of 1,111 bn.

The fee and administration income in the Savings segment amounted to NOK 1,234m (NOK 1,136m) in the 1st quarter, corresponding to a growth of 8% (adjusted for currency effect NOK vs SEK). In Asset Management, the income is reduced by 4% compared to the same quarter last year, explained by fewer transaction fees. Earned but not booked performance related income amounts to NOK 47m (NOK 23m) in the quarter and will be booked in December for the full year. In the bank, income grew by 40% from the 1st quarter last year, driven by lending growth and a higher net interest margin. In Unit Linked Norway, income grew 22% compared to the same quarter last year. The growth is attributed to the Danica acquisition and solid growth in the underlying business. In Sweden, Unit Linked income fell by 5% adjusted for currency, due to a slightly lower fee margin and lower average reserves this quarter compared to the 1st quarter last year.

Operational cost amounted to NOK -861m (NOK -702m) in the 1st quarter. Performance related costs in funds with performance fees amounted to NOK -22m (NOK -11m) in the quarter. Cost increases are below inflation, adjusted for performance related cost, currency effects and costs associated with acquisitions.

The financial result was NOK -12m (NOK -30m) in the 1st quarter. The loss stems primarily from model based loan loss provisions in the Bank due to increased risk of losses in the lending portfolio.

The Norwegian fintech company Kron has been a part of the Storebrand Group since January 2023 and will be reported in the Savings segment. Kron had a negative effect on cash equivalent earnings before amortisation amounting to NOK -23m in the first quarter.

Balance sheet and market trends

Total assets under management in Unit Linked increased to NOK 343bn (NOK 291bn) from NOK 315bn last quarter. Unit Linked premiums increased to NOK 6.9bn (NOK 5.3bn) in the 1st quarter. Net inflow (from premiums, claims and withdrawals, and transfers) amounted to NOK 5.1bn (NOK 0.2bn).

In the Norwegian Unit Linked business, assets under management increased to NOK 191bn (NOK 179bn), driven by positive market return and a positive net inflow of NOK 3.1bn (NOK 0.8bn) from underlying growth. The underlying growth stems from growth in occupational pension premiums, new sales, and limited pension payments due to the young nature of the product. Storebrand is the largest provider of Defined Contribution pensions in Norway, with a market share of 31% of gross premiums written (at the end of the 4th quarter 2022).

In the Swedish market, SPP is the second largest provider of non-unionised occupational pensions with a market share of 15% measured by gross premiums written including transfers (at the end of the 4th quarter 2022). In local currency, Unit Linked assets under management increased during the quarter by SEK 8.0bn and amounted to SEK 151bn. The underlying growth is driven by strong growth in sales (APE), amounting to NOK 849m (NOK 581m) in the quarter. The transfer balance has shown a positive development and net inflow amounted to NOK 2.0bn (NOK -0.5bn) in the 1st quarter.

Assets under management in Storebrand Asset Management increased during the quarter by NOK 90.7bn (9%) to NOK 1,111bn. The net inflow was NOK 18bn in the quarter.

The bank lending portfolio increased by NOK 2.8bn (4%) to NOK 69.8bn during the quarter. The growth is attributed to continued strong sales. The portfolio consists of low-risk home mortgages with an average loan-to-value (LTV) of 62%. NOK 17bn of the mortgages are booked on the balance sheet of Storebrand Livsforsikring AS.

Savings - Key figures

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1
Unit linked Reserves	343,347	314,992	302,337	276,319	291,036
Unit linked Premiums	6,883	6,583	6,278	5,333	5,288
AuM Asset Management	1,110,733	1,019,988	1,001,100	1,008,705	1,039,654
Retail Lending*	69,812	67,061	64,879	62,559	59,223

Insurance

- **20% overall growth in premiums f.o.a. y/y**
- **Combined ratio of 97% in the quarter impacted by seasonal claims in motor and high disability claims**
- **6.4% market share in Norwegian retail P&C compared to 6.0% in the same quarter last year**

The Insurance segment provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance – Results

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Insurance premiums f.o.a.	1,672	1,630	1,613	1,449	1,397	6,088
Claims f.o.a.	-1,315	-1,240	-1,138	-1,021	-1,025	-4,424
Operational cost	-310	-318	-284	-260	-251	-1,112
Cash equivalent earnings from operations	**47**	**72**	**192**	**168**	**121**	**552**
Financial result	9	20	20	8	-4	43
Contribution from SB Helseforsikring AS	*-20*	*0*	*7*	*0*	*-7*	*-1*
Cash equivalent earnings before amortisation	**56**	**92**	**211**	**176**	**117**	**596**
Claims ratio	79%	76%	71%	71%	73%	73%
Cost ratio	19%	20%	18%	18%	18%	18%
Combined ratio	97%	96%	88%	88%	91%	91%

Financial performance

Insurance premiums f.o.a. amounted to NOK 1,672m (NOK 1,397m) in the 1st quarter, corresponding to an increase of 20% compared to the same quarter last year. Adjusted for Danica, insurance premiums f.o.a. increased by 13% compared to the same quarter last year.

Cash equivalent earnings before amortisation amounted to NOK 56m (NOK 117m) in the 1st quarter. The total combined ratio was 97% (91%) in the 1st quarter. The quarterly result is weaker than the targeted combined ratio of 90-92%, but for the last 12 months it is at the targeted level of 92%. High seasonal claims in P&C, especially motor, and high disability claims are negative contributors.

Within 'P&C & Individual life', strong growth continued with premiums f.o.a. growing 20% in the 1st quarter compared to last year. The cash equivalent earnings before amortisation was NOK 72m (NOK 79m) in the 1st quarter. The claims ratio was 72% (68%) in the 1st quarter. High seasonal claims in motor and weak risk results in life insurance weakens the result in the quarter. Operational cost increased to NOK -228m (NOK -180m) in the 1st quarter due to growth and increased activity. Altogether, the product segment delivered a combined ratio of 95% (90%) in the 1st quarter.

'Health and Group life' reported a cash equivalent earnings before amortisation of NOK -24m (NOK -6m) in the 1st quarter. Measures, including repricing, have been taken to improve the robustness and profitability in the Group Life product. The Health insurance business delivered a weak result in the quarter due to higher claims in both the Norwegian and Swedish business. In sum, 'Health and Group life' reported a combined ratio of 102% (102%) in the 1st quarter.

The cash equivalent earnings before amortisation for 'Pension related disability insurance Nordic' was NOK 8m (NOK 44m) in the 1st quarter. Disability levels are high both in Group Life and Pension related disability insurance in Norway, and the development is being monitored closely. Reserves have also been strengthened in the quarter in anticipation of an inflation adjustment of the national base amount, which defines compensation levels in the products. Price increases will be implemented with full effect from 2024. Altogether the combined ratio was 99% (87%) in the 1st quarter.

The cost ratio was 19% (18%), with cost amounting to NOK -310m (NOK -251m) in the 1st quarter. 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 0.6% in the 1st quarter. 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, particularly within P&C. As of the 1st quarter, 51% of the insurance portfolio is within 'P&C & Individual Life'. Storebrand is one of the fastest growing companies within

Norwegian retail P&C and now holds a market share of 6.4% as of the 1st quarter compared to 6.0% in the same quarter last year.

Overall growth in annual portfolio premiums amounted to 19% compared to the same quarter last year, and 14% when adjusted for Danica. Growth in 'P&C & Individual life' amounted to 20% and is driven by strong contribution from sales agents, distribution partnerships and Danica. 'Health & Group life' grew by 11%, driven by price adjustments, and 'Pension related disability insurance' grew by 26%, driven by price adjustments and salary increases, and the acquisition of Danica. Overall, double digit growth is expected to continue within Insurance in the coming years.

Insurance – Portfolio premiums

	2023	2022			
NOK million	Q1	Q4	Q3	Q2	Q1
P&C & Individual life	4,081	4,013	3,889	3,512	3,395
Health & Group life*	2,150	2,071	2,056	2,006	1,939
Pension related disability insurance Nordic	1,834	1,738	1,703	1,487	1,457
Total written premiums	**8,065**	**7,822**	**7,648**	**7,005**	**6,791**
Investment portfolio**	11,413	10,642	10,766	10,181	10,003

* Includes all written premiums in Storebrand Helseforsikring AS (50/50 joint venture with Ergo International).
** Ca. NOK 2,8bn of the investment portfolio is linked to disability coverages where the investment result goes to the customer reserves and not as a result element in the P&L.

Guaranteed pension

- **Stable cash equivalent earnings from operations**
- **Continued strong risk result**
- **Strengthening of buffer capital in the quarter**

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

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Fee and administration income	378	413	398	395	391	1,597
Operational cost	-192	-233	-208	-206	-202	-850
Cash equivalent earnings from operations	**186**	**180**	**190**	**189**	**189**	**747**
Risk result life & pensions	81	53	74	54	82	262
Net profit sharing	18	38	-116	11	-39	-106
Cash equivalent earnings before amortisation	**285**	**270**	**148**	**254**	**232**	**903**

Financial performance

Guaranteed pension achieved cash equivalent earnings before amortisation of NOK 285m (NOK 232m) in the 1st quarter.

Fee and administration income was reduced to NOK 378m (NOK 391m) in the 1st quarter. The reduction mainly stems from the paid-up policies where some adjustments in the fee structure and income accruals were made. The majority of the guaranteed products are closed for new business and are in long term run-off, which should gradually reduce the fee income. However, Public Occupational Pensions (reported under Defined Benefit Norway) is a growth area.

Operational cost amounted to NOK -192m (NOK -202m) in the 1st quarter.

The cash equivalent earnings from operations was stable and amounted to NOK 186m (NOK 189m) in the 1st quarter.

The risk result was NOK 81m (NOK 82m) in the 1st quarter. A strong longevity risk result as well as a positive reserve adjustment in Norwegian Paid-up policies are the main contributing factors to the result, which altogether amounted to NOK 63m (NOK 50m).

Net profit sharing amounted to NOK 18m (NOK -39m) in the 1st quarter. Strong equity markets in the quarter as well as falling interest rates have positive impact on market returns. However, in the Norwegian portfolio focus is on rebuilding buffer capital after last year's reduction, and profit sharing is close to zero in the quarter. In the Swedish business, profit sharing was NOK 17m in 1st quarter (NOK 16m) which is a moderate level due to strengthened deferred capital contributions (DCC).

Balance sheet and market trends

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

As of the 1st quarter, customer reserves of guaranteed pensions amounted to NOK 282bn. This is an increase of NOK 9bn in the quarter, primarily from currency effects. Net flow of guaranteed pensions amounted to NOK -2.3bn in 1st quarter (NOK -2.5bn in 2022). As a share of the total balance sheet, guaranteed reserves amounted to 45.1% (49.2%) at the end of the 1st quarter.

A growth area for Storebrand is public sector occupational pensions, where Storebrand won its first mandates in 2020. The public sector effort has been the driver for a net increase in Defined Benefit reserves in the Norwegian business over the last years. Reserves for public sector mandates were NOK 18bn as of the 1st quarter reflecting an increase of 2bn in the quarter due to tender offers won in late 2022.

Paid-up policies are experiencing some growth over time as active Defined Benefit contracts eventually become Paid-up policies. Reserves amounted to NOK 144bn as of the 1st quarter, an increase of NOK 0.5bn in the quarter.

Guaranteed portfolios in the Swedish business totalled NOK 85bn as of the 1st quarter, an increase of NOK 6bn in the quarter, mainly driven by strengthening of the currency (SEK).

Storebrand's strategy is to have solid buffer capital levels in order to secure customer returns and shield shareholder's equity under turbulent market conditions. Buffer capital (excluding excess value of bonds at amortised cost) increased by NOK 2.0bn to NOK 25.6bn in the 1st quarter. As a share of guaranteed reserves, buffer capital levels in Norwegian products amount to 6.5% (8.6%) and 19.0% (17.9%) in Swedish products. This does not include off-balance sheet excess values of bonds at amortised cost, which at the end of the 1st quarter amounted to a deficit of NOK -9.8bn (NOK -4.8bn). The deficit indicates that the reinvestment yield in the market currently is higher than the average yield in the portfolio. As bonds at amortised cost mature, their excess values will trend to zero.

Guaranteed pension – Key figures

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1
Guaranteed reserves	282,559	273,673	275,622	274,918	281,474
Guaranteed reserves in % of total reserves	45.1%	46.5%	49.9%	49.9%	49.2%
Net flow of premiums and claims	-2,198	-2,846	-2,720	-2,454	-2,480
Buffer capital in % of customer reserves Norway	6.5%	6.3%	6.2%	6.9%	8.6%
Buffer capital in % of customer reserves Sweden	19.0%	19.0%	18.2%	17.5%	17.9%

Other

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

Results excluding eliminations

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Fee and administration income	6	2	6	4	6	17
Operational cost	-94	-77	-87	-70	-64	-299
Cash equivalent earnings from operations	**-88**	**-75**	**-82**	**-66**	**-59**	**-282**
Financial items and risk result life	159	98	-7	-172	-57	-138
Cash equivalent earnings before amortisation	**71**	**23**	**-89**	**-238**	**-116**	**-420**

Eliminations

NOK million	2023 Q1	2022 Q4	Q3	Q2	Q1	Full year 2022
Fee and administration income	-66	-66	-70	-73	-75	-284
Operational cost	66	66	70	73	75	284
Financial items and risk result life						
Cash equivalent earnings before amortisation						

Financial performance

The Other segment reported cash equivalent earnings before amortisation of NOK 71m (NOK -116m) in the 1st quarter. 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 -94m (NOK -64m) in the 1st quarter, but includes integration costs related to acquired business of NOK -27m in the quarter.

The financial result for the Other segment amounted to NOK 159m in the 1st quarter, 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, and the financial result of Storebrand ASA. The investments in the company portfolios are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio achieved a return of 0.8% in the 1st quarter, while the Swedish company portfolio reported a return of 1.0% in the 1st quarter. The company portfolios in the Norwegian and Swedish life insurance companies and the holding company amounted to NOK 30.4bn at the end of the year.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Interest expenses in the quarter amounted to NOK -136m. Given the interest rate level at the end of the 1st quarter, interest expenses of approximately NOK -170m per quarter are expected going forward.

Balance sheet and capital situation

- **Solvency II ratio 179%**
- **Equity of NOK 30,3bn restated under IFRS 17, annualised Cash return on equity of 12,9% in the quarter**
- **Buffer capital at 10% of customer reserves with guarantees**

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

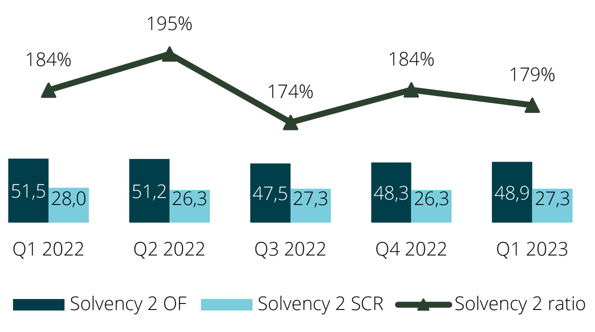
Storebrand Group

Solvency

Storebrand uses the standard model for the calculation of Solvency II. The Storebrand Group's target is to have a solvency ratio above 150%. Above 175%, the Group is considered to be overcapitalised. This solvency target includes the use of the transitional rules, but with the current balance sheet in the current interest rate environment, Storebrand does not benefit from any transitional capital.

The solvency ratio was 179% at the end of the 1st quarter, a decrease of 5 percentage points from the previous quarter. Earnings generation from operations and positive changes stemming from model and assumption changes contributed positive to the solvency ratio. The improvement was partly offset by increased equity allocation and a higher symmetric equity stress adjustment (SA), and a reduction in interest rates. Furthermore, capital created in the quarter is offset by capital set aside for dividends and the share buyback program, while redemption of subordinated loans and the acquisition of Kron also reduce the solvency ratio. The solvency ratio continues to be above the threshold for overcapitalisation of 175%.

Solvency development - Storebrand Group



Cash equivalent return on equity

Per 31.12.21 Storebrand reported an IFRS equity of NOK 37.7bn under IFRS 4. Upon transition to IFRS 17 and IFRS 9, the Group equity is restated to establish a Contractual Service Margin (CSM) under IFRS 17. Consequently, the equity is reduced by NOK 8.1bn to NOK 29,6bn per 1.1.2022. This corresponds to a reduction of 21%. In the first quarter of 2023 the equity increased from NOK 29.5 bn at the beginning of the period to NOK 30.3bn at the end of the quarter.

Storebrand has decided to rename its adjusted Return on equity to Cash equivalent return on equity, abbreviated to Cash ROE[1]. The adjustment is done to emphasize that this is an alternative performance measure (APM) based on the alternative income statement. The reported Cash ROE can deviate significantly from a Return on equity purely based on IFRS numbers. Due to the reduced equity applicable to the calculation, a new return target will be communicated as part of a capital markets day late in 2023.

Overall, the Group's quarterly Cash ROE (adjusted for amortisation and annualised) was 12.9%. Storebrand is a blend of fast-growing capital-light business that delivers high returns, and capital-intensive run-off business with low returns. As the business mix continue to shift towards capital light business, the Cash ROE is expected to be sustainably higher in the coming years.

The back book of guaranteed business ties up more than three quarters of the Group's capital, delivering an estimated annualised Cash ROE of 3% for the last 12 months. Whereas the front book, the "future Storebrand" delivered an estimated annualised Cash ROE of 43%[2] for the same period. Large variations in the estimated pro forma return on equity in the front book are expected as earnings are market dependent, while the capital base is primarily related to mortgage lending in the bank and to insurance.

Storebrand ASA

Storebrand ASA (holding company) held liquid assets of NOK 6.5bn at the end of the 1st quarter, including NOK 1.7bn of dividend which has been paid in April 2023. Liquid assets consist primarily of short-term fixed income securities with a high credit rating and bank deposits. Storebrand ASA's total interest-bearing liabilities were NOK 0.5bn at the end of the 1st quarter. The next maturity date for bond debt is in September 2025, when NOK 0.5bn matures. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 200m that runs until December 2025.

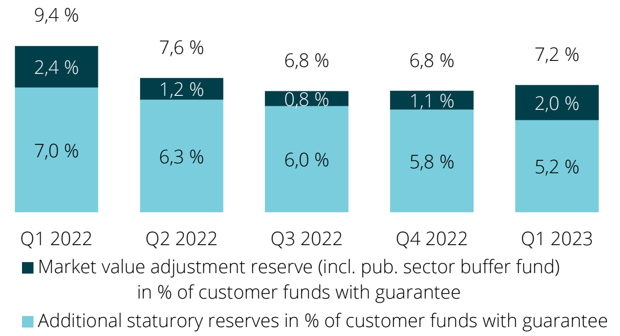
Storebrand ASA owned 8,088,886 of the company's own shares at the end of the 1st quarter, representing 1.71% of the share capital,

[1] Please find detailed information in Storebrand's guide to Alternative Performance Measures (APMs) on the investor relations pages.
[2] The RoE is calculated based on the profit for the last 12 months, after tax and before amortisation of intangible assets, divided on a pro forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings, Insurance and Other are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment. The methodology is an estimation of ROE pr. reporting segment.

following repurchases under Storebrand's share buyback program. The total number of shares due to be redeemed (i.e. cancelled) following approval from Storebrand ASA's General Meeting in April 2023 is 6,477,024 shares.

Storebrand Livsforsikring AS

Customer buffers (NOR)

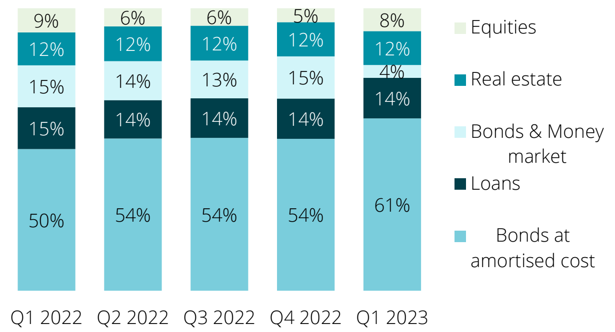


The market value adjustment reserve and buffer fund increased during the 1st quarter by NOK 1.5bn. At the end of 1st quarter 2023 the market value adjustment reserve and buffer fund amounted to NOK 3.3bn, corresponding to 2.0% (1.1% at the end of 4th quarter 2022) of customer funds with a guarantee. New business transferred in contributed positively with NOK 0.2bn in buffer fund for the 1st quarter 2023.

The additional statutory reserves amounted to NOK 8.7bn, corresponding to 5.2% (5.8% at the end of the 4th quarter 2022) of customer funds with guarantee at the end of the 1st quarter 2023. Investment returns in customer portfolios lower than the guaranteed interest rate in the quarter decreased reserves by NOK 0.7bn in 1st quarter.

Together, the customer buffers amounted to 7.2% (6.6% at the end of the 4th quarter 2022) of customer funds with guarantee at the end of the 1st quarter 2023.

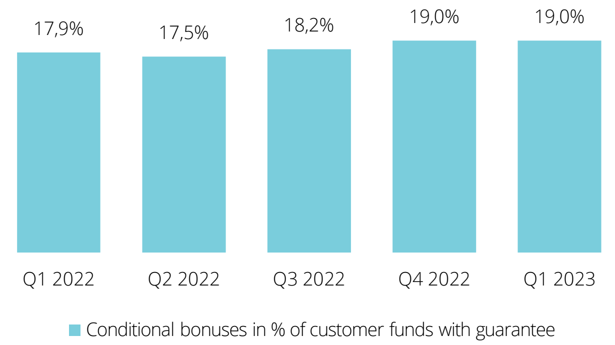
Allocation of guaranteed customer assets (NOR)



Customer assets increased in the 1st quarter by NOK 16.2bn, amounting to NOK 389bn at the end of 1st quarter 2023. Customer assets within non-guaranteed savings increased by NOK 11.8bn during the 1st quarter, amounting to NOK 191bn at the end of 1st quarter 2023. Guaranteed customer assets have increased by NOK 4.4bn in the 1st quarter, amounting to NOK 197bn at the end of 1st quarter 2023.

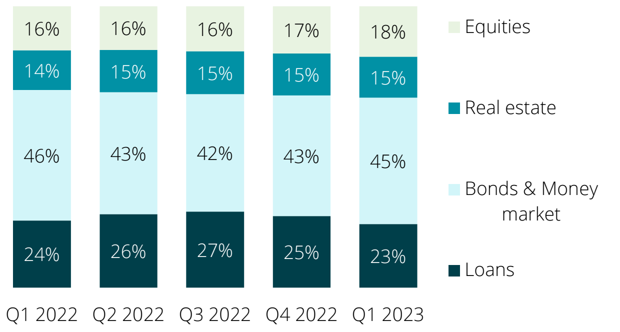
SPP

Customer buffers (SWE)



The buffer capital (conditional bonuses) amounted to SEK 13.4bn (SEK 13.6bn) at the end of the 1st quarter.

Allocation of guaranteed customer assets (SWE)



Customer assets amounted to SEK 232bn (SEK 232bn) at the end of the 1st quarter. Customer assets within non-guaranteed savings amounted to SEK 151bn (SEK 146bn) at the end of the 1st quarter, which is an increase of SEK 5bn compared to the same quarter last year. Guaranteed customer assets decreased by SEK 5bn in the same period and amounted to SEK 81bn (SEK 86bn) at the end of the 1st quarter.

Storebrand Bank

Loans outstanding increased by NOK 2.7 billion during the first quarter. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS remained unchanged in the quarter. The combined portfolio of loans in Storebrand Bank and Storebrand Livsforsikring increased by NOK 2.7 billion during the quarter.

The bank Group has had an increase in the risk-weighted balance sheet of NOK 1.5 billion year to date. The Storebrand Bank Group had a net capital base of NOK 4.4 billion at the end of the first quarter. The capital adequacy ratio was 20.2 per cent and the Core Equity Tier 1 (CET1) ratio was 14.9% at the end of the quarter, compared with 21.3 per cent and 15.7%, respectively, at the end of 2022. The combined requirements for capital and CET1 were 17.3% and 13.8% respectively at the end of the first quarter.

Outlook

Strategy

Storebrand's 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 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 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 the end of 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

At the capital markets day in December 2020, Storebrand announced an ambition to achieve a profit before amortisation and tax of about NOK 4bn in 2023. The profit ambition was reached in 2021, helped by gains from the sale of AS Værdalsbruket and strong performance in funds with performance fees. External factors such as persistent high inflation and an increasing disability trend represent increased uncertainty. Despite this, the NOK 4bn profit ambition for 2023 is maintained.

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, and it will increase Storebrand's distribution capacity of both Defined Contribution pensions and personal risk products.

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

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 45.1% of the pension reserves at the end of the quarter, 4.1 percentage points lower than a year ago. With interest rates having risen to approximately 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.

In addition to managing internal pension funds, Storebrand Asset Management is growing its external mandates from institutional and retail investors. Storebrand is a local partner for Nordic investors, and a gateway to the Nordics for international investors. We offer a full product range of index, factor and actively managed funds. Storebrand is also one of the strongest providers of alternative assets (private equity, real estate, private debt and infrastructure) in the Nordic region. Over the past three decades, Storebrand has focused on ESG investments with a strong track record. The overall ambition is to grow assets under management by NOK 250bn in the period 2021-2023, while maintaining a stable fee margin.

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. The ambition is to grow more than 10% annually within retail savings, mortgage lending and insurance through digital sales channels and distribution partnerships. P&C insurance is a key area for profitable growth. Storebrand Bank plays an important strategic role in offering a complete range of financial products and services to the retail market. In January 2023, Storebrand also strengthened its retail savings offering by acquiring the fast growing Norwegian fintech company Kron. The acquisition will combine Kron's user experience with Storebrand's customer base, product platform and distribution. Whilst the Kron acquisition is expected to be a negative result contributor for 2023, concrete synergies with other business lines will be realised throughout the year.

Storebrand maintains a disciplined cost culture. The Group reported flat nominal costs from 2012-2020, adjusted for acquisitions, currency and performance related cost. Simultaneously, assets under management more than doubled. To accelerate growth and the Group's profit ambitions, investments in profitable growth has gradually increased costs. This includes growth in digital solutions, public occupational pensions and P&C insurance, in addition to acquired business. Should the growth not materialise, management has contingency plans in place to cut costs. The estimated cost base for 2023 is 5.2bn. This includes the cost base of the acquired companies Danica and Kron, but is before integration cost of acquired business, any potential new acquisitions, currency and performance related cost.

Risk

Our dynamic risk management framework is designed to take appropriate risk in order to deliver returns to customers and shareholders. At the same time, the framework shall ensure that we shield our customers, shareholders, employees and other stakeholders from undesirable incidents and losses. The framework covers all risks that Storebrand may be exposed to. In 2022, the outbreak of war on the European continent has led to increased geopolitical and economic uncertainty, resulting in increased financial market volatility and increased risk monitoring in the Group.

Financial market risk is the Group's biggest risk, but main risks also include business risk, insurance risk, counterparty risk, operational risk, climate risk, currency risk, and liquidity risk. In the Board's self-assessment of risk and solvency (ORSA) process, developments in interest rates, credit spreads, and equity and property values are considered to be the biggest risks that influence the solvency of the Group. Should the economic situation worsen, and financial markets deteriorate, investment losses may occur from reduced valuations of such instruments. Storebrand has invested in a high quality real estate portfolio. However, under prevailing market conditions model-based valuations of financial instruments (Level 3), such as investment property, contain greater uncertainty than usual. Storebrand operates an active risk management strategy to optimise customer returns and shield shareholder's equity under turbulent market conditions through dynamic risk management, strong customer buffers, and by holding a significant amount of bonds at amortised cost.

Storebrand has prioritised building buffer capital from excess returns over many years. The customer buffers limit the financial risk to shareholders and policyholders in turbulent financial markets by absorbing investment losses. With 10% of customer buffers as a share of customer reserves, Storebrand effectively has NOK 24bn more in customer assets than guaranteed liabilities.

Inflation has risen in much of the world, including in Norway and Sweden. High and rapidly rising inflation rates may increase costs and insurance claims in Storebrand. However, pension liabilities (payments) are not inflation linked, limiting the impact of inflation on the Group's liabilities. Pension premiums and some insurance premiums are directly linked to wage inflation, which automatically results in premium growth. Other products, including P&C insurance, are actively repriced to mitigate the negative effects of inflation.

A consequence of higher inflation may be rising interest rates, as seen in 2022. Higher interest rates strengthen Storebrand's balance sheet and improves our ability to fulfil guaranteed pension liabilities in the long run, which also strengthens the solvency ratio and reduces solvency risk. However, the immediate short-term impact of increasing rates lead to fair value losses on fixed income investments. To reduce the financial impact from rising interest rates, Storebrand holds shorter duration bonds at fair value, and has over time built a robust portfolio of long-duration bonds of high credit quality which are held at amortised cost. Changes in interest rates does not have an accounting effect on the latter.

In the long term, interest rates below the average guaranteed interest rate to customers could represent a financial risk. Over the last decade, during a period with record low interest rates, we have demonstrated Storebrand's ability to successfully adapt to the prevailing interest rate environment. The level of the average annual interest rate guarantee gradually declines as older policies with higher guarantees are phased out. To reduce the risk, Storebrand has over time reduced the asset-duration mismatch in the Norwegian portfolio and has an asset-duration matched portfolio in Sweden. Customer buffers also increase the expected booked returns in Norway and can compensate for a shortfall in returns in a low-rate environment, limiting the financial risk to shareholders and policyholders.

Increased longevity and development in disability are the main insurance risk factors for the Group. A weakening of the Norwegian economy that leads to higher unemployment may lead to higher disability levels, which can result in increased claims. The Covid-19 pandemic led to increased uncertainty in disability and related claims. The removal of infection controls in 2022 seems to have improved disability levels, but Storebrand continues to monitor the development closely.

Storebrand is affected by currency movements between the Norwegian krone and foreign currency. The exchange rate between the Norwegian krone and the Swedish krona affects the reported balance sheet and results in the Swedish entities at a consolidated level, including the effective tax rate for the Group. Several reporting lines are exposed to foreign exchange risk as a result of investments in international securities, but also as a result of some international debt funding.

To limit currency risk, Storebrand uses hedging instruments. For company portfolios and guaranteed customer portfolios, most of the assets that are in currencies other than the domestic currency are hedged. Currency hedging is also performed for a significant part of Unit Linked related investments, and for borrowing in foreign currency.

Operational risk could also affect the Group adversely. As a consequence of increased geopolitical uncertainty in 2022, Storebrand has been on heightened alert with increased monitoring of suppliers and value chains, cyber risk, and anti-money laundering (AML). Several regulatory processes, both on the domestic and international level, with potential implications for capital, customer returns and commercial opportunities are also described below in a separate section.

Changes have been made to the Norwegian tax legislation for the insurance industry over many years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 9. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.0bn may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.7bn could be recognised. The timeline for settling the process with the Norwegian Tax Administration might take several years. If necessary, Storebrand will seek clarification from the court of law on the matter.

Regulatory changes

Changes in the National Insurance Pension Scheme

A report proposing changes in the Norwegian National Insurance Pension Scheme was delivered to the Government in June 2022 and has been on public hearing. Among the proposals is automatic adjustment of retirement age for earliest possible withdrawal of pensions as longevity expectations increase. The report states that age limits in occupational and individual pension schemes should be adjusted accordingly. The Government will present proposals to parliament this autumn.

Flexible buffer for guaranteed pension products

The Ministry of Finance presented a bill to parliament on 30 March, proposing the introduction of flexible buffer funds for private sector guaranteed pension products, such as defined benefit contracts and paid-up policies.

The proposed flexible buffer fund is similar to the new buffer fund that was introduced for public sector occupational pension schemes in 2022.

The proposal merges the market value adjustment reserves with the additional statutory reserves into a more flexible customer buffer fund which can cover negative returns. There is no cap on the size of the new buffer fund. Storebrand believe that the new flexible buffer fund will have a positive impact on the investment strategy for guaranteed pension products.

The market for municipal occupational pensions

Storebrand has filed two complaints to the EFTA Surveillance Authority (ESA). Storebrand has claimed that municipalities, RHFs and hospitals have entered contracts on occupational pension with KLP, in breach of the rules on public procurement. Storebrand has also claimed that municipalities, RHFs and hospitals have granted KLP State aid in violation of Article 61 of the 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 has commented on the complaints, and argues that EEA-legislation does not apply, as KLP is not an economic actor 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 expect ESA to decide on the complaints before the end of the year.

Dividend policy

Storebrand has established a framework for capital management that links dividends to the solvency margin. The dividend policy intends to reflect the strong growth in fee-based earnings, the more volatile financial markets related earnings and the future capital release from the guaranteed book. The Board's ambition is to pay a gradually and growing ordinary dividend. When the solvency margin is sustainably above 175%, the Board will conduct share buyback programs. The purpose of buyback programs is to return excess capital released from the guaranteed liabilities that are in long-term run-off.

Due to expected increased volatility in the official financial statements under IFRS 17, Storebrand's dividend policy will no longer include a targeted pay-out ratio related to the Group's result. As of 10 May 2023, Storebrand's dividend policy is stated as following:

The Board of Directors' ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year. Ordinary dividends are subject to a sustainable solvency margin of above 150%. If the solvency margin is above 175%, the Board of Directors intends to propose special dividends or share buy backs.

Lysaker, 9 May 2023
Board of Directors of Storebrand ASA

Storebrand Group

IFRS

Income statement

NOK million	Notes	01.01 - 31.03 2023	2022 [1]	Full year 2022 [1]
Income from unit linked		508	451	1,888
Income from asset management		669	659	2,783
Income from banking activities		616	248	1,460
Other income		177	102	430
Operating income excl. insurance		**1,970**	**1,461**	**6,561**
Insurance revenue	8	2,351	2,049	8,551
Insurance service expenses	8,9	-1,696	-1,341	-6,203
Net expenses from reinsurance contracts held	8	-19	-22	-66
Net insurance service result	**8**	**637**	**687**	**2,282**
Operating income incl. insurance result		**2,606**	**2,147**	**8,842**
Operating expenses	9	-1,244	-1,020	-4,409
Interest expenses banking activities		-393	-92	-739
Other expenses		-112	-43	-94
Total expenses		**-1,748**	**-1,155**	**-5,243**
Operating profit		**858**	**992**	**3,600**
Profit from investment in associates and joint ventures		93	130	-334
Net income on financial and property investments		14,065	-20,055	-36,439
Net change in investment contract liabilities		-7,551	3,732	9,833
Finance expenses from insurance contracts issued		-6,033	16,008	26,637
Interest expenses securities issued and other interest expenses		-276	-88	-615
Net finance result		**299**	**-273**	**-919**
Profit before amortisation		**1,157**	**719**	**2,681**
Amortisation of intangible assets		-98	-71	-324
Profit before income tax		**1,060**	**648**	**2,357**
Tax expenses		-10	412	19
Profit for the period		**1,050**	**1,060**	**2,376**
Profit/loss for the period attributable to:				
Share of profit for the period - shareholders		1,044	1,058	2,362
Share of profit for the period - hybrid capital investors		6	2	14
Total		**1,050**	**1,060**	**2,376**
[1] Restated numbers				
Earnings/diluted earnings per share (NOK)		2.25	2.25	5.04
Average number of shares as basis for calculation (million)		464.3	470.2	468.4

Storebrand Group

Statement of financial position

NOK million	Notes	31.03.23	31.03.22 [1)]	31.12.22 [1)]
Assets				
Deferred tax assets		2,840	3,167	2,979
Intangible assets		6,462	4,872	5,990
Tangible fixed assets		1,227	1,243	1,174
Investments in associated companies and joint ventures		8,955	8,425	8,910
Financial assets:				
- Equities and fund units	7	302,487	261,842	270,532
- Bonds and other fixed-income securities	7	284,410	277,271	275,461
- Derivatives	7	10,549	4,384	14,343
- Loans to financial institutions	7	171	116	109
- Loans to customers	7, 11	81,229	70,786	78,310
- Investment properties	7	36,270	34,876	35,171
Bank deposits		15,059	12,354	14,511
Reinsurance contracts assets		310	43	317
Accounts receivables and other short-term receivables		38,887	7,487	4,193
Minority portion of consolidated mutual funds		48,581	67,707	55,005
Total assets		**837,437**	**754,573**	**767,005**
Equity and liabilities				
Paid-in capital		13,161	13,193	13,163
Retained earnings		16,753	16,879	16,029
Hybrid capital		353	226	327
Total equity		**30,266**	**30,298**	**29,519**
Insurance contracts liabilities	8	313,647	317,050	303,211
Investment contracts liabilities	8	319,854	268,539	292,931
Reinsurance contracts liabilities	8	50	6	38
Pension liabilities		165	179	162
Deferred tax		1,383	734	1,311
Financial liabilities:				
- Subordinated loan capital	6	11,061	11,181	10,585
- Loans and deposits from credit institutions	6	594	183	403
- Deposits from banking customers		20,229	18,050	19,478
- Debt raised by issuance of securities	6	35,349	25,938	32,791
- Derivatives		12,188	3,665	12,629
- Other non-current liabilities		1,172	1,182	1,106
Other current liabilities		42,898	9,861	7,836
Minority portion of consolidated mutual funds		48,581	67,707	55,005
Total liabilities		**807,171**	**724,275**	**737,486**
Total equity and liabilities		**837,437**	**754,573**	**767,005**

[1)] *Restated numbers*

Storebrand Group

Statement of changes in equity

	Majority's share of equity								
NOK million	Share capital 1)	Own shares	Share premium	Total paid in equity	Currency translation differences	Other equity 2)	Total retained earnings	Hybrid capital 3)	Total equity
Equity 31.12.21	**2,360**	**-9**	**10,842**	**13,192**	**1,041**	**23,249**	**24,291**	**226**	**37,709**
Changes in accounting principles						-8,103	-8,103		-8,103
Adjusted equity 01.01.22	**2,360**	**-9**	**10,842**	**13,192**	**1,041**	**15,147**	**16,188**	**226**	**29,606**
Profit for the period						**2,362**	**2,362**	**14**	**2,376**
Total other comprehensive income						-439	-439		-439
Total comprehensive income for the period						1,923	1,923	14	1,937
Equity transactions with owners:									
Own shares		-30		-30		-431	-431		-460
Hybrid capital classified as equity						4	4	100	104
Paid out interest hybrid capital								-13	-13
Dividend paid						-1,646	-1,646		-1,646
Other						-8	-8		-8
Equity 31.12.22	**2,360**	**-39**	**10,842**	**13,163**	**1,041**	**14,988**	**16,029**	**327**	**29,519**
Profit for the period						1,044	1,044	6	1,050
Total other comprehensive income					-317	17	-300		-300
Total comprehensive income for the period					-317	1,060	743	6	749
Equity transactions with owners:									
Own shares		-2		-2		-25	-25		-26
Hybrid capital classified as equity						2	2	25	27
Paid out interest hybrid capital								-6	-6
Other						3	3		3
Equity 31.03.23	**2,360**	**-40**	**10,842**	**13,161**	**724**	**16,029**	**16,753**	**353**	**30,266**

1) 471 974 890 shares with a nominal value of NOK 5.

2) Perpetual hybrid tier 1 capital classified as equity.

Equity 31.12.21	**2,360**	**-9**	**10,842**	**13,192**	**1,041**	**23,249**	**24,291**	**226**	**37,709**
Changes in accounting principles						-8,103	-8,103		-8,103
Adjusted equity 01.01.22	**2,360**	**-9**	**10,842**	**13,192**	**1,041**	**15,147**	**16,188**	**226**	**29,606**
Profit for the period						**1,058**	**1,058**	**2**	**1,060**
Total other comprehensive income elements					-68	-304	-372		-372
Total comprehensive income for the period					-68	754	686	2	688
Equity transactions with owners:									
Own shares		1		1		8	8		9
Hybrid capital classified as equity						1	1		1
Paid out interest hybrid capital								-2	-2
Other						-3	-3		-3
Equity 31.03.22	**2,360**	**-9**	**10,842**	**13,193**	**973**	**15,907**	**16,879**	**226**	**30,298**

Storebrand Group
Statement of cash flow

	01.01 - 31.03	
NOK million	2023	2022
Cash flow from operating activities		
Net receipts premium - insurance	7,884	6,900
Net payments claims and insurance benefits	-5,442	-4,286
Net receipts/payments - transfers	557	930
Other receipts/payments - insurance liabilities	28,699	-105
Receipts - interest, commission and fees from customers	604	271
Payments - interest, commission and fees to customers	-17	-8
Taxes paid	-174	-142
Payments relating to operations	-658	-1,537
Net receipts/payments - other operating activities	981	2,178
Net cash flow from operations before financial assets and banking customers	*32,433*	*4,200*
Net receipts/payments - loans to customers	-133	-1,575
Net receipts/payments - deposits bank customers	680	796
Net receipts/payments - securities	-33,802	414
Net receipts/payments - investment properties	210	200
Receipts - sale of investment properties	-1	
Payments - purchase of investment properties	-239	-218
Net cash flow from financial assets and banking customers	*-33,284*	*-384*
Net cash flow from operating activities	**-851**	**3,816**
Cash flow from investing activities		
Payments - purchase of subsidiaries	-362	-22
Net receipts/payments - sale/purchase of fixed assets	-54	-16
Net receipts/payments - sale/purchase of associated companies and joint ventures		-628
Net cash flow from investing activities	**-416**	**-667**
Cash flow from financing activities		
Receipts - new loans	5,586	
Payments - repayments of loans	-3,113	-473
Payments - interest on loans	-261	-87
Receipts - subordinated loans		400
Payments - repayment of subordinated loans		-150
Payments - interest on subordinated loans	-221	-45
Receipts - loans to financial institutions	3,601	6,669
Payments - repayments of loans from financial institutions	-3,410	-6,988
Receipts - issuing of share capital / sale of shares to employees	13	12
Payments - repayment of share capital	-38	
Receipts - hybrid capital	125	
Payments - repayment of hybrid capital	-100	
Payments - interest on hybrid capital	-6	-2
Net cash flow from financing activities	**2,177**	**-665**
Net cash flow for the period	**910**	**2,484**
Cash and cash equivalents at the start of the period	14,304	10,054
Currency translation cash/cash equivalents in foreign currency	17	-67
Cash and cash equivalents at the end of the period [1)]	**15,231**	**12,470**
[1)] **Consists of:**		

Storebrand Group

NOK million	01.01 - 31.03 2023	2022
Loans to financial institutions	171	116
Bank deposits	15,059	12,353
Total	**15,231**	**12,470**

Storebrand Group

Notes to the interim accounts Storebrand Group

Note 1 Accounting policies

The Group's interim financial statements include Storebrand ASA, subsidiaries, associated companies and joint ventures. The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in the 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 changes in significant accounting policies are described below.

The remainder 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.

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 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 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 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.

Storebrand Group

IFRS9 - Financial instruments to amortised cost and FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2022	Fair value after IFRS 9 1.1.2022
Financial assets				
Bank deposits	AC	AC	9 986	9 986
Bonds and other fixed-income securities	AC	FVOCI	12 955	12 981
Loans to financial institutions	AC	AC	67	67
Loans to customers	AC	FVOCI	38 086	38 086
Loans to customers	AC	AC	416	416
Accounts receivable and other short-term receivables	AC	AC	11 661	11 661
Total financial assets			73 172	73 199
Financial liabilities				
Deposits from banking customers	AC	AC	17 239	17 239
Liabilities to financial institutions	AC	AC	502	502
Debt raised by issuance of securities	AC	AC	24 924	25 000
Subordinatd loan capital	AC	AC	11 441	11 441
Other current liabilities	AC	AC	14 643	14 643
Total financial liabilities			68 749	68 824

IFRS9 - Financial instruments at fair value

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2022	Fair value after IFRS 9 1.1.2022
Financial assets				
Shares and fund units	FVP&L (FVO)	FVP&L	278 326	278 326
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	168 516	168 516
Bonds and other fixed-income securities	AC	FVP&L	113 416	116 745
Loans to customers	FVP&L (FVO)	FVP&L	7 931	7 931
Loans to customers	AC	FVP&L	23 052	23 060
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	4 912	3 816
Total financial assets			596 153	598 395
Financial liabilities				
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	3 144	2 048
Total financial liabilities			3 144	2 048

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 60.4 million for the Storebrand 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 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 Group and Storebrand Livsforsikring Group have implemented IFRS 17 in the consolidated financial statements. IFRS 17 is also incorporated in the statutory reporting of Storebrand Forsikring AS (P&C insurance business). For the remaining companies within the Storebrand Group, including life insurance, 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.

Storebrand Group

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
Storebrand Forsikring	Non-life	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
- Carastrophe
- 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 21%. 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.

Effect on equity upon transition to IFRS 9 and IFRS 17

NOK million	31.03.23
Equity 31.12.21	**37,709**
Changes in accounting principles (IFRS 9 and IFRS 17):	
Contractual Service Margin (CSM)	-11,810
Risk Adjustment	-4,685
Present value of future cash flows	5,480
Risk equalization fund	-547
Deferred acquistion fund	-119
Value of business in force (VIF) acquired insurance business	-1,607
Deferred tax assets	1,823
IFRS 9 - reclassificiation from amortised cost to fair value	3,363
Adjusted equity 1.1.22	**29,606**

The table below shows a consolidated statement of the financial position in accordance with IFRS 9 and IFRS 17 for the transition on 1 January 2022 compared to the balance sheet in the annual accounts on 31 December 2021.

Storebrand Group

Opening balance

NOK million	31.12.21	Reclassification	01.01.22
Assets			
Deferred tax assets	1,513	1,827	3,340
Other assets	8,715	-1,607	7,108
Financial assets	690,114	3,372	693,486
Insurance contracts assets	32	1	33
Bank deposit	9,986		9,986
Receivable	9,816	-1,178	8,637
Minority portion of consolidated mutual funds	54,912		54,912
Total assets	**775,088**	**2,415**	**777,502**
Equity and liabilities			
Equity	37,709	-8,103	29,606
Insurance liabilities (excl CSM)	300,819	-5,879	294,939
Contractual Service Margin (CSM)		11,810	11,810
Risk Adjustment (RA)		4,685	4,685
Investment contracts liabilities	309,330		309,330
Reinsurance contracts liabilities	14		14
Financial liabilities	57,565	9	57,573
Other liabilities	14,740	-108	14,632
Minority portion of consolidated mutual funds	54,912		54,912
Total liabilities	**737,379**	**10,517**	**747,896**
Total equity and liabilities	**775,088**	**2,415**	**777,502**

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 consolidated financial statements the management is required to apply estimates, make discretionary assessments, and apply assumptions for 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.

A full description of the most important areas in which the Group use accounting estimates and applies significant judgement is provided in the 2022 annual reports. 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:

Q1 2023	1 year	5 years	10 years	15 years	20 years
NOK	3,70 %	3,21 %	3,11 %	3,13 %	3,16 %
SEK	3,52 %	2,90 %	2,74 %	2,90 %	3,03 %

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 Acquisition

Kron AS
Storebrand ASA has purchased Kron AS. Kron offers its clients a wide range of funds through engaging digital tools and digital advisory services. The company was established in 2017 as a spin-off from the Nordic financial advisory firm, Formue. Approximately NOK 7 billion is managed on behalf of 67,000 retail customers who have established an investment account on Kron's platform. Kron has also assumed a position as a popular alternative among people who want to manage their pension account with a provider of their choice.

The transaction was completed on 3 January 2023.

Acquisition analysis Kron AS

NOK million	Book values in the company	Excess value upon acquisition	Book values
Assets			
- Brand name		22	22
- Customer relationships		25	25
- IT systems	15	37	52
Total intangible assets	**15**	**83**	**99**
Other assets	5		5
Bank deposits	66		66
Total assets	**87**	**83**	**170**
Liabilities			
Current liabilities	14		14
Deferred tax		21	21
Net identifiable assets and liabilities	**73**	**63**	**135**
Goodwill			286
Fair value at acquisition date			**422**
Conditional payment			23
Cash payment			**399**

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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, asset management and retail banking products. In addition, certain other subsidiaries in Storebrand Livsforsikring and SPP are included in Savings.

Insurance
The insurance segment provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market in addition to employer’s liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

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

Other
The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios of Storebrand Livsforsikring and SPP. The elimination of intra-group transactions is also included in the Other segment.

Reconciliation between the profit and loss statement and alternative statement of the result (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 & Försäkring 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. The exception is products in Storebrand Forsikring AS, whom statutory accounts will be subject to IFRS 17, causing some non-material adjustments to the alternative income statement. 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.

Differences between the alternative income statement and statutory financial statements for the legal entities in the Group.

The statutory income statements includes gross income and costs linked to both the insurance customers and owners (shareholders). The alternative statement of the result only includes result elements relating to owners (shareholders) which are the result elements that the Group has performance measures and follow-up for. The result lines that are used in segment reporting will therefore not be identical with the result lines in the statutory profit and loss accounts. Below is an overall description of the most important differences.

Fee and administration income consists of fees and fixed administrative 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, net interest income from bank 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 relating to risk products (insurance segment) that are classified as premium income in the statutory 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 claims in the statutory income statements.

Administration costs consist of the Group's operating costs in the statutory income statements minus operating costs allocated to traditional individual products with profit sharing.

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 premium income in the statutory income statements.

The financial result consists of the return for the company portfolios of Storebrand ASA, 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. Returns on company portfolios are classified as net income from financial assets and property for companies in the statutory income statements. The financial result also includes returns on customer assets relating to products within the insurance segment, and in the statutory income statements this item will be entered under net income from financial assets and property for customers.

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.

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

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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 Livforsikring 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 from financial assets and property for customers. Amortisation of intangible assets includes depreciation and possible write-downs of intangible assets established through acquisitions of enterprises.

Group result by result area

	01.01 - 31.03		Full year
NOK million	2023	2022	2022
Savings	361	404	1,653
Insurance	56	117	596
Guaranteed pension	285	232	903
Other	71	-116	-420
Cash equivalent earnings before amortisation	**773**	**636**	**2,732**
Amortisation of intangible assets	-62	-39	-202
Cash equivalent earnings before tax	**711**	**597**	**2,530**

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Segment information as of 01.01 - 31.03

	Savings		Insurance		Guaranteed pension	
	01.01 - 31.03		01.01 - 31.03		01.01 - 31.03	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	1,234	1,136			378	391
Insurance result			357	372		
- Insurance premiums for own account			1,672	1,397		
- Claims for own account			-1,315	-1,032		
Operating expense	-861	-702	-310	-251	-192	-202
Cash equivalent earnings from operations	**373**	**434**	**47**	**121**	**186**	**189**
Financial items and risk result life & pension	-12	-30	9	-4	99	43
Cash equivalent earnings before amortisation	**361**	**404**	**56**	**117**	**285**	**232**
Amortisation of intangible assets [1]						
Cash equivalent earnings before tax						

	Other		Storebrand Group	
	01.01 - 31.03		01.01 - 31.03	
NOK million	2023	2022	2023	2022
Fee and administration income	-60	-70	1,552	1,457
Insurance result			357	372
- Insurance premiums for own account			1,672	1,397
- Claims for own account			-1,315	-1,032
Operating expense	-28	11	-1,391	-1,145
Cash equivalent earnings from operations	**-88**	**-59**	**518**	**685**
Financial items and risk result life & pension	159	-57	255	-49
Cash equivalent earnings before amortisation	**71**	**-116**	**773**	**636**
Amortisation of intangible assets [1]			-62	-39
Cash equivalent earnings before tax			**711**	**597**

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

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Key figures by business area

NOK million	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Group					
Earnings per ordinary share[1)]	2.25	5.04	3.67	3.25	2.25
Equity	30,266	29,519	28,903	28,968	30,298
Savings					
Premium income Unit Linked[2)]	6,883	6,583	5,642	5,333	5,288
Unit Linked reserves	343,347	314,992	276,446	276,319	291,036
AuM asset management	1,110,733	1,019,988	1,001,100	1,008,705	1,039,654
Retail lending	69,812	67,061	64,879	62,559	59,223
Insurance					
Total written premiums	8,065	7,822	7,648	7,005	6,791
Claims ratio[2)]	79%	76%	71%	71%	73%
Cost ratio [2)]	19%	20%	18%	18%	18%
Combined ratio [2)]	97%	96%	88%	88%	91%
Guaranteed pension					
Guaranteed reserves	282,559	273,673	274,825	274,918	281,474
Guaranteed reserves in % of total reserves	45.1%	46.5%	49.9%	49.9%	49.2%
Net transfer out of guaranteed reserves[2)]	-2,198	-2,847	-2,720	-2,454	-2,480
Capital buffer in % of customer reserves Storebrand Livsforsikring AS [3)]	6.5%	6.3%	6.2%	6.9%	8.6%
Capital buffer in % of customer reserves SPP [4)]	19.0%	19.0%	18.2%	17.5%	17.9%
Solidity					
Solvency II [5)]	179%	184%	174%	195%	184%
Capital adequacy Storebrand Bank	16.5%	17.2%	16.1%	14.8%	15.6%
Core Capital adequacy Storebrand Bank	14.9%	15.7%	14.4%	13.6%	14.3%

[1)] Accumulated

[2)] Quarterly figures

[3)] Additional statutory reserves + market value adjustment reserve

[4)] Conditional bonuses

[5)] See note 13 for specification of Solvency II

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Note 5 Financial market risk and insurance risk

Risks are described in the annual report for 2022 in note 7 (Insurance risk), note 8 (Financial market risks), note 9 (Liquidity risk), note 10 (Credit risk), note 11 (Concentration of risk) and note 12 (Climate risk).

The group accounts for Storebrand Livsforsikring AS and Storebrand ASA is 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 corporate account for SPP Pension & Försäkring AB (SPP) continues to be prepared in accordance with Swedish GAAP.

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 rate 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 quarter of 2023, high inflation, together with Russia's invasion of Ukraine, continued to impact the economic news flow. Economic activity has held up better than expected. Inflation has fallen slightly from elevated levels, particularly due to falling energy prices, but the underlying price and wage-pressure is still high. Central banks have continued to rise interest rates to combat inflation. During the first quarter, Bank of Norway raised the interest rate by 25bp to 3,0 percent and the Swedish Riksbank raised the interest rate by 50bp to 3,0 percent. Both banks signal further increases towards the summer.

In March, a bank-run caused two regional banks in the US to be closed. In Europe, Credit Suisse had to be merged with UBS. The risk of further contagion impacted the financial market negatively, the banking sector being particularly weak.

Despite the uncertainty, the broad equity market was positive in the first quarter. Global equities rose 7 percent. The Norwegian equity market was nearly unchanged for the quarter, as falling oil price was a negative factor. The credit market was negative, with rising credit spreads, led by the financial sector.

Short-term interest rates continued to increase in the first quarter, in line with increased policy-rates from the central banks. Long-term interest rates were volatile during the quarter, as the market aims to balance the need for combating inflation against the risk of a weaker economy. The Norwegian 10-year swap-rate fell 0.1 pp to 3.1 percent. The Swedish 10-year swap-rate fell 0.3 pp to 2.9 percent.

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 weakened 7 percent against the Swedish krone, 8 percent against the euro and 6 percent against the US dollar in the first quarter. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and Storebrand's market risk.

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 quarter 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 quarter. 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. The effect on the financial result was limited.

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

During the first quarter, the investment allocation towards equities has been increased for the guaranteed customer portfolios in Norway. Other than that, investment allocation has not been materially changed.

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) for the main products reported under the Variable Fee-approach (VFA) under IFRS17.

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. A prolonged situation with high unemployment could lead to higher disability levels and increased reserves. However, the current insurance reserves represent Storebrand's best estimate of the insurance liabilities.

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 quarter.

Sensitivities

The following sensitivities are calculated:

1. Property -10bp
2. Interest rates -50bp
3. Interest rates +50bp
4. Equity -25%
5. Spread +50bp og VA +15bp
6. Mortality level reduced -5 %
7. Disability +5 % and reactivation -5 %
8. Costs +5 %

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, spread and equity

The table presents the CSM impact per 31.03.2023 for the mentioned sensitivities.

The sensitivity calculations indicate that the financial market risk has 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 and VA. Changes in non-financial factors give a lower impact on the CSM.

NOK million Sensitivities	CSM as at end of period	Impact on CSM
	8 455	
Equity down		-2 532
Property down		-1 422
Interest rate up		1 198
Interest rate down		-1 398
Spread up		-1 309
Mortality down		-371
Disability up		-25
Expenses up		-313

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Note 6 | Liquidity risk

Specification of subordinated loans [1)]

NOK million	Nominal value	Currency	Interest rate	Call date	Book value 31.03.23	31.03.22	31.12.22
Issuer							
Perpetual subordinated loans [2)]							
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,101	1,101	1,101
Storebrand Livsforsikring AS [3)]	900	SEK	Variable	2026	911	845	856
Dated subordinated loans							
Storebrand Livsforsikring AS [3,4)]	899	SEK	Variable	2022		940	
Storebrand Livsforsikring AS [3)]	900	SEK	Variable	2025	908	844	851
Storebrand Livsforsikring AS [3)]	1,000	SEK	Variable	2024	1,012	939	947
Storebrand Livsforsikring AS	500	NOK	Variable	2025	500	500	500
Storebrand Livsforsikring AS [5)]	650	NOK	Variable	2027	651		651
Storebrand Livsforsikring AS [3,5)]	750	NOK	Fixed	2027	785		773
Storebrand Livsforsikring AS [5)]	1,250	NOK	Variable	2027	1,257		1,261
Storebrand Livsforsikring AS [3,6)]	38	EUR	Fixed	2023	434	2,631	421
Storebrand Livsforsikring AS [3,5)]	300	EUR	Fixed	2031	2,674	2,555	2,397
Storebrand Bank ASA	125	NOK	Variable	2025	126	125	126
Storebrand Bank ASA	300	NOK	Variable	2026	300	300	300
Storebrand Bank ASA	400	NOK	Variable	2027	402	401	402
Total subordinated loans and hybrid tier 1 capital					**11,061**	**11,181**	**10,585**

[1)] *Storebrand Bank ASA has issued hybrid tier 1 capital bonds/hybrid capital that is classified as equity. See the statement of changes in equity.*

[2)] *In the case of perpetual subordinated loans, the cash flow is calculated through to the first call date*

[3)] *The loans are subject to hedge accounting*

[4)] *The loan has been repaid Novmeber 2022*

[5)] *Green bonds*

[6)] *The loan has partly been repaid 2021 and December 2022*

Specification of loans and deposits from credit institutions

NOK million	Book value 31.03.23	31.03.22	31.12.22
Call date			
2022		183	
2023	594		403
Total loans and deposits from credit institutions	**594**	**183**	**403**

Specification of securities issued

NOK million	Book value 31.03.23	31.03.22	31.12.22
Call date			
2022		3,583	
2023	1,646	4,760	4,321
2024	6,109	6,102	6,110
2025	8,315	6,131	8,326
2026	7,366	4,597	7,375
2027	7,122		5,907
2028	3,526		
2031	1,266	765	752
Total securities issued	**35,349**	**25,938**	**32,791**

The loan agreements contain standard covenants.

Covered bonds
For issued covered bonds (OMF) that are allocated to Storebrand Boligkreditt's collateral pool, regulatory requirement for over-collateralisation of 5 per cent applies.

Credit facilities
Storebrand ASA has an unused credit facility of EUR 200 million, expiration December 2025.

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Note 7 Valuation of financial instruments and investment properties

Storebrand classify financial instruments valued at fair value in three different levels. The criteria for the classification and processes associated with valuing are described in more detail in note 13 in the annual report for 2022.

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

Valuation of financial instruments at amortised cost

NOK Million	Fair value 31.03.23	Book value 31.03.23	Fair value 31.12.22	Book value 31.12.22
Financial assets				
Loans to and due from financial institutions	171	171	109	109
Loans to customers - corporate	-1			
Loans to customers - retail	471	471	452	452
Bonds classified as loans and receivables	4,761	4,781	4,266	4,281
Total financial assets 31.03.23	**5,402**	**5,423**		
Total financial assets 31.12.22			4,826	4,841
Financial liabilities				
Debt raised by issuance of securities	35,260	35,349	32,777	32,791
Loans and deposits from credit institutions	594	594	403	403
Deposits from banking customers	20,229	20,229	19,478	19,478
Subordinated loan capital	11,072	11,061	10,513	10,585
Total financial liabilities 31.03.23	**67,156**	**67,233**		
Total financial liabilities 31.12.22			63,171	63,256

Valuation of financial instruments and real estate at fair value over OCI (FVOCI)

	Level 1	Level 2	Level 3	Total fair value	
NOK Million	Quoted prices	Observable assumptions	Non-observable assumptions	31.03.23	31.12.22
Assets					
Loans to customers					
- Loans to customers - corporate			3	3	3
- Loans to customers - retail			51,804	51,804	49,153
Total loans to customers 31.03.23			**51,807**	**51,807**	
Total loans to customers 31.12.22			49,156		49,156
Bonds and other fixed-income securities					
- Government bonds		1,854		1,854	1,863
- Corporate bonds		4,427		4,427	4,567
- Structured notes		493		493	479
Total bonds and other fixed-income securities 31.03.23		**6,774**		**6,774**	
Total bonds and other fixed-income securities 31.12.22		6,909			6,909

Financial instruments and real estate at fair value over OCI - level 3

NOK million	Loans to customers
Book value 01.01.23	49,156
Net gains/losses on financial instruments	-7
Additions	7,320
Sales	-4,662
Book value 31.03.23	**51,807**

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Valuation of financial instruments and real estate at fair value

	Level 1	Level 2	Level 3	Total Fair Value	
NOK Million	Quoted prices	Observable assumptions	Non-observable assumptions	31.03.23	31.12.22
Assets:					
Equities and fund units					
- Equities	34,604	16,473	420	51,497	47,728
- Fund units		230,874	20,116	250,990	222,804
Total equities and fund units 31.03.23	**34,604**	**247,346**	**20,536**	**302,487**	
Total equities and fund units 31.12.22	30,690	221,334	18,507		270,532
Loans to customers					
- Loans to customers - corporate			11,777	11,777	11,534
- Loans to customers - retail			17,174	17,174	17,169
Total loans to customers 31.03.23			**28,951**	**28,951**	
Total loans to customers 31.12.22			28,703		28,703
Bonds and other fixed-income securities					
- Government bonds	25,985	33,715		59,700	54,717
- Corporate bonds		106,173	8	106,180	105,635
- Collateralised securities		4,841		4,841	4,506
- Bond funds		72,819	15,250	88,069	85,122
Total bonds and other fixed-income securities 31.03.23	**25,985**	**231,613**	**15,258**	**272,856**	
Total bonds and other fixed-income securities 31.12.22	16,824	233,630	13,818		264,271
Derivatives:					
- Interest derivatives	7,299	-6,997		302	-680
- Currency derivatives		-1,941		-1,941	2,394
Total derivatives 31.03.23	**7,299**	**-8,938**		**-1,639**	
- of which derivatives with a positive market value	7,299	3,250		10,549	14,343
- of which derivatives with a negative market value		-12,188		-12,188	-12,629
Total derivatives 31.12.22	7,761	-6,046			1,714
Properties:					
Investment properties			34,483	34,483	33,481
Properties for own use			1,787	1,787	1,689
Total properties 31.03.23			**36,270**	**36,270**	
Total properties 31.12.22			35,171		35,171

There is no significant movements between level 1 and level 2 in this quarter.

Financial instruments and real estate at fair value - level 3

NOK million	Equities	Fund units	Loans to customers	Corporate bonds	Bond funds	Investment properties	Properties for own use
Book value 01.01.23	**402**	**18,105**	**7,076**	**8**	**13,810**	**33,482**	**1,689**
Change in principle IFRS9/IFRS17			21,416				
Net gains/losses on financial instruments	-30	1,552	-48		-154	-69	-18
Additions	48	221	46		620	257	39
Sales		6	8		177		-1
Exchange rate adjustments		227	453		798	833	78
Other		5				-20	-1
Book value 31.03.23	**420**	**20,116**	**28,951**	**8**	**15,250**	**34,483**	**1,787**

As at 31.03.23, Storebrand Livsforisikring had NOK 8.277 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 changes in sensitivity in this quarter.

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Note 8 IFRS 17

Insurance revenue and expenses

NOK Million	Guaranteed pension: Guaranteed products - Norway	Guaranteed pension: Guaranteed products - Sweden	Pension related disability insurance - Norway	Insurance: P&C and Individual Life	Insurance: Group Life and Disability Insurance	31.03.23 Total	31.03.22 Total	31.12.22 Total
Contracts measured under VFA and GMM								
Expected incurred claims and other insurance service expenses								
Expected incurred claims			142			142	105	482
Expected incurred expenses	129	50	28			208	188	773
Change in the risk adjustment for non-financial risk for risk expired	46	25	14			84	93	344
CSM recognised in P&L for services provided	286	115	113			513	516	2,056
Recovery of insurance acquisition cash flows		1	1			3		7
Insurance revenue from contracts measured under VFA and GMM	**461**	**190**	**298**			**950**	**902**	**3,662**
Insurance revenue from contracts measured under the PAA				1,073	329	1,402	1,147	4,889
Total insurance revenue	**461**	**190**	**298**	**1,073**	**329**	**2,351**	**2,049**	**8,551**
Incurred claims and other directly attributable expenses								
Incurred claims			-129	-745	-363	-1,237	-854	-3,418
Incurred expenses	-138	-53	-28	-226	-44	-489	-435	-1,892
Changes that relate to past service - Adjustment to the LIC				-43	80	37	-38	-419
Losses on onerous contracts and reversal on those losses	181	-4	-170		-12	-5	-13	-467
Insurance acquisition cash flows amortisation		-1	-1			-3		-7
Total insurance service expenses	**43**	**-58**	**-328**	**-1,014**	**-339**	**-1,696**	**-1,340**	**-6,204**
Net income (expenses) from reinsurance contracts he	-2			-14	-3	-20	-22	-66
Total insurance service result	**502**	**132**	**-30**	**44**	**-13**	**635**	**687**	**2,281**

Composition of the balance sheet

NOK Million	Guaranteed pension				Insurance			
	SBL Guaranteed products	SPP Guaranteed products	SBL Pension related disability insurance	Total Guaranteed pension	P&C and Individual Life	Group Life and Disability Insurance	Total Insurance	Total
31.03.23								
Insurance contract liabilities	212,675	85,597	8,141	**306,412**	3,437	3,798	**7,235**	313,647
Reinsurance contract assets					297	13	**310**	310
Reinsurance contract liabilities					44	7	**51**	51
31.03.22								
Insurance contract liabilities	218,971	84,914	6,634	**310,518**	2,865	3,666	**6,532**	317,050
Reinsurance contract assets					40	4	**43**	43
Reinsurance contract liabilities		6		**6**				6
31.12.22								
Insurance contract liabilities	209,311	79,168	7,692	**296,171**	3,689	3,350	**7,039**	303,210
Reinsurance contract assets					309	9	**317**	317
Reinsurance contract liabilities		4		**4**	34		**34**	38

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GUARANTEED PENSION – BALANCE SHEET

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

	31.03.23			
	LRC			
NOK Million	Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	295,235	937		296,172
Net opening balance	**295,235**	**937**		**296,172**
Insurance revenue	-950			-950
Insurance service expenses				
Incurred claims and other directly attributable expenses			348	348
Losses on onerous contracts and reversal of those losses		-7		-7
Insurance acquisition cash flows amortisation	3			3
Insurance service expenses	**3**	**-7**	**348**	**343**
Insurance service result	**-947**	**-7**	**348**	**-606**
Finance expenses from insurance contracts issued recognised in profit or loss	6,032			6,032
Finance expenses from insurance contracts issued	**6,032**			**6,032**
Total amounts recognised in comprehensive income	**5,085**	**-7**	**348**	**5,426**
Investment components	-4,085		4,085	
Other changes	13			13
Effect of changes in foreign exchange rates	5,434	1		5,435
Cash flows				
Premiums recieved	4,010			4,010
Claims and other directly attributable expenses paid	-197		-4,433	-4,630
Insurance acquisition cash flows	-13			-13
Total cash flows	**3,799**		**-4,433**	**-633**
Net closing balance	**305,482**	**930**		**306,412**
Closing insurance contract liabilities	305,482	930		306,412
Net closing balance	**305,482**	**930**		**306,412**

NOK Million	31.03.22 LRC Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	327,380	480		327,860
Net opening balance	**327,380**	**480**		**327,860**
Insurance revenue	-902			-902
Insurance service expenses				
Incurred claims and other directly attributable expenses			321	321
Losses on onerous contracts and reversal of those losses		-1		-1
Insurance service expenses		**-1**	**321**	**321**
Insurance service result	**-902**	**-1**	**321**	**-581**
Finance expenses from insurance contracts issued recognised in profit or loss	-16,001			-16,001
Finance expenses from insurance contracts issued	**-16,001**			**-16,001**
Total amounts recognised in comprehensive income	**-16,902**	**-1**	**321**	**-16,582**
Investment components	-3,821		3,821	
Effect of changes in foreign exchange rates	-3,394			-3,394
Cash flows				
Premiums recieved	6,983			6,983
Claims and other directly attributable expenses paid	-192		-4,142	-4,334
Insurance acquisition cash flows	-15			-15
Total cash flows	**6,776**		**-4,142**	**2,634**
Net closing balance	**310,039**	**479**		**310,518**
Closing insurance contract liabilities	310,039	479		310,518
Net closing balance	**310,039**	**479**		**310,518**

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NOK Million	31.12.22 LRC Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	327,380	480		327,860
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
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	**-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			-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
Net closing balance	**295,235**	**937**		**296,172**

Reconciliation of the measurement component of insurance contract balances

31.03.23

NOK Million	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	283,086	3,556	9,530	296,172
Net opening balance	**283,086**	**3,556**	**9,530**	**296,172**
Changes that relate to current service				
CSM recognised in prodit or loss for the services probided			-513	-513
Change in the risk adjustment for non-financial risk for the risk expired		-84		-84
Experience adjustments	-2			-2
Total changes that relate to current service	**-2**	**-84**	**-513**	**-599**
Change that relate to future service				
Changes in estimates that adjust the CSM	1,126	44	-1,171	-1
Changes in estimates that results in onerous contract losses or reversal of losses	-163	3		-160
Contracts initially recognised in the period	-337	87	405	154
Total changes that relate to future service	**626**	**134**	**-767**	**-7**
Changes that relate to past service				
Insurance service result	**624**	**50**	**-1,280**	**-606**
Finance expenses from insurance contracts issued recognised in profit or loss	6,018		14	6,032
Finance expenses from insurance contracts issued	**6,018**		**14**	**6,032**
Total amount recognised in comprehensive income	**6,641**	**50**	**-1,266**	**5,425**
Other changes	13			13
Effect of changes in foreign exchange rates	5,177	67	190	5,435
Cash flows				
Premiums received	4,009			4,009
Claims and other directly attributable expenses paid	-4,628			-4,628
Insurance acquisition cash flows	-13			-13
Total cash flows	**-633**			**-633**
Net closing balance	**294,285**	**3,673**	**8,455**	**306,412**
Closing insurance contract liabilities	294,285	3,673	8,455	306,412
Net closing balance	**294,285**	**3,673**	**8,455**	**306,412**

31.03.22

NOK Million	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	311,533	4,517	11,810	327,860
Net opening balance	**311,533**	**4,517**	**11,810**	**327,860**
Changes that relate to current service				
CSM recognised in prodit or loss for the services probided			-516	-516
Change in the risk adjustment for non-financial risk for the risk expired		-93		-93
Experience adjustments	28			28
Total changes that relate to current service	**28**	**-93**	**-516**	**-581**
Change that relate to future service				
Changes in estimates that adjust the CSM	-1,915	-459	2,375	1
Changes in estimates that results in onerous contract losses or reversal of losses	-247	-19		-267
Contracts initially recognised in the period	-46	83	229	266
Total changes that relate to future service	**-2,209**	**-396**	**2,605**	
Changes that relate to past service				
Insurance service result	**-2,180**	**-489**	**2,088**	**-581**
Finance expenses from insurance contracts issued recognised in profit or loss	-15,733		-268	-16,001
Finance expenses from insurance contracts issued	**-15,733**		**-268**	**-16,001**
Total amount recognised in comprehensive income	**-17,913**	**-489**	**1,821**	**-16,582**
Effect of changes in foreign exchange rates	-3,209	-48	-137	-3,394
Cash flows				
Premiums received	6,983			6,983
Claims and other directly attributable expenses paid	-4,334			-4,334
Insurance acquisition cash flows	-15			-15
Total cash flows	**2,634**			**2,634**
Net closing balance	**293,044**	**3,980**	**13,494**	**310,518**
Closing insurance contract liabilities	293,044	3,980	13,494	310,518
Net closing balance	**293,044**	**3,980**	**13,494**	**310,518**

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	31.12.22			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	**Total**
NOK Million				
Opening insurance contract liabilities	311,532	4,517	11,810	327,860
Net opening balance	**311,532**	**4,517**	**11,810**	**327,860**
Changes that relate to current service				
CSM recognised in prodit or loss for the services probided			-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				
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	**-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
Net closing balance	**283,085**	**3,556**	**9,530**	**296,171**

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Impact of contracts recognised in the year

	31.03.23						
	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	6	7			6	7	**13**
Claims and other directly attributable expenses	825	2,263	812		1,637	2,263	**3,900**
Estimates of the present value of cash flows	**831**	**2,270**	**812**		**1,643**	**2,270**	**3,913**
Estimates of the present value of future cash inflows	-1,189	-2,163	-898		-2,087	-2,163	**-4,250**
Risk adjustment for non-financial risk	32	47	7		40	47	**87**
CSM	**326**		**78**		**405**		**405**
Increase in insurance contract liabilities from contracts recognised in the period		**154**				**154**	**154**

Storebrand Group

INSURANCE – BALANCE SHEET

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

	31.03.23				
	LRC		LIC for contracts under the PAA		Total
NOK Million	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Opening insurance contract liabilities	65	10	6,793	171	7,039
Net opening balance	**65**	**10**	**6,793**	**171**	**7,039**
Insurance revenue	**-1,402**				**-1,402**
Insurance service expenses					
Incurred claims and other directly attributable expenses			1,378		1,378
Adjustment to liabilities for incurred claims			-28	-9	-37
Losses on onerous contracts and reversal of those losses		12			12
Insurance service expenses		**12**	**1,350**	**-9**	**1,353**
Insurance service result	**-1,402**	**12**	**1,350**	**-9**	**-49**
Finance expenses from insurance contracts issued recognised in profit or loss			1		1
Finance expenses from insurance contracts issued			**1**		**1**
Total amounts recognised in comprehensive income	**-1,402**	**12**	**1,351**	**-9**	**-47**
Effect of changes in foreign exchange rates			66	4	70
Cash flows					
Premiums recieved	1,429				1,429
Claims and other directly attributable expenses paid			-1,257		-1,257
Total cash flows	**1,429**		**-1,257**		**173**
Net closing balance	**93**	**22**	**6,953**	**166**	**7,234**
Closing insurance contract liabilities	93	22	6,953	166	7,235
Net closing balance	**93**	**22**	**6,953**	**166**	**7,235**

	31.03.22				
	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	-4		6,209	167	6,373
Net opening balance	**-4**		**6,209**	**167**	**6,373**
Insurance revenue	**-1,147**				**-1,147**
Insurance service expenses					
Incurred claims and other directly attributable expenses			966		966
Adjustment to liabilities for incurred claims			38	1	39
Losses on onerous contracts and reversal of those losses		14			14
Insurance service expenses		**14**	**1,005**	**1**	**1,019**
Insurance service result	**-1,147**	**14**	**1,005**	**1**	**-127**
Total amounts recognised in comprehensive income	**-1,147**	**14**	**1,005**	**1**	**-127**
Effect of changes in foreign exchange rates			-41	-3	-44
Cash flows					
Premiums recieved	1,449				1,449
Claims and other directly attributable expenses paid			-1,119		-1,119
Total cash flows	**1,449**		**-1,119**		
Net closing balance	**299**	**14**	**6,054**	**166**	
Closing insurance contract liabilities	299	14	6,054	166	6,532
Net closing balance	**299**	**14**	**6,054**	**166**	**6,532**

Storebrand Group

	31.12.22				
	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	-4		6,209	167	6,373
Net opening balance	**-4**		**6,209**	**167**	**6,373**
Insurance revenue	**-4,889**				**-4,889**
Insurance service expenses					
Incurred claims and other directly attributable expenses			3,980		3,980
Adjustment to liabilities for incurred claims			441	-21	419
Losses on onerous contracts and reversal of those losses		10			10
Insurance service expenses		**10**	**4,420**	**-21**	**4,409**
Insurance service result	**-4,889**	**10**	**4,420**	**-21**	**-480**
Total amounts recognised in comprehensive income	**-4,889**	**10**	**4,420**	**-21**	**-480**
Effect of changes in foreign exchange rates			-33	-2	-35
Cash flows					
Premiums recieved	5,368				5,368
Claims and other directly attributable expenses paid			-4,188		-4,188
Total cash flows	**5,368**		**-4,188**		**1,181**
Net closing balance	**476**	**10**	**6,409**	**144**	**7,039**
Closing insurance contract liabilities	476	10	6,409	144	7,039
Net closing balance	**476**	**10**	**6,409**	**144**	**7,039**

Underlying items

NOK million	31.03.23 Garanteed products - Norway	31.03.23 Garanteed products - Sweden	31.03.22 Garanteed products - Norway	31.03.22 Garanteed products - Sweden	31.12.22 Garanteed products - Norway	31.12.22 Garanteed products - Sweden
Assets						
Shares and fund units	33,323	9,583	34,850	8,872	29,862	9,092
Bonds and other fixed-income securities	139,569	49,564	133,025	50,937	128,209	46,406
Loans to customers	15,963	7,068	18,379	6,790	15,729	6,636
Derivatives	-1,545	1,342	-720	373	-563	767
Investment properties	23,676	14,759	23,120	13,587	23,337	13,893
Cash and other underlying items	1,687	3,280	10,318	4,355	12,736	2,374
Total underlying items	**212,675**	**85,597**	**218,971**	**84,914**	**209,311**	**79,168**
Insurance liabilities	**212,675**	**85,597**	**218,971**	**84,914**	**209,311**	**79,168**

Note 9 Operating expenses

NOK million	01.01 - 31.03 2023	01.01 - 31.03 2022	Full year 2022
Personnel expenses	-797	-663	-2,871
Amortisation/write-downs	-106	-80	-360
Other operating expenses	-797	-686	-2,910
Total operating expenses [1]	**-1,700**	**-1,430**	**-6,142**

[1] *Total operating expenses are in the income statement on the lines "operating expenses" and "insurance service expenses"*

Note 10 Tax

The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway and differences from currency hedging of the Swedish subsidiary SPP. The tax rate for companies' subject to the financial tax is 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual companies is used (22 or 25 per cent).

The tax rate for companies in Sweden is 20.6 per cent, 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 is not recognized in the financial statements and is classified as receivables. Significant uncertain tax positions are described below.

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In January 2018, Storebrand Livsforsikring AS received notice of an adjustment to the tax returns for 2015 which claimed that the calculated loss was excessive but provided no further quantification. Storebrand Livsforsikring AS disagrees with the arguments that were put forward and submitted its response to the Norwegian Tax Administration on 2 March 2018. The notice was unclear, but based on the notice, a provision was made in the 2017 annual financial statements for an uncertain tax position of approximately NOK 1.6 billion related to the former booked tax loss (appears as a reduction in the loss carryforward and, in isolation, gave an associated increased tax expense for 2017 of approximately NOK 0.4 billion). In May 2019, Storebrand Livsforsikring AS received a draft decision from the Norwegian Tax Administration claiming changes in the tax return from 2015. Storebrand disagrees with the notice from the Norwegian Tax Administration and submitted its response in October 2019. In March 2021 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration in this case and will challenge the decision. The company considers it to be probable that Storebrand's understanding of the tax legislation will be accepted by a court of law and thus, no additional uncertain tax position has been recognised in the financial statements based on the received decision. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.2 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise.

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. When presenting the national budget for 2020 in October 2019, the Ministry of Finance proposed a clarification of the wording of the transitional rules in line with the interpretive statement from the Norwegian Directorate of Taxes. The clarification was approved by the Norwegian Parliament in December 2019. Storebrand considers there to be uncertainty regarding the value such subsequent work on a legal rule has as a source of law, and which in this instance only applies for a previous financial year. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. In April 2022 and January 2023 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration and has challenged the decision to the Norwegian Tax Appeals Committee. The uncertain tax position has therefore been recognised in the financial statements. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

C. The outcome of the interpretation of tax rules for group contributions referred to above under (A) will have an impact when calculating the effect from the transitional rules for the new tax rules referred to under point (B). An equivalent interpretation to that described under (A) has been used as a basis in the financial statements when calculating tax input values on property shares owned by customer assets for 2016 and 2017. There is thus an uncertain tax position relating to the effect from the transitional rules described in (B). The decisions that Storebrand received in April 2022 and in January 2023 (described under point B) have reduced the uncertain tax position and have resulted in tax revenues of NOK 0.6 billion in the first quarter and NOK 0.2 billion in the fourth quarter. The effect as mentioned in point B depends on the interpretation and outcome of point A. If Storebrand's view prevails under item A, Storebrand will account for additional tax revenues of approximately NOK 0.044 billion if the company's view also prevails under item B. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.5 billion.

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

Note 11 Loans

Loan portfolio and guarantees

NOK million	Book value 31.03.23	Book value 31.12.22
Loans to customers at amortised cost	510	484
Loans to customers at fair value through profit and loss	28,952	28,704
Loans to customers at fair value through other comprehensive income (OCI)	51,849	49,191
Total gross loans to customers	**81,310**	**78,379**
Provision for expected loss stage 1	-11	-10
Provision for expected loss stage 2	-24	-19
Provision for expected loss stage 3	-46	-40
Net loans to customers	**81,229**	**78,310**

Storebrand Group

Loan loss provisions

NOK million	31.03.23 Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2022	12	24	40	76
Transfer to stage 1 (12-month ECL)	3	-2	-1	
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-1	1		
Transfer to stage 3 (lifetime ECL - objective		-1	1	
Net remeasurement of loan losses	-2	7	10	15
New financial assets originated or purchased	3	1		4
Financial assets that have been derecognised	-1	-1		-3
ECL changes of balances on financial assets without changes in stage in the period	1	3		3
ECL allowance on written-off (financial) assets			-5	-5
Loan loss provisions 31.03.23	**13**	**31**	**46**	**90**
Loan loss provisions on loans to customers valued at amortised cost	4	7	27	38
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	5	18	19	41
Loan loss provisions on guarantees and unused credit limits	4	7		11
Total loan loss provisions	**13**	**31**	**46**	**90**

Non-performing and loss-exposed loans

NOK million	31.03.23	31.03.22
Non-performing and loss-exposed loans without identified impairment	113	51
Non-performing and loss-exposed loans with identified impairment	25	28
Gross non-performing loans	**137**	**79**
Individual write-downs	-46	-16
Net non-performing loans [1)]	**92**	**63**

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

Note 12 Contingent liabilities

NOK million	31.03.23	31.03.22	31.12.22
Guarantees			
Unused credit facilities	3,905	3,481	3,737
Loan commitment retail market	5,582	5,396	3,246
Uncalled residual liabilities re limited partnership	4,029	4,865	4,087
Undrawn capital in alternative investment funds	13,012	10,775	12,238
Total contingent liabilities	**26,528**	**24,518**	**23,309**

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

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see note 2 and note 44 in the 2021 annual report.

Note 13 Solidity and capital management

The Storebrand Group is an insurance-dominated, cross-sectoral financial group with capital requirements in accordance with Solvency II. Storebrand calculates Solvency II according to the standard method as defined in the Solvency II Regulations.

Consolidation is carried out in accordance with Section 18-2 of the Norwegian Act relating to Financial Undertakings and Financial Groups. The solvency capital requirement and minimum capital requirement for the Group are calculated in accordance with Section 46 (1)-(3) of the Solvency II Regulations using the standard method.

Capital management
Storebrand places particular emphasis on continually and systematically adapting the levels of equity in the Group. The level is adapted to the financial risk and capital requirements in the business, where growth and the composition of segments are important motivating factors for the need for capital. The purpose of capital management is to ensure an efficient capital structure and provide for an appropriate balance between in-house goals and regulatory and rating company requirements. If there is a need for new capital, this is raised by the holding company Storebrand ASA, which is listed on the stock exchange and is the ultimate parent company.

The Storebrand companies are subject to various capital requirements depending on the type of business. In addition to the capital requirements for the Storebrand Group and insurance companies, the banking and asset management businesses have capital requirements in accordance with CRD IV. The companies in the Group governed by CRD IV are included in the group's solvency capital and solvency capital requirements with their respective primary capital and capital requirements.

Storebrand has the goal of paying a dividend of more than 50% of the Group profit after tax. The board has the ambition of ordinary dividends per share being, at a minimum, at the same nominal level as the previous year. The normal dividend is paid with a sustainable solvency margin of more than 150%. If there is a solvency margin of more than 175%, the board's intention is to propose extraordinary dividends or share buy-backs. In general, equity in the Group can be controlled without material limitations if the capital requirement is met and the respective legal entities have sufficient solvency.

Storebrand Group

Solvency capital

NOK million	31.03.23 Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.22 Total
Share capital	2,360	2,360				2,360
Share premium	10,842	10,842				10,842
Reconciliation reserve	26,749	26,749				25,877
Including the effect of the transitional arrangement						
Counting subordinated loans	9,673		1,968	7,705		9,661
Deferred tax assets	422				422	540
Not-counting tier 3 capital						-231
Risk equalisation reserve	985			985		905
Deductions for CRD IV subsidiaries	-4,979	-4,979				-4,804
Expected dividend	-2,147	-2,147				-1,718
Total basic solvency capital	**43,904**	**32,824**	**1,968**	**8,690**	**422**	**43,431**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	4,979					4,804
Total solvency capital	**48,883**					**48,236**
Total solvency capital available to cover the minimum capital requirement	**36,854**	**32,824**	**1,968**	**2,063**		**36,381**

Solvency capital requirement and -margin

NOK million	31.03.23	31.12.22
Market risk	21,251	21,267
Counterparty risk	1,177	1,119
Life insurance risk	10,007	9,004
Health insurance risk	919	971
P&C insurance risk	645	620
Operational risk	1,520	1,485
Diversification	-7,510	-7,075
Loss-absorbing ability deferred tax	-4,840	-4,954
Total solvency capital requirement - insurance company	**23,167**	**22,438**
Capital requirements for subsidiaries regulated in accordance with CRD IV	4,122	3,837
Total solvency capital requirement	**27,289**	**26,276**
Solvency margin	**179%**	**184%**
Minimum capital requirement	**10,313**	**9,647**
Minimum margin	**357%**	**377%**

The Storebrand Group has also a requirement to report capital adequacy in a multi-sectoral financial group (conglomerate directive). The calculation in accordance with the Solvency II regulations and capital adequacy calculation in accordance with the conglomerate directive give the same primary capital and essentially the same capital requirements.

Capital- and capital requirement in accordance with the conglomerate directive

NOK million	31.03.23	31.12.22
Capital requirements for CRD IV companies	4,502	4,079
Solvency capital requirements for insurance	23,167	22,438
Total capital requirements	**27,669**	**26,517**
Net primary capital for companies included in the CRD IV report	4,979	4,804
Net primary capital for insurance	43,904	43,431
Total net primary capital	**48,883**	**48,236**
Overfulfilment	**21,214**	**21,719**

Under Solvency II, the capital requirement from the CRD IV companies in the Group is included in accordance with their respective capital requirements. In a multi-sectoral financial group, all the capital requirements of the CRD IV companies are calculated based on their respective applicable requirements, including buffer requirement for the largest company in the Group (Storebrand Bank). This increases the total requirement from the CRD IV companies in relation to what is included in the Solvency II calculation. As at 31 March 2023, the difference amounted to NOK 380 million.

Note 14 Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 23 and 46 in the 2022 annual report.

Storebrand has not carried out any material transactions other than normal business transactions with related parties at the close of the 1st quarter 2023.

Storebrand ASA

Income statement

NOK million	01.01 - 31.03 2023	2022	Full year 2022
Operating income			
Income from investments in subsidiaries		9	3,187
Net income and gains from financial instruments:			
- equities and other units	2	-2	-25
- bonds and other fixed-income securities	42	-10	51
- financial derivatives/other financial instruments			
Other financial instruments	1		2
Operating income	**45**	**-2**	**3,215**
Interest expenses	-6	-6	-23
Other financial expenses	-2	14	110
Operating expenses			
Personnel expenses	-12	-11	-50
Other operating expenses	-49	-38	-170
Total operating expenses	**-62**	**-49**	**-220**
Total expenses	**-69**	**-41**	**-133**
Pre-tax profit	**-24**	**-43**	**3,082**
Tax	6	16	-143
Profit for the period	**-17**	**-27**	**2,939**

Statement of total comprehensive income

NOK million	01.01 - 31.03 2023	2022	Full year 2022
Profit for the period	**-17**	**-27**	**2,939**
Other total comprehensive income elements not to be classified to profit/loss			
Change in estimate deviation pension			14
Tax on other comprehensive elements			-3
Total other comprehensive income elements			**10**
Total comprehensive income	**-17**	**-27**	**2,949**

Storebrand ASA

Statement of financial position

NOK million	31.03.23	31.03.22	31.12.22
Fixed assets			
Deferred tax assets	43	62	36
Tangible fixed assets	28	27	28
Shares in subsidiaries and associated companies	24,522	23,011	24,100
Total fixed assets	**24,592**	**23,100**	**24,164**
Current assets			
Owed within group	1,316	1,738	3,178
Other current receivables	14	16	14
Investments in trading portfolio:			
- equities and other units	42	53	40
- bonds and other fixed-income securities	5,485	7,398	4,629
- financial derivatives/other financial instruments			
Bank deposits	1,060	182	433
Total current assets	**7,916**	**9,387**	**8,294**
Total assets	**32,509**	**32,487**	**32,458**
Equity and liabilities			
Share capital	2,360	2,360	2,360
Own shares	-40	-9	-39
Share premium reserve	10,842	10,842	10,842
Total paid in equity	**13,161**	**13,193**	**13,163**
Other equity	15,892	15,112	15,932
Total equity	**29,053**	**28,305**	**29,095**
Non-current liabilities			
Pension liabilities	118	142	118
Securities issued	501	1,002	501
Total non-current liabilities	**618**	**1,143**	**618**
Current liabilities			
Debt within group	1,009	1,190	1,002
Provision for dividend	1,718	1,645	1,718
Other current liabilities	111	203	25
Total current liabilities	**2,837**	**3,039**	**2,745**
Total equity and liabilities	**32,509**	**32,487**	**32,458**

Storebrand ASA

Statement of changes in equity

NOK million	Share capital	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2021	**2,360**	**-9**	**10,842**	**15,128**	**28,321**
Profit for the period				2,939	2,939
Total other result elements				10	10
Total comprehensive income				**2,949**	**2,949**
Provision for dividend				-1,718	-1,718
Own shares bought back [2)]		-32		-468	-500
Own shares sold[2)]		3		37	40
Employee share[2)]				4	4
Equity at 31. December 2022	**2,360**	**-39**	**10,842**	**15,932**	**29,095**
Profit for the period				-17	-17
Total other result elements					
Total comprehensive income				**-17**	**-17**
Own shares bought back [2)]		-2		-36	-38
Own shares sold[2)]		1		11	12
Employee share[2)]				2	2
Equity at 31. March 2023	**2,360**	**-40**	**10,842**	**15,892**	**29,053**

[1)] *471 974 890 shares with a nominal value of NOK 5.*

[2)] *In 2023, Storebrand ASA has bought 485.000 own shares. In 2023, 160.340 shares were sold to our own employees. Holding of own shares 31. March 2023 was 8.088.886.*

Storebrand ASA

Statement of cash flow

NOK million	01.01 - 31.03 2023	2022
Cash flow from operational activities		
Net receipts/payments - securities at fair value	-776	-2,596
Payments relating to operations	-3	-59
Net receipts/payments - other operational activities	1,864	2,812
Net cash flow from operational activities	**1,084**	**157**
Cash flow from investment activities		
Payments - purchase/capitalisation of subsidiaries	-427	-8
Net cash flow from investment activities	**-427**	**-8**
Cash flow from financing activities		
Payments - interest on loans	-6	-6
Receipts - sold own shares to employees	13	12
Payments - buy own shares	-38	
Net cash flow from financing activities	**-31**	**6**
Net cash flow for the period	**627**	**154**
Net movement in cash and cash equivalents	627	154
Cash and cash equivalents at start of the period	433	28
Cash and cash equivalents at the end of the period	**1,060**	**182**

Notes to the financial statements Storebrand ASA

Note 1 Accounting policies

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2022. The accounting policies are described in the 2022 annual report.
The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2022. The accounting policies are described in the 2022 annual report.

Storebrand ASA does not apply IFRS to the parent company's financial statements.

Note 2 Estimates

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, and costs, and information in the notes to the financial statements. The final values realised may differ from these estimates.

Note 3 Bond and bank loan

				01.01 - 31.03		Full year
NOK million	Interest rate	Currency	Net nomial value	2023	2022	2022
Bond loan 2020/2025	Variable	NOK	500	501	500	501
Bond loan 2017/2022	Variable	NOK	500		501	
Total [1)]				**501**	**1,002**	**501**

[1)] Loans are booked at amortised cost and include earned not due interest.

Signed loan agreements have covenant requirements.

Storebrand ASA has an unused drawing facility for EUR 200 million, expiration December 2025.

Statement of comprehensive income

NOK million	31.03.23 2023	2022 [1]	Full year 2022 [1]
Profit/loss for the period	**1,050**	**1,060**	**2,376**
Actuarial assumptions pensions own employees	-3	-2	-12
Fair value adjustment of properties for own use	-14	3	63
Other comprehensive income allocated to customers	14	-3	-63
Tax on other comprehensive income elements not to be reclassified to profit/loss	4		
Total other comprehensive income elements not to be reclassified to profit/loss	**1**	**-2**	**-12**
Exchange rate adjustments	-317	-68	19
Gains/losses from cash flow hedging	-11	-4	-15
Change in unrealised gains on financial instruments available for sale	26	-399	-576
Tax on other comprehensive income elements that may be reclassified to profit/loss		101	144
Total other comprehensive income elements that may be reclassified to profit/loss	**-302**	**-370**	**-428**
Total other comprehensive income elements	**-300**	**-372**	**-439**
Total comprehensive income	**749**	**688**	**1,937**
Total comprehensive income attributable to:			
Share of total comprehensive income - shareholders	743	686	1,923
Share of total comprehensive income - hybrid capital investors	6	2	14
Total	**749**	**688**	**1,937**

[1] *Restated numbers*

Financial calendar

14 July 2023	Results Q2 2023
25 October 2023	Results Q3 2023

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