Storebrand

Interim report 4th quarter 2023

Storebrand Group (unaudited)

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Storebrand Group

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- **Solvency II ratio 192%, down from 204% at the end of the 3rd quarter**
- **Weak quarter in Insurance, driven by challenging weather conditions and increased disability in society**
- **Fee and administration income up 19% compared to Q4 2022, all-time high assets under management**

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]

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Fee and administration income	1,959	1,681	1,591	1,552	1,641	6,782	6,062
Insurance result	64	318	382	357	390	1,122	1,664
Operational cost	-1,542	-1,394	-1,460	-1,391	-1,410	-5,787	-5,008
Cash equivalent earnings from operations	**481**	**605**	**513**	**518**	**621**	**2,117**	**2,718**
Financial items and risk result life	465	378	264	255	219	1,362	13
Cash equivalent earnings before amortisation	**947**	**983**	**777**	**773**	**841**	**3,480**	**2,732**
Amortisation and write-downs of intangible assets	-114	-146	-56	-62	-62	-379	-202
Cash equivalent earnings before tax	**833**	**837**	**720**	**711**	**778**	**3,101**	**2,530**
Tax	19	-195	222	70	12	116	225
Cash equivalent earnings after tax	**853**	**642**	**942**	**781**	**790**	**3,217**	**2,754**

Changes in IFRS from 2023 – How to read this report

From 2023, the Storebrand Group reports its official IFRS financial statements in accordance with IFRS 17 and IFRS 9, which replaced IFRS 4 and IAS 39 on 1 January 2023. A short comment on the financial performance under IFRS is given in the subsection below and detailed disclosure is available under the "Financial statements Storebrand Group" section. For the remaining part of the report, Storebrand continues to report and comment on the alternative income statement in parallel with IFRS statements of financial position. The alternative income statement is based on the statutory accounts of all the main subsidiaries and is an approximation of the cash generated in the period, while 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].

Financial performance (IFRS)

Group profit before amortisation and tax was NOK 1,058m in the quarter, compared to NOK 909m on a restated basis for the corresponding period last year. The increased result is mainly attributed to the improved financial result. Stronger results in unit linked, asset management and retail banking also contributed positively. Storebrand Group's net insurance service result was NOK 110m in the 4th quarter (NOK 421m). The reduction is mainly driven by an increased loss component due to reduced interest rates which has a negative discounting effect on the insurance contract liabilities. The reduced interest rates also affect the CSM development in the quarter negatively. On a general basis, higher volatility is expected under IFRS 17 due to the measurement models applied.

Financial performance (alternative income statement)

Storebrand Group's cash equivalent earnings before amortisation were NOK 947m (NOK 841m) in the 4th quarter and NOK 3,480m (NOK 2,732m) for the full year. Adjusted for integration costs the result was NOK 3,707m. The improved result reflects continued underlying growth across the business and improved financial results driven by increased interest rates. The ambition to achieve cash equivalent earnings before amortisation of NOK 4bn in 2023 was not reached due to weak insurance results driven by challenging weather and high disability claims.

Total fee and administration income amounted to NOK 1,959m (NOK 1,641m) in the 4th quarter and NOK 6,782m (NOK 6,062m) for the full year, corresponding to an increase of 19% compared to the same quarter last year and an increase of 12% for the full year. Income growth is driven by strong growth in Unit Linked Reserves and increased assets under management. In Retail Banking, the bank continues its strong growth with 14% lending volume growth year over year in parallel with solid net interest margins.

The Insurance result decreased to NOK 64m (NOK 390m) in the 4th quarter and NOK 1,122m (NOK 1,664m) for the full year due to high claims in all segments. Compared to the corresponding period last year, challenging weather conditions, increased frequency and inflation led to increased claims in P&C. In Group

[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.

life and Pension related disability insurance segments, persistent high disability levels have led to a strengthening of reserves and corresponding weak results in the quarter and for the full year. Several measures, including further repricing, have been implemented to improve the profitability in the affected segments. The measures implemented are expected to bring profitability gradually back to the 90-92% targeted combined ratio in 2025. The total combined ratio for the Insurance segment was 115% (96%) in the 4th quarter and 102% (91%) for the full year.

The Group's operational cost amounted to NOK -1,542m (NOK -1,410m) in the 4th quarter and NOK -5,787m (NOK -5,008m) for the full year. The increase is mainly attributed to high inflation, costs in acquired business and integration costs. Currency effects, performance related costs, growth initiatives and digital investments are also contributing factors. For the acquired business, profitability will increase as synergies are gradually realised.

Adjusted for integration costs of NOK -227m, performance related cost of NOK -105m and currency effects of NOK -135m, the operational cost was NOK -5,320m for the full year. This is in line with the full year cost guidance of NOK 5.3bn. The 4th quarter operational costs included one-off items in retail banking and asset management amounting to approximately NOK -35m, which have not been adjusted for. Storebrand continues to focus on strong cost discipline, as demonstrated over the past decade.

Overall, the cash equivalent earnings from operations amounted to NOK 481m (NOK 621m) in the 4th quarter and NOK 2,117m (NOK 2,718m) for the full year.

The 'financial items and risk result' amounted to NOK 465m (NOK 219m) in the 4th quarter and NOK 1,362m (NOK 13m) for the full year. The improvement stems from increased return in the company portfolios and a strong profit sharing result in the Swedish business. Net profit sharing amounted to NOK 139m (NOK 38m) in the 4th quarter and NOK 252m (NOK -106m) for the full year. In the Norwegian guaranteed portfolio profit sharing is close to zero in the quarter and year to date. In the Swedish guaranteed business profit sharing is improving, driven by solid returns and favourable markets. The risk result amounted to NOK 77m (NOK 53m) in the 4th quarter and NOK 296m (NOK 262m) for the full year.

Amortisation of intangible assets from acquired business amounted to NOK -114m (NOK -62m) in the 4th quarter and NOK -379m (NOK -202m) for the full year. The increased amortisation compared to the restated figures for 2022 is attributed to the merger between Storebrand Asset Management and SKAGEN in the 4th quarter. Intangible assets associated with the acquisition of SKAGEN are thus recognised and amortised as part of the company accounts of Storebrand Asset Management.

Tax expenses for the Group amounted to NOK 19m (NOK 12m) in the 4th quarter and NOK 116m (NOK 225m) for the full year. The low effective tax rate in the quarter is due to a high contribution to the pre-tax result from the Swedish business. Another contributing factor is 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 appreciated 3% against the Norwegian krone. The tax income year to date is mainly driven by a tax gain of approx. NOK 440m in the 2nd quarter, as the Tax Appeals Committee gave Storebrand full consent in a disputed tax case for the income year 2015. In the 4th quarter, the Ministry of Finance issued a subpoena against the Tax Appeals Committee in the same case. There is no new information in the subpoena which, in Storebrand Livsforsikring AS' opinion, provides grounds for changes in the company's accounts. 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 192% at the end of the 4th quarter, a decrease of 12 percentage points from the previous quarter. Adverse changes in regulatory assumptions and a substantial decrease in interest rates are the main explanations behind the decrease. The 10-year swap rate saw a decrease of 88 bps to 3.33% for NOK, while it was down 109 bps to 2.36% for SEK. In terms of regulatory assumptions, the symmetrical adjustment for the equity stress (SA) was up over 3 percentage points quarter to quarter. In addition, Storebrand Bank sees an increase in the CRD IV capital requirement, with no diversification into the overall solvency capital requirement for Storebrand ASA. Write-downs in the Norwegian real estate portfolio of 1.7% in the quarter impacted the solvency ratio negatively, while a strong equity marked had a positive impact. A strong post tax result contributed positively to the solvency position. The solvency ratio continues to be well above the threshold for overcapitalisation of 175%.

Dividend and share buyback

Based on the Group's results, the board proposes an ordinary dividend of NOK 4.10 per share for 2023 to the Annual General Meeting, equal to a total amount of NOK 1.8bn. This represents a NOK 0.40 nominal increase compared to the previously paid dividend, corresponding to an increase of 10.8% per share and a pay-out ratio of 57% of the Group cash result after tax.

During the 4th quarter Storebrand completed the NOK 500m share buyback program announced on 22 September, taking the total completed buybacks for 2023 to NOK 1,5bn. Based on the strong solvency position and a forward-looking assessment, the Board intends to continue the share buyback program. An approval from the FSA was received on 6 February 2024, and a tranche amounting to a maximum of NOK 400m is initiated on 7 February 2024 and will end no later than 3 April 2024. As previously communicated, the Board of Directors intends to conduct a total of NOK 1.5bn of share buybacks in 2024, subject to a solvency ratio above 175%. The ambition is to return NOK 12bn of excess capital by the end of 2030 as the run-off of the guaranteed business releases capital.

Cash equivalent earnings by segment

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Savings - non-guaranteed	619	487	395	361	456	1,862	1,653
Insurance	-193	100	63	56	92	27	596
Guaranteed pension	433	314	293	285	270	1,326	903
Other profit	88	82	25	71	23	265	-420
Cash equivalent earnings before amortisation	**947**	**983**	**777**	**773**	**841**	**3,480**	**2,732**

Group - Key figures

	2023				2022	Full year	
	Q4	Q3	Q2	Q1	Q4	2023	2022
Cash equivalent EPS	2.14	1.73	2.16	1.82	1.83	7.85	6.31
Equity	29,531	28,940	28,902	30,266	29,519	29,531	29,519
Cash ROE, annualised	14.6%	11.8%	15.3%	12.9%	12.7%	13.0%	10.6%
Solvency II ratio	192%	204%	196%	179%	184%	192%	184%

Financial targets

	Target	Actual
Cash return on equity (after tax)		13.0%
Future Storebrand (Savings & Insurance)*		31%
Back book (Guaranteed & Other)*		8%
Dividend pay-out ratio		57%
Solvency II ratio Storebrand Group	> 150%	192%

* 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

- **Cash equivalent earnings before amortisation up 43% compared to Q4 2022**
- **Performance related income of NOK 242m for the full year 2023 booked in the quarter**
- **19% growth in assets under management compared to Q4 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, as well as asset management and retail banking products.

Savings – Results

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Fee and administration income	1,607	1,333	1,269	1,234	1,293	5,443	4,733
Operational cost	-972	-852	-898	-861	-848	-3,582	-3,031
Cash equivalent earnings from operations	**635**	**481**	**371**	**373**	**445**	**1,861**	**1,701**
Financial result	-16	6	24	-12	11	1	-49
Cash equivalent earnings before amortisation	**619**	**487**	**395**	**361**	**456**	**1,862**	**1,653**

Financial performance
The Savings segment reported cash equivalent earnings before amortisation of NOK 619m (NOK 456m) in the 4th quarter and NOK 1,862m (NOK 1,653m) for the full year.

The fee and administration income in the Savings segment amounted to NOK 1,607m (NOK 1,293m) in the 4th quarter and NOK 5,443m (NOK 4,733m) for the full year, corresponding to growth of 14% (adjusted for currency effect NOK vs SEK). In Asset Management, fee and administration income grew by 35% compared to the same quarter last year, including performance related income of NOK 242m (NOK 147m), booked in the 4th quarter for the full year. In addition to higher performance related income the growth is driven by a strong increase in assets under management. In Unit Linked Norway, income was reduced by 2% compared to the same quarter last year, explained by a lower fee margin. During 2023 the income grew by 11%, driven by solid growth in the underlying business, positive market development and larger contribution from the acquired Danica portfolio. In Sweden, fee and administration income grew 6% compared to the same quarter last year and 3% compared to last year (in SEK). In Retail Banking, income grew by 44% from the 4th quarter last year and 43% for the full year, driven by lending growth and a higher net interest margin.

Operational costs amounted to NOK -972m (NOK -848m) in the 4th quarter and NOK -3,582m (NOK -3,031m) for the full year. The 4th quarter operational costs included one-off items in retail banking and asset management amounting to approximately NOK -35m. Performance related costs in funds with performance fees amounted to NOK -11m (NOK -29m) in the quarter and NOK -105m (NOK -53m) for the full year.

The financial result was NOK -16m (NOK 11m) in the 4th quarter and NOK 1m (NOK -49m) for the full year.

Balance sheet and market trends
Total assets under management in Unit Linked increased to NOK 380bn (NOK 315bn) from NOK 353bn last quarter. Unit Linked premiums increased to NOK 7.2bn (NOK 6.6bn) in the 4th quarter.

In the Norwegian Unit Linked business, assets under management increased to NOK 209bn (NOK 179bn). The growth stems from high occupational pension premiums, new sales, asset return and limited pension payments due to the young nature of the product. Net inflow (from premiums, claims and withdrawals, and transfers) amounted to NOK 2.6bn (NOK 2.8bn). In the Swedish Unit Linked business, assets under management increased during the quarter by SEK 13bn and amounted to SEK 170bn. Net inflow amounted to NOK 1.4bn (NOK 1.8bn) in the 4th quarter.

Assets under management were NOK 1,212bn at the end of the 4th quarter compared to NOK 1,131bn at the end of the 3rd quarter. During the full year the asset under management grew by NOK 192bn (19%). The net inflow was NOK 28bn in the quarter and NOK 70bn year to date.

The bank lending portfolio increased by NOK 2.0 bn (3%) to NOK 76.7bn during the quarter and NOK 9.6bn (14%) during 2023. The growth is attributed to continued strong sales and increasing market share.

Savings - Key figures

	2023				2022
NOK million	Q4	Q3	Q2	Q1	Q4
Unit linked Reserves	379,516	353,448	357,150	343,347	314,992
Unit linked Premiums	7,225	7,055	7,024	6,883	6,583
AuM Asset Management	1,211,831	1,130,687	1,143,232	1,110,733	1,019,988
Retail Lending*	76,706	74,749	72,700	69,812	67,061

**Includes mortgages on the Storebrand Livsforsikring AS balance sheet*

Insurance

- **9% overall growth in premiums f.o.a. compared to the corresponding quarter last year**
- **Combined ratio of 115% in the quarter driven by persistent high disability levels and weak P&C results**
- **6.6% market share in Norwegian retail P&C compared to 6.2% 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

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Insurance premiums f.o.a.	1,776	1,734	1,727	1,672	1,630	6,908	6,088
Claims f.o.a.	-1,712	-1,415	-1,345	-1,315	-1,240	-5,787	-4,424
Operational cost	-328	-305	-308	-310	-318	-1,251	-1,112
Cash equivalent earnings from operations	**-263**	**13**	**74**	**47**	**72**	**-129**	**552**
Financial result	70	86	-11	9	20	155	43
Contribution from SB Helseforsikring AS	*11*	*34*	*-52*	*-20*	*0*	*-27*	*-1*
Cash equivalent earnings before amortisation	**-193**	**100**	**63**	**56**	**92**	**27**	**596**

Claims ratio	96%	82%	78%	79%	76%	84%	73%
Cost ratio	18%	18%	18%	19%	20%	18%	18%
Combined ratio	115%	99%	96%	97%	96%	102%	91%

Financial performance

Insurance premiums f.o.a. amounted to NOK 1,776m (NOK 1,630m) in the 4th quarter and NOK 6,908m (NOK 6,088m) for the full year, corresponding to an increase of 9% compared to the same quarter last year and an increase of 13% for the full year.

Cash equivalent earnings before amortisation amounted to NOK -193m (NOK 92m) in the 4th quarter and NOK 27m (NOK 596m) for the full year. The total combined ratio was 115% (96%) in the 4th quarter and 102% (91%) for the full year. The combined ratio development was weak in all the insurance segments. The result in P&C and individual life insurance was weakened by challenging weather conditions, increased claims frequency and unfavourable currency effects. In Group life and Pension related disability segments, persistent high disability levels have led to a strengthening of reserves and corresponding weak results in the quarter and for the full year. Several measures, including further repricing, have been implemented to improve the profitability in the affected segments. The measures implemented are expected to bring profitability gradually back to the 90-92% targeted combined ratio in 2025. There is still a high level of uncertainty linked to the disability development in the Norwegian society and Storebrand follows the development closely.

Within 'P&C & Individual life', strong growth continued with premiums f.o.a. growing 10% in the 4th quarter compared to last year. The cash equivalent earnings before amortisation were NOK -4m (NOK 68m) in the 4th quarter and NOK 182m (NOK 387m) for the full year. The claims ratio was 82% (71%) in the 4th quarter and 76% (68%) for the full year. Operational cost increased to NOK -248m (NOK -241m) in the 4th quarter and NOK -938m (NOK -816m) for the full year due to business growth, increased activity, and the establishment of the corporate business. Altogether, the product segment delivered a combined ratio of 105% (95%) in the 4th quarter and 99% (90%) for the full year.

'Health and Group life' reported a cash equivalent earnings before amortisation of NOK -137m (NOK -17m) in the 4th quarter and NOK -238m (NOK 8m) for the full year. The disability development in the associations segment of the Group life product has resulted in a strengthening of reserves, with a corresponding negative effect on the results. Significant repricing has been implemented from 2024, together with other measures. In sum, 'Health and Group life' reported a combined ratio of 159% (106%) in the 4th quarter and 122% (100%) for the full year.

The cash equivalent earnings before amortisation for 'Pension related disability insurance Nordic' were NOK -52m (NOK 41m) in the 4th quarter and NOK 82m (NOK 201m) for the full year. Disability claims increased in the Norwegian business in the 4th quarter, both due to seasonal effects and persistent higher disability levels. A reserve strengthening related to disability impacted the results negatively. Price increases have been implemented in 2024. The Swedish business has satisfactory claims ratio in the quarter. Altogether the combined ratio was 113% (89%) in the 4th quarter and 96% (86%) for the full year.

The cost ratio was 18% (20%), with cost amounting to NOK -328m (NOK -318m) in the 4th quarter and NOK -1,251m (NOK -1,112m) for the full year. The increased cost in absolute terms 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 1.2% in the 4th quarter and 3.5% for the full year.

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 4th 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 held a market share of 6.6% as of the 3rd quarter compared to 6.2% in the same quarter last year.

Overall growth in annual portfolio premiums amounted to 11% compared to the same quarter last year. Growth in 'P&C & Individual life' amounted to 10%, driven by significant price increases, continued strong contribution from sales agents and distribution partnerships. 'Health & Group life' grew by 13%, driven by price adjustments, and 'Pension related disability insurance' grew by 11%, driven by price adjustments and salary increases. Overall, double digit growth is expected to continue within Insurance in the coming years.

Insurance – Portfolio premiums

	2023				2022
NOK million	Q4	Q3	Q2	Q1	Q4
P&C & Individual life	4,430	4,293	4,202	4,081	4,013
Health & Group life*	2,339	2,270	2,236	2,150	2,071
Pension related disability insurance Nordic	1,928	1,884	1,856	1,834	1,738
Total written premiums	**8,697**	**8,447**	**8,294**	**8,065**	**7,822**
Investment portfolio**	12,330	12,081	12,052	11,413	10,642

* Includes all written premiums in Storebrand Helseforsikring AS (50/50 joint venture with Ergo International).
** Ca. NOK 3,2bn 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

- **Cash equivalent earnings from operations up 21% year on year**
- **Continued robust risk result, strong profit sharing result in Sweden due to high investment returns**
- **Cash equivalent earnings before amortisation up 60% compared to Q4 2022**

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

Guaranteed pension – Results

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Fee and administration income	422	413	387	378	413	1,600	1,597
Operational cost	-205	-209	-216	-192	-233	-822	-850
Cash equivalent earnings from operations	**217**	**204**	**171**	**186**	**180**	**778**	**747**
Risk result life & pensions	77	69	69	81	53	296	262
Net profit sharing	139	41	53	18	38	252	-106
Cash equivalent earnings before amortisation	**433**	**314**	**293**	**285**	**270**	**1,326**	**903**

Financial performance

Guaranteed pension achieved cash equivalent earnings before amortisation of NOK 433m (NOK 270m) in the 4th quarter and NOK 1,326m (NOK 903m) for the full year.

Fee and administration income amounted to NOK 422m (NOK 413m) in the 4th quarter and NOK 1,600m (NOK 1,597m) for the full year. In sum the income level was in line with the previous year, however growth on product basis was delivered in public sector pensions as well as the Norwegian defined benefit business.

Operational cost amounted to NOK -205m (NOK -233m) in the 4th quarter and NOK -822m (NOK -850m) for the full year.

The cash equivalent earnings from operations had a positive development and amounted to NOK 217m (NOK 180m) in the 4th quarter and NOK 778m (NOK 747m) for the full year.

The risk result was NOK 77m (NOK 53m) in the 4th quarter and NOK 296m (NOK 262m) for the full year. A strong longevity risk result in the Norwegian business was the main contributor to the result. Net profit sharing amounted to NOK 139m (NOK 38m) in the 4th quarter and NOK 252m (NOK -106m) for the full year. Profit sharing was generated by the Swedish business, while the Norwegian portfolio focused on building buffer capital and fulfilling the annual guarantee. The Swedish business delivered a strong profit sharing of NOK 136m (NOK 36m) in the quarter and NOK 240m (NOK -112m) for the full year. Strong investment returns driven partly by supportive equity markets, was the key factor for strong 4th quarter results.

Balance sheet and market trends

The majority of the guaranteed products are in long term run-off. As of the 4th quarter, customer reserves of guaranteed pensions amounted to NOK 284bn. This is an increase of NOK 10bn year to date, primarily from the transfer of a closed pension fund and growth in public sector pensions as well as positive exchange rate effect for the Swedish business. Net flow of guaranteed pensions amounted to NOK -3.0bn in 4th quarter (NOK -2.8bn in 2022).

A growth area for Storebrand is public sector occupational pensions, where Storebrand won its first mandates in 2020. New customers representing 3.1bn have been won as of the 4th quarter and will be transferred in 2024.

Storebrand's strategy is to have solid buffer capital levels in order to secure customer returns and shield shareholder's equity during turbulent market conditions. Buffer capital (excl. excess value of bonds at amortised cost) was 26.4bn as of the 4th quarter. As a share of guaranteed reserves, buffer capital levels in Norwegian products amounted to 6.1% (6.3%) and 21.2% (19.0%) in Swedish products. This does not include off-balance sheet excess values of bonds at amortised cost, which at the end of the 4th quarter amounted to a deficit of NOK -10.6bn (NOK -10.2bn).

Guaranteed pension – Key figures

	2023				2022
NOK million	Q4	Q3	Q2	Q1	Q4
Guaranteed reserves	283,986	277,789	279,358	282,559	273,673
Guaranteed reserves in % of total reserves	42.8%	44.0%	43.9%	45.1%	46.5%
Net flow of premiums and claims	-2,979	-2,720	-2,486	-2,198	-2,846
Buffer capital in % of customer reserves Norway	6.1%	5.1%	6.0%	6.5%	6.3%
Buffer capital in % of customer reserves Sweden	21.2%	21.4%	21.1%	19.0%	19.0%

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

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Fee and administration income	1	5	6	6	2	18	17
Operational cost	-109	-99	-109	-94	-77	-411	-299
Cash equivalent earnings from operations	**-108**	**-93**	**-104**	**-88**	**-75**	**-393**	**-282**
Financial result	196	176	129	159	98	658	-138
Cash equivalent earnings before amortisation	**88**	**82**	**25**	**71**	**23**	**265**	**-420**

Eliminations

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Fee and administration income	-71	-71	-71	-66	-66	-279	-284
Operational cost	71	71	71	66	66	279	284
Financial result							
Cash equivalent earnings before amortisation							

Financial performance

The Other segment reported cash equivalent earnings before amortisation of NOK 88m (NOK 23m) in the 4th quarter and 265m (NOK -420m) for the full year. 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 -109m (NOK -77m) in the 4th quarter and -411m (NOK -299m) for the full year. Integration cost booked in the Other segment amounted to NOK -40m in the 4th quarter and -135m for the full year.

The financial result for the Other segment amounted to NOK 196m in the 4th quarter and 658m for the full year, 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 1.1% in the 4th quarter and 3.8% for the full year, while the Swedish company portfolio reported a return of 1.6% in the 4th quarter and 4.9% for the full year. The company portfolios in the Norwegian and Swedish life insurance companies and the holding company amounted to NOK 30.3bn at the end of the quarter.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Interest expenses in the quarter amounted to NOK -160m.

Balance sheet and capital situation

- **Solvency II ratio of 192%, down from 204% at the end of the 3rd quarter**
- **Equity of NOK 29.5bn under IFRS 17, annualised Cash return on equity of 14.6% in the quarter**
- **Buffer capital at 9.3% of customer reserves with guarantees**

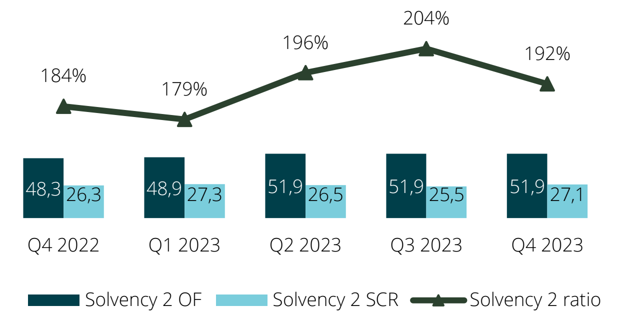
Continuous monitoring and active risk management is a core area of Storebrand's business. Risk and solidity are both followed up on at the Group level and in the legal entities. Regulatory requirements for financial strength and risk management follow the legal entities to a large extent. The section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

Storebrand Group

Solvency

The solvency ratio was 192 % at the end of the 4th quarter, a decrease of 12 percentage points from the previous quarter. Adverse changes in regulatory assumptions and a substantial decrease in interest rates are the main explanations behind the decrease. The 10-year swap rate saw a decrease of 88 bps to 3.33% for NOK, while it was down 109 bps to 2.36% for SEK. In terms of regulatory assumptions, the symmetrical adjustment for the equity stress (SA) was up over 3 percentage points quarter to quarter. In addition, Storebrand Bank saw an increase in the CRD IV capital requirement, with no diversification into the overall solvency capital requirement for Storebrand ASA. Write-downs in the Norwegian real estate portfolio of 1.7% in the quarter impacted the solvency ratio negatively, while a strong equity marked had a positive impact. A strong post tax result contributed positively to the solvency position. The solvency ratio continues to be well above the threshold for overcapitalisation of 175%.

Solvency development - Storebrand Group



Cash equivalent return on equity

The Group's quarterly Cash ROE[1] (annualised) was 14.6% in the 4th quarter. 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 continues to shift towards capital light business, the Cash ROE is expected to increase in coming years. The current Cash ROE target is 14%.

The back book of guaranteed business, which ties up more than three quarters of the Group's capital, delivered an estimated annualised Cash ROE of 8%[1] for the last 12 months. The front book, the "future Storebrand", delivered an estimated annualised Cash ROE of 31%[1] 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.

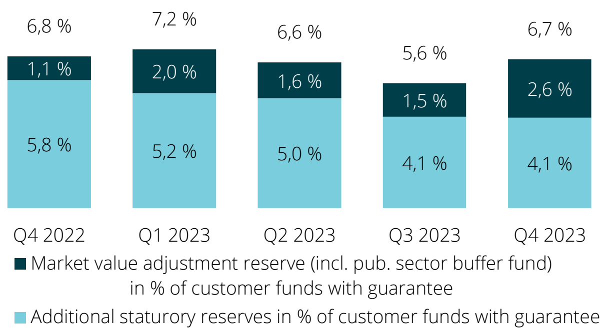
Storebrand ASA

Storebrand ASA held liquid assets of NOK 2.4bn at the end of the 4th quarter. 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 4th quarter. The next maturity date for bond debt is in September 2025, when NOK 0.5bn matures. In addition, the company has an unused credit facility of EUR 200m.

Storebrand ASA owned 18,177,606 of the company's own shares at the end of the 4th quarter, representing 3.9% of the share capital, following repurchases under the share buyback program. The shares repurchased under subsequent buyback programs will be redeemed, subject to permission from the Financial Supervisory Authority and resolution from Storebrand ASA's General Meeting in 2024.

Storebrand Livsforsikring AS

Customer buffers (NOR)

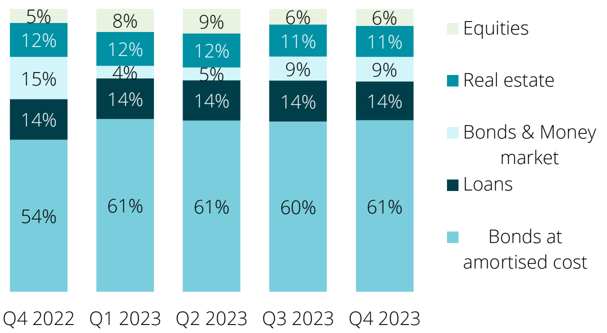


The market value adjustment reserve and buffer fund increased during the 4th quarter by NOK 1.9bn and by NOK 2.7bn year to date. At the end of 4th quarter 2023 the market value adjustment reserve and buffer fund amounted to NOK 4.5bn, corresponding to 2.4% (1.5% at the end of 3rd quarter 2023) of customer funds with a guarantee. The additional statutory reserves amounted to NOK 6.9bn, corresponding to 3.7% (4.1% at the end of the 3rd quarter 2023) of customer funds with guarantee at the end of the 4th quarter. Guaranteed reserves increased by NOK 1.2bn in the 4th quarter and NOK 3.4bn year to date.

[1]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.

Together, the customer buffers amounted to 6.1% (5.1% at the end of the 3rd quarter 2023) of customer funds with guarantee at the end of the 4th quarter 2023. The excess value of bonds and loans valued at amortised cost increased by NOK 6.5bn in the 4th quarter and decreased by NOK 0.4bn year to date due to decreased interest rates and amounted to NOK -10.6bn at the end of the 4th quarter 2023. The excess value of bonds and loans at amortised cost is not included in the financial statements of Storebrand Livsforsikring AS.

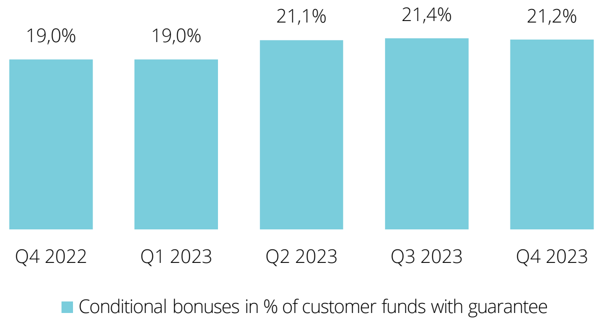
Allocation of guaranteed customer assets (NOR)



Customer assets increased in the 4th quarter by NOK 13.2bn and by NOK 21.5bn year to date, amounting to NOK 407bn at the end of 4th quarter 2023. Customer assets within non-guaranteed savings increased by NOK 12.7bn during the 4th quarter and by NOK 18.1bn year to date, amounting to NOK 209bn at the end of 4th quarter 2023. Guaranteed customer assets increased by NOK 0.5bn in the 4th quarter and by NOK 3.4bn year to date, amounting to NOK 198bn at the end of 4th quarter 2023.

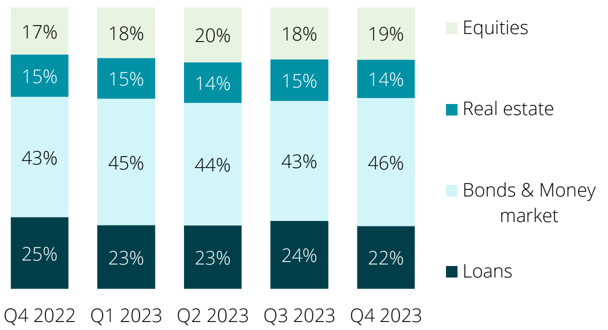
SPP

Customer buffers (SWE)



The buffer capital (conditional bonuses) amounted to SEK 14.9bn (SEK 13.3bn) at the end of the 4th quarter.

Allocation of guaranteed customer assets (SWE)



Customer assets amounted to SEK 251bn (SEK 223bn) at the end of the 4th quarter. Customer assets within non-guaranteed savings amounted to SEK 169bn (SEK 143bn) at the end of the 4th quarter, which is an increase of 18% compared to the same quarter last year. Guaranteed customer assets had a stable development compared to the same quarter last year and amounted to SEK 82bn (SEK 80bn).

Storebrand Bank

Loans outstanding increased by NOK 2.0bn during the 4th quarter. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS decreased by NOK 0.1bn during the quarter. The combined portfolio of loans in Storebrand Bank and Storebrand Livsforsikring increased by NOK 1.9bn during the quarter and by NOK 9.5bn year to date.

The bank Group has had an increase in the risk-weighted balance sheet of NOK 4.4bn year to date. The Storebrand Bank Group had own funds of NOK 5.4bn at the end of the 4th quarter. The capital adequacy ratio was 21.8 per cent and the Core Equity Tier 1 (CET1) ratio was 17.0% at the end of the quarter, compared with 21.3% and 15.7%, respectively, at the end of 2022. The combined requirements for capital and CET1 were 18.8% and 14.7% respectively at the end of the 4th quarter.

Outlook

Strategy

Storebrand delivers financial security and freedom to individuals and businesses. We aim to make it easy for customers to make good financial decisions for the future by offering sustainable solutions: Together we create a future to look forward to. This creates value for customers, owners, and society.

Storebrand's strategy gives a compelling combination of capital-light 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, cost and revenue synergies across the Group provide a solid platform for profitable growth and value creation.

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. As a leading occupational pension provider in the private sector, Storebrand also has a competitive pension offering to the Norwegian public sector a larger and faster growing market than the private sector market. It is currently dominated by one monopolist and represents a potential additional source of revenue for Storebrand.

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. SPP's ambition is achieve double digit annual growth, driven by a strong value proposition, growth in capital light guaranteed savings and selected portfolio transfers.

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 42.8% of the pension reserves at the end of the quarter, 4 percentage points lower than a year ago. With interest rates having risen to significantly higher levels than the average level of interest rate guarantees, the prospects for future profit sharing with customers has increased.

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. The product offering includes a full product range of index, factor and actively managed funds. Storebrand is also one of the strongest providers of alternatives (private equity, real estate, private debt and infrastructure) in the Nordic region. Over the past three decades, Storebrand has focused on sustainable investments with a strong track record. The overall ambition is to grow cash result double digit, driven by continued positive net inflow and a stable fee margin development.

The brand name 'Storebrand' is well recognised in Norway. Together with capital, customer and operational synergies in the business, it supports rapid growth in the Norwegian retail market. The ambition is to grow more than 10% annually within retail savings, mortgage lending and insurance through leading customer experience, cross sales and continued focus on scalable growth. 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.

Financial performance

Storebrand expects top line growth in both fee-based income and insurance. In 2023, the insurance results have been severely affected by persistent high levels of disability and increased claims in P&C. The board expects the insurance combined ratio to gradually improve and return to the targeted level below 92% by 2025.

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 materialize plans will be implemented to reduce costs. Storebrand has a cost guidance of NOK 5.9bn for 2024. The cost guidance does not include integration cost, currency and performance related cost.

At the capital markets day in December 2023, Storebrand announced an ambition to achieve cash equivalent earnings before amortisation and tax of NOK 5bn in 2025. The Return on Equity target for the group was raised from 10% to 14%.

Risk

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

Regulatory changes

Paid-up policies

New legislation on flexible buffer fund for Norwegian private sector guaranteed pension products contracts entered into force 1 January 2024. Similar rules were introduced for municipal occupation pension in 2022.

Market value adjustment reserves have merged with the additional statutory reserves into a more flexible customer buffer fund which, unlike previous additional statutory reserves, can cover negative returns. There is no cap on the size of the new buffer fund. The buffer fund is allocated to contracts and can be subject to profit sharing. Storebrand believes that the new flexible buffer fund will lead to increased allocation to risky assets, with a corresponding positive effect on expected returns for customers and shareholders.

Parliament has asked the Government to consider further changes in the regulation of paid-up polices that could benefit policy holders, in a process involving the different stakeholders. The Ministry of Finance has published the mandate for a working group that shall deliver a report with proposals in May 2024.

Changes in the National Insurance Pension Scheme
The Government has presented proposal for changes in the National Insurance Pension Scheme to Parliament. This follows up on proposals in evaluation report on the Norwegian pension reform delivered last year.

Among the proposals is automatic adjustment of age limits in the pension system, such as the earliest age for possible withdrawal of pensions, as longevity expectations increase. We expect similar changes to be introduced for occupation pensions and individual pension schemes as well. Work on necessary changes in occupational pension regulation will start at the end of the 2nd quarter, after the report on paid-up policies referred to above has been delivered.

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

The Norwegian government argues that EEA-legislation does not apply, as KLP is not an economic 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 expects ESA to decide on the complaints during the first half of 2024.

Capital management and Dividend policy
Storebrand continues to manage capital 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 and customer centric manner.

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 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. The ambition is to return NOK 12bn 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.

Storebrand dividend policy:

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, 6 February 2024
Board of Directors of Storebrand ASA

Storebrand Group

IFRS

Income statement

NOK million	Notes	Q4 2023	Q4 2022 [1]	01.01 - 31.12 2023	01.01 - 31.12 2022 [1]
Income from unit linked		480	491	2,008	1,841
Income from asset management		995	786	3,108	2,783
Income from banking activities		942	520	3,069	1,460
Other income		149	37	413	311
Operating income excl. insurance		**2,566**	**1,834**	**8,597**	**6,396**
Insurance revenue	8	2,325	2,253	9,147	8,514
Insurance service expenses	8,9	-2,210	-1,800	-7,701	-6,167
Net expenses from reinsurance contracts held	8	-6	-32	19	-66
Net insurance service result	**8**	**110**	**421**	**1,465**	**2,282**
Operating income incl. insurance result		**2,676**	**2,254**	**10,062**	**8,677**
Operating expenses	9	-1,362	-1,257	-5,147	-4,407
Interest expenses banking activities		-686	-331	-2,096	-739
Other expenses		-28	-11	-166	21
Total expenses		**-2,077**	**-1,598**	**-7,409**	**-5,126**
Operating profit		**600**	**656**	**2,653**	**3,551**
Profit from investment in associates and joint ventures		-22	-317	-431	-334
Net income on financial and property investments		34,078	19,705	56,108	-51,725
Net change in investment contract liabilities		-16,443	-12,248	-38,409	25,147
Finance expenses from insurance contracts issued		-16,869	-6,624	-15,272	26,637
Interest expenses securities issued and other interest expenses		-285	-263	-889	-594
Net finance result		**459**	**253**	**1,106**	**-870**
Profit before amortisation		**1,058**	**909**	**3,759**	**2,681**
Amortisation of intangible assets		-95	-92	-466	-324
Profit before income tax		**964**	**817**	**3,294**	**2,357**
Tax expenses		-27	-332	84	19
Profit for the year		**937**	**484**	**3,377**	**2,376**
Profit/loss for the period attributable to:					
Share of profit for the period - shareholders		929	479	3,350	2,362
Share of profit for the period - hybrid capital investors		8	5	27	14
Total		**937**	**484**	**3,377**	**2,376**
[1] Restated numbers					
Earnings per ordinary share (NOK)		2.06	1.03	7.31	5.04
Average number of shares as basis for calculation (million)				458.0	468.4

Storebrand Group

Statement of comprehensive income

	Q4		01.01 - 31.12	
NOK million	2023	2022 [1)]	2023	2022 [1)]
Profit/loss for the period	**937**	**484**	**3,377**	**2,376**
Actuarial assumptions pensions own employees	-37	-7	-45	-12
Fair value adjustment of properties for own use	48	3		63
Other comprehensive income allocated to customers	-48	-3		-63
Tax on other comprehensive income elements not to be reclassified to profit/loss	3		3	
Total other comprehensive income elements not to be reclassified to profit/loss	**-33**	**-7**	**-42**	**-12**
Exchange rate adjustments	-159	-44	-302	19
Gains/losses from cash flow hedging		10	-10	-15
Change in unrealised gains on financial instruments available for sale	352	146	82	-576
Tax on other comprehensive income elements that may be reclassified to profit/loss	-127	-42	-21	144
Total other comprehensive income elements that may be reclassified to profit/loss	**65**	**70**	**-251**	**-428**
Total other comprehensive income elements	**32**	**63**	**-292**	**-439**
Total comprehensive income	**969**	**547**	**3,085**	**1,937**
Total comprehensive income attributable to:				
Share of total comprehensive income - shareholders	961	542	3,058	1,923
Share of total comprehensive income - hybrid capital investors	8	5	27	14
Total	**969**	**547**	**3,085**	**1,937**

[1)] *Restated numbers*

Storebrand Group

Statement of financial position

NOK million	Notes	31.12.23	31.12.22 [1]
Assets			
Deferred tax assets		3,134	2,979
Intangible assets		6,055	5,990
Tangible fixed assets		1,261	1,174
Investments in associated companies and joint ventures		7,823	8,910
Assets held for sale		265	
Minority portion of consolidated mutual funds		58,809	56,484
Reinsurance contracts assets		297	317
Investment properties	7	34,382	35,171
Loans to customers	7, 11	86,761	77,878
Loans to financial institutions	7	1,138	109
Equities and fund units	7	333,866	270,532
Bonds and other fixed-income securities	7	292,407	275,894
Derivatives	7	8,093	6,627
Accounts receivables and other short-term receivables		48,733	13,076
Bank deposits		13,916	14,511
Total assets		**896,940**	**769,649**
Equity and liabilities			
Paid-in capital		13,078	13,163
Retained earnings		16,045	16,029
Hybrid capital		408	327
Total equity		**29,531**	**29,519**
Pension liabilities		172	162
Deferred tax		1,232	1,311
Minority portion of consolidated mutual funds		58,809	56,484
Insurance contracts liabilities	8	318,225	303,277
Investment contracts liabilities	8	354,270	292,931
Reinsurance contracts liabilities	8		38
Subordinated loan capital	6	11,501	10,585
Other non-current liabilities		1,180	1,106
Deposits from banking customers		23,948	19,478
Debt raised by issuance of securities	6	40,655	32,791
Loans and deposits from credit institutions	6	283	403
Derivatives		6,118	12,641
Other current liabilities		51,015	8,924
Total liabilities		**867,409**	**740,130**
Total equity and liabilities		**896,940**	**769,649**

[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	Total retained earnings	Hybrid capital [2)]	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 elements						-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						**3,350**	**3,350**	**27**	**3,377**
Total other comprehensive income elements					-302	10	-292		-292
Total comprehensive income for the period					**-302**	**3,360**	**3,058**	**27**	**3,085**
Equity transactions with owners:									
Own shares	-32	-52		-84		-1,370	-1,370		-1,454
Hybrid capital classified as equity						7	7	80	87
Paid out interest hybrid capital								-26	-26
Dividend paid						-1,715	-1,715		-1,715
Other						35	35		35
Equity 31.12.23	**2,327**	**-91**	**10,842**	**13,078**	**739**	**15,305**	**16,044**	**408**	**29,531**

1) 465 497 866 shares with a nominal value of NOK 5.

2) Perpetual hybrid tier 1 capital classified as equity.

Storebrand Group

Statement of cash flow

NOK million	01.01 - 31.12 2023	2022
Cash flow from operating activities		
Net receipts premium - insurance	29,946	34,488
Net payments claims and insurance benefits	-22,982	-24,218
Net receipts/payments - transfers	-4,660	-1,704
Other receipts/payments - insurance liabilities	30,344	30,472
Receipts - interest, commission and fees from customers	2,987	1,466
Payments - interest, commission and fees to customers	-536	-152
Taxes paid	-964	-1,105
Payments relating to operations	-2,352	-6,542
Net receipts/payments - other operating activities	11,213	6,514
Net cash flow from operations before financial assets and banking customers	*42,997*	*39,219*
Net receipts/payments - loans to customers	-5,503	-9,027
Net receipts/payments - deposits bank customers	4,470	2,239
Net receipts/payments - securities	-44,228	-30,148
Net receipts/payments - investment properties	1,306	1,447
Receipts - sale of investment properties	3	610
Payments - purchase of investment properties	-300	-1,509
Net cash flow from financial assets and banking customers	*-44,252*	*-36,388*
Net cash flow from operating activities	**-1,255**	**2,830**
Cash flow from investing activities		
Payments - purchase of subsidiaries	-345	-2,405
Net receipts/payments - sale/purchase of fixed assets	-127	-137
Net receipts/payments - sale/purchase of associated companies and joint ventures	-168	-632
Net cash flow from investing activities	**-640**	**-3,173**
Cash flow from financing activities		
Receipts - new loans	12,644	9,822
Payments - repayments of loans	-4,895	-1,932
Payments - interest on loans	-1,535	-621
Receipts - subordinated loans	997	3,048
Payments - repayment of subordinated loans	-676	-2,708
Payments - interest on subordinated loans	-656	-534
Receipts - loans to financial institutions	12,105	16,690
Payments - repayments of loans from financial institutions	-12,225	-16,789
Receipts - issuing of share capital / sale of shares to employees	51	45
Payments - repayment of share capital	-1,500	-500
Payments - dividends	-1,715	-1,646
Receipts - hybrid capital	249	100
Payments - repayment of hybrid capital	-170	
Payments - interest on hybrid capital	-26	-13
Net cash flow from financing activities	**2,648**	**4,960**
Net cash flow for the period	**753**	**4,617**
Cash and cash equivalents at the start of the period	14,007	10,054
Currency translation cash/cash equivalents in foreign currency	294	-52
Cash and cash equivalents at the end of the period [1)]	**15,054**	**14,619**

Storebrand Group

NOK million	01.01 - 31.12 2023	2022
[1] **Consists of:**		
Loans to financial institutions	1,138	109
Bank deposits	13,916	14,511
Total	**15,054**	**14,619**

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 Financial Instruments

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 Insurance Contracts

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.

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	
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.

Opening balance

NOK million	31.12.21	Reclassification	01.01.22
Assets			
Deferred tax assets	1,513	1,827	3,340
Other assets	7,831	-1,607	6,224
Financial assets	691,209	3,372	694,581
Insurance contracts assets	45	1	46
Bank deposit	9,986		9,986
Receivable	10,687	-1,178	9,508
Minority portion of consolidated mutual funds	54,912	1,384	56,296
Total assets	**776,183**	**3,798**	**779,981**
Equity and liabilities			
Equity	37,709	-8,103	29,606
Insurance liabilities (excl CSM)	323,864	-5,833	318,031
Contractual Service Margin (CSM)		11,810	11,810
Risk Adjustment (RA)		4,685	4,685
Investment contracts liabilities	285,286		285,286
Financial liabilities	59,281	9	59,290
Other liabilities	15,131	-153	14,978
Minority portion of consolidated mutual funds	54,912	1,384	56,296
Total liabilities	**738,475**	**11,901**	**750,375**
Total equity and liabilities	**776,183**	**3,798**	**779,981**

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:

Q4 2023	1 year	5 years	10 years	15 years	20 years
NOK	4,26 %	3,58 %	3,49 %	3,50 %	3,50 %
SEK	3,05 %	2,28 %	2,27 %	2,56 %	2,77 %

Based on an updated assessment of the product's characteristics, Storebrand has changed the discount rate for some of the company's insurance liabilities which are measured under the premium allocation approach. The contracts were originally discounted with a fixed discount rate, but Storebrand considers that a discount rate as described in the section above better reflects the time value of the insurance liabilities. The change in the discount rate is in accordance with IAS 8.34 and has been applied prospectively.

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 quickly become 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**

Danica Pensjonsforsikring AS

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

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

Due to information about the sale of Danske Bank's portefolio of personal customers to Nordea, Storebrand Livsforsikring AS has written down the value of the distribution agreement with Danske Bank in Q3. The amount is NOK 87 million.

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

Storebrand Group

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.

Segment information as of Q4

	Savings		Insurance		Guaranteed pension	
	Q4		Q4		Q4	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	1,607	1,293			422	413
Insurance result			64	390		
- Insurance premiums for own account			1,776	1,630		
- Claims for own account			-1,712	-1,240		
Operating expense	-972	-848	-328	-318	-205	-233
Cash equivalent earnings from operations	**635**	**445**	**-263**	**72**	**217**	**180**
Financial items and risk result life & pension	-16	11	70	20	216	90
Cash equivalent earnings before amortisation	**619**	**456**	**-193**	**92**	**433**	**270**
Amortisation of intangible assets [1)]						
Cash equivalent earnings before tax						

	Other		Storebrand Group	
	Q4		Q4	
NOK million	2023	2022	2023	2022
Fee and administration income	-70	-64	1,959	1,641
Insurance result			64	390
- Insurance premiums for own account			1,776	1,630
- Claims for own account			-1,712	-1,240
Operating expense	-38	-11	-1,542	-1,410
Cash equivalent earnings from operations	**-108**	**-75**	**481**	**621**
Financial items and risk result life & pension	196	98	465	219
Cash equivalent earnings before amortisation	**88**	**23**	**947**	**841**
Amortisation of intangible assets [1)]			-114	-62
Cash equivalent earnings before tax			**833**	**778**

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NOK million	Savings 01.01 - 31.12 2023	Savings 01.01 - 31.12 2022	Insurance 01.01 - 31.12 2023	Insurance 01.01 - 31.12 2022	Guaranteed pension 01.01 - 31.12 2023	Guaranteed pension 01.01 - 31.12 2022
Fee and administration income	5,443	4,733			1,600	1,597
Insurance result			1,122	1,664		
- Insurance premiums for own account			6,908	6,088		
- Claims for own account			-5,787	-4,424		
Operating expense	-3,582	-3,031	-1,251	-1,112	-822	-850
Cash equivalent earnings from operations	**1,861**	**1,701**	**-129**	**552**	**778**	**747**
Financial items and risk result life & pension	1	-49	155	43	547	157
Cash equivalent earnings before amortisation	**1,862**	**1,653**	**27**	**596**	**1,326**	**903**
Amortisation of intangible assets [1]						
Cash equivalent earnings before tax						

NOK million	Other 01.01 - 31.12 2023	Other 01.01 - 31.12 2022	Storebrand Group 01.01 - 31.12 2023	Storebrand Group 01.01 - 31.12 2022
Fee and administration income	-261	-267	6,782	6,062
Insurance result			1,122	1,664
- Insurance premiums for own account			6,908	6,088
- Claims for own account			-5,787	-4,424
Operating expense	-132	-15	-5,787	-5,008
Cash equivalent earnings from operations	**-393**	**-282**	**2,117**	**2,718**
Financial items and risk result life & pension	658	-138	1,362	13
Cash equivalent earnings before amortisation	**265**	**-420**	**3,480**	**2,732**
Amortisation of intangible assets [1]			-379	-202
Cash equivalent earnings before tax			**3,101**	**2,530**
Tax			116	225
Reconcilation between cash equivalent earning and profit for the year			160	-378
Profit for the year			**3,377**	**2,376**

1) Amortisation of intangible assets are included in Storebrand Group

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 2023, high inflation and rising interest rates continued to impact the economic news flow. Economic activity has held up better than many expected, but global growth is now slowing. Inflation has fallen from elevated levels, but the underlying price and wage-pressure is still considerable. Central banks have continued to rise interest rates to combat inflation. During 2023, Bank of Norway raised the policy rate by 175bp to 4.5 percent, of which 25bp in the fourth quarter, and expect the rate to stay around that level for most of 2024. The Swedish Riksbank raised the policy rate by 150bp to 4.0 percent but kept the rate unchanged in the fourth quarter.

The equity market was positive in 2023 and in the fourth quarter. Global equities rose 8 percent in the fourth quarter and 23 percent in 2023. Norwegian equities rose 1 percent in the fourth quarter and 10 percent in2023. The credit market was temporarily negatively affected by the closure of two regional banks in the US and the forced merger of Credit Suisse with UBS, but credit spreads generally have fallen both in the fourth quarter and during 2023.

Short-term interest rates continued to increase in 2023, in line with increased policy-rates from the central banks. Long-term interest rates rose in the first three quarters but fell in the fourth quarter as the market started to anticipate rate-cuts during 2024. The Norwegian 10-year swap-rate ended 2023 at 3.3 percent, a fall of 0.9 percentage points in the fourth quarter but almost unchanged in 2023. The Swedish 10-year swap-rate ended 2023 at 2.4 percent, a fall of 1.1 percentage points in the fourth quarter and a fall of 0.8 percentage points in 2023.

For the customer accounts and the corporate accounts for Storebrand Livsforsikring AS, most of the interest rate investments in the Norwegian guaranteed customer portfolios are valued at amortized cost. This dampens the effect from interest rate changes on booked returns. The amortized cost portfolio valuation in the accounts is now higher than fair value. For SPP, both investments and liabilities are valued at fair value. Since SPP has a similar interest rate sensitivity on assets and liabilities, changes in interest rates have a quite limited net effect on SPP's financial result under Swedish GAAP.

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

The Norwegian krone strengthened somewhat in the fourth quarter, but still weakened 7 percent against the Swedish krone, 7 percent against the euro and 4 percent against the US dollar in 2023. A high degree of currency hedging in the portfolio means that the exchange rate fluctuations have a modest effect on results and Storebrand's market risk.

There is an elevated risk associated with the valuation of financial instruments. There is thus greater uncertainty than normal related to pricing of financial instruments that are priced based on models, and it must be assumed that, when concerning illiquid assets, there is a difference between the estimated value and the price achieved when sold in the market. Valuations related to investment properties are considered to have particularly increased uncertainty because of macroeconomic developments, and the total transaction volume for investment properties was significantly lower in 2022 and 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 was positive in 2023. The booked return was also positive but was lower than the guarantee for some of the portfolios. As this was mainly covered by utilising customer buffers, the effect on the financial result was limited.

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

The return for the unit linked portfolios was positive in 2023 due to strong equity markets.

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

Sensitivity analyses for the group IFRS result

The sensitivities show the effect for the IFRS result from changes in financial market variables. The effect is disclosed for Contractual Service Margin (CSM) for the main products reported under the Variable Fee-approach (VFA) and General Measurement Model (GMM) under IFRS17.

Changes in Fulfillment cash-flows does not affect the result directly but impact the result through changes in CSM or Loss Component (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.

The investment strategy is to obtain risk premiums via investments in credits, equities and real assets and the financial result is hence affected by movements in these types of assets. For the guaranteed customer portfolios, the asset allocation is adjusted according to the risk capacity. For SPP the asset allocation is individualized, and the investment risk is adjusted according to the risk capacity on the different policies.

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).

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 2023.

Sensitivities
The following sensitivities are calculated:

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

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

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

The table presents the CSM impact per 31.12.2023 for the mentioned sensitivities.

The sensitivity calculations indicate that the financial market risk has the largest impact on CSM. A fall inequities, real estate and interest rates reduce the CSM as it reduces the probability of achieving returns according to the guarantee. In addition, Storebrand's revenue decreases in line with the lower market value of the portfolio. CSM is also impacted negatively with the increase of credit spreads. Changes in non-financial factors give a lower impact on the CSM.

NOK million Sensitivities	CSM as at end of period	Impact on CSM
	10 801	
Equity down		-1 842
Property down		-1 098
Interest rate up		948
Interest rate down		-839
Spread up		-891
Mortality down		-402
Disability up		-0
Expenses up		-298

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Note 6 Liquidity risk

Specification of subordinated loans [1]

NOK million	Nominal value	Currency	Interest rate	Call date	Book value 31.12.23	Book value 31.12.22
Issuer						
Perpetual subordinated loans [2]						
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	863	1,101
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2026	910	856
Storebrand Livsforsikring AS	300	NOK	Variable	2028	302	
Storebrand Livsforsikring AS	400	SEK	Variable	2028	406	
Storebrand Livsforsikring AS	300	NOK	Fixed	2028	316	
Dated subordinated loans						
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	907	851
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	1,010	947
Storebrand Livsforsikring AS	500	NOK	Variable	2025	501	500
Storebrand Livsforsikring AS [4]	650	NOK	Variable	2027	653	651
Storebrand Livsforsikring AS [3,4]	750	NOK	Fixed	2027	763	773
Storebrand Livsforsikring AS [3,4]	1,250	NOK	Variable	2027	1,260	1,261
Storebrand Livsforsikring AS 3[,5]	38	EUR	Fixed	2023		421
Storebrand Livsforsikring AS 3[,4]	300	EUR	Fixed	2031	2,782	2,397
Storebrand Bank ASA	125	NOK	Variable	2025	126	126
Storebrand Bank ASA	300	NOK	Variable	2026	300	300
Storebrand Bank ASA	400	NOK	Variable	2027	403	402
Total subordinated loans and hybrid tier 1 capital					**11,501**	**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] *Green bonds*

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

Specification of loans and deposits from credit institutions

NOK million	Book value 31.12.23	Book value 31.12.22
Call date		
2023		403
2024	283	
Total loans and deposits from credit institutions	**283**	**403**

Specification of securities issued

	Book value	
NOK million	31.12.23	31.12.22
Call date		
2023		4,321
2024	6,071	6,110
2025	8,288	8,326
2026	11,001	7,375
2027	8,127	5,907
2028	5,905	
2031	1,264	752
Total securities issued	**40,655**	**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.

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 valuating 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 31.12.23	Book value 31.12.23	Fair value 31.12.22	Book value 31.12.22
Financial assets				
Loans to and due from financial institutions	1,138	1,138	109	109
Loans to customers - retail	375	375	452	452
Bonds held to maturity	20	20		
Bonds classified as loans and receivables	6,002	6,010	4,266	4,281
Total financial assets 31.12.23	**7,535**	**7,543**		
Total financial assets 31.12.22			4,826	4,841
Financial liabilities				
Debt raised by issuance of securities	40,668	40,655	32,777	32,791
Loans and deposits from credit institutions	283	283	403	403
Deposits from banking customers	23,948	23,948	19,478	19,478
Subordinated loan capital	11,528	11,501	10,513	10,585
Total financial liabilities 31.12.23	**76,427**	**76,387**		
Total financial liabilities 31.12.22			63,171	63,256

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

	Level 1	Level 2	Level 3	Total fair value	
NOK Million	Quoted prices	Observable assumptions	Non-observable assumptions	31.12.23	31.12.22
Assets					
Loans to customers					
- Loans to customers - retail			58,882	58,882	49,156
Total loans to customers 31.12.23			**58,882**	**58,882**	
Total loans to customers 31.12.22			49,156		49,156
Bonds and other fixed-income securities					
- Government bonds		1,847		1,847	1,863
- Corporate bonds		4,133		4,133	4,567
- Structured notes		497		497	479
Total bonds and other fixed-income securities 31.12.23		**6,477**		**6,477**	
Total bonds and other fixed-income securities 31.12.22		6,909			6,909

Financial instruments 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	-11
Additions	29,155
Sales	-19,418
Book value 31.12.23	**58,882**

Valuation of financial instruments and real estate at fair value

NOK Million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total Fair Value 31.12.23	31.12.22
Assets:					
Equities and fund units					
- Equities	41,240	346	115	41,701	47,728
- Fund units		270,579	21,586	292,165	222,804
Total equities and fund units 31.12.23	**41,240**	**270,925**	**21,701**	**333,866**	
Total equities and fund units 31.12.22	30,690	221,334	18,507		270,532
Loans to customers					
- Loans to customers - corporate			10,391	10,391	11,248
- Loans to customers - retail			17,113	17,113	17,022
Total loans to customers 31.12.23			**27,504**	**27,504**	
Total loans to customers 31.12.22			28,270		28,270
Bonds and other fixed-income securities					
- Government bonds	27,674	35,094		62,768	54,717
- Corporate bonds		106,235	8	106,242	106,067
- Structured notes		14,055		14,055	14,292
- Collateralised securities		5,731		5,731	4,506
- Bond funds		75,966	15,138	91,105	85,122
Total bonds and other fixed-income securities 31.12.23	**27,674**	**237,080**	**15,146**	**279,900**	
Total bonds and other fixed-income securities 31.12.22	16,824	234,063	13,818		264,704
Derivatives:					
- Interest derivatives		-3,165		-3,165	-8,278
- Currency derivatives		5,140		5,140	2,263
Total derivatives 31.12.23		**1,975**		**1,975**	
- of which derivatives with a positive market value		8,093		8,093	6,627
- of which derivatives with a negative market value		-6,119		-6,119	-12,641
Total derivatives 31.12.22		-6,014			-6,014
Properties:					
Investment properties			32,644	32,644	33,481
Properties for own use			1,737	1,737	1,689
Total properties 31.12.23			**34,382**	**34,382**	
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**	**33,481**	**1,689**
Change in principle IFRS9/IFRS17	2		20,728				
Net gains/losses on financial instruments	-78	4,010	208		137	-2,550	-60
Additions		337	-69		1,701	925	39
Sales	-211	-1,354	-877		-1,280		-3
Exchange rate adjustments		219	437		770	804	74
Other		269				-16	-2
Book value 31.12.23	**115**	**21,586**	**27,504**	**8**	**15,138**	**32,644**	**1,737**

As at 31.12.23, Storebrand Livsforisikring had NOK 7.533 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.

Note 8 Insurance contracts

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	31.12.23 Total	31.12.22 Total
Contracts measured under VFA and GMM							
Amounts relating to changes in LRC							
Expected incurred claims and other insurance service expenses							
Expected incurred claims			611			611	482
Expected incurred expenses	520	201	110			831	773
Change in the risk adjustment for non-financial risk for risk expired	185	98	52			336	344
CSM recognised in P&L for services provided	1,106	450	342			1,898	2,056
Recovery of insurance acquisition cash flows	2	4	6			12	7
Insurance revenue from contracts measured under VFA and GMM	**1,813**	**753**	**1,121**			**3,687**	**3,662**
Insurance revenue from contracts measured under the PAA				4,161	1,300	5,461	4,852
Total insurance revenue	**1,813**	**753**	**1,121**	**4,161**	**1,300**	**9,148**	**8,514**
Incurred claims and other directly attributable expenses							
Incurred claims	4		-573	-3,208	-1,043	-4,820	-3,925
Incurred expenses	-598	-210	-96	-827	-176	-1,907	-1,769
Changes that relate to past service - Adjustment to the LIC				76	-267	-191	1
Losses on onerous contracts and reversal on those losses	-269	-12	-490			-771	-467
Insurance acquisition cash flows amortisation	-2	-4	-6			-12	-7
Total insurance service expenses	**-865**	**-226**	**-1,165**	**-3,959**	**-1,486**	**-7,701**	**-6,167**
Net income (expenses) from reinsurance contracts he	-1		-1	28	-8	17	-66
Total insurance service result	**946**	**527**	**-45**	**230**	**-194**	**1,464**	**2,281**

Composition of the balance sheet

NOK Million	Guaranteed pension				Insurance			Total
	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	
31.12.23								
Insurance contract liabilities	214,696	86,504	9,039	310,239	4,210	3,776	7,986	318,225
Reinsurance contract assets	-1		133	132	159	6	165	297
31.12.22								
Insurance contract liabilities	209,311	79,168	7,692	296,171	3,756	3,350	7,106	303,277
Reinsurance contract assets					309	9	317	317
Reinsurance contract liabilities		4		4	34		34	38

GUARANTEED PENSION

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

	31.12.23			
	LRC			
NOK Million	Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	295,235	937		296,171
Net opening balance	**295,235**	**937**		**296,171**
Insurance revenue	**-3,687**			**-3,687**
Insurance service expenses				
Incurred claims and other directly attributable expenses		-24	1,497	1,472
Losses on onerous contracts and reversal of those losses		772		772
Insurance acquisition cash flows amortisation	12			12
Insurance service expenses	**12**	**747**	**1,497**	**2,256**
Insurance service result	**-3,675**	**747**	**1,497**	**-1,431**
Finance expenses from insurance contracts issued recognised in profit or loss	15,129	31		15,160
Finance expenses from insurance contracts issued	**15,129**	**31**		**15,160**
Total amounts recognised in comprehensive income	**11,454**	**778**	**1,497**	**13,729**
Investment components	-16,054	-33	16,087	
Other changes	45			45
Effect of changes in foreign exchange rates	5,239	1		5,240
Cash flows				
Premiums recieved	9,607			9,607
Claims and other directly attributable expenses paid	3,081		-17,584	-14,503
Insurance acquisition cash flows	-51			-51
Total cash flows	**12,637**		**-17,584**	**-4,947**
Net closing balance	**308,556**	**1,682**		**310,239**
Closing insurance contract liabilities	308,557	1,682		310,239
Net closing balance	**308,557**	**1,682**		**310,239**

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**		**296,171**
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

	31.12.23			
NOK Million	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	283,085	3,556	9,530	296,171
Net opening balance	**283,085**	**3,556**	**9,530**	**296,171**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided			-1,898	-1,898
Change in the risk adjustment for non-financial risk for the risk expired		-338		-338
Experience adjustments	33			33
Total changes that relate to current service	**33**	**-338**	**-1,898**	**-2,202**
Change that relate to future service				
Changes in estimates that adjust the CSM	-2,531	381	2,151	
Changes in estimates that results in onerous contract losses or reversal of losses	371	185		555
Contracts initially recognised in the period	-719	135	800	217
Total changes that relate to future service	**-2,880**	**700**	**2,951**	**772**
Insurance service result	**-2,847**	**363**	**1,054**	**-1,430**
Finance expenses from insurance contracts issued recognised in profit or loss	15,127		33	15,160
Finance expenses from insurance contracts issued	**15,127**		**33**	**15,160**
Total amount recognised in comprehensive income	**12,281**	**363**	**1,086**	**13,730**
Other changes	45			39
Effect of changes in foreign exchange rates	4,989	65	185	3,888
Cash flows				
Premiums received	9,607			9,607
Claims and other directly attributable expenses paid	-14,503			-14,503
Insurance acquisition cash flows	-51			-51
Total cash flows	**-4,947**			**-4,947**
Net closing balance	**295,453**	**3,984**	**10,801**	**310,238**
Closing insurance contract liabilities	295,453	3,984	10,801	310,239
Net closing balance	**295,453**	**3,984**	**10,801**	**310,239**

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NOK Million	31.12.22 Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	311,532	4,517	11,810	327,860
Net opening balance	**311,532**	**4,517**	**11,810**	**327,860**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided			-2,056	-2,056
Change in the risk adjustment for non-financial risk for the risk expired		-344		-344
Experience adjustments	75			75
Total changes that relate to current service	**75**	**-344**	**-2,056**	**-2,325**
Change that relate to future service				
Changes in estimates that adjust the CSM	900	-660	-240	
Changes in estimates that results in onerous contract losses or reversal of losses	193	-21		172
Contracts initially recognised in the period	-288	101	472	286
Total changes that relate to future service	**805**	**-580**	**232**	**458**
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**

Impact of contracts recognised in the year

	31.12.23						
	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	25	19		7	25	26	**51**
Claims and other directly attributable expenses	1,286	1,059	4,390	1,455	5,676	2,514	**8,191**
Estimates of the present value of cash flows	**1,311**	**1,078**	**4,390**	**1,462**	**5,701**	**2,540**	**8,241**
Estimates of the present value of future cash inflows	-1,670	-905	-4,902	-1,483	-6,572	-2,388	**-8,960**
Risk adjustment for non-financial risk	44	47	37	8	81	54	**135**
CSM	**325**		**475**		**800**		**800**
Increase in insurance contract liabilities from contracts recognised in the period	**10**	**220**		**-14**	**10**	**207**	**217**

INSURANCE

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

	31.12.23				
	LRC		LIC for contracts under the PAA		
NOK Million	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	341	10	6,583	171	7,106
Net opening balance	**341**	**10**	**6,583**	**171**	**7,106**
Insurance revenue	**-5,461**				**-5,461**
Insurance service expenses					
Incurred claims and other directly attributable expenses			5,249		5,249
Adjustment to liabilities for incurred claims	25		148	18	191
Insurance service expenses	**25**		**5,397**	**18**	**5,440**
Insurance service result	**-5,435**		**5,397**	**18**	**-21**
Finance expenses from insurance contracts issued recognised in profit or loss			114		114
Finance expenses from insurance contracts issued			**114**		**114**
Total amounts recognised in comprehensive income	**-5,435**		**5,511**	**18**	**93**
Effect of changes in foreign exchange rates			65	4	69
Cash flows					
Premiums recieved	5,468				5,468
Claims and other directly attributable expenses paid			-4,750		-4,750
Total cash flows	**5,468**		**-4,750**		**718**
Net closing balance	**374**	**10**	**7,410**	**193**	**7,986**
Closing insurance contract liabilities	373	10	7,411	192	7,986
Net closing balance	**373**	**10**	**7,411**	**192**	**7,986**

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	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	215		6,037	167	6,419
Net opening balance	**215**		**6,037**	**167**	**6,419**
Insurance revenue	**-4,852**				**-4,852**
Insurance service expenses					
Incurred claims and other directly attributable expenses			4,122		4,122
Adjustment to liabilities for incurred claims			262	-21	240
Losses on onerous contracts and reversal of those losses		10			10
Insurance service expenses		**10**	**4,384**	**-21**	**4,372**
Insurance service result	**-4,852**	**10**	**4,384**	**-21**	**-480**
Finance expenses from insurance contracts issued recognised in profit or loss			13		13
Finance expenses from insurance contracts issued			**13**		**13**
Total amounts recognised in comprehensive income	**-4,852**	**10**	**4,397**	**-21**	**-467**
Effect of changes in foreign exchange rates			-33	-2	-35
Cash flows					
Premiums recieved	5,389				5,389
Claims and other directly attributable expenses paid			-4,201		-4,201
Total cash flows	**5,389**		**-4,201**		**1,188**
Net closing balance	**752**	**10**	**6,200**	**144**	**7,106**
Closing insurance contract liabilities	752	10	6,200	144	7,106
Net closing balance	**752**	**10**	**6,200**	**144**	**7,106**

Underlying items

NOK million	31.12.23 Garanteed products - Norway	31.12.23 Garanteed products - Sweden	31.12.22 Garanteed products - Norway	31.12.22 Garanteed products - Sweden
Assets				
Shares and fund units	35,728	10,175	29,862	9,092
Bonds and other fixed-income securities	132,083	51,166	128,209	46,406
Loans to customers	14,825	6,305	15,729	6,636
Derivatives	738	-1,564	-563	767
Investment properties	22,226	14,240	23,337	13,893
Cash and other underlying items	18,134	6,181	12,736	2,374
Total underlying items	**223,735**	**86,504**	**209,311**	**79,168**
Insurance contract liabilities	**223,735**	**86,504**	**209,311**	**79,168**

Note 9 Operating expenses

NOK million	Q4 2023	Q4 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
Personnel expenses	-865	-773	-3,307	-2,867
Amortisation/write-downs	-115	-99	-437	-381
Other operating expenses	-928	-822	-3,381	-2,985
Total operating expenses [1]	**-1,908**	**-1,694**	**-7,125**	**-6,233**

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

Note 10 Tax

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

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In March 2021 Storebrand received a decision from the Norwegian Tax Administration arguing that the liquidation of Storebrand Eiendom Holding AS resulted in a tax gain of approximately NOK 4.7 billion. Storebrand Livsforsikring AS appealed the decision to the Tax Appeals Commitee in May 2021, which in June 2023 ruled in favor of the company. In December 2023, the Ministry of Finance took legal action against 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 subpoena. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.6 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. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. In April 2022 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration and has challenged the decision to the Norwegian Tax Appeals Committee. As a result of the complaint the Norwegian Tax Administration reversed parts of its own decision in January 2023, and reduced the tax income by approximately NOK 800 million. The remaining parts of the disagreement must be dealt with by the Tax Appeals Commitee. The uncertain tax position is therefore recognized in the financial statement. 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 2022. The effect as mentioned in point B depends on the interpretation and outcome of point A. In June 2023, the Tax Appeals Committee ruled in favor of Storebrand's interpretation, and therefore generated an additional tax income of approximately NOK 0.44 billion. As already mentioned, the Ministry of Finance took legal action against the decision in December 2023. 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 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 31.12.23	Book value 31.12.22
Loans to customers at amortised cost	423	484
Loans to customers at fair value through profit and loss	27,504	28,270
Loans to customers at fair value through other comprehensive income (OCI)	58,928	49,191
Total gross loans to customers	**86,854**	**77,945**
Provision for expected loss stage 1	-6	-9
Provision for expected loss stage 2	-21	-19
Provision for expected loss stage 3	-66	-40
Net loans to customers	**86,761**	**77,878**

Loan loss provisions

	31.12.23			
	Stage 1	Stage 2	Stage 3	
NOK million	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2023	13	24	40	77
Transfer to stage 1 (12-month ECL)	3	-3	-1	
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-1	2		
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)		-3	3	
Net remeasurement of loan losses	-3	7	30	34
New financial assets originated or purchased	4	8	17	30
Financial assets that have been derecognised	-3	-6	-2	-11
ECL changes of balances on financial assets without changes in stage in the period	-2		-1	-3
Changes due to modification without any effect in derecognition				
ECL allowance on written-off (financial) assets			-21	-21
Changes in models/risk parameters				
Loan loss provisions 31.12.23	**10**	**29**	**66**	**105**
Loan loss provisions on loans to customers valued at amortised cost	3	6	38	47
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	3	14	28	46
Loan loss provisions on guarantees and unused credit limits	4	8		13
Total loan loss provisions	**10**	**29**	**66**	**105**

Loan loss provisions

NOK million	31.12.23	31.12.22
Non-performing and loss-exposed loans without identified impairment	267	73
Non-performing and loss-exposed loans with identified impairment	112	25
Gross non-performing loans	**379**	**98**
Write-downs stage 3	-66	-17
Net non-performing loans 1)	**313**	**82**

1) The figures apply in their entirety to Storebrand Bank

Note 12 Contingent assets and liabilities

NOK million	31.12.23	31.12.22
Unused credit facilities	4,883	3,737
Loan commitment retail market	2,607	3,246
Uncalled residual liabilities re limited partnership	3,990	4,087
Undrawn capital in alternative investment funds	14,949	12,238
Total contingent liabilities	**26,429**	**23,309**

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 44 in the 2022 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	31.12.23 Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.22 Total
Share capital	2,327	2,327				2,360
Share premium	10,842	10,842				10,842
Reconciliation reserve	30,286	30,286				25,877
Counting subordinated loans	8,943		1,912	7,031		9,661
Deferred tax assets	266				266	540
Not-counting tier 3 capital						-231
Risk equalisation reserve	1,091			1,091		905
Deductions for CRD IV subsidiaries	-5,972	-5,972				-4,804
Expected dividend	-1,834	-1,834				-1,718
Total basic solvency capital	**45,948**	**35,648**	**1,912**	**8,122**	**266**	**43,431**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	5,972					4,804
Total solvency capital	**51,921**					**48,236**
Total solvency capital available to cover the minimum capital requirement	**39,621**	**35,648**	**1,912**	**2,061**		**36,381**

Solvency capital requirement and -margin

NOK million	31.12.23	31.12.22
Market risk	18,842	21,267
Counterparty risk	1,062	1,119
Life insurance risk	11,069	9,004
Health insurance risk	1,049	971
P&C insurance risk	746	620
Operational risk	1,508	1,485
Diversification	-7,777	-7,075
Loss-absorbing ability deferred tax	-4,437	-4,954
Total solvency capital requirement - insurance company	**22,062**	**22,438**
Capital requirements for subsidiaries regulated in accordance with CRD IV	5,037	3,837
Total solvency capital requirement	**27,099**	**26,276**
Solvency margin	**192%**	**184%**
Minimum capital requirement	**10,304**	**9,647**
Minimum margin	**385%**	**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	31.12.23	31.12.22
Capital requirements for CRD IV companies	5,541	4,079
Solvency capital requirements for insurance	22,062	22,438
Total capital requirements	**27,603**	**26,517**
Net primary capital for companies included in the CRD IV report	5,972	4,804
Net primary capital for insurance	45,948	43,431
Total net primary capital	**51,921**	**48,236**
Overfulfilment	**24,318**	**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 December 2023, the difference amounted to NOK 504 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 4th quarter 2023.

Note 15 Divestment of company

Storebrand Storebrand ASA has entered into an agreement with ERGO International AG, a wholly-owned subsidiary of ERGO Group AG to sell its 50 per cent stake in Storebrand Helseforsikring AS. Storebrand Helseforsikring is a health insurance joint-venture in which ERGO International AG and Storebrand ASA each previously held a 50 per cent stake. The Company is headquartered at Lysaker in Norway and offers medical expense insurance in the corporate and retail markets in Norway and Sweden.

The closing of the transaction is expected in the first quarter of 2024, with an estimated positive impact of approximately NOK 1.1 billion on Storebrand's Group results. Completion of the transaction is subject to approval from the Norwegian Financial Supervisory Authority (NFSA) and the Norwegian Competition Authority.

Storebrand ASA

Income statement

	Q4		01.01 - 31.12	
NOK million	2023	2022	2023	2022
Operating income				
Income from investments in subsidiaries	4,465	3,178	4,465	3,187
Net income and gains from financial instruments:				
- equities and other units	-2	-3	-9	-25
- bonds and other fixed-income securities	53	64	186	51
Other financial instruments	1	1	7	2
Operating income	**4,518**	**3,239**	**4,649**	**3,215**
Interest expenses	-8	-5	-26	-23
Other financial expenses	-107	18	-111	110
Operating expenses				
Personnel expenses	-14	-13	-52	-50
Other operating expenses	-48	-46	-191	-170
Total operating expenses	**-61**	**-59**	**-243**	**-220**
Total expenses	-176	-47	-381	-133
Pre-tax profit	**4,342**	**3,193**	**4,268**	**3,082**
Tax	-200	-192	-184	-143
Profit for the period	**4,142**	**3,001**	**4,083**	**2,939**

Statement of total comprehensive income

	Q4		01.01 - 31.12	
NOK million	2023	2022	2023	2022
Profit for the period	**4,142**	**3,001**	**4,083**	**2,939**
Other total comprehensive income elements not to be classified to profit/loss				
Change in estimate deviation pension	-2	14	-2	14
Tax on other comprehensive elements	1	-3	1	-3
Total other comprehensive income elements	**-2**	**10**	**-2**	**10**
Total comprehensive income	**4,140**	**3,011**	**4,082**	**2,949**

Storebrand ASA

Statement of financial position

NOK million	31.12.23	31.12.22
Fixed assets		
Deferred tax assets	24	36
Tangible fixed assets	29	28
Shares in subsidiaries and associated companies	26,425	24,100
Total fixed assets	**26,477**	**24,164**
Current assets		
Owed within group	4,467	3,178
Other current receivables	14	14
Investments in trading portfolio:		
- equities and other units	31	40
- bonds and other fixed-income securities	2,336	4,629
Bank deposits	46	433
Total current assets	**6,894**	**8,294**
Total assets	**33,371**	**32,458**
Equity and liabilities		
Share capital	2,327	2,360
Own shares	-91	-39
Share premium reserve	10,842	10,842
Total paid in equity	**13,078**	**13,163**
Other equity	16,817	15,932
Total equity	**29,896**	**29,095**
Non-current liabilities		
Pension liabilities	111	118
Securities issued	501	501
Total non-current liabilities	**612**	**618**
Current liabilities		
Debt within group	990	1,002
Provision for dividend	1,834	1,718
Other current liabilities	39	25
Total current liabilities	**2,864**	**2,745**
Total equity and liabilities	**33,371**	**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				4,083	4,083
Total other result elements				-2	-2
Total comprehensive income				**4,082**	**4,082**
Provision for dividend				-1,832	-1,832
Own shares bought back [2)]		-88		-1,412	-1,500
Own shares sold[2)]		3		43	46
Cancellation of own shares[1)]	-32	32			
Employee share[2)]				5	5
Equity at 31. December 2023	**2,327**	**-91**	**10,842**	**16,817**	**29,896**

[1)] *465 497 866 shares with a nominal value of NOK 5. Share capital reduced in August by NOK 32 million by cancellation of 6.477.024 shares.*

[2)] *In 2023, Storebrand ASA has bought 17.525.185 own shares. In 2023, 634.781 shares were sold to our own employees. Holding of own shares 31. December 2023 was 18.177.024.*

Storebrand ASA

Statement of cash flow

NOK million	01.01 - 31.12 2023	2022
Cash flow from operational activities		
Net receipts/payments - securities at fair value	2,479	224
Payments relating to operations	-257	-233
Net receipts/payments - other operational activities	3,181	4,551
Net cash flow from operational activities	**5,402**	**4,541**
Cash flow from investment activities		
Payments - purchase/capitalisation of subsidiaries	-2,598	-1,511
Net cash flow from investment activities	**-2,599**	**-1,512**
Cash flow from financing activities		
Payments - repayments of loans		-500
Payments - interest on loans	-26	-23
Receipts - sold own shares to employees	52	45
Payments - buy own shares	-1,500	-500
Payments - dividends	-1,715	-1,646
Net cash flow from financing activities	**-3,190**	**-2,624**
Net cash flow for the period	**-386**	**405**
Net movement in cash and cash equivalents	-386	405
Cash and cash equivalents at start of the period	433	28
Cash and cash equivalents at the end of the period	**46**	**433**

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.

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 Income from subsidiaries

NOK million	2023	2022
Storebrand Livsforsikring AS	3,439	2,325
Storebrand Bank ASA	395	208
Storebrand Asset Management AS	627	510
Storebrand Forsikring AS		134
Storebrand Facilities AS	4	1
Storebrand Helseforsikring AS		9
Total	**4,465**	**3,187**

Note 4 Bond and bank loan

				01.01 - 31.12	
NOK million	Interest rate	Currency	Net nomial value	2023	2022
Bond loan 2020/2025	Variable	NOK	500	501	501
Total [1]				**501**	**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.

Financial calendar

7 February 2024	Results Q4 2023
14 March 2024	Results Q4 2023
4 April 2024	Annual General Meeting
24 April 2024	Results Q1 2024
12 July 2024	Results Q2 2024
23 October 2024	Results Q3 2024

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