storebrand

Storebrand ASA
Annual Report

2020

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Facts and figures 2020

Number of employees

1,824

Group profit[1], NOK million

2,711

Return on equity[2]

8.6 %

Solvency margin[3]

178 %

Assets under Management, NOK billion

962

Assets under Management screened for sustainability criteria

100 %

Investments in fossil free funds, NOK billion

379.2

Investments in solutions[4], NOK billion

92.6

Real estate investments with green certificates

43 %

Rank in Global 100 among insurance companies

#1

1) Profit before amortisation
2) After tax, adjusted for amortisation of intangible assets
3) Including transitional rules
4) Solution companies, Green Bonds and real estate with Green Building Certificate

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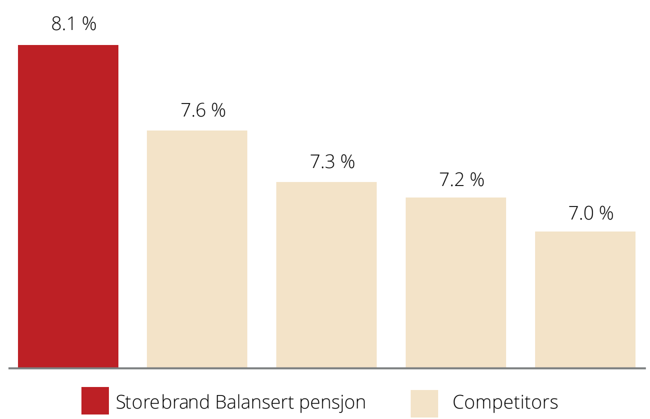
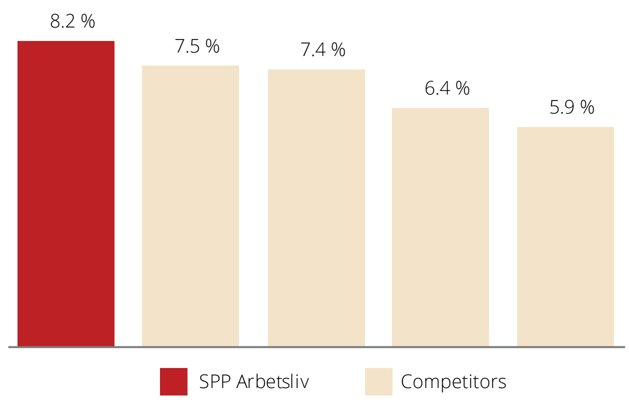
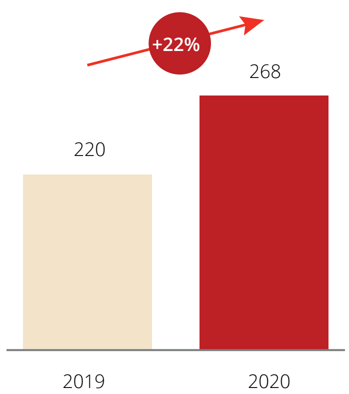
Defined Contribution pensions Norway – Annualised return last 5 years*



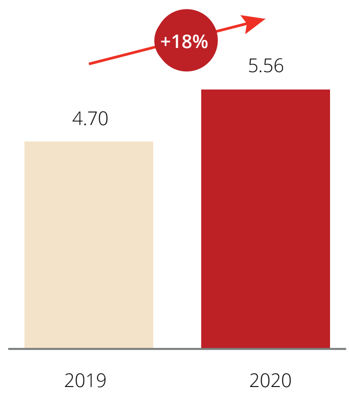
Pension investment profiles Sweden – Annualised return last 5 years)**



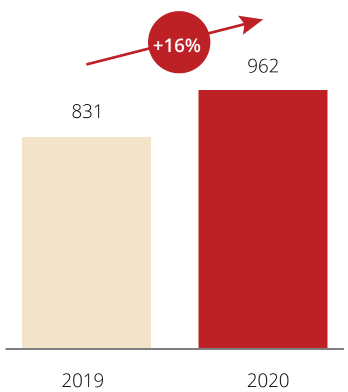
Unit Linked reserves (NOK billion)



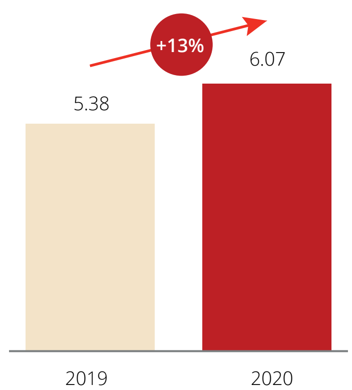
Written portfolio premiums (NOK billion)



Total assets under management (NOK billion)



Earnings per share, adj. for amortisation (NOK)



*) Returns based on comparable investment portfolios with moderate risk (ca. 50% equity exposure) for active Defined Contribution plans.

**) Returns based on comparable investment portfolios with moderate risk (ca. 50% equity exposure) for active pension plans in the accumulation phase with a guaranteed return.

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A rather different year

The year 2020 ended up very different from what we had foreseen. Still, we are satisfied by solid results and progress in key areas across the organisation. We delivered value to customers, investors and employees, and we made significant progress in preserving our position as a leading player in sustainable finance.

Odd Arild Grefstad
Group Chief Executive Officer

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After a strong year in 2019, we had a good momentum coming into the new year. Unexpectedly, reports of a seriously infectious virus started spreading rapidly. We soon realised that the world was facing a new pandemic, but none of us could have predicted that the situation would prevail for so long. The health authorities have started vaccinating populations, but it will take time before we can put Covid-19 behind us. Lock-down, layoffs and bankruptcies in the business sector will probably be prevalent for years to come.

Storebrand provides products and services that are essential for the functioning of our ociety. The pandemic put us all to the test. I am very proud of our ability to handle the situation in a good way, both for our customers and each other. Customers, authorities and our auditors have given us feedback of a well-organised and effective emergency response. We handled the increased risk well, delivered good returns on the capital we manage on behalf of our customers, paid out pensions and insurance settlements, we issued loans and payment deferrals, and we provided extensive advice to our customers during a period of uncertainty. Most of the work was carried out while working from home. We adopted new ways of interacting and maintaining productivity, using digital tools and a spirit of collaboration. We implemented infection control measures quickly, which meant that we were fortunate enough to avoid outbreaks of infection in connection with work carried out in our premises throughout the year.

In the corporate market in Norway, we landed several large new customers in a competitive market. We also received renewed trust from existing customers who announced bids on tenders. We are prepared to roll up our sleeves as individual pension accounts are introduced in Norway in 2021. We will continue to work hard to provide good customer experiences, so that customers will prefer Storebrand.

In the Norwegian public service pension market, we are the only challenger to KLP, which has had a monopoly for several years. Through our continuous efforts, we achieved several breakthroughs throughout the year with public enterprises, culminating in the agreement with Vestland County. This is an important step to realise business opportunities in the future.

In the market for defined contribution pensions, we have achieved the best return in the market for several of the last five years, which enhances our standing to new and existing customers. Our guaranteed products also had better returns than our competitors, both in Norway and Sweden. This was crucial to preserving financial solvency in a turbulent financial market. The results give us credibility as a professional asset manager and help secure the basis for further growth.

Our subsidiary in Sweden, SPP, succeeds in transferring almost 90 per cent of the customer stock to a new technological platform, and is now the fastest growing pension company in Sweden. We continue to focus on the Swedish market, with digitisation, sustainability and service development as our most important value propositions.
In the private market in Norway, we established several solid partnerships, including with Huseierne and Coop. Both organisations represent a large number of members and strengthen our distribution and competitiveness towards retail clients all over Norway. The purchase of Insr strengthened our position in non-life insurance. The takeover of the Insr portfolio is well underway.

Sales of non-life insurance increased by 15 per cent from 2019 to 2020, and online sales in insurance rose by 63 percent. We see great growth opportunities in non-life insurance in the years to come.

In Norway, the "My Money" app was downloaded by over 120,000 people. The cooperation between the savings branch in the retail market, and Storebrand asset management continued its positive development. We will build on our strong position in asset management to strengthen our value proposal to retail clients.

Storebrand's ability to create value contributed to several new international agreements in asset management, including a mandate of NOK 5 billion in England. We currently manage over NOK 960 billion on behalf of our customers and have ambitions for further growth.

We are committed to ensuring that our sustainability work leads to real-world results, whether in cooperation with large international organisations to stop deforestation in Brazil, or through good returns in our specialised sustainability funds. In 2020, Storebrand was named the world's most sustainable insurance company by Corporate Knights Global 100. In addition, the Dow Jones Sustainability Index included the Storebrand stock on its list of the 10 per cent most sustainable companies in the world. Both are important recognitions of our long-term work on sustainability, and on systematic reporting on targets and results. In 2020, we introduced a new climate policy for the whole group, a new climate strategy for Storebrand's investments and a new purchasing policy with clear expectations for our suppliers.

Inspired by 2020, where developing new working habits were essential, we will, through the Future Storebrand project, further develop our workplace and practices so that they are adapted to the needs of individual teams and departments. The aim is to further develop Storebrand as a leading and future-oriented workplace.

Although 2020 was a different year, our regular employee surveys showed that we had a high level of engagement among our employees, significantly above the industry average. This is important to the more than 200 new employees who were employed at Storebrand through last year, and all existing employees.

For me, I will look back at 2020 as a year whereh we delivered on our social mission in demanding circumstances. We were there when our customers needed us most, and our employees, products and services helped create a future to look forward to for very many.

Odd Arild Grefstad

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Looking ahead

Storebrand's business has a huge impact on the society we live in. We will manage this responsibility in a proper manner. Storebrand collaborates with the companies we are invested in, and express clear expectations towards our suppliers, to achieve changes that contribute to a more sustainable world. We also help our customers make informed choices through long-term savings solutions that provide good returns and positive social development.

Didrik Munch
Chairman, Storebrand ASA

In 2020, the pandemic outbreak put all parts of society to the test. Storebrand was conscious of its responsibilities, both as a service provider and an employer. The Board would like to thank all employees for the all their contributions that enabled Storebrand to assist our customers when they needed us most. Everyone at Storebrand has shown great flexibility, ensuring that our critical tasks have been solved in an extraordinary situation.

This has made us capable of delivering good results throughout the year. The total return for the year was slightly higher than for comparable European companies[5)], and defined contribution pensions in Norway Storebrand still has higher average returns over the past five years than our competitors. Within savings, which is Storebrand's core business, we see increased fee and administration income as a result of strong underlying volume growth in unit linked and asset management.

To secure a future to look forward to, we must make good decisions today. We managed the pension and saving of around two million people in Norway and Sweden- and our decisions today will affect their future. In the following, I want to highlight some of the changes I believe will have the greatest impact on our customers, and for Storebrand, over the next few years.

In 2021, 1.5 million people will get access to individual pension accounts in Norway. Individual pension account means that pensions saved by current and former employers are collected in a separate pension account in the current employer's scheme. The purpose is to give employees a better overview and control of their own pension and savings, and ultimately higher payouts. Workers can also choose freely to move the pension savings out of the employer's pension scheme, to a provider of their choice. The individual retirement account is expected to increase competition, both to attract new customers and retain existing ones. Through this, margins in the industry will be ever more competitive. For Storebrand, this will require more cost-effective services, and upholding our professional management. Our goal is to sustain our position as the leading provider of occupational pensions in the private sector.

Also, in Sweden we see that the competition is intensifying. The Swedish occupational pension market is fragmented, with mutual pension companies, bank-owned life and pension companies, and insurance providers.

In the past two years, three of the largest brokerage companies have been acquired by private equity firms. This indicates a strong belief in growth in the financial advice market, in an industry that has traditionally been unavailable to new entrants. All competitors express strong growth ambitions.

To ensure healthy margins across our markets, we must continue to have cost-effective operations and foster digital innovation power. Digitisation of the entire value chain ensures good distribution and self-service solutions that provide increased flexibility for customers.

Customers in the retail market expect ever more individualised services, which we can deliver through customer insights, analysis capacity, value-added services, and good advice from capable employees. Going forward, we will build on newly established partnerships to strengthen distribution possibilities and further develop our value proposal to existing and new customers within savings, insurance and banking. With long traditions, the breadth of our service offering, sustainable and innovative solutions, we are well positioned for further growth in the Norwegian retail market.

Storebrand has a great starting point for strengthening our position in the public sector as well. The market potential is significant, and the public

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service pension market is ripe for increased competition. Our new focus on public service pensions achieved several important breakthroughs in 2020. Based on our expertise and strong technological platform, and as the sole provider of occupational pensions to both the retail market and the public sector, we have all the prerequisites in place to achieve profitable growth, satisfied customers and efficient customer solutions.

In recent years, Storebrand asset management has evolved from a focus on investments in traditional asset classes such as equities and bonds- to an increasingly diversified portfolio including real estate, private equity and infrastructure. Storebrand asset management is now recognised as a leading multi-boutique manager in the Nordic region. We will continue to build on the positive momentum, with the aim of realizing further growth ambitions as a Nordic powerhouse for asset management.

Storebrand has 25 years of experience with sustainable investments, and is consistently ranked highly for our efforts, both nationally and internationally. Sustainable finance is high on the EUs agenda and hence important Storebrand and our stakeholders. The EU Action Plan for Sustainable Finance will be a clear premise for the financial industry in the years ahead. The Disclosure Regulation, which comes into force in March 2021, sets clear requirements for the disclosure of environmental aspects, social aspects and corporate governance (ESG) for fund managers and institutional investors. Storebrand has been working systematically on sustainability for decades and is well prepared to adapt to the new regulatory requirement.

Climate adaptation and the transition to a low-emission society involve both risks and opportunities for Storebrand. Through the investor initiative Net Zero Asset Owner Alliance (NZAOA), we are committed to adapting our investment portfolio to the 1.5-degree target of the Paris Agreement, which means that the investment portfolio must be carbon neutral by2050, at the latest. This is an ambitious goal that requires close dialogue with the companies we invest in to help reduce their emissions.

The time ahead will present a number of exciting challenges for Storebrand. I am convinced that Storebrand's employees will handle these in an excellent way. There is a high level of engagement in the organisation, and many employees highlight that sustainability gives their work and additional purpose. This will make Storebrand capable of delivering value beyond financial returns to our customers. Storebrand will continue to contribute to lasting and positive changes, in line with our customers and society's expectations. We will continue to challenge ourselves, the companies in we invest in, our suppliers and partners, so that we all contribute to the transition we all face. At the same time, we will help our customers make good choices so that they have a future to look forward to.

In 2020, storebrand employees showed a fantastic ability to adapt, almost overnight, to a life consisting of home office, home school, closed kindergartens and limited social interaction. While still being there for our customers. The experience was demanding for both managers and employees, but contributed to new ways of working together across the organisation. The team spirit was strengthened, and many acquired new knowledge that will be very valuable going forward.

5) Compared to European Insurance Index Bone clock

5) Se kapittel 3, People - dette er fornoten på norsk?!

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About Storebrand

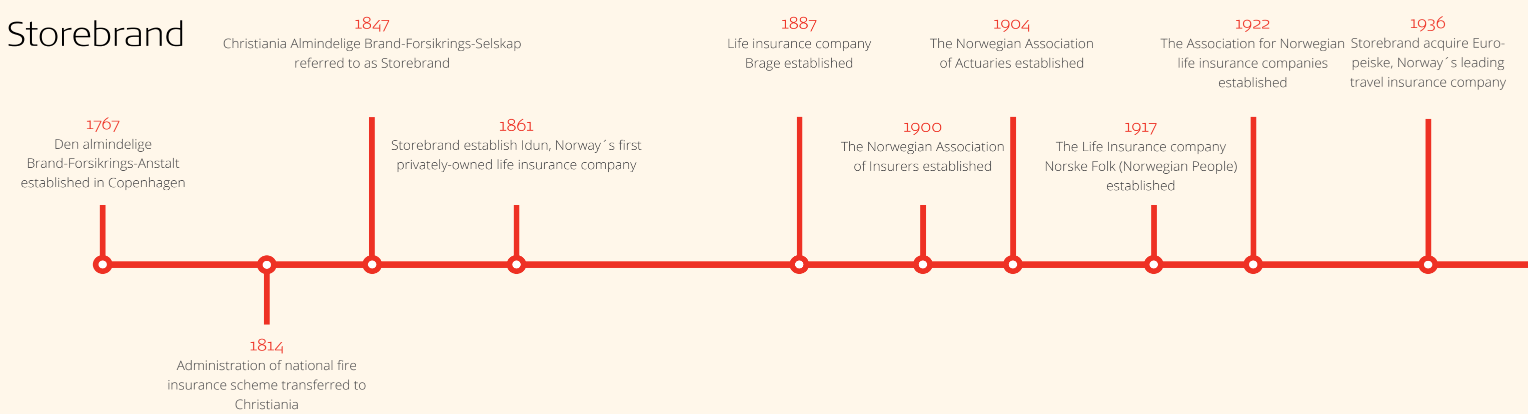
OUR DRIVING FORCE

Storebrand is a financial group, headquartered in Oslo, Norway. We offer pension, savings, insurance and banking products to individuals, businesses and public enterprises. We work hard to understand our customers well enough to consistently meet their expectations. Customers should be confident that we put their needs first.

We've been a part of people's lives for more than 250 years. Today we are one of the largest private asset managers in the Nordic region – with NOK 962 billion invested in more than 4,500 companies around the world. Over two million people in Norway and Sweden place their savings with us. This comes with clear obligations. . We are committed to managing our customers' money effectively and responsibly, helping them to fulfil their dream of increased financial freedom and financial security for the future. Assets under management shall be invested according to best sustainable practices, ensuring good financial returns and a positive impact on society. We shall make it easy for our customers to make good choices, both for themselves and society.

Our purpose is clear - we create a future to look forward to.

Storebrand' s driving force helps create a future to look forward to. We will be closest to the customer, in a simple and sustainable way, to deliver increased financial security and freedom. We do this by being courageous pathfinders and by leading the way in sustainable investments.



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Organisation

LEGAL STRUCTURE (SIMPLIFIED)

Storebrand ASA

- Storebrand Livsforsikring AS
  - SPP Pension & Försäkring AB
- Storebrand Forsikring AS
- Storebrand Bank ASA
  - Storebrand Boligkreditt AS
- Storebrand Asset Management AS
  - SPP Fonder AB
  - Storebrand Fastigheter AB
  - SKAGEN AS
  - Cubera Private Equity AS
- Storebrand Facilities AS
- Storebrand Helseforsikring AS (50 %)

Business Segments

Savings

Consists of products that encompass pension savings without interest rate guarantees. This includes defined contribution pensions in Norway and Sweden, asset management and savings and banking products for private individuals.

Guaranteed Pension

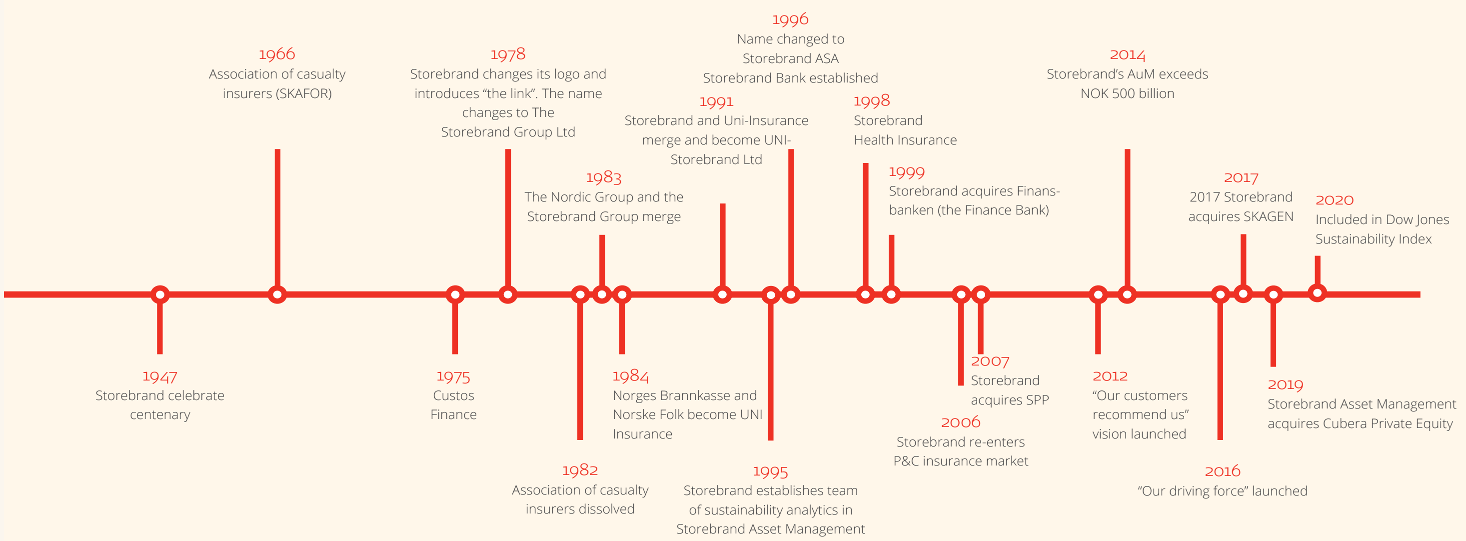
Consists of products that include long-term pension savings, where customers have a guaranteed return. This area includes occupational pension schemes in Norway and Sweden, independent personal pensions and pension insurance.

Insurance

Consists of the Group's risk products in Norway and Sweden. This comprises health insurance in the corporate and retail markets, employer's liability insurance and pension-related insurance in the corporate market as well ass property, accident, and personal risk insurance products in the Norwegian retail market.

Other

This includes other companies within the Storebrand Group, including small subsidiaries of Storebrand Life Insurance and SPP.



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Sustainability as a core business

In 2019, the UN released the results of the most thorough planetary health check ever undertaken, the IPBES[6)] report on biodiversity and ecosystem services. The report is clear in its conclusion: Loss of biodiversity and ecosystems occurs to a extent that must be limited urgently so as not to entail irreversible consequences. The backdrop for the report is the 2018 UN Special Report on global warming of 1.5°C, which concluded that the transition to a low-emission society requires swift action. The transition represents both financial risks and opportunities for Storebrand as an investor and asset manager.

The financial sector plays a key role in helping to achieve the UN Sustainable Development Goalsn(SDGs). Through good management, our pensions, savings and investments can be powerful tools to address key challenges and to realise the Sustainability goals. As a significant asset owner, insurer and asset manager, we also see great economic opportunities in the alignment of investment portfolios to a sustainable agenda, in line with international obligations. In the long term, this will also result in higher returns.

Companies with sustainability as a key part of their business strategy have good conditions for managing climate and sustainability risks and capitalizing on the opportunities they represent. There is growing consensus that companies that have a strategy in line with the SDGs and the Paris Agreement have better conditions than others to create long-term returns and may be better positioned to succeed in future markets.

Sustainability in Storebrand

Sustainability is integrated in our business strategy and implemented across the entire business, including investments, products and product development, procurement, employment policies and business management.

Our main objective is to leverage sustainability as a competitive advantage. Members of the executive management group are responsible for achieving our main strategic goals on sustainability within their respective business areas. Business unit goals and targets are reviewed three times a year by the executive management group and semi-annually by the Board of Directors.

At an operational level, our work on sustainability is divided into three areas: Keeping our house in order, products and services, and communication and stakeholder engagement.

Keeping our house in order

In our work, we rely on these sustainability principles:

- We base our business activities on the UN Sustainable Development Goals.
- We help our customers to live more sustainably. We do this by managing our customers' money in a sustainable manner, in addition to providing sustainable financing and insurance.
- We are a responsible employer.
- Our processes and decisions are based on sustainability outcomes – from the Board and management, who have the ultimate responsibility, to each employee who promotes sustainability in their respective business area.
- We use the precautionary principle when it comes to mitigating social and environmental risk.
- We are transparent about our work and our sustainability results.

We have identified three SDGs which we can significantly impact by the way we manage our group's business and people processes.At the end of relevant chapters of this report, figures are provided that show how far we have come in this work.

We work actively towards equal opportunities and gender balance in work and economic life (target 5.5).

We aim to achieve decent work for all our employees, and equal pay for work of equal value (target 8.5).

We aim to protect labour rights and promote safe and secure working environments for all our workers, contractors and suppliers (target 8.8).

We continuously work towards encouraging and expanding access to banking, insurance and financial services for all (target 8.10).

We strengthen resilience and adaptive capacity to climaterelated hazards and natural disasters in our operations and in our investments (target 13.1).

We integrate climate change measures into our policies, strategies and planning (target 13.2).

6) The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

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Products and Services

Storebrand is a leading financial player in the Nordic market and will be a pioneer in sustainable investments. We started with sustainable investments already in the mid-1990s. In 2005, we introduced minimum standards for all our investments through the Storebrand standard, and in 2010 we integrated sustainability into all our funds through a separate ranking methodology. In 2020, Prospera ranked us in first place in the sustainable investment category in both Norway and Sweden, and we achieved the highest score at Mercer within ESG. Furthermore, we scored best among the major financial institutions in the Ethical Banking Guide in Norway and were included on the Dow Jones Sustainability Index's list of the world's ten per cent most sustainable companies.

These are important recognitions of the work both with operationalization of sustainability throughout our business, and the integration of criteria for sustainability in our investment products. All our funds are managed according to the Storebrand standard. In addition, 9.6 per cent of our capital invested in what we call solutions – companies that contribute to the UN's sustainability goals, green bonds, and certified green property investments. In addition, almost 40 per cent (379 billion NOK) of our assets under management at the end of 2020, were invested in fossil-free funds. All assets under management in our Swedish branch SPP Funds are invested in funds consisting of companies unaffiliated with the fossil sector.

We have identified eight SDGs (below) where we can have the greatest impact through our investment activities. We use these sustainability goals actively in asset management, for example when applying our sustainability rating. In addition, we consider accountability and anti-corruption (SDG 16) when engaging with the companies we invest in (see page 62). For Specific measures and objectives related to these sustainability goals in our asset management are described in the chapter a driving force for sustainable investments.

Communication and stakeholder dialogue

We are open about our sustainability efforts and report in accordance with several leading reporting standards, including the Global Reporting Initiative (GRI), task force on Climate-RelatedFinancial Disclosures (TCFD) and Carbon Disclosure Project (CDP), in line with the expectations of a number of key stakeholders. Strategic ambitions, specific goals, reporting and communication on sustainability are important success criteria in our work. In addition, we engage in international sustainability initiatives such as The Net Zero Asset Owner Alliance and Climate Action 100+ to help our customers have a future to look forward to.

We form strong partnerships to realise our sustainability objectives. This illustrates our strong commitment to Sustainable development goal17: collaboration to achieve the goals. In addition, through stakeholder dialogue and communication, we want to influence these sustainability goals:

We encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target 12.6).

We strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in our operations and in our investments (target 13.1).

We integrate climate change measures into our policies, strategies and planning (target 13.2).

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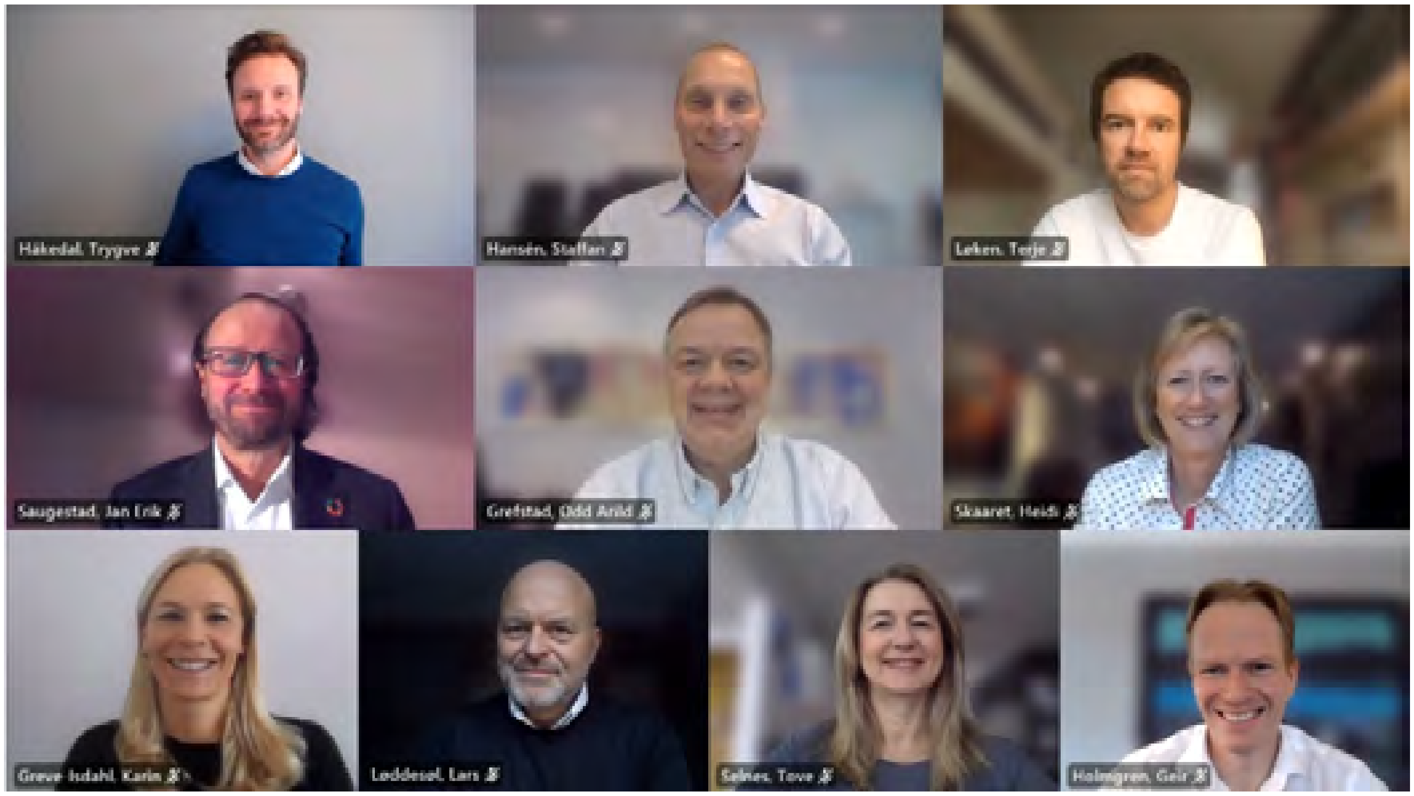
Group management



From left: **Trygve Håkedal** (Executive Vice President Technology), **Staffan Hansén** (CEO, SPP), **Terje Løken** (Executive Vice President Digital and Innovation), **Jan Erik Saugestad** ((Executive Vice President Ass.Mngt), **Odd Arild Grefstad** (CEO), **Heidi Skaaret** (Executive Vice President Retail Market), **Karin Greve-Isdahl** Executive Vice President Communications, Sustainability and Business Policy), **Lars Løddesøl** (Group CFO), **Tove Selnes** (executive vice president People), **Geir Holmgren** Executive Vice President Corporate Market).

See attachments on page 211 for full CVs for group management

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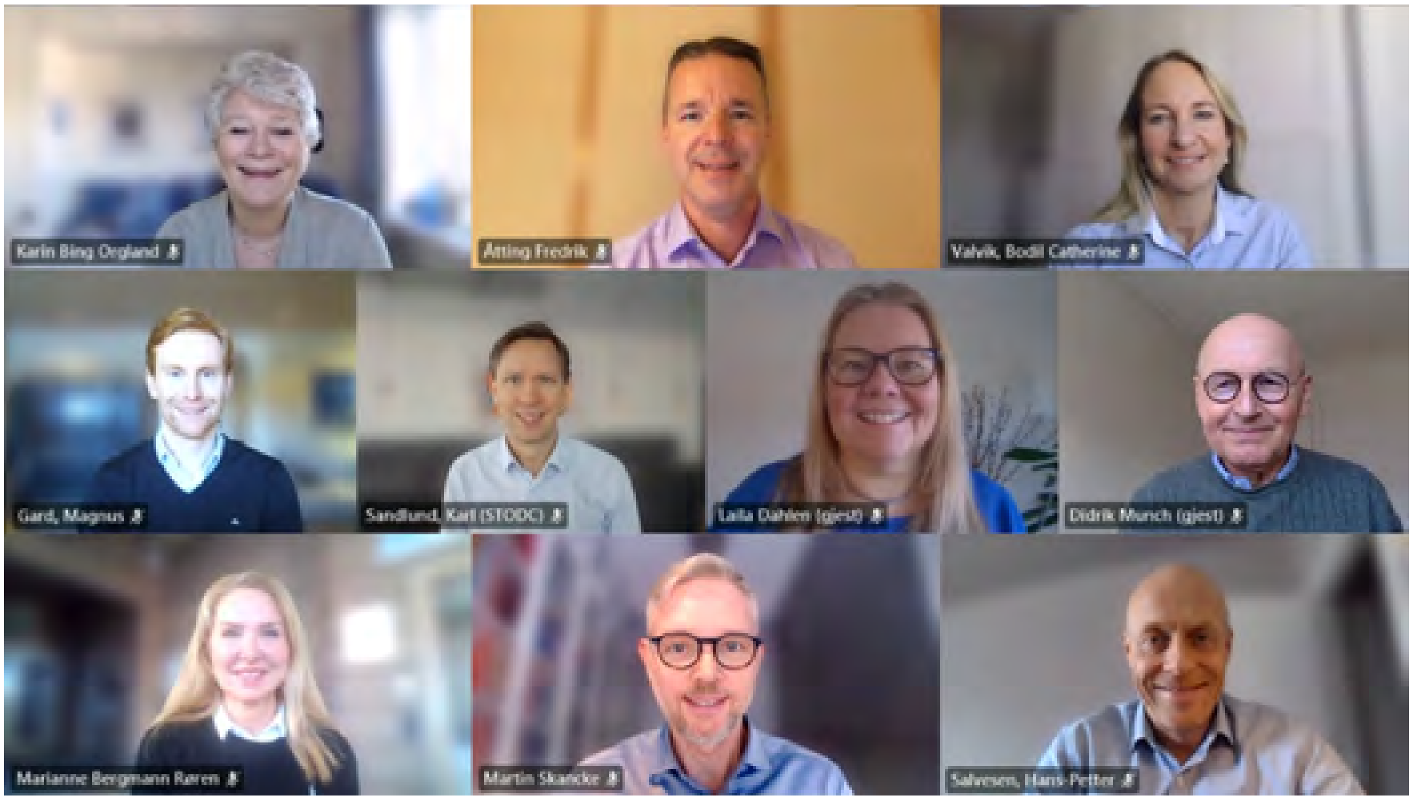
Corporate Board of Directors



From left: **Karin Bing Orgland** (Member of the Board), **Fredrik Åtting** (Member of the Board), **Bodil Catherine Valvik** (Employee Representative), **Magnus Gard** (Employee Representative), **Karl Sandlund** (Member of the Board), **Laila S. Dahlen** (Member of the Board), **Didrik Munch** (Chairman of the Board), **Marianne Bergmann Røren** (Member of the Board), **Martin Skancke** (Member of the Board), **Hans-Peter Salvese**n (Employee Representative).

See attachments on page 215 for full resumes for board and committee members.

Board of Directors

The Board is ultimately accountable for management of the Storebrand Group. This means, amongst other things, that the Board will ensure responsible organisation of the business and establish plans, budgets and procedures. The Board oversees the administrative management of the Group, maintaining insight into the Storebrand Group's financial position. In addition, the Board shall ensure that business activities, accounting and asset management are subject to proper scrutiny. All Directors are independent and do not have significant business relations with Storebrand. All shareholder-elected directors are non-managerial staff.

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COMMITTEES

The Board has appointed four committees to support its role: the Audit Committee, the Compensation Committee, the Strategy Committee and the Risk Committee. More information on the role of each committee can be found on page 193.

The Strategy Committee

Leader
Didrik Munch

Members
Fredrik Åtting
Laila S. Dahlen
Hans-Petter Salvesen

The Audit Committee

Leader
Karin Bing Orgland

Members
Martin Skancke
Bodil Catherine Valvik

The Compensation Committee

Leader
Didrik Munch

Members
Marianne Bergmann Røren
Hans-Petter Salvesen

The Risk Committee

Leader
Martin Skancke

Members
Fredrik Åtting
Magnus Gard

The Nomination Committee

Leader
Per Otto Dyb

Member (shareholder elected)
Leiv Askvig, Nils Halvard Bastiansen
Anders Gaarud, Margareth Øvrum

Material issues

To ensure that we have a comprehensive and long-term approach to creating value for our shareholders, customers, employees and society at large, we regularly conduct a materiality analysis. This ensures alignment between our goals and prioritised areas, and our stakeholders' expectations. The material analysis has been adjusted and updated through ongoing stakeholder dialogue in recent years and was further developed in 2020.

The analysis defines the challenges and opportunities that both Storebrand and our stakeholders perceive as most crucial to reaching our long-term strategic goals, and where we have the greatest impact on society and the environment. Our main stakeholders, and those we consider most relevant to the analysis, are shareholders, customers, employees, authorities and NGOs. The analysis is publicly available. [7)]

The dialogue with stakeholders is conducted through interviews, surveys and direct dialogue. We also extract information that is collected through interaction with stakeholders, such as general meetings, customer surveys and meetings, as well as participation in committees and initiatives aimed at solving a wide range of sustainability issues. Based on the materiality analysis, we identified four focus areas and

7) https://www.storebrand.no/en/sustainability/sustainability-library/_/attachment/download/a66150fc-0f46-4c2d-8aa1-cbb3d5ebc00d:d12bc8eb4126c99c0ae94c0e72b9d8b0e6ad0c1a/Materiality%20analysis%20report%202019.pdf

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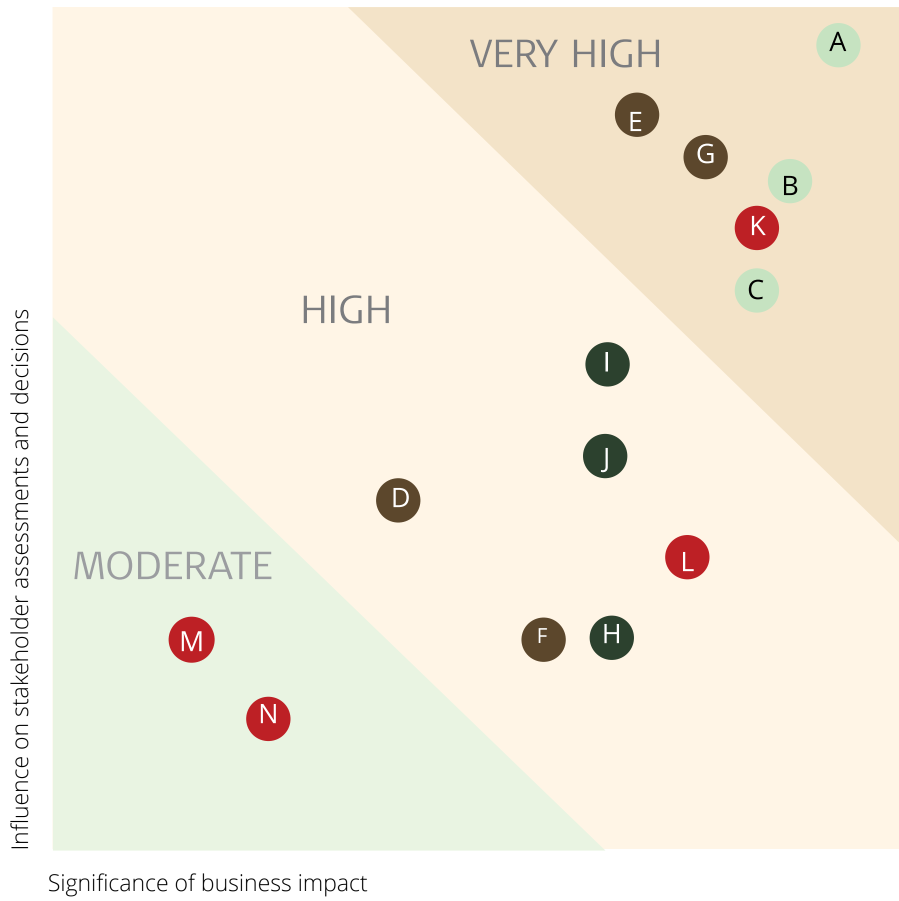

Financial capital and investment universe

- A Competitive long-term returns to shareholders an customers
- B Driving force for sustainable investments
- C Active owners and reducing ESG (Environmental, Social and Governance) risk

Customer relations

- D Greater financial security and freedom
- E Engaging relevant and responsible advice
- F Digital innovator in financial services
- G Simple and seamless customer experiences

Our people

- H A culture for learning
- I Engaged, competent and courageous employees
- J Diversity and equal opportunities

Keeping our house in order

- K Governance and Compliance: Privacy and combating financial crime
- L Sustainable practices throughout the value chain
- M Corporate citizenship
- N Responsible resource usage

related material topics in 2020, and how we will work on these going forward. The four focus areas are:

1. Financial capital and investment universe
2. Customer relations
3. Our people
4. Keeping our house in order

The focus areas and associated themes are presented in the materiality matrix above.

The material themes are ranked according to the influence they have on our stakeholders' assessments and their decisions related to Storebrand, and their significance of business impact.

The materiality analysis forms the structure of this annual report and includes input from our stakeholders. The focus area financial capital and investment universe and the three underlying material topics are consistently ranked as very significant among our stakeholders. They are also very relevant to the Group's strategy and risk management. Therefore, our reporting on this focus area has been included in the Directors Report. Other material themes are also ranked with high importance, including topic E: Engaging, relevant and responsible advice, G: Simple and seamless customer experiences, and K: Governance and compliance: privacy and combating financial crime. These are discussed in relevant chapters in the main part of the annual report. Common for all chapters is that they are divided into four parts; why it is important for Storebrand and for our stakeholders, goals and ambitions, our approach, and reults. The key figures for each focus area are reported to the group management on an ongoing basis, and to the Board of Directors annually.

This report has been prepared in accordance with the GRI standards (Core option). Our GRI index can be viewed on page 201. The guidelines of the International Integrated Reporting Council (IIRC) are also used as foundation for the report.

This year's report covers Storebrand's operations in Norway and Sweden. The environmental data presented in the chapter keeping our house in order includes the head offices of Norway and Sweden as well as Skagen's head office, representing the office premises of 95 per cent of the group's employees. The figures do not cover the smaller, local offices or Cubera, as these are not considered material due to their size. See page 197 for more information about companies in the Storebrand Group.

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Customer relations

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Greater financial security and freedom

We shall help our customers achieve financial security and freedom to realise small and big dreams by providing holistic solutions and diligently looking after what our customers hold most important. We will motivate our customers to make good decisions in savings, banking and insurance by delivering customer experiences that meet their needs at different stages of life. Through good asset management and structures for risk management, we will ensure that our customers get good returns in a sustainable manner on their investments. Dialogue with our customers takes place through both digital and serviced channels. Our goal is to be closest to the customer, simple and sustainable.

Why

Recent reforms to the Norwegian and Swedish pension systems require greater responsibility from individuals for their own long-term financial situation, including pensions. This is especially true considering that life expectancy has increased, and that Norwegians can expect less support from the government to meet living costs throughout retirement. Taking an active responsibility for your personal finances is important to lead the life you want, both throughout working life and as a pensioner.

Norwegian residents received their own pension account (Egen pensjonskonto) from February 2021. It is intended to provide better oversight and control over your own pension and increase payouts. New rules for retirement savings are also being developed in Sweden. It will be easier and more affordable for employees to move pension funds saved from 1 July 2007 to the present da. Swedish authorities are exploring several measures to limit fees related to insurance and savings schemes, to ensure proper freedom of choice for workers.

Goals and ambitions

Our aim is to offer customers a range of services designed to meet the breadth of their financial needs at all stages of life. In Norway, we offer relevant products and services in banking and insurance. In Sweden, our offer is limited to savings.

Our customers should be confident that we offer relevant and attractive products, and that we manage their savings so that they get the best return possible. We provide information and advice to our corporate customers to enable them to assist their employees in making better financial decisions. We work to build strong relationships with corporate customers and their employees through holistic and customised follow-up. Through digital solutions, customer seminars and consulting, we make it easier for companies to understand their pension schemes, and for their employees to gain oversight and control of their own pension. We value the use of qualified advisors and comprehensible communication. Overall, Storebrand is a preferred provider of pension services.

The Storebrand brand in Norway is communicated to the market through the communication concept "Good money". Storebrand should be known for its ability to create value through sustainable investments, profitable sustainability. In 2020, we developed several products and services that support this strategy. The target for 2021 in Norway is to increase the number of customers who have products from at least one of our product lines by 10 per cent. In Sweden, SPP aims to be the occupational pension company known for being passionate about making occupational pensions easy for the employees of our corporate customers. We offer extensive expertise, digital services, tailored advice, and a complete product offering. We develop attractive benefit packages for employees and focus on sustainable investments, in line with the widespread demand for this type of pension and savings products in the Swedish market.

Approach

We provide information in an understandable manner and make good advice readily available to help our customers gain oversight of their personal finances. Development of digital tools and the improvement of digital communication are important instruments, both in the Norwegian and Swedish markets.

In Norway we launched a new version of "My Money". The "My Money" app helps our customers get an overview and take control of their pension and other savings. Based on figures from the Norwegian public pension scheme (Folketrygdfondet), private pension savings and employers, customers can calculate their future pensions. We also use the app to encourage our own employees to become private customers at Storebrand. The service "SmartPension" enables customers approaching retirement age to plan their transition to a new phase in their lives. During this phase, we see a higher demand from our customers for counselling.

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In 2020, SPP further developed digital services that make it even easier for companies to manage their occupational pensions. An example is the development of a new interface for calculating and updating pension contributions. In 2020, SPP also developed a fully digital service for employees to choose when and how they want their pension payouts.

In the autumn of 2020, we launched a digital tool called "your climate footprint" in Sweden. The tool shows the carbon footprint of the investments associated with an employee's pensions and savings, compared to the carbon footprint if the investments had been made in funds without a sustainability profile. Companies use the information in communication with employees, in their own sustainability reporting, and to strengthen their own profiling on sustainability.

8 DECENT WORK AND ECONOMIC GROWTH

We are continuously working to stimulate, and expand access, to banking and insurance services and financial services for all (target 8.10).

"Storebrand shall be known for our ability to create value through sustainable investments."

Results

Almost half a million people have checked their pension on Storebrand' s website in Norway in 2020. Throughout the year, more than 120,000 customers downloaded the "My Money" app, which was launched in a new version in 2020.

In Sweden, more than 410,000 customers logged into SPP's website to attain information about their pension, while 10,000 corporate customers logged in to review and manage the company's pension solutions.

A significant number of corporate customers also chose to enter into an agreement on digital payment of occupational pensions. After the service was introduced, more than 50 per cent of all private customers who retired in 2020 chose a fully digital pension payment solution.

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Engaging, relevant and responsible advice

Why

Pensions and Insurance are often perceived as complicated. It can be difficult to understand which agreements and rights are collective and which are personal, as well as which conditions apply to the various agreements.

Through the different phases of working life and up to retirement age, our customers receive insight and oversight of their own pension, savings and insurance agreements.

Relevant and responsible advisory services are the most important prerequisites for customer satisfaction. We will help customers purchase products and services that are relevant and appropriate in the life situation they are in.

Goals and ambitions

We aim to provide the customer with financial security and freedom through attractive products and services. Through professional management of capital adapted to the customer's risk profile and time horizon, and through a wide range of products, we shall contribute to growth in our customers' pension and savings capital. The goal is also to increase the number of products each customer has purchased through Storebrand.

In Norway, we have an ambition that 75 per cent of our advisors across savings, banking and insurance should be authorised at all times. In Sweden, certification[8] is required for advisors to carry out counselling, and all our advisers are certified.

Approach

The starting point for all customer contact is the principle of putting the customer first. This is reflected in our service standards:

- **Trustworthy** – I keep what I promise, and I am a professional.
- **Caring** – I treat everyone individually, help them, and give advice.
- **Enthusiastic** – I am positive and exceed expectations.
- **Efficient** – I make the customer journey easy and improve your organisation.

High ethical standards, good quality advisory services and first-class customer care are fundamental. Our advisors in Norway are authorised through the financial advisors authorisation scheme (AFR), the non-life insurance and personal insurance authorisation scheme (AIS and AIP) and/or the authorisation scheme for credit and personal insurance, all under the auspices of the financial industry.

Our authorisation and competency requirements are communicated to customers across digital platforms. In 2020, a separate framework for career development was developed among the advisors in the Norwegian retail market. The framework describes the requirements and responsibilities for the various roles, including the requirements for authorisations.

The interaction between digital and physical customer service will become increasingly important. In Storebrand, teams work closely together for various forms of customer service to prioritise and develop initiatives.

Results

In 2020, Storebrand was ranked 2nd in the Norwegian Customer Barometer's annual measurement of customer satisfaction in the corporate market. The score of 73 points (out of 100) indicates that customers were well satisfied with their customer relationship. Storebrand received the highest score on loyalty among corporate customers. It is also pleasing that sustainability was an important driver of loyalty and trust. This confirmed that Storebrand' s commitment to profitable sustainability will become an important differentiator in both the corporate and retail markets.

In the market for transferable savings[9] had a market share of 21.7 per cent at the end of 2020, up from 19.9 in 2019. In the non-life insurance market, we had a market share of 4.5 per cent.

In the market for banking we had a market share of 1.7 per cent in 2020.

SPP has grown significantly in the Swedish market. Several companies demand sustainable management of employees' pension funds. In 2020, 25 per cent of transferable funds in the occupational pension market were transferred to the SPP.

Market position, pension:

#1

corporate market Norway

8) The reason we do not have an ambition of 100 per cent is that there will always be some turnover in the Organization.

9) Free funds (retail market), individual pension, individual capital, pension capital certificate (PKB), and policy of investment choice (FMI). .

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Digital innovator in financial services

Why

Technological development and digitalisation are among the changes that affect the industry the most. Technology affects customer behavior and expectations, our ability to deliver services to the customer, and is a prerequisite for automating and improving both distribution and customer experiences.

Goals and ambitions

Our overall ambition is to increase the number of satisfied and loyal customers, and streamline the group, through the use of automation and digital services. Digital distribution and self-service enable us to serve our customers more efficiently. At the same time, customers are more satisfied when they can use self-service solutions at times and in channels that suit them.

Approach

Digital & Innovation was established as a separate commercial group unit in 2019, as a step to further develop our operations and customer experiences using technology and digital services. Digital business development takes place in multidisciplinary teams where product managers, business developers, analysts, developers and designers work together to understand customers, improve customer experiences, and solve the customers' needs through digital services.

By being close to our customers, we can understand their behaviour, challenges and needs. Digital development had a high level of activity in 2020. Multiple improvements were made to existing solutions, while new services were developed throughout the year. We integrated the work with digital trust and information security in the teams, so that they have better conditions for safeguarding privacy and information security both in concept development, design, development, and operation of the services.

New working patterns because of Covid-19 resulted in a change of pace in digitalisation among Storebrand's customers and employees, as in society at large. Never before have we had so many digital customer meetings, sold as much in digital channels and handled as many settlement cases digitally as in 2020.

Digitalisation provides many opportunities for the development and provision of value-added services to our customers, based on their needs. In 2020, we partnered with Aprila Bank for credit to small and medium-sized businesses, with Homely for alarm services, with Justify for legal services and with The Home Doctors for Medical Care. In addition, we strengthened our cooperation with Dreams related to a new debt repayment service.

Results

In 2020, we had more than four million visits to Storebrand.no.The number of page views increased by approximately 10 per cent from 2019, and organic traffic increased by 20 per cent. Additionally, the number of digital sales of insurance and savings increased by 25 per cent.

Almost half a million people checked their own retirement savings through our website and mobile app in 2020.

Storebrand Bank reached record high sales figures for mortgages in 2020. The bank is providing an updated digital service for loan applications- and the number of people taking out loans after using the service increased by 15 per cent. In addition, we entered partnerships for mortgages into with the real estate chain Nordvik and Huseierne.

Automation of settlement processes improves customer experiences. Improvements to the processes contributed to a significant increase in fully or partially automated payments of disability pensions in 2020, from 400 to 1 200 payments. Average waiting times were reduced by 75 percent, and the number of cases resolved within one day is increasing steadily.

In 2020 we launched the app "My Money", which is a further development of "My Pension". The app gives the customer insight of their pensions and other savings at Storebrand overall, making financial planning a lot easier. After six months, nearly 120,000 customers had downloaded and adopted the app.

We improved the health insurance app, "Get Healthy," and added new partnerships during the year. In addition to physiotherapists, Eyr, online psychologist and digital self-help program, our customers now get access to Snapmed(dermatologists online), ExorLive(exercises and programs made by physiotherapists) and Home Doctors(home visits from a doctor). The proliferation and use of the "Dreams" app continued to increase in 2020, and the app cemented its position as one of the most popular savings services in Norway. The number of downloads increased from 200,000 in 2019 to more than 300,000 in 2020. By year-end, customers had saved more than 1 billion NOK since the launch of the app in 2019. The new "Debt-free" service in the app helps more and more of our customers get rid of debt faster. Users of the service have reduced their repayment period by two years on average.

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Simple and seamless customer experiences

Why

Customers' requirements and expectations have changed noticeably in recent years, and the bar is raised continuously as different players offer solutions that improve customer experiences. Storebrand invests in technology, services, and concepts to deliver holistic customer experiences, adapted to the individual, across digital and serviced surfaces.

Goals and ambitions

Storebrand aims to create increased perceived value for each customer by delivering personalised and seamless customer experiences across serviced and digital channels.

Approach

An important step in 2020 was to introduce a new data-driven CRM platform for customer engagement. This work combines two disciplines for improved customer experiences: service design and new technology. The platform allows us to use data in a smarter way to offer solutions tailored to each customer. The platform is scheduled to be in effect for all customers in the retail market during 2021 and will be rolled out in the corporate market in 2022.

We are also working to develop holistic customer concepts based on different customer segments, life events and customer needs. In 2020, we established a separate unit with responsibility for developing concepts and holistic value suggestions for different customer segments in the retail market. Based on customer needs and commercial potential, Storebrand has chosen to prioritise people in the establishment phase, wealthy individuals, and people approaching retirement age. One of the concepts is "Smart pension", a unique service in the Norwegian market. The service is for people who plan the transition to retirement, and makes it possible, among other things, to simulate different withdrawals of their own pension. Through pension advice and digital solutions, we aim to realise the potential of a customer group with unmet needs. We are also launching a dedicated concept for wealthy customers, with holistic follow-up and access to advice within the breadth of Storebrand' s service spectrum. In addition, a new concept aimed at the general consumer market is under development and testing.

Results

When introducing the new CRM platform in 2020, we established a customer-journey framework. The framework will help guide for how we meet the customer across our own and paid channels, with communications, concepts, and products. The work will continue in 2021.

"Smart Pension" is increasingly successful in providing personal advice on pension withdrawals, which helps more people choose to continue their customer relationship after they retire. In 2020, customers placed over 500 million NOK of funds at Storebrand using the "Smart Pension" service.

Work on the development of a new concept for wealthy persons began in early 2020. The target group is people who have more than NOK 3 million in placeable wealth. In addition to a personal investment advisor, customers have access to personalised service and follow-up within all Storebrand' s services in the retail market. The concept will be further developed in 2021.

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Key performance indicators

For detailed KPI definitions, see page 225.

Key Performance Indicators[10)]	Result 2017	Result 2018	Result 2019	Result 2020	Goal 2021	Goal 2025
Customer satisfaction[11)]	#4	#4	#4	**#6**	Top 3	Top 3
Market share: Savings, retail market Norway	22 %	21 %	20 %	**22 %**	Increase	Increase
Market position: Pension, corporate market Norway	#1	#1	#1	**#1**	#1	#1
Recognised for sustainable value creation (Retail Norway)	New 2019	New 2019	#3	**#5**	Top 3	#1
Recognised for sustainable value creation (Corporate market Norway)	New 2020	New 2019	#1	**#4**	#1	#1

10) We have stopped reporting on two indicators from 2019 on a) GDPR course (this is an important indicator for checking that new routines are Implemented, but we are confident that these routines work well and that all a lot of workers receive GDPR training as part of the introductory programme) and b) Sustainable Brand Index-sscores for the UK and Sweden (these indicators are replaced by others). In addition, complaints are now discussed under chapter 5 below.

11) Net Promoter System, Retail Norway

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A culture for learning

«People first, digital always» is the title of Storebrand' s HR strategy. The strategy is designed to enable our organisation to adapt to continuous changes in an increasingly digitised world and deliver on ambitious business targets.

In 2020, the organisation was put to the test, along with the rest of the world. At short notice, almost all employees had to start working from home, many of us while at the same time dealing with home schooling and closed kindergartens. Everyday life entailed new challenges for our society and for our employees. Many people felt uncertain and worried, and the challenges have unfortunately continued into 2021. Digital tools and employees' ability to use them, meant that Storebrand was probably better equipped to cope with the situation than many other businesses. We redesigned working processes, interactions, training programs and activities to develop company culture swiftly. Employees initiated and adopted new methods of collaboration, and increased learning and knowledge across disciplines and organisational units were reported. We are proud of the willingness to change and the flexibility that our employees have shown throughout the year. Many challenging tasks, both directly and indirectly related to the pandemic were solved by making use of the foundations of the HR strategy: Learning, agility, and leadership in a new landscape.

Why

To stay competitive in a rapidly changing industry, we must provide our employees with opportunities to learn throughout their employment. Greater breadth and diversity in employees' competence will contribute to continued growth and ability to meet changing customer expectations, as well as development opportunities for our employees. Digital skills, knowledge of customer preferences and insight into market development are important success factors.

Goals and ambitions

Our ambition is to build a learning culture characterised by innovation, responsibility for one's own and others' learning, and feedback, to ensure continuous development and improvement. In 2020, we combined the potential of our new communication and interaction tools, with our digital learning platform Campus Storebrand, which enabled increased social learning and learning outcomes. This was in addition to the many courses and offers found in Campus Storebrand, where mandatory training in ethics, combating corruption and anti-money laundering has been facilitated.

In 2020, we improved our efforts for coordinated customer dialogue in multiple channels through the introduction of a new customer engagement platform. This was also a competence boost, made possible by an interaction between internal forces, partners and the learning platform. Due to Covid-19, we also decided to digitise our annual Nordic training day, "the Storebrand Day". Through the digital learning platform, we facilitated the day with a focus on the development of a customer centric culture: "Closest to the customer – closer to each other".

Approach

We recruit people who want to contribute to a future to look forward to for our customers and the society as a whole. It is important for us to give our courageous employees space and mandate to create unprecedented customer experiences. Employees are not only responsible for their own learning; by 2020 we stressed the importance of our shared responsibility to develop together, in line with the company's needs. We do this by continuously acquiring new knowledge through collaboration in cross-functional teams and creating good customer experiences together.

Transparency and sharing are prerequisites for achieving the best possible interaction and learning across the group. In 2020, we introduced new communication and interaction tools to support this. More than 100 employees with a commitment to digital tools were engaged to ensure smart and efficient use, and this work will continue in 2021. Instead of offering traditional courses, we will adapt the training to specific needs as they emerge.

Due to the pandemic, many of our new employees became acquainted with Storebrand and new colleagues primarily through digital channels. Already in April, we developed a new introductory programme for new employees. Through the program, "Smart Start", new employees were included in a series of digital learning activities and joint meetings during their first month. In this way, they became well acquainted with each other and Storebrand, even though we could not meet physically at work. The managers closest to the new employees were invited to a group chat to enhance their introduction.

More than 35 middle managers participated in our digital leadership development program, "Storebrand Leadership Weekly", focusing on issues of trust and transformation management through strength-based development. In 2010, the program was reinforced with a separate learning course in Campus Storebrand.

In September 2020, 23 employees with up to three years of experience, completed the "Storebrand future impact" program. The program was structured around the development of three skills: self-management, relationships and collaboration, and complex problem solving. The participants completed a project based on agile development principles and used tools from the program to solve global challenges in a responsible, ethical and

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sustainable way. The aim of the program is to educate future leaders and change agents in Storebrand.

We conducted our summer internship program for students, "Sandbox", partly digital. Students held weekly presentations over video. In order for participants to get to know each other well before they started, we facilitated a digital introduction (over four meetings) from May to June.

The Storebrand Academy for future leaders started up in April 2020 with 20 participants. The first two collections were conducted digitally.

Results

In 2020, we offered 118 courses via the digital learning platform Campus Storebrand.

A total of 1 997 people participated in one or more courses under the auspices of Storebrand. Our employees completed a total of 7 702 hours of learning, an average of 3.9 hours per person. However, this figure does not give a complete picture of all digital learning through last year, as many employees take courses on other online platforms, as well as over Teams, which we do not keep statisticson. By the end of 2020, more than 70 per cent of our employees had completed training in the new Personal Data Act.

Storebrand was well equipped for the government-imposed home office situation initiated in March. By the end of 2020, more than 84 per cent of the workforce used Teams for digital meetings. The peakon employee survey showed that employee satisfaction with their own work tools increased from 7.8 to 8.1 on a scale of 1 to 10, where 10 is the highest score.

Ten students, out of 650 applicants, were accepted to our summer internship program in Norway, while five students participated in our summer program in Sweden. The participants consisted of nine women and six men, and they had backgrounds in economics, technology, psychology, development, entrepreneurship and design. The students were very pleased with the digital introduction they received. Therefore, the plan is to facilitate digital introduction for future participants as well.

Three gatherings were held for the 23 talents in Storebrand Future Impact. Two of sessions were conducted digitally due to Covid-19. The project work, which lasted eight weeks and was carried out according to the Agile Business Exploration method, was facilitated and carried out digitally. Despite the changes explained above, the program achieved a satisfaction score of 84 out of 100. The goal of the program is to enable the participants to become effective ambassadors for change. When evaluating goal achievement on this criterion, participants gave an average score for the program of 4.92 out of 6.

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Engaged, competent and courageous employees

Why

Storebrand's employees are our main source of innovation, development and growth. Employees who are courageous pathfinders who dare to innovate, and challenge prevailing norms are essential to realizing our goal of becoming a world-class savings group.

Goals and ambitions

Our ambition is to strengthen employee satisfaction, job satisfaction and engagement through meaningful work, good management, a motivating working environment, development opportunities and confidence in management. Our managers are responsible for setting clear objectives and for encouraging employees to collaborate with peers around how to achieve both collective and individual goals.

Transparency is a prerequisite for motivation, trust, and security. All employees should experience that they can raise issues with management and others in the Group. Storebrand has its own ethical guidelines.

Approach

Storebrand relies on the trust of customers, partners, authorities, shareholders, and society at large. The business must be characterised by high ethical standards in order to gain trust. All employees shall act with due diligence, accountability and legality. The organisation uses e-learning for training in ethics, anti-corruption, anti-money laundering and terror financing, and privacy and digital trust. The courses are mandatory to complete each year to ensure responsible business practices in line with our Code of Conduct.

The organisation also has an external third party notification channel through an auditing company (https://u.bdo.no/storebrand). We also have well-established procedures for dealing with complaints, harassment, and other unacceptable behavior.

Our driving force is to be closest to our customers and help them to achieve financial safety and freedom, so that they have a future to look forward to. This requires us to act as courageous pathfinders. Every year, an employee from across the group is awarded with the Courageous Pathfinder Award. The nomination process in 2020 was based on transparency, sharing and accessibility through digital platforms, leading to a record turnout and number of nominations. The award process clearly showed that our employees can rethink, innovative and challenge practices internally and globally.

Employee surveys are conducted regularly (every two weeks or monthly) to measure workplace engagement and satisfaction with work, management, collaboration, sustainability, perceived self-determination, and freedom of opinion. The objectives are strategically anchored and followed up by the group management. Our goal of being a smart and agile organisation is supported by the tool by allowing us to use real-time data for continuous improvement. In 2020, we strengthened the use of insights about the condition of the organisation to ongoing improvements.

At Storebrand, we encourage a good work-life balance for all employees. After the outbreak of the pandemic in 2020, we facilitated an increased flexibility in where and when you work. Although what you deliver is more important than where you are, we see great value in employees meeting physically. Going forward, we will look at the design of the workplace of the future to ensure and maintain a good balance between efficiency, interaction, creativity, competence development and engagement.

Results

In 2020, an average of 87 per cent of employees completed e-learning courses in ethics, anti-corruption, anti-money laundering and terror financing, and privacy and digital trust.

All members of the Board and senior management complete an annual course in ethics, anti-corruption, anti-money laundering and terror financing, and privacy and digital trust, as part of the Group's risk management. More information about this can be found in the chapter: Corporate governance and compliance.

In 2020, our data protection and information security rules were distributed digitally through our HCM system. All employees must review the documents once a year and confirm that they have read and understood the content.

An average of 86 per cent of employees responded to the employee engagement survey at least once in the last three months throughout 2020.

The score for Our driving force in the employee survey was 7,8 out of 10 in 2020. The overall score for engagement increased from 8,0 to 8,3 out of 10.

To strengthen adherence to our driving force, we completed leadership training for all group leaders in 2020. More than 70 per cent of all group leaders completed "Our driving force leadership training" during the year.

In the latter half of 2020, employee engagement surveys also showed an improved score on all questions, and particularly on issues of organisational adaptation (including core values, sustainability and equality), self-determination, freedom of opinion, relationship with colleagues, support from the leader and significance of work tasks. The results showed room for improvement in terms of physical working environment. One of several initiatives to address this is experimentation around the workplace of the future to strengthen agile collaboration and work processes across the organisation.

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Diversity and equality

Why

It is important that Storebrand's organisation and business reflects our customers and the market in which we operate. Storebrand aims to be a good workplace for everyone, regardless of their background. We strongly believe in building an agile organisation and a culture of trust, inclusion and belonging. It is important that our employees have freedom and mandate to deliver unprecedented customer experiences regardless of their background.

External independent sustainability analyses also show that companies that focus on diversity are more innovative and profitable. Goals and ambitions

All employees at Storebrand shall be treated equally regardless of age, gender, disability, cultural background, religious belief, or sexual orientation, both in recruitment processes and throughout their employment. We have zero tolerance for harassment and discrimination.

Our goal is greater diversity and an equal distribution of men and women in senior positions in all parts of the Group. One strategy for achieving this is by nominating an increased proportion of women for leadership development programmes and in recruitment processes for leadership positions. For the Board of Storebrand ASA, the requirement is that each gender should be represented by at least 40 per cent.

5 GENDER EQUALITY

We work actively towards equal opportunities and gender balance in work and economic life (target 5.5). Our goal is a 50/50 distribution of men and women in leading positions, an equal distribution of men and women in our management development programmes, as well as recruitment processes for management positions

8 DECENT WORK AND ECONOMIC GROWTH

We aim to achieve decent work for all our employees. We have a goal of equal pay for work of equal value (target 8.5). Our policy on discrimination and our active promotion of good health and well-being at work support these objectives.

We will contribute to the UN Sustainable Development Goal number 5, gender equality, by promoting gender equality in the workplace. At Storebrand, equal work should be paid equally.

Approach

Storebrand works systematically to ensure diversity and equality through clearly defined processes in recruitment, reorganisations, salary adjustments, leadership training, and other development initiatives. In 2019, we established a diversity committee with participation from across the group. In 2020, the committee worked on various initiatives in diversity, inclusion and belonging.

We are actively working to achieve a gender balance through targeted recruitment initiatives and by nominating an equal number of women and men for leadership positions and leadership development programmes. Candidates and employees should experience a transparent and inclusive recruitment process.

Storebrand has participated in the tripartite programmemet Inclusive Working Life (IA) since 2002. The program is based on the assumption that work promotes good health and well-being, and that early, active intervention can prevent absence. The Group's managers have established procedures for inclusive follow-up of employees in the event of illness.

We aim to offer the best candidate journey, so that Storebrand is considered an attractive workplace.

Throughout 2020, we improved our recruitment and interview process to make it as digital and gender neutral as possible at every stage. Women and men shall be represented in the interview team, and there must be at least one female and one male final candidate when recruiting for leadership positions.

We offer permanent employees paid parental leave beyond the statutory requirements of Norway and Sweden and pay 100 per cent salary during parental leave.

Results

In the period from March 2020, all candidates were invited to digital first-time interviews. We employed over 200 employees who all signed their contracts digitally.

Our sustainability work appeals strongly to young professionals seeking work. Storebrand was ranked 13th out of the top 50 companies onthe attractiveness ofthe Young Professional Attraction

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Index (YPAI) in 2020, and Storebrand was number one in banking and finance on the same index. The graduate program "Storebrand Future Impact" received more than 200 external applications for five positions. Among the individuals that were hired, there was a predominance of women.

Ten women from different parts of the group were included in the talent and leadership development program for women, "FiftyFifty" throughout the year. The program was initiated by Storebrand in cooperation with AFF and Flensby & Partners as part of our 250th anniversary in 2017. The programme is now led in its entirety by AFF. Together with 40 women from other companies, the participants work to develop initiatives that promote equality for themselves, their business and for society as a whole.

At the end of the year, the share of women among storebrand managers was 39 per cent. Three out of ten members (30 per cent) of the group management were women. Among the managers who reported directly to the group executive management, 38 per cent were women. 40 per cent of the Board members of Storebrand ASA were women.

Among the participants in the "Storebrand Academy" and at "Storebrand Leadership Weekly", 40 per cent were women and 60 per cent men. In the Summer internship program, "Sandbox", and in the graduate program "Storebrand Future Impact", 60 per cent of the participants were female, and 40 per cent were male.

"All Storebrand employees shall be treated equally, regardless of age, gender, disability, cultural background, religious beliefs or sexual orientation"

The group's salary levels were reviewed in cooperation with the union representatives in connection with the wage adjustment process in 2020. The review showed slightly lower average earnings among female employees than male employees.

The average age of an employee in the Storebrand Group was 43 years at the end of the year. The average tenure was eleven years in Norway and ten years in Sweden.

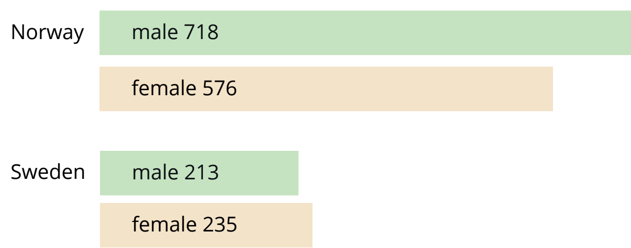
As of December 31, 2020, the Storebrand Group had a total of 1,824 employees.

We have a good gender distribution among permanent employees in both Norway and Sweden, as can be seen in the table below.

Sickness absence has been low and stable for several years. In 2020, the absence rate was 2.3 per cent in our Norwegian operations and 1.8 per cent in our Swedish operations.

No physical injuries were reported in the Storebrand Group in 2020.

Gender distribution



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Key performance indicators

For detailed KPI definitions, see page 225.

All KPIs in this table include Skagen, Cubera and Værdalsbruket (100% of the groups employees).

Key Performance Indicators	Result 2018	Result 2019	Result 2020	Goal 2021	Goal 2025
Women on Board of Directors	5 of 9	4 of 9	**4 of 10**	40%	40%
Women in group executive management	3 of 9	3 of 10	**3 of 10**	N/A	N/A
Percentage of women at management level 3	46%	41%	**38%**	50%	50%
Gender balance all managers, proportion of women	39%	39%	**39%**	50%	50%
Extended top management, women's share of men's salary per position category (Hay Grade 21-23)	110%	100%	**104%**	100%	100%
Employees up to middle managers, women's share of men's salary per position category (Hay Grade 13-20)	99%	99%	**97%**	100%	100%

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Corporate governance and compliance: Privacy and combating financial crime

Ethical guidelines and ethical practices at all levels of the organisation are prerequisites for gaining trust from customers, authorities, shareholders, and society in general. The trust stems from responsible business practices and employees with high levels of integrity.

Breaches to Storebrands code of conduct

Category	Number 2020	Comment
Bribery/corruption	0	
Internal misconduct	2	Uncovered two conditions of misconduct at external partner
Other violations of ethical rules	0	
Discrimination	0	

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Privacy and digital trust

Why

We live in a digital world with an increasing risk that personal data may go astray, be stolen or be shared without our consent. Our customers must feel certain that their personal data is in safe hands and handled in a responsible manner. Therefore, we are reliant on proper security measures, established procedures and processes. Moreover, our employees receive training to ensure they have expertise in handling of personal information in a prudent manner.

New technology combined with smart use of information and personal data enables us to better understand our customers and their needs. As long as our customers continue to have high levels of trust, we can use this technology to develop better, more relevant and more customer-oriented products and services.

Goals and ambitions

Our ambition is to engage our customers and build long-term relationships by delivering first-class customer experience across all channels. This requires us to safeguard our customers' rights in accordance with the Personal Data Act.

Approach

Our Privacy Policy contains principles of digital trust, such as lawful and transparent processing, purpose limitation, data subject's rights, and requirements for data protection by design. We work systematically with information security. Through an internal control system, we set requirements for, monitor, and continuously improve information security in our own operations, customer solutions and in cooperation with our partners.

If a personal data breach occurs, and the risk to our customers is considered medium-high or high, customers will be contacted directly by phone or email. In such cases, we inform customers about what has happened, what actions we have taken, and, if necessary, what measures the customer should take to protect their personal data.

The CEO of each of the legal entities in the Group is responsible for the processing of personal data, including ensuring that internal control procedures are implemented and reviewed regularly. All managers are responsible for ensuring that employees with access to personal data have the necessary expertise and are qualified to protect our customers' privacy, as well as to follow our procedures and information security policies.

Training in information security and privacy is mandatory for all employees and is carried out by e-learning and in thematic groups for each department.

The protection of personal data and information security is well integrated into our internal control systems and risk management processes. We continuously assess the ongoing privacy risks that our customers are exposed to.

We update our Privacy Policy when changes are made to the use of personal data, and our online customer portal gives the individual customer a better overview of his/her privacy settings.[12)] In addition, on our website we provide advice and recommendations on how our customers can reduce their risk of online fraud.

Results

In 2020, a new e-learning course on privacy protection was established. The course is mandatory for all employees. We also conduct specific training for individual departments.

In 2020, 41 incidents related to the processing of personal data were reported. We reported six of these as discrepancies (documented substantiated complaints) to the Data Protection Authority, in accordance with the EU General Data Protection Regulation (GDPR).

All registered cases from 2020 have been handled properly and closed. The Norwegian Data Protection Authority did not issue any fines, warnings, or orders for improvements to Storebrand due to breaches of the GDPR in 2020.

For the seventh year in a row we conducted the Security Awareness Month in October, with several activities and digital presentations that achieved a high turnout from our employees.

12) See https://www.storebrand.no/en/security-and-privacy for more information about digital security and privacy.

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Countering corruption

Why

Corruption is one of the major causes of poverty in many parts of the world, and work targeting this form of crime is highly relevant in Scandinavia as well. Corruption is prohibited in all countries where Storebrand operates. Corruption is a criminal offence both for the person on the giving end, and on the receiving end. Corporations can be penalised for not taken sufficient measures to avoid corruption. Corruption can result in reduced trust in Storebrand as a company, and to the financial and insurance industry in general. Corruption is detrimental to healthy competition in all industries.

Goals and ambitions

At Storebrand, we have a zero tolerance for corruption and other economic misconduct. We work methodically to identify areas with increased risk and have taken measures to prevent exploitation. Furthermore, we work systematically with our suppliers and partners.

All employees and board members shall complete the Group's anti-corruption program. Exceptions are made for employees on leave or long-term sick leave. The goal is that 100 per cent of our employees will complete the program each year. Consultants who have been assigned for more than six months shall also carry out the program but are not included in the results for this year's measurement.

Approach

Our expectations of employees, temporary staff and consultants are stipulated in our ethical guidelines, approved by the Board of Storebrand ASA and the Boards of all subsidiaries. We have additional guidelines specifically addressing anti-corruption, reviewed annually by the compliance team. The group's compliance function is responsible for updating and disseminating material aimed at increasing anti-corruption competence and awareness.

Our guidelines increase awareness about corruption and ensure that each employee is capable of identifying potential corruption risks at an early stage. The guidelines also specify measures that should be taken to avoid corruption.

All employees are responsible for familiarizing themselves with and acting in accordance with anti-corruption guidelines, including completing mandatory training, and managers shall ensure that this is done. All new employees complete mandatory training as part of their onboarding process.

Employees shall act with integrity and fully disclose any private business agreements or business-related services they provide to companies, individuals, friends or family members.

We expect all employees and contractors to act in manner that builds trust for both the individual concerned and for the Storebrand Group. As a general rule, no one shall receive any benefits, including services, gifts and invitations, from Storebrand's business associates. In situations where gifts can be received, our guidelines specify thresholds in the relevant country's currency.

Gifts given on behalf of Storebrand are subject to the same threshold. No one must give or receive gifts with an expectation of reciprocity, or to achieve any form of advantage, privately, or for any Storebrand company.

All events held on behalf of Storebrand shall be consistent with our role in society, all content shall be professionally relevant, and shall otherwise adhere to our guidelines for events.

Storebrand has established both an internal and external notification channel. Employees who suspect corruption or other financial misconduct shall report this in one of these channels. When reported externally, the reporter (whistle blower) can choose to remain anonymous.

Results

90 per cent of the group's employees completed the mandatory course on corruption in 2020.[13] No cases related to corruption were uncovered or reported in 2020. Two cases of internal misconduct were uncovered with an external partner. Both matters were handled as personnel matters with dismissal as a result.

13) Figures do not include Cubera Private Equity, as this company has its own anti-corruption Program.

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Anti-money laundering and terror financing

Why

We are a key player in the Nordic financial market. Therefore, we have a distinct responsibility to avoid being used in connection with the financing of terrorism, money laundering or other forms of financial crime. Our stakeholders expect us to handle with our responsibilities in an adequate manner. Routines and management are important for maintaining our reputation.

Goals and ambitions

Storebrand shall act consistently and in compliance with relevant legislation related to money laundering, terror financing and financial crime in general.

We work systematically to ensure that our companies are not used for money laundering, terror financing or other forms of financial crime. All employees must carry out compulsory training each year.

Approach

We have established policies to avoid money laundering (AML) and terror financing. The guidelines have been reviewed and approved by the Board of Storebrand ASA and are based on our code of conduct. Furthermore, we have implemented measures throughout the Group to avoid money laundering, financial crime, and terror financing.

Each company in the Group conducts an annual assessment of risks related to the possibility of money laundering, financial crime, and terror financing. We have established clear frameworks and procedures for managing such risks. These include procedures related to the establishment of new customer relationships as well as ongoing reviews of customers who are believed to pose a risk. We conduct internal audits and regular spot-checks to identify and report suspicious transactions or behavior.

Any activity that we suspect is in breach of the Norwegian Measures Against Money laundering and Terror Financing Act (2018) is reported to the police.

All employees are required to familiarise themselves with our guidelines for preventing financial crime and shall complete our mandatory training program on AML and terror financing. All new employees complete mandatory training as part of their onboarding process.

The training also provides employees with a basic understanding of the regulatory framework concerning financial crime and terror financing, as well as our requirements to employees and managers. Senior managers and board members for the Group, and for each subsidiary also receive mandatory training in AML, financial crime and terror financing.

Measures to prevent money laundering, financial crime and terror financing are described on the Group intranet, along with information on what we expect from our employees in terms of responsible business conduct. The information applies to all companies in the Group.

Storebrand is a member of Finance Norway's economic crime committee. The committee cooperates closely with the authorities in Norway and provides guidance to all member companies.

Results

In 2020, 46 cases related to suspected financial crime were reported to the police's Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, while 29 cases related to suspected fraud were reported directly to the police. The severity of the cases varied, from suspicion of money laundering, terror financing and tax evasion to falsifying documents and attempted insurance fraud.

In 2020, 92 per cent of our employees completed the mandatory training course in anti-money laundering, financial crime and terror financing.[14)]

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

16.4 We are committed to combating financial crime.

16.5 We are committed to combating corruption and bribery in all their forms.

16.6 We are committed to developing effective, accountable and transparent companies.

14) Figures do not include Cubera Private Equity, as this company has its own anti-corruption Program.

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Responsible resource use

Why

At Storebrand, sustainability is an integral part of our business strategy. We express clear expectations to the companies we invest in, our suppliers and partners. At the same time, we want to act as an example to follow. That's why we work to ensure that our own operations are as sustainable as possible.

Approach

As early as 2008, Storebrand became Norway's first "climate neutral" financial group, through reducing emissions and purchasing carbon quotas to compensate for emissions related to our own operations. In 2020 we took this work further and decided on a new climate policy that applies to the whole group. We will impose strict requirements on ourselves and our suppliers and set specific targets to minimise our carbon footprint.

We use the precautionary principle when it comes to environmental management. Since 2009, Storebrand has been eco-lighthouse certified, and we report publicly on our environmental impact every year.

A dedicated department oversees energy and water consumption, waste production and levels of waste sorting in the office premises to ensure that we reach the lowest possible footprint. We buy electricity from renewable energy sources through purchasing guarantees of origin.

We encourage employees to use video conferencing for meeting activities to reduce the scope of businesstravel. More than half of all our meeting rooms are equipped with video conferencing equipment. Nevertheless, corporate air travel increased in 2019. Therefore, we introduced an internal carbon tax on flights of NOK 1 000 per tonne of CO_2 in 2020. The cost is charged to the employee's department and is followed up by management in a newly established system, which ensures increased insight into our travel habits. The funds from the carbon tax are used to buy climate quotas and for other climate-related projects. Due to Covid-19, the number of flights carried out by employees at Storebrand were reduced to a minimum in 2020. However,we updated our policies to encourage employees to assess the need for travel, and to use public transport in the event of necessary travel. In addition, we expanded our electric car and electric bike fleet. In 2020, employees were given the opportunity to buy private electric bikes at a discounted price with an interest-free loan from Storebrand.

In order to reduce unnecessary waste, we have decided to remove all disposable cups from our offices. However, the measure was postponed due to Covid-19. The decision means that all employees must bring their own cup. When using your own cup, you also receive a discount in the coffee shop at head office. In addition, we introduced environmental labelling of the food in the cafeteria in order to raise awareness among employees on emissions associated with different types of foods.

Emissions that we are incapable of reducing from our own operations are compensated by purchasing emission quotas.

Goals and ambitions

We are committed to setting science-based targets for our emissions, in line with the Paris Agreement. The plan is to set science-based targets in line with the 1.5-degree target for the entire business, including our own operations, by 2021. For our own operations, we aim to reduce greenhouse gas emissions by 7.6[15] per cent per annum with 2019 as a baseline year, in line with the 1.5-degree target and the findings of the UN Emissions Gap Report 2019.[16]

We are continuously working to become more energy efficient, reduce waste production, increase the proportion of waste sorted, and reduce our carbon footprint in connection with flights and commuting.

Results

Due to Covid-19, our internal emissions and the number of business trips were significantly reduced in 2020. Internal carbon pricing and new travel guidelines were introduced.

Carbon emissions from our own operations were reduced significantly in 2020, compared to previous years. However, the reductions are mainly related to restrictions stemming from Covid-19 restrictions rather than our environmental efforts.

50 employees used the offer to buy electric bikes for personal use at a discounted rate, with a interest-free loan from Storebrand.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.5 We aim to significantly reduce the amount of waste through prevention, reduction, recycling and reuse.

12.6 We encourage companies to implement sustainability in their practices.

13 CLIMATE ACTION

13.1 We strengthen our ability to withstand and adapt to climate-related hazards and natural disasters in our business and in our investments.

13.2 We incorporate action on climate change into our policies, strategies and plans.

15) So that the goal of limiting average global warming to 1.5 °C by 2050 reached, in accordance with the Paris Agreement.
16) https://wedocs.unep.org/bitstream/handle/20.500.11822/30797/EGR2019.pdf?sequence=1&isAllowed=y

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Sustainable practices throughout our value chain

Why

Procurement is an area where we can have a major impact by influencing our suppliers towards more sustainable practices. In order to focus on what we are good at, and make our business as efficient as possible, we have increased the use of outsourcing. This requires proper procedures to monitor working conditions, safeguarding human rights, and managing environmental issues in the value chain.

Goals and ambitions

A key objective is to avoid the use of suppliers where production processes or products violate international agreements, national legislation or internal guidelines. Through our own activities and procurement activities, we aim to contribute to sustainable development, and to ensure that human rights and workers' rights are not infringed.

8 DECENT WORK AND ECONOMIC GROWTH

8.7 Through our procurement practices, we strive to contribute to effective efforts to end modern slavery and eliminate child labour in our value chain.

8.8 We aim to protect workers' rights and promote a safe and secure working environment for all employees, contractors and suppliers.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.5 We aim to significantly reduce the amount of waste through prevention, reduction, recycling and reuse in the supply chain.

12.6 We encourage companies to introduce sustainable working methods and integrate information about sustainability into their reporting routines.

12.7 We promote sustainable procurement practices.

13 CLIMATE ACTION

13.2 We incorporate action on climate change into our policies, strategies and plans.

Our ambition for 2020 was to stabilise the share of environmentally certified purchasing volume of at least 55 percent, following our overachievement of this target in 2019. The target for 2025[17] was increased to a 60 per cent share of environmentally certified purchasing volume, to stimulate further improvement in the environmental performance of the supply chain. Even though we achieved a higher purchasing volume from environmentally certified suppliers in 2020, the dynamics of our supply chain and market conditions still make the 60 per cent target challenging. Therefore, our aim is to work on maintaining a share of purchases from environmentally certified suppliers of over 60%.

In 2020, we concretised our work on sustainability in the supply chain further, and thus also our targets. We have defined three specific climate targets for suppliers and partners:

- By 2025, the goal is that all suppliers have set short- and medium-term verifiable emission reduction targets
- By 2025, the goal is that all suppliers will be climate neutral [18]
- By 2030, the goal is that the entire value chain for our deliveries will be climate neutral

Approach

We set clear requirements to our suppliers and business partners, by Storebrand's Standard Annex for Sustainability. This is an annex to all tender requests and supplier contracts. In addition to following our internal procurement guidelines, a key principle is that goods and services purchased shall support our key objective of cost effective, sustainable business operations. Storebrand shall not purchase goods or services from companies listed on storebrand Kapitalforvaltning's exclusion list.[19] Our purchasing policy is based on the Group's governing documents and related procedures, which are revised annually. [20]

In 2020, we have developed a new framework for follow-up and evaluation of suppliers. Our approach focuses on collaboration for continuous improvement when it comes to sustainability, defined by the questions we ask suppliers and partners. Our approach to sustainable procurement follows the same three-folded strategy as our work with active ownership towards companies we are invested in.

17) Eco-Lighthouse, EMAS, ISO14001 and Swan Mark

18) We work with our suppliers to stimulate emission reductions. Remaining emissions can be compensated through the purchase of climate quotas.

19)https://www.storebrand.no/en/asset-management/sustainable-investments/exclusions/the-storebrand-standard/_/attachment/inline/c00185a1-c1b0-4b0c-a534-29d554b952d1:dba8691dda63ab2554b6870c0124632d-b9a72482/45359A%20Q3%20Liste%20over%20Storebrands%20utelukkelser_ENG.pdf

20) Among the governing documents are "Guidelines for outsourced activities", "Guidelines for the award of powers of attorney", "Rules for ethics", "Guidelines for combating corruption", "Guidelines for anti-money laundering, terrorist financing and financial crime measures", "Guidelines for handling conflicts of interest", "Guidelines for events", "Information Security Management Document", and "Governing Document for the Processing of Personal Data".

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We select - Sustainability is weighted at least at least 20% in our tender processes. Through the supplier mapping and evaluation, we give an advantage to suppliers that perform well on sustainability.

We work actively to influence - We use our position as a major buyer to influence suppliers and business partners for improvement. We do this both when we consider entering into new agreements and evaluating existing ones.

We exclude - Storebrand shall not choose vendors, products or services that are in violation of international agreements, national regulations or internal policies. This is described in our sourcing principles.
To get an overview of how good our suppliers are when it comes to sustainability, we are now mapping all suppliers with annual sales volume to Storebrand of more than 1 million NOK, through a questionnaire divided into the following main areas:

- How sustainability is integrated into suppliers' strategies
- Environmental performance over time and targets
- Diversity performance over time and targets
- Environmental, quality and management systems

To measure progress, annual reporting on sustainability will be effective from 2020. An extended set of questions is also used to evaluate suppliers in purchasing processes.

Our most important and largest purchases include contracting IT and business processes, healthcare, damage settlement in insurance and management of direct real estate investments. The areas with the greatest risk and impact on sustainability are, in our judgment, outsourcing (including offshoring), damage settlement (car and property), and property management in general.

Results

In 2020, contracts worth more than 1 million NOK totaled around 3,2 billion NOK. This accounts for more than 87 per cent of our total purchasing volume and includes the management and development of direct real estate investments. Of this volume, 62 per cent are with suppliers that are environmentally certified in accordance with our purchasing policy. This volume is divided into 290 suppliers, of which 62 (21 percent) are certified according to a recognised environmental management standard.

Our first survey of suppliers with over NOK 1 million in turnover was answered by 45 suppliers. Our total purchasing volume from these suppliers was 625 million NOK in 2020, almost 20 per cent of our total purchase volume for the year. We will continue to work on mapping our suppliers' sustainability work and aim to provide further information on this in the annual report for 2021.

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Social responsibility

Why

As a leading financial institution in Norway and Sweden, we have an important social responsibility. The sustainability work means that we actively engage with the society in which we operate, beyond delivering financial services.

Goals and ambitions

We will take social responsibility by providing financial support and knowledge in the area of sustainability. We also want to enable more employees to spend time on activities related to corporate social responsibility.

Approach

We prioritise activities in three areas in terms of corporate social responsibility: Collaboration, financial support and voluntary efforts among employees. These activities will promote and raise awareness of sustainability and demonstrate the connection between sustainability and profitability.

Young Entrepreneurship (UE) is a nonprofit organisation that encourages young students to establish and run their own businesses. We have helped create a sustainability award to encourage students to learn more about how to run a sustainable business. In 2020, we continued the popular mentoring scheme where young students can discuss issues related to the establishment of their companies with employees in Storebrand. The Catalysts mentoring program: For the fourth year in a row, ten employees were given the opportunity to mentor a student from a minority background. Through monthly meetings at Storebrand, students gained insight into Norwegian working life, help to develop themselves, and advice on school and working life. The program is a collaboration between Storebrand and the nonprofit Catalysts. The aim is to prevent dropouts in upper secondary school.

We're rooting for: Volunteering is an important part of Norwegian culture, and there is a large amount of work to be done annually, including sports and leisure activities. Through our "We're rooting for" competition, we provide financial support for various socially useful projects at home and abroad.

Results

353 Young entrepreneurship start-ups competed in the sustainability award category. In 2020, CleanAir UB won the awardfor the developmentof DustBuster, a product that allows large vehicles to collect particulate matter from the roads where they operate. The youth company had thought about sustainability throughout the entire value chain.

In 2020, NOK 500 000 was awarded to 17 "We're rooting for" projects around Norway, and 250 000 SEK were awarded to similar projects in Sweden. All the projects somehow contribute to a future to look forward to.

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Key performance indicators

For detailed KPI definitions, see page 225.
The environmental data in this table includes the head offices in Norway and Sweden as well as Skagen's head office, representing the office premises of 95 per cent of the group's employees.

Key performance indicators	Result 2017	Result 2018	Result 2019	Result 2020	Goal 2020	Goal 2025
Environmentally certified purchases (share of the total expenditure that went to suppliers with certified environmental management system) [21)]	38 %	46 %	57 %	62%	60%	60 %
Share of purchasing volume that has answered survey on sustainability of suppliers [22)]	New	New	New	17%	Increse	100%
Greenhouse gas emissions from own operation (total) scope 1-3: tonnes of CO2 / tonnes CO2 per FTE	1,484 / 0.9	1,444 / 0.9	1,519 / 0.92	477 / 0.28	0.71 [23)]	0.6[232)]
Scope 1-emission: tonnes CO2 / tonnes CO2 per FTE	1.9 / 0	1.4 / 0	1.1 / 0	1.2 / 0	-	-
Scope 2-emission: tonnes CO2 / tonnes CO2 per FTE	320 / 0.19	201 / 0.13	179 / 0.11	164 / 0.09	-	-
Scope 3-emission: tonnes CO2 / tonnes CO2 per FTE	1,162 / 0.71	1,241 / 0.77	1,339 / 0.81	313 / 0.18	-	-
CO2e-emissions per FTE due to air travel: Scope 3,tonnes[25)]	0.64	0.69	0.74	0.15	-	-
CDP rating	B	A -	A -	A -	A	A
DJSI score/ percentile global	69/74	63/74	75/81	81/93	Top 10% [24)]	Top 10% [24]
E-learning conducted, ethics: total / share of man-years[26)]	New	New	89 %	91%	100 %	100 %
E-learning carried out, anti-corruption work: total / share of man-years [26)]	New	New	87 %	90%	100 %	100 %
E-learning completed, combating money laundering and financial crime: total / share of man-years[26)]	New	New	89 %	92%	100 %	100 %
E-learning completed, privacy: total/share of man-years [26)]	New	New	New	85%	100%	100%
Number of complaints processed by the Financial Appeals Board [27)]	New	135	192	218	N/A	N/A
Number of breaches of code of conduct/Code of Conduct	New	New	9	2	N/A	N/A
Number of information security incidents	3	0	30	20	N/A	N/A
Number of privacy events	N/A	60	48	41	N/A	N/A

21) Even though we achieved a higher purchasing volume from environmentally certified suppliers in 2020, the dynamics of our supply chain and market conditions still make the 60 per cent target challenging. Therefore, our aim is to work on maintaining a share of purchases from environmentally certified suppliers of over 60%.
22) Applies to volume of our purchases in NOK to suppliers with over NOK 1 million in sales to Storebrand
23) We have set a target to reduce our emissions by 7,6% per year by 2025 with a 2019 baseline year. Due to the Covid-19 pandemic, our emissions in 2020 were abnormally low. We will consider adjusting our long-term targets when the pandemic stabilises and working-life becomes more normalised.
24) A top 10% rank entails that Storebrand will be included in the Dow Jones Sustainability Wolrd Index. Score and percentile as expressed in the indicator can therefore not be directly compared with the target expressed here.
25) We have stopped reporting the average number of flights per FTE, as this is not a relevant indicator. The impact of air travel on the environment depends on how far you travel. This indicator is therefore replaced by kg CO2equivalents per FTE related to flights will be replaced from 2019. Emissions from flights have been recalculated for 2017-2019 as a result of updates to the emission factors in our travel agencies' systems.
26) From 2019, we started reporting for each course separately. Historical data for 2017 and 2018 is therefore not available. Data for 2019 shows the share of all permanent employees throughout the year. The deviation from the 100% target is mainly due to turnover and new hires.
27) The figures apply to our Norwegian enterprises, as these are complaints dealt with in the Financial Complaints Commission. SPP not included here.

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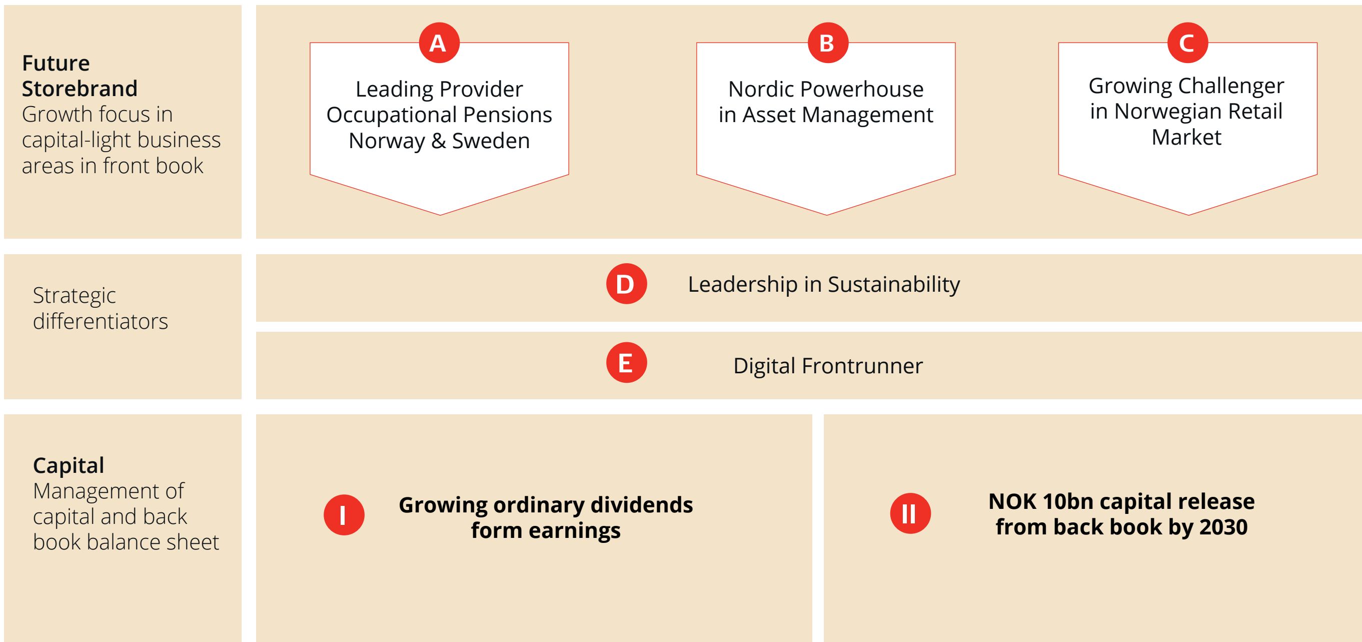
Strategy 2021-23:
Leading the Way in Sustainable Value Creation



Storebrand aims to help customers achieve financial security and freedom by offering long-term savings and insurance solutions. Our goal is to deliver sustainable solutions tailored to the customer's individual needs, so that customers can receive the best possible pension in a more sustainable world. This is how we create value for customers, shareholders, and society.

Storebrand follows a two-fold strategy that provides an attractive combination of self-funded growth within what we call the "Future Storebrand", and capital release from the guaranteed pensions business which is in run-off.

Storebrand aims to
(A) be the leading provider of occupational pensions in both Norway and Sweden

(B) continue a strategy of building a Nordic powerhouse in asset management

(C) ensure rapid growth as a challenger in the Norwegian retail market for financial services.

The interaction between our business areas provides synergies in the form of capital, economies of scale, and value creation based on customer insight. As announced on the capital markets day in December 2020, our ambition is to deliver a group profit (before amortisation and tax) of approximately NOK 4 billion in 2023.

We believe the only way to secure a better future is to take part in creating it. We seek to actively use our position to lead the way in sustainable value creation and to differentiate ourselves from competitors.

Storebrand offers financial products, services, and customer experiences. Based on an increasingly advanced technology platform, we offer a fully digital business and distribution model. Our position as a digital frontrunner will be a critical success factor in strengthening our competitiveness in the years to come.

We aim to both grow the ordinary dividend from our earnings and to ensure capital-efficient management of older products with interest rate guarantees. Our goal is to release an estimated NOK 10 billion of capital by 2030.

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Strategic highlights 2020

Despite the outbreak of the Covid-19 pandemic, Storebrand has been close to fully operational in 2020. Thanks to well defined contingency plans and adaptable staff, we executed on our strategic initiatives according to plan, despite it being an extraordinary year. We quickly adapted to new ways of working with digital processes and home offices for most of the year. Our first priority was to secure Storebrand's critical operations and to support our customers when they needed our services most. During 2020, we helped a record number of customers with their travel insurance claims, refinanced mortgages, and adjusted repayment schedules. We also provided extensive business and investment advice for companies and individuals.

We entered the year with a solid solvency and buffer capital position. This contributed to our resilience towards the market shocks that occurred as the global crisis unfolded. Despite market volatility and declining interest rates, financial risks were therefore mitigated through measures within our normal risk management framework.

Strong growth in our core business throughout the year contributed to an increase in the group's operating profit. However, turbulent financial markets in the first quarter led to significant unrealised investment losses in the beginning of the year. Throughout the remaining quarters, financial markets rebounded and the group ended the year with a positive financial result.

The main impact of Covid-19 on Storebrand was the increased risk of lower employment and a subsequent rise in disability in the society. Reserves for insurance products with disability coverage were therefore strengthened in the first quarter, and these were still assessed to be adequate by the end of the year.

References to Covid-19 and related information in notes

Note	Theme
Note 2: Key accounting estimates and discretionary assessments	Covid-19 and the effects on key accounting estimates and discretionary assessments.
Note 2: Key accounting estimates and discretionary assessments	Description of effect on insurance obligations.
Note 7: Insurance risk	Discusses insurance risks and shows sensitivities associated with insurance incidents.
Note 2: Key accounting estimates and discretionary assessments	Description of effect on valuation of financial instruments.
Note 8: Financial market risk	Discusses market risk and effects on the profit to shareholders due to deviations from expectations in financial market prices or volatility. Also shows stress test incl. development in the most significant financial instruments for Storebrand's investments.
Note 12: Valuation of financial instruments and properties	Describes the processes associated with valuation and sensitivities for financial instruments.
Note 2: Key accounting estimates and discretionary assessments	Description of the effect on valuation of investment property.
Note 8: Financial market risk	Discusses market risk and effects on profit to shareholders due to deviations from expectations in valuation of investment property or volatility. Also shows stress test incl. development in value of investment property for Storebrand's investments.
Note 12: Valuation of financial instruments and properties	Describes the processes associated with valuation and sensitivities for investment property.
Note 2: Key accounting estimates and discretionary assessments	Description of effect on estimated expected impairment losses.
Note 10: Credit risk	Discusses the loan portfolio and shows key figures for this.

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Growth in capital-light business areas in the front book

The core of Storebrand's strategy is to gather and manage savings from pension and institutional customers in Norway and Sweden, as well as retail customers in Norway. By the end of 2020, we managed NOK 962 billion of assets. This is our main revenue driver. In addition, we will build on existing savings and pension relationships by offering related products and solutions within insurance and banking in Norway.

Over the past eight years, Storebrand has succeeded in transforming the business from capital-intensive products with guaranteed returns, to fast-growing and self-funding capital-light products. Total assets under management have more than doubled since 2012. At the end of the year, 71 per cent of the assets under management were related to capital-light business in the front book.

Leading provider of occupational pensions in Norway and Sweden

The growth within Storebrand's core product, defined contribution pensions, continued in 2020. Storebrand maintained its leading market position in Norway with a market share of 29 per cent[28)]. The average policyholder is about 50 years old, which means that premium payments received exceed pension payments made. Corporate customers in Norway also paid an excess of NOK 2 billion in insurance premiums in 2020.

In Sweden, where the defined contribution pension market is more mature, SPP increased its market share to 18 per cent from 16 per cent last year, becoming the second largest provider within non-unionised pensions [29)]. New digital sales tools and a successful strategy to encourage customers to transfer previously earned pension assets to SPP were main drivers for the growth.

To further strengthen our market position and growth, Storebrand re-entered the Norwegian market for public occupational pensions in 2020. In the first year, we won contracts worth NOK 9 billion in total assets – funds that will be transferred to Storebrand in 2021. Recent pension reforms have effectively re-opened the market for competition after having been dominated by a municipality-owned monopolist over the last years. Storebrand has a strong value proposition and is the only challenger in the market. Storebrand is also the only provider with a complete product offering within occupational pensions. The market is estimated at more than NOK 450 billion in total assets and NOK 35 billion in annual premiums, thus a larger market than the Norwegian private market.

Nordic Powerhouse in Asset Management

In 2020, Storebrand's total assets under management increased to NOK 962 billion, and 43 per cent are now external customers' funds. We affirmed our position as Norway's largest and the Nordic's fifth largest private asset manager. A growing share of external customers drive earnings growth, and the ability to co-invest with our internal pension business provides us with a competitive advantage.

Storebrand Asset Management is a world leader in sustainable investments and currently manages NOK 379 billion of fossil-free investments and NOK 93 billion in what we call "solution companies". These are companies that are particularly well positioned to contribute to realising the UN Sustainable Development Goals. During 2020, Storebrand Asset management took a leading role in efforts to reduce deforestation and natural destruction. We also launched a new climate strategy for investments with innovative anti-lobbying criteria, and we committed to a new climate and infrastructure fund in cooperation with Danish fund managers.

Storebrand has developed into a Nordic multi-boutique manager with several brands. SPP Fonder is currently the fifth largest mutual fund company in Sweden. SKAGEN, which was acquired in 2017, has provided Storebrand Asset Management with a common modern technological platform. SKAGEN has also been a catalyst for international expansion and strengthened Storebrand's position in the retail market for mutual fund savings. With the 2019 acquisition of Cubera, we have also strengthened our capabilities within alternative asset classes, in particular private equity. During 2020, Cubera successfully raised NOK 9 billion in capital.

Growing challenger in the Norwegian retail market

Through our corporate pensions and asset management offering, we leverage both systems and solutions to deliver savings and insurance products in the retail market. Together with our retail bank, Storebrand offers a digital one-stop-shop with integrated value propositions and cross-selling opportunities.
With 250 years of history, the Storebrand brand name stands strong in society. In Norway, 1.3 million people are customers of Storebrand through their pension savings. They are our main target group for additional financial services that enable them to achieve financial freedom and security.
Growing our distribution capacity in the retail market was a main priority in 2020. During the year, written insurance premiums increased by 18 per cent. We entered new distribution partnerships with the Norwegian Homeowners Association and Coop, while also exploring new business opportunities with fintech companies such as Dreams, Aprilla Bank, and Finn.no. Storebrand also entered into an agreement with Insr to acquire the right and obligation to renew policies from Insr's customer portfolios over the coming year.

Leadership in sustainability

For the past 25 years, Storebrand has pioneered sustainable investments to increase value creation. We strive to create value beyond financial returns. Our sustainable investments and enhanced sustainability funds grew substantially in 2020. We believe that our leading position in sustainable value creation will increase value for our customers and create positive ripple effects for society. We are committed to the Paris Agreement throughout our value chain. Storebrand is determined to lead and develop the sustainability agenda within the financial industry in the years to come.

28) Measured in gross premiums as of Q3 2020. Source: Finance Norway.

29) Measured in gross premiums including transfers as of Q3 2020, but excluding Brummer Life. Source: Insurance Sweden

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Our sustainability position has been highly recognised in 2020. Storebrand was included in the Dow Jones Sustainability Index, recognised among the top 10 per cent most sustainable companies in the world. Corporate Knights also rated Storebrand as the world's most sustainable insurance company in its Global 100 ranking for a second consecutive year. Our employee satisfaction surveys show that Storebrand employees are proud to be a part of the company, and that our work on sustainability makes their job more meaningful. Our position on sustainability also attracts an increasing number of international talents.

More information about our sustainability work is discussed in the section below A Driving Force for Sustainable Investments and in the chapter Keeping our house in order.

Digital frontrunner

The use of technology makes it possible to combine growth initiatives and measures for increased competitiveness, while at the same time realising cost reductions and efficiency gains. Smart use of data paves the way for new business opportunities and efficiency gains, both through digitalisation and automation. Storebrand is adopting modern cloud solutions, enabling faster time-to-market and better access to new digital capabilities. Digital sales have increased 25 per cent annually over the past three years. The duration of handling disability claims has seen a reduction of up to 75 per cent, while fraud detection increased 85 per cent.

Digital customer experiences will be a high priority going forward. More information about our digital initiatives is described in the chapter Customer Relations under the section Digital Innovator in the Financial Sector.

Management of capital and balance sheet

Storebrand is a blend of fast-growing capital-light business that deliver high returns on equity, and capital-intensive run-off business with low returns on equity. The run-off business of guaranteed pensions ties up more than three-quarters of the group's equity and yielded a return on equity of 3 per cent in 2020. The growth business, on the other hand, yielded a return on equity of 54 per cent[30] . The group's overall return on equity[31] was 8.6 per cent for 2020.

At the beginning of 2020, Storebrand's Board of Directors initially announced an ordinary dividend of NOK 3.25 per share to be paid for the financial year of 2019. The outbreak of the Covid-19 pandemic led to clearly communicated guidelines from the Norwegian Ministry of Finance, the Norwegian Financial Supervisory Authority and EIOPA to suspend dividend payments until the great uncertainty regarding the economic development was reduced. Based on this, the Board of Storebrand ASA decided to withdraw the proposed dividend for the financial year 2019. However, throughout the year, the Board of Directors maintained that the company's liquidity, solvency position, and result prognosis supported an ordinary dividend for 2019. The proposed dividend for 2020 is discussed below in separate section.

The solvency margin including transitional rules was 178 per cent at the end of 2020 - an increase of 2 percentage points from last year's 176 per cent, despite occasionally challenging financial markets throughout the year. Without transitional rules, the solvency margin was 166 per cent. This corresponds to a decrease of 8 percentage points from last year's 174 per cent. The reduction is mainly due to a lower interest rates at the end of 2020. However, this is to a large extent compensated for with transitional rules. Regulatory assumptions in the calculation of solvency ratio, such as reduced volatility adjustment and a lower ultimate forward rate, contributed negatively to the solvency ratio as well. Nevertheless, we were able to improve our solvency position through actions. A dynamic pricing model for interest rate guarantees was introduced, and the result in 2020 also helped to strengthen the solvency ratio by approximately 10 percentage points.

Financial targets

Storebrand has the following financial targets:

Key performance indicators	Goal	Status 2020
Return on equity [31]	> 10 %	8.6 %
Future Storebrand (Savings and Insurance)		54 %
Run-off business (Guaranteed and Other)		3 %
Dividend pay-out ratio [32]	> 50 %	65 %
Solvency 2 ratio[33] (Storebrand Group)	> 150 %	178 %

30) Based on a pro forma distribution of IFRS equity per line of business. The capital is allocated based on the capital consumption under Solvency II and CRD IV. The segments Savings and Insurance and Other are calibrated to a solvency margin of 150%, while the rest of the capital is allocated to the segment Guaranteed pension.

31) After tax, adjusted for amortisation of intangible assets. This report contains alternative performance measures (APM) as defined by the European Securities and Market Authority (ESMA). There is summary of the APMs used in financial reporting at storebrand.com/ir.

32) After tax.

33) Including transitional rules.

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The Group's results 2020

The Storebrand Group's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Board of Storebrand ASA confirms that we meet the conditions for preparing financial statements on the basis of a going concern, pursuant to Norwegian accounting legislation. No significant incidents have occurred after the balance sheet date.

Our financial result is reported by the following business segment: Savings, Insurance, Guaranteed Pension and Other, as well as on a consolidated Group level.

Group results

NOK million	2020	2019
Fee and administration income	5,676	5,308
Insurance result	825	1 005
Operational cost	-4,068	-4,015
Operating profit	**2,433**	**2,298**
Financial items and risk result life	278	739
Profit before amortisation	**2,711**	**3,037**
Amortisation and write-downs of intangible assets	-492	-444
Profit before tax	**2,219**	**2,593**
Tax	136	-511
Profit after tax	**2,355**	**2,082**

Storebrand achieved a group profit (before amortisation) of NOK 2,711 million (NOK 3,037 million). The figures in parentheses show the corresponding figures for last year.

Fee and administration income increased by 7 per cent to NOK 5,676 million (NOK 5,308 million), driven mainly by strong underlying growth in assets under management. Adjusted for a strengthened Swedish krona, the income growth was 3 per cent.

The insurance result was NOK 825 million (NOK 1,005 million) and resulted in a combined ratio of 97 per cent (91 per cent). Reserve strengthening in products with disability coverage weakened this year's performance, as a result of the Covid-19 pandemic with the uncertain macroeconomic situation that occurred and the risk of increased disability in Norway.

Operating expenses amounted to NOK -4,068 million (-4,015). Adjusted for costs related to acquired business, performance-based results and currency movements, operating expenses were NOK -3,780 million – in line with the target of keeping costs nominally flat at NOK 3.8 billion from 2018 to 2020.

Total operating profit was NOK 2,433 million (NOK 2,298 million).

Financial items and risk result life was NOK 278 million (NOK 739 million). The decrease in profits in 2020 is mainly due to a weak disability result in the Norwegian Defined Benefit pensions as well as an increased need for Deferred Capital Contributions in SPP due to lower discount rates and wider credit spreads.

Amortisation of intangible assets amounted to NOK -492 million (NOK -444 million). The increase is mainly due to a strengthened Swedish krona.

Profit before tax was NOK 2,219 million (NOK 2,593 million).

The Group ended the year with a tax income of NOK 136 million (NOK -511 million). The tax income is the result of new information and interpretation of the transitional rules for 2018. The estimated normal tax rate for the Group is 21-23 per cent, depending on each legal entity's contribution to the group result. For more information on tax and uncertain tax positions, see note 26. Storebrand also has a policy for responsible taxation and publishes a separate tax transparency report on our website.

Group profit after tax was NOK 2,355 million (NOK 2,082 million).

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Savings

NOK million	2020	2019
Fee and administration income	4,392	3,996
Operational cost	-2,611	-2,621
Operating profit	**1,781**	**1,375**
Financial items and risk result life	-51	-11
Profit before amortisation	**1,730**	**1,364**

Key figures Savings

NOK million	2020	2019
Unit linked Reserves	268,331	219,793
Unit linked Premiums	20,185	17,168
AuM Asset Management	962,472	831,204
Retail Lending	49,474	48,161

Financial results

Fee and administration income increased to NOK 4,392 million (NOK 3,996 million) as a result of strong underlying volume growth in Unit Linked and asset management. Increased competition contributed to moderate margin pressure for both the Norwegian and Swedish Unit Linked products. Excess returns in mutual funds with performance fees contributed NOK 249 million (NOK 203 million) to the income. A lower net interest income margin in the bank, due to declining interest rates during the year, resulted in a marginally lower contribution from the bank.

Operating expenses were NOK 10 million lower in 2020 than in 2019, explained by strong cost control and slightly lower market activity as a result of the Covid-19 pandemic.

Model-based provisions for loan losses in the bank contributed to a lower Financial items and risk result life of NOK -51 million (-11 million).

Profit before amortisation increased to NOK 1,730 million (NOK 1,364 million) – an increase of 27 per cent in 2020.

Balance sheet and market development

Assets under management grew significantly in 2020.

Unit Linked reserves grew by 22 per cent to NOK 268 billion – driven partly by positive financial market developments, but also by 18 per cent growth in premiums, 46 per cent growth in new sales (measured in APE - Annual Premium Equivalent), and a positive net transfer balance of NOK 5.4 billion (NOK -0.2 billion). Total growth in assets under management within Storebrand Asset Management was NOK 131 billion (16 per cent), also driven by new mandates from external customers.

The bank's retail lending balance grew by NOK 1.3 billion (3 per cent) to NOK 49.5 billion.

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Insurance

NOK million	2020	2019
Insurance premiums f.o.a.	4,331	3,909
Claims f.o.a.	-3,506	-2,904
Operational cost	-712	-648
Operating profit	**113**	**357**
Financial result	91	83
Profit before amortisation	**204**	**439**

Financial results

Insurance premiums for own account (f.o.a.) grew by 11 per cent to NOK 4,331 million in 2020 (NOK 3,909 million), driven mainly by strong volume growth, but also price increases in less profitable products.

Insurance claims increased to NOK -3,506 million (-2,904 million). As a result of the Covid-19 pandemic and the decline in oil prices, Storebrand conducted a model-based review of the future development of the economic situation. The review led to reserve strengthening for all products with disability coverage of NOK 247 million in the 1st quarter. The total claims ratio for the year was 81 per cent compared to 74 per cent in 2019.

Operating expenses were kept nominally flat throughout the year until the 4th quarter when added staff, in connection with the takeover of Insr customers, increased the cost base. Total operating expenses for the year amounted to NOK -712 million (NOK -648 million), resulting in a decrease in the cost ratio to 16 per cent from 17 per cent in 2019.

The total combined ratio was 97 per cent (91 per cent) and total operating profit was NOK 113 million (NOK 357 million) for the year.

The financial result was NOK 91 million (NOK 83 million). The insurance investment portfolio amounted to NOK 9,0 billion at the end of 2020 (NOK 8,3 billion) and achieved a return of 3.25 per cent. The investments are primarily in high rated fixed income securities either booked at amortised cost or with short duration. Profit before amortisation amounted to NOK 204 million (NOK 439 million). The disability result lowered the result within all reported product segments, except for health insurance.

Balance sheet and market development

The total growth in written portfolio premiums amounted to 18 per cent in 2020. The highest growth was within P&C and Individual Life (22 per cent), followed by Pension related disability insurance (17 per cent), and Health and Group Life (15 per cent). The written portfolio premiums at the end of the year amounted to NOK 5.6 billion, of which NOK 2.3 billion is in the retail market and NOK 3.2 billion in the corporate market.

Key figures Insurance

	2020	2019
Claims ratio	81 %	74 %
Cost ratio	16 %	17 %
Combined ratio	97 %	91 %

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Guaranteed pension

NOK million	2020	2019
Fee and administration income	1,455	1,475
Operational cost	-842	-819
Operating profit	**614**	**657**
Risk result life & pensions	17	215
Net profit sharing	144	157
Profit before amortisation	**775**	**1,029**

Financial results

The fee and administration income was in line with that of the previous year and amounted to NOK 1,455 million (NOK 1,475 million). Income is expected to gradually decline because the products are in long-term run off and essentially closed for new business. Following the closure of the last major Defined Benefit plan in Norway this year, the income in the product has been reduced while the income from paid-up policies has increased.

Operating expenses amounted to NOK -842 million (NOK -819 million). The marginal increase is due to the strengthened Swedish krone and costs associated with new initiatives in the public sector. The risk result life & pensions was NOK 17 million (NOK 215 million). The decrease in results is due to low reactivation levels of people in disability within the Norwegian Defined Benefit pensions. To improve the result, price adjustments have been made with effect in 2021.

Net profit sharing, after further buffer capital strengthening, amounted to NOK 144 million (NOK 157 million), driven by good returns in both Norwegian and Swedish products.

Earnings before amortisation amounted to NOK 775 million (NOK 1,029 million).

Balance sheet and market development

Guaranteed reserves at the end of the year amounted to NOK 277 billion. This is an increase of NOK 13.5 billion in 2020, but adjusted for currency effects, the change is only NOK 4.7 billion. As a share of total reserves, this corresponds to 50.8 per cent (54.5 per cent) at the end of the year, a decrease of 3.7 percentage points since last year.

Storebrand's strategy is to increase the buffer capital to secure customer returns and protect shareholder's equity under turbulent market conditions. Buffer capital for guaranteed pensions increased to 11.0 per cent (8.6 per cent) of customer reserves in Norway and to 11.4 per cent (10.7 per cent) in Sweden. This corresponds to an overall increase of NOK 5.7 billion since last year.

Key figures Guaranteed Pension

NOK million	2020	2019
Guaranteed reserves	276 755	263 185
Guaranteed reserves in % of total reserves	50.8 %	54.5 %
Net transfers	1 427	-103
Buffer capital in % of customer reserves in Norway	11,0 %	8.6 %
Buffer capital in % customer reserves in Sweden	11.4 %	10.7 %

Other

NOK million	2020	2019
Fee and administration income	65	51
Operational cost	-139	-143
Operating profit	**-75**	**-91**
Financial items and risk result life	76	296
Profit before amortisation	**1**	**205**

The table above excludes eliminations. The segment result consists of the sum of the results for the business activities in the Other segment and eliminations.

NOK million	2020	2019
Fee and administration income	-236	-215
Operational cost	236	215
Financial result	-	-
Profit before amortisation	**-**	**-**

Financial results

The operating profit for the Other segment was NOK -75 million, in line with the previous year's result (NOK -91 million). Financial items and risk result life was NOK 76 million, a decrease from last year's NOK 296 million. The result is primarily based on returns in the company portfolios in Storebrand Livsforsikring and SPP, as well as the financial result in Storebrand ASA. Unrealised losses on investments in the portfolios that occurred in the first quarter during the market turmoil have been reversed throughout the rest of the year. Profit before amortisation amounted to NOK 1 million (NOK 205 million).

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Dividend for 2020

Storebrand has established a framework for capital management that links dividends to the solvency margin. The dividend policy intends to reflect the strong growth in fee-based earnings, the more volatile financial markets related earnings and the future capital release from the guaranteed book. The Board's ambition is to pay a gradually growing ordinary dividend. When the solvency margin reaches 180% without material use of transitional capital, the Board intends to initiate a share buyback program. The purpose of the buyback program is to return excess capital released from the guaranteed liabilities that are in long-term run-off. A review of the solvency level and related share buybacks will be conducted after the full year results for 2021.

The Board has carefully reviewed the solvency position, liquidity position and result prognosis for the company, in light of the Covid-19 pandemic and the resulting macroeconomic uncertainties. Based on the review, the Board's assessment is that Storebrand's financial position supports paying an ordinary dividend. The Board proposes an ordinary dividend of NOK 3.25 per share for 2020, equal to NOK 1,519 million, to the Annual General Meeting.

Capital situation

We adapt the level of equity and debt in the Group continuously and systematically. The level is adjusted for financial risk and capital requirements. The growth and composition of business segments are important drivers behind the need for capital. Capital management is designed to ensure an efficient capital structure and maintain an appropriate balance between internal targets and regulatory requirements.

We target a solvency ratio in accordance with Solvency II of at least 150 per cent, including the use of transitional rules. At the end of 2020, the solvency ratio for the Group was 178 per cent including transitional rules. Without transitional rules, the solvency margin was 166 per cent. Storebrand uses the standard model for the calculation of Solvency II. Prudent risk management and regulatory adjustment mechanisms in the solvency regulation compensate for occasionally challenging financial market conditions.

Storebrand Livsforsikring

Group'ssolidity capital consists of equity, subordinated loan capital, market value adjustment reserves, additional statutory reserves, conditional bonuses and risk equalisation reserves. The solidity capital was strengthened by NOK 10.3 billion in 2020. The market value adjustment reserve increased by NOK 1.7 billion as a result of positive market developments and amounted to NOK 7.2 billion at year-end. Conditional bonuses increased by NOK 1.5 billion and amounted to NOK 10.8 billion. Booked returns have increased the additional statutory reserves. The additional statutory reserves amounted to NOK 11.4 billion at the end of the year, an increase of NOK 2.4 billion for the year. The excess value of bonds and loans that are booked at amortised cost have increased by NOK 4.1 billion during the year and amounted to NOK 8.8 billion at year-end. The excess value of bonds and loans at amortised cost is not included in the financial statements.

Storebrand Bank Group had a pure core capital adequacy ratio of 15.1 per cent and capital adequacy ratio of 18.7 per cent at the end of 2020. The company has satisfactory capital adequacy and liquidity based on its business activities. The lending portfolio consists primarily of low-risk home mortgages with an average LTV (loan-to-value) of 56 per cent.

Storebrand ASA (holding) held liquid assets of NOK 5.0 billion at the end of the year. Liquid assets consist mainly of short-term fixed income securities with high credit ratings. Storebrand ASA's total interest-bearing liabilities were NOK 1.0 billion at the end of the year. The next maturity on bond debt for Storebrand ASA is in May 2022. In addition to the liquidity portfolio, the company has an unused credit facility of EUR 200 million, which expires in December 2024, with the option for an extension for another two years. Storebrand ASA recognised dividend and group contributions from subsidiaries of NOK 3,148 million in 2020. The dividend allocated to shareholders amounted to NOK 1,519 million.

Rating

Four companies in the Storebrand Group issue debt securities. All four companies are rated by the credit rating agency S&P Global. Storebrand Livsforsikring AS, the main operating entity, aims for at least an A- rating. In July 2020, the A- rating of Storebrand Livsforsikring AS and Storebrand Bank ASA was affirmed with a stable outlook. Storebrand Boligkreditt AS is rated AAA and the holding company Storebrand ASA is rated BBB.

Storebrand's dividend policy:

Storebrand aims to pay an ordinary dividend of more than 50% of Group result after tax. The Board of Directors' ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year. Ordinary dividends are subject to a sustainable solvency margin of above 150%. If the solvency margin is above 180%, the Board of Directors intends to propose special dividends or share buy backs.

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Official Financial Statements of Storebrand ASA

Storebrand ASA is the holding company in the Storebrand Group, and the financial statements have been prepared in accordance with the Norwegian Accounting Act, the generally accepted accounting policies in Norway and the Norwegian Regulations relating to annual accounts for insurance companies.

Storebrand ASA reported a pre-tax profit of NOK 2,975 million in 2020, compared to NOK 3,125 million in 2019. Group contributions from investments in subsidiaries amounted to NOK 3,028 million, compared to NOK 3,230 million the year before.

Income statement for Storebrand ASA

NOK million	2020	2019
Group contribution and dividends	3,028	3,230
Net financial items	43	-3
Operating expenses	-96	-102
Pre-tax profit	**2,975**	**3,125**
Tax	-171	-173
Profit for the year	**2,804**	**2,952**

Statement of comprehensive income

NOK million	2020	2019
Profit for the year	2,804	2,952
Other result elements not to be classified to profit/loss		
Change in estimate deviation pension	-15	-8
Tax on other result elements	4	2
Total other result elements	**-11**	**-6**
Total comprehensive income	**2,793**	**2,946**

Storebrand ASA reported a profit of NOK 2,804 million compared to NOK 2,952 million in 2019.

The Board proposes a dividend of NOK 1,519 million to the General Meeting, corresponding to an ordinary dividend of NOK 3.25 per share for the financial year 2020.

Allocation of the profit for the year for Storebrand ASA

NOK million	2020	2019
Profit for the year	2,804	2,952
Allocations		
Trasferred to other reserves	1,285	1,435
Provision for shared dividends	1,519	1,517
Total allocations	**2,804**	**2,952**

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Outlook

Market development

Financial market developments affect both the Group's solvency ratio and the financial results. Higher interest rates increase the solvency ratio and make it easier to achieve returns above the guaranteed rate. Defined Contribution pensions and asset management are largely exposed to the stock market. Market movements will therefore affect income earned on assets under management. Currency movements between the Norwegian and Swedish krone affect the reported balance sheet and results in SPP at a consolidated level. There is still uncertainty about the consequences of Covid-19 and how it will affect financial markets going forward. With a solid solvency margin of 178 per cent and more than 11 per cent buffer capital in guaranteed products, Storebrand is in a good position to navigate safely through demanding markets. The company also has a robust risk management framework, as described in a separate section below. Read more in note 2 about uncertainties related to the Covid-19 pandemic.

Regulatory changes

Regulations enacted by the authorities can be of great importance to Storebrand. We describe the most important changes and their significance for Storebrand below.

European regulations

Solvency II revision

In December 2020, the European Supervisory Authority for Insurance and Occupational Pensions (EIOPA) submitted its final proposal for changes to the standard model under Solvency II to the European Commission. One of several proposals by EIOPA concerns changes to the interest rate risk module that could increase the solvency capital requirement for Norwegian and Swedish insurance companies.

EIOPA originally planned to submit its final proposals in June 2020, but the timetable was revised due to Covid-19. We expect final conclusions to be drawn by the Commission, the Parliament and the Council in 2022. This will be followed by work on delegated acts and guidelines. Changes are not expected to enter into force before 2026.

Sustainable finance

The EU Action Plan for Financing Sustainable Growth will, among other things, help meet the commitments set out in the Paris Agreement on reduced carbon emissions. The regulations on sustainable finance follow up the action plan and shall contribute to increased investments in sustainable activities and strengthen the financial system's ability to manage climate risk.

The Financial Supervisory Authority of Norway has prepared proposals for a new law on sustainability reporting that incorporates the disclosure regulation and the classification regulation (taxonomy) in Norwegian law. A consultation period for the proposal was held until 8 January 2021. In Sweden and other EU countries, the disclosure regulation comes into force on 10 March 2021. The taxonomy came into force on 12 July 2020 in the EU, but the requirements will only apply from 2022 to the first two sustainability goals (climate change mitigation and climate change adaptation), and from 2023 for the other four (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems).

The new rules will establish standards for sustainable asset management and clarify reporting requirements and customer information.

We regard the regulations for sustainable finance to be positive. It will increase the requirements and improve the quality of financial and non-financial reporting, which in turn will provide better information to stakeholders and improve comparability within the financial sector.

Norwegian regulations

Individual pension accounts

The Individual Pension Account will be introduced in Norway in 2021. The reform applies to Defined Contribution pensions in the private sector. The aim is to give workers a better overview of their pension, and to facilitate more efficient administration and management of pensions.

Pension capital certificates accumulated from previous employments are automatically transferred to the Individual Pension Account, which is established at the current employer's pension provider. Transfers are carried out unless the policyholder makes an active choice to opt-out ("negative acceptance") and stay with the providers from previous employments. At the same time, it introduces the opportunity for policyholders to choose a provider of their own choice rather than staying with the employer's collective scheme.

Workers wishing to opt-out can do so between 1 February and 30 April 2021, in a joint portal provided by Norsk Pensjon. It will also be possible to move to the provider of own choice from 1 February.

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Transfers of pension capital certificates that have not opted-out shall be carried out in the period between 1 May and 30 December 2021. Policyholders who do not want to wait may request that pension capital certificates shall be moved to their Individual Pension Account at once.

To facilitate an efficient implementation of the reform, the industry has collaborated on the development of a new common digital infrastructure. A separate company, Pensjonskontoregisteret AS, has been established to operate this.

A key aim of the reform is to reduce the costs associated with the administration of pension contributions from previous employers. Regulation stipulates that individuals shall pay the same fee for former earning from pension capital certificates transferred to the Individual Pension Account as the employer pays for current contributions. This will lead to significantly lower income related to former earnings for the providers. The impact for Storebrand is described in more detail below under financial results.

Storebrand expects a positive net transfer of pension capital certificates with the introduction of Individual Pension accounts. At the same time, workers will be able to move the pension funds (both past and present earnings) to providers of their own choice. All the major labour unions have launched offerings for self-selected Individual Pension Accounts for their members.

Storebrand participates in the Ministry of Finance's implementation group for Individual Pension Accounts.

Guaranteed pension

The Norwegian Financial Supervisory Authority's proposed changes to the regulations for guaranteed pension products have been consulted. The Ministry of Finance is yet to decide which of the proposals for legislative changes are to be submitted to the parliament.

The Ministry of Finance decided in May 2020 that the Financial Supervisory Authority's proposal to remove the possibility of booking bonds and loans at amortised costs will not be followed up. Bonds held at amortised costs are a key tool for risk management of paid-up policies, and the clarification provided reassurance that we can continue to make use this tool.

The other proposals that the Ministry will now consider include:

- The ability for companies to build additional statutory reserves separately for individual contracts.
- A new buffer fund model. The Financial Supervisory Authority has primarily proposed merging additional statutory reserves and market value adjustment reserves into a new customer-distributed buffer reserve that can also cover negative returns. As an alternative, a continuation of additional statutory reserves and market value adjustment reserves is proposed, but with the possibility for additional statutory reserves to also cover negative returns.
- The ability for the company to fulfil annual interest rate guarantees with borrowed equity.
- The ability for customers to choose faster pay-outs for small paid-up policies.
- The ability for companies to compensate customers who convert to paid up policies with investment choice.

We expect the proposed legislation to be presented in early 2021.

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Changes in IFRS

A new accounting standard for insurance contracts, IFRS 17, is expected to be implemented in 2023. Storebrand will also implement IFRS 9 for financial instruments at the same time. The new standards will lead to changes in the valuation of insurance contracts and how profits are recognised. Estimated effects for Storebrand will be presented closer to the implementation date.

Swedish regulations

Premium pensions (PPM) of the national retirement pension system

The report on the Swedish premium pension system (PPM) is still being discussed in the Swedish parliament's pension group. This will present the final requirements for a procured fund market, before for further processing. The inquiry period has been extended until 31 August 2021 so that the authorities can begin their work with the fund market on 1 September 2021. Today's fund market is expected to be replaced by a procured market based on new criteria for fees, sustainability and quality.

In 2020, it was decided that a body under the Swedish Pension Authority shall be responsible for managing the new fund market and for qualifying funds. The Pension Authority shall also be responsible for dissolving the current fund market and for deciding how pension funds shall be transferred to funds on the new fund market.

The PPM fund market is a major distribution channel for SPP's funds. We anticipate that the new fund market will offer fewer funds at a lower price, but it is too early to say anything about the consequences.

New transfer market regulation

A new regulation with the purpose of increasing the transferability of pensions policies came into force in January 2020. The new rules limit the amount of fees that can be charged upon transferring pensions rights to competing providers. In accordance with the new regulation, SPP adjusted its transfer fees. SPP favours increased transfer rights and welcomes the new regulation.

The Swedish government has been asked by the parliament to draw up further proposals for adjustments to the transfer fees for Unit Linked accounts (including deposit insurance). Proposed regulations were presented in October 2020. The new rules, which introduce an upper limit on fees, will come into force on 1 April 2021 and apply to policies dated back to 1 July 2007. An inquiry for policies established before 1 July will be conducted and proposed regulations are expected in September 2021.

SPP supports a more transparent and clearer framework for transfers of pensions and hopes full transfer rights will apply to policies established even before 2007. Today, this is voluntary for insurance companies, and something the SPP already allows. We believe that the ability for employees to choose a provider of their own choice should not be affected by how many years they have saved for their pension.

Financial results

In Norway, the market for private sector occupational pensions has experienced increased competition over the last years in anticipation of the new Individual Pension Accounts (IPA), described under regulatory changes above. As individuals' contracts are merged into one account, fees will be reduced. The resulting economic effect is expected to be moderate in 2021 and slightly more negative in 2022, before recovering in 2023 through strong underlying growth as well as measures to increase profitability. The market has grown structurally over the past years. High single-digit growth in premiums and double-digit growth in assets under management are expected during the next years. We aim to defend Storebrand's market leader position, 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 offering to the public sector market. The public sector pension market is fast growing and larger the private sector, thus representing a potential additional source of revenue generation for Storebrand. The ambition is to gain 1 per cent market share annually, or approximately NOK 5 billion in annual net inflow.

In the coming years, Storebrand is looking to leverage customer, product and capital synergies by expanding our insurance offering to corporate clients within P&C. The gradual transfer of contracts from the newly acquired Insr portfolios is expected to support growth within this area in 2021.

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

Overall reserves for guaranteed pensions are expected to start decreasing in the coming years. Guaranteed reserves represent a declining share of the Group's total pension reserves and were 50.8 per cent at the end of the year, 3.7 percentage points lower than last year. Storebrand's strategy is to secure customer returns and shield shareholder's equity under turbulent market conditions by building customer buffers. Customer buffers make up more than 11 per cent of customer reserves in both Norway and Sweden. The levels will grow with an expected positive spread over the guaranteed rate on the policies.

Storebrand Asset Management is growing its external mandates from institutional and retail investors, both in the Nordics and across Europe, in addition to managing internal pension funds. Storebrand has a full product range including index, factor, and active management. We are also one of the strongest providers

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alternative assets in the Nordic region, asset classes offering prospects of higher margins. In combination with a strong track record with ESG-enhanced mutual funds, Storebrand is aiming to capitalise on these two trends. The overall ambition is to grow assets under management by NOK 250 billion in the coming three years, while maintaining a stable fee margin.

The retail market has evolved into and increasingly larger part of Storebrand and accounted for 21 per cent of the group's profits in 2020. The individualisation of the pension and savings market is expected to increase further and may be reinforced by the introduction of Individual Pension Accounts in Norway. Non-life insurance, particularly P&C insurance, is an important growth area, and the acquisition of insurance customers from Insr will contribute positively in 2021. The ambition is to grow more than 10 per cent annually within savings, mortgage lending and insurance.

Our ambition is to report a Group profit (before amortisation and tax) of NOK 4 billion in 2023. Strong cost discipline will be a critical success factor. Adjusted for acquisitions, currency effects and performance related costs in funds with performance fees, the Group has reported flat nominal costs since 2012. Storebrand will continue to reduce underlying costs, but it will also be necessary to make selective investments to facilitate growth. The acquisition of the Insr portfolio, as well as accelerated digital investments, are expected to increase costs in 2021 by NOK 400m.

Capital management

Storebrand aims to maintain a solvency ratio of at least 150 per cent. At the end of 2020 it was 178 per cent. On an annual basis, a net capital generation of about 6-7 percentage points of solvency is expected over the next few years. Of this, approximately 10 percentage points are generated in the business, 3 additional percentage points are expected as a result of the guaranteed business being in run-off, and around 5-6 per cent are expected to pe paid out as dividend from the annual results. Financial market volatility, especially the development in long interest rates, and regulatory changes, may lead to short term volatility in the solvency ratio.

The Board's ambition is to pay a gradually increasing ordinary dividend. When the solvency ratio exceeds 180 per cent without material use of transitional capital, the Board's intention is to begin a share buy-back programme. The purpose of the buy-back program will be to return excess capital from the guaranteed business which is in long-term run-off. Under normal circumstances, the solvency ratio can be expected to reach 180 per cent in 2023. During the same period, it is expected that the transitional capital will be phased out as a result of the change in business mix from guaranteed to non-guaranteed business. We expect that approximately NOK 10 billion in capital will be released by 2030. In combination with increased earnings from capital light growth, the business mix shift will also lead to positive developments in return on equity over time. We expect to deliver a return on equity (adjusted for amortisation) of more than 10 per cent by the end of 2023 on a sustainable basis.

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A driving force for sustainable investments

Having a long-term perspective is important for Storebrand, as we manage customers' savings over decades. We fundamentally believe that investments in companies that are well positioned to deliver on the UN Sustainable Development Goals (SDG) will provide better risk-adjusted returns for our customers over time. Companies that rank highly on sustainability indicators have a better understanding of global developments, and how to navigate risks and opportunities, than other businesses. According to international studies, the most sustainable companies on the world's stock exchanges tend to outperform their peers financially over time. We therefore believe such companies will be the winners of tomorrow and provide better returns for our customers.

In order to clarify and measure sustainability, we have defined sustainability as measurable subpoints under the Envionmental, Social and Governance (ESG) categories – environmental and social conditions, and corporate governance. Storebrand is both a significant asset owner and asset manager. With investments in over 4,500 companies worldwide, we are exposed a wide array of ESG risks. We work actively to reduce the risk of our portfolio having a negative impact on the environment and in societies. More specifically, we work to reduce the risk of our investments having indirectly contributed to environmental degradation, violations of international conventions on human rights and international law, suppression of children's rights, corruption or economic crime. From a financial perspective, it is also crucial for us to reduce ESG risk to avoid negative effects on the value of our investments.

In the past few years, the debate on sustainability has mainly considered the importance of reducing the world's greenhouse gas emissions and limit global warming. The climate crisis remains a central issue today, but in the environmental and climatic areas there is an increasing focus on the importance of avoiding large-scale losses of biodiversity and ecosystems.

The Covid-19 pandemic affected us all in 2020, but the impacts were unevenly distributed. Just like the impact of climate change will challenge societies differently. In our work on responsible investments, we see that the pandemic has had major consequences for supply chains in developing countries and has consequently resulted in millions of people losing their livelihoods. The World Bank estimates that for the first time in 20 years the number of extremely poor increased, and it is estimated that around 100 million people have been driven into extreme poverty in 2020. [34)]

34) https://www.worldbank.org/en/news/press-release/2020/10/07/Covid-19-to-add-as-many-as-150-million-extreme-poor-by-2021

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We see a growing demand for sustainable investment products, especially products with a focus on climate solutions. In Sweden, our customers want to reduce the exposure to carbon-related activities in their portfolios. In this market, one-third of our total assets of NOK 962 billion are invested in fossil-free products that exclude companies in coal, oil and gas. In 2020 assets under management in fossil free products increased by more than NOK 130 billion. Our efforts to reduce CO2emissions among companies in our portfolio are driven by customer expectations, as well as our responsibility to manage financial risk on behalf of our customers and investors.

Our exposure to companies actively working to achieve the SDGs increased significantly in 2020. These businesses are called "solution companies" in Storebrand. Our investments in solution companies accounted for 13 per cent of our total equity investments in 2020, up from 8 per cent in 2019.

We contribute in the debate on sustainable investments and develop methods and frameworks.
In 2019, we were one of the founders of the UN-backed Net-Zero Asset Owner Alliance (NZAOA).[35] The aim of the alliance is to harness the role as active owners to reduce emissions in investment portfolios. Members of the alliance report openly on progress towards intermediate targets, in line with Article 4.9 of the Paris Agreement.

By cooperating with portfolio companies, members are committed to ensure that the portfolio companies succeed in their transition to production methods and energy use from sources that diminish their CO2emissions over time. In 2020, Storebrand chaired the working group of NZAOA and developed a document suggesting methods for how investors can set climate targets in line with the Paris Agreement's 1.5°C target. The framework includes active ownership, portfolio targets, sector targets and solutions. Investors must set targets every five years on their path to a carbon-neutral investment portfolio by 2050.

In line with the scenarios of the Intergovernmental Panel on Climate Change, we aim to reduce emissions by 32 per cent for investments in equities, bonds and real estate by 2025, with a baseline year in 2018. We intend to do this through real-world changes, rather than excluding companies with high emissions. Therefore, we are actively working with the 20 largest emitters in our portfolio to reduce their emissions. In 2021, we will set specific targets for the sectors that account for most of the emissions in our portfolio.

In 2020, we launched a new comprehensive climate policy for Storebrand's investments. The work included a comprehensive analysis to uncover deforestation risks, and direct dialogue on deforestation with Brazilian and Indonesian authorities. We also decided not to invest in companies that engage in deliberate and systematic lobbying to counter the goals of the Paris Agreement.

Over time, we have had dialogue with the International Energy Agency (IEA), along with over 60 other international companies, organisations and academic researchers. We have urged the IEA to provide governments, investors and companies with better tools to align policies, investments and business strategies with the Paris Agreement's goal of reducing global warming. In the "2020 World Energy Outlook," the IEA included a renewable energy scenario for the first time, with net zero emissions by 2050. This is a positive development that shows that international cooperation works. We will continue to put pressure on the IEA to include a comprehensive 1.5-degree scenario in the World Energy Outlook report in 2021.

Throughout 2020, Storebrand' s CEO continued to engage in several initiatives to promote sustainable business practices and share knowledge and experience with other companies. The Norwegian climate initiative Skift, and the Nordic initiative Nordic CEOs for a Sustainable Future, are two examples. In both working groups, we led work-streams on climate that resulted in all members committing to set targets in line with the Paris Agreement and report public and transparent climate data.

In 2020, we also assisted The Science Based Targets Initiative (SBTi) in the development of a methodology to adapt lending and investment portfolios to the ambitions of the Paris Agreement, by providing input on their Temperature Alignment Tool. In addition, we road tested the SBTi methodology to set goals for property investments, contributing to a report where we shared our target and experiences using the framework.

As these examples indicate, we expanded our sustainability work through cooperation with different types of stakeholders, as well as strengthening direct dialogue with the companies in which we are invested throughout the year.

35) http://www.mynewsdesk.com/no/storebrand-asa/pressreleases/storebrand-makes-unprecedented-commitment-to-net-zero-emissions-291916

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Our work on sustainable investments

We aim to be a driving force for lasting change in the way companies are managed, while ensuring good returns for our owners and customers. We put capital into action to fund socially purposeful, sustainable solutions and reduce exposure to activities that adversely affect society and the environment. Our work on sustainable investments consists mainly of three instruments; solutions, active ownership and exclusions

These three instruments enable us to be an active, driving force for sustainable investments that contributes to positive change and development, and to reduce financial risk.

Solutions

Part of our investment strategy is to move capital to what we call solution companies. These are companies that actively work to contribute to the UN Sustainable Development Goals and do not substantially hinder achievement of other sustainability goals, or the Paris Agreement. Our whitelist of solution companies is updated continuously, used in investment decisions and is part of Storebrand' s ranking of companies based on sustainability criteria. Below we describe how the investment strategy for solution companies contributes directly to realising different sustainability goals.

In order to integrate assessments of companies' ESG risks and opportunities into the investment process, proper tools are essential. Since 2012, Storebrand has developed and integrated a sustainability score providing a foundation for investment decisions, by ranking the companies on operations, products, and services. In this way, we can effectively identify companies that have the potential to deliver good returns, while helping to solve sustainability challenges. We calculate the sustainability scores of over 4 500 companies and base it on a 0-100 scale. We increase investments in companies that achieve high scores, an reduce investments in companies with low scores. Our target is that 15 per cent of our investments will be invested in solution by 2025, up from 9.6 per cent in 2020.

We also invest in green bonds. These secure access to capital for new and existing projects with environmental benefits. By year-end in 2020, we had invested NOK 22.2 billion in green bonds, accounting for 5 per cent of our total bond investments, up from 2 per cent in 2019. Green bonds are part of what we call solutions, and are included in the total target of 15 per cent described above The table below shows how our strategy for increasing investments in solutions contributes positively to the UN Sustainable Development Goals.

Alternative investment opportunities

By diversifying our investments, Storebrand sees great opportunities in reducing risks while at the same time contributing to sustainable development. For instance, by diversifying investments in alternative asset classes such as real estate, private equity and infrastructure.

Infrastructure

In 2020 Storebrand teamed up with two of Denmark's largest pension funds, PKA and PenSam, to establish a new climate and infrastructure fund. Together, we are committed to investing a total of up to NOK 45 billion, making the fund one of the largest of its kind in the Nordic region. This marked the start of Storebrand' s investments in infrastructure and will further enhance our ability to contribute to the transition to a low-carbon society.

Real estate investments

Storebrand is a significant player in direct real estate investments with property investments of NOK 49 billion, which accounts for 5 per centof our assets under management. Our experience is that the integration of sustainability aspects int real estate has a positive effect both for society and our tenants, while providing higher returns on property investments. We integrate sustainability throughout our property portfolio and aim to be the Nordic region's leading player in sustainable management of real estate investments.

We increased the share of environmentally certified buildings from 41 per cent in 2019 to 43 per cent in 2020. In addition, we reduced emissions from our real estate investments from 9.1 kg CO2e per m2 in 2019 to 7.9 in 2020. This is affected by reduced activity in a number of our properties due to the Covid-19 pandemic. Our target for next year is therefore somewhat higher than the result for 2020. As a result of our long-term and systematic sustainability work, four out of five funds with direct real estate investments have achieved a 5-star rating from the Global Real Estate Sustainability Benchmark (GRESB).

Active ownership

Active ownership is a vital tool in Storebrand's approach to sustainable investments. The main objectives of reducing risk, and safeguarding and creating value on behalf of shareholders, are closely related to ESG risks. The aim of our engagements with the various companies is that we will influence them to move in a more sustainable direction. Therefore, we prioritise active ownership with companies where we see the greatest potential to foster change through our engagement efforts. We get involved in companies with a long-term perspective for change and collaborate with other investors to exert greater influence. We concentrate our resources on activities that can raise the standards for entire industries, rather than focusing on individual initiatives for each company in our portfolio.

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How we contribute to the UN Sustainable Development Goals

13 CLIMATE ACTION

We invest in companies that deliver climate solutions and help achieve the Paris Agreement.

6 CLEAN WATER AND SANITATION

We invest in solutions for safe drinking water at an affordable price, improved sanitation, water quality, efficient water consumption, water resources management and recovery of water-related ecosystems.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We invest in companies that deliver solutions in sustainable management and efficient use of natural resources. Companies that contribute to circular economy and waste reduction in the life cycle of products.

5 GENDER EQUALITY

We invest in companies that support productive employment and decent work for all women and men. We increase exposure to companies that work against discrimination, which provide equal pay for equal work, and provide equal opportunities for senior positions at all levels of decision-making.

11 SUSTAINABLE CITIES AND COMMUNITIES

We invest in companies that deliver sustainable urban development and sustainable transportation systems and reduce cities' impact on the environment. More specifically, companies that improve air quality and waste management, promote inclusion, promote resource efficiency, mitigates and adapts to climate change and increases resilience to natural disasters.

4 QUALITY EDUCATION

We invest in companies that contribute to inclusive, fair and good education for all. We increase exposure to companies that offer products and services that contribute to increased access and accessibility to education, companies that help young people and adults increase their ICT knowledge and contribute to knowledge sharing about sustainability.

7 AFFORDABLE AND CLEAN ENERGY

We invest in companies that promote energy efficiency and enable increased production, distribution and use of renewable energy in the global energy mix. We are increasing investments in infrastructure, energy grids and storage and clean energy technology.

3 GOOD HEALTH AND WELL-BEING

We invest in companies that contribute to good health and quality of life. We are increasing exposure to companies that contribute to more people accessing essential health services, medicines and vaccines, health insurance, and companies that counteract deaths as a result of unsatisfactory water and sanitation.

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We exercise active ownership towards the companies we are invested in, mainly through investor cooperation, direct dialogue with the management and board of directors, and by voting at general meetings, including by proxy voting. We prioritise direct dialogue when we believe this is the most effective way to influence ESG-related decisions. We have experienced that we have the greatest impact when working with other investors. This is one of the reasons why we participate in investor cooperation through the UN-backed Principles for Responsible Investment (PRI) network, and Climate Action 100+ to achieve dialogue with companies on climate change and deforestation, among other things.

In our active ownership, we prioritised four topics in 2020:

Decarbonization of companies
Our climate change policy aims to reduce investment exposure to climate risk. We are part of several global collaborations where we have a leading role in engaging with companies that are top carbon emitters. With the decision to phase out investments in coal by 2026, we are engaging with investee entities on reducing their exposure to coal production, distribution and consumption. We will also co-file shareholder proposals on two-degree scenario planning and methane emission reduction targets.

Conflict areas
During 2020, Storebrand has carried out a screening to identify companies with operations in occupied Palestinian territories and occupied Western Sahara. These companies may contribute and profit from the occupation by supplying security and surveillance services and equipment. They may also profit from the maintenance, development and expansion of settlements by providing construction materials and services or directly financing the construction of settlements or by being involved in the exploitation of natural resources without the consent of the occupied people. According to reports from the UN and several Human Right organisations, the occupying powers in these territories continue expanding their occupation which in turn results in continuing violations of human rights. In addition, attention to these issues by companies and investors continues to be low. Therefore, we decided to make conflict areas one of our top engagement priorities. During the year we faced several dilemmas that highlighted the importance of thinking holistically about sustainability. Among other things, we chose to exclude companies with business activity in occupied territories, despite their business contributing to green restructuring.

Money laundering
Trust in the financial system is at the very core of our modern society. If banks and other financial institutions are used as tools to legitimate criminal activity through money laundering this trust will quickly erode. In recent years major banks all over the world, including major Scandinavian banks, have been implicated in money laundering scandals. We expect all financial institutions to follow international rules and the recommendations from the Financial Action Task Force on Anti-Money Laundering (AML). We will cooperate with other investors, to improve the AML systems in banks we are invested.

Deforestation and biodiversity
Protecting and restoring forests and other natural ecosystems can contribute as much as a third of what is needed to prevent irreversible climate change. Deforestation is driven by demand for agricultural land and natural resources. Raw materials and products associated with deforestation are part of thousands of global value chains. As one of the world's first investors, Storebrand launched in 2019 a separate policy on deforestation, committing to deforestation-free investment portfolios by 2025. Therefore, Storebrand has stepped up its work on active ownership and been in dialogue with companies with activities that pose a high risk of deforestation.

In collaboration with the Rainforest Foundation and KLP, we produced a report that maps the types of data sources, tools and methods investors can use to work systematically and fact-based with deforestation. Based on the findings of the report, Storebrand conducted a comprehensive risk analysis and identified companies and sectors with high deforestation risk. Further work in this area will be one of our priorities in 2021.

Furthermore, Storebrand also initiated an investor coalition on deforestation, the Investors Policy Dialogue on Deforestation (IPDD). The coalition consists of 43 investors who manage approximately USD 6,000 billion and will work systematically towards governments in countries where deforestation is a problem. Storebrand and BlueBay Asset Management share the leadership responsibility for this work. Initially, the coalition focused on Brazil, where we led the dialogue with Brazilian authorities. The work gained great international recognition, and received massive media coverage in Brazil and internationally, giving us a solid starting point for our work to combat deforestation.

Loss of biodiversity is a priority for Storebrand. The value of natural goods is estimated to be over NOK 100,000 billion globally, and loss of nature can have major financial consequences for companies. For us, it is important to establish nature-related risk as a concept, in the same way as climate risk is. Internationally, we have been invited to work with governments, companies and other financial institutions to establish the Task Force on Nature-related Financial Disclosures with accompanying standards for better company reporting for biodiversity.

Exclusions
All companies in our investment portfolio must satisfy the Storebrand Standard. This stipulates minimum requirements to human rights and international law, corruption and financial crime, climate and environmental damage, controversial weapons and tobacco. It applies to all funds and pension assets in the Storebrand Group and ensures that customers' money is invested in companies that comply with international norms and conventions. In case of serious violations of the Storebrand Standard, we use our role as owner to suggest improvements in dialogue with the company. If our engagement is not successful, the company is excluded from our investment portfolio.

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At the end of 2020, we had excluded 215[36] companies for violating the Storebrand standard for sustainability. Of these exclusions, 139 were due to severe climate and environmental damage, which include conduct based exclusions such as; companies that derive more than 5 per cent of their revenues from coal and oil sands, companies that work against the goals and targets enshrined in the Paris Agreement and companies that are involved in severe and/or systematic unsustainable production of palm oil, soy, cattle and timber. 10 companies are excluded due to gross corruption, 38 companies are excluded for human rights violations and international law, 25 exclusions on the tobacco criterion, 24 on the controversial weapons criterion and 2 companies that are excluded on our cannabis criterion.

Active ownership to realise Sustainable Development Goals

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We are taking steps to avoid corruption and bribery as a result of inadequate corporate governance and systematic failure to uncover fraud and corruption. We vote to encourage greater accountability and transparency. In 2020 we focused on conflict areas and occupied territories and had dialogue with companies about their activities in such areas. [37]

8 DECENT WORK AND ECONOMIC GROWTH

We want to raise awareness of international employer rights,especially in high-risk sectors. We seek to improve guidelines and contribute to both better relationships between management and employees and working conditions in supplier chains. As described previously, Covid-19 led to major negative consequences in the supplier industry, and we have had a particular focus on the textile industry. [38].

15 LIFE ON LAND

We engage with companies involved in serious and/or systematic unsustainable production of palm oil, soy, cattle and timber. In 2020, we had dialogue with other important stakeholders, including the authorities in Brazil, on measures to reduce biodiversity loss and to prevent deforestation.

3 GOOD HEALTH AND WELL-BEING

We strive to ensure that the companies we are invested in ensure good health and quality of life for their employees. This year we also demanded that companies established proper practices and measures to protect their employees from Covid-19.

13 CLIMATE ACTION

We engage with companies in the world that emit the most greenhouse gases, to reduce emissions, strengthen climate-related financial reporting and improve climate management. In 2020, we worked to ensure that the companies we are invested in will set climate targets in line with the Paris Agreement and report on climate risks in accordance with the TCFD recommendations.

1 NO POVERTY

In connection with the Covid-19 pandemic, we worked actively with supply chains, mainly in the textile industry. This is to reduce or prevent poverty, and ensure that people in the supply chain do not lose their jobs, or workwithout receiving compensation for work done.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We engage with companies to reduce water consumption and greenhouse gas emissions in intensive livestock production. We raise environmental standards in key sectors, such as palm oil, soy, cattle and timber. In 2020, we analyzed companies with increased deforestation risk, that employ irresponsible production methods.

36) A company can be excluded on several criteria, therefore the total is less than the sum of the individual exclusions
37) https://www.storebrand.no/asset-management/barekraftige-investeringer/aktivt-eierskap/konfliktomrader
38) https://www.storebrand.no/asset-management/barekraftige-investeringer/aktivt-eierskap/storebrand-committed-to-act-in-support-of-the-investor-statement-on-coronavirus-response

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Exclusion criteria based on Sustainable Development Goals

	Storebrand standard (applies to all funds)	Additional criteria (applies to selected funds)
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Companies involved in systematic corruption and financial crime. Companies that cause or contribute to serious and systematic violations of international law and human rights in areas of war. Government bonds issued by countries that are systematically corrupt, which systematically suppress basic social and political rights, or against which the UN Security Council has adopted sanctions. Companies with more than 5 per cent of their revenue come from the production or distribution of controversial weapons, including nuclear weapons, landmines, cluster munitions, biological weapons and chemical weapons.	Companies where more than 5 per cent of their revenue comes from the production or distribution of weapons (small arms and military weapons).
13 CLIMATE ACTION	Companies involved in serious environmental damage. Companies that receive more than 5 per cent of their revenue from coal or oil sands-based operations. Companies that contribute to severe and/or systematic deforestation through unsatisfactory production of palm oil, soy, cattle or timber. Companies that deliberately and systematically work and lobby to counter the objectives enshrined in the Paris Agreement.	Companies with more than 5 per cent of their revenue come from the production or distribution of fossil fuels, or that have more than 100 million tons of CO2 in fossil reserves.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Companies with severe and/or systematic unsustainable palm oil production	
8 DECENT WORK AND ECONOMIC GROWTH	Companies that cause or contribute to serious and systematic violations of workers' rights.	Companies where more than 5 per cent of their revenue comes from the production or distribution of gambling or pornography.
3 GOOD HEALTH AND WELL-BEING	Companies with more than 5 per cent of their revenue come from the production or distribution of tobacco or drugs.	Companies where more than 5 per cent of their revenue comes from the production or distribution of alcohol.

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Case: New ecosystem-based climate strategy for investments

In 2020, Storebrand launched a new climate strategy as an addition to the Group's sustainable investment guidelines. The strategy aims to ensure that we are a driving force for a just transition to a low-carbon society, while helping to reduce climate risk in our investments.

The strategy is divided into four main areas:

1 **Make investment decisions in line with scientific consensus**
Using climate scenarios based on the climate models of the Intergovernmental Panel on Climate Change (IPCC) and limiting global warming to 1.5°C with no or with limited overshoot.

2. **Reorient capital flows towards low-carbon, climate-resilient and transition companies**
Using the EU taxonomy for sustainable activities and establishing methods for measuring, monitoring and reporting on climate-related risks and identify investment opportunities.

We will use the following metrics to measure, monitor and report climate-related risks and identify investment opportunities:

- **Climate risk assessment and monitoring:** All portfolio managers are responsible for assessing and reporting on the climate risk profile of their portfolios. In addition, we have established a methodology aimed at high emission sectors.
- **Ranking and research:** Use data to assess and manage climate-related risks and opportunities.
- **Carbon footprint:** Measure the carbon footprint of our portfolios and compare these with relevant indexes to map reduction targets. Use best available reporting practices.
- **Adaptation metrics:** Assess the preparedness of investee companies and entities to the physical impact risks associated with climate change. In addition, we will consider adaptation plans for companies that are particularly exposed to climate change.

3. **Avoid investments that contribute greatly to climate change**
Storebrand will no longer invest in companies such as:
- receive more than 5 per cent of its revenues from coal or oil sands-based activities
- is involved in severe and/or systematically unsustainable production of palm oil, soy, cattle and timber. This can reduce deforestation risk in portfolios, in line with our deforestation policy.
- deliberately and systematically work against the goals and targets enshrined in the Paris Agreement., for example through lobbying. Two of the world's largest energy companies, Exxon Mobil and Chevron were excluded from all Storebrand's funds in 2020 due to this criterion.

Exceptions from divestment limits may be made in cases where companies can demonstrate a clear and rapid transition pathway.

4. **Use ownership position to stimulate ambitious climate practices at portfolio companies**
We will seek to build positive dialogue with companies, aiming to support their transition to low carbon and climate-resilient activities. This will be done both through individual dialogue, but also through investor initiatives such as the PRI and Climate Action 100+.

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Key performance indicators

For detailed KPI definitions, see page 225.

Key performance indicators	Result 2017	Result 2018	Result 2019	Result 2020	Goal 2021	Goal 2025
Return on equity	11.3 %	13.7 %	8.0 %	8.6%	>10 %	>10 %
Solvency margin	172 %	173 %	176 %	178%	>150 %	>150 %
Dividend ratio	40 %	68 %	0%	65%	>50 %	>50 %
Share of total assets screened for sustainability	100 %	100 %	100 %	100%	100 %	100 %
NOK billion invested in fossil-free products [39]	60	68	277	379	N/A	N/A
Carbon footprint from equity investments: tonnes of CO_2e per NOK 1 million in sales income (against index) [40]	28 (18)	22 (32)	18 (24)	12 (18)	N/A	N/A
Carbon footprint from bond investments: tonnes of CO_2e per NOK 1 million in sales income (against index) [41]	New	New	7(12)	9 (16)	N/A	N/A
Exposure to high emission sectors: NOK billion / share of equity investments [42]	New	37.7 / 19%	34.6 /13%	32.2 /8%	N/A	N/A
Investments in solutions (solutions companies, green bonds and property with environmental certification): NOK billion / share of total assets [43]	New	38.8 / 5.5 %	53.7 / 6.5 %	92.6 / 9.6%	10 %	15 %
Investments in green bonds, nok/ share of total bond investments	New	8.4 / 2.9 %	12.4 / 3.1 %	22.2 / 5.2%	-	-
Investments in solution companies, nok / share share investments	New	New	24.3 / 9.3 %	50.3 / 13.1%	-	-
Certified green property, nok/ share of total real estate investments	New	13 / 30 %	17 / 41 %	20.1 / 43.0%	52 %	74 %
Companies that have been contacted to discuss ESG through active ownership: number/share of investment universe	New	314 / 10.8 %	408 / 9.7%	572 / 12%	N/A	N/A
CO_2emissions real estate investments: total / kg CO_2e per m^2	10,551 / 10.25	10,818 / 9.96	10,228 / 9.12	8,456 / 7.9	8.2	6.5

39) Fossil-free products are one of several ways to achieve our overall goal of net zero emissions, and therefore we have not set a specific target for how much should be invested in fossil-free products.
40) The method of carbon footprint calculations has been further developed for the annual report 2020. Similar indicators for 2017 – 2019 are rendered with the same methodology to ensure a consistent comparison basis. The ratio of funds to index is similar with the current and previous method, but the absolute values on the indicators will thus differ from previous years' reported figures.
41) The method of carbon footprint calculations has been further developed for the annual report 2020. Similar indicators for 2017 – 2019 are rendered with the same methodology to ensure a consistent comparison basis. The ratio of funds to index is similar with the current and previous method, but the absolute values on the indicators will thus differ from previous years' reported figures.
42) The figure applies to equity investments. For more information, see the chapter on climate risks and opportunities, especially page 70. See also description in the list of definitions from page 225.
43) We have decided to set an overall target for 2020 and 2025, and not a target for each asset class.

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Risk

Our risk management framework is designed to ensure that we take the appropriate risk for delivering returns to customers and owners, while protecting them, our employees and other stakeholders from adverse events and losses. The framework covers all risks Storebrand may be exposed to. The main risks are business risk, financial market risk, insurance risk, counterparty risk, operational risk, climate risk and liquidity risk.

The Board of Storebrand ASA and the directors of the subsidiaries adopt a risk appetite and risk strategy at least once per year. Risk-taking shall contribute to the achievement of our strategic and commercial goals, including customers receiving a competitive return on their pension funds, and that Storebrand receives adequate payment for taking on risk. Risk appetite is defined as the overall risk level and what types of risk are deemed acceptable. The guidelines from the risk appetite are incorporated in our risk strategy, which sets the targets and frameworks. Based on these, more detailed strategies are compiled for different risk categories. Storebrand publishes an annual Solvency and Financial Condition Report (SFCR) which helps customers and other stakeholders understand the risks in the business and how these are managed.

Overall, we saw a positive development in the number of reported incidents in 2020. Fewer customer and process-related incidents were reported compared to 2019. The number of "high-risk incidents" was also fewer than the year before, but their share of total is about the same as last year.

Covid-19 had limited impact on Storebrand's operations, but it caused major fluctuations in the financial markets. The first phase was handled as an emergency situation. Home office and digital meeting places were adopted to prevent the risk for contagion. Work processes were successfully restructured without any significant negative events. Our customer service and deliveries were affected to a small extent.

The pandemic and the economic consequences of lock downs to limit contagion both in Norway and internationally resulted in large stock market declines, wider credit spreads, falling interest rates and a lower turnover for many financial assets during the first part of 2020. The unrest, in combination with falling oil prices, resulted in a significant depreciation of the Norwegian krone. In the subsequent three quarters of the year, most markets recovered. Financial markets stabilised, helped by extensive rescue packages from governments. At the beginning of 2021, the interest rate level was still significantly lower than a year earlier, however. The financial market turmoil was handled within our normal framework for risk management in the Group. The persistent need for measures to limit contagion means that the risk is still higher than normally.

Covid-19 also affects our insurance risk. The greatest risk is associated with rising unemployment as a result of a weak economy, which has historically led to an increase in disability. Storebrand has strengthened the disability reserves to address the increased uncertainty.

Please also read note 2 for more information related to uncertainties arising from the Covid-19 pandemic.

The risk picture differs between business units. The main risks are described per business unit below.

Insurance

Insurance consists of risk products and property and casualty insurance. The price can normally be adjusted on an annual basis if the risk changes.

The greatest risk is disability risk. More people than expected may become disabled and/or fewer disabled people will be able to work again. Some policies provide a pay-out in the event of death, but Storebrand's risk from this is limited.

In property and casualty insurance, most of the risk is linked to developments in claims payments from car and home insurance. Climate change is one factor which may affect future claims.

Savings

Savings consists of unit-linked insurance and other non-guaranteed pensions, the asset management business and the banking business.

For unit-linked insurance, the customer bears the financial market risk. The disbursements are generally time limited, and Storebrand bears low risk from increased life expectancy. For Storebrand, the risk from unit-linked insurance is primarily changes in future income or cost. Managing customer's assets in a professional and sustainable way, which at that at the same time ensures a good risk-adjusted return, is however important to attract new customers and create growth.

The asset management business offers active and passive management, as well as management of fund-in-fund structures. Operational risks, including regulatory compliance, are the greatest risks.

The greatest risks for the banking business are credit risk and liquidity risk. Virtually the entire loan portfolio is secured by mortgages, limiting our credit risk.

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Guaranteed pension

Guaranteed Pension encompasses savings and pension products with guaranteed interest rates. The greatest risks are financial market risk and longevity risk.

A common feature of the products is that Storebrand guarantees a minimum return. In Norway, the return must exceed the guarantee in each year, while in Sweden it is enough to achieve the guaranteed return on average over time.

The guaranteed insurance liabilities are sensitive to changes in interest rates, where lower rates will increase the value of the liabilities and make it harder to achieve the guaranteed rate. We aim to control the risk through the investments, but there is a residual risk from lower interest rates.

The traditional guaranteed products are closed for new business, but there is a large back-book of reserves. New premiums are mainly in Defined Contribution pensions (unit linked) or hybrid schemes with zero per cent guarantee.

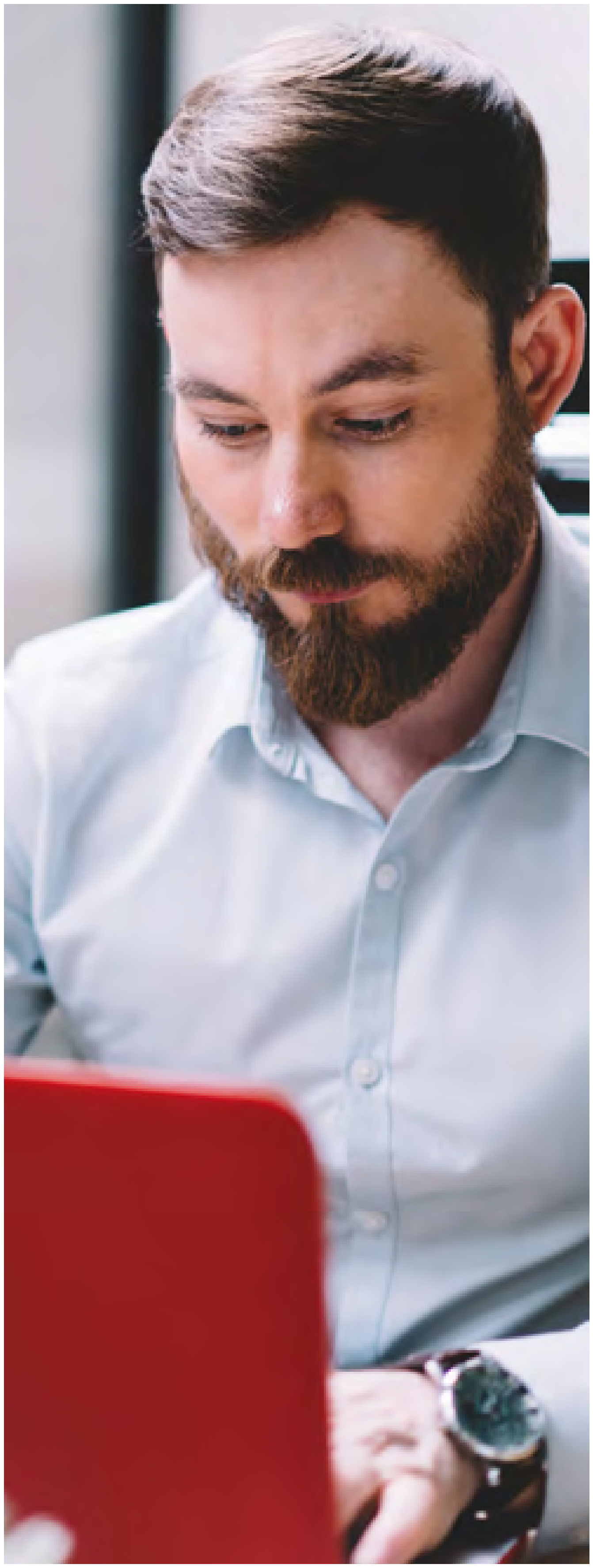
Storebrand wants to grow in the guaranteed public occupational pension market and received new customers in 2020. Public pension products differ from guaranteed pension products in the private sector because in the public sector, the employer pays for the interest rate guarantee, even for resigned employees and pensioners.

Other

The Other unit encompasses the holding company Storebrand ASA, as well as the company portfolios and smaller subsidiaries of Storebrand Life Insurance and SPP. The assets in Storebrand ASA and the company portfolios are invested at low risk, primarily in investment grade short-term interest-bearing securities.

Tax

Changes have been made to the Norwegian tax legislation for the insurance industry in recent years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three significant uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 8. Should Storebrand's interpretation be accepted in all three cases, an estimated positive tax result of up to NOK 2.8 billion may be recognised. Should all the Norwegian Tax Administration's interpretations be the final verdict, a tax expense of NOK 1.8 billion could be recognised. The Norwegian Tax Administration is expected to come with their decision on whether to retroactively change Storebrand's tax bill in early 2021. However, the timeline for settling the process with the Norwegian Tax Administration might take several years. If necessary, Storebrand will seek clarification from the court of law on the matter.



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Climate risks and opportunities

Why

Climate change and the transition to a low-carbon society can have a significant impact on our business. This may be further exacerbated by changes in the Norwegian economy, which is vulnerable to falling oil prices and lower activity in the oil and gas industry. In developing our climate strategy, we looked at how Storebrand' s activities affect climate change, how climate change and climate policy can affect our business, and how we can adapt to avoid or mitigate potential negative impacts. In addition, we identified opportunities as a result of a changing climate and the transition to a low-carbon economy, what these entail for us and how we can capitalise on them in the best possible way. This is described in the chapter A driving force for sustainable investments on page 57.

The effects on investments and liabilities may be sudden in the form of market unrest, or they may unfold gradually through lower average return and persistently low interest rates. A disorderly transition also poses a risk, for instance if policy initiatives are too strong relative to technology development and investment opportunities. Vulnerability from a lower oil price and activity in the oil and gas-sector is a particular risk for Norway. A potential trigger is if the policy is abruptly strengthened to achieve Norway's goals based on the Paris agreement. A potential effect is a country-specific fall in interest rate. As part of our efforts to reduce risk, in 2020 we mapped Storebrand's exposure to the fossil sector, analyzing revenues from pension premiums, and disability coverage related to the sector and underlying industries.

We have used the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) as a framework[44] for our disclosure on climate-related financial risks. The reporting on the impact our business has on climate is reported elsewhere in this report, mainly in the chapter, Keeping our house in order on page 32, and in the chapter A driving for sustainable investments on page 57 and 59.Vi have established a TCFD index, which summarises where the information recommended through the TCFD framework is presented in this report. The index is located as an attachment on page 199.

Our approach

Storebrand assesses climate risk through the same framework as other risks. The overall risk, including climate risk, is summarised in the Board's risk review. Risk assessments are broad and include reputational risks associated with Storebrand's sustainability position. In the Group's Own Risk and Solvency report (ORSA), the main objective is to assess climate risks for investments, insurance obligations and solvency margins in different scenarios.

Climate risk differs significantly from other risks, especially along two dimensions. Climate risk, especially the physical risk, is very long-term. Therefore, the risk is assessed in a longer time frame. In addition, historical events have limited relevance. Different scenarios are used as the basis for the assessment.

Storebrand has defined three scenarios based on the framework developed by Network for Greening the Financial System (NGFS). The network is established by central banks and supervisory authorities. The aim is to develop a framework for assessing and managing climate risk and encouraging the financial sector to support the transition to a low-carbon economy. The scenarios will be further developed, including quantitative stress tests, as the basis for the supervision process and analyses of financial stability.

Scenario analysis

The scenarios are based on two dimensions that affect the risk.

- How serious will the impact of global warming be? (physical risk)
- Is the transition controlled or disorderly? (transition risk)

Storebrand has committed to the Paris Agreement's goal of limiting global warming to 1.5 degrees and will work for a controlled transition, similar to scenario A.

44) Further details on climate risks and opportunities can be found in Storebrand's Sustainability Library https://www.storebrand.no/en/sustainability/sustainability-library

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Scenario analysis

Storebrand has used the NGFS framework and associated scenarios to assess climate risk. The scenarios used can be simplified as follows:

1) Controlled:

Climate policy is restructured swiftly and with force with the aim of reaching zero emissions by 2050 and limiting global warming to 1.5 degrees. The restructuring is facilitated by the fact that carbon capture becomes technically and economically viable to some extent.

2) Delayed:

Varying degrees of climate crisis understanding, complex decision-making and limited technology developments delay a coordinated restructuring of climate policy in relation to the goals of the Paris Agreement. From about 2025, clearer signs of negative climate change are increasing acceptance of costs of severe austerity. Overall, the restructuring will be large enough for global warming to remain below 2 degrees.

3) Warm world:

Greenhouse emissions continue to grow, based on continuance of already existing emission-reduction measures. Low sense of crisis, lack of coordination and short-term policy priorities mean that already adopted future restrictions are implemented to a lesser extent. By 2050, emissions are higher than present levels and global warming will be above 3 degrees.

The economic implications of the potentially catastrophic climatic changes of scenario 3 cannot be quantified in a meaningful way. Therefore, we have based our assessment on the consequences of the scenarios controlled (1.5 °C) and delayed (> 2 °C). Based on these two scenarios, we have identified potential risks and assessed them in short (1-3 years) and long term (3-10 years). [45)]

Overall findings

Physical climate risk

Physical climate change lead to lower returns, both for equities, bonds and property investments. The risk is mainly long-term and most prevalent if climate change is dramatic, expressed in scenario 3. Insurance obligations can also be negatively affected. Storebrand exposure to climate change through direct insurance is very low. Yet, limited economic growth can cause interest rates to remain lower than they would otherwise. This has a negative impact on our guaranteed obligations. The combination of lower returns on assets, and higher insurance liabilities could negatively affect our solvency margin. The effect can hit abruptly in the form of market turmoil, or over time in the form of lower average returns and persistently low interest rates.

In practice, climate effects on returns and interest rates are very difficult to isolate from other effects. The risk is therefore considered to be covered by the capital requirements for market risk. The scenarios for negative development in the financial market and persistently low interest rates are also relevant to climate risk, where climate change and climate policy could be affected by potentially contributing underlying causes.

Transition risk

Transition risk can affect investment returns, even in the short and medium term. Given a rapid transition to a low-carbon economy, exemplified in scenario 1, there is a risk that the oil and gas sector will be particularly affected. Storebrand has adapted its investments to reduce its climate footprint, and a large part of our investments are in fossil-free funds. A large proportion of our real estate investments have green certificates. This contributes to reduced climate risk. On the other hand, there is a risk that future returns for investments in solution companies are overvalued. The risk is greatest if the transition to a low-carbon society is delayed, as expressed in scenario 2. There may be a risk of overvalued valuations also in scenario 1, for example, if powerful government initiatives and restrictions are implemented faster than technology development and investment opportunities.

Transition risks can also lead to reduced economic growth, lower investment returns and increased insurance liabilities as a result of lower interest rates. The Norwegian economy is particularly vulnerable to developments in oil prices and activity in the oil and oil services sector. Overall, the transition risk is greatest with a delayed, but more restrictive approach, as expressed in scenario 2. In the short term, we find the swift and forceful climate policy restructures needed in scenario 1 to pose the greatest risk.

Storebrand is particularly exposed to developments in the Norwegian economy because higher levels of unemployment normally lead to increased levels of disability. Limited economic growth over time also poses a risk to Storebrand, given that it results in reduced growth in wages and employment, and thus lower growth in pension premiums. The fossil sector poses a particular risk. A review of the customer base shows that Storebrand has a significant exposure, both against disability coverage and pension savings premiums related to employees associated with companies in the fossil sectors.

Asset management

Our asset management's largest climate-related financial risks and opportunities are believed to lie in the transition to a low-emission society. Climate policy and regulations, more rigorous emission requirements, a changed cost structure and market preferences may affect our investments. Our most important initiatives to mitigate these risks and capitalise on potential opportunities are listed below and, in the chapter driving force for sustainable investments.

Through Storebrand' s climate strategy for investments, and our commitments through Net Zero Asset Owner Alliance, our target is to ensure that our investment portfolio shall be climate neutral by 2050. Part of the commitment is for Storebrand to set intermediate targets for emission reductions and report on target achievement.

45) Since climate risk is integrated into our structured framework for risk assessment that only operates with these two time horizons, we have not included risk that could be felt in the even longer term, ie. in ten years or more

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We have established a framework with the following targets for 2025:

- **Emission targets for equity, corporate bonds, and real estate investments:** In line with the IPCC's 1.5°C scenarios and commitments communicated through Storebrand's climate strategy and the Net Zero Asset Owner Alliance (NZAOA), we aim to reduce the carbon footprint[46)] in the Storebrand Group's total equities, corporate bond, and real estate investments by at least 32 per cent by 2025 with the base year in 2018. [47)]

- **Climate reduction objectives for high emission sectors:** Storebrand will set targets for emissions reductions for high-emission sectors during the first half of 2021 [48)]. See our equity exposure to high emission sectors below.

- **Be an active owner and driving force:** Storebrand Asset Management (SAM) leads Storebrand's work with active ownership. In line with SAM's strategy for active ownership, particular focus will be placed on our active ownership and engagements with the 20 companies where we own the largest emissions.[49)] This will mainly be done in cooperation with other investors in initiatives such as Climate Action 100+.

- **Reorient capital towards solution companies:** Storebrand's target is that 15% of our total investments will be invested in what we define as solutions by 2025. It includes equity investments in solution companies,[50)] green bonds, certified green property and investments in green infrastructure.

- **Engage customers and offer solutions:** Storebrand aims to engage customers and offer products and solutions that ensure more capital in invested in solutions and less capital is invested in high-emission companies and sectors.

Targets and metrics

- Carbon footprint in equity investments: 12 tonnes CO2equivalents per NOK/SEK 1 million in sales income (compared to 18 index) [51)]
- Carbon footprint in bond investments: 9 tonnes CO2equivalents per NOK/SEK 1 million in sales income (compared to 16 index) [51)]
- Carbon intensity in real estate investments: 7.9 tonnes CO2equivalents per m^2
- Exposure to high emission sectors NOK 32.2 billion / 8 per cent of total assets
- Number of active company engagements related to climate and environmental-related risks and opportunities: 433
- Number of companies that have been excluded due to severe climate and environmental damage: 139

In 2020 we launched a new climate strategy. This entails, among other things, that Storebrand will no longer invest in companies that receive more than 5 per cent of their revenues from coal, oil sands-based activities, are involved in severe and/or systematically unsustainable production of palm oil, soy, cattle and timber. This can reduce deforestation risk in portfolios, in line with our deforestation policy, or in companies that deliberately and systematically work against the goals and targets enshrined in the Paris Agreement[52)], for example through lobbying. In addition, by 2025 our investment portfolio shall be completely free from companies that contribute to illegal deforestation. We currently survey all companies at high risk of contributing to deforestation and will report annually on this process from 2021.

Additional measurement parameters and measurements can be found in the chapter a driving force for sustainable investments.

Sector-specified exposure to high emission sectors

Sector [53)]	2018 (Bn NOK)	2019 (Bn NOK)	2020 (Bn NOK)	Change 2018-2020 (Bn NOK)
Aluminum	1,2	1,2	1,5	0,2
Aviation	3,1	3,6	3,3	0,1
Cement	0,3	0,4	0,6	0,3
Chemicals	6,8	8,0	9,8	3,0
Energy	15,8	12,2	7,0	-8,8
Heavy duty automobiles	0,6	0,9	1,1	0,5
Light duty automobiles	3,7	3,8	4,3	0,6
Shipping	0,9	0,6	0,7	-0,2
Steel	0,8	1,1	1,4	0,7
Utilities	4,6	2,9	2,5	-2,1
Total	**37,7**	**34,6**	**32,2**	**-5,5**

46) Calculated as Weighted Average Carbon Intensity.See calculation methodology in Definitions from page 225.
47) This means relative emission reductions. The methodology used is weighted average carbon intensity (tonnes CO2e per NOK 1 million in sales income) for shares and bonds and carbon intensity for real estate investments (CO2 per m2).
48) Based on Net Zero Asset Owner Alliance's list of high-emission sectors, which includes the table with our specified exposure on page 70
49) Calculated on the share of owned share capital in the company multiplied by the company's total Scope 1-2 emissions
50) See definition page 225
51) Available data until q3 2020.
52) See case on page 64
53) The GICS codes included in the various sectors are described in Definitions from page 225

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Real estate investments

Storebrand has direct real estate investments equivalent to NOK 49 billion, which constitutes 5 per cent of assets under management. Physical risk is largely related to the effects of extreme weather on physical assets.

Transitional risks are linked to uncertainty about long-term changes. We expect the real estate sector to be subject to new requirements related to energy efficiency and climate impact. Our ability to adapt to these requirements is essential for us to manage risk and capitalise on market opportunities. In 2020, Storebrand's property subsidiary, in collaboration with the The Science Based Targets Initiative (SBTi), tested their methodology for setting science-based targets in line with the1.5 degree target of the Paris Agreement. The aim of the pilot project was to establish a target, and an associated emission pathway to 2050. The pilot project was part of a report published in connection with SBTi launching its methodology to set science-based emission targets for financial institutions. The pilot project and the associated target includes intermediate targets on the road to carbon neutrality in 2050, and is a management tool that will be used in our further work on transition risk in the property portfolio.

Risk-reducing measures that we have already implemented include property certification and rating through the Global Real Estate Sustainability Benchmark (GRESB). [54)]

Through 2020, we have been working on a project to develop a tool for climate accounting and forecasting for real estate, which is due to be completed in 2021. SPP Fastigheter, Storebrand' s Swedish subsidiary in real estate investments, conducted an assessment in 2020 of its exposure to physical climate risk, mainly increased rainfall and flooding for all its properties. The analysis indicates that a couple of properties in the portfolio are at medium flooding risk, and work is underway to assess potential adaptation measures at these properties

Targets and metrics

- Long-term target of 100 per cent environmentally certified property. The share of direct real estate investments that had green certificates in 2020 was 43 per cent. The target is to increase this to 74 per cent by 2025.
- Sustainability rating of all real estate: Our direct real estate investments are rated by GRESB in four different portfolios, and the portfolios are among the best in the Nordic region. The score increased almost 4 per cent in 2020 from 82 in 2019, to an average of 85 out of 100. With that, three out of four portfolios are ranked in the top 20 per cent globally, and awarded the maximum 5 stars.
- Commitment to energy efficiency and greenhouse gas emissions: Continuous improvements in energy efficiency are achieved through several measures to optimise operations. The total carbon emissions in direct real estate investments continued to decrease, ending at 8 456 tons of CO2equivalents in 2020, or 7.9kg CO2e/m2. The goal for 2025 is to reduce this to 6.5kg CO2e/m^2.

Additional measurement parameters and targets relevant to climate-related risks related to real estate investments can be found on pages 59 and 65.

Insurance

The direct impact of climate change on Storebrand's insurance obligations is limited because our business is largely based on reassurance where the terms of the agreement are adjusted annually. As a responsible insurance company, we still have a responsibility to assist our customers in securing themselves and their assets against potential climate risks. The biggest climate-related financial risk to our property and non-life insurance business is increased insurance settlements related to climate-related damage. In the long term, rising sea levels and changes in weather patterns can also have an impact. Risks associated with changing customer behaviour, technological developments and new regulations will also affect the property and non-life insurance market.

Our main measures to reduce climate risk are the following:

- **Risk assessment and pricing:** Climate factors are included in risk assessment and pricing in the underwriting process.
- **Exposure mapping and reinsurance:** We reinsure assets in areas with high exposure to physical risk associated with climate change.
- **Diversified risk through national plan:** Participation in Norwegian natural perils pool is statutory and provides joint reinsurance protection linked to property insurance for real estate and housing.
- **Pilot project under the auspices of UNEP FI:** As one of 18 insurance companies, we have participated in a project for further development of standardised reporting for insurance providers in accordance with TCFD. We participated in the working group which analysed physical risk related to increased rainfall and flooding. The work resulted in a report launched in January 2021.[55)]
- **Rewarding damage prevention**: We actively communicate with our customers, encouraging damage prevention measures, such as securing property during periods prone to flooding

Measurements and measurement parameters

- Share of insurance premiums from electric car insurance: 18,8 per cent in 2020
- Our suppliers should have set targets for emissions cuts in the short and long term by 2025
- All suppliers must be climate neutral by 2025

54) GRESB assesses and rates real estate investments with respect to ESG performance and delivers standardised and validated data to capital markets.

55) https://www.unepfi.org/psi/wp-content/uploads/2021/01/PSI-TCFD-final-report.pdf

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Working environment and HSE

Storebrand's absence due to illness has been at a stable low level for many years. Absence due to illness was 2.3 per cent in Norway and 1.8 per cent in the Swedish business. Storebrand has been an "inclusive workplace" (IA) company since 2002, and the Group's managers have over the years built up routines for the follow-up of employees who are ill. All managers with Norwegian employees must complete a mandatory HSE course, in which following up illness is part of the training.

There were no (zero) injuries to a staff member in 2020. No damage to property was reported, and no accidents were otherwise reported in the Storebrand Group in 2020.

Storebrand's work on gender equality, human resources management, working environment and ethical regulations is described in more detail in the chapters People and Keeping our house in order. See our compilation of sustainability indicators on page 221.

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Progress on our most material sustainability KPIs

	Key performance indicators	Status 2019	Status 2020	Target 2025
Investments	Carbon footprint from equity investments: tonnes of Co2e per NOK 1 million in sales income (against index)	18 (24)	12(18)	N/A[56)]
Investments	Carbon footprint from bond investments: tonnes of Co2e per NOK 1 million in sales income (against index)	7 (12)	9 (16)	N/A[56)]
Investments	Exposure to high emission sectors: NOK billion/share of equity investments	34,6 /13 %	32,2 /8 %	N/A[56)]
Investments	Investments in solutions: NOK billion/ share of total AUM	53,7 / 6,5 %	92,6 / 9,6 %	15 % av AUM
Investments	Comapny dialogues on ESG: number/share	408/9,7 %	572/12%	N/A
Investments	Carbon intensity property investments: co2/m^2	9,12 tonn	7,9 tonn	6,5 tonn
Investments	Property investments with green certificates: share of property investments	41%	43 %	74 %
People	Gender balance managment all levels: share women	39 %	39 %	50 %
People	Engagement score all employees: Storebrand score/ industry average in peakon, scale from 1-10	8,0 (7,8)	8,3 (7,8)	> 8,0

Lysaker, 9 February 2021
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Chairman of the Board

Karin Bing Orgland (sign.) Laila S. Dahlen (sign.) Marianne Bergmann Røren (sign.)

Martin Skancke (sign.) Karl Sandlund (sign.) Fredrik Åtting (sign.)

Magnus Gard (sign.) Hans-Petter Salvesen (sign.) Bodil Catherine (sign.) Valvik

Odd Arild Grefstad (sign.)
Group Chief Executive Officer

56) We aim to reduce the carbon footprint of the Storebrand Group's total equity, corporate bond and real estate investments by at least 32 per cent by 2025 with a base year in 2018. In 2021, we will set targets for the individual asset class. See page 69 for more information.

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Shareholder matters

Share Captial, rights issues and number of shares

Shares in Storebrand are listed on the Oslo Stock Exchange (Oslo Børs) under the ticker code STB. Storebrand ASA's share capital at the end of 2020 was 2,339.1 million kroner. The Company has 467,813,982 shares with a nominal value of NOK 5. As of 31 December 2020, the Company owned 416,255 treasury shares, which corresponds to 0.1 per cent of the total shares. The Company has not issued any options that can dilute the existing share capital.

Shareholders

Storebrand ASA is among the largest companies listed on the Oslo Stock Exchange measured by the number of shareholders. The Company has shareholders from almost all the municipalities in Norway and from 48 countries. In terms of market capitalisation, Storebrand was the 16th largest company on the Oslo Stock Exchange at the end of 2020.

Share purshase scheme for employees

Every year since 1996, Storebrand ASA has given its employees an opportunity to purchase shares in the Company through a share purchase scheme. The purpose of the scheme is to involve the employees more closely in the Company's value creation. In 2020, each employee was given the opportunity to buy shares in Storebrand and almost half of the Storebrand's employees purchased a total of 384,670 shares.

Foreign ownership

As at 31 December 2020, foreign ownership totalled 56.6 per cent, compared to 56.2 per cent at the end of the 2019.

Trading volume for shares in Storebrand In 2020, 585 million shares were traded, compared to 335 million shares in 2019. The trading volume in monetary terms was NOK 30,552 million in 2020, up from NOK 21,348 million in 2019. In relation to the average number of shares, the turnover rate for shares in Storebrand was 125 per cent.

Share price performance

Shares in Storebrand yielded a total return of -7.0 per cent in 2020. In the same period, the Oslo Stock Exchange's OSEBX Index ended at 4.6 per cent, whereas the European Insurance Index Beinsur yielded a total return of -7.9 per cent for the corresponding period, measured in NOK.

Dividend policy

Storebrand's dividend policy sates that the aim is to pay an ordinary dividend of more than 50 per cent of the group result after tax and at least the same nominal amount as the previous year. Ordinary dividends will be paid at a solvency margin of more than 150 per cent. If the solvency margin is above 180 per cent, the Board intends to propose special dividends or share buy backs.

Capital gains taxation

Dividends are subject to tax for personal shareholders. The shareholder model entails that share dividends after the deduction for risk-free return shall be multiplied by an adjustment factor of 1.44. This amount is taxed at the capital income tax rate (22 per cent), which gives an effective tax rate of 31.68 per cent on dividends. Deduction for risk-free return in the individual year is the share's input value (plus any previously unused deduction) multiplied by a risk-free interest rate. The risk-free interest rate will be set by the Directorate of Taxes in January the year after the income year. Only when a dividend that exceeds the total deduction for risk-free return will the dividend be subject to tax.

Storebrand share

	2020	2019	2018	2017	2016	2015
Highest closing price (NOK)	74.24	73.98	75.20	70.45	47.1	35.98
Highest closing price (NOK)	34.73	50.86	59.48	46.97	28.45	23.21
Closing price on 31/12 (NOK)	64.20	69.02	61.64	66.9	45.92	34.95
Market cap 31/12 (NOK million)	30,034	32,289	28,836	31,296	20,660	15,724
Annual turnover (1000s of shares)	585,004	335,202	445,614	427,632	589,322	707,870
Average daily turnover (1000s of shares)	2,321	1,346	3,094	2,450	2,780	2,820
Annual turnover (NOK million	30,552	21,348	30,477	25,359	21,249	20,907
Rate of turnover (%)	125.1	71.7	95.3	94.9	131	157.3
Number of ordinary shares 31/12 (1000s of shares)	467,814	467,814	467,814	467,814	449,910	449,910
Earnings per ordinary share (NOK)	5.02	4.43	7.89	5.28	4.73	2.63
Dividend per ordinary share (NOK)	3.25	0	3.0	2.1	1.55	0
Total return (%)	-7.0	16.8	-4.7	49.1	31.4	19.7

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Insider trading

As one of the country's leading financial institutions, Storebrand is dependent on maintaining an orderly relationship with financial markets and supervisory authorities. The Company therefore places particular emphasis on ensuring that its routines and guidelines satisfy the formal requirements imposed by the authorities on securities trading. In this context, the Company has prepared internal guidelines for insider trading and own account trading based on the current legislation and regulations. The Company has its own compliance system to ensure that the guidelines are observed.

Investor relations

Storebrand has a focus on comprehensive and effective communication with financial markets. Maintaining a continuous dialogue with shareholders, investors and analysts both in Norway and abroad is a high priority. The Group has a special Investor Relations unit. This unit is responsible for establishing and coordinating contact between the Company and external parties such as the stock exchange, analysts, shareholders and other investors. All quarterly reports, press releases and presentations of interim reports are published on Storebrand's website: www.storebrand.com/ir. In December 2020, Storebrand held a capital markets day outlining the strategy for 2021-2023.

General meeting

Storebrand has one class of shares, each share carrying one vote. The Company holds its Annual General Meeting each year by the end of June. Shareholders who wish to attend the General Meeting must notify the Company no later than 4:00 p.m. three business days before the General Meeting. Shareholders who do not give notice of attendance before the deadline expires will be able to attend the General Meeting, but concede their right to vote.

Shareholder´s contact with the company

Shareholders should generally contact the operator of their securities account for questions or notification of changes, such as change of address.

THE 20 LARGEST SHAREHOLDERS

Based on a screening of the shareholder list per. 31.12.2020

Fund Manager	Current Rank	Shares	Ownership in %
Folketrygdfondet	1	51,635,337	11.04
Allianz Global Investors	2	33,865,368	7.24
T Rowe Price Global Investments	3	28,371,592	6.06
EQT Fund Management	4	18,500,000	3.95
KLP	5	14,237,832	3.04
Vanguard Group	6	13,510,084	2.89
Handelsbanken Asset Management	7	12,901,293	2.76
M&G Investment Management	8	10,922,166	2.33
DNB Asset Management	9	10,261,001	2.19
Storebrand Asset Management	10	10,245,078	2.19
BlackRock	11	9,741,980	2.08
Varma	12	9,403,234	2.01
Danske Bank Asset Management	13	9,398,795	2.01
Highclere International Investors	14	7,348,235	1.57
Solbakken AS	15	6,766,008	1.45
Nordea Asset Management	16	6,737,269	1.44
HSBC Trinkaus & Burkhardt	17	6,373,970	1.36
Deka Investment	18	5,950,437	1.27
Dimensional Fund Advisors	19	5,257,200	1.12
BMO Global Asset Management (UK)	20	4,717,507	1.01

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STOREBRAND GROUP

Income statement

NOK million	Note	2020	2019
Premium income	14	44,188	32,366
Net income from financial assets and properties for the company:			
- equities and other units at fair value	15	22	40
- bonds and other fixed-income securities at fair value	15	785	600
- derivatives at fair value	15	-397	-12
- loans at fair value	15	37	14
- bonds at amortised cost	15	212	214
- loans at amortised cost	15	687	802
- profit from investments in associated companies/joint ventures	29	52	39
Net income from financial assets and properties for the customers:			
- equities and other units at fair value	15	14,632	37,318
- bonds and other fixed-income securities at fair value	15	3,550	4,167
- derivatives at fair value	15	5,771	1,424
- loans at fair value	15	23	11
- bonds at amortised cost	15	4,202	3,912
- loans at amortised cost	15	909	546
- properties	16	1,680	1,864
- profit from investments in associated companies/joint ventures	29	569	341
Other income	17	4,109	3,758
Total income		**81,031**	**87,403**
Insurance claims	18	-29,531	-26,756
Change in insurance liabilities	38	-37,929	-44,725
Change in capital buffer	19	-4,327	-5,892
Operating expenses	20, 21, 22, 23	-4,914	-4,828
Other expenses	24	-826	-1,238
Interest expenses	25	-793	-927
Total expenses before amortisation and write-downs		**-78,320**	**-84,366**
Group profit before amortisation and write-downs		**2,711**	**3,037**
Amortisation and write-downs of intangible assets	27	-492	-444
Group pre-tax profit		**2,219**	**2,593**
Tax expenses	26	136	-511
Profit/loss for the year		**2,355**	**2,082**
Profit/loss for the period attributable to:			
Share of profit for the period - shareholders		2,345	2,067
Share of profit for the period - hybrid capital investors		10	12
Share of profit for the period - non-controlling interests			3
Total		**2,355**	**2,082**
Earnings per ordinary share (NOK)		5.02	4.43
Average number of shares as basis for calculation (million)		467.2	466.8
There is no financial instruments that gives diluted effect on earnings per share			

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STOREBRAND GROUP

Statement of total comprehensive income

NOK million	Note	2020	2019
Profit/loss for the year		**2,355**	**2,082**
Change in actuarial assumptions	21	-110	3
Fair value adjustment of properties for own use	33	83	-22
Other comprehensive income allocated to customers		-83	22
Tax on other comprehensive income elements not to be reclassified to profit/loss		15	12
Total other comprehensive income elements not to be reclassified to profit/loss		**-95**	**15**
Translation differences foreign exchange		305	-168
Gains/losses from cash flow hedging	41	-33	-36
Total other comprehensive income elements that may be reclassified to profit/loss		**273**	**-204**
Total other comprehensive income elements		**178**	**-190**
Total comprehensive income		**2,532**	**1,892**
Total comprehensive income attributable to:			
Share of total comprehensive income - shareholders		2,515	1,879
Share of total comprehensive income - hybrid capital investors		10	12
Share of total comprehensive income - non-controlling interests		8	1
Total		**2,532**	**1,892**

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Statement of Financial Position

NOK million	Note	31.12.20	31.12.19
Assets company portfolio			
Deferred tax assets	26	1,780	1,430
Intangible assets and fair value adjustments on purchased insurance contracts	27	6,303	6,220
Pension assets	21		2
Tangible fixed assets	28	1,397	1,075
Investments in associated companies and joint ventures	29	283	227
Financial assets at amortised cost:			
- Bonds	10, 30, 31	10,639	8,256
- Loans to financial institutions	10, 30	103	41
- Loans to customers	10, 30, 32	31,058	29,798
Reinsurers' share of technical reserves		56	26
Investment properties at fair value	8,12,33	50	49
Biological assets		67	67
Accounts receivable and other short-term receivables	30.34	7,018	4,824
Financial assets at fair value:			
- Equities and fund units	8, 12, 30, 35	384	323
- Bonds and other fixed-income securities	8, 10,12, 30, 36	28,833	28,512
- Derivatives	10,12, 30, 37	1,389	1,183
- Loans to customers	32	722	389
Bank deposits	10, 30	2,775	3,119
Minority portion of consolidated mutual funds		59,845	44,933
Total assets company portfolio		**152,701**	**130,474**
Assets customer portfolio			
Investments in associated companies	29	6,167	4,045
Financial assets at amortised cost:			
- Bonds	10, 30, 31	92,846	89,790
- Bonds held-to-maturity	10, 30, 31	13,026	13,377
- Loans to customers	10, 30, 32	23,769	23,735
Reinsurers' share of technical reserves		24	69
Investment properties at fair value	8, 12, 33	32,067	29,366
Properties for own use	12, 33	1,609	1,375
Accounts receivable and other short-term receivables	30, 34	404	450
Financial assets at fair value:			
- Equities and fund units	8, 12, 30, 35	230,446	194,020
- Bonds and other fixed-income securities	8, 10, 12, 30, 36	148,162	128,127
- Derivatives	10, 12, 30, 37	8,587	4,131
- Loans to customers	32	7,665	6,736
Bank deposits	10, 30	10,290	7,475
Total assets customer portfolio		**575,061**	**502,695**
Total assets		**727,763**	**633,170**

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NOK million	Note	31.12.20	31.12.19
Equity and liabilities			
Paid-in capital		12,858	12,856
Retained earnings		22,839	20,264
Hybrid capital		226	226
Non-controlling interests			52
Total equity		**35,923**	**33,398**
Subordinated loans	9,30	9,110	8,925
Capital buffer	38	29,319	23,825
Insurance liabilities	38,39	536,028	477,171
Pension liabilities	21	352	266
Deferred tax	26	849	768
Financial liabilities:			
- Loans and deposits from credit institutions	9,12,30	1,653	446
- Deposits from banking customers	9,12,30	15,506	14,404
- Securities issued	9,12,30	20,649	18,729
- Derivatives company portfolio	10,12,30,37	114	86
- Derivatives customer portfolio	10,12,30,37	851	908
- Other non-current liabilities		1,355	1,037
Other current liabilities	9,30,40	16,209	8,274
Minority portion of consolidated mutual funds		59,845	44,933
Total liabilities		**691,840**	**599,772**
Total equity and liabilities		**727,763**	**633,170**

Lysaker, 9 February 2021
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Chairman of the Board

Karin Bing Orgland (sign.)

Laila S. Dahlen (sign.)

Marianne Bergmann Røren (sign.)

Martin Skancke (sign.)

Karl Sandlund (sign.)

Fredrik Åtting (sign.)

Magnus Gard (sign.)

Hans-Petter Salvesen (sign.)

Bodil Cahterine Valvik (sign.)

Odd Arild Grefstad (sign.)
Group Chief Executive Officer

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Statement of changes in equity

	Majority's share of equity									
NOK million	Share capital [1]	Own shares	Share premium	Total paid in equity	Currency translation differences	Other equity [2]	Total retained earnings	Hybrid capital [3]	Non-controlling interests	Total equity
Equity at 31 December 2018	**2,339**	**-2**	**10,521**	**12,858**	**1,076**	**18,706**	**19,782**	**176**	**57**	**32,873**
Profit for the period						2,067	2,067	12	3	2,082
Total other comprehensive income elements					-166	-22	-188		-2	-190
Total comprehensive income for the period					**-166**	**2,045**	**1,879**	**12**	**1**	**1,892**
Equity transactions with owners:										
Own shares		-3		-3		-27	-27			-29
Hybrid capital classified as equity						3	3	50		53
Paid out interest hybrid capital								-12		-12
Dividend paid						-1,399	-1,399			-1,399
Other						27	27		-7	21
Equity at 31 December 2019	**2,339**	**-5**	**10,521**	**12,856**	**910**	**19,355**	**20,264**	**226**	**52**	**33,398**
Profit for the period						2,345	2,345	10		2,355
Total other comprehensive income elements					298	-128	170		8	178
Total comprehensive income for the period					**298**	**2,217**	**2,515**	**10**	**8**	**2,532**
Equity transactions with owners:										
Own shares		3		3		33	33			36
Hybrid capital classified as equity						3	3			3
Paid out interest hybrid capital								-10		-10
Other						24	24		-59	-35
Equity at 31 December 2020	**2,339**	**-2**	**10,521**	**12,858**	**1,208**	**21,631**	**22,839**	**226**		**35,923**

1) 467,813,982 shares with a nominal value of NOK 5.

2) Includes undistributable funds in the risk equalisation fund amounting to NOK 438 million and security reserves amounting NOK 68 million.

3) Perpetual hybrid tier 1 capital classified as equity.

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Statement of cash flow

NOK million	2020	2019
Cash flow from operating activities		
Net receipts premium - insurance	28,825	26,343
Net payments compensation and insurance benefits	-21,606	-20,723
Net receipts/payments - transfers	7,285	-118
Net receipts/payments - insurance liabilities	184	-765
Receipts - interest, commission and fees from customers	953	1,014
Payments - interest, commission and fees to customers	-102	-115
Taxes paid	-24	-21
Payments relating to operations	-5,197	-4,837
Net receipts/payments - other operating activities	3,790	5,742
Net cash flow from operations before financial assets and banking customers	*14,108*	*6,522*
Net receipts/payments - loans to customers	-1,801	-1,419
Net receipts/payments - deposits bank customers	1,102	-15
Net receipts/payments - mutual funds	-12,270	-3,368
Net receipts/payments - investment properties	-511	-368
Net change in bank deposits insurance customers	-2,657	-2,092
Net cash flow from financial assets and banking customers	*-16,137*	*-7,262*
Net cash flow from operating activities	**-2,029**	**-740**
Cash flow from investing activities		
Payments - purchase of subsidiaries	-220	-308
Net receipts/payments - sale/purchase of fixed assets	-48	-96
Net receipts/payments - sale of insurance portfolios	45	29
Net cash flow from investing activities	**-224**	**-375**
Cash flow from financing activities		
Receipts - new loans	9,012	3,001
Payments - repayments of loans	-7,048	-1,769
Payments - interest on loans	-371	-429
Receipts - subordinated loans	499	1,052
Payments - repayment of subordinated loans	-872	-253
Payments - interest on subordinated loans	-388	-365
Net receipts/payments - loans to financial institutions	1,205	443
Receipts - issuing of share capital / sale of shares to employees	26	33
Payments - repayment of share capital		-68
Payments - dividends		-1,399
Receipts - hybrid capital		125
Payments - repayment of hybrid capital		-75
Payments - interest on hybrid capital	-10	-12
Net cash flow from financing activities	**2,052**	**284**
Net cash flow for the period	**-201**	**-831**

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Statement of cash flow (continue)

NOK million	2020	2019
Cash and cash equivalents at the start of the period	3,160	3,951
Currency translation cash/cash equivalents in foreign currency	-81	41
Cash and cash equivalents at the end of the period [1)]	**2,878**	**3,160**
1) Consists of:		
Loans to financial institutions	103	41
Bank deposits	2,775	3,119
Total	**2,878**	**3,160**

The cash flow analysis shows the Group's cash flows for operating, investing and financing activities pursuant to the direct method. The cash flows show the overall change in means of payment over the year.

Operating activities

A substantial part of the activities in a financial group will be classified as operating. All receipts and payments from insurance activities are included from the insurance companies, and these cash flows are invested in financial assets that are also defined as operating activities. One subtotal is generated in the statement that shows the net cash flow from operations before financial assets and banking customers, and one subtotal that shows the cash flows from financial assets and banking customers. This shows that the composition of net cash flows from operational activities for a financial group includes cash flows from both operations and investments in financial assets. The life insurance companies' balance sheets include substantial items linked to the insurance customers that are included on the individual lines in the cash flow analysis. Since the cash flow analysis is intended to show the change in cash flow for the company, the change in bank deposits for insurance customers is included on its own lines in operating activities to neutralise the cash flows associated with the customer portfolio in life insurance.

Investing activities

Includes cash flows for holdings in group companies and tangible fixed assets.

Financing activities

Financing activities include cash flows for equity, subordinated loans and other borrowing that helps fund the Group's activities. Payments of interest on borrowing and payments of share dividends to shareholders are financial activities.

Cash/cash equivalents

Cash/cash equivalents are defined as claims on central banks and loans to and claims from financial institutions. The amount does not include claims on financial institutions linked to the insurance customers portfolio, since these are liquid assets that are not available for use by the Group.

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Note 1: Company information and accounting policies

1. Company information

Storebrand ASA is a Norwegian public limited company that is listed on the Oslo Stock Exchange. The consolidated financial statements for 2020 were approved by the Board of Directors of Storebrand ASA on 9 February 2021.

The Storebrand Group offers a comprehensive range of insurance and asset management services, as well as securities, banking and investment services, to private individuals, companies, municipalities, and the public sector. The Storebrand Group consists of the business areas Savings, Insurance, Guaranteed Pensions and Other. The Group's head office is located at Professor Kohts vei 9, in Lysaker, Norway.

2. Basis for preparation of the financial statements

The accounting policies applied in the consolidated financial statements are described below. The policies are applied consistently to similar transactions and to other events involving similar circumstances. There is no required use of uniform accounting policies for insurance contracts and this exemption is applied for insurance contracts in the consolidated financial statements. This is discussed in section 14.

Storebrand ASA's consolidated financial statements are presented using EU-approved International Financial Reporting Standards (IFRS) and related interpretations, as well as other Norwegian disclosure requirements laid down in legislation and regulations.

Use of estimates when preparing the consolidated financial statements.

The preparation of the consolidated financial statements in accordance with IFRS requires the management to make judgements, estimates and as assumptions that affect assets, liabilities, revenue, expenses, the notes to the financial statements and information on potential liabilities. Actual amounts may differ from these estimates. See Note 2 for further information.

3. Summary of significant accounting policies for material items on the balance sheet

For the most part, the asset side of the Group's balance sheet comprises financial instruments and investment properties and a differentiation is made between assets in the company portfolio (shareholders) and assets belonging to the customer portfolio. This split is due to the fact that the Group has a significant life insurance business in which customer assets must be kept separate from the company's assets.

Financial instruments - IFRS 9

IFRS 9 Financial Instruments replaces IAS 39, and was generally applicable from 1 January 2018. However, for insurance-dominated groups and companies, IFRS 4 allows for the implementation of IFRS 9 to be deferred until implementation of IFRS 17. The Storebrand Group qualifies 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 will be implemented together with IFRS 17, which is expected to be applicable from 1 January 2023.

The Storebrand Group has conducted a provisional analysis of the classification and measurement of financial instruments in accordance with the present IAS 39 for the transition to IFRS9, based on the current business model for the individual instruments. For debt instruments that are expected to be classified and measured at amortised cost or fair value through total comprehensive income upon transition to IFRS9, a SPPI ("Solely payment of principal and interest") test is carried out. This is a provisional categorisation under IFRS9, based on the present asset allocation. No assessments have been made of any changes in classification and measurement of financial assets under IFRS9 in connection with the transition to IFRS17.

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IFRS9 - FINANCIAL INSTRUMENTS TO AMORTISED COST AND FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2020	Fari value after IFRS 9 1.1.2020	Booked value after IAS 39 31.12.2020	Fari value after IFRS 9 31.12.2020
Financial assets						
Bank deposits	AC	AC	10,594	10,594	13,065	13,034
Bonds and other fixed-income securities	AC	AC	111,424	116,161	116,511	125,604
Loans to financial institutions	AC	AC	41	41	103	103
Loans to customers	AC	FVOCI	53,245	53,246	54,534	54,533
Loans to customers	AC	AC	288	288	294	294
Accounts receivable and other short-term receivables	AC	AC	5,274	5,274	7,422	7,422
Total financial assets			**180,867**	**185,605**	**191,928**	**200,990**
Financial liabilities						
Deposits from banking customers	AC	AC	14,404	14,404	15,506	15,506
Liabilities to financial institutions	AC	AC	446	446	1,653	1,653
Debt raised by issuance of securities	AC	AC	18,729	18,728	20,649	20,738
Subordinatd loan capital	AC	AC	8,925	9,010	9,110	9,115
Other current liabilities	AC	AC	8,661	8,661	16,209	16,209
Total financial liabilities			**51,166**	**51,250**	**63,127**	**63,221**

IFRS9 - FINANCIAL INSTRUMENTS AT FAIR VALUE

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2020	Fari value after IFRS 9 1.1.2020	Booked value after IAS 39 31.12.2020	Fari value after IFRS 9 31.12.2020
Financial assets						
Shares and fund units	FVP&L (FVO)	FVP&L	194,343	194,343	230,830	230,830
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	156,639	156,639	176,995	176,995
Loans to customers	FVP&L (FVO)	FVP&L	7,126	7,126	8,386	8,386
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	5,314	5,314	9,977	9,977
Total financial assets			**363,421**	**363,421**	**426,188**	**426,188**
Financial liabilities						
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	994	994	964	964
Total financial liabilities			**994**	**994**	**964**	**964**

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A large majority of the financial assets are measured at fair value (the fair value option is used), whilst other financial instruments that are included in the categories Loans and receivables and Held to maturity are measured at amortised cost. Financial assets measured at amortised cost are largely related to Norwegian pension liabilities with annual interest rate guarantee.

Investment properties are measured at fair value.

Intangible assets comprise excess value relating to insurance contracts and customer relations acquired in connection with a business combination and acquired and self-developed IT solutions. This excess value is measured at acquisition cost less annual amortisation and write-downs.

For the most part, the liabilities side of the Group's balance sheet comprises financial instruments (liabilities) and provisions relating to future pension and insurance payments (insurance liabilities). With the exception of derivatives, financial liabilities are measured at amortised cost.

Insurance liabilities must be adequate and cover liabilities relating to issued insurance contracts. Various methods and principles are used in the Group when assessing the reserves for different insurance contracts. A considerable part of the insurance liabilities relate to insurance contracts with interest guarantees. The recognised liabilities related to Norwegian insurance contracts with guaranteed interest rates are discounted by the basic interest rate (which corresponds to the guaranteed return/interest rate) for the respective insurance contracts.

The recognised liabilities related to the Swedish insurance contracts with guaranteed interest rates in the subsidiary SPP are discounted by an observable market interest rate and by an estimated market interest rate for terms to maturity when no observable interest rate is available and corresponds essentially to the same interest rate that is used in the solvency calculations.

In the case of unit-linked insurance contracts, reserves for the savings element in the contracts will correspond to the value of related asset portfolios.

Due to the fact that the customers' assets in the life insurance business (guaranteed pension) have historically yielded a return that has exceeded the increased value in guaranteed insurance liabilities, the excess amount has been set aside as customer buffers (liabilities), including in the form of additional reserves, value adjustment reserve and conditional bonus.

Insurance liabilities include Incurred But Not Settled (IBNS) reserves, which consist of amounts reserved for claims either incurred but not yet reported or reported but not yet settled (Incurred But Not Reported "IBNR" and Reported But Not Settled "RBNS"). IBNS reserves are included in the premium reserve.

IBNS reserves are measured using actuarial models based on historical information about the portfolio.

4. Changes in accounting policies
New accounting standards that have a significant impact on the consolidated financial statements have not been implemented in 2020. For changes in estimates, see Note 2 for further information.

5. New IFRS that have not entered into force
New standards and changes in standards that have not come into effect:

IFRS 17
IFRS 17 replaces IFRS 4 Insurance Contracts and introduces new requirements for the recognition, measurement, presentation and disclosure of issued insurance contracts. The standard has not been approved by the EU, but is expected to be applicable from 1 January 2023. The purpose of the new standard is to establish uniform practices for the accounting treatment of insurance contracts.

IFRS 17 is a comprehensive and complex standard, with fundamental differences to the present standard for measuring liabilities and recognising earnings. Insurance contracts must be recognised at the risk-adjusted present value of future cash flows, with the addition of unearned profit in a group of contracts (Contractual Service Margin = CSM). Loss-making contracts must be recognised immediately.

As a starting point, IFRS 17 must be retrospectively applied, but modified retrospective transition method or application is permitted or application based on the fair value on the transition date if retrospective application is impracticable.

The implementation date is 1 January 2023, with a requirement that comparable figures are stated.

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Storebrand is working on preparing for implementation of IFRS17, including assessing the effects implementation of IFRS17 will have for Storebrand's consolidated financial statements.

There are no other new or changed accounting standards that have not entered into force that are expected to have a significant effect on Storebrand's consolidated financial statements.

6. Consolidation

The consolidated financial statements include Storebrand ASA and companies controlled by Storebrand ASA. Minority interests are included in the Group's equity, unless there are options or other conditions that entail that minority interests are classified as liabilities.

Storebrand Livsforsikring AS, Storebrand Asset Management AS, Storebrand Bank ASA and Storebrand Forsikring AS are significant subsidiaries owned directly by Storebrand ASA. Storebrand Livsforsikring AS also owns the Swedish holding company Storebrand Holding AB, which in turn owns SPP Pension & Försäkring AB (publ). On acquiring the Swedish operations in 2007, the authorities instructed Storebrand to make an application to maintain a group structure by the end of 2009. Storebrand has filed an application to maintain the existing group structure. A controlling interest in Skagen AS was acquired in 2017 and is owned by Storebrand Asset Management AS. The Norwegian authorities have granted Storebrand an exemption from the requirement to organise equivalent businesses in the same company. This exemption expires in 2022.

Investments in associated companies (normally investments of between 20 per cent and 50 per cent of the company's equity) in which the Group exercises significant influence, and investments in joint ventures are recognised in accordance with the equity method. Investments in associated companies and joint ventures are initially recognised at acquisition cost.

Storebrand consolidates certain funds in the Group's balance sheet when the requirement for control has been met. This encompasses funds in which Storebrand has an ownership interest of approximately 40 per cent or more, which are managed by companies in the Storebrand Group. In the Group's accounts, such funds are consolidated fully in the balance sheet, and the non-controlling interests are shown on a line for assets and on a corresponding line for liabilities. The non-controlling interests can demand redemption of their ownership interests and, as a result of this, they are classified as liabilities in the consolidated financial statements of Storebrand.

Currencies and translation of foreign companies' accounts

The Group's presentation currency is Norwegian kroner. Foreign companies that are part of the Group and have different functional currencies are converted to Norwegian kroner. Translation differences are included in the total comprehensive income.

Elimination of internal transactions

Internal receivables and payables, internal gains and losses, interest, dividends and similar between companies in the Group are eliminated in the consolidated financial statements. Transactions between the customer portfolios and the company portfolio in the life insurance business and between the customer portfolios in the life insurance business and other companies in the Group will not be eliminated in the consolidated financial statements. The reason for this is that the result in the customer portfolio is assigned to the customers each financial year and must not influence the result and equity of the company. Pursuant to the life insurance regulations, transactions with customer portfolios are carried out at fair value.

7. Business combinations

The acquisition method is applied when accounting for acquisition of businesses. The consideration is measured at fair value. The direct acquisition expenses are expensed when they arise, with the exception of expenses related to raising debt or equity (new issues).

When making investments in subsidiaries, including purchasing investment properties, a decision is made as to whether the purchase constitutes acquisition of a business pursuant to IFRS 3. When such acquisitions are not regarded as an acquisition of a business, the acquisition method pursuant to IFRS 3 is not applied. Among other things, this does not entail provisions for deferred tax such as for business combinations.

8. Segment information

The segment information is based on the internal financial reporting structure of the most senior decision-maker. At Storebrand, the executive management is responsible for following-up and evaluating the results of the segments and is defined as the most senior decision-maker. Four segments are reported for:

- Savings
- Insurance
- Guaranteed Pension
- Other

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There are some differences between the result lines used in the income statement and the segment results. The Group's income statement includes gross income and costs linked to both the insurance customers and owners (shareholders). The segment results only include result elements relating to owners (shareholders) which are the result elements that the Group has performance measures and follow-up for.

Financial services provided between segments are priced at market terms. Services provided from joint functions and staff are charged to the different segments based on supply agreements and distribution keys.

9. Income recognition

Premium income
Net premium income includes the year's premiums written (including savings elements, administration premium, fees for issuing Norwegian interest rate guarantees and profit element risk), premium reserves transferred and ceded reinsurance. Annual premiums are generally accrued on a straight-line basis over the coverage period.

Income from properties and financial assets
Income from properties and financial assets are described in Sections 12 and 13.

Other income
Fees are recognised when the income can be measured reliably and is earned. Return-based revenues and performance fees are recognised when the uncertainty associated with the income is no longer present. Fixed fees are recognised as income in line with delivery of the service.

10. Goodwill and intangible assets
Added value when acquiring a business that cannot be directly attributable to assets or liabilities on the date of the acquisition is classified as goodwill on the balance sheet. Goodwill is measured at acquisition cost on the date of the acquisition and classified as an intangible asset.

Goodwill is not amortised, instead it is tested for impairment. Goodwill is tested for impairment annually when assessing the recoverable amount or if there are indications that impairment has occurred. Goodwill is allocated to the relevant cash generating units that are expected to benefit from the acquisition so that it can subsequently be tested for impairment. If the discounted cash flow for the cash-generating unit(s) that goodwill is allocated to is lower than the recognised value, goodwill will be written down. Reversal of an impairment loss for goodwill is prohibited even if information later comes to light showing that there is no longer a need for the write-down or the impairment loss has been reduced.

Intangible assets with limited useful economic lives are measured at acquisition cost less accumulated amortisation and any write downs. The useful life and amortisation method are measured each year. With initial recognition of intangible assets in the balance sheet, it must be demonstrated that probable future economic benefits attributable to the asset will flow to the Group. The acquisition cost of the asset must also be reliably estimated. The value of an intangible asset is tested for impairment when there are indications that its value has been impaired, normally by the related cash-generating unit(s) being tested Intangible assets are otherwise subject to write-downs and reversals of write-downs in the same manner as described for tangible fixed assets.

11. Adequacy test for insurance liabilities and related excess values
A liability adequacy test must be conducted of the insurance liability pursuant to IFRS 4 each time the financial statements are presented. The test conducted in Storebrand's consolidated financial statements is based on the Group's calculation of capital.

12. Investment properties
Investment properties are measured at fair value. Fair value is the amount for which an asset could be exchanged between well-informed, willing parties in an arm's length transaction. Income from investment properties consists of both changes in fair value and rental income.

Investment properties primarily consist of centrally located office buildings, shopping centres and logistics buildings. Investment properties are properties leased to tenants outside the Group. In the case of properties partly occupied by the Group for its own use and partly let to tenants, the identifiable tenanted portion is treated as an investment property. All properties are measured at fair value and the changes in value are allocated to the customer portfolios.

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13. Financial instruments

13-1. General policies and definitions

Recognition and derecognition
Financial assets and liabilities are included in the balance sheet from such time Storebrand becomes party to the instrument's contractual terms and conditions. General purchases and sales of financial instruments are recorded on the transaction date. When a financial asset or a financial liability is initially recognised in the financial statements, it is valued at fair value.
Initial recognition includes transaction costs directly related to the date of acquisition or issue of the financial asset/liability if the financial asset/liability is not measured at fair value through profit or loss.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognised in the balance sheet when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

Measurement of impairment and doubtful financial assets
For financial assets carried at amortised cost, an assessment is made on each reporting date whether there is any objective evidence that a financial asset or group of financial assets have incurred losses.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate calculated at initial recognition). The amount of the loss is recognised in the income statement.

Losses expected as a result of future events, no matter how likely, are not recognised.

13-2. Classification and measurement of financial assets

Financial assets are classified into one of the following categories:
- Financial assets held for trading
- Financial assets at fair value through profit or loss in accordance with the fair value option (FVO)
- Financial assets held to maturity
- Financial assets, loans and receivables

Held for trading
A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling or repurchasing it in the short term,
- is part of a portfolio of identified financial instruments that are managed together and there is evidence of a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

With the exception of derivatives, only a limited proportion of Storebrand's financial assets fall into this category.

Financial assets held for trading are measured at fair value at the reporting date, Changes in fair value are recognised in the income statement.

At fair value through profit or loss in accordance with the fair value option (FVO).
A significant proportion of Storebrand's financial instruments are classified in the category of fair value through profit or loss because:
- such classification reduces the mismatch in the measurement or recognition that would otherwise arise as a result of the different rules for measuring assets and liabilities, or
- the financial assets form part of a portfolio that is managed and reported on a fair value basis

The accounting is equivalent to that of the held for trading category (the instruments are measured at fair value and changes in value are recognised in the income statement).

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Investments held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity and that a company has the intention and ability to hold to maturity, with the exception of:

- assets that are designated upon initial recognition as assets at fair value through profit or loss, or
- assets that are defined as loans and receivables.

Assets held to maturity are recognised at amortised costs using the effective interest method. The category is used in the Norwegian life insurance business for assets linked to insurance contracts with interest rate guarantees.

Loans and receivables

payments that are not quoted in an active market, with the exception of assets that the company intends to sell immediately or in the near term that are classified as held for trading and those that the company upon initial recognition designates at fair value through profit or loss.

Loans and receivables are recognised at amortised cost using the effective interest method. The category is used in the Norwegian life insurance business linked to insurance contracts with a guaranteed interest rate, and in the banking business.

Loans and receivables that are designated as hedged items are subject to measurement under the hedge accounting requirements.

13-3. Derivatives

Accounting treatment of derivatives that are not hedging

Derivatives that do not meet the criteria for hedge accounting are recognised as financial instruments held for trading. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit or loss.

The majority of the derivatives used routinely for asset management fall into this category.

Some of the Group's insurance contracts contain embedded derivatives such as interest rate guarantees. These insurance contracts do not follow the accounting standard IAS 39 Financial Instruments, but instead follow the accounting standard IFRS 4 Insurance Contracts, and the embedded derivatives are not continually measured at fair value.

13-4. Hedge accounting

Fair value hedging

Storebrand uses fair value hedging for the interest rate risk. The items hedged are financial liabilities measured at amortised cost. Derivatives are recognised at fair value through profit or loss. Changes in the value of the hedged item that are attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised through profit or loss.

Cash flow hedging

Some borrowing in foreign currency is hedged by means of hedging instruments (derivatives). Storebrand uses cash flow hedging of the foreign exchange risk on the principal amount and foreign exchange risk for the credit margin. The net ongoing changes in value in the hedging instrument that is considered effective hedging are recognised in total comprehensive income and the non-effective share is recognised through profit or loss.

Storebrand has selected early implementation of "Interest Rate Benchmark Reform—Amendments to IAS 39 and IFRS 7" (IBOR Reform) that was issued in September 2019. In accordance with the transitional rules, the amendments have been subsequently applied to hedging arrangements that existed at the start of the reporting period or were identified thereafter and to the amount accumulated in the cash flow hedge reserve on that date. The amendments provide temporary relief from applying specific requirements for hedge accounting of hedging arrangements that are directly affected by the IBOR reform. This has the effect that the IBOR reform will not generally result in the conclusion of hedge accounting. However, all hedge ineffectiveness will still be recognised in the income statement. The stipulated amendments also determine when the relaxation of the rules shall no longer apply, which includes the uncertainty resulting from the Interest Rate Benchmark Reform no longer existing. See the discussion in Note 41.

Hedging of net investments

Hedging of net investments in foreign businesses is recognised in the accounts in the same way as cash flow hedging. Gains and losses on the hedging instrument that relate to the effective part of the hedging are recognised through total comprehensive income, while gains

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and losses that relate to the ineffective part are recognised in the income statement. The total loss or gain in equity is recognised in the income statement when the foreign business is sold or wound up.

13-5. Financial liabilities

Subsequent to initial recognition, all financial liabilities that are not derivatives are primarily measured at amortised cost using an effective interest method.

14. Insurance liabilities

The accounting standard IFRS 4 Insurance Contracts addresses the accounting treatment of insurance contracts. Storebrand's insurance contracts fall within the scope of this standard. IFRS 4 is a temporary standard until IFRS 17 is to be used. IFRS 4 allows the use of non-uniform principles for the treatment of insurance contracts in consolidated financial statements. In the consolidated financial statements, the insurance liabilities in the respective subsidiaries are included as these are calculated on the basis of the laws of the individual countries. This also applies to insurance contracts acquired via business combinations. In such cases, positive excess values are capitalised as assets.

Pursuant to IFRS 4, provisions for insurance liabilities must be adequate. When assessing the adequacy associated with recognised acquired insurance contracts, reference must also be made to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and Solvency II calculations.

An explanation of the accounting policies for the most important insurance liabilities can be found below.

14-1. General – life insurance

Claims for own account
Claims for own account comprise claims settlements paid out, less reinsurance received, premium reserves transferred to other companies, and reinsurance ceded.

Changes in insurance liabilities
Changes in insurance liabilities comprise premium savings that are taken to income under premium income and payments, as well as changes in provisions for future claims This item also includes added guaranteed returns on the premium reserve and the premium fund, as well as returns to customers beyond the guaranteed returns.

Insurance liabilities (premium reserve)
The premium reserve represents the present value of the company's total expected insurance liabilities, including future administration costs in accordance with the individual insurance contracts, after deducting the present value of agreed future premiums. In the case of individual account policies with flexible premium payments, the total policy value is included in the premium reserve. The premium reserve is equivalent to 100 per cent of the guaranteed surrender or transfer value of insurance contracts prior to any fees for early surrender or transfer and the policies' share of the market value adjustment reserve.

The premium reserve is calculated using the same assumptions as those used to calculate premiums for the individual insurance contracts, i.e. assumptions about mortality and disability rates, interest rates and costs. Premium tariffs are based on the observed level of mortality and disability in the population with the addition of security margins that include expected future developments in this respect.

The premium reserve includes reserve amounts for future administration costs for all lines of insurance including settlement costs (administration reserve). In the case of paid-up contracts, the present value of all future administration costs is allocated in full to the premium reserve. In the case of contracts with future premium payments, a deduction is made for the cash value of the proportion of future administration costs expected to be financed by future premium receipts.

A substantial proportion of the Norwegian insurance contracts have a one-year interest rate guarantee, meaning that the guaranteed return must be achieved every year. In the Swedish business, there are no contracts with an annual interest rate guarantee, but there are insurance contracts with a terminal value guarantee.

Insurance liabilities, special investments portfolio
Insurance liabilities associated with the value of the special investments portfolio must always equal the value of the investments portfolio assigned to the contract. The proportion of profit in the risk result is included. The company is not exposed to investment risk on customer assets, since the customers are not guaranteed a minimum return. The only exception is in the event of death, when the beneficiaries are repaid the amount originally paid in for annuity insurance and for guaranteed account (Garantikonto).

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IBNS reserves

Included in the premium reserve for insurance risk are provisions for claims either occurred but not yet reported or reported but not yet settled. IBNR are reserves for potential future payments when Storebrand has yet to be informed about whether an instance of disability, death or other instance entailing compensation has occurred. Since Storebrand is neither aware of the frequency nor the amount payable, IBNR is estimated using actuarial models based on historical information about the portfolio. Correspondingly, RBNS is a provision for potential future payments when Storebrand has knowledge of the incident, but has not settled the claim. Actuarial models based on historical information are also used to estimate the reserves.

Transfers of premium reserves, etc. (transfers)

Transfers of premium reserves resulting from transfers of policies between insurance companies are recorded in the profit and loss account as net premiums for own account in the case of reserves received and claims for own account in the case of reserves paid out. The recognition of costs and income takes place on the date the insured risk is ceded. The premium reserve in the insurance liabilities is reduced/increased on the same date. The premium reserve transferred includes the policy's share of additional statutory reserves, the market value adjustment reserve, conditional bonus and the profit for the year. Transferred additional reserves are not shown as part of premium income, but are reported separately as changes in insurance liabilities. Transferred amounts are classified as current receivables or liabilities until the transfer takes place.

Selling costs

All selling costs in the Norwegian life insurance business are expensed, whilst in the Swedish subsidiaries, parts of the selling costs are recorded in the balance sheet and amortised over the expected duration of the contract.

14-2. Life insurance – Norway

Additional statutory reserves

The company is allowed to make allocations to the additional statutory reserves to ensure the solvency of its life insurance business. These additional reserves are divided among the contracts and can be used to cover a negative interest result up to the interest rate guarantee. In the event that the company does not achieve a return that equals the interest rate guarantee in any given year, the allocation can be reversed from the contract to enable the company to meet the interest rate guarantee. This will result in a reduction in the additional statutory reserves and a corresponding increase in the premium reserve for the contract. For allocated annuities, the additional statutory reserves are paid in instalments over the disbursement period.

The additional statutory reserves cannot exceed 12 per cent of the premium reserve. If the limit is exceeded, the excess amount is assigned to the contract as surplus.

Premium fund, deposit reserve and pensioners' surplus fund

The premium fund contains premiums prepaid by policyholders as a result of taxation regulations for individual and group pension insurance and allocated profit shares. The contribution fund contains payments and deposits for employees who have been members for less than 12 months. Credits and withdrawals are not recognised through the income statement but are taken directly to the balance sheet.

The pensioners' surplus fund comprises surplus assigned to the premium reserve in respect of pensions in group payments. The fund is applied each year as a single premium payment to secure additional benefits for pensioners.

Market value adjustment reserve

The current year's net unrealised gains/losses on financial assets at fair value in the group portfolio are allocated to or reversed from the market value adjustment reserve in the balance sheet asTotaling the portfolio has a net unrealised excess value. The portion of the current year's net unrealised gains/losses on financial current assets denominated in foreign currencies that can be attributed to fluctuations in exchange rates is not transferred to the market value adjustment reserve. The foreign exchange fluctuations associated with investments denominated in foreign currencies are largely hedged through foreign exchange contracts on a portfolio basis. Similarly, the change in the value of the hedging instrument is not transferred to the market value adjustment reserve, but is charged directly to the profit and loss account. Pursuant to accounting standard for insurance contracts (IFRS 4) the market value adjustment reserve is shown as a liability.

Risk equalisation reserve

Up to 50 per cent of the positive risk result for group pensions and paid-up policies can be allocated to the risk equalisation fund to cover

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any future negative risk result. The risk equalisation reserve is not considered to be a liability according to IFRS and is included as part of the equity (undistributable equity).

14-3. Life insurance Sweden

Life insurance liabilities
The life insurance liabilities are estimated as the present value of the expected future guaranteed payments, administrative expenses and taxes, discounted by the current risk-free interest rate. Insurance reserves with guaranteed interest rates in SPP use a marked-based yield curve. A real discount curve is used for risk insurance within the defined-contribution portfolio. For endowment insurance within the defined-benefit and defined-contribution portfolios, as well as sickness insurance in the defined-benefit portfolio, the provisions are discounted using the nominal yield curve. As a starting point, the applicable discount rate is determined based on the methods used for the discount rate in Solvency II.

When calculating the life insurance liabilities, the estimated future administrative expenses that may reasonably be expected to arise and can be attributed to the existing insurance contracts are taken into account. The expenses are estimated according to the company's own cost analyses and are based on the actual operating costs during the most recent year. Projection of the expected future costs follow the same principles on which Solvency II is based. Any future cost-rationalisation measures are not taken into account.

Conditional bonus and deferred capital contribution
The conditional bonus arises when the value of customer assets is higher than the present value of the liabilities, and thus covers the portion of the insurance capital that is not guaranteed. In the case of contracts where customer assets are lower than liabilities, the owners' result is charged via deferred capital contribution allocations. The conditional bonus and deferred capital contribution are recognised on the same line in the balance sheet as part of the buffer capital.

14-4. P&C insurance

Costs related to insurance claims are recognised when the claims occur. The following allocations have been made:

Reserve for unearned premium for own account concerns on-going policies that are in force at the time the financial statements were closed and is intended to cover the contracts' remaining risk period.

The claims reserve is a reserve for expected claims that have been reported, but not settled (RBNS). The reserve also covers expected claims for losses that have been incurred, but have not been reported (IBNR) at the expiry of the accounting period. In addition, claims reserves shall include a separate provision for future claims on losses that have not been settled.

15. Pension liabilities for own employees
Storebrand has country-specific pension schemes for its employees. The schemes are recognised in the accounts in accordance with IAS 19. In Norway, Storebrand has a defined-contribution pension. Storebrand is a member of the Norwegian contractual early retirement (AFP) pension scheme. The Norwegian AFP scheme is regarded as a defined-benefit scheme, but there is insufficient quantitative information to be able to estimate reliable accounting obligations and costs.

In Sweden, SPP has agreed, in accordance with the Finance Companies' Service Pension Plan (BTP Plan), to collective, defined-benefit pension plans for its employees. A group defined-benefit pension implies that an employee is guaranteed a certain pension based on the pay scale at the time of retirement on termination of the employment.

15-1. Defined-benefit scheme

Pension costs and pension obligations for defined-benefit pension schemes are determined using a linear accrual formula and expected final salary as the basis for the entitlements, based on assumptions about the discount rate, future salary increases, pensions and National Insurance benefits, future returns on pension plan assets as well as actuarial estimates of mortality, disability and voluntary early leavers. The net pension cost for the period comprises the total of the accrued future pension entitlements during the period, the interest cost on the calculated pension liability and the calculated return on pension plan assets.

Actuarial gains and losses and the impact of changes in assumptions are recognised in total comprehensive income during the period in which they arise. Employees who resign before reaching retirement age or leave the scheme will be issued ordinary paid-up policies.

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15-2. Defined-contribution scheme

A defined-contribution pension scheme involves the Group in paying an annual contribution to the employees' collective pension savings. The future pension will depend upon the size of the contribution and the annual return on the pension savings. The Group does not have any further work-related obligations after the annual contribution has been paid. No provisions are made for ongoing pension liabilities for these types of schemes. Defined-contribution pension schemes are recognised directly in the financial statements.

16. Tangible fixed assets and intangible assets
The Group's tangible fixed assets comprise equipment, fixtures and fittings, IT systems and properties used by the Group for its own activities.

Equipment, inventory and IT systems are valued at acquisition cost less accumulated depreciation and any write-downs.

Properties used for the Group's own activities are measured at appreciated value less accumulated depreciation and write-downs. The fair value of these properties is tested annually in the same way as described for investment properties. The increase in value for buildings used by the Group for its own activities is recognised through total comprehensive income. Any write-down of the value of such a property is recognised first in the revaluation reserve for increases in the value of the property in question. If the write-down exceeds the revaluation reserve for the property in question, the excess is expensed over the profit and loss account.

The write-down period and method are reviewed annually to ensure that the method and period being used both correspond to the useful economic life of the asset. The disposal value is similarly reviewed. Properties are split into components if different parts have different useful economic lives. The depreciation period and method of depreciation are measured then separately for each component.

The value of a tangible fixed asset is tested when there are indications that its value has been impaired. The impairment test is carried out for each asset if the asset primarily has independent, inward cash flows, or possibly a larger cash-generating unit. Any impairment losses are charged to the income statement as the difference between the carrying value and the recoverable amount. The recoverable amount is the greater of the fair value less costs of sale and the value in use. On each reporting date it is determined as to whether there is a basis for reversing previous impairment losses on non-financial assets.

17. Tax
The Group's tax liabilities are valued in accordance with IAS 12 and clarifications in IFRIC 23.

The tax cost in the income statement consists of tax payable and changes in deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in total comprehensive income. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities.

Deferred tax is calculated on the basis of the Group's tax loss carryforward, deductible temporary differences and taxable temporary differences.

Any deferred tax assets shall be recognised if it is considered probable that the tax asset will be recovered. Assets and liabilities associated with deferred tax are recognised as a net amount when there is a legal right to offset assets and liabilities for tax payable and the Group has the ability and intention to settle net tax payable.

Changes in assets and liabilities associated with deferred tax that are due to changes in the tax rate are generally recognised in the income statement.

Reference is made to Note 26 - Tax for further information.

18. Provision for dividends
The proposed dividend is classified as equity until approved by the general meeting and presented as liabilities after this date. The proposed dividend is not included in the calculation of the solvency capital.

19. Leases
Leases are recognised in the balance sheet. The present value of the combined lease payments shall be recognised on the balance sheet as debt and an asset that reflects the right of use of the asset during the lease period. Storebrand has chosen to classify the right to use

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the asset as tangible fixed assets and the lease liability as other debt. The recognised asset is amortised over the lease period and the depreciation expense is recognised as an operating expense on an ongoing basis. The interest expense on the lease liability is recognised as a financial expense. Leases with a duration of less than 12 months and leases that include assets valued at less than approximately NOK 50,000 will not be recognised in the balance sheet, but rental amounts will be recognised as an operating expense over the lease period.

20. Statement of cash flows
The statement of cash flows is prepared using the direct method and shows cash flows grouped by sources and use. Cash is defined as cash, receivables from central banks and receivables from credit institutions with no agreed period of notice.

21. Biological assets
Pursuant to IAS 41, investments in forestry are measures as biological assets. Biological assets are measured at fair value in accordance with IFRS 13. Changes in the value of biological assets are recognised in the profit and loss account. Ownership rights to biological assets are recognised on the date of transfer pursuant to the purchase agreement. Annual income and expenses for forestry and uncultivated land are recognised.

Note 2: Critical accounting estimates and judgements

In preparing the consolidated financial statements the management are 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 description of the most important elements and assessments in which discretion is used and which may influence recognised amounts or key figures is provided below and in Note 13 for Solvency II and in Note 26 for Tax.

Actual results may differ from these estimates.

Insurance contracts
Insurance risk is the risk of higher than expected payments and/or unfavourable changes in the value of an insurance liability due to the actual development differing from what was expected when premiums or provisions were calculated.

In the consolidated accounts, insurance liabilities with a guaranteed interest rate are included, but using different principles in the Norwegian and the Swedish activities. An immaterial asset (value of business in-force – VIF) linked to the insurance contracts in the Swedish activities is also included. This asset originated from Storebrand's purchase of the insurance business. There are several factors that may have an impact on the size of the insurance liabilities including VIF, such as biometric factors relating to higher life expectancy, future returns and invalidity, as well as the development of future costs and legal aspects, such as amendments to legislation and judgments handed down in court cases, etc.

In the long term, a low interest rate will represent a challenge for insurance contracts with a guaranteed interest rate and, together with a reduced customer buffer, may have an impact on the amount recorded that is linked to the insurance contracts. The Norwegian insurance contracts with guaranteed interest rates are discounted at the premium calculation rate (around 3.2 per cent). The Swedish insurance liabilities with guaranteed interest rates have been discounted by a yield curve that coincides with the Solvency II yield curve.

In the Norwegian business, a significant share of the insurance contracts have annual interest rate guarantees. Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the market value adjustment reserve and additional statutory reserves, so that the effect on the owner's result may be limited. Correspondingly, increases in values could, to a large extent, increase the size of such funds.

In the Swedish business, there are no contracts with an annual interest rate guarantee, but there are insurance contracts with interest rate guarantees which enable them to receive a guaranteed terminal value. These contracts are discounted by a market-based calculated interest rate where parts of the yield curve used are not liquid. Changes in the discount rate may have a significant impact on the size of the insurance liabilities and impact the result. If the associated customer assets have a higher value than the recognised value of these insurance liabilities, then the difference will represent a conditional customer allocated fund – conditional bonus (buffer capital). Changes

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in the assumptions for future cost, mortality and other biometric assumptions may also have a significant impact on the recognised insurance liabilities. Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the conditional bonus, so that the effect on the owner's result may be limited. If the value of the individual insurance contract is higher than the associated customer assets, the owner will have to cover the deficient capital.

Further information about insurance liabilities is provided in Notes 7, 38 and 39.

Investment properties

Investment properties are measured at fair value. The commercial real estate market in Norway and Sweden is not particularly liquid, nor is it transparent. Uncertainty will be linked to the valuations, and they require exercise of professional judgement, especially in periods with turbulent finance markets.

Key elements included in valuations that require exercising judgement are:

- Market rent and vacancy trends
- Quality and duration of rental income
- Owners' costs
- Technical standard and any need for upgrading
- Discount rates for both certain and uncertain cash flows, as well as residual value

External valuations are also obtained for parts of the portfolio every quarter. All properties must have a minimum of one external valuation during a 3 year period.

Reference is also made to Note 12 in which the valuation of investment properties at fair value is described in more detail.

Financial instruments at fair value

There will be some uncertainty associated with the pricing of financial instruments, particularly instruments that are not priced in an active market. This is particularly true for the types of securities priced on the basis of non-observable assumptions , and for these investments various valuation techniques are applied in order to fix fair value. These include private equity investments, investments in foreign properties, and other financial instruments where theoretical models are used in pricing. Any changes to the assumptions could affect recognised amounts. The majority of such financial instruments are included in the customer portfolio.

There is uncertainty linked to the valuation of fixed-rate loans recorded at fair value, due to variation in the interest rate terms offered by banks and since individual borrowers often have different credit risks.

Reference is also made to Note 12, in which the valuation of financial instruments at fair value is described in more detail.

Covid-19

2020 has been influenced by developments relating to the spread of the Coronavirus. From the latter part of February and throughout March, the pandemic and the consequences of shutdowns in both Norway and globally, resulted to financial turmoil, with falling share prices, increased credit spreads, reduced interest rates and lower earnings for many financial assets. Together with lower oil prices, these conditions also resulted in a significant weakening of the Norwegian krone. Increased unemployment has had a negative impact on the disability insurance results and necessitated the strengthening of reserves. It is uncertain as to how the present situation will develop going forward. Assisted by political measures, the financial market, and particularly the stock market, strengthened in the second half of the year. The final months of the year were characterised by both another wave of infections in a number of countries, but there has also been positive news regarding the testing of potential vaccines. Storebrand has a risk management system which, through principles that have been adopted, manages and mitigates the impact of volatile financial markets.

Storebrand increased its insurance liabilities in the first quarter of 2020 based on the expected impact of the Covid-19 virus. The situation was closely monitored in the following three quarters of 2020, and no significant impact on the reserves due to Covid-19 was observed. The development of insurance liabilities will depend on future scenarios and is currently more uncertain than usual. Storebrand will continue to monitor the development of Covid-19 and its effects on the economy. A long-term situation with high unemployment may result in higher levels of disability and increased liabilities. However, the current insurance liabilities represent Storebrand's best estimate of the insurance liabilities.

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Covid-19 and the uncertain macroeconomic situation mean that there is greater uncertainty relating to several estimates at the end of 2020 than was the situation prior to the start of the pandemic. There is still major uncertainty about the spread of Covid-19 and the consequences for society. There is thus also increased uncertainty regarding cash flows associated with financial instruments and investment properties that are priced based on level 3 calculations, as well as estimated expected losses on lending.

Deferred tax and uncertain tax positions
Calculation of deferred tax assets, deferred tax liabilities and the income tax expense is based on the interpretation of rules and estimates.

The Group's business activities may give rise to disputes, etc. related to tax positions with an uncertain outcome. The Group makes provisions for uncertain and disputed tax positions with best estimates of expected amounts, subject to decisions by the tax authorities in accordance with IAS 12 and IFRIC 23. The provisions are reversed if the disputed tax position is decided to the benefit of the Group and can no longer be appealed.

Reference is made to further information in Note 26.

Note 3: Acquisitions

On 14 August 2020, Storebrand Forsikring AS entered into an agreement with Insr Insurance Group ASA (Insr) to acquire customer portfolios from Insr. Storebrand Forsikring AS acquired the right and obligation to renew insurance agreements from Insr's portfolios.

The transition process for customers from Insr to Storebrand will take place gradually over a 12-month period from the renewal date for the customers, starting on 1 December 2020. Storebrand will pay consideration to Insr of 20-30% of renewed premiums, and has pledged to pay a minimum of NOK 70 million no later than six months after the end of the renewal period.

This transaction will be recognised under intangible assets in the balance sheet as the purchase of customer lists in line with the gradual transfer, and will not be recognised as a business combination.

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
Insurance has responsibility for the Group's risk products in Norway and Sweden. The unit provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian and Swedish retail markets and employee-related and pension-related insurance in the Norwegian and Swedish corporate markets.

Guaranteed pension
The guaranteed Pension segment includes long-term pension saving products which provide 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.

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Other

The result for the holding company Storebrand ASA is reported under Other, as well as the result for the company portfolios and small subsidiaries of Storebrand Livsforsikring and SPP. In addition, this business is included in Euroben and the minority of the securities fund. The elimination of intra-group transactions that have been included in the other segments has also been included.

Reconciliation between the profit and loss statement and alternative statement of the result (segment)

The results in the segments are reconciled against the Group result before amortisation and write-downs of intangible assets. The Group's income statement 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 corporate profit and loss account. Below is an overall description of the most important differences.

Fee and administration income consists of fees and fixed administrative income. In the Group's income statement, the item is classified as premium income, net interest income from bank or other income depending on the type of activity. The Group's income statement also includes savings elements for insurance contracts and possibly transferred reserve.

Price of return guarantee and profit risk (fee incomes) - Storebrand Livsforsikring AS

The return guarantees in group pension insurance with a return guarantee must be priced upfront. The level of the return guarantee, the size of the buffer capital (additional statutory reserves and unrealised gains), and the investment risk of the portfolio in which the pensions assets are invested determine the price that the customer pays for his or her return guarantee. Return guarantees are priced on the basis of the risk to which the equity is exposed. The insurance company bears all the downside risk and must carry reserves against the policy if the buffer reserves are insufficient or unavailable.

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 Group's income statement.

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 Group's income statement.

Administration costs consist of the Group's operating costs in the Group's income statement 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 Group's income statement.

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 Group's income statement. The financial result also includes returns on customer assets relating to products within the insurance segment, and in the Group's income statement this item will be entered under net income from financial assets and property for customers. In the alternative income statement, the result before tax of certain unimportant subsidiaries is included in the financial result, while in the Group's income statement, this is shown as other income, operating costs and other costs.

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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 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 contracts (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 conTotaler price index (CPI) between the previous two Septembers. Pensions that are paid out are indexed if the consolidated figures on 30 September exceed 107 per cent, and half of the fee is charged. The whole fee is charged if the consolidated figures on 30 September exceed 120 per cent, in which case paid-up policies can also be included. The total fee equals 0.8 per cent of the insurance capital.

The guaranteed liability is continuously monitored. If the guaranteed liability is higher than the value of the assets, a provision must be made in the form of a deferred capital contribution. If the assets are lower than the guaranteed liability when the insurance payments start, the company supplies capital up to the guaranteed liability in the form of a realised capital contribution. Changes in the deferred capital contribution are included in the financial result.

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

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GROUP PROFIT BY SEGMENT

NOK million	2020	2019
Savings	1,730	1,364
Insurance	204	439
Guaranteed pension	775	1,029
Other	1	205
Group profit before amortisation	**2,711**	**3,037**
Amortisation of intangible assets	-492	-444
Group pre-tax profit	**2,219**	**2,593**

	Savings		Insurance		Guaranteed pension	
NOK million	2020	2019	2020	2019	2020	2019
Fee and administation income	4,392	3,996			1,455	1,475
Insurance result			825	1,005		
- Insurance premiums f.o.a.			*4,331*	*3,909*		
- Claims f.o.a.			*-3,506*	*-2,904*		
Operating cost	-2,611	-2,621	-712	-648	-842	-819
Operating profit	**1,781**	**1,375**	**113**	**357**	**614**	**657**
Financial items and risk result life & pension	-51	-11	91	83	162	372
Group profit before amortisation	**1,730**	**1,364**	**204**	**439**	**775**	**1,029**
Amortisation of intangible assets [1]						
Group pre-tax profit						

	Other [2]		Storebrand Group	
NOK million	2020	2019	2020	2019
Fee and administation income	-172	-164	5,676	5,308
Insurance result			825	1,005
- Insurance premiums f.o.a.			*4,331*	*3,909*
- Claims f.o.a.			*-3,506*	*-2,904*
Operating cost	97	73	-4,068	-4,015
Operating profit	**-75**	**-91**	**2,433**	**2,298**
Financial items and risk result life & pension	76	296	278	739
Group profit before amortisation	**1**	**205**	**2,711**	**3,037**
Amortisation of intangible assets [1]			-492	-444
Group pre-tax profit			**2,219**	**2,593**

1) Amortisation of intangible assets are included in Storebrand Group
2) Includes eliminations of group transactions

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THE STOREBRAND GROUP ARE REPRESENTED IN THE FOLLOWING COUNTRIES:

Segment/Land	Norway	Sweden	UK	Netherlands	Denmark	Germany	Luxemburg	Ireland
Savings	X	X	X	X	X	X	X	
Insurance	X	X						
Guaranteed pension	X	X						
Other	X	X		X			X	X

KEY FIGURES BY BUSINESS AREA

NOK million	2020	2019
Group		
Earnings per ordinary share	5.02	4.43
Equity	35,923	33,398
Savings		
Premium income Unit Linked	20,185	17,168
Unit Linked reserves	268,331	219,793
AuM asset management	962,472	831,204
Retail lending	49,474	48,161
Insurance		
Total written premiums	5,562	4,698
Claims ratio	81%	74%
Cost ratio	16%	17%
Combined ratio	97%	91%
Guaranteed pension		
Guaranteed reserves	276,755	263,185
Guaranteed reseves in % of total reserves	50.8%	54.5%
Net transfer out of guaranteed reserves	-704	16
Buffer capital in % of customer reserves Storebrand Life Group [1)]	11.0%	8.6%
Buffer capital in % of customer reserves SPP [2)]	11.4%	10.7%
Solidity		
Solvency II [3)]	178%	176%
Solidity capital (Storebrand Life Group) [4)]	72,766	62,442
Capital adequacy Storebrand Bank	18.7%	19.6%
Core Capital adequacy Stobrand Bank	16.7%	17.5%

1) Additional statutory reserves + market value adjustment reserve
2) Conditional bonuses
3) See note 13 for specification of Solvency II
4) The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

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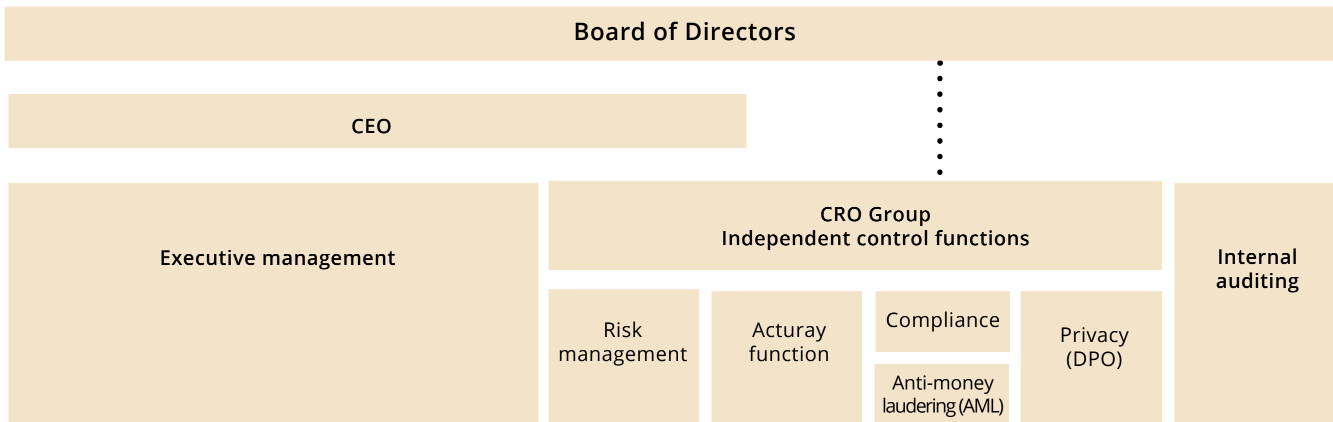
Note 5: Risk management and internal control

Storebrand's income and performance are dependent on external factors that are associated with uncertainty. The most important external risk factors are the developments in the financial markets and changes in life expectancy in the Norwegian and Swedish populations. Certain internal operational factors can also result in losses, e.g. errors linked to the management of the customers' assets or payment of pension.

Continuous monitoring and active risk management are core areas of the Group's activities and organisation. At the Storebrand Group, responsibility for risk management and internal control is an integral part of management responsibility.

Organisation of risk management

The Group's organisation of the responsibility for risk management follows a model based on three lines of defence. The objective of the model is to safeguard the responsibility for risk management at both company and Group level.



The Boards of directors of both Storebrand ASA and the group companies have the overall responsibility for limiting and following up the risks associated with the activities. The Boards set annual limits and guidelines for risk-taking in the company, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation.

The Board of Storebrand ASA has established a Risk Committee consisting of 3 Board members. The main task of the Risk Committee is to prepare matters to be considered by the Board in the area of risk, with a special focus on the Group's appetite for risk, risk strategy and investment strategy. The Committee should contribute forward-looking, decision-making support related to the Board's discussion of risk taking, financial forecasts and the treatment of risk reporting.

Managers at all levels in the company are responsible for risk management within their own area of responsibility. Good risk management requires targeted work on objectives, strategies and action plans, identification and assessment of risks, documentation of processes and routines, prioritisation and implementation of improvement measures, and good communication, information and reporting.

Independent control functions

Independent control functions have been established for risk management for the business (Risk Management Function/Chief Risk Officer), for compliance with the regulations (Compliance Function), for ensuring the insurance liabilities are calculated correctly (Actuary Function), for data protection (Data Protection Officer), for money laundering (Anti Money Laundering) and for the bank's lending. Relevant functions have been established for both the Storebrand Group (the Group) and all of the companies requiring a licence. The independent control functions are organised directly under the companies' managing directors and report to the respective company's board.

In terms of function, the independent control functions are affiliated with Group Risk & Compliance (GRC), which is organised directly under the CEO and reports to the Board of Directors of Storebrand ASA. GRC's task is to ensure that all significant risks are identified, measured and appropriately reported. The GRC function shall be actively involved in the development of the Group's risk strategy and maintain a holistic view of the company's risk exposure. This includes responsibility for ensuring compliance with the relevant regulations for risk management and the consolidated companies' operations.

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The internal audit function is organised directly under the Board and shall provide the Boards of the relevant consolidated companies with confirmation concerning the appropriateness and effectiveness of the company's risk management, including how well the various lines of defence are working.

Note 6: Operational risk

Operational risk is the risk of loss due to inadequate or failing internal processes or systems, human error or external events. The definition includes the risk of loss or public sanctions as a result of non-compliance with external or internal rules.

The Group seeks to reduce operational risk through an effective system for internal control. Risks are followed up through the management's risk reviews, with documentation of risks, measures and the follow-up of incidents. In addition, Internal Audit carries out independent checks through audit projects adopted by the Board.

Contingency and continuity plans have been prepared to deal with serious incidents in business-critical processes.

Storebrand's IT systems are vital for operations and reliable financial reporting. Errors and disruptions may have consequences for commercial operations and can impact on the trust the Group has from both customers and shareholders. In the worst case, abnormal situations can result in penalties from the supervisory authorities. Storebrand's IT platform is characterised by complexity and integration between different specialist systems and joint systems. The operation of the IT systems has largely been outsourced to different service providers. A management model has been established with close follow-up of providers and internal control activities in order to reduce the risk associated with the development, administration and operation of the IT systems, as well as information security. Storebrand is facing a major technological shift with the transition to cloud-based infrastructure. Risks increase in connection with the actual transformation, and the consequence of errors can be greater when services are provided online. At the same time, cloud-based services and infrastructure reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. The asset management business has a modern and standardised core system, combined with self-developed applications. The bank platform and insurance platform are based on purchased standard systems that are operated and monitored through outsourcing agreements. There is a greater degree of own development for the life insurance activities, while parts of the operation of this have also been outsourced. The unit administration within defined-contribution occupational pension and unit linked products is managed in a purchased system solution.

Note 7: Insurance risk

Storebrand offers traditional life and pension insurance as both group and individual contracts. Contracts are also offered in which the customer has the choice of investment.

The insurance risk in Norway is largely standardised for contracts within the same product category as a result of detailed regulation from the authorities. In Sweden, the framework conditions for insurance contracts entail major differences between the contracts within the same product category.
The insurance risk associated with an increase in life expectancy and thereby an increase in future pension payments (longevity) is the greatest risk for the Group. Other risks include disability risk and mortality risk. The life insurance risks are:

1. Long life expectancy – The risk of erroneously estimating life expectancy and future pension payments. Historical developments have shown that an increasing number of people attain retirement age and live longer as pensioners than was previously the case. There is a great deal of uncertainty surrounding future mortality development. In the event of longer life expectancy beyond that assumed in the premium tariffs, there is also an increased risk of the owner's result having to be charged in order to cover necessary statutory provisions.
2. Disability – The risk of erroneous estimation of future illness and disability. There will be uncertainty associated with the future development of disability, including disability pensioners who are returned to the workforce.
3. Death – The risk of erroneous estimation of mortality or erroneous estimation of payment to surviving relatives. Over the last few years, a decrease in mortality and fewer young surviving relatives have been registered, compared with earlier years.

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In the Guaranteed Pensions segment, the Group has a significant insurance risk relating to estimation of life expectancy and future pension payments for group and individual insurance agreements. In addition, there is an insurance risk associated with estimates of disability and pensions left to spouses and/or children. The disability coverage in Guaranteed Pensions is primarily sold together with a retirement pension. The risk of mortality is low in Guaranteed Pensions when viewed in relation to other risks. In SPP it is possible to change the future premiums for the IF portfolio, reducing the risk significantly. In Norway it is also possible to change the future premiums of group policies, but only for new accumulation, entailing reduced risk. Occupational pension agreements (hybrid) are reported in the Guaranteed Pension segment when a customer has an agreement without a choice for investment of the pension assets. This is a small portfolio with limited insurance risk.

In the Savings segment the Group has a low insurance risk. The insurance risk is largely associated with death, with some long-life risk for paid-up policies with investment options. Occupational pension agreements (hybrid) are reported in the Guaranteed Pension segment when a customer has an agreement with a choice for investment of the pension assets. This is a small portfolio with limited insurance risk.

In the Insurance segment, the Group has an insurance risk associated with disability and death. In addition, there are insurance risks associated with occupational injury, critical illness, cancer insurance, child insurance, accident insurance and health insurance. For occupational injury, the risk is first and foremost potential errors in the assessment of the level of provisions, because the number of claim years can be up to 25 years. The insurance risk within critical illness, cancer, accident and health insurance is considered to be limited based on the volume and underlying volatility of the products. Within P&C insurance, the risk of house fire and personal injury for motor vehicle insurance constitute the main risks.

The Other segment also includes the insurance risk at Euroben, which offers pension products to Nordic companies, and the insurance risk is limited.

Description of products

Risk premiums and tariffs
Guaranteed Pension
Group pension insurance schemes in Norway follow the premiums for traditional retirement and survivor coverage in the industry tariff K2013. The premiums for disability pensions are based on the company's own experience. Expense premiums are determined annually with a view to securing full cover for the next year's expected costs.

For individual insurance in Norway, the premiums for death risk and long life expectancy risk are based on tariffs produced by insurance companies on the basis of their shared experience. This applies to both endowment and pension insurance. Disability premiums are based on the company's own experience.

The risk premium for group insurance in Sweden is calculated as an equalised premium within the insurance group, based on the group distribution of age and gender, as well as the requirement for coverage of next of kin. The risk premium for individual insurance is determined individually and is based on age and gender.

SPP's mortality assumptions are based on the general mortality tariff DUS14, adjusted for the company's own observations.

The new public service occupational pension entered into force from 2020 and includes retirement pensions in the public sector. The new scheme is a premium pension and is a net pension that is known from the private sector. Premium pension means that the pension is accrued each year based on the employee's salary. This is as opposed to the previous schemes whereby the pension was calculated based on the final salary. The premium pension ensures a life-long retirement pension, and the retirement pension can be fully or partly withdrawn from and including the age of 62 until and including the age of 75. Payment of the pension will start at the age of 75 regardless. Members who are not entitled to an AFP are given a conditional occupational pension as a supplement to the retirement pension.

Insurance
Tariffs for group life insurance and certain risk insurances within group pensions also depend on the industry or occupation, in addition to age and gender. Group life insurance also applies tariffs based on claims experience. The company's tariff for group life insurance, both for life and disability cover, is based on the company's own experience.

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Newer individual endowment policies are priced without taking gender into account. The tariffs for all individual endowment policies are based on the company's own experiences.

For P&C insurance (occupational injury, property and motor vehicle) the tariffs are based on the company's own experiences.

Management of insurance risk
Insurance risk is monitored separately for every line of insurance in the current insurance portfolio. The development of the risk results is followed throughout the year. For each type of risk, the ordinary risk result for a period represents the difference between the risk premiums the company has collected for the period and the Total of provisions and payments that must be made for insured events that occur in the period. The risk result takes into account insured events that have not yet been reported, but which the company, on the basis of experience, asTotales have occurred.

When writing individual risk cover, the customer is subject to a health check. The result of the health check is reflected in the level of premium quoted. When arranging group policies with risk cover, all employees of small companies are subject to a health check, while for companies with many employees a declaration of fitness for work is required. In the assessment of risk, the company's business category, sector and sickness record are also taken into account.

Large claims or special events constitute a major risk for all products. The largest claims will typically be in the group life, occupational injury and personal injury (motor vehicle accidents) segments.

The company manages its insurance risk through a variety of reinsurance programmes. Through catastrophe reinsurance (excess of loss), the company covers losses (single claims and reserves provisions) where a single event causes more than two deaths or disability cases. This cover is also subject to an upper limit. A reinsurance agreement for life policies covers death and disability risk that exceeds the maximum risk amount for own account the company practises. The company's maximum risk amount for own account is relatively high, and the risk reinsured is therefore relatively modest.

The company also manages its insurance risk through international pooling. This implies that multinational corporate customers can equalise the results between the various units internationally. Pooling is offered for group life and risk cover within group pensions.

Risk result
The risk result consists of premiums the company charges to cover insurance risks less the actual costs in the form of insurance reserves and payments for insured events such as death, pensions, disability and accidents.

The table below specifies the risk result for the largest entities in the Group and also states the effect of reinsurance and pooling on the result. The risk result in the table shows the total risk result for distribution to customers and owner (the insurance company).

SPECIFICATION OF RISK RESULT

	Storebrand Livsforsikring AS		SPP Pension & Försäkring AB	
NOK million	**2020**	**2019**	**2020**	**2019**
Survival result	7	-58	54	-39
Death result	243	416	23	19
Disability result	-26	443	134	92
Reinsurance	5	2		-1
Pooling	-44	22	-26	-14
Other	-33	-101	1	-4
Total risk result	**153**	**724**	**186**	**53**

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Adequacy test

In accordance with the accounting standard IFRS 4 Insurance Contracts, the insurance liabilities that are included shall be adequate and a liability adequacy test shall be performed. Storebrand satisfies the adequacy tests for 2020, and these therefore had no impact on the results in the financial statements for 2020.

Sensitivity

The volatility of the risk results depends on the development in disability and mortality relative to expectations. The different contracts at Storebrand come with different risks, however when calculating volatility, the starting point is the same changes since the development in, for example, disability, is assumed to be the same across the contracts. To indicate the sensitivity of the annual result, an expected 5% increase in claims for disability and mortality respectively is used as a basis, where mortality consists of the risks of death and longevity.

STOREBRAND LIVSFORSIKRING AS

	Guaranteed pension					Insurance				
NOK million	Defined benefit pension	Occupational pension	Paid-up policies	Individual insurance	Total	Group disability	Non-life insurance	Group life	Total	Total
Death	4	1	49	5	59	-1	-2	-19	-22	37
Disability	-4		-14	-4	-22	-40	-4	-26	-70	-92

The net effect of increased claims for disability will result in a reduction in the disability risk result of NOK 14 million for paid-up policies and NOK 40 million for group disability pensions. Correspondingly, an increase in mortality claims will reduce the death risk result for group life by NOK 19 million, and for paid-up policies, the risk result for mortality will be improved by NOK 49 million.

It varies as to how the gross effects above are recognised in the company's income statement. The business rules define buffer capital and other factors which entail that a negative risk result for the pension products may be covered by the risk equalisation fund, provided that this is sufficient. Equivalently, up to 50% of the positive risk result will be added to the risk equalisation fund, while other positive risk results will pass to the customers. For group disability pensions, group life and personal risk, the risk results pass in their entirety to Storebrand, while the risk result for individual insurance policies are included in the profit sharing between the customers and Storebrand.

SPP PENSION & FÖRSÄKRING AB

SEK million	Defined contribution	Defined benefit	Total
Death	8	17	25
Disability	2		2

Part of the change in disability and waiver of premiums is covered by pooling and reinsurance, and SPP's effect on result is expected to be approximately 95 per cent. The change in increased longevity and mortality have their full impact in SPP's result.

Note 8: Financial market risk

Market risk means changes in the value of assets as a result of unexpected volatility or changes in prices on the financial markets. It also refers to the risk that the value of the insurance liability develops differently to that of the assets as a result of changes in interest rates.

The most significant market risks for Storebrand are interest rate risk, share market risk, property price risk, credit risk, and exchange rate risk.

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For the life insurance companies, the financial assets are invested in a variety of sub-portfolios. Market risk affects Storebrand's income and profit differently in the different sub-portfolios. There are three main types of sub-portfolio: 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.

The market risk in unit linked insurance is at the customers' risk, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based largely on the size of the reserves, while the costs tend to be fixed. Lower than expected returns in the financial market will therefore have a negative effect on Storebrand's future 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 measures to reduce risk depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the return guarantee. If the investment return is not sufficient to meet the guaranteed interest rate, the shortfall may be met by using customer buffers built up from previous years' surpluses.

For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Falling interest rates are positive for the investment return in the short term due to price appreciation for bonds and interest rate swaps, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee. Both short and long-term money market rates fell significantly in Norway in 2020. Long-term rates have fallen in Sweden, while short-term money market rates have remained stable at close to zero.

The composition of the assets within each sub-portfolio is determined by the company's investment strategy. The investment strategy also establishes guidelines and limits for the company's risk management, credit exposure, counterparty exposure, currency risk, use of derivatives, and requirements regarding liquidity.

ASSET ALLOCATION

	Customer portfolios with guarantee	Customer portfolios without guarantee	Company portfolios
Properties at fair value	11%	2%	
Bonds at amortised cost	36%		26%
Money market	3%	4%	13%
Bonds at fair value	24%	14%	59%
Equities at fair value	10%	79%	
Loans at amortised cost	16%	1%	2%
Other			1%
Total	**100%**	**100%**	**100%**

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 financial risk related to customer portfolios without a guarantee is borne by the insured person, and the insured person can choose the risk profile. Storebrand's role is to offer a good, broad range of funds, to assemble profiles adapted to different risk profiles, and to offer systematic reduction of risk towards retirement age. The most significant market risks are share market risk and exchange rate risk.

The most significant market risks facing guaranteed customer portfolios are linked to equity risk, interest rate risk, credit risk and property price risk. Risk management during the turmoil in the financial markets in the first quarter resulted in a decrease in equity exposure. This has since increased, which means that the investment allocation at the end of 2020 had not changed significantly from the start of the year. In Norway, most of the credit risk is linked to securities, which are carried at amortised cost. This significantly reduces the risk to the company's result because the result is not normally influenced by market fluctuations. The exception is if there is a loss event.

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The market risk is managed by segmenting the portfolios in relation to risk-bearing capacity. For customers who have large customer buffers, investments are made with higher market risk that give increased expected returns. Equity risk is also managed by means of dynamic risk management, the objectives of which are to maintain good risk-bearing capacity and to adjust the financial risk to the buffer situation and the company's financial strength. By exercising this type of risk management, Storebrand expects to create good returns both for individual years and over time.

For company portfolios and guaranteed customer portfolios, most of the assets that are in currencies other than the domestic currency are hedged. This limits the currency risk from the investment portfolios.

Foreign exchange risk primarily arises as a result of investments in international securities, including as a result of ownership in SPP.

In the consolidated financial statements, the value of assets and results from the Swedish operations are affected by changes in the value of the Swedish krone. Storebrand Livsforsikring AS has hedged parts of the value of SPP through forward foreign exchange contracts and borrowings in Swedish kroner.

FINANCIAL ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

	Balance sheet items excluding currency derivatives	Forwad contracts	Net position	
NOK million	**Net in balance sheet**	**Net sales**	**in currency**	**in NOK**
DKK	200	-325	-127	-176
CHF	93	-134	-41	-398
HKD	210	-931	-721	-797
CAD	174	-279	-105	-703
EUR	1,082	-1,221	-147	-1,454
GBP	106	-203	-98	-1,139
JPY	296	-413	-117	-969
SEK	234,093	-9,559	224,301	234,084
USD	4,135	-5,184	-1,070	-9,161
NOK[1]	39,005	-1,487	37,518	37,518
Other currency types				-144
Insurance liabilities in SEK	-224,197		-224,197	-233,735
Total net currency positions 2020				**22,927**
Total net currency positions 2019				7,080

1) Equity and bond funds denominated in NOK with foreign currency exposurein i.a. EUR and USD NOK 34 billion.

The table above shows the currency positions as at 31 December 2020. The currency exposure is primarily related to investments in the Norwegian and Swedish insurance business.

Storebrand Livsforsikring:
The company hedges most of the foreign exchange risk in the customer portfolios on an ongoing basis. Foreign exchange risk exists primarily as a result of investments in international securities, as well as subordinated loans in a foreign currency to a certain extent. Hedging is performed by means of forward foreign exchange contracts at the portfolio level, and the currency positions are monitored continuously against a total limit. Negative currency positions are closed out no later than the day after they arose. In addition, separate limits have been defined so that active currency positions can be taken.

SPP:
SPP uses currency hedging for its investments to a certain degree. Currency exposure may be between 0 and 30 per cent in accordance with the investment strategy

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Banking business:
Storebrand Bank ASA hedges net balance sheet items by means of forward contracts.
The permitted limit for the bank's foreign exchange position is 0.50 per cent of primary capital, which is approximately 13 million at present.

Guaranteed customer portfolios in more detail

Storebrand Livsforsikring
The annual guaranteed return to the customers follows the basic interest rate. New premiums were taken in with a basic interest rate of 2.0 per cent, and pensions were adjusted upwards with a basic interest rate of 0.5 per cent.

The percentage distribution of the insurance reserves by the various basic annual interest rates as at 31 December is as follows:

Interest rate	2020	2019
6 %	0.3 %	0.3 %
5%	0.3 %	0.3 %
4%	42.9 %	44.4 %
3.4 %	0.3 %	0.3 %
3%	28.8 %	29.0 %
2.75 %	1.8 %	1.8 %
2.50 %	10.9 %	11.0 %
2.00 %	12.2 %	11.2 %
1.50 %	0.1 %	
0.50 %	1.6 %	1.3 %
0%	0.9 %	0.5 %

The table includes premium reserve excluding IBNS

Average interest rate guarantee in per cent	2020	2019
Individual endowment insurance	2.6 %	2.6 %
Individual pension insurance	3.8 %	3.8 %
Group pension insurance	2.4 %	2.5 %
Paid-up policy	3.3 %	3.3 %
Group life insurance	0.2 %	0.1 %
Total	**3.1 %**	**3.2 %**

The table includes premium reserve including IBNS

There is a 0 per cent interest rate guarantee for premium funds, defined-contribution funds, pensioners' surplus funds and additional statutory reserves.

The interest rate guarantee must be fulfilled on an annual basis. If the company's investment return in any given year is lower than the guaranteed interest rate, the equivalent of up to one year's guaranteed return for the individual policy can be covered by transfers from the policy's additional statutory reserves.

To achieve adequate returns with the present interest rates, it is necessary to take an investment risk. This is primarily done by investing in shares, property and corporate bonds.

Interest rate risk is in a special position because changes in interest rates also affect the fair value of the insurance liability for the solvency calculation. Since pension disbursements may be many years in the future, the insurance liability is particularly sensitive to changes in interest rates. In the Norwegian business, greater interest rate sensitivity from the investments will entail increased risk that the return is below the guaranteed level. The risk management must therefore balance the risk of the profit for the year (interest rate increase) with the reinvestment risk if interest rates fall below the guarantee in the future. Bonds at amortised cost are an important risk management tool.

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SPP Pension & Insurance
The guaranteed interest rate is determined by the insurance company and is used when calculating the premium and the guaranteed benefit. The guaranteed interest rate does not entail that there is an annual minimum guarantee for the return as is the case in Norway.

New premiums in individual defined-contribution pensions (IF) have a guarantee of 1.25% for 85% of the premium. Group defined-benefit pension (KF) is closed to new members.

SPP bears the risk of achieving a return equal to the guaranteed interest on the policyholders' assets over time and that the level of the contracts' assets is greater than the present value of the insurance liabilities. For IF, profit sharing becomes relevant in SPP if the return exceeds the guaranteed yield. The contracts' buffer capital must be intact in order for profit sharing to represent a net income for SPP. In the case of KF, a certain degree of consolidation, i.e. that the assets are greater than the present value of the liabilities by a certain percentage, is required in order for the owner to receive profit-sharing income (indexing fee).

If the assets in an insurance contract in the company are less than the market value of the liability, an equity contribution is allocated that reflects this value shortfall. This is termed a deferred capital contribution (DCC), and changes in DCC are recognised in the profit and loss account as they occur. When the contracts' assets exceed the present value of the liabilities, a buffer, which is termed the conditional bonus, is established. Changes in this customer buffer are not recognised in the profit and loss account.

Interest rate	2020	2019
5.20 %	12.1 %	12.7 %
4,5%-5,2%	0.4 %	0.4 %
4.00 %	4.5 %	3.7 %
3.00 %	47.4 %	48.8 %
2,75%-4,0%	5.0 %	5.4 %
2.70 %	0.1 %	0.1 %
2.50 %	5.9 %	6.2 %
1.60 %	0.0 %	0.0 %
1.50 %	1.9 %	2.6 %
1.25 %	4.2 %	4.1 %
1,25% *	9.7 %	7.6 %
0,5%-2,5%	3.5 %	4.0 %
0.00 %	5.4 %	4.1 %

* 1,25 per cent on 85 per cent of the premium

Average interest rate guarantee in per cent	2020	2019
Individual pension insurance	3.0 %	3.1 %
Group pension insurance	2.6 %	2.6 %
Individual occupational pension insurance	3.1 %	3.1 %
Total	**3.0 %**	**2.9 %**

In the Swedish operations management of interest rate risk is based on the principle that the interest rate risk from assets shall approximately correspond to the interest rate risk from the insurance liabilities.

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Sensitivity analyses

The tables show the fall in value for Storebrand Livsforsikring and SPP's investment portfolios as a result of immediate changes in value related to financial market risk. The calculation is model-based and the result is dependent on the choice of stress level for each category of asset. The stresses have been applied to the company portfolio and guaranteed customer portfolios as at 31 December 2020. The effect of each stress changes the return in each profile.

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

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

Level of stress

	Stresstest 1	Stresstest 2
Interest level (parallel shiftt)	-100bp	+100bp
Equity	-20 %	- 12 %
Property	- 12 %	- 7 %
Credit spread (share of Solvency II)	50 %	30 %

Because it is the immediate market changes that are calculated, dynamic risk management will not affect the outcome. If it is assumed that the market changes occur over a period of time, then dynamic risk management would reduce the effect of the negative outcomes and reinforce the positive to some extent.

As a result of customer buffers, the effect of the stresses on the result will be lower than the combined change in value in the table. As at 31 December 2020, the customer buffers were of such a size that the effects on the result were significantly lower.

Stresstest 1

	Storebrand Livsforsikring		SPP Pension & Försäkring	
Sensitivity	**NOK million**	**Share of portfolio**	**NOK million**	**Share of portfolio**
Interest rate risk	4,275	2.0 %	-150	-0.2 %
Equtiy risk	-2,447	-1.1 %	-2,162	-2.3 %
Property risk	-2,585	-1.2 %	-1,224	-1.3 %
Credit risk	-1,007	-0.5 %	-857	-0.9 %
Total	**-1,764**	**-0.8 %**	**-4,392**	**-4.7 %**

Stresstest 2

	Storebrand Livsforsikring		SPP Pension & Försäkring	
Sensitivity	**NOK million**	**Share of portfolio**	**NOK million**	**Share of portfolio**
Interest rate risk	-4,274	-2.0 %	150	0.2 %
Equtiy risk	-1,466	-0.7 %	-1,297	-1.4 %
Property risk	-1,506	-0.7 %	-714	-0.8 %
Credit risk	-603	-0.3 %	-514	-0.5 %
Total	**-7,849**	**-3.7 %**	**-2,376**	**-2.5 %**

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Storebrand Livsforsikring

For Storebrand Livsforsikring it is stress test 2, which includes an increase in interest rates, that makes the greatest impact. The overall market risk is NOK 7.8 billion, which is equivalent to 3.7 per cent of the investment portfolio.

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

SPP Pension & Insurance

For SPP it is stress test 1, which includes a fall in interest rates, that creates the greatest impact. The overall market risk is SEK 4.4 billion, which is equivalent to 4.7 per cent of the investment portfolio.

The buffer situation for the individual contracts will determine if all or portions of the fall in value will affect the financial result. Only the portion of the fall in value that cannot be settled against the customer buffer will be charged to the result. In addition, the reduced profit sharing or loss of the indexing fees may affect the financial result.

Other operations

The other companies in the Storebrand Group are not included in the sensitivity analysis, as there is little market risk in these areas. The equity of these companies is invested with little or no allocation to high-risk assets, and the products do not entail a direct risk for the company as a result of price fluctuations in the financial market.

Note 9: Liquidity risk

Liquidity risk is the risk that the company is unable to fulfil its obligations without incurring substantial additional expenses in the form of reduced prices for assets that must be realised, or in the form of especially expensive financing.

For the insurance companies, the life insurance companies in particular, the insurance liabilities are long-term and the cash flows are generally known long before they fall due. In addition, liquidity is required to handle payments related to operations, and there are liquidity needs related to derivative contracts. The liquidity risk is handled by liquidity forecasts and the fact that portions of the investments are in very liquid securities, such as government bonds. The liquidity risk is considered low based on these measures.

Liquidity risk is one of the largest risk factors for the banking business, and the regulations stipulate requirements for liquidity management and liquidity indicators. The guidelines for liquidity risk specify principles for liquidity management, and limits stipulated by the Board for different minimum liquidity and financing indicators. In addition to this, an annual funding strategy and funding plan are being drawn up that set out the overall limits for the bank's funding activities.

Separate liquidity strategies have also been drawn up for other subsidiaries in accordance with the statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategies define limits for allocations to various asset types and mean the companies have money market investments, bonds, equities and other liquid investments that can be disposed of as required.

In addition to clear strategies and the risk management of liquidity reserves in each subsidiary, the Group's holding company has established a liquidity buffer. The development of the liquid holdings is continuously monitored at the Group level in relation to internal limits. A particular risk is the fact that during certain periods the financial markets can be closed for new borrowing. Measures for minimising the liquidity risk are to maintain a regular maturity structure for the loans, low costs, an adequate liquidity buffer and credit agreements with banks which the company can draw on if necessary.

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UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES [1]

NOK million	0-6 months	7-12 months	2-3 years	4-5 years	over 5 years	Total cashflows	Total book value
Subordinated loan capital [2]	298	865	2,361	7,654		11,177	9,110
Loans and deposits from credit institutions	1,653					1,653	1,653
Deposits from bank customers	15,504	3				15,506	15,506
Debt raised from issuance of securities	1,471	379	11,142	10,687	-2,357	21,322	20,649
Other current liabilities	16,150	6	53			16,209	16,209
Uncalled residual liabilities Limited partnership	8,251					8,251	
Unused credit lines lending	3,063					3,063	
Lending commitments	2,962					2,962	
Total financial liabilities 2020	**49,351**	**1,253**	**13,556**	**18,340**	**-2,357**	**80,143**	**63,127**
Derivatives related to funding 2020	**-149**	**74**	**-209**			**-284**	**4**
Total financial liabilities 2019	40,150	576	13,930	9,395	968	65,020	50,778
Derivatives related to funding 2019	-115	98	-50	-114		-181	5

1) Liabilities for which repayment may be demanded immediately are included in the 0-6 month column.
2) In the case of perpetual subordinated loans the cash flow is calculated through to the first call date.

SPECIFICATION OF SUBORDINATED LOAN CAPITAL [1]

NOK million	Nominal value	Currency	Interest	Maturity	Book value
Issuer					
Perpetual subordinated loan capital [2]					
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100
Dated subordinated loan capital					
Storebrand Livsforsikring AS [3]	750	SEK	Variable	2021	789
Storebrand Livsforsikring AS[3]	1,000	SEK	Variable	2022	1,044
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	938
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	1,045
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499
Storebrand Livsforsikring AS [3]	300	EUR	Fixed	2023	3,420
Storebrand Bank ASA	150	NOK	Variable	2022	150
Storebrand Bank ASA	125	NOK	Variable	2025	125
Total subordinated loans and hybrid tier 1 capital 2020					**9,110**
Total subordinated loans and hybrid tier 1 capital 2019					8,925

1) Storebrand Bank ASA has issued hybrid tier 1 capital bonds/hybrid capital that is classified as equity. See the statement of changes in equity.
2) In the case of perpetual subordinated loans the cash flow is calculated through to the first call date.
3) The loans are subject to hedge accounting, see note 41

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SPESIFICATION OF LOANS AND DEPOSITS FROM CREDIT INSTITUTIONS

	Book value	
NOK million	**2020**	**2019**
Call date		
2020		446
2021	1,653	
Total loans and deposits from credit institutions	**1,653**	**446**

SPECIFICATION OF SECURITIES ISSUED

	Book value	
NOK million	**2020**	**2019**
Call date		
2020		3,769
2021	1,637	4,916
2022	6,011	6,023
2023	4,766	4,021
2024	4,997	
2025	3,239	
Total securities issued	**20,649**	**18,729**

The loan agreements and credit facilities contain covenants.

Covered bonds

For issued covered bonds, a regulatory requirement for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent for bonds issued before 21 June 2017 apply.

Credit facilities

Storebrand ASA has an unused credit facility of EUR 240 million, expiration December 2024.

FINANCING ACTIVITIES - MOVEMENTS DURING THE YEAR

NOK million	**Subordinated loan capital**	**Liabilities to financial institutions**	**Securities issued**
Book value 1.1.20	8,925	446	18,729
Admission of new loans/liabilities	499	1,653	8,838
Repayment of loans/liabilities	-872	-446	-7,048
Change in accrued interest	8		132
Translation differences	566		
Change in value/amortisation	-16		-2
Book value 31.12.20	**9,110**	**1,653**	**20,649**

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Note 10: Credit risk

Storebrand is exposed to risk of losses as a result of counterparties not fulfilling their debt obligations. This risk also includes losses on lending and losses related to the failure of counterparties to fulfil their financial derivative contracts.

The maximum limits for credit exposure to individual counterparties and for overall credit exposure to rating categories are set by the Boards of the individual companies in the Group. Particular attention is paid to ensuring diversification of credit exposure in order to avoid concentrating credit exposure on any particular debtors or sectors. Changes in the credit standing of debtors are monitored and followed up. Thus far, the Group has used published credit ratings wherever possible, supplemented by the company's own credit evaluation.

Underlying investments in funds managed by Storebrand are included in the tables.

CREDIT RISK BY COUNTERPARTY

BONDS AND OTHER FIXED-INCOME SECURITIES AT FAIR VALUE

Category by issuer or guarantor NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value
Government and government guaranteed bonds	26,568	12,787	236	13	18		39,622
Corporate bonds	22,782	6,127	31,945	39,723	5,650	1	106,228
Structured notes				29	6		35
Collateralised securities	7,639	233		12			7,883
Total interest bearing securities stated by rating	**56,989**	**19,147**	**32,182**	**39,776**	**5,675**	**1**	**153,769**
Bond funds not managed by Storebrand							20,847
Non-interest bearing securities managed by Storebrand							2,379
Total 2020	**56,989**	**19,147**	**32,182**	**39,776**	**5,675**	**1**	**176,995**
Total 2019	47,403	22,073	25,805	27,505	734	5,832	156,639

INTEREST BEARING SECURITIES AT AMORTISED COST

Category of issuer or guarantor NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value
Government and government guaranteed bonds	11,327	14,637	3,092				29,056
Corporate bonds	17,552	11,750	21,855	19,441	15,130		85,728
Structured notes		172			9,005		9,177
Collateralised securities	1,602						1,602
Total 2020	**30,481**	**26,559**	**24,947**	**19,441**	**24,135**		**125,562**
Total 2019	37,016	24,952	44,411	12,905		3,028	122,312

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COUNTERPARTIES

NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Not rated Fair value	Total Fair value
Derivatives		4,788	5,963	114	134	24	11,024
Of which derivatives in bond funds, managed by Storebrand		477	570				1,047
Total derivatives excluding derivatives in bond funds 2020		**4,311**	**5,393**	**114**	**134**	**24**	**9,977**
Total derivatives excluding derivatives in bond funds 2019		3,057	1,625	53	578		5,313
Bank deposits 1)	50	3,671	10,717	6	124		14,569
Of which bank deposits in bond funds, managed by Storebrand		46	1,452	6			1,504
Total bank deposits excluding bank deposits in bond funds 2020	**50**	**3,626**	**9,265**		**124**		**13,064**
Total bank deposits excluding bank deposits in bond funds 2019	303	3,716	6,466			108	10,594
Loans to financial institutions		71	32				103
1) of which tied-up bank deposit (tax deduction account)		280					280

Rating classes based on Standard & Poor's.
NIG = Non-investment grade.

INVESTMENTS SUBJECT TO NETTING AGREEMENTS/CSA

				Collateral		
NOK million	Booked value fin. assets	Booked value fin. liabilites	Net booked fin. assets/ liabilities	"Cash (+/-)"	Securities (+/-)	Net exposure
Investments subject to netting agreements	9,909	964	9,076	5,741	-2	3,337
Investments not subject to netting agreements	68		67			
Total 2020	**9,977**	**964**	**9,143**			
Total 2019	5,313	994	4,319			

The Group has entered into framework agreements with all its counterparties to reduce the risk inherent in outstanding derivative transactions. These regulate how collateral is to be pledged against changes in market values that are calculated on a daily basis, among other things.

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FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVO)

NOK million	2020	2019
Booke value maximum exposure for credit risk	185,382	163,766
Book value of related credit derivatives that reduce credit risk		
Collateral		
Net credit risk	**185,382**	**163,766**
This year's change in fair value due to change in credit risk	10	-283
Accumulated change in fair value due to change in credit risk	-914	

Storebrand has none related credit derivatives or collateral

CREDIT RISK FOR THE LOAN PORTFOLIO

COMMITMENTS BY CUSTOMER GOUPS

NOK million	Lending to and receivables from customers	Guarantees	Unused credit-lines	Total commitments	Unimpaired commitments	Impaired commitments	Individual write- downs	Net defaulted commitments
Sale and operation of real estate	11,411			11,411	22		9	30
Other service providers	1			1				
Wage-earners and others	49,396		3,106	52,501	44	70	8	122
Others	2,503		22	2,525		1		1
Total	**63,311**		**3,128**	**66,439**	**66**	**71**	**17**	**153**
- Individual write-downs	-38			-38				
+ Group write-downs	-59			-59				
Total loans to and receivables from customers 2020 [1)]	**63,214**		**3,128**	**66,342**	**66**	**71**	**17**	**153**
Total loans to and receivables from customers 2019 [2)]	60,659	1	3,155	63,815	73	52	-28	97
[1)] 2020:								
- Of which Storebrand Bank	31,780		3,063	34,843	50	71	17	104
- Of which Storebrand Livsforsikring	31,435		64	31,500	15			15
[2)] 2019:								
- Of which Storebrand Bank	30,187	1	3,072	33,260	73	52	-20	105
- Of which Storebrand Livsforsikring	30,472		83	30,555			-8	-8

The division into customer groups is based on Statistics Norway's standard for sector and business grouping. The placement of the individual customer is determined by the customer's primary business.

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The majority of the loans at Storebrand consist of home loans to retail market customers. The home loans are approved and administered by Storebrand Bank, but a significant share of the loans have been transferred to Storebrand Livsforsikring as a part of the investment portfolio. Storebrand Livsforsikring and SPP also have loans to companies as part of the investment portfolio. Storebrand Bank's corporate market segment has largely been discontinued.

As at 31 December 2020, Storebrand had loans to customers totalling NOK 63.2 billion net after provisions for losses of NOK 0.1 billion. Of this, NOK 13.9 billion was to the corporate market and NOK 49.4 billion to the retail market.

The corporate market portfolio consists of income generating properties and development properties with few customers and low level of default that are primarily secured by mortgages in commercial property.

In the retail market, most of the loans are secured by means of home mortgages. Customers are evaluated according to their capacity and intent to repay the loan. In addition to their capacity to service debt, checks are conducted of customers in relation to policy rules and they are given a credit rating.

The weighted average loan-to-value ratio for home loans is approximately 57 per cent. Over 97 per cent of home loans have a loan to value ratio within 85 per cent and approximately 99.2 per cent are within a 100 per cent loan to value ratio. Approximately 56 per cent of the home loans are within a 60 per cent LVR. The portfolio is considered to have a low credit risk.

TOTAL COMMITTMENTS BY REMAINING TERM

	2020				2019			
NOK million	Loans to and receivables from customers	Guarantees	Unused credit line	Total commitments	Loans to and receivables from customers	Guarantees	Unused credit line	Total commitments
Up to one month	9		2	12	20		5	25
1 - 3 months	553		32	586	259		23	282
4 months - 1 year	2,060		172	2,232	806		121	928
2 -5 years	10,267		609	10,876	10,639		758	11,397
More than 5 years	50,423		2,311	52,734	48,995		2,248	51,243
Total gross commitments	**63,312**		**3,128**	**66,440**	**60,719**	**1**	**3,155**	**63,875**

Commitments are regarded as non-performing and loss exposed when a credit facility has been overdrawn for more than 90 days and when an instalment loan has arrears older than 90 days and the amount is at least NOK 2000.

CREDIT RISKS BY CUSTOMER GROUPS

NOK million	Gross non-performing commitments	Individual write-downs	Net non-performing commit-ments	Total recognised value changes during the period
Sale and operation of real estate	22	9	13	
Wage-earners and others	98	8	90	-3
Others	1	-21	1	
Total 2020	**121**	**-4**	**104**	**-3**
Total 2019	125	11	105	-1

In the case of default, Storebrand Bank ASA will sell the securities or repossess the properties if this is most suitable.

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TOTAL ENGAGEMENT AMOUNT BY REMAINING TERM TO MATURITY

NOK million	2020 Loans to and receivables from customers	2019 Loans to and receivables from customers
Overdue 1-30 days	282	285
Overdue 31-60 days	73	58
Overdue 61-90 days	40	46
Overdue more than 90 days	86	91
Total	**481**	**480**

Note 11: Concentrations of risk

Most of the risk for the Storebrand Group relates to the guaranteed pension products in the life insurance companies. These risks are consolidated in the Storebrand Livsforsikring Group, which includes Storebrand Livsforsikring AS and SPP Livförsäkring AB. Other companies directly owned by Storebrand ASA that are exposed to significant risks are Storebrand Forsikring AS, Storebrand Helse-forsikring AS, Storebrand Asset Management Group and Storebrand Bank Group.

For the life insurance businesses, the greatest risks are largely the same in Norway and Sweden. The financial market risk will depend significantly on global circumstances that influence the investment portfolios in all businesses. The insurance risk may be different for the various companies, and long life risk in particular can be influenced by universal trends.

Both the insurance business and the banking business are exposed to credit risk. The insurance business primarily has a credit risk relating to bonds with significant geographical and industry-related diversification, while the bank is mostly exposed to direct loans for residential property in Norway. There is no significant concentration risk across bonds and loans.

The financial market and investment risks are largely related to the customer portfolios in the life insurance business. The risk associated with a negative outcome in the financial market is described and quantified in Note 8, financial market risk. The banking business has little direct exposure to types of risk other than credit.

In the short term, an interest rate increase will negatively impact on the returns for the life insurance companies. An interest rate increase can also result in bank customers having lower debt-servicing capacity and increased losses for the banking business.

The risk from the P&C insurance and health insurance risk in Storebrand Skadeforsikring AS and Storebrand Helseforsikring AS has a low correlation with the risk from the rest of the businesses in the Group.

In the asset management business, the principal risk is operational risk in the form of behaviour that can trigger claims and/or impact on reputation. Since the asset management business is the principal manager of the insurance businesses, errors in asset management could result in errors in the insurance businesses.

Storebrand has climate risks associated with investments and insurance liabilities. Both physical climate change and risks from the transition to low emissions can have an impact, but the transition risk is greatest in the short and medium terms. Storebrand may be adversely affected if the Norwegian economy and the oil sector weaken, however the risk is somewhat offset by underweighted investments in the fossil fuel sector and overweighted investments in solution companies. For investments, the effect of climate risk is difficult to differentiate from other factors that influence financial market developments.

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Note 12: Valuation of financial instruments and properties

The Group conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Fund units are generally valued at the updated official NAV prices when such prices exist. Bonds are generally valued based on prices collected from Nordic bond pricing and Bloomberg. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. This principally applies to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will most often be specific to the issuer.

Unlisted derivatives, such as forward exchange contracts and interest rate and foreign exchange swaps, are also valued theoretically. Money market rates, swap rates and exchange rates that form the basis for valuations are supplied by Reuters and Bloomberg. The valuations of currency options and swaptions are provided by Markit.

The Group carries out continual checks to safeguard the quality of market data that has been collected from external sources. This involves controlling and assessing the likelihood of unusual changes.

The Group categorises financial instruments valued at fair value on three different levels, which are described in more detail below. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

Level 1: Financial instruments valued on the basis of quoted prices for identical assets in active markets
This category encompasses listed equities that over the previous three months have experienced average daily trading equivalent to approximately NOK 20 million or more. Based on this, the equities are regarded as sufficiently liquid to be included at this level. Bonds, certificates or equivalent instruments issued by national governments in local currencies are generally classified as level 1. When it comes to derivatives, standardised stock index futures and interest rate futures will also be included at this level.

Level 2: Financial instruments valued on the basis of observable market information not covered by level 1
This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Level 2 includes shares or equivalent equity instruments for which market prices are available, but where the volume of transactions is too limited to fulfil the criteria in level 1. Shares in this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified in this level. Moreover, interest rate and foreign exchange swaps, as well as non-standardised interest rate and foreign exchange derivatives are classified as level 2. Fund investments, including hedge funds but excluding other alternative investment funds, are generally classified as level 2.

Level 3: Financial instruments valued on the basis of information that is not observable in accordance with level 2
Equities classified as level 3 are primarily investments in unlisted/private companies as well as funds consisting of these. These include investments in forestry, microfinance, infrastructure and property. Private equity is generally classified at this level through direct investments or investments in funds. Private customer loans and funds consisting of these are also at level 3.

The types of mutual funds classified as level 3 are discussed in more detail below with a reference to the type of mutual fund and the valuation method. Storebrand is of the opinion that the valuation method used represents a best estimate of the mutual fund's market value.

Equities
Forestry represents most of the value of the level 3 shares. An external valuation was carried out as at 31 December which forms the basis for the valuation of the company's investments. The valuation is based on models that include non-observable assumptions.

For alternative investments organised as limited liability companies, equity investments are valued based on the value-adjusted equity reported by external sources when available.

In the case of private equity investments, the valuation is normally based on either the most recent transaction or a model in which a company that is in continuous operation is assessed by comparing the key figures with groups of equivalent listed companies.

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Units

Of the fund units, it is private equity investments that represent the majority at level 3. Moreover, there are also some other types of funds, such as infrastructure funds and microfinance funds, loan funds and property funds here. The majority of Storebrand's private equity investments are investments in private equity funds. These fund investments are valued based on the value reported by the funds. Most of the funds report on a quarterly basis, while a few report less often. Reporting typically takes place with a few months' delay. The most recently received valuations are used as a basis, adjusted for cash flows and market effects in the period from the most recent valuation until the reporting date. For private equity, the market effect is calculated based on the development in value in the relevant index, multiplied by the estimated beta in relation to this index.

Loans to customers

The value of fixed-rate loans is determined by discounting the agreed cash flows over the remaining maturity by the current discount rate adjusted for market spread. The discount rate that is used is based on a swap interest rate (mid swap) with a maturity that corresponds to the remaining lock-in period for the underlying loans. The market spread that is used on the balance sheet date is determined by assessing the market conditions, market price and the associated swap interest rate. However, the fair value of loans to corporate customers with margin loans is lower than the amortised cost because certain loans run with lower margins than they would have done if they had been taken up as of the end of 2019. The value shortfall is calculated by discounting the difference between the agreed margin and the current market price over the remaining duration.

Corporate bonds

Bonds are normally not priced at level 3, but if the loan is in default and a payment is expected, these are priced based on the expected payment. As at 31 December 2020, this was not a significant amount for Storebrand's financial statements.

Investment properties

The investment properties primarily consist of office buildings located in Oslo and Stockholm and shopping centres in Southern Norway.

Office properties and shopping centres in Norway:
The required rate of return is of greatest importance when calculating the fair value for investment properties.

An individual required rate of return is determined for each property. The required rate of return is viewed in connection with the related cash flow for the property. The knowledge available about the market's required rate of return, including transactions and appraisals, is used when determining the cash flow.

The required rate of return is divided into the following elements:

- Risk-free interest
- Risk premium, adjusted for:
  - Type of property
  - Location
  - Structural standard
  - Environmental standard
  - Duration of the contract
  - Quality of tenant
  - Other factors such as transactions and perception in the market, vacancy and general knowledge about the market and the individual property.

When calculating fair value, Storebrand uses internal cash flow models. Net cash flows for the individual property are discounted by an individual required rate of return. A future income and expense picture for the first 10 years has been estimated for the office properties and a final value has been calculated for the end of the 10th year based on market rent and normal operating costs for the property. A future income and expense picture for the first 6 years has been estimated for the shopping centre properties and a final value has been calculated for the end of the 6th year based on market rent and normal operating costs for the property. In both models, the net income stream has been taken into consideration for existing and future loss of income due to vacancy, necessary investments and an assessment of the future development in the market rent. The majority of new contracts that are entered into have a duration of five or ten years for offices (three to five years for trading). The cash flows from the lease agreements (contractual rent) are included in the valuations. To estimate the long-term, future non-contractual rental incomes, a forecasting model has been developed. The office model is based on the rental price overview from areastatistics, as well as data and observations from brokers.

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A long-term, time-weighted average of the annual observations is calculated in which the oldest observations are weighted with the lowest importance. For non-contractual rent in the short-term, the current rental prices and market situation are used. For trading, the forecast is based on the development of the shopping centre.

External valuation:
For properties in the Norwegian business, a methodical approach is taken to a selection of properties that are to be externally valued each quarter so that all properties have had an external valuation at least every three years. In 2020, external valuations were obtained for properties worth NOK 18.3 billion (85 per cent of the portfolio's value as at 31 December 2020).

For quality control and updating of the internal model, external valuations shall be obtained each quarter from reputable appraisers to verify the value that appears when using the internal model. When obtaining such valuations, the individual appraiser's routines for valuations, including collection of information, inspections etc., shall apply. External valuations shall be rotated in such a way that all segments are regularly appraised. The task of valuing investment properties shall be rotated between reputable appraisers within a reasonable time interval, and knowledge of the property must be taken into consideration. In the event of a discrepancy between the valuation and value obtained using the internal model, the model shall be used as long as the discrepancy is within what is discretionarily considered to be best practice in the market. If there is a discrepancy of more than 5% between the internal and external valuation, the discrepancy shall be reported and the grounds for this provided in the valuation memorandum/valuation item memorandum that is presented to the Board of Storebrand Livsforsikring AS.

External valuations are obtained for properties in the Swedish business. Shopping centres and commercial premises are valued annually, while other wholly-owned property investments are valued on a quarterly basis.

VALUATION OF FINANCIAL INSTRUMENTS TO AMORTISED COST

	Level 1	Level 2	Level 3				
NOK million	**Quoted prices**	**Observable assumptions**	**Non-observable assumptions**	**Total Fair value 31.12.20**	**Book value 31.12.20**	**Total Fair value 31.12.19**	**Book value 31.12.19**
Financial assets							
Loans to and due from financial institutions		103		103	103	41	41
Loans to customers - corporate		12	6,065	6,076	6,064	6,180	6,206
Loans to customers - retail		31,044	17,719	48,763	48,763	47,327	47,327
Bonds held to maturity		14,244		14,244	13,026	14,433	13,377
Bonds classified as loans and receivables		109,723	1,636	111,359	103,484	101,728	98,046
Total financial assets 31.12.2020		**155,128**	**25,420**	**180,546**	**171,441**		
Total financial assets 31.12.2019		144,461	25,248			169,709	164,997
Financial liabilities							
Debt raised by issuance of securities							
Loans and deposits from credit institutions		20,750		20,750	20,649	18,728	18,729
Deposits from banking customers		1,653		1,653	1,653	446	446
Subordinated loan capital		15,506		15,506	15,506	14,404	14,404
Total financial liabilities 31.12.2020		9,184		9,184	9,110	9,010	8,925
Total financial liabilities 31.12.2019		**47,094**		**47,094**	**46,918**		
Total finansielle forpliktelser 31.12.19		42,589				**42,589**	42,504

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VALUATION OF FINANCIAL INSTRUMENTS AND PROPERTIES AT FAIR VALUE

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non observable assumptions	Total Fair value 31.12.20	Total Fair value 31.12.19
Assets:					
Equities and units					
- Equities	31,285	140	907	32,332	28,765
- Fund units	160	188,977	9,360	198,497	165,578
Total equities and fund units 31.12.20	**31,446**	**189,117**	**10,266**	**230,830**	
Total equities and fund units 31.12.19	28,205	156,591	9,548		194,343
Loans to customers					
- Loans to customers - corporate			7,665	7,665	6,736
- Loans to customers - retail			722	722	389
Total loans to customers 31.12.20			**8,387**	**8,387**	
Total loans to customers 31.12.19			7,125		7,125
Bonds and other fixed-income securities					
- Government bonds	15,959	18,675		34,634	32,256
- Corporate bonds		61,724	318	62,043	60,055
- Collateralised securities		7,051		7,051	3,648
- Bond funds	155	63,916	9,196	73,267	60,680
Total bonds and other fixed-income securities 31.12.20	**16,114**	**151,367**	**9,514**	**176,995**	
Total bonds and other fixed-income securities 31.12.19	10,818	140,316	5,505		156,639
Derivatives:					
- Equity derivatives					1
- Interest derivatives		5,659		5,659	2,537
- Currency derivatives		3,353		3,353	1,781
Total derivatives 31.12.20		**9,012**		**9,012**	**5,314**
- of which derivatives with a positive market value		9,977		9,977	-995
- of which derivatives with a negative market value		-964		-964	4,319
Total derivatives 31.12.19		4,319			
Properties:					
Investment properties			32,117	32,117	29,415
Properties for own use			1,609	1,609	1,375
Total properties 31.12.20			**33,726**	**33,726**	
Total properties 31.12.19			30,790		30,790

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MOVEMENTS BETWEEN QUOTED PRICES AND OBSERVABLE ASSUMPTIONS

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and fund units	7	95

Movements from level 1 to level 2 reflect reduced sales value in the relevant equities and bonds in the last measuring period. On the other hand, movements from level 2 to level 1 indicate increased sales value in the relevant equities and bonds in the last measuring period.

FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE - LEVEL 3

NOK million	Equities	Fund units	Loans to customers	Corporrate bonds	Bond funds	Investment properties	Properties for own use
Book value 01.01.20	532	9,016	7,126	15	5,490	29,416	1,375
Net gains/losses on financial instruments	-117	184	-170	308	-287	84	72
Supply	511	1,253	2,294		3,798	1,099	45
Sales	-20	-1,334	-1,570	-6	-327		-2
Translation differences		241	707	1	523	1,086	115
Other						432	4
Book value 31.12.20	**907**	**9,360**	**8,387**	**318**	**9,196**	**32,117**	**1,609**

As of 31.12.20, Storebrand Livsforisikring had NOK 6.166 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS, Oslo.

The investments are classified as "Investment in associated companies and joint ventures" in the Consolidated Financial Statements.

SENSITIVITY ASSESSMENTS

Equities
It is the forest investment in Hancock that accounts for most of the value of Level 3 equities. Forestry investments are characterised by, among other things, very long cash flow periods. There can be some uncertainty associated with future cash flows due to future income and costs growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discount rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return.

	Change in value at change in discount rate	
NOK million	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 31.12.20	**-12**	**11**
Change in fair value per 31.12.19	-19	21

Fund units
Large portions of the portfolio are private equity funds invested in companies priced against comparable listed companies. The valuation of the private equity portfolio will thus be sensitive to fluctuations in global equity markets. The private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.54.

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	Change MSCI World	
NOK million	**Increase + 10 %**	**Decrease - 10 %**
Change in fair value per 31.12.20	**430**	**-430**
Change in fair value per 31.12.19	413	-413

The valuation of indirect property investments will be sensitive to a change in the required rate of return and the expected future cash flow. Remaining indirect property investments are no longer leveraged.

	Change MSCI World	
NOK million	**Increase + 10 %**	**Decrease - 10 %**
Change in fair value per 31.12.20	**1**	**-1**
Change in fair value per 31.12.19	1	-1

Loans to customers

Loans are appraised at fair value. The value of these loans is determined by discounting future cash flows with the associated swap curve adjusted for an issuer-specific credit spread.

Loans from SPP Pension & Försäkring AB are appraised at fair value. The value of these loans is determined by future cash flows being discounted by an associated swap curve adjusted for a customer-specific credit spread.

	Change in marketspread	
NOK million	**+ 10 bp**	**- 10 bp**
Change in fair value per 31.12.20	**-30**	**31**
Change in fair value per 31.12.19	-29	29

Corporate bonds

Bonds are usually not priced at level 3, but in some cases, when they are non-performing loans, they are priced based on the expected payment. As at 31 December 2020, this was not a significant amount for Storebrand's accounts.

	Change MSCI World	
NOK million	**Increase + 10 %**	**Decrease - 10 %**
Change in fair value per 31.12.20	**15**	**-15**
Change in fair value per 31.12.19	0	0

Properties

The sensitivity assessment for properties includes investments properties.

The valuation of property is particularly sensitive to a change in the required rate of return and the expected future cash flow. A change of 0.25 per cent in the required rate of return where everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 5.0 per cent. In the order of 25 per cent of the property's cash flow is linked to lease agreements entered into. This means that the changes in the uncertain parts of the cash flow by 1 per cent will result in a change in value of 0.75 per cent.

	Endring i avkastningskrav	
NOK million	**0,25 %**	**-0,25 %**
Change in fair value per 31.12.20	**-1,827**	**2,041**
Change in fair value per 31.12.19	-1,560	1,699

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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 180%, the Board's intention is to propose extraordinary dividends or share buy-backs. In general, equity in the Group can be controlled without material limitations if the capital requirement is met and the respective legal entities have sufficient solvency.

SOLVENCY CAPITAL

			31.12.20			31.12.19
NOK million	**Total**	**Group 1 unlimited**	**Group 1 limited**	**Group 2**	**Group 3**	**Total**
Share capital	2,339	2,339				2,339
Share premium	10,521	10,521				10,521
Reconciliation reserve	31,851	31,851				27,169
Including the effect of the transitional arrangement	*4,815*	*4,815*				
Subordinated loans	8,734		1,131	7,602		7,651
Deferred tax assets	247				247	268
Risk equalisation reserve	438			438		466
Minority interests						57
Unavailable minority interests						-41
Deductions for CRD IV subsidiaries	-3,006	-3,006				-2,970
Expected dividend 2020	-1,519	-1,519				-1,517
Total basic solvency capital	**49,605**	**40,186**	**1,131**	**8,040**	**247**	**43,943**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,006					2,970
Total solvency capital	**52,611**					**46,913**
Total solvency capital available to cover the minimum capital requirement	**43,533**	**40,186**	**1,131**	**2,215**		**38,614**

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SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK million	31.12.20	31.12.19
Market risk	25,675	22,040
Counterparty risk	951	779
Life insurance risk	10,859	10,702
Health insurance risk	935	761
P&C insurance risk	523	307
Operational risk	1,578	1,493
Diversification	-7,948	-7,207
Loss-absorbing ability defferd tax	-5,533	-4,847
Total solvency capital requirement - insurance company	**27,040**	**24,028**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,565	2,683
Total solvency capital requirement	**29,605**	**26,711**
Solvency margin	**178%**	**176%**
Minimum capital requirement	**11,074**	**9,788**
Minimum margin	**393%**	**394%**

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

CAPITAL AND CAPITAL REQUIREMENT IN ACCORDANCE WITH THE CONGLOMERATE DIRECTIVE

NOK million	31.12.20	31.12.19
Capital requirements for CRD IV companies	2,739	2,937
Solvency captial requirements for insurance	27,040	24,028
Total capital requirements	**29,779**	**26,966**
Net primary capital for companies included in the CRD IV report	3,006	2,970
Net primary capital for insurance	49,605	43,943
Total net primary capital	**52,611**	**46,913**
Overfulfilment	**22,833**	**19,947**

Under Solvency II, the capital requirement from the CRD IV companies in the Group is included in accordance with their respective capital requirements. In a multi-sectoral financial group, all the capital requirements of the CRD IV companies are calculated based on their respective applicable requirements, including buffer requirement for the largest company in the Group (Storebrand Bank). This increases the total requirement from the CRD IV companies in relation to what is included in the Solvency II calculation. As at 31 December 2020, the difference amounted to NOK 173 million.

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Note 14: Premium income

NOK million	2020	2019
Savings:		
Unit Linked Storebrand Livsforsikring	18,216	14,204
Unit Linked SPP	15,085	8,751
Total savings	**33,302**	**22,955**
Of which premium reserve transferred to company	13,116	5,784
Insurance:		
P&C & Individual life [1]	2,238	1,915
Group life [2]	835	662
Pension related disability insurance	1,407	1,188
Total insurance	**4,479**	**3,765**
Of which premium reserve transferred to company	88	34
Guaranteed pension:		
Defined Benefit (fee based) Storebrand Livsforsikring	2,744	3,110
Paid-up policies Storebrand Livsforsikring	134	103
Traditional individual life and pension Storebrand Livsforsikring	236	234
SPP Guaranteed Products	3,270	2,169
Total guaranteed pension	**6,384**	**5,616**
Of which premium reserve transferred to company	2,232	420
Other:		
Euroben	23	30
Total other	**23**	**30**
Total premium income	**44,188**	**32,366**
Of which premium reserve transferred to company	15,437	6,239

1) Individual life and disability, property and caualty insurance

2) Group life, workers comp. And health insurance

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Note 15: Net income analysed by class of financial instrument

NOK million	Dividend/ interest income etc.	Net gains and losses on financial assets	Net revaluation on invest- ments	Total 2020	Of which Company	Of which Customer	Total 2019
Profit on equities and fund units	693	6,128	7,833	14,654	22	14,632	37,358
Profit on bonds and other fixed-income securities at fair value	2,835	286	1,214	4,335	785	3,550	4,767
Profit on financial derivatives	1,024	3,270	1,080	5,374	-397	5,771	1,412
Profit on loans	60			60	37	23	25
Total gains and losses on financial assets at fair value	**4,612**	**9,684**	**10,127**	**24,423**	**447**	**23,977**	**43,562**
- of which FVO (fair value option)	3,546	13	-13	3,547	163		3,775
- of which trading	2,679		-3	2,676	-3		2,266
Net income bonds to amortised cost	3,961	452		4,413	212	4,202	4,126
Net income loans	1,595			1,595	687	909	1,348
Total gains and losses on financial assets at amortised cost	**5,556**	**452**		**6,009**	**898**	**5,111**	**5,474**

LOSSES FROM LOANS

NOK million	2020	2019
Write-downs/income recognition for loans and guarantees for the period		
Change in individual loan write-downs for the period	3	1
Change in grouped loan write-downs for the period	-27	16
Other corrections to write-downs	-1	-1
Realised losses on loans where provisions have previously been made	-2	-21
Realised losses on loans where no provisions have previously been made	-13	
Recovery of loan losses realised previously	1	1
Write-downs/income recognition for loans and guarantees for the period	**-37**	**-3**

Note 16: Net income from properties

NOK million	2020	2019
Rent income from properties [1]	1,648	1,556
Operating expenses (including maintenance and repairs) relating to properties that have provided rent income during the period [2]	-393	-346
Result minority defined as liabilities	-68	-59
Total	**1,187**	**1,151**
Change in fair value	494	713
Total income properties	**1,680**	**1,864**
1) Of which real estate for own use	97	82
2) Of which properties for own use	-42	-29
Allocation by company and customers:		
Customer	1,680	1,864
Total income from properties	**1,680**	**1,864**

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Note 17: Other income

NOK million	2020	2019
Fee and commission income, banking	114	107
Net fee and commission income, banking	**114**	**107**
Management fees, asset management	2,342	2,111
Return commissions/Kick-back	1,217	1,117
Insurance related income	264	250
Revenue from companies other than banking and insurance	180	115
Other income	-8	59
Total other income	**4,109**	**3,758**

Note 18: Insurance claims

NOK million	2020	2019
Savings:		
Unit Linked Storebrand Livsforsikring	-6,805	-6,758
Unit Linked SPP	-5,162	-3,732
Total savings	**-11,968**	**-10,490**
Of which premium reserve transferred to company	-7,662	-6,020
Insurance:		
P&C & Individual life [1]	-1,459	-1,255
Group life [2]	-705	-715
Pension related disability insurance	-202	-158
Total insurance	**-2,366**	**-2,128**
Of which premium reserve transferred to company	-50	-45
Guaranteed pension:		
Defined Benefit (fee based) Storebrand Livsforsikring	-1,625	-1,218
Paid-up policies Storebrand Livsforsikring	-6,420	-6,182
Traditional individual life and pension Storebrand Livsforsikring	-1,243	-1,368
SPP Guaranteed Products	-5,462	-4,961
Total guaranteed pension	**-14,751**	**-13,729**
Of which premium reserve transferred to company	-440	-291
Other:		
Euroben	-447	-409
Total other	**-447**	**-409**
Total insurance claims	**-29,531**	**-26,756**
Of which premium reserve transferred to company	-8,152	-6,357

1) Individual life and disability, property and caualty insurance

2) Group life, workers comp. And health insurance

The table below shows the anticipated compensation payments

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DEVELOPMENT IN EXPECTED INSURANCE CLAIM PAYMENTS - LIFE INSURANCE

NOK billion	Storebrand Livsforsikring	SPP	Euroben
0-1 year	13	7	
1-3 years	27	14	1
> 3 years	272	192	8
Total	**312**	**213**	**9**

DEVELOPMENT IN INSURANCE CLAIM PAYMENT - P&C INSURANCE, EXLUSIVE RUN-OFF

NOK million	2015	2016	2017	2018	2019	2020	Total
Calculated gross cost of claims							
At end of the policy year	685	793	797	760	825	998	
- one year later	687	774	764	749	814		
- two years later	661	750	756	744			
- three years later	648	741	745				
- four years later	641	736					
- five years later	635						
Calculated amount 31.12.20							
Total disbursed to present	618	707	704	686	711	670	4,096
Claims reserve	16	29	41	59	103	328	575
Claims reserve for previous years (before 2015)							13
Total claims reserve							**588**

The overview shows the development in the estimate for occurred insurance claims over time and the remaining claims reserve.

The overview also excludes the natural damage pool (Naturskadepool), Norwegian Motor Insurers' Bureau (TFF), reinsurance and claims settlement costs on all products.

Note 19: Change in capital buffer

NOK million	2020	2019
Change in market value adjustment reserve	-1,670	-3,255
Change in additional statutory reserves	-2,434	-779
Change in conditional bonuses	-223	-1,858
Total change in capital buffer	**-4,327**	**-5,892**

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Note 20: Operating expenses and number of employees

OPERATING EXPENSES

NOK million	2020	2019
Personnel expenses	-2,320	-2,281
Amortisation/write-downs	-267	-231
Other operating expenses	-2,328	-2,316
Total operating expenses	**-4,914**	**-4,828**

SPECIFICATION OF AMORTISATION/WRITE-DOWNS

NOK million		2020	2019
Amortisation/write-downs tangible fixed assets	(see note 28)	-7	-6
Amortisation/write-downs right-of-use assets	(see note 28)	-135	-131
Amortisation/write-downs IT systems	(see note 27)	-123	-92
Amortisation/write-downs properties for own use	(see note 33)	-2	-2
Total amortisation/write-down in income statement		**-267**	**-231**

NUMBER OF EMPLOYEES [1)]

	2020	2019
Number of employees 31.12	1 824	1 759
Average number of employees	1 789	1 774
Number of person-years 31.12	1 802	1 739
Average number of person-years	1 767	1 753

1) Including Storebrand Helseforsikring with 100 per cent.

Note 21: Pensions expenses and pension liabilities

Storebrand Group has country-specific pension schemes.

Storebrand's employees in Norway have a defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). Storebrand has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:

- Saving starts from the first krone of salary.
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" was NOK 101,351 at 31 December 2020)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- Savings rate for salary over 12 G is 20 per cent.

The Norwegian companies participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.5 % in 2020. Storebrand employees in Norway who were born before 1 January 1956 can choose between drawing an AFP scheme pension or retiring at the age of 65 and receiving a direct pension from the company until they reach the age of 67. Employees can choose to receive benefits from the AFP scheme from the age of 62 and still continue to work.

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Employees who were on sick leave and partiality disabled during the transition to the defined-contribution pension, remain in the defined-benefit pension scheme. There are also pension liabilities for the defined-benefit scheme related to direct pensions for certain former employees and former board members.

The pension plan for employees at SPP in Sweden follows the plan for bank employees in Sweden (BTP).

SPP has a defined-contribution occupational pension known as BTP1. All new employees were enrolled in this pension agreement from and including 1 January 2014. In BTP1, the employer pays a premium for pension savings that is calculated based on pensionable salary up to 30 times the "basic income amount" (inkomstbasbelopp). The insurance includes retirement pension with or without mortality inheritance, disability pension and children's pension. The premium is calculated independently of age and is calculated primarily based on the monthly salary. The premium is paid monthly in two parts, a fixed part that is 2.5 per cent of the pensionable salary up to and including 7.5 times the "basic income amount". The optional part of the premium is 2 per cent of salary up to and including 7.5 times the "basic income amount" and 30 per cent of salary between 7.5 and 30 times the "basic income amount".

The pension in the BTP2 agreement (defined-benefit occupational pension that is a closed scheme) amounts to 10 per cent of the annual salary up to 7.5 times the "basic income amount" (which was SEK 66,800 in 2020 and will be SEK 68.200 in 2021), 65 per cent of salary in the interval from 7.5 to 20, and 32.5 per cent in the interval from 20 to 30. No retirement pension is paid for the portion of salary in excess of 30 times the "basic income amount". Full pension entitlement is reached after 30 years of membership in the pension scheme. In addition to the defined-benefit part, the BTP plan has a smaller defined-contribution component. Here the employees can decide themselves how assets are to be invested (traditional insurance or unit-linked insurance). The defined-contribution part is 2 per cent of the annual salary.

The retirement age for SPP's CEO is 65 years. The CEO is covered by BTP1. In addition, the CEO has a defined-contribution based additional pension with SPP. The premium for this insurance is 20 per cent of salary that exceeds 30 times the "basic income amount".

RECONCILIATION OF PENSION ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

NOK million	2020	2019
Present value of insured pension liabilities	1,237	1,062
Fair value of pension assets	-1,082	-994
Net pension liabilities/assets insured scheme	**155**	**68**
Present value of unsecured liabilities	196	196
Net pension liabilities recognised in statement of financial position	**351**	**264**

BOOKED IN STATEMENT OF FINANCIAL POSITION

NOK million	2020	2019
Pension assets		2
Pension liabilities	351	266

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

NOK million	2020	2019
Net pension liabilities 01.01	1,259	1,231
Pensions earned in the period	15	13
Pension cost recognised in period	21	25
Estimate deviations	79	84
Gain/loss on insurance reductions	-1	2
Pensions paid	-51	-53
Changes to pension scheme		-4
Pension liabilities additions/disposals and currency adjustments	111	-37
Net pension liabilities 31.12	**1,433**	**1,259**

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CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2020	2019
Pension assets at fair value 01.01	995	914
Expected return	16	18
Estimate deviation	-31	87
Premiums paid	25	32
Pensions paid	-30	-21
Changes to pension scheme		-4
Pension liabilities additions/disposals and currency adjustments	107	-32
Net pension assets 31.12	**1,082**	**995**

Expected premium payments (pension assets) in 2021	21
Expected premium payments (contributions) in 2021	165
Expected AFP early retirement scheme payments in 2021	15
Expected payments from operations (uninsured scheme) in 2021	49

PENSION ASSETS ARE BASED ON THE FINANCIAL ASSETS HELD BY STOREBRAND LIVSFORSIKRING/SPP COMPOSED AT 31.12:

	Storebrand Livsforsikring		SPP	
NOK million	**2020**	**2019**	**2020**	**2019**
Real estate at fair value	15 %	13 %	12 %	12 %
Bonds at amortised cost	34 %	36 %		
Loans at amortised cost	20 %	13 %	18 %	14 %
Equities and units at fair value	12 %	15 %	13 %	11%
Bonds at fair value	17 %	20 %	57 %	63 %
Other short-term financial assets	3 %	1%		
Total	**100 %**	**100 %**	**100 %**	**100 %**

The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Life Insurance.

Realised return on assets	4.4 %	3.6%	4.8 %	8.8 %

NET PENSION EXPENSES BOOKED TO PROFIT AND LOSS ACCOUNT, SPECIFIED AS FOLLOWS

NOK million	2020	2019
Current service cost	15	13
Net interest cost/expected return	5	7
Changes to pension scheme		3
Total for defined benefit schemes	**20**	**23**
The period's payment to contribution scheme	220	188
The period's payment to contractual pension	17	17
Net pension cost recognised in profit and loss account in the period	**258**	**229**

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OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2020	2019
Actuarial loss (gain) - change in discount rate	103	119
Actuarial loss (gain) - change in other financial assumptions	-11	-25
Actuarial loss (gain) - experience DBO	-11	-10
Loss (gain) - experience Assets	25	-99
Investment management cost	3	12
Remeasurements loss (gain) in the period	**110**	**-4**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY 31.12

	Storebrand Livsforsikring		SPP	
NOK million	**2020**	**2019**	**2020**	**2019**
Discount rate	1.5 %	2.2 %	1.2 %	1.5 %
Expected earnings growth	1.75 %	2.00 %	3.5 %	3.5 %
Expected annual increase in social security pensions	1.75 %	2.00 %		
Expected annual increase in pensions payment	0.0 %	0.0 %	2.0 %	2.0 %
Disability table	KU	KU		
Mortality table	K2013BE	K2013BE	DUS14	DUS14

Financial assumptions:

The financial assumptions have been determined on the basis of the regulations in IAS 19. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are subject to a particularly high degree of uncertainty.

In Norway, a discount rate based on covered bonds is used. Based on the market and volume trends observed, the Norwegian covered bond market must be perceived as a deep market.

Specific company conditions including expected direct wage growth are taken into account when determining the financial assumptions.

Actuarial assumptions:

In Norway standardised assumptions on rates of mortality and disability as well as other demographic factors are prepared by Finance Norway. With effect from 2014 a new mortality basis, K2013, has been introduced for group pension insurance in life insurance companies and pension funds. Storebrand has used the mortality table K2013BE (best estimate) in the actuarial calculations at 31 December 2020.

The actuarial assumptions in Sweden follow the industry's mutual mortality table DUS14 adjusted for corporate differences. The average employee turnover rate is estimated to be 4 per cent p.a.

Sensitivity analysis pension calculations

Storebrand's risk associated with the pension scheme relates to the changes in the financial and actuarial assumptions that must be used in the calculations and the actual return on the pension funds. The pension liabilities are particularly sensitive to changes in the discount rate. A reduction of the discount rate will in isolation entail an increase in pension liabilities.

For the Norwegian companies that have converted to defined contribution pensions as of 1 January 2015, the sensitivity has not been calculated, and the figures below illustrate the sensitivity for the Swedish companies.

The following estimates are based on facts and circumstances as of 31 December 2020 and are calculated for each individual when all other assumptions are kept constant.

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SWEDEN

	Discount rate		Expected earnings growth		Expected annual increase in pensions payment		Expected annual increase in pensions payment	
	1.0 %	**-1.0 %**	**1.0 %**	**-1.0 %**	**1.0 %**		**+ 1 year**	**- 1 year**
Percentage change in pension:								
- Pension liabilities	-10 %	12 %	-2 %	-5 %	0 %	0 %	**3 %**	**-3 %**
- The period's net pension costs	-12 %	14 %	6 %	-5 %	0 %	0 %	**1 %**	**-1 %**

Note 22: Remuneration to senior employees and elected officers of the company

NOK thousand	**Ordinary salary [1]**	**Other benefits [2]**	**Total remunera-tion for the year**	**Pension accrued for the year**	**Post termination salary (months)**	**Loan [3]**	**No. of shares owned [4]**
Senior employees							
Odd Arild Grefstad	7,373	209	7,582	1,451	24	6,166	194,520
Lars Aa. Løddesøl	5,690	225	5,914	1,107	18	10,800	120,564
Geir Holmgren	4,835	225	5,060	933	12	6,531	85,072
Heidi Skaaret	4,865	188	5,054	934	12	3,135	94,788
Staffan Hansén	6,346	23	6,369	1,654	12		83,561
Jan Erik Saugestad	6,293	158	6,450	1,227	12	1,200	100,554
Karin Greve-Isdahl	2,955	64	3,019	544	12	18,598	20,962
Trygve Håkedal	3,255	65	3,321	604	12	8,282	16,135
Tove Selnes	2,945	183	3,128	538	12	7,435	21,955
Terje Løken	3,255	159	3,414	604	12	6,981	16,502
Total 2020	**47,812**	**1,498**	**49,311**	**9,598**		**69,128**	**754,613**
Total 201 9	49,621	1,639	51,260	9,180		78,150	568,954

1) A proportion of the executive management's fixed salary will be linked to the purchase of physical STB shares with a lock-in period of three years. The purchase of shares will take place once a year.

2) Comprises company car, telephone, insurance, concessionary interest rate, other taxable benefits.

3) Employees can borrow up to NOK 7.0 million at a subsidised interest rate, currently 1,19 per cent p.a.. Excess loan amounts will be subject to market terms.

4) The summary shows the number of shares owned by the individual, as well as his or her close family and companies where the individual exercises significant influence, cf. the Accounting Act, Section 7-26.

NOK thousand	**Remuneration**	**Loan**	**No. of shares owned [1]**
Board of Directors			
Didrik Munch	871		40,000
Laila Synnøve Dahlen	409		15,500
Martin Skancke	889		27,500
Karin Bing Orgland	552		27,000
Liv Sandbæk	213		
Karl Sandlund	465		3,000
Marianne Bergmann Røren	221		
Fredrik Åtting	288		18,500,000
Bodil Catherine Valvik	342	5,189	870
Hans-Petter Salvesen	282	4,946	
Fredrik Törnquist	86		
Magnus Gard	459	6,986	1,633
Total 2020	**5,077**	**17,122**	**18,615,503**
Total 2019	4,507	10,886	95,406

1) The summary shows the number of shares owned by the individual, as well as his or her close family and companies where the individual exercises significant influence, cf. the Accounting Act, Section 7-26.

Loans to Group employees totalled NOK 2.712 million.

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THE BOARD OF DIRECTOR'S GUIDELINES FOR THE FIXING OF SALARIES AND OTHER REMUNERATION TO EXECUTIVE PERSONNEL AND STATEMENT ON THE EXECUTIVE EMPLOYEE REMUNERATION POLICY DURING THE PREVIOUS FINANCIAL YEAR ETC.

For the 2021 Annual General Meeting, the Board of Directors of Storebrand ASA will present new Guidelines for the fixing of salaries and other remuneration of executive personnel in accordance with the new provision in Section 6-16a of the Norwegian Public Limited Liability Companies Act. Pursuant to the new provision in Section 6-16b of the Norwegian Public Limited Liability Companies Act, a report on salaries and other remuneration to executive personnel will first be presented at the annual general meeting in 2022. The guidelines and salaries report will replace the executive remuneration statement which was stipulated in the previous provision in Section 6-16a.
Since no salaries report for 2020 will be presented at the 2021 general meeting, the Board of Directors has issued a limited statement on the implementation of the executive employee remuneration policy that was carried out during the previous financial year, as well as a statement on the effect of agreements for share-based remuneration.

The statement is as follows:

1. STATEMENT ON THE EXECUTIVE EMPLOYEE REMUNERATION POLICY DURING THE PREVIOUS FINANCIAL YEAR
The executive employee remuneration policy adopted for 2020 has been observed. The annual independent assessment of the guidelines and the practice of these guidelines in connection with bonuses to be paid in 2021 will be carried out by the end of 2021.

2. STATEMENT ON THE EFFECTS OF SHARE-BASED REMUNERATION AGREEMENTS ON THE COMPANY AND THE SHAREHOLDERS
A proportion of the executive management's fixed salary is linked to the purchase of physical Storebrand shares, with a lock-in period of three years. The purchase of shares will take place once a year. In the opinion of the Board of Directors, this has a positive effect on the company and the shareholders, given the structure of the scheme and the size of each individual's portfolio of shares in Storebrand ASA.

The Board of Directors presents the following guidelines for the approval of the general meeting:

GUIDELINES FOR THE DETERMINATION OF REMUNERATION OF EXECUTIVE MANAGEMENT ETC.
These guidelines were stipulated by the Board of Directors of Storebrand ASA on 9 February 2021 in accordance with Section 6-16 (a) of the Norwegian Public Limited Liability Companies Act.

1. Who the guidelines apply to
The guidelines apply to the executive management (CEO and executive vice presidents) and employees who are members of the Board of Directors of Storebrand ASA.

2. The guidelines' connection to the Group's business strategy, long-term interests and financial sustainability
Storebrand's business strategy is to offer the most sustainable products and services within pension, savings, insurance and banking products to private individuals, businesses and public enterprises. Customers must be assured that their needs are assigned first priority when recommending our solutions.

In a labour market characterised by strong competition for the most qualified employees, Storebrand shall have competitive, transparent and motivating salary principles that help attract, develop and retain employees.

Storebrand's guidelines for financial remuneration are adapted to the company's business strategy. In order to best safeguard the interests of customers and shareholders, Storebrand considers that the correct course of action is to focus primarily on a fixed salary as a means of overall financial compensation, and utilise variable remuneration to a limited extent. Executive management are only paid a fixed salary. To ensure that the Group's executive management team has incentive schemes that coincide with the long-term interests of the owners, a significant proportion of the gross fixed salary is linked to the purchase of physical Storebrand shares, with a lock-in period of three years.

The salaries of executive management are determined based on the position's responsibilities and level of complexity. Regular comparisons with equivalent roles in other companies are made in order to ensure that the salary level is competitive.

Remuneration of executive management is governed by laws and regulations relating to remuneration schemes and does not include variable remuneration. This ensures a high level of predictability and also ensures that total remuneration is financially sustainable for the Group.

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3. Remuneration to executive management

Fixed salary with equity share

Executive management's equity share of the fixed salary involves the purchase of physical Storebrand shares at a fixed point in time once a year. The shares have a three year lock-in period and the Board of Directors encourages executive management to also retain the shares after the lock-period expires after three years. In the opinion of the Board of Directors, this scheme has a positive effect on the company and the shareholders, given the structure of the scheme and the size of each individual's portfolio of shares in Storebrand ASA.

The normative level of the desired equity exposure in relation to gross salary is a minimum of 200% for the CEO, 150% for the Chief Financial Officer and for executive vice presidents who are responsible for the profit & loss units, and 100% for other executive vice presidents. The share salary scheme was introduced in 2015. Until each member of executive management reaches the normative level, salary increases will primarily be given for the share part. When the normative level has been reached, following an individual assessment, a salary increase can also be given for the cash part.

As is the case with other Storebrand employees, executive management have the option to purchase a limited number of shares in Storebrand ASA at a discount in accordance with the share programme for employees.

Like other employees at the company, certain members of the Group's executive management team receive benefits in kind in the form of car allowances and smaller fixed amounts as contributions to cover expenses for newspapers, electronic communication etc. These schemes are linked to employment contracts entered into in the past and are not part of the new contracts.

Pension scheme and insurance

The Group arranges and pays for an ordinary group pension scheme for all employees, which takes effect from the moment employment commences, and in accordance with the pension agreement in force at any given time. All employees are also enrolled in group insurance schemes that provide cover in the event of illness, disability or death. Since 2015, the Company has had defined-contribution pension schemes for all employees. Executive management are included in the general pension and insurance schemes.
The following defined-contribution pension scheme applied as of February 2021:

- Saving starts from the first krone of salary.
- Savings rate of 7 per cent of salary from 0 to 12 G (G = National Insurance basic amount).
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- The total savings rate between 7.1 and 12 G is therefore 20 per cent.
- Savings rate of 20% (taxed as salary) for salary above 12 G.

4. The duration of agreements and schemes for executive management

Everyone in the Group's executive management team has a six month period of notice.

The Group has a retirement age of 70 years. In accordance with the general rules, employees can access a pension from the age of 62. There are no fixed schemes for early retirement pensions at the Group, nor for executive management.

Executive management are entitled to severance pay if their contracts are terminated by the company. The right to severance pay also applies if the employee decides to leave the Company due to substantial changes in the organisation, or equivalent circumstances, which result in the individual being unable to naturally continue in his/her position. The CEO is entitled to severance pay up to 24 months after the end of the notice period. Other members of the Group's executive management team have equivalent severance pay agreements for up to 12 to 18 months from their agreed resignation. New agreements entered into for executive vice presidents will have a severance pay agreement for up to 12 months. The severance pay corresponds to the pensionable salary at the end of employment, excluding any bonus schemes. The amount of any severance pay will be subject to assessment in accordance with the individual agreement and the relevant remuneration regulations.

5. Comparison with remuneration of other employees

Storebrand's overarching guidelines for financial remuneration for all employees are considered and approved by the Group's Board of Directors each year. Remuneration is principally based on a fixed salary and the salary level for the different roles is based on assessments of the requirements for the various roles in terms of formal qualifications, experience, responsibility and complexity. The salary levels for all roles in the Group, including the Group's executive management, are calibrated in relation to the compensation for equivalent positions in the market. Storebrand's pension and insurance schemes are also the same for all employees at the company, and the Group's executive management team has no separate pension and insurance arrangements.

The difference in remuneration between the Group's executive management team and other employees is primarily due to the significant responsibility held by executive management and the complexity that comes with these roles. A significant proportion of

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executive management's gross salary is used for share purchases with a lock-in period of three years to ensure that their interests coincide with the interests of the shareholders.

Remuneration of other roles in the Group is also assessed in relation to responsibility, complexity and market conditions, based on a reputable and systematic system for evaluation. It is the responsibility of the individual managers to recommend financial remuneration for their employees within the framework of the principles and guidelines adopted by the Board of Directors and the company's management. The People Departments assists the line with these decisions and approves recommendations. The People Department consults the executive vice president of the relevant area when required.

Each year there is a local salary process for all Storebrand employees, where salary adjustments are proposed by an employee's immediate superior and are sent to the superior's manager for assessment. Each area of the Group is calibrated before the CEO approves the changes for the entire Group based on the recommendations from the Executive Vice President for People.

The company' strategy and objectives are of importance to the assessment of each individual's total remuneration. Sustainability is an important part of Storebrand's business strategy. The goals each area of the Group has set for sustainability will therefore also be an important part of the overall salary assessment.

6. Decision-making process for establishing, revising and implementing the guidelines
The Board of Directors of Storebrand ASA has had a dedicated Compensation Committee since 2000.

The Board of Directors determines remuneration to the CEO following a proposal from the Compensation Committee. The CEO determines the compensation for other members of executive management based on a process with the Compensation Committee as the advisory body.

The Compensation Committee is responsible for keeping itself informed about and proposing guidelines for the determination of remuneration of executive employees in the Group, including these guidelines, which are then adopted by the Board. The Compensation Committee also acts as an advisory body to the Chief Executive Officer with regard to remuneration schemes that encompass all employees of the Storebrand Group, including Storebrand's bonus and pension schemes. The Compensation Committee satisfies the follow-up requirements stipulated in regulations relating to remuneration schemes.

Remuneration to executive management is subject to an independent process through the Compensation Committee, following the recommendation of the CEO. Remuneration for the CEO is subject to consideration by the Compensation Committee and is then approved by the Board. Market comparisons are used in the annual salary assessments. This prevents any conflict of interest.

7. Employees who are board members
Employee-elected board members shall receive remuneration as board members that is determined by the general meeting in accordance with a proposal from Storebrand ASA's nomination committee.

8. Consideration at the general meeting
These guidelines shall be presented to the general meeting for consideration and approval in the event of any significant changes and at least every fourth year.

Note 23: Remuneration paid to auditors

NOK million	2020	2019
Statutory audit	-11	-11
Other reporting duties	-2	-2
Tax advice		-1
Other non-audit services	-1	-1
Total remuneration to auditors	**-15**	**-15**

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Note 24: Other expenses

NOK million	2020	2019
Losses on claims, insurance	-128	-267
Management fees	-448	-762
Interest expenses Insurance	-138	-157
Other expenses	-112	-51
Total other expenses	**-826**	**-1,238**

Note 25: Interest expenses

NOK million	2020	2019
Interest expenses subordinated loans	-364	-355
Interest expenses financial institutions	-295	-413
Interest expenses deposits from banking customers	-85	-99
Interest expenses lease liabilities	-20	-25
Other interest expenses	-30	-35
Total interest expenses	**-793**	**-927**

Note 26: Tax

TAX EXPENSES ON ORDINARY PRE-TAX PROFIT

NOK million	2020	2019
Tax payable	-84	-16
Change in deferred tax	220	-495
Total tax expenses on ordinary profit	**136**	**-511**

RECONCILIATION OF TAX EXPENSES AGAINST ORDINARY PRE-TAX PROFIT

NOK million	2020	2019
Ordinary pre-tax profit	2,219	2,593
Expected income tax at nominal rate	-555	-648
Tax effect of		
shares ("Fritaksmetoden")	228	-64
share dividends received		32
associated companies	4	3
permanent differences	21	68
deferred tax on the increase in value of properties for customer assets [1]	-566	-451
deferred tax on the increase in value of properties for customer assets covered by customer returns [1]	566	451
Changes from previous years [2]	437	99
Total tax charge	**136**	**-511**
Effective tax rate [3]	-6%	20%

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1) Provisions are made for deferred tax on the increase in value during the ownership of real estate in SPP Fastigheter AB in accordance with IAS 12 and guiding principles for consolidation. The real estate investments are made on behalf of the customer assets. Each real estate is owned by a separate investment company, and a sale of real estate itself would entail a tax expense that will reduce the return on the customer assets and will not affect the income tax for SPP / Storebrand. The deferred tax is in the consolidated financial reporting recognised as a claim on the customer funds and will not affect the income tax expense for SPP / Storebrand. Deferred tax relating to real estate investments in the customer assets is not netted against other temporary differences in the balance sheet.

2) Based on new information and an interpretation of transitional rules from 2018, taxable accounting income of NOK 356 million was recognised for 2020.

3) The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway. The income tax expense is also influenced by tax effects relating to previous years. The tax rate for companies in Norway is 22 per cent. For companies subject to financial tax is the tax rate 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual companies is used (22 or 25 per cent). The tax rate for companies in Sweden is 21.4 per cent.

TAX EXPENSES ON OTHER COMPREHENSIVE INCOME ELEMENTS

NOK million	2020	2019
Tax on other comprehensive income elements not to be reclassified to profit/loss	15	12
Total tax expenses on other comprehensive income elements	**15**	**12**

CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

NOK million	2020	2019
Tax-increasing temporary differences		
Securities	178	283
Properties [1]	2,696	2,126
Fixed assets	24	8
Gains/losses account	62	78
Other	1,212	1,377
Total tax-increasing temporary differences	**4,173**	**3,872**
Tax-reducing temporary differences		
Securities	-27	-7
Fixed assets	-24	-22
Provisions	-36	-30
Accrued pension liabilities	-171	-166
Other		753
Total tax-reducing temporary differences	**-259**	**527**
Carryforward losses	-6,530	-6,685
Net basis for deferred tax and tax assets	**-2,616**	**-2,287**
Net deferred tax assets/liabilities in balance sheet[1), 2), 3), 4)]	**-931**	**-663**
Recognised in balance sheet		
Deferred tax assets	1,780	1,430
Deferred tax	849	768

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

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In January 2018, Storebrand Livsforsikring AS received notice of an adjustment to the tax returns for 2015 which claimed that the calculated loss was excessive but provided no further quantification. Storebrand Livsforsikring AS disagrees with the arguments that were put forward and submitted its response to the Norwegian Tax Administration on 2 March 2018. The notice was unclear, but based on the notice, a provision was made in the 2017 annual financial statements for an uncertain tax position of approximately NOK 1.6 billion

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related to the former booked tax loss (appears as a reduction in the loss carryforward and, in isolation, gave an associated increased tax expense for 2017 of approximately NOK 0.4 billion). In May 2019, Storebrand Livsforsikring AS received a draft decision from the Norwegian Tax Administration claiming changes in the tax return from 2015. Storebrand disagrees with the notice from the Norwegian Tax Administration and submitted its response in October 2019. The company considers it to be preponderance that Storebrand's understanding of the tax legislation will be accepted by a court of law and thus, no uncertain tax position has been recognised in the financial statements based on the recieved draft decision. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.2 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise.

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. When presenting the national budget for 2020 in October 2019, the Ministry of Finance proposed a clarification of the wording of the transitional rules in line with the interpretive statement from the Norwegian Directorate of Taxes. The clarification was approved by the Norwegian Parliament in December 2019. Storebrand considers there to be uncertainty regarding the value such subsequent work on a legal rule has as a source of law, and which in this instance only applies for a previous financial year. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule, but in October 2019 received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. The uncertain tax position has therefore been recognised in the financial statements. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 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). This effect will depend on the interpretation and outcome of (A). If Storebrand's position is accepted under (A), Storebrand will recognise a tax income of approximately NOK 0.8 billion. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.6 billion.

The timeline for the continued process with the Norwegian Tax Administration is unclear, but if necessary, Storebrand will seek clarification from the court of law for the aforementioned uncertain tax positions.

Note 27: Intangible assets and fair value adjustments on purchased insurance contracts

	Intangible asset					
NOK million	**IT systems**	**VIF [1]**	**Other intangible assets**	**Goodwill**	**2020**	**2019**
Acquisition cost 01.01,	1,133	9,574	1,727	2,467	14,901	14,604
Additions in the period						
- Developed internally	105				105	124
- Purchased separately	200				200	92
- Purchased via acquistion/merger			14		14	590
Disposals in the period	-10				-10	-69
Currency differences on converting foreign units	25	1,028	71	85	1,209	-440
Acquisition cost 31.12	**1,454**	**10,602**	**1,811**	**2,552**	**16,419**	**14,901**
Accumulated depreciation and write-downs 01.01	-590	-6,827	-959	-305	-8,681	-8,498
Write-downs in the period	-22				-22	-35
Amortisation in the period [2]	-100	-372	-120		-592	-502
Disposals in the period	7				7	69
Currency adjustment on converting foreign units	-2	-756	-70		-828	284
Acc. depreciation and write-downs 31.12	**-708**	**-7,954**	**-1,149**	**-305**	**-10,116**	**-8,681**
Book value 31.12	**746**	**2,648**	**662**	**2,247**	**6,303**	**6,220**

1) Value of business-in-force, the difference between market value and book value of the insurance liabilities in SPP and Silver

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SPECIFIACTION OF AMORTISATION OF INTANGILBE ASSETS

NOK million	2020	2019
Amortisation in the period - VIF	-372	-341
Amortisation in the period - other intangible assets	-120	-104
Total write-downs//amortisation of intangible assets in income statement	**-492**	**-444**

Write-downs/amortisation of IT-systems are booked as operating expenses

SPECIFICATION OF INTAGIBLE ASSETS

NOK million	Useful economic life	Depr. rate	Depr. method	Book value 2020
IT systems	5 years	20 %	Straight line	746
Value of business in force SPP	20 years	5 %	Straight line	2,451
Value of business in force Silver	10 years	10 %	Straight line	197
Customer lists Skagen	10 years	10 %	Straight line	278
Customer lists Cubera	7 years	14 %	Straight line	170
Customer lists SPP	10 years	10 %	Straight line	1
Customer lists Insr	5 years	20 %	Straight line	13
Customer contracts Cubera	5 years	20 %	Straight line	90
Brand name Skagen	10 years	10 %	Straight line	102
Database Cubera	3 years	33 %	Straight line	8
Total				**4,056**

GOODWILL DISTRIBUTED BY BUSINESS ACQUISITION

NOK million	Business area	Acquisition cost 01.01	Accumulated write-downs 01.01	Book value 01.01	Supply/ disposals/ currency effect	Book value 31.12
Delphi Fondsforvaltning	Savings	35	-4	32		32
Storebrand Bank ASA	Other	422	-300	122		122
SPP	Guarant. pension/ Savings	750		750	81	831
SPP Fonder	Savings	48		48	1	49
Skagen	Savings	1,007		1,007		1,007
Cubera	Savings	206		206		206
Total		**2,469**	**-304**	**2,165**	**82**	**2,247**

Goodwill is not amortised, but is tested annually for impairment.

Intangible assets linked to the acquisition of SPP

In 2007, Storebrand Livsforsikring AS acquired SPP Pension & Försäkring AB and its subsidiaries (SPP). The majority of the intangible assets linked to the acquisition of SPP include the value of business in force (VIF), for which liability adequacy tests are conducted in accordance with the requirements in IFRS 4. To determine whether goodwill and other intangible assets linked to SPP have declined in value, an estimate is made of the recoverable amount by calculating the entity specific value of the business. SPP is considered to be a separate cash flow generating unit.

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In calculating the utility value, the management have made use of budgets and forecasts approved by the Board for the next three years (2021-2023). The management has made assessments for the period from 2024 to 2030, and the annual growth for each element in the income statement has been estimated. When calculating the terminal value, a growth rate equivalent to observed inflation of 0.5 per cent is used. This is lower than Riksbanken's inflation target of 2.0 per cent, but is consistent with the risk-free interest rate used in the required rate of return. The primary drivers of improved long-term results will be the return on total assets, underlying inflation and wage growth in the market (which drive premium growth). In addition to cash flows from the forecasted result, the change in expected regulatory tying-up of capital is also used in the valuation. The utility value is calculated using a required rate of return of 7.0 per cent. The required rate of return is calculated based on the risk-free interest rate and added to a premium that reflects the risk of the business.

Calculations related to the future are uncertain. The value will be impacted by various growth parameters, expected return and the required rate of return used as a basis, etc. The aim of the calculations is to achieve a satisfactory level of certainty that the recoverable amount, cf. IAS 36, is not lower than the value recognised in the accounts. Simulation using reasonable assumptions indicates a value that justifies the book value.

Intangible assets linked to the banking business

When calculating the utility value for the banking business, a cash flow based assessment of value has been made using the expected profit after taxes. Budgets and forecasts approved by the Board for the next three years (2021 to 2023) are used as the basis for the valuation.

The cash flow is based on two elements, profit/loss to equity and change in expected regulatory tying-up of capital. It is also assumed that all capital in addition to regulatory tied-up capital, can be withdrawn at the end of each period. The management has made assessments for the period from 2024 to 2030, and the annual growth has been determined in the income statement. A growth rate of 1.0 per cent is used when calculating the terminal value. This is lower than Norges Bank's inflation target, but consistent with the risk-free interest rate used in the required rate of return. The utility value is calculated using a required rate of return of 4.5 per cent. The required rate of return is calculated based on the risk-free interest rate and added to a premium that reflects the risk of the business.

There will be uncertainty related to the assumptions that have been made in the valuation. The value will be affected by the assumptions for the interest rate margin, expected losses on lending, growth parameters and capital requirements, as well as what required rate of return is assumed, etc. It is noted that the aim of the calculations is to achieve a satisfactory level of certainty that the utility value, cf. IAS 36, is not lower than the value recognised in the accounts. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value.

Intangible assets linked to the acquisition of Skagen

Storebrand Asset Management AS acquired Skagen AS in 2017. The intangible assets linked to Skagen are customer lists, branded products, technology and goodwill. Budgets and forecasts approved by the Board for the next three years (2021 to 2023) are used as the basis for the valuation. For the period from 2024 to 2025, a growth rate in line with the equity market for the income and a constant ratio between income and expenses were used as a basis. A growth rate of 1.0 per cent is used when calculating the terminal value. This is lower than Norges Bank's inflation target, but consistent with the risk-free interest rate used in the required rate of return. The utility value is calculated using a required rate of return of 10 per cent.

There are uncertainty related to the assumptions that have been made in the valuation. The value will be influenced by changes in the assumptions regarding expected returns of the financial markets, costs, management fees, growth parameters, and the discount rate. The aim of the calculations is to achieve a satisfactory level of certainty that the entity specific value, cf. IAS 36, is not lower than the value recognised in the accounts. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value.

Intangible assets linked to the acquisition of Cubera Private Equity

Storebrand Asset Management AS acquired Cubera Private Equity AS in 2019. The intangible assets linked to Cubera are customer lists, customer relations and database over the private equity market. Budgets and forecasts approved by the Board for the next three years (2021 to 2023) are used as the basis for the valuation. For the period from 2024 to 2025, a projected forecast has been used that is based on the expected development in the private equity market. A growth rate of 1.0 per cent is used when calculating the terminal value. This is lower than Norges Bank's inflation target, but consistent with the risk-free interest rate used in the required rate

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of return. The utility value is calculated using a required rate of return after tax of 10 per cent.

There are uncertainty related to the assumptions that have been made in the valuation. The value will be influenced by changes in the assumptions regarding expected returns of the financial markets, costs, management fees, growth parameters, and the required rate of return that is used as the discount rate. The aim of the calculations is to achieve a satisfactory level of certainty that the entity specific value, cf. IAS 36, is not lower than the value recognised in the accounts. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value.

Intangible assets linked to the acquisition of Silver

Storebrand Livsforsikring AS acquired Silver Pensjonsforsikring AS (Silver) in 2018 and the company was merged with Storebrand Livsforsikring AS the same year. The intangible assets linked to the acquisition of Silver include the value of business in force (VIF), which is included in Storebrand Livsforsikring's liability adequacy test in accordance with the requirements in IFRS 4. To determine whether intangible assets linked to Silver have declined in value, an estimate is made of the recoverable amount for the contracts in the acquired business. The recoverable amount is determined by calculating the entity specific value of the business. Silver has been integrated into Storebrand Livsforsikring's business and is predominantly part of the savings segment. The assessment of the intangible assets is done by estimating the value of the contracts that were purchased, despite these not being a separate cash-generating unit. The assets under management and income margins are forecasted based on observable developments since the acquisition and expected natural negative growth in the portfolio.

There are uncertainty related to the assumptions that have been made in the valuation. The value will be influenced by the assumptions regarding expected returns in the financial markets, costs, transfers, income development and the discount rate. The aim of the estimation is to achieve a satisfactory level of certainty that the entity specific value, cf. IAS 36, is not lower than the value recognised in the accounts. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value.

Note 28: Tangible fixed assets and lease agreements

NOK million	Vehicles/ equipment	Real estate	2020	2019
Book value 01.01	48	1	49	43
Additions	19	1	20	12
Disposals	-2		-2	-1
Depreciation	-7		-7	-6
Book value 31.12	**59**	**2**	**60**	**49**

For specifiaction of write-downs and depreciation, see note 20.

Depreciation plan and financial lifetime:	Straight line
Vehicles/equipment	3-10 years
Fixtures & fittings	3-8 years
Properties	15 years

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SPECIFICATION OF TANGIBLE FIXED ASSETS AND LEASE AGREEMENTS IN BALANCE SHEET

NOK million	2020	2019
Tangible fixed assets	60	49
Right-of-use assets	1,337	1,026
Book value 31.12	**1,397**	**1,075**
Allocation by company and customers		
Tangible fixed assets - company	1,397	1,075
Total tangilbe fixed assets and lease agremments	**1,397**	**1,075**

LEASE AGGREMENTS

The Group's leased assets include offices and other real estate, IT equipment and other equipment. The Group's right-of-use assets are categorised and presented in the table below:

NOK million	Buildings	IT-equipment	Other equipment	2020	2019
Book value 01. 01	1,090	75	2	1,167	1,088
Additions	402	3		406	79
Disposals	-1			-1	
Currency adjustment from converting foreign units	28	4		33	
Book value 31. 12	**1,519**	**83**	**2**	**1,604**	**1,167**
Accumulated write-downs/depreciations 01.01	-116	-23		-139	
Depreciation	-113	-22		-135	-132
Currency adjustment from converting foreign units	7			7	-10
Accumulated write-downs/depreciations 31.12	-222	-44	-1	-267	-141
Booked value 31.12	**1,297**	**39**	**1**	**1,337**	**1,026**

Applied practical solutions
The Group also leases PCs, IT equipment and machinery with contract terms from 1 to 3 years. The Group has decided not to recognise leases when the underlying asset has a low value and therefore does not recognise lease liabilities and right-of-use assets for any of these leases. Instead, the lease payments are expensed as they are incurred. The Group also does not recognise lease liabilities and right-of-use assets for short-term leases of less than 12 months.

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NON-DISCOUNTED LEASE LIABILITIES

NOK million	2020	2019
Year 1	145	142
Year 2	141	135
Year 3	112	132
Year 4	108	111
Year 5	107	105
After 5 years	793	511
Total non-discounted lease liabilities 31. 12.	**1,406**	**1,136**

CHANGES IN LEASE LIABILITIES

NOK million	2020	2019
Upon initial adoption 01.01	1,037	1,080
New/changed lease liabilities recognised during the period	404	87
Payment of principal	-146	-146
Accrued interest	19	25
Exchange rate differences when converting foreign unit	40	-10
Total lease liabilities 31. 12	**1,355**	**1,037**

OTHER LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

NOK million	2020	2019
Lease expenses for assets with low value	-14	-10
Total lease expenses included in operating expenses	**-14**	**-10**

Note 29: Investments in other companies

Applies to subsidiaries with a significant minority, associated companies and joint ventures.

IFRS 10 establishes a model for evaluating control that will apply to all companies. Control exists when the investor has power over the investment object and possesses the right to variable yields from the investment object and simultaneously possesses the power and possibility to steer activities in the investment object that affect the yield.

In the Group's financial statements, securities funds in which Storebrand has an ownership percentage of around 40 per cent or more, and which are also managed by management companies within the Storebrand Group, are consolidated 100 per cent on the balance sheet. Minority ownership interests in consolidated securities funds are shown on one line for assets and correspondingly on one line for liabilities. In consequence of other investors in the funds being able to request redemption of their ownership interests from the respective funds, such are deemed to be minority interests that are classified as liabilities in Storebrand's consolidated financial statements.

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SPECIFICATION OF SUBSIDARIES WITH SUBSTANTIAL MINORITY (100% FIGURES)

NOK million	2020[1] Benco	2019 Benco
Assets		10,712
Liabilities		10,200
Equity - majority		512
Equity - minority		51
Ownership intereest - minority		10
Voting rights as a percentage of the total number of shares		10
Income		882
Result after tax		32
Total comprehensive income		32

1) Benco is no longer a substantial minority as Storebrand Livsforsikring AS during 2020 has bought out the minority share.

SPECIFICATION OF ASSOCIATED COMPANIES AND JOINT VENTURES CLASSIFED AS SUBSTANTIAL (100% FIGURES)

NOK million	2020 Storebrand Helseforsikring AS	2019 Storebrand Helseforsikring AS
Accounting method	Equity-method	Equity-method
Type of operation	Insurance	Insurance
Type of interest	Joint venture	Joint venture
Current assets	694	584
Fixed assets	121	66
Short term liabilities	74	50
Long term liabilities	446	373
Cash and cash equivalents	34	28
Income	862	735
Result after tax	67	47
Total comprehensive income	67	47
Dividend paid		130

PROFIT AND OWNERSHIP INTERESTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

NOK million	Business location	Ownership share	Profit 31.12	Book value 31.12
Associated companies				
Inntre Holding AS	Steinkjær	34.3 %	18	127
Storebrand Eiendomsfond Norge KS	Bærum	26.2 %	236	3,694
Andre tilknyttede selskaper				3
Joint ventures				
Försäkringsgirot AB	Stockholm	25.0 %	1	5
Ruseløkkveien 26 AS	Oslo	50.0 %	333.3	2,471.8
Storebrand Helseforsikring AS	Lysaker	50.0 %	34	147
Total 2020			**621**	**6,449**
Booked in the statement of financial position				
Investments in associated companies - company			52	283
Investments in associated companies - customers			569	6,167
Total 2020			**621**	**6,449**
Total 2019			379	4,272

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Note 30: Classification of financial assets and liabilities

NOK million	Loans and receivables	Investments, held to maturity	Fair value, held for sale	Fair value, FVO	Available for sale	Liabilities at amortised cost	Total
Financial assets							
Bank deposits	13,065						13,065
Shares and fund units				230,830			230,830
Bonds and other fixed-income securities	103,484	13,026		176,995			293,506
Loans to financial institutions	103						103
Loans to customers	54,828			8,386			63,214
Accounts receivable and other short-term receivables	7,422						7,422
Derivatives			9,903	73			9,977
Total financial assets 2020	**178,902**	**13,026**	**9,903**	**416,284**			**618,116**
Total financial assets 2019	167,488	13,378	5,256	358,166			544,287
Financial liabilities							
Subordinated loan capital						**9,110**	9,110
Loans and deposits from credit institutions						**1,653**	1,653
Deposits from banking customers						**15,506**	15,506
Securities issued						**20,649**	20,649
Derivatives			887	78			964
Other current liabilities			11		808	**15,389**	16,209
Total financial liabilities 2020			**898**	**78**	**808**	**62,308**	**64,091**
Total financial liabilities 2019			932	10		**50,831**	51,772

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Note 31: Bonds at amortised cost

LOANS AND RECEIVABLES

	2020		2019	
NOK million	Book value	Fair value	Book value	Fair value
Government bonds	26,249	29,261	26,249	27,964
Corporate bonds	66,944	73,488	69,772	71,750
Structured notes	8,699	9,177	1,525	1,510
Collateralised securities	1,592	1,602	501	504
Total bonds at amortised cost	**103,484**	**113,529**	**98,046**	**101,728**
Distribution beween company and customers				
Loans and receivables company	10,639		8,256	
Loans and receivables customers with guarantee	92,846		89,790	
Total	**103,484**		**98,046**	
Storebrand Bank				
Modified duration		0.1		0.1
Average effective yield		0.6%		1.9%
Storebrand Livsforsikring				
Modified duration		6.6		6.1
Average effective yield	1.6%	1.7%	2.5%	2.6%

BONDS HELD TO MATURITY

	2020		2019	
NOK million	Book value	Fair value	Book value	Fair value
Corporate bonds	13,026	14,244	13,377	14,433
Total bonds at amortised cost	**13,026**	**14,244**	**13,377**	**14,433**
Distribution beween company and customers:				
Bonds held to maturity - customers with guarantees	13,026		13,377	
Total	**13,026**		**13,377**	
Modifed duration		3.1		3.8
Average effective yield	1.0%	1.1%	2.1%	2.3%

A yield is calculated for each bond, based on both the paper's book value and the observed market price (fair value). For fixed income securities with no observed market prices the effective interest rate is calculated on the basis of of the fixed interest rate period and classification of the individual security with respect to liquidity and credit risk. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

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Note 32: Loans to customers

NOK million	2020	2019
Corporate market [1]	13,738	12,954
Retail market	49,553	47,758
Gross loans	**63,291**	**60,712**
Write-downs of loans losses	-77	-53
Net loans [2]	**63,214**	**60,658**
1) Of which Storebrand Bank	21	23
2) Of which Storebrand Bank	31,780	30,187
Of which Storebrand Livsforsikring	31,434	30,472
Allocation by company and customers:		
Net loans to customers - company	31,780	30,187
net loans to customers - customers with guarantee	31,434	30,471
Total	**63,214**	**60,658**

NON-PERFORMING AND LOSS-EXPOSED LOANS

NOK million	2020	2019
Non-performing and loss-exposed loans without identified impairment	71	73
Non-performing and loss-exposed loans with identified impairment	50	52
Gross non-performing loans	**121**	**125**
Individual write-downs	-17	-20
Net non-performing loans [1]	**104**	**105**

1) The figures apply in their entirety Storebrand Bank

For further information about lending, see note 10 Credit risk.

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Note 33: Properties

Type of properties			31.12.20		
NOK million	31.12.20	31.12.19	Required rate of return % [1]	Average duration of lease (years) [3]	m²
Office buildings (including parking and storage):					
Oslo-Vika/Filipstad Brygge	8,435	7,682	3,50 - 4,00	5.9	94,332
Rest of Greater Oslo	4,811	4,360	4,00 - 5,35	3.9	85,225
Office buildings in Sweden	790	719	4.40	4.0	16,987
Shopping centres (including parking and storage)					
Rest of Norway	5,497	5,955	5,00 - 7,66	4.4	165,809
Housing Sweden [2]	2,693	2,137	5.60	4.0	103,210
Car parks					
Multi-storey car parks in Oslo	858	898	4.20	2.0	27,393
Other properties:					
Cultural/conference centres Sweden [2]	270	239	6.50	11.0	19,293
Housing properties Sweden [2]	2,589	2,143	3.80		69,448
Hotel Sweden [2]	2,692	2,563	4.20	12.0	35,872
Service properties Sverige [2]	2,750	2,016	4.60	10.0	73,591
Properties under development Norway	683	653	4.84	4.6	38,820
Conference centres Norway	50	49			
Total investment properties	**32,117**	**29,415**			**729,980**
Properties for own use	1,609	1,375	3.70	4.0	
Total properties	**33,726**	**30,790**			**729,980**
Allocation by company and customers:					
Properties - company	50	49			
Properties - customers with guarantee	29,261	26,901			
Properties - customers without guarantee	4,415	3,839			
Total	**33,726**	**30,790**			

1) The properties are valued on the basis of the following effective required rate of return (included 2.0 per cent inflation)

2) All of the properties in Sweden are appraised externally. The appraisal is based on the required rates of return in the market (including 2 per cent inflation)

3) The average duration of the leases is weighted based on the value of the individual properties.

As of 31.12.20, Storebrand Livsforsikring had NOK 6 166 million invested in Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS, Oslo.The investments are classified as "Investment in associated Ccmpanies and joint ventures" in the Consolidated Financial Statements. Storebrand Eiendomsfond Norge KS and Ruseløkkveien 26 AS, Oslo invest exclusively in real estate at fair value.

Vacancy

Norway

The vacancy rate for lettable areas was 7.4 per cent (6.3 per cent) at the end of 2020.
The vacancy rate for areas that are not available for rent due to ongoing development projects is 78.6 per cent (57.2 per cent).
At the end of 2020, a total of 13.8 per cent (12.1 per cent) of the floor space in the investment properties was vacant

Sweden

At the end of 2020, the vacancy for investment properties was 0,4 per cent

Transactions::

Purchases: Further SEK 684 millions in property acquistions in SPP have been agreed on in 4th quarter 2020 in addtition to the figures that have been finalised and included in the financial statements as of 31 December 2020.
Sale: No further property sales has been agreed on in Storebrand/SPP in addiition to the figures that has been finalised and included in the financial statements as of 31 December 2020

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PROPERTIES FOR OWN USE

NOK million	2020	2019
Book value 01.01	1,375	1,420
Additions	8	6
Revaluation booked in balance sheet	72	-34
Depreciation	-14	-13
Write-ups due to write-downs in the period	13	11
Currency differences from converting foreign units	108	-55
Other change	48	40
Book value 31.12	**1,609**	**1,375**
Acquisition cost opening balance	551	545
Acquisition cost closing balance	559	551
Accumulated depreciation and write-downs opening balance	-677	-664
Accumulated depreciation and write-downs closing balance	-692	-677
Allocation by company and customers:		
Properties for own use - customers	1,609	1,375
Total	**1,609**	**1,375**

Depreciation method:	Straight line
Depreciation plan and financial lifetime	50 years

Note 34: Accounts receivable and other short-term receivables

NOK million	2020	2019
Accounts receivable	863	711
Receivables in connection with direct insurance	261	310
Pre-paid expenses	102	188
Fee earned	458	358
Claims on insurance brokers	2,093	290
Client funds	182	225
Collateral	2,022	1,086
Accrued interest/pre-paid costs	129	
Tax receivable	324	1,309
Activated sales costs (Swedish business)	717	583
Other current receivables	271	214
Book value 31.12	**7,422**	**5,273**
Allocation by company and customers:		
Accounts receivable and other short-term receivables - company	7,018	4,823
Accounts receivable and other short-term receivables - customers	404	450
Total	**7,422**	**5,273**

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AGE DISTRIBUTION FOR ACCOUNTS RECEIVABLE 31.12 (GROSS)

NOK million	2020	2019
Receivables not fallen due	858	685
Past due 1 - 30 days	6	27
Past due 31 - 60 days	1	4
Past due 61 - 90 days		1
Past due > 90 days		5
Gross accounts receivable	**865**	**721**
Provisions for losses	-2	-9
Net accounts receivable	**863**	**711**

Note 35: Equities and fund units

NOK million	2020 Fair value	2019 Fair value
Equities	30,402	28,768
Private Equity fund investments	1,268	1,471
Fund units	199,160	164,104
Total equities and fund units	**230,830**	**194,343**
Allocation by company and customers:		
Equities and fund units - company	384	323
Equities and fund units - customers with guarantee	21,839	25,677
Equities and fund units - customers without guarantee	208,607	168,344
Sum	**230,829**	**194,343**

Note 36: Bonds and other fixed-income securities

NOK million	2020 Fair value	2019 Fair value
Government bonds	34,634	32,256
Corporate bonds	62,043	60,055
Collateralised securities	7,051	3,648
Bond funds	73,267	60,680
Total bonds and other fixed-income securities	**176,995**	**156,639**
Allocation by company and customers:		
Bonds and other fixed-income securities - company	28,833	28,512
Bonds and other fixed-income securities - customers with guarantee	97,223	83,881
Bonds and other fixed-income securities - customers without guarantee	50,939	44,245
Total	**176,995**	**156,639**

	Fair value					
	Storebrand Life Insurance	SPP Pension & Insurance	Euroben	Storebrand Bank	Storebrand Insurance	Storebrand ASA
Modified duration	6.2	5.9	4.2	0.1	0.3	0.3
Average effective yield	1.6 %	0.9 %	0.8 %	0.5 %	0.7 %	0.7 %

The effective yield for each security is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each security’s share of the total interest rate sensitivity. Interest derivatives are included in the calculation of modified duration and average effective interest rate.

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Note 37: Derivatives

Nominal volume

Financial derivatives are related to underlying amounts which are not recognised in the statement of financial position. In order to quantify the scope of the derivatives, reference is made to amounts described as the underlying nominal principal, nominal volume, etc. Nominal volume is arrived at differently for different classes of derivatives, and provides some indication of the size of the position and risk the derivative presents.

Gross nominal volume principally indicates the size of the exposure, while net nominal volume provides some indication of the risk exposure. However , nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivatives. Unlike gross nominal volume, the calculation of net nominal volume also takes into account which direction of market risk exposure the instrument represents by differentiating between long (asset) positions and short (liability) positions.

A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. For currency derivatives, a long position results in a positive change in value if the relevant exchange rate strengthens against the NOK. Average gross nominal volume are based on daily calculations of gross nominal volume.

NOK million	Gross nominal volume[1)	Gross booked value fin. assets	Gross booked value fin. liabilities	Net amount
Interest derivatives	246,363	6,364	705	5,659
Currency derivatives	189,359	3,613	260	3,353
Total derivater 31.12.20		**9,977**	**964**	**9,012**
Total derivater 31.12.19		5,313	994	4,319
Distribution between company and customers:				
Derivatives - company				1,275
Derivatives - customers with guarantee				5,753
Derivatives - customers without guarantee				1,984
Total				**9,012**

1) Values 31.12.

Note 38: Technical insurance reserves - life insurance

SPECIFICATION OF BUFFER CAPITAL ITEMS CONSERNING LIFE INSURANCE

NOK million	Guaranteed pension	Savings	Insurance *)	Euroben (other)	Total Storebrand Group 2020	Total Storebrand Group 2019
Additional statutory reserves	11,380				11,380	9,023
Conditional bonus	9,266			1,503	10,769	9,302
Market value adjustment reserve	6,987		183		7,170	5,500
Total buffer capital	**27,633**		**183**	**1,503**	**29,319**	**23,825**

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SPECIFICATION OF BALANCE SHEET ITEMS CONSERNING LIFE INSURANCE

NOK million	Guaranteed pension	Savings	Insurance *)	Euroben (other)	Total Storebrand Group 2020	Total Storebrand Group 2019
Premium reserve	248,572	268,345	5,431	9,367	531,715	473,375
- of which IBNS	2,221	14	3,280	11	5,526	4,813
Premium fund/deposit fund	1,550		715		2,266	2,016
Other technical reserves			702		702	649
- of which IBNS			587		587	607
Total insurance liabilities - life insurance	**250,123**	**268,345**	**6,849**	**9,367**	**534,683**	**476,040**

*) Including personal risk and employee insurance of the Insurance segment.

MARKET VALUE ADJUSTMENT RESERVE

NOK million	2020	2019
Equities	3,102	4,424
Interest-bearing	4,069	1,076
Total market value adjustment reserves at fair value	**7,170**	**5,500**

NOK million	Guaranteed pension	Savings	Insurance *)	Euroben (other)	Total Storebrand Group 2020	Total Storebrand Group 2019
Total insurance liabilities - life insurance 01.01	**241,674**	**219,803**	**6,216**	**8,346**	**476,040**	**437,845**
Premium income	6,668	33,302	2,812	23	42,804	31,216
Capital return	11,815	16,418	224	430	28,887	45,705
Insurance claims	-14,949	-11,922	-1,191	-447	-28,509	-25,938
Change in conditional bonuses	-127			164	37	-1,778
Fees	-1,488	-562	-882	-55	-2,988	-2,800
Change in IBNR/RBNS	54		402		456	-7
Surplus to additional statutory reserve	-2,535				-2,535	-880
Other changes	132	-501	148	-2	-224	-794
Total change in insurance liabilities in income statement	**-431**	**36,734**	**1,512**	**114**	**37,929**	**44,725**
Yield tax	-70	-105		-9	-184	
To additional statutory reserve	135				135	229
Change in premium fund	105				105	-186
Other	553	-10	-880	-10	-347	-166
Translation differences	8,156	11,923		925	21,004	-6,406
Total insurance liabiliteis - life insurance 31.12.	**250,123**	**268,345**	**6,849**	**9,367**	**534,683**	**476,040**

*) Including personal risk and employee insurance of the Insurance segment.

See note 39 for insurance liabilities - P&C.

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Note 39: Technical insurance reserves - P&C insurance

ASSETS AND LIABILITIES - P&C INSURANCE

NOK million	2020	2019
Reinsurance share of insurance technical reserves	56	26
Total assets	**56**	**26**
Premium reserve	695	537
Claims reserve	650	594
- of which IBNS	620	566
- of which administration reserve	30	28
Total liabilities	**1,345**	**1,131**

See note 38 for insurance liabilities - life insurance.

Note 40: Other current liabilities

NOK million	2020	2019
Accounts payable	173	169
Accrued expenses	776	965
Appropriations restructuring	54	57
Appropriations earnout	122	423
Other appropriations	189	106
Governmental fees and tax withholding	407	298
Collateral received derivates in cash	8,141	2,929
Liabilities in connection with direct insurance	905	1,196
Liabilities in connection with reinsurance	126	6
Liabilities to broker	2,769	500
Liabilities tax/tax appropriations	211	29
Minority SPP Fastighet KB	1,798	1,140
Other current liabilities	539	458
Book value 31.12	**16,209**	**8,274**

SPECIFICATION OF RESTRUCTURING RESERVES

NOK million	2020	2019
Book value 01.01	57	38
Increase in the period	27	50
Amount recognised against reserves in the period	-34	-32
Change due to currency	4	
Book value 31.12	**54**	**57**

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Note 41 Hedge accounting

Fair value hedging of interest rate risk and cash flow hedging of foreign exchange risk

Storebrand uses fair value hedging for the interest rate risk. The hedged items are financial assets and liabilities measured at amortised cost. Derivatives are recognised at fair value through profit or loss. Changes in the value of the hedged item that are attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised through profit or loss.

Hedge effectiveness is monitored at an individual security level.

Storebrand uses cash flow hedging for the credit margin. The hedged items are liabilities measured at amortised cost. Derivatives are recognised at fair value. The proportion of the profit or loss on the hedging instrument that is deemed to be effective hedging is recognised in total comprehensive income. The proportion is subsequently reclassified to profit or loss in step with the hedged item's effect on earnings. Hedge effectiveness is 94 per cent per 31.12.20.

HEDGING INSTRUMENT/HEDGED ITEM

	2020					2019				
		Book value 1)					Book value 1)			
NOK million	Contract/ nominal value	Assets	Liabilities	Booked	Recognised of comprehensive income	Conract/ nominal value	Assets	Liabilities	Booked	Recognised of comprehensive income
Interest rate swaps	2,557	1,101		8	141	2,773	1,070		-9	-55
Subordinated loans	-2,238		3,420	-2	-173	-2,238		3,243	-5	19
Debt raised through issuance of securities	-284		284	-7		-500		493	15	

1) Book values as at 31.12.

Hedging of net investment in Storebrand Holding AB

In 2020, Storebrand used cash flow hedging of the foreign exchange risk linked to Storebrand's net investment in Storebrand Holding AB. Three-month rolling currency derivatives were used, and the spot element of these was used as a hedging instrument. The effective share of the hedging instruments is recognised in total comprehensive income. There is partial hedging of the net investment in Storebrand Holding AS and it is therefore expected that the hedge effectiveness in the future will be about 100 per cent. Expenses of NOK 868 million were recognised in total comprehensive income in connection with the hedging of Storebrand Holding AB, compared with income of NOK 322 million in 2019.

HEDGING INSTRUMENT/HEDGED ITEM

	2020			2019		
		Book value 1)			Book value 1)	
NOK million	Contract/ nominal value	Assets	Liabilities	Conract/ nominal value	Assets	Liabilities
Currency derivatives	-4,700		27	-4,700		27
Loan used as hedging instrument	-3,650		3,815	-3,650		3,426
Underlying items		10,045			9,045	

1) Book values at 31.12.

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Storebrand hedges an exposure in the reference interest rate EURIBOR 3M.

Storebrand hedges an exposure of EUR 300 million nominal value in EURIBOR 3M.
Storebrand follows market developments relating to the discontinuation of reference interest rates. New reference interest rates will influence the management of customer portfolios, but the scope and efficiency will particularly depend on the future for NIBOR and STIBOR

LIBOR for different currencies will be available until the end of 2021, but the transition to new "overnight interest rates" appears to be progressing faster than first assumed. This may result in some of the "Panel banks" not providing data to maintain the LIBOR interest rates until the end of 2021. This could make the LIBOR interest rates less attractive to use and the transition to new "overnight" reference interest rates" before the end of 2021 may be in all of the parties' interests. The transition to new reference interest rates and specification of "fallbacks" will be calculated by ISDA and published by Bloomberg. To ensure the wording of the agreements between the market players, ISDA will release a "Protocol" at the end of Q1 2020 and it is expected that most market players will accede to the "Protocol". Storebrand Asset Management has the ambition of acceding to the "Protocol" on behalf of the life insurance companies in the Group. NIBOR and STIBOR will not be immediately affected, and the administrator of these reference interest rates has an ambition of also continuing these beyond 2021. GBP LIBOR is expected to be replaced by SONIA (Sterling Overnight Index Average). USD LIBOR is expected to be replaced by SOFR (Secured Overnight Financing Rate), and EUR LIBOR will be replaced by EUR ESTER. The transfer to "overnight interest rates" for the major currencies may also influence the continuation of NIBOR. NIBOR will then be able to be replaced with NOWA (Norwegian Overnight Weighted Average).

The derivative that hedges the EURIBOR 3M risk is a cross currency swap of EUR 300 million nominal value.

Note 42: Collateral

NOK million	2020	2019
Collateral for Derivatives trading	3,380	904
Collateral received in connection with Derivatives trading	-8,828	-3,939
Total received and pledged collateral	**-5,448**	**-3,035**

The CSA agreements entered into with 13 counterparties regulate the security that can be used by the parties in OTC contracts that have been entered into. Most of the agreements have a minimum transfer amount of EUR 500,000. All agreements stipulate that cash in EUR and NOK can be used as security. In some of the agreements, government bonds are also defined as approved security. Interest is calculated based on the NOWA and EONIA rates respectively.

Security provided for futures and options is adjusted daily on the basis of a daily margin settlement for each contract.

Security is received and provided in the form of both cash and securities. Security in the form of cash is recognised in the balance sheet and classified as other receivables and other current liabilities in Notes 34 and 40 respectively.

.

NOK million	2020	2019
Book value of bonds pledged as collateral for the bank's lending from Norges Bank	1,703	904
Booked value of securities pledged as collateral in other financial institutions	151	151
Total	**1,854**	**1,055**

Securities pledged as collateral are linked to lending access in Norges Bank for which, pursuant to the regulations, the loans must be fully guaranteed with collateral in interest-bearing securities and/or the bank's deposits in Norges bank. Storebrand Bank ASA has four

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F-loan in Norges Bank as per 31.12.2020.
Of total loans of NOK 31.5 billion, NOK 21,1 billion has been mortgaged in connection with the issuing of covered bonds (covered bond rate) in Storebrand Boligkreditt AS.Loans in Storebrand Boligkreditt AS are security for covered bonds in the company, and these assets have therefore been mortgaged through the bondholders' pre-emptive rights to the security in the company.

Storebrand Boligkreditt AS has over-collateralisation (OC) of 16 per cent. The company must maintain the applicable OC that the rating agency requires if the company wishes to retain the current AAA rating. This requirement was 9.13 per cent at the end of 2020. The statutory OC is 2 per cent. Through commitments from previous prospectuses for covered bond issues, the company is obligated to maintain OC of up to 9.5% until these securities mature. Storebrand Boligkreditt AS has security that is NOK 1.3 billion more than what the present rating requires. Storebrand Bank ASA therefore considers the security to be adequate.

Note 43: Contingent liabilities

NOK million	2020	2019
Guarantees		1
Unused credit limit lending	3,063	3,072
Uncalled residual liabilities re limited partnership	8,251	7,297
Loan commitment retail market	2,962	1,466
Total contingent liabilities	**14,276**	**11,837**

Guarantees principally concern payment guarantees and contract guarantees.
Unused credit facilities concern granted and unused overdrafts and credit cards, as well as unused facility for credit loans secured by property.

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.

Note 44: Securities lending and buy-back agreements

COVERED BONDS - STOREBRAND BANK GROUP

NOK million	2020	2019
Transferred bonds still recognised on the statement of financial position		403
Liabilities related to the assets		403

Transferred bonds that are included in buyback agreements (repos) are not derecognised, since all risk and return on the securities are retained by Storebrand Bank ASA.

Note 45: Information related parties

Companies in the Storebrand Group have transactions with related parties who are shareholders in Storebrand ASA and senior employees. These are transactions that are part of the products and services offered by the Group's companies to their customers. The transactions are entered into on commercial terms and include occupational pensions, private pensions savings, P&C insurance, leasing of premises, bank deposits, lending, asset management and fund saving. See note 22 for further information about senior employees.

Internal transactions between group companies are eliminated in the consolidated financial statements, with the exception of transactions between the customer portfolio in Storebrand Livsforsikring AS and other units in the Group. See note 1 Accounting Policies for further information.

For further information about close associates, see notes 29 and 40

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STOREBRAND ASA

Income statement

NOK million	Note	2020	2019
Operating income			
Income from investments in subsidiaries	2	3,028	3,230
Net income and gains from financial instruments:			
- equities and other units	3	4	2
- bonds and other fixed-income securities	3	64	50
- financial derivatives/other financial instruments	3	-3	-6
Other financial income		1	1
Operating income		**3,095**	**3,278**
Interest expenses		-30	-51
Other financial expenses		6	
Operating expenses			
Personnel expenses	4, 5, 6	-40	-40
Other operating expenses	6	-56	-62
Total operating expenses		**-96**	**-102**
Total expenses		-120	-153
Pre-tax profit		**2,975**	**3,125**
Tax	7	-171	-173
Profit for year		**2,804**	**2,952**

Statement of total comprehensive income

NOK million	Note	2020	2019
Profit for year		**2,804**	**2,952**
Other result elements not to be classified to profit/loss			
Change in estimate deviation pension	5	-15	-8
Tax on other result elements		4	2
Total other result elements		**-11**	**-6**
Total comprehensive income		**2,793**	**2,946**

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Statement of financial position

NOK million	Note	31.12.20	31.12.19
Fixed assets			
Deferred tax assets	7	44	41
Tangible fixed assets	13	27	27
Shares in subsidiaries and associated companies	8	20,893	20,042
Total fixed assets		**20,964**	**20,110**
Current assets			
Owed within group	16	3,139	3,166
Other current receivables		15	16
Investments in trading portfolio:			
- equities and other units	9	57	44
- bonds and other fixed-income securities	10,12	4,894	3,260
- financial derivatives/other financial instruments	11,12		3
Bank deposits	12	61	34
Total current assets		**8,166**	**6,523**
Total assets		**29,130**	**26,633**
Equity and liabilities			
Share capital		2,339	2,339
Own shares		-2	-5
Share premium reserve		10,521	10,521
Total paid in equity		**12,858**	**12,856**
Other equity		12,609	9,794
Other equity		**25,467**	**22,650**
Non-current liabilities			
Pension liabilities	5	157	154
Securities issued	12,14	1,001	1,309
Total non-current liabilities		**1,158**	**1,463**
Current liabilities			
Debt within group	16	910	900
Provision for dividend		1,519	1,517
Other current liabilities		76	103
Total current liabilities		**2,505**	**2,520**
Total equity and liabilities		**29,130**	**26,633**

Lysaker, 9 February 2021
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Chairman of the Board

Karin Bing Orgland
Laila S. Dahlen (sign.)
Marianne Bergmann Røren (sign.)

Martin Skancke (sign.)
Karl Sandlund (sign.)
Fredrik Atting (sign.)

Magnus Gard (sign.)
Hans Petter Salvesen (sign.)
Bodil ChaterineValvik (sign.)

Odd Arild Grefstad (sign.)
Group Chief Executive Officer

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Statement of changes in equity

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2018	**2,339**	**-2**	**10,521**	**8,395**	**21,253**
Profit for the period				2,952	2,952
Total other result elements				-6	-6
Total comprehensive income				**2,946**	**2,946**
Provision for dividend				-1,514	-1,514
Own share bought back [2]		-5		-63	-68
Own share sold [2]		2		36	38
Employee share [2]				-6	-6
Equity at 31. December 2019	**2,339**	**-5**	**10,521**	**9,794**	**22,650**
Profit for the period				2,804	2,804
Total other result elements				-11	-11
Total comprehensive income				**2,793**	**2,793**
Reversed dividend				1,517	1,517
Provision for dividend				-1,519	-1,519
Own share sold [2]		3		33	36
Employee share [2]				-10	-10
Equity at 31. December 2020	**2,339**	**-2**	**10,521**	**12,609**	**25,467**

1) 467 813 982 shares with a nominal value of NOK 5.

2) In 2020, 526 935 shares were sold to our own employees.
Holding of own shares 31. December 2020 was 416 255.

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Statement of cash flow

NOK million	2020	2019
Cash flow from operational activities		
Net receipts/payments - securities at fair value	-1,577	-1,408
Payments relating to operations	-112	-128
Net receipts/payments - other operational activities	3,163	4,157
Net cash flow from operational activities	**1,473**	**2,621**
Cash flow from investment activities		
Payments - purchase/capitalisation of subsidiaries	-1,144	-629
Net receipts/payments - sale/purchase of property and fixed assets		-1
Net cash flow from investment activities	**-1,144**	**-630**
Cash flow from financing activities		
Payments - repayments of loans	-800	-500
Receipts - new loans	500	1
Payments - interest on loans	-30	-58
Receipts - sold own shares to employees	26	33
Payments - buy own shares		-68
Payments - dividends		-1,399
Net cash flow from financing activities	**-304**	**-1,991**
Net cash flow for the period	**26**	**0**
Cash and cash equivalents at start of the period	34	34
Cash and cash equivalents at the end of the period	**61**	**34**

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Note 1: Accounting policies

Storebrand ASA is the holding company of the Storebrand Group. The Storebrand Group is engaged in life and P&C insurance, banking and asset management, with insurance being the primary business. The financial statements of Storebrand ASA have accordingly been prepared in accordance with the Norwegian Accounting Act, generally accepted accounting policies in Norway, and the Norwegian Regulations relating to annual accounts for nonlife insurance companies. Storebrand ASA has used the simplified IFRS provisions in the regulations for recognition and measurement.

Use of estimates and discretionary assumptions

In preparing the annual financial statements, Storebrand has made assumptions and used estimates that affect the reported value of assets, liabilities, revenues, costs, as well as the information provided on contingent liabilities. Future events may cause these estimates to change. Such changes will be recognised in the financial statements when there is a sufficient basis for using new estimates. The most important estimates and assessments are related to the valuation of the company's subsidiaries and the assumptions used for pension calculations.

Classification and valuation policies

Assets intended for permanent ownership and use are classified as fixed assets, and assets and receivables due for payment within one year are classified as current assets. Equivalent policies have been applied to liability items.

Profit and loss account and statement of financial position

Storebrand ASA is a holding company with subsidiaries in the fields of insurance, banking and asset management. The layout plan in the Regulations relating to annual financial statements for nonlife insurance companies has not been used, a custom layout plan has been used.

Investments in subsidiaries, dividends and group contributions

In the company's accounts, investments in subsidiaries and associated companies are valued at the acquisition cost less any write-downs. The need to write down is assessed at the end of each accounting period. Storebrand ASA's primary income is the return on capital invested in subsidiaries. Group contributions and dividends received in respect of these investments are therefore recorded as ordinary operating income. Proposed and approved dividends and group contributions from subsidiaries at the end of the year are recognised in the financial statements of Storebrand ASA as income in that financial year.

A prerequisite for recognition is that this is earned equity by a subsidiary. Otherwise, this is recognised as an equity transaction, which means that the ownership interest in the subsidiary is reduced by dividends or group contributions.

Tangible fixed assets

Tangible fixed assets for own use are recognised at acquisition cost less accumulated depreciation. Write-downs are made if the book value exceeds the recoverable amount of the asset.

Pension liabilities for company's own employees

Storebrand ASA have defined-contribution pension, but have some pension obligation that are recorded as defined-benefit pension. The defined-contribution pension scheme involves the company paying an annual contribution to the employees' collective pension savings. The future pension will depend upon the size of the contribution and the annual return on the pension savings. The company does not have any further work-related obligations after the annual contribution has been paid. No provisions are made for ongoing pension liabilities for these types of schemes. Defined-contribution pension schemes are recognised directly in the financial statements.

Tax

The tax cost in the profit and loss account consists of tax payable and changes in deferred tax. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded on the balance sheet to the extent it is considered likely that the company will have sufficient taxable profit in the future to make use of the tax asset. Deferred tax is applied directly against equity to the extent that it relates to items that are themselves directly applied against equity.

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Currency
Current assets and liabilities are translated at the exchange rate on the balance sheet date. Shares held as fixed assets are translated at the exchange rate on the date of acquisition.

Financial instruments
Equities and units

Equities and units are valued at fair value. For securities listed on an exchange or other regulated market, fair value is determined as the bid price on the last trading day immediately prior to or on the balance sheet date.

Any repurchase of own shares is dealt with as an equity transaction, and own shares (treasury stock) are presented as a reduction in equity.

Bonds and other fixed income securities
Bonds and other fixed income securities are included i the statement of financial position from such time the company becomes party to the instrument's contractual terms and conditions. Ordinary purchases and sales of financial instruments are recognised on the transaction date. When a financial asset or a financial liability is initially recognised in the financial statements, it is valued at fair value. Initial recognition includes transaction costs directly related to the acquisition or issue of the financial asset/liability.

Financial assets are derecognised when the contractual right to the cash flows from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Bonds and other fixed income securities are recognised at fair value.
Fair value is the amount for which an asset could be sold for, or a liability settled with, between knowledgeable, willing parties in an arm's length transaction. For financial assets that are listed on an exchange or other regulated market place, fair value is determined as the bid price on the last trading day up to and including the balance sheet date, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

Financial derivatives
Financial derivatives are recognised at fair value. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit or loss.

Bond funding
Bond loans are recorded at amortised cost using the effective interest rate method. The amortised cost includes the transaction costs on the date of issue.

Note 2: Income from investments in subsidiaries

NOK million	2020	2019
Storebrand Livsforsikring AS	2,222	2,200
Storebrand Bank ASA	80	244
Storebrand Asset Management AS	620	568
Storebrand Forsikring AS	105	153
Storebrand Facilities AS	1	
Storebrand Helseforsikring AS		65
Total	**3,028**	**3,230**

Group contribution from Storebrand ASA, see note 8

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Note 3: Net income for various classes of financial instruments

NOK million	Dividend/ interest income	Net gain/loss on realisation	Net unrealised gain/loss	2020	2019
Net income from equities and units			4	4	2
Net income from bonds and other fixed income securities	72	2	-9	64	50
Net income from financial derivatives			-3	-3	-6
Net income and gains from financial assets at fair value	**72**	**2**	**-7**	**66**	**47**
– of which FVO (Fair Value Option)	72	2	-5	69	52
– of which trading			-3	-3	-6

Note 4: Personnel costs

NOK million	2020	2019
Ordinary wages and salaries	-21	-20
Employer's social security contributions	-5	-6
Personnel costs 1)	-8	-8
Other benefits	-6	-6
Total	**-40**	**-40**

1) See the spesification in note 5

Note 5 : Pensions costs and pension liabilities

Storebrand Group has country-specific pension schemes.

Storebrand's employees in Norway have a defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). Storebrand has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:
- Saving starts from the first krone of salary
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" was NOK 101,351 as at 31 December 2020)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved
- Savings rate for salary over 12 G is 20 per cent

The Norwegian companies participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.5 % in 2020. Storebrand employees in Norway who were born before 1 January 1956 can choose between drawing an AFP scheme pension or retiring at the age of 65 and receiving a direct pension from the company until they reach the age of 67. Employees can choose to receive benefits from the AFP scheme from the age of 62 and still continue to work.

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RECONSILIATION OF PENSION ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

NOK million	2020	2019
Present value of insured pension benefit liabilities	2	2
Pension assets at fair value	-7	-7
Net pension liabilities/assets for the insured schemes	**-5**	**-5**
Present value of the uninsured pension liabilities	163	159
Net pension liabilities in the statement of financial position	**157**	**154**

CHANGES IN THE NET DEFINED BENEFITS PENSION LIABILITIES IN THE PERIOD

NOK million	2020	2019
Net pension liabilities 01.01	161	168
Interest on pension liabilities	3	4
Pension experience adjustments	15	8
Pensions paid	-15	-19
Net pension liabilities 31.12	**165**	**161**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2020	2019
Pension assets at fair value 01.01.	7	7
Pension experience adjustments		-1
Net pension assets 31.12	**7**	**7**

Expected premium payments are estimated to be NOK 1 million and the payments from operations are estimated to be NOK 12 million in 2021.

Pension assets are based on the financial assets held by Storebrand Livsforsikring, which are composed of as per 31.12.:

NOK million	2020	2019
Properties and real estate	15 %	13 %
Bonds at amortised cost	34 %	36 %
Loan	20 %	13 %
Equities and units	12 %	15 %
Bonds	17 %	20 %
Other short term financial assets	3 %	1%
Total	**100 %**	**100 %**
Booked returns on assets managed by Storebrand Livsforsikring were:	4.4 %	3.6 %

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NET PENSION COST BOOKED TO PROFIT AND LOSS ACCOUNTS IN THE PERIOD

NOK million	2020	2019
Net interest/expected return	3	4
Total for defined benefit schemes	**3**	**4**
The period's payment to contribution scheme	4	4
Net pension cost booked to profit and loss accounts in the period	**8**	**8**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2020	2019
Actuarial loss (gain) - change in discount rate	9	8
Actuarial loss (gain) - experience DBO	6	
Loss (gain) - experience Assets		1
Remeasurements loss (gain) in the period	**15**	**8**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY AS PER 31.12.

	2020	2019
Economic assumptions :		
Discount rate	1.5 %	2.2 %
Expected earnings growth	1.75 %	2.00 %
Expected annual increase in social security pension	1.75 %	2.00 %
Expected annual increase in pensions in payment	0.0 %	0.0 %
Disability table	KU	KU
Mortality table	K2013BE	K2013BE

Financial assumptions :
The financial assumptions have been determined on the basis of the regulations in IAS 19. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are subject to a particularly high degree of uncertainty.

In Norway, a discount rate based on covered bonds is used. Based on the market and volume trends observed, the Norwegian covered bond market must be perceived as a deep market.

Specific company conditions including expected direct wage growth are taken into account when determining the financial assumptions .

Actuarial assumptions :
In Norway standardised assumptions on rates of mortality and disability as well as other demographic factors are prepared by Finance Norway. With effect from 2014 a new mortality basis, K2013, has been introduced for group pension insurance in life insurance companies and pension funds. Storebrand has used the mortality table K2013BE (best estimate) in the actuarial calculations at 31 December 2020.

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Note 6: Remuneration of the CEO and elected officers of the company

NOK thousand	2020	2019
Chief Executive Officer [1]		
Salery	7,373	6,899
Other taxable benefits	209	191
Total remuneration	**7,582**	**7,090**
Pension costs [3]	1,451	1,353
Chairman of the Board	871	855
Board of Directors including the Chairman	5,077	4,730
Remuneration paid to auditors		
Statutory audit	1,083	1,055
Other reporting duties	818	688
Tax advice	226	74
Other non-audit services	50	25

1) Odd Arild Grefstad is the CEO of Storebrand ASA and the amount stated in the note is the total remuneration from the Group. He has a guaranteed salary for 24 months after the ordinary period of notice. All work-related income including consulting assignments will be deducted.

2) A proportion of the executive management's fixed salary will be linked to the purchase of physical Storebrand shares with a lock-in period of three years. The purchase of shares will take place once a year.

3) Pension costs include accrual for the year. See also the description of the pension scheme in Note 5.

For further information on senior employees, the Board of Directors and the Board's statement on fixing the salary and other remuneration of senior employees, see note 22 in the Storebrand Group.

Note 7: Tax

The difference between the financial results and the tax basis for the year is provided below.

NOK million	2020	2019
Pre-tax profit	2,975	3,125
Dividend	-30	-219
Tax-free group contribution	-2,253	-2,202
Permanent differences	-30	-21
Change in temporary differences	13	-22
Tax base for the year	**675**	**662**

TAX COST

NOK million	2020	2019
Payable tax group contribution	-169	-168
Change in deferred tax	-2	-5
Tax cost	**-171**	**-173**

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CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

NOK million	2020	2019
Tax increasing temporary differences		
Other		1
Total tax increasing temporary differences		**1**
Tax reducing temporary differences		
Securities	-18	-9
Operating assets		-1
Accrued pension liabilities	-157	-154
Gains/losses account	-2	-2
Total tax reducing temporary differences	**-177**	**-165**
Net tax increasing/(reducing) temporary differences	**-177**	**-165**
Net deferred tax asset/liability in the statement of financial position	**44**	**41**

RECONCILIATION OF TAX COST AND ORDINARY PROFIT

NOK million	2020	2019
Pre-tax profit	2,975	3,125
Expected tax at nominal rate	-744	-781
Tax effect of:		
'dividends received	8	55
'permanent differences	567	551
changes from previous year	-2	3
Tax cost	**-171**	**-173**
Effective tax rate	6 %	6 %

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Note 8: Parent company's shares in subsidiaries and associated companies

NOK million	Forretnings-kontor	Eierandel/ stemmeandel	Bokført verdi 2020	2019
Subsidiaries				
Storebrand Livsforsikring AS [1)]	Oslo	100%	14,813	14,303
Storebrand Bank ASA	Oslo	100%	2,493	2,493
Storebrand Asset Management AS [2)]	Oslo	100%	2,637	2,746
Storebrand Forsikring AS [3)]	Oslo	100%	843	394
Storebrand Facilities AS	Oslo	100%	25	25
Jointly controlled/associated companies				
Storebrand Helseforsikring AS	Oslo	50%	78	78
AS Værdalsbruket [4)]	Værdal	25%	4	4
Total			**20,893**	**20,042**

1) Group contribution in 2020 of NOK 511 million as capital contribution.
3) Dividend of NOK 120 million was posted as a repayment of capital.
2) Group contribution in 2020 of NOK 229 million as capital contribution.
4) 74.9 per cent owned by Storebrand Livsforsikring AS.

Note 9: Equities

NOK million	Fair value 2020	2019
Equities	57	44
Total equities	**57**	**44**

Note 10: Bonds and other fixed-income securities

NOK million	Fair value 2020	2019
Bond funds	4,894	3,260
Total bonds and other fixed-income securities	**4,894**	**3,260**
Modified duration	0.3	0.5
Average effective yield	0.67%	2.10%

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Note 11: Financial derivatives

NOK million	Gross nominal volume [1]	Gross booked value fin. assets	Gross booked fin. liabilities	Net amount
Total derivatives 2020				
Total derivatives 2019	600	11	7	3

Note 12: Financial risks

CREDIT RISK BY COUNTERPARTY

Bonds and other fixed-income securities at fair value

Category of issuer or guarantor

NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	Not rated Fair value	Total Fair value
State and state guaranteed	37	224				261
Company bonds	1,179	496	1,984	693		4,353
Supranational organisations	278					278
Other						1
Total 2020	**1,494**	**721**	**1,984**	**693**		**4,894**
Total 2019	121	173	383	29	2,554	3,260

COUNTERPARTIES

NOK million	A Fair value	Total
Bank deposits	61	61

The rating classes are based on Standard & Poors's

Interest rate risk

Storebrand ASA has both interest-bearing securities and interest-bearing debt. A change in interest rates will have a limited effect on the company's equity.

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Liquidity risk

UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES

NOK million	0-6 months	7-12 months	2-3 years	4-5 years	Total value	Carrying amount
Securities issued/bank loans	7	7	516	510	1,042	1,001
Total financial liabilities 2020	**7**	**7**	**516**	**510**	**1,042**	**1,001**
Total financial liabilities 2019	517	323	526		1 366	1 309
Derivatives related to funding 2019	5	-10			-6	-3

Storebrand ASA had as per 31 December 2020 liquid assets of NOK 4,9 billion.

Currency risk
Storebrand ASA has investments of SEK 51 million.

Note 13: Tangible fixed assets

EQUIPMENT, FIXTURES & FITTINGS

NOK million	2020	2019
Acquisition cost 01.01	34	34
Accumulated depreciation	-7	-7
Carrying amount 01.01	**27**	**26**
Additions		1
Disposals	-1	
Carrying amount 31.12	**27**	**27**

Property, plant and equipment mainly includes art that is not depreciated.

Note 14: Securities issued

NOK million	Interest rate	Currency	Net nominal value	2020	2019
Bond loan 2014/2020 [1]	Fixed	NOK	300		305
Bond loan 2020/2025	Variable	NOK	500	500	
Bond loan 2017/2020	Variable	NOK	500		502
Bond loan 2017/2022	Variable	NOK	500	501	501
Total bond and bank loans [2]				**1,001**	**1,309**

1) Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.
2) Loans are booked at amortised cost and include earned not due interest.

Signed loan agreements and drawing facility have covenant requirements.
Storebrand ASA has an unused drawing facility of EUR 200 million, expiration december 2024.

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Note 15: Shareholders

THE 20 LARGEST SHAREHOLDERS

	Ownership interest in %
Folketrygdfondet	11.0
Allianz Global Investors	7.2
T Rowe Price Global Investments	6.1
EQT Fund Management	4.0
KLP	3.0
Vanguard Group	2.9
Handelsbanken Asset Management	2.8
M&G Investment Management	2.3
DNB Asset Management	2.2
Storebrand Asset Management	2.2
BlackRock	2.1
Varma	2.0
Danske Bank Asset Management	2.0
Highclere International Investors	1.6
Solbakken AS	1.4
Nordea Asset Management	1.4
HSBC Trinkaus & Burkhardt	1.4
Deka Investment	1.3
Dimensional Fund Advisors	1.1
BMO Global Asset Management (UK)	1.0
Foreign ownership of total shares	57%

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Note 16: Information about close associates

	Number of shares [1]
Senior employees	
Odd Arild Grefstad	194,520
Lars Aa. Løddesøl	120,564
Geir Holmgren	85,072
Heidi Skaaret	94,788
Staffan Hansén	83,561
Jan Erik Saugestad	100,554
Karin Greve-Isdahl	20,962
Trygve Håkedal	16,135
Tove Selnes	21,955
Terje Løken	16,502
Board of Directors	
Didrik Munch	40,000
Laila Synnøve Dahlen	15,500
Martin Skancke	27,500
Karin Bing Orgland	27,000
Karl Sandlund	3,000
Marianne Bergmann Røren	0
Fredrik Åtting	18,500,000
Bodil Catherine Valvik	870
Hans-Petter Salvesen	0
Magnus Gard	1,633

1) The Summary shows the number of shares owned by the individual, as well as his or her immediate family and companies where the individual exercises significant influence, confer the Accounting Act, Section 7-26.

TRANSACTIONS BETWEEN GROUP COMPANIES

NOK million	2020	2019
Profit and loss account items:		
Group contributions and dividends from subsidiaries	3,028	3,230
Purchase and sale of services (net)	-47	-47
Statement of financial position items:		
Due from group companies	3,139	3,166
Payable to group companies	910	900

Note 17: Number of employees/person-years

	2020	2019
Number of employees	7	6
Number of full time equivalent positions	7	6
Average number of employees	7	7

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

On this date, the Board of Directors and the Chief Executive Officer have considered and approved the annual report and annual financial statements for Storebrand ASA and the Storebrand Group for the 2020 financial year and as at 31 December 2020 (2020 Annual Report).

The consolidated financial statements have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) and the associated interpretations, as well as the other disclosure obligations stipulated in the Norwegian Accounting Act that must be applied as at 31 December 2020. The annual financial statements for the parent company have been prepared in accordance with the Norwegian Accounting Act, Norwegian Regulations relating to annual accounts, etc. for insurance companies and the additional requirements in the Norwegian Securities Trading Act. The annual report for the Group and parent company complies with the requirements of the Norwegian Accounting Act and Norwegian Accounting Standard no. 16 as at 31 December 2020.

In the best judgment of the Board and the CEO, the annual financial statements for 2020 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the parent company's and Group's assets, liabilities, financial standing and results as a whole as at 31 December 2020. In the best judgment of the Board and the CEO, the annual report provides a fair and true overview of important events during the accounting period and their effects on the annual financial statements for Storebrand ASA and the Storebrand Group. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the group faces in the next accounting period, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, 9 February 2021
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Chairman of the Board

Karin Bing Orgland (sign.) Laila S. Dahlen (sign.) Marianne Bergmann Røren (sign.)

Martin Skancke (sign.) Karl Sandlund (sign.) Fredrik Åtting (sign.)

Magnus Gard (sign.) Hans-Petter Salvesen (sign.) Bodil Catherine Valvik (sign.)

Odd Arild Grefstad (sign.)
Chief Executive Officer

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To the General Meeting of Storebrand ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Storebrand ASA, which comprise:

- The financial statements of the parent company Storebrand ASA (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of total comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Storebrand ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

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accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The group's activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other material events that qualified as new key audit matters for our audit of the 2020 financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of life insurance liabilities	
We focused on the valuation of the insurance liabilities because it is significant estimates in the financial statements. The estimates involves complex assessment concerning the probability that insured events occurs, and uncertainty related to whether the provisions are sufficient to cover the total liabilities to the policyholders. Small adjustments of the assumptions may have significant impact on the estimates. The calculation of the insurance liabilities will to a large extent depend on good quality of data in the insurance system and use of assumptions that are in accordance with regulatory requirements and appropriate industry standards. Refer to note 1, 2, 7 and 38 in the financial statements where management further describes the insurance liabilities, assumptions and uncertainty of the estimates.	In our audit we have considered and tested the design and effectiveness of established controls for review of used assumptions and calculation methods, including the company's internal recalculations of the insurance liabilities. We also examined whether management had established effective controls that ensured good data quality for the calculation of the insurance liabilities. This included controls related to data collection, data processing, reconciliation of the insurance systems and IT General Controls relevant for financial reporting. Those controls we elected to base our audit on, was working efficiently. We also performed independent calculations for a selection of insurance obligations using our internal actuarial models and compared these with the company's calculations. We used our internal actuaries for this work. The comparison did not indicate any deviations of significance. We considered and challenged management's use of key assumptions that the estimated insurance liabilities are based on. We did the same for the method and the models the management used. We used our own internal actuaries for parts of this work. Our findings are that assumptions, methods and models were in accordance with industry standards, regulatory requirements, and that they were used consistently. We also considered and found that the information regarding the insurance liabilities in notes to the financial statements is sufficient and adequate.

(2)

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Valuation of investment properties

The Group has investment properties that mainly consists of office and retail properties. We have focused on investment property because it represents an estimate and a substantial part of the assets in the Group's statement of financial position.

These properties are measured at fair value and classified in level 3 according to IFRS 13. Valuation of the properties involves use of assumptions which are subject to management judgement. Important assumptions for the value of individual properties are primarily expected future cash flows and discount rate.

The basis for management's estimate is an internal valuation model and external valuations. Management obtain observations of market data from various market participants. Management considers reasonableness of their own estimates through obtaining valuations from external valuers for a sample of properties on a continuing basis. The valuers were engaged by management.

Refer to note 1, 2, 12 and 33 in the financial statements for management's further description of investment properties, the methods used and the assumptions the valuations are based on.

Through our audit we have assessed and tested design and effectiveness of established controls for review of applied assumptions and calculation methods, including the company's internal valuation of investment properties. We particularly examined whether management had established controls to ensure assessment of market rent and discount rate. We found that routines to ensure that these elements regularly were checked against both external valuations and marked data was established. Those controls that we elected to base our audit on, was in our view working efficiently.

We obtained, read through and understood the internal valuation model. We concluded that the model contains the elements required by the financial reporting framework and therefore is appropriate as a basis for determining fair value on the Group's investment properties. We tested whether, and concluded that the model made mathematically correct calculations.

In our assessment of the valuation, we challenged the assumptions for expected future cash flows and discount rate by comparing a sample of properties against information from relevant external sources. Substantial changes in value from previous periods was subject to discussions with management. We concluded that assumptions were consistent with information from relevant sources and that explanations regarding substantial changes in value were based on changes in the information from relevant sources.

We also assessed the qualifications, competence and objectivity of the external valuers. We reviewed the engagement letters with the valuers to assess whether there were any clauses or fee provisions that may have affected their objectivity or in any other way limited their engagement. We did not find any indications of such circumstances.

We compared the internal valuations against the valuers estimates on values for a sample of properties. We challenged management on substantial deviations and obtained explanations on deviations. We assessed management's explanations as reasonable.

We also assessed and came to the conclusion that the information about investment properties in the notes to the financial statements were in accordance with the accounting principles and provides an adequate

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	description of the method and the underlying assumptions that is used for the valuation.
Valuation of financial assets measured at fair value We have focused on this area both because financial assets represent a substantial part of the assets in the statement of financial position, and because the fair value in certain instances will have to be estimated using valuation models that apply judgement. Most of the financial assets that are measured at fair value is based on quoted prices in active markets (level 1 investments), or derived from observable market information (level 2 investments). Routines and processes that ensures an accurate basis for the valuation is important for these assets. For financial assets that is measured based on models and certain assumptions that is not observable (level 3 investments), we focused on assessing both the models and the assumptions underlying the valuation. Refer to note 1, 2 and 12 in the financial statements for a further description of management's valuation of financial assets measured at fair value.	In our audit we considered design and tested effectiveness of Storebrand's established controls over valuation of financial assets measured at fair value. Particularly we focused on those controls that ensured complete and accurate use of quoted market prices and other observable masterdata, return on investments controls and IT General Controls relevant for financial reporting. In our opinion, the controls that we have chosen to base our audit on are working effectively. For financial assets measured through use of models and assumptions that are not observable, we assessed valuation principles, the models and assumptions that were used. We found that the models and assumptions were reasonable and used consistently. For a sample of investments, we also tested that fair value was in accordance with external valuations. We considered the reliability of the sources of information, when relevant. Our tests did not reveal substantial deviations. We also assessed and found that the information in the notes regarding the Group's valuation principles and fair value determination were sufficient and adequate.
New tax rules and uncertain tax positions Tax rules for life insurance companies and financial groups are complex and has changed significantly during the last couple of years. As described in note 26 uncertain tax positions have occurred as part of the group's activities related to liquidation of a subsidiary in 2015 and new tax rules for life insurance companies in 2018. Management applied significant judgment in their assessment of whether the uncertain tax positions should be recognized in the financial statements and have therefore been a focus area.	We have reviewed and challenged management assessment of the uncertain tax positions. Management obtained external legal opinions as a basis for their conclusions. We evaluated the competence, integrity and objectivity of the external legal advisors. We evaluated the external legal opinions, and whether the arguments used by the legal advisors are reasonable and that the considerations were neutral. We also assessed the information regarding the uncertain tax positions in the financial statements. We found that the information meets the requirements in the accounting standards.

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Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 9 February 2021
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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Corporate governance

Good corporate governance is important to ensure that an enterprise can achieve its defined goals, including best possible utilisation of resources and good value creation. The Storebrand Group (hereinafter referred to as Storebrand) works continuously on improving both the overall decision-making processes and the day-to-day management of the company.

Storebrand's corporate governance principles have been laid down in accordance with the Norwegian Corporate Governance Board's (NUES) Code of Practice. The Board of Directors of Storebrand ASA (hereafter referred to as the board) and management an annual review of Storebrand's corporate governance policies and compliance therewith. Storebrand reports in accordance with section 3-3b of the Norwegian Accounting Act and the NUES Code of Practice.

Storebrand publishes an integrated annual report presenting financial, social, environmental and governance issues that are material for Storebrand and our stakeholders. The materiality analysis is can be found on page 16-17 above.

Statement in line with the Norwegian Code of Practice for Corporate Governance (NUES) of 17 October 2018

1. Implementation and reporting on corporate governance (no deviations from the code of practice).

The Board has decided that the Norwegian Code of Practice for Corporate Governance shall be followed. Compliance with the Code of Practice is discussed in the Directors' Report. Storebrand complies with the Code of Practice without any significant exceptions. One minor deviation has been accounted for below under section 3.

2. Business (no deviations from the code of practice).

Storebrand ASA is the parent company in a financial group, and its statutory object is to manage its equity interests in Storebrand's subsidiaries in compliance with the current legislation. Storebrand's main business areas encompass pensions and savings, insurance and banking. The Articles of Association are available in their entirety on the Storebrand's website www.storebrand.no.

The market is kept updated on Storebrand's goals, strategies and creation of value through quarterly performance presentations and other thematic presentations. Read more about the Company's goals and main strategies in the Directors' Report under the heading Strategy.

Storebrand aims to be a world-class savings group that delivers better pensions – simple and sustainable. Storebrand's strategy and corporate values are described in the framework "Our driving force" which represents a common direction for how Storebrand will deliver attractive results to customers and owners.

Storebrand's strategy is to deliver profitable growth within established focus areas through simple and sustainable solutions. The Board conducts ongoing evaluations of the goals, strategy and risk profile. More information about "Our driving force" and focus areas can be found in the section this is Storebrand in the annual report.

Since 1995 Storebrand has been focussed on sustainable investments, taking an active position on how both the customers and their own funds are invested. Storebrand believes that companies that integrate environmental, social and governance considerations in their business activities reduce risk and create new opportunities for the business activities and capital owners. Our work with sustainable investing is described in detail in the chapter a driving force for sustainable investments in the directors report above. This includes our principles for sustainable investments, which are approved by the group board and integrated throughout the group's operations.

Storebrand's sustainability principles summarise how the work is an integral part of the Group's overall objectives and governance and control processes. The principles were updated in 2018 and include all parts of the business, including investments, product development, procurement, employee follow-up and house operations.

These principles are:
- We base our business activities on the UN Sustainable Development Goals.
- We help our customers to live more sustainably. We do this by managing our customers' money in a sustainable manner, in addition to providing sustainable financing and insurance.
- We are a responsible employer.
- Our processes and decisions are based on sustainability outcomes – from the board and management, who have the ultimate responsibility, to each employee who promotes sustainability in their respective business area.
- We use the precautionary principle when it comes to mitigating social and environmental risk.
- We are transparent about our work and our sustainability results.

The Board of Directors adopts Storebrand' s overall goals for the work on sustainability, which is in line with these principles. The group management is responsible for realizing the strategic goals. An overall strategic goal in 2020 has been to strengthen

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sustainability as a competitive advantage. This goal has underlying targets related to our own operations, our products and our external communications. The targets are reviewed by the group management three times a year and twice a year by the board.

Through our materiality analysis, we have defined the group's focus areas. These are financial capital and investment universe, customer relations, our employees and keeping our house in order. In our integrated report, page 24, 31, 41, 65 and 73, detailed targets and results are presented for all these areas.

Storebrand believes that diversity reinforces the company's relative capacity for value creation. Increased diversity is an important aspect of Storebrand recruitment policy. Storebrand works to maintain and further develop an organization with equality and diversity. For more information see the chapter people in the annual report

Storebrand has its own ethical rules. In addition, guidelines have been established for events, whistleblowing and combating corruption, among others. See our sustainability library for a full list of sustainability guidelines.
https://www.storebrand.no/en/sustainability/sustainability-library

3. Equity and and dividends (deviations from the code of practice).
The Board of Storebrand ASA continuously monitors Storebrand's capital adequacy in light of its goals, strategy and risk profile. Read more under the heading "Capital situation, rating and risk" in the Directors' Report.

The Board of Directors has adopted and made known a dividend policy whereby Storebrand aims to pay a dividend of over 50 per cent of the group profit after tax. The ambition of the Board is to pay an ordinary dividend per share of at least the same nominal level as in the previous year. Normally, dividends are paid when there is a sustainable solvency margin of more than 150 per cent. With a solvency margin above 180 per cent, the Board's intention is to propose extraordinary dividends or the buyback of shares.

The dividend is adopted by the General Meeting, based on a proposal put forward by the Board of Directors.
The General Meeting may, by simple majority, authorise the Board of Directors to distribute a dividend pursuant to Section 8-1, second paragraph of the Norwegian Public Limited Companies Act. This shall be based on the annual financial statements adopted by the General Meeting. This authorisation may not be granted for a period longer than until the next Annual General Meeting. In addition, the authorisation shall be based on the adopted dividend policy. The General Meeting was not requested to provide such authorisation in 2020. Read more about Storebrands dividend policy on page 51.

Storebrand ASA would like to have various tools available for its efforts to maintain an optimal capital structure for Storebrand to contribute to good shareholder returns and financial resilience. At the 2020 Annual General Meeting, the Board was granted authorization to increase the share capital through issuing new shares for a total maximum value of NOK 233,906,991. This authorization may be used for the acquisition of businesses in consideration for new shares or for increasing the share capital by other means. The Board of Directors may decide to waive the shareholders' preferential rights to subscribe for new shares in accordance with the authorization. This authorization may be used for one or more new issues. This authorization is valid until the next Annual General Meeting.

At the same General Meeting, the Board of Directors was authorised to buy back shares for a maximum value of NOK 233,906,991. The total holdings of treasury shares must, however, never exceed 10 per cent of the share capital. The buyback of treasury shares may be a tool for the distribution of surplus capital to shareholders in addition to dividends. In addition, each year Storebrand ASA sells shares to employees from its own holdings in connection with the share purchase scheme and long-term incentive schemes for employees of Storebrand. Accordingly, it is appropriate to authorise the Board of Directors to buy shares in the market to cover the aforementioned needs or any other needs. This authorisation is valid until the next Annual General Meeting. Otherwise, there are no provisions in Storebrand ASA's Articles of Association that regulate the buyback or issuance of shares

Apart from this, there are no provisions in Storebrand ASA's Articles of Association that regulate the buyback or issuance of shares.

Deviation from the Code of Practice: The Board's authorizations to increase the share capital and buy back shares are limited to defined purposes. However, no provision was made for the General Meeting to vote on each individual purpose to be covered by the authorizations.

4. Equal treatment of shareholders and transactions with close associatess (No deviation from the code of practice)
Storebrand ASA has only one class of shares. There are no special ownership and voting restrictions beyond the restrictions imposed by the Act on Financial Undertakings and Financial Groups Through their work, the board and management of Storebrand place great emphasis on equal treatment of the shareholders.

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The general competence rules for board members and executive personnel may be found in the rules of procedure for the Board of Storebrand ASA, rules of procedure for the boards of subsidiaries, instructions for the CEO, guidelines for conflicts of interest and Storebrand's code of ethics. Board members must inform the company if they have direct or indirect material interests in an agreement concluded by one of the companies in the Storebrand Group. The Board shall ensure that an independent third party assesses the value of transactions that are not insubstantial in nature. Furthermore, the rules of procedure for the Board stipulate that no board member may participate in discussions or a decision concerning matters that are of such material importance to them or a close associate that the member must be regarded as having a conspicuous personal or special financial interest in the matter. Each board member has a responsibility to continuously assess whether or not such a situation exists. Transactions with close associates involving Storebrand's employees and other officers of the Group are regulated by Storebrand's code of ethics. Employees shall on their own initiative immediately report conflicts of interest that may arise to their immediate superior as soon as they become aware of such a situation. In general, an employee is defined as disqualified if circumstances exist that could result in others questioning the person's impartiality in relation to matters other than Storebrand's interests. In the event of capital increases in accordance with the authorisation set out in Item 3 above, the Board may decide that the shareholders' preferential rights shall be waived.

For a complete account of shareholder matters, see section 6.

5. Freely negotiable shares (No deviation from the code of practice)

Shares in Storebrand ASA are listed on Oslo Børs (Oslo Stock Exchange). The shares are freely negotiable, and the Articles of Association do thus not contain any restrictions with regard to the negotiability of the shares. All the shares carry equal rights, cf. point 4 above.

6. General Meeting (No deviation from the code of practice)

Pursuant to the Articles of Association, Storebrand ASA's General Meeting shall be held by the end of June each year. The General Meeting was held on 10th April 2020. All shareholders with a known address will receive notice of the General Meeting, which will be sent out no later than 21 days prior to the General Meeting. Pursuant to the Articles of Association, the deadline for giving notice of attendance shall be set at no later than five calendar days prior to the General Meeting. In accordance with Storebrand's Articles of Association, the opportunity to make other agenda papers available on the Storebrand website is exercised, cf. Section 5-11a of the Norwegian Public Limited Companies Act. A shareholder may nevertheless demand to receive agenda papers by post

All shareholders may participate at the General Meeting. Storebrand' s Articles of Association allow shareholders to vote in advance by means of electronic communication, cf. section 5-8b of the Norwegian Public Limited Companies Act.

It is also possible to vote by proxy. Provisions have been made so that the proxy form is linked to each individual item to be considered. We will seek whenever possible to design the form so that it also allows voting for candidates who are to be elected. Further information about voting in advance, use of proxies and the shareholders' rights to have matters discussed at the General Meeting is available both in the notice of the General Meeting and on Storebrand' s website.

The access to electronic voting and the use of proxy allows shareholders to cast their votes without even attending the general meeting. All shareholders are thus given an opportunity to exert influence on Storebrand through the use of the right to vote.

The Chairman of the Board, at least one representative from the Nomination Committee and the external auditor must attend the General Meeting. The board members of Storebrand ASA are not obligated to attend but are encouraged to attend. The Group Chief Executive Officer, executive management team and the Group Legal Director participate from the management. The minutes of the General Meeting are available on Storebrand's website in both Norwegian and English. The General Meeting is opened by the Chairman. The Board of Directors endorses an independent meeting chairman elected by the General Meeting.

The General Meeting shall:

- consider the annual accounts, consisting of the income statement, the balance sheet and the annual report,
- including the consolidated income statement and balance sheet, and the auditor's report,
- decide upon adoption of the income statement and balance sheet,
- decide upon adoption of the consolidated income statement and balance sheet,
- decide upon the allocation of profit or manner of covering losses in accordance with the adopted balance sheet, and upon the distribution of dividends,
- elect the auditor,
- appoint members to the Nomination Committee, and this should include the Chairman of the Nomination Commit- tee, elect members to the Board of Directors, and this should include the Chairman of the Board Directors,
- consider the Board's statement on the fixing of salaries and other remuneration to executive personnel, • adopt the remuneration of the members of the Board of Directors and board committees,
- adopt the remuneration of the members of the Nomination Committee,
- adopt the remuneration of the auditor,
- and transact any other business listed on the agenda.

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Decisions are generally made on the basis of an ordinary majority. Pursuant to Norwegian law, however, a special majority is required for certain decisions, including decisions about setting aside pre-emptive rights in connection with any share issues, mergers, spin-offs, amendments to the Articles of Association, or authorizations to increase or reduce the share capital. Such decisions require approval by at least two-thirds of both the votes cast and the share capital represented at the General Meeting.

7. Nomination Committee (No deviation from the code of practice)

Storebrand ASA's Articles of Association regulate the Nomination Committee, which consists of four or five members and an observer elected by the employees. For 2020-2021 election period, the Nomination Committee has four members.

The Chairman of the Nomination Committee and the other members are elected annually by the General Meeting. The employees' representative will participate as a permanent member of the Committee in discussions and nominations concerning the election of the Chairman of the Board of Directors, as well as in other contexts where this would be natural, in accordance with an invitation from the Chairman of the Committee. The majority of the Nomination Committee is independent of the Board of Directors and the management. The Nomination Committee is composed with a view to safeguarding the interests of the community of shareholders. In the General Meeting's rules of procedure for the Nomination Committee, there are provisions concerning the rotation of members of the Nomination Committee.

The Articles of Association stipulate that the Nomination Committee should work in accordance with the rules of procedure adopted by the General Meeting. The Nomination Committee's rules of procedure were adopted at the 2020 Annual General Meeting. In accordance with the rules of procedure, the Nomination Committee shall, for example, give attention to the following when preparing nominations for representatives for the companies' governing and controlling bodies: expertise, experience, capacity, gender distribution, independence and the interests of the community of shareholders. More information about the members has been published on Storebrand's website. The Nomination Committee annually writes to the Company's 30 largest shareholders with an invitation to suggest candidates for the Board of Directors and Nomination Committee. A corresponding request to the shareholders is published on the company's website.

The nomination committee's mandate in accordance with the company statutes is to propose candidates and remuneration for the Board of Directors and Nomination Committee, through recommendations to the General Meeting

The remuneration of the members of the nomination committee has is in line with the nature of the work and the time spent in the committee work. The Nomination Committee held [14] meetings in 2020.

8. The composition and independence of the Board of directors (No deviation from the code of practice)

The Articles of Association stipulate that between five and seven Board members shall be elected by the General Meeting based on nominations from the Nomination Committee. The Board Chairman shall be elected by the General Meeting. Two members, or three members if the General Meeting elects six or seven board members, shall be elected by and from among the employees. The board members are elected for one year at a time. The day-to-day management is not represented on the Board of Directors. At the end of 2020, the board consisted of 10 members (six men and four women).

None of the members elected by the General Meeting have any employment, professional or consultancy relationship with Storebrand beyond their appointment to the Board of Directors. The backgrounds of the individual board members are described in the annual report and on Storebrand's website. The composition of the Board of Directors satisfies the independence requirements set forth in the Code of Practice. There are few instances of disqualification during the consideration of matters by the Board (none in 2020). An assessment of the individual board members' independence is noted in the list of governing and controlling bodies under the heading "Members of Storebrand ASA's Board of Directors and Committees". An overview of the number of shares in Storebrand ASA owned by members of governing bodies as at 31 December 2020 is included in the notes to the financial statements for Storebrand ASA (Information on related parties). None of the board members have held office for more than ten years.

9. Work of the Board of Directors (No deviation from the code of practice)

Duties of the board of directors

In 2020, 15 board meetings were held, one of which was held at the subsidiary SPP in Stockholm. Storebrand' s future strategy is discussed at the Board's annual strategy meeting, which establishes guidelines for the management's preparation of plans and budgets in connection with the annual financial plan, which must be approved by the Board.

The Board shall stay informed about Storebrand' s financial position and development, and it shall ensure that the Company's value creation and profitability are safeguarded in the best possible manner on behalf of the owners. The Board shall also ensure that the activities are subjected to adequate control and ensure that Storebrand has adequate capital based on the scope of, and risks associated with, its activities.

The Board has established guidelines that give board members and senior employees a duty to familiarise Storebrand with the essential interests they may have in matters that the Board is to consider. This also applies to interests that do not imply disqualification, but which may be necessary to take into account when matters are considered. Reference is made to Item 4 above.

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The work of the Board is regulated by special rules of procedure for the Board, which are reviewed annually. In order to ensure sound and well-considered decisions, importance is attached to ensuring that meetings of the Board are well prepared so that all the members can participate in the decision-making process. The Board prepares an annual schedule for its meetings and the topics it will consider. The agenda for the next board meeting is normally presented to the Board based on the approved schedule for the year and a list of matters carried forward from previous meetings. The final agenda is fixed in consultation with the Chairman of the Board. Time is set aside at each board meeting to evaluate the meeting without the management present. The Board is entitled to appoint external advisers to help it with its work whenever it deems this necessary. The Board has also drawn up instructions for the CEO.

The Board conducts an annual evaluation of its work and methods, which provides a basis for changes and measures. The report from the Board's evaluation, or relevant excerpts, will be made available to the Nomination Committee, which will use the evaluation in its work.

Board committee

The Board has established three subcommittees in the form of the Compensation Committee, Audit Committee and Risk Committee. The composition helps ensure a thorough and independent consideration of matters that concern internal control, financial reporting, risk assessment and remuneration of executive personnel. The committees are preparatory and advisory working committees and assist the Board with the preparation of items for consideration. Decisions are made, however, by the full Board. The committees are able to hold meetings and consider matters at their own initiative and without the participation of company management.

The Compensation Committee assists the Board with all matters concerning the Chief Executive Officer's remuneration. The Committee monitors the remuneration of Storebrand's executive personnel and proposes guidelines for fixing executive personnel remuneration and the Board's statement on the fixing of executive personnel remuneration, which is presented to the General Meeting annually. In addition, the Committee safeguards the areas required by the Compensation Regulations in Norway and Sweden. The Compensation Committee held three meetings in 2020.

The Audit Committee assists the Board by reviewing, evaluating and, where necessary, proposing appropriate measures with respect to the Group's overall controls, financial and operational reporting, risk management/control, and internal and external auditing. The Audit Committee held nine meetings in 2020, including a joint meeting with the Risk Committee. The external and internal auditors participate in the meetings. The majority of the Committee members are independent of the company.
The main task of the Risk Committee is to prepare matters to be considered by the Group's Board of Directors in the area of risk, with a special focus on Storebrand's risk appetite and risk strategy, including the investment strategy. The Committee should contribute forward-looking decision-making support related to the Board's discussion of risk taking, financial forecasts and the treatment of risk reporting. The Risk Committee held seven meetings in 2020, including a joint meeting with the Audit Committee

The main task of the strategy committee is to prepare the board management in the strategy area, with particular attention to the Group's work on strategy, including mergers and acquisitions. The Committee shall provide forward-looking decision support related to the board's discussion of the company's strategic choices and targets. The strategy committee was established in August 2020 and held one meeting during the year.

10. Risk management and internal control (No deviation from the recommendation)

Overall management and control

The Board of Directors has drawn up general policies and guidelines for management and control. These policies deal with the Board's responsibility for determining Storebrand's appetite for risk and risk profile, approval of the organisation of the business, assignment of areas of responsibility and authority, requirements concerning reporting lines and information, and risk management and internal control requirements. The Board's and Chief Executive Officer's areas of responsibility are defined in the rules of procedure for the Board and the instructions for the Chief Executive Officer, respectively. The Board of Directors has drawn up instructions for Storebrand's subsidiaries that are to ensure that they implement and comply with Storebrand's management and control policies and guidelines.

The Investor Relations guidelines ensure reliable, timely and identical information to investors, lenders and other stakeholders in the securities market.

As an extension of the general policies and guidelines, a code of ethics has been drawn up that applies to all employees and representatives of Storebrand, in addition to corporate rules for areas such as risk management, internal control, financial reporting, handling inside information and share trading by primary insiders. Guidelines and information about information security, contingency plans, measures against money laundering and other financial criminality have also been drawn up. Storebrand is subject to statutory supervision in the countries

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where it has operations that require a licence, including the Financial Supervisory Authority of Norway, as well as its own supervisory bodies and external auditor.

Risk management and internal control

The assessment and management of risk are integrated into Storebrand's corporate governance. This management system shall ensure that there is a correlation between goals and actions at all levels of Storebrand and the overall policy of creating value for Storebrand's shareholders.

Storebrand's financial and operational goals are defined annually in a board-approved business plan. The business plan builds on separate decisions on risk strategy and investment strategies, and includes three-year financial forecasts, budgets and action plans. The Board of Directors receives ongoing reports on the status of the strategy implementation.

Storebrand Compass is the company's monitoring tool. It provides comprehensive reports for management and the Board concerning financial and operational targets. In addition, the Board of Directors receives risk reports from the risk management function, which monitors the development of key figures for risk and solidity.

Risk assessment forms part of the managerial responsibilities in the organisation. Its purpose is to identify, assess and manage risks that can hinder a unit's ability to achieve its goals. The process covers both the risk of incurring losses and failing profitability linked to economic downturns, changes in the general conditions, changed customer behaviour, etc., and the risk of incurring losses due to inadequate or failing internal processes, systems, human error or external events. Developments in the financial markets are important risk factors in relation to Storebrand's earnings and solvency position. In addition to assessing the effects of sudden shifts in the equity markets or interest rate levels (stress tests), scenario analysis is used to estimate the effect of various sequences of events in the financial markets on Storebrand's financial performance and solvency. This provides important premises for the Board's general discussion of risk appetite, risk allocation and capital adequacy.

The responsibility for Storebrand's control functions for risk management and internal control lies with the Chief Risk Officer function under the management of the Group Chief Risk Officer. The Group Chief Risk Officer reports directly to the Chief Executive Office. The Chief Risk Officer function is responsible for supporting the Board and group management team with respect to the establishment of a risk strategy and operationalisation of the setting of limits and monitoring of risk raking across Storebrand's business areas.

Storebrand has a common internal audit function, which conducts an independent review of the robustness of the management model. The internal audit function's instructions and annual plan are determined by the Board pursuant to the current legislation, regulations and international standards. The internal audit function produces quarterly reports for the boards of the respective Storebrand companies.

The appraisal of all Storebrand employees is integrated into corporate governance and is designed to ensure that the adopted strategies are implemented. The policies for earning and paying any variable remuneration to Storebrand's risk managers comply with the regulations relating to remuneration in financial institutions, cf. Section 12 below. The Chief Risk Officer and employees with control functions related to risk management, internal control and compliance only have fixed salaries.

Financial information and Storebrand's accounting process

Storebrand publishes four interim financial statements, in addition to the ordinary annual financial statements. The financial statements must satisfy legal and regulatory requirements and be prepared in accordance with the adopted accounting policies and be published according to the schedule adopted by the Board of Storebrand ASA.

Storebrand's consolidated financial statements are prepared by the Consolidated Accounts Unit, which reports to the Group Chief Financial Officer. Key managers in the Consolidated Accounts Unit have fixed annual compensation that is not influenced by Storebrand' s accounting results. The division of work involved in the preparation of the financial statements is organised in such a way that the Consolidated Accounts Unit does not carry out valuations of investment assets. Instead it exercises a control function in relation to the accounting processes of the group companies.

A series of risk assessment and control measures have been established in connection with the preparation of the financial statements. Assessments relating to significant accounting items and any changes in principles etc. are described in a separate document (assessment item memo). The Board's Audit Committee conducts a preparatory review of interim financial statements and annual financial statements, focusing in particular on the discretionary valuations and estimates that have been made prior to consideration by the Board.

Monthly and quarterly operating reports are prepared in which the results by business area and product area are analysed and assessed against set budgets. The operating reports are reconciled against other financial reporting.

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11. Remuneration to the Board of Directors (No deviation from the code of practice)

The General Meeting determines fixes the Board's remuneration annually on the basis of the recommendations of the Nomination Committee. The fees paid to the members of the Board are not linked to earnings, option schemes or similar arrangements. Members of the Board and Board Committees do not receive incentive-based remuneration; instead they receive a fixed annual compensation, either per year or per meeting the member attends, or a combination of such remuneration. The shareholder-elected members of the Board do not participate in Storebrand's pension schemes. None of the shareholder-elected members of the Board carry out any duties for Storebrand beyond their appointment to the Board. More detailed information on the remuneration, loans and shareholdings of board members can be found in Note 23 (Group) and Notes 6 and 17 (ASA). Board members are encouraged to hold shares in the company

12. Remuneration to senior management (No deviation from the code of practice)

The Board of Directors decides the structure of the remuneration for senior executives in Storebrand, and guidelines on the remuneration (previously the executive remuneration statement) are presented to the general meeting. The remuneration consists of fixed salary, variable remuneration, pension scheme and other personnel benefits that are common for a financial group. The remuneration shall motivate good efforts for long-term value creation and resource utilization in the company. The board's stance is that the total remuneration should be competitive, but not leading within the industry.

The salary of the group management is determined based on the level of responsibility and complexity of the position. An annual assessment is carried out based on external market data to ensure remuneration is adequate in relation to equivalent positions in the market..
Storebrand shall have an incentive model that supports Company strategy, with emphasis on the customer's interests and long-term perspective and an ambitious model of cooperation, as well as transparency that enhances the Storebrand's reputation. The Group's executive management only receive fixed salaries and use a percentage of their fixed salaries to purchase shares in Storebrand with a lock-in period of three years. This is to clarify that the Storebrand's top management acts in accordance with the long-term interests of the owners.

Storebrand's strategy and operational objectives are based on annual individual assessments of the remuneration of employees. This further strengthens the compliance between owners and the administration. Sustainable solutions are a key part of Storebrand's business strategy and will also be part of the assessment of employees.

More detailed information about the remuneration of executive personnel may be found in Note 23 (Group) and Notes 6 and 17 (ASA), and in the Board's statement on the fixing of salaries and other remuneration to executive personnel, which is included in the notice of the General Meeting and available at www.storebrand.no. Executive personnel are encouraged to hold shares in Storebrand ASA, even beyond the lock-in period.

13. Information and communication (No deviation from the code of practice)

The Board has issued guidelines for the company's reporting of financial and other information and for contact with shareholders other than through the General Meeting. Storebrand's reporting with regard to sustainable investments goes beyond the statutory requirements. Storebrand's financial calendar is published on the Internet and in the company's annual report. Financial information is published in the quarterly and annual reports, as described under Item 10 above – Financial information and Storebrand's accounting process. Documentation that is published is available on Storebrand's website. All reporting is based on the principle of transparency and takes into account the need for the equal treatment of all participants in the securities markets and the rules concerning good stock exchange practices. Storebrand has its own guidelines for handling insider information, see also Item 10 – Management and control, above.

14. Corporate takeover (No deviation from the recommendation)

The Board of Directors has prepared guidelines for how to act in the event of a possible takeover bid for the company. These guidelines are based on the Board of Directors ensuring the transparency of the process and that all the shareholders are treated equally and given an opportunity to evaluate the bid that has been made. It follows from the guidelines that the Board of Directors will evaluate the bid and issue a statement on the Board's opinion of the bid, in addition to obtaining a valuation from an independent expert. In addition, the Board of Directors will, in the event of any takeover bid, seek whenever possible to maximise the shareholders' assets. The guidelines cover the situation before and after a bid is made.

15. Auditor (No deviation from the recommendation)

The external auditor is elected by the General Meeting of Storebrand ASA and is responsible for the financial auditing. The external auditor issues an auditor's report in connection with the annual financial statements and conducts limited audits of the interim financial statements. The external auditor attends board

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meetings in which interim financial statements are reviewed and all meetings of the Audit Committee, unless the items on the agenda do not require the presence of the auditor. The Board has decided that the external auditor must rotate the partner responsible for the audit assignment every seven years, and Storebrand shall carry out a tender process for the selection of external audit companies at least every ten years. Each year, the work and independence of the external auditor is evaluated by the board's audit committee. The auditor also holds an annual meeting with the board without the administration being present. The other companies in Storebrand have the same auditor as Storebrand ASA.

Other

As one of the largest investors in the Norwegian stock market, Storebrand has considerable potential influence over the development of listed companies. Storebrand attaches importance to exercising its ownership in listed companies based on straightforward and consistent ownership principles that place considerable emphasis on sustainability. Storebrand applies the Norwegian Code of Practice for Corporate Governance in this role. Storebrand has had an administrative Corporate Governance Committee since 2006. The Committee is responsible for ensuring good corporate governance across Storebrand.

Storebrand Asset Management AS has had a Corporate Governance Committee for several years. The Committee has a mandate to set the level of ambition and establish frameworks for corporate governance. The Committee shall coordinate Storebrand's use of voting rights, including prioritising matters and ensuring consistency in the work.

Storebrand has issued guidelines with respect to employees holding positions of trust in external companies, which regulate, for example, the number of external board positions.

Further information on Storebrand's corporate governance may be found at www.storebrand.no > About Storebrand > Facts on Storebrand, where we have also published an overview of the members of Storebrand's governing and controlling bodies, CVs for the members of Storebrand ASA's Board of Directors, the Articles of Association, and ownership policies.

Statement in accordance with Section 3-3b, second paragraph of the Norwegian Accounting Act

A summary of the matters that Storebrand is to report on in accordance with Section 3-3b, second paragraph of the Norwegian Accounting Act follows below. The items follow the numbering used in the provision.

1. The principles for Storebrand's corporate governance have been prepared in accordance with Norwegian law, and they are based on the Norwegian Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES).

2. The Norwegian Code of Practice for Corporate Governance is available at www.nues.no.

3. Any deviations from the Code of Practice are commented on under each section in the statement above, see the deviations discussed in Item 3.

4. A description of the main elements of Storebrand's systems for internal control and risk management related to the financial reporting process is discussed in Section 10 above.

5. Provisions in the Articles of Association that refer to the provisions in Section 5 of the Norwegian Public Limited Companies Act with regard to the General Meeting are discussed in Item 6 above.

6. The composition of the governing bodies and a description of the main elements in the current rules of procedure and guidelines can be found in Items 6, 7, 8 and 9 above.

7. The provisions in the Articles of Association that regulate the appointment and replacement of board members are discussed in Item 8 above.

8. Provisions in the Articles of Association and authorisations granting the Board the authority to buy back or issue the Group's own shares are discussed in Item 3 above.

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Companies in the Storebrand Group

	Organisation number	Ownership interest
STOREBRAND ASA	**916 300 484**	**100,0 %**
STOREBRAND LIVSFORSIKRING AS	**958 995 369**	**100,0 %**
Storebrand Holding AB	556734-9815	100,0 %
SPP Konsult AB	556045-7581	100,0 %
SPP Spar AB	556892-4830	100,0 %
SPP Pension & Försäkring AB	556401-8599	100,0 %
SPP Fastigheter AB [57)]	556745-7428	100,0 %
SPP Hyresförvaltning	556883-1340	100,0 %
Storebrand & SPP Business Services AB	556594-9517	100,0 %
Euroben Life & Pension Designated Activity Company	CIN 31 42 39	100,0 %
Storebrand Eiendomsfond Invest AS	995 871 424	100,0 %
Storebrand Eiendom Trygg AS	876 734 702	100,0 %
Storebrand Eiendom Vekst AS	916 268 416	100,0 %
Storebrand Eiendom Utvikling AS	990 653 402	100,0 %
Storebrand Pensjonstjenester AS	931 936 492	100,0 %
Storebrand Infrastruktur AS	991 853 545	100,0 %
AS Værdalsbruket [58)]	920 082 165	74,9 %
Norsk Pensjon AS	890 050 212	25,0 %
Benco Insurance Holding BV	343 317 16	100,0 %
Storebrand Bank ASA	**953 299 216**	**100,0 %**
Storebrand Boligkreditt AS	990 645 515	100,0 %
Storebrand Asset Management AS	**930 208 868**	**100,0 %**
SPP Fonder AB	556397-8922	100,0 %
Storebrand Fastigheter AB	556801-1802	100,0 %
SKAGEN AS	867 462 732	100,0 %
Cubera Private Equity AS	989 580 353	100,0 %
Cubera Private Equity AB	556812-8184	100,0%
Storebrand Forsikring AS	**930 553 506**	**100,0 %**
Storebrand Facilities AS	**924 353 554**	**100,0 %**
Storebrand Helseforsikring AS	**980 126 196**	**50,0 %**

57) Euroben Life & Pension DAC owns 7.3%.

58) Storebrand ASA owns 25.1 per cent and Storebrand's total ownership interest is 100 per cent for AS Værdalsbruket.

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TCFD index

Governance

Disclose Storebrand's governance around climate-related risks and opportunities.

	TCFD Recommended Disclosures	Page
a	Describe the Board's oversight of climate-related risks and opportunities	53, 56 [59]
b	Describe the management's role in assessing and managing climate-related risks and opportunities	53, 56 [59]

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on Storebrand's businesses, strategy, and financial planning where such information is material.

	TCFD Recommended Disclosures	Page
a	Describe the climate-related risks and opportunities Storebrand has identified over the short, medium and long term	68-70
b	Describe the impact of climate-related risks and opportunities on Storebrand's businesses, strategy, and financial planning	12-13, 57-65, 68-70, 73
c	Describe the resilience of Storebrand's strategy, taking into consideration different climate-related scenarios	12-13, 57-65, 68-70

59) In Director's Report under Risk

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Risk Management

Disclose how Storebrand identifies, assesses and manages climate-related risks.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

	TCFD Recommended Disclosures	Page		TCFD Recommended Disclosures	Page
a	Disclose the metrics used by Storebrand to assess climate-related risks and opportunities in line with its strategy and risk management process.	37-39, 41, 57-65, 68-70	a	Disclose the metrics used by Storebrand to assess climate-related risks and opportunities in line with its strategy and risk management process	37-39, 41, 57-65, 68-70
b	Disclose Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks	41, 65, 73	b	Disclose Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks.	41, 65, 73
c	Disclose the targets used by Storebrand to manage climate-related risks and opportunities and performance against targets	37-39, 41, 65, 68-70, 73 [60)]	c	Disclose the targets used by Storebrand to manage climate-related risks and opportunities and performance against targets.	37-39, 41, 65, 68-70, 73

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GRI-index

An index of the GRI indicators we are reporting on and where the report contains information about the indicators follows below.

GRI Ref.	Title	Account	Reporting
Organization profile			
102-1	The name of the organisation	Storebrand ASA	
102-2	Activities, brands, products and services	Described in chapter: This is Storebrand and the sub-chapter About Storebrand	Full
102-3	The location of the head office	Professor Kohts vei 9, Lysaker, Oslo, Norway	Full
102-4	The places where your organisation operates	Described in chapter: This is Storebrand and the sub-chapters About Storebrand and Material issues	Full
102-5	Ownership and legal form	Described in chapter: Directors' Report and sub-chapter Overview of companies in the Storebrand Group	Full
102-6	The markets covered	Described in chapter: This is Storebrand and the sub-chapter About Storebrand	Full
102-7	The size of the organisation	Described in the chapters: This is Storebrand, sub-chapter About Storebrand People under Key figures Directors' Report, sub-chapter Group's Results 2020	Full
102-8	Information about employees and other workers	Described in the chapters: People in the sub-chapter Engaged, competent and courageous employees People under Key figures	Partial
102-9	Supply chain	Described in the chapters: Keeping our house in order in sub-chapter Sustainable practices throughout our value chain	Full
102-10	Significant changes in the organisation and supply chain	DDescribed in the chapters: Ceo's foreword Chairman's foreword	Full
102-11	Precautionary principle or approach	Described in the chapters: This is Storebrand Keeping our house in order In the sub-chapter: Sustainable practices throughout our value chain Director's Reort in the sub-chapter A driving force for sustainable investments, Climate risks and opportunities	Full
102-12	External initiatives	Described in the chapters: This is Storebrand Keeping our house in order In the sub-chapter: Sustainable practices throughout our value chain Director's report in the sub-chapters A driving force for sustainable investments and Climate risks and opportunities Corporate governance Initiatives: UN PRI, UN Global Compact, Global Reporting Initiative, UN Sustainability Goals. Task Force on Climate-related Financial Disclosures (TCFD), Paris Agreement 2015, Carbon Disclosure Project, Global 100, UN Principles for Responsible Business Conduct, UN Declaration of Human Rights, UN Environmental Conventions, UN Principles for Sustainable Insurance, UNEP Finance Initiative, Portfolio DecarbonisationCoalition, Accounting for Sustainability, UN Convention Against Corruption, THE CORE CONVENTION, Montreal Pledge, Tobacco-Free Portfolios, UN Principles for Empowering Women,SHIFT, CEOs for a Sustainable Future, Know Chain the	Full

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GRI Ref.	Title	Account	Reporting
102-13	Membership in organisations	Described in the chapters: This is Storebrand Keeping our house in order In the sub-chapter: Sustainable practices throughout our value chain Director's report in the sub-chapters A driving force for sustainable investments and Climate risks and opportunities Organizations: UNEP FI group working with Climate Risk, Climate Action 100+, Net-Zero Asset Owner Alliance, Global Real Estate Sustainability Benchmark (GRESB),NORSIF, SWESIF, PRI Investor Commitment to Support a Just Transition on Climate Change	Full
Strategy			
102-14	Opinion from the chief decision-maker	Described in: The CEO's foreword, Chairman's preface	Full
Ethics and integrity			
102-16	Values, standards, principles and norms	Described in chapters: This is Storebrand In the sub-chapter: About Storebrand, Keeping our house in order, Directors' Report and Corporate governance	Full
Management			
102-18	Governance structure	Described in the chapters: This is Storebrand, Directors' report, Corporate Governance In the sub-chapters: Organisation, Corporate Management, Board of Directors and Committees, Risk,	Full
Stakeholder engagement			
102-40	List of stakeholder groups	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
102-41	Collective bargaining agreements	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
102-42	Identification and selection of stakeholders	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
102-43	Approach to stakeholder engagement	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
102-44	Important topics and questions that have been addressed	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full

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GRI Ref.	Title	Account	Reporting
Reporting practices			
102-45	Entities covered by the organisation's consolidated financial statements	Described in chapter: This is Storebrand under the sub-chapter Material issues Described in the "Why" section at the beginning of each sub-chapter	Full
102-46	Defining report content and topic boundaries	Described in: Director's report under the sub-chapter The Group's profit 2020	Full
102-47	List of material topics	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
102-48	Restatements of information	Changes occur and are described in the chapters: People, Keeping our house in order and Directors' report Under the sub-chapters: A driving force for sustainable investments and Climate risk and opportunities For all chapters mentioned above, the changes in the table with key figures apply	Full
102-49	Changes in reporting	No significant changes	Full
102-50	Reporting period	January 1,20 20–December 31, 2015	Full
102-51	Date of previous report	January 1,2019–December 31, 2019	Full
102-52	Reporting frequency	Annual	Full
102-53	Contact	https://www.storebrand.no/en/investor-relations	Full
102-54	Reporting in accordance with GRI standards	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
102-55	GRI Index	This table is the GRI index	Full
102-56	External verification	Appears in the auditor's report	Full
Competitive long-term return to shareholders and customers (A)			
103-1	Explanation of the material topic and its boundary	Described in chapter: This is Storebrand under the sub-chapter Material issues	Full
103-2	The management approach and its components	Described in the chapters: Ceo's foreword and Chairman's preface This is Storebrand Directors' Report in the sub-chapters: Risk, Climate risk and opportunities, A driving force for sustainable investments, Strategic Highlights 2020, Group Results 2020, Future Outlook	Full
103-3	Evaluation of management's approach	Described in chapters: Chairman's preface This is Storebrand Directors' Report in the sub-chapters: A driving force for sustainable investments and Climate risks and opportunities	Full
201-1	Direct financial value generated and distributed	Described in chapters: Corporate Governance and Directors' report In the sub-chapters: Strategic highlights 2020, Group's result 2020	Full
201-2	Financial implications and other risks and opportunities resulting from climate change	Described in: Directors' report in the sub-chapters A driving force for sustainable invest-ments and Climate risks and opportunities	Full

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GRI Ref.	Title	Account	Reporting
A driving force for sustainable investments (B)			
103-1	Explanation of the material topic and its boundary	Described in the chapters: Ceo's foreword, Chairman's preface This is Storebrand in the sub-chapter About Storebrand Directors' Report in the sub-chapters: Strategic highlights and A driving force for sustainable investments	Full
103-2	The management approach and its components	Described in the chapters: Ceo's foreword, Chairman's preface This is Storebrand in the sub-chapter About Storebrand Directors' Report in the sub-chapters: Strategic highlights and A driving force for sustainable investments	Full
103-3	Evaluation of management's approach	Described in the chapters: Ceo's foreword, Chairman's preface This is Storebrand in the sub-chapter About Storebrand Directors' Report in the sub-chapters: Strategic highlights and A driving force for sustainable investments	Full
FS10	Share and number of companies in the portfolio that the reporting organisation has interacted with on environmental or societal conditions	Described in: Directors' report in the sub-chapter A driving force for sustainable investments under Key figures	Full
Active ownership and reduce ESG (environmental, social and governance) risk (C)			
103-1	Explanation of the material topic and its boundary	Described in the chapters: Ceo's foreword, Chairman's preface This is Storebrand in the sub-chapter About Storebrand Directors' Report in the sub-chapters: Strategic Highlights, A driving force for sustainable investments, Active ownership, Exclusions and Climate risks and opportunities	Full
103-2	The management approach and its components	Described in the chapters: Ceo's foreword, Chairman's preface This is Storebrand in the sub-chapter About Storebrand Directors' Report in the sub-chapters: Strategic highlights, A driving force for sustainable investments, Active ownership, Exclusions and Climate risks and opportunities	Full
103-3	Evaluation of the management approach	Described in the chapters: Ceo's foreword, Chairman's preface, This is Storebrand About Storebrand Directors' Report in the sub-chapters	Full
FS11	Percentage of assets exposed to positive and negative environmental or social screening	Described in Directors' report in the sub-chapter: A driving force for sustainable investments under Key figures	Full
412-3	Significant investment agreements and contracts that include human rights provisions or have undergone human rights screening	Described in Directors' report in the sub-chapter: A driving force for sustainable investments in the sub-chapters Active ownership and Exclusions	Full

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GRI Ref.	Title	Account	Reporting
Economic freedom in all phases of life (D)			
103-1	Explanation of the material topic and its boundary	Described in chapter: Customer relations under the sub-chapter Greater financial security and freedom	Full
103-2	The management approach and its components	Described in chapter: Customer relations under the sub-chapter Greater financial security and freedom	Full
103-3	Evaluation of management's approach	Described in chapter: Customer relations under the sub-chapter Greater financial security and freedom	Full
STB-1	Customer satisfaction	Described in chapter: Customer relationships under Key figures	Full
Engaging, relevant and responsible advisory services (E)			
103-1	Explanation of the material topic and its boundary	Described in chapter: Customer relations under the sub-chapter Engaging relevant and responsible advice	Full
103-2	The management approach and its components	Described in chapter: Customer relations under the sub-chapter Engaging relevant and responsible advice	Full
103-3	Evaluation of management's approach	Described in chapter: Customer relations under the sub-chapter Engaging relevant and responsible advice	Full
418-1	Documented complaints about privacy violations and loss of customer data	Described in chapter: Customer relationships under Key figures	Full
Digital innovator In financial services (F)			
103-1	Explanation of the material topic and its boundary	Described in chapter: Customer relations under sub-chapter Digital innovator in financial services	Full
103-2	The management approach and its components	Described in chapter: Customer relations under sub-chapter Digital innovator in financial services	Full
103-3	Evaluation of management's approach	Described in chapter: Customer relations under sub-chapter Digital innovator in financial services	Full
STB-2	Number of downloads of the "My Money" app	Described in chapter: Customer relationships under Key figures	Full
STB-3	Automation of settlement processes	Described in chapter: Customer relations under sub-chapter Digital innovator in financial services	Full
Simple and seamless customer experiences (G)			
103-1	Explanation of the material topic and its Boundary	Described in chapter: Customer relationships under the sub-chapter Simple and seamless customer experiences	Full
103-2	The management approach and its components	Described in chapter: Customer relationships under the sub-chapter Simple and seamless customer experiences	Full
103-3	Evaluation of management's approach	Described in chapter: Customer relationships under the sub-chapter Simple and seamless customer experiences	Full
417-2	Cases of non-compliance with information and labelling of products and services	Described in chapter: Customer relationships under the sub-chapters Simple and seamless customer experiences and Key figures	Full
417-3	Cases of non-compliance with market communication requirements	Described in chapter: Customer relationships under the sub-chapters Simple and seamless customer experiencesand Key figures	Full

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GRI Ref.	Title	Account	Reporting
A culture of learning (H)			
103-1	Explanation of the material topic and its boundary	Described in the chapter: People under the sub-chapter A culture of learning	Full
103-2	The management approach and its components	Described in the chapter: People under the sub-chapter A culture of learning	Full
103-3	Evaluation of management's approach	Described in the chapter: People under the sub-chapter A culture of learning	Full
404-1	Average number of hours of training per employee	Described in the chapter: People under the subchapter A culture of learning	Full
Committed, competent and courageous wizards (I)			
103-1	Explanation of the material topic and its boundary	Described in the chapter: People under the sub-chapter Engaged, competent and courageous employees	Full
103-2	The management approach and its components	Described in the chapter: People under the sub-chapter Engaged, competent and courageous employees	Full
103-3	Evaluation of management's approach	Described in the chapter: People under the sub-chapter Engaged, competent and courageous employees	Full
STB-4	Engagement scores all employees: Storebrand's score vs. the industry average in Peakon	Described in: Directors' Report under the sub-chapter Progress on our most material sustainability KPIs	Full
Diversity and equal opportunities (J)			
103-1	Explanation of the material topic and its boundary	Described in chapter: People under the diversity and equality sub-chapter	Full
103-2	The management approach and its components	Described in chapter: People under the diversity and equality sub-chapter	Full
103-3	Evaluation of management's approach	Described in chapter: People under the diversity and equality sub-chapter	Full
405-1	Wage differences between women and men	Described in chapter: People under Key figures	Full
405-2	Diversity in governing bodies and among employees	Described in chapter: People under Key figures	Full
Corporate governance and compliance: Privacy and combating financial crime (K)			
103-1	Explanation of the material topic and its boundary	Described in the chapter: Keeping our house in order under sub-chaptert Corporate governance and compliance: Privacy and combating financial crime, including Privacy and digital trust, Counter-corruption,Counter-terrorism and terrorist financing	Full
103-2	The management approach and its components	Described in chapter: Keeping our house in order under the sub-chapter Corporate Governance and Compliance: Privacy and Combating Financial Crime, including Privacy and Digital Trust, Counter-Terrorism, Counter-Terrorism and Terrorist Financing	Full
103-3	Evaluation of management's approach	Described in chapter: Keeping our house in order under the sub-chapter Corporate Governance and Compliance: Privacy and Combating Financial Crime, including Privacy and Digital Trust, Counter-Terrorism, Counter-Terrorism and Terrorist Financing	Full
205-2	Communication and training on policies and procedures for combating corruption	Described in chapter: Keeping our house in order under the sub-chapters Countering corruption and Key figures	Partial
418-1	Documented complaints about privacy violations and loss of customer data	Described in chapter: Keeping our house in order under the sub-chapter Corporate governance and compliance: Privacy and combating financial crime and Key figures	Full

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GRI Ref.	Title	Account	Reporting
Sustainable practices throughout the value chain (L)			
103-1	Explanation of the material topic and its boundary	Described in chapter: Keeping our house in order under the sub-chapter Sustainable supply chain	Full
103-2	The management approach and its components	Described in chapter: Keeping our house in order under the sub-chapter Sustainable practices throughout our value chain	Full
103-3	Evaluation of management's approach	Described in chapter: Keeping our house in order under sub-chapter Sustainable practices throughout our value chain	Full
308-1	Suppliers assessed based on environmental criteria	Described in chapter: Keeping our house in order under the sub-chapters Sustainable practices throughout our value chain and key figures	Full
Corporate Social Responsibility (M)			
103-1	Explanation of the material topic and its boundary	Described in chapter: Keeping our house in order under the sub-chapter Corporate Social Responsibility and Corporate Governance and Compliance: Privacy and Combating Financial Crime	Full
103-2	The management approach and its components	Described in chapter: Keeping our house in order under the sub-chapter Corporate Social Responsibility and Corporate Governance and Compliance: Privacy and Combating Financial Crime	Full
103-3	Evaluation of management's approach	Described in chapter: Keeping our house in order under the sub-chapter Corporate Social Responsibility and Corporate Governance and Compliance: Privacy and Combating Financial Crime	Full
415-1	Political contributions	We don't make contributions to political parties.	Full
Responsible resource use (N)			
103-1	Explanation of the material topic and its boundary	Described in chapter: Keeping our house in order under the sub-chapter Responsible resource use	Full
103-2	The management approach and its components	Described in chapter: Keeping our house in order under the sub-chapter Responsible resource use	Full
103-3	Evaluation of management's approach	Described in chapter: Keeping our house in order under the sub-chapter Responsible resource use	Full
305-4	The intensity of greenhouse gas emissions	Described in chapter: Keeping our house in order under Key figures	Full
305-5	Reduction in greenhouse gas emissions	Described in chapter: Keeping our house in order under Key figures	Full

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To: Board of Directors in Storebrand ASA

Independent statement regarding Storebrand ASA's sustainability reporting

We have examined whether Storebrand ASA has developed GRI Index for 2020 and measurements and reporting of key performance indicators for sustainability (sustainability reporting) per 09.02.2021.

> Storebrand's GRI Index for 2020 is an overview of which principles, aspects and indicators from the The Global Reporting Initiative guidelines that Storebrand ASA use to measure and report on sustainability; together with a reference to where material sustainability information is reported. Storebrand's GRI Index 2020 is available on Storebrand's website (www.Storebrand.no/sustainability/reports). We have examined whether Storebrand has developed a GRI Index for 2020 and whether mandatory disclosures are presented according the Standards published by The Global Reporting Initiative (www.globalreporting.org/standards) (criteria).
>
> Key performance indicators for sustainability are the tables containing sustainability indicators that Storebrand ASA measure and control. The tables are available and included in Storebrand ASA's annual report 2020, specifically at the end of the four chapters titled «*Financial capital and investment universe*», «*Customer relations*», «*People*» and «*Keeping our house in order*». Storebrand has defined the key performance indicators and explained how they are measured in the tables (criteria). We have examined the basis for the measurements and checked the calculations of the measurements.

Tasks and responsibilities of management
Management is responsible for GRI Index 2020 and that the Index is developed in accordance with the Standards published by The Global Reporting Initiative. Management is also responsible for key performance indicators for sustainability and that these are developed in accordance with the definitions given in the tables at the end of the chapters «*Financial capital and investment universe*», «*Customer relations*», «*People*» and «*Keeping our house in order*». Their responsibility includes developing, implementing and maintaining internal controls that ensure the development and reporting of the GRI Index and key performance indicators for sustainability.

Our independence and quality control
We are independent of the company in accordance with applicable laws and regulations and the Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our independent statement, and we have fulfilled our ethical obligations in accordance with these requirements and IESBA Code. We use ISQC 1 - Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and maintains a comprehensive quality control system including documented policies and procedures of the ethical standards, professional standards and applicable legal and regulatory claim.

The Auditors responsibilities
Our responsibility is to express an opinion on Storebrand ASA's sustainability reporting based on our control. We have performed our work and will issue our statement in accordance with the Standard on

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information".

Our work involves performing procedures to obtain evidence that Storebrand's GRI Index 2020 and key performance indicators for sustainability are developed in accordance with the Standards published by The Global Reporting Initiative and the criteria for reporting and measurement that are given in relation to each table containing key performance indicators. The procedures selected depend on our judgement, including assessments of the risks that the sustainability reporting as a whole are free from material misstatement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the subject matter. Therefore, we design procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our control also includes an assessment of whether the applied criteria are appropriate and an assessment of the overall presentation of the subject matter.

Our controls include meetings with representatives from Storebrand ASA that are responsible for the key areas covered by the sustainability reporting, including responsible for investing, HR and those responsible for the sustainability reporting for Storebrand ASA's own operations and real estate portfolios; evaluating internal controls and procedures for reporting key performance indicators for sustainability; collecting and reviewing relevant information that supports the presentation of key performance indicators; evaluating the completeness and accuracy of the key performance indicators; and controlling the calculations of key performance indicators based on an assessment of the risk that the key performance indicators contain information that is incorrect.

In our opinion, sufficient evidence has been obtained and we consider that our work provides an appropriate basis to form our conclusion.

Conclusion
In our opinion

GRI Index 2020 is, in all material respects, developed and presented in accordance with the requirements of the Standards published by The Global Reporting Initiative; and

Key performance indicators for sustainability are, in all material aspects, developed, measured and reported in accordance with the definitions and explanations provided in relation to each table containing key performance indicators.

Oslo, 9 February 2021
PricewaterhouseCoopers AS

Thomas Steffensen
State authorized public accountant

(This translation from Norwegian has been made for information purposes only)

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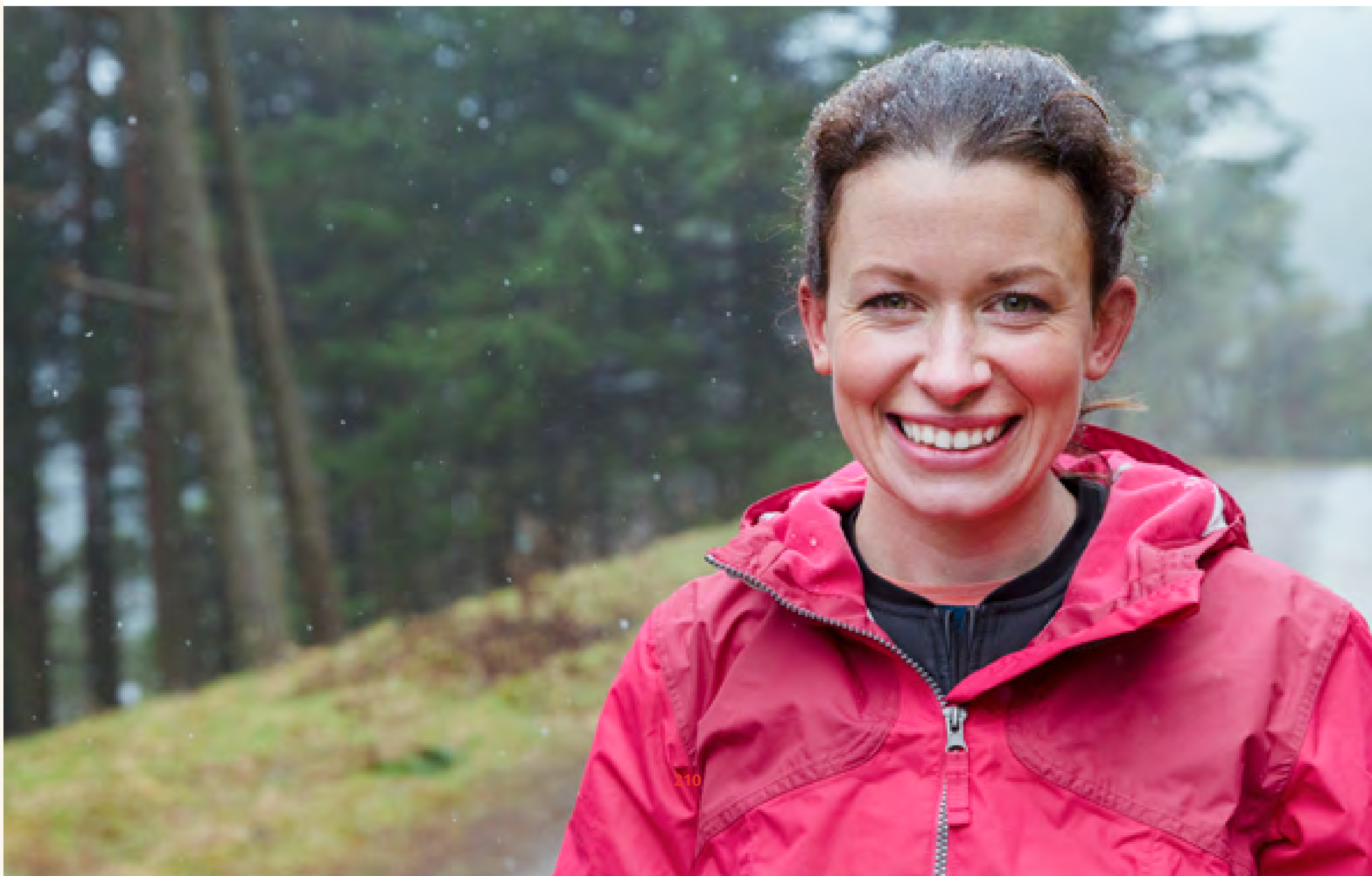

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Executive management CVs

ODD ARILD GREFSTAD (1965)

Group Chief Executive Officer
Storebrand ASA

Education
State-Authorised Public Accountant
Authorised Financial Analyst (AFA)

Previous positions
2011–2012: Managing Director, Storebrand Life Insurance
2008–2011: Executive Vice President Finance and Legal, Storebrand ASA
2002–2008: Executive Vice President Finance, Storebrand ASA
1998–2002: Manager of the Group Controller Unit, Storebrand ASA
1997–1998: Group Controller, Life Insurance, Storebrand ASA
1994–1997: Vice President, Internal Auditing, Storebrand ASA
1989–1994: External Auditing, Arthur Andersen & Co

Ownership in Storebrand
Number of shares as of
31 December 2020: 194,520

LARS AA. LØDDESØL (1964)

Group Chief Financial Officer
Storebrand ASA

Group Chief Financial Officer
Storebrand ASA

Education
MSc in Economics and Business Administration, BI Norwegian Business School
MBA, Thunderbird School of Global Management, USA (AGSIM)

Previous positions
2008–2011: Executive Vice President, Life and Pensions Norway and Managing Director, Storebrand Livsforsikring AS
2004–2008: Executive Vice President, Corporate Market Life Insurance, Storebrand Livsforsikring AS
2001–2004: CFO, Storebrand ASA
1994–2001: Vice President/Relationship Manager, Citibank International plc
1990–1994: Asst. Treasurer, Scandinavian Airlines Systems

Ownership in Storebrand
Number of shares as of
31 December 2020: 120,564

HEIDI SKAARET (1961)

Executive Vice President,
Retail Market

Education
MSc in Economics and Business Administration, University of Washington, USA

Previous positions
2008–2012: Lindorff Group AB, Executive Vice President, Scandinavia Region, Managing Director of Lindorff AS in Norway.
2001–2008: IKANO Finans ASA, Managing Director
1987–2000: Managerial positions at Den norske Bank ASA
1986–1987: Financial Services Officer, Bank of America, San Francisco, USA
1981–1983: Nord-Video (Aftenposten, Gyldendal, Mortensen), Sales Secretary

Ownership in Storebrand
Number of shares as at
31 December 2020: 94,788

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STAFFAN HANSÉN (1965)
Executive Vice President,
SPP

Education
Licentiate degree (Economics),
Åbo Academy, Finland
PhD studies at the Finnish
Doctoral programme in Economics
Stockholm School of Economics

Previous positions
2013 to present: EVP, SPP Livförsäkring AB
2011–2013: CIO, Storebrand Livsforsikring AS
2008–2011: CIO, SPP Livförsäkring AB
2006–2008: Responsible for strategic allocation, SPP Livförsäkring AB
2003–2006: Head of Government and Covered Bond trading, Svenska Handelsbanken
1996–2003: Head of Fixed Income, Alfred Berg Finland
1994–1996: Trainee, Pohjola Bank (OKOBANK)

Ownership in Storebrand
Number of shares as at
31 December 2020: 83,561

JAN ERIK SAUGESTAD (1965)
Executive Vice President,
Asset Management

Education
MSc in Engineering, Norwegian University of Science and Technology (NTNU)
MBA (INSEAD in France)

Previous positions
2006–2015: Investment Director, Storebrand Asset Management
1999–2006: Senior Portfolio Manager, Storebrand Asset Management
1997–1999: Sector Head Equities, Energy/Shipping, Handelsbanken Markets
1995–1997: Partner, Marsoft Capital
1992–1995: Head of Research, Christiania Markets (now: Nordea Markets)
1990–1991: Junior Consultant, McKinsey & Company

Ownership in Storebrand
Number of shares as of
31 December 2020: 100,554

TERJE LØKEN (1975)
Executive Vice President
Digital & Innovation

Education
Master Computer Science, NTNU Norway

Previous positions
2017-2019: Chief Digital Officer (CDO), Storebrand Livsforsikring AS
2013-2016: Head of Digital and Mobile IT, Storebrand Livsforsikring AS
2009-2013: Chief Architect (CTO), Storebrand Livsforsikring AS
2008-2009: Enterprise Architect, Storebrand Livsforsikring AS
2001-2008: Technology Manager (previously Technical Lead, Sr. Software Engineer, Software Engineer), Fast Search & Transfer
1999-2001: Computer Engineer, Sintef Tele og Data

Ownership in Storebrand
Number of shares as of
31 December 2020: 16,502

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GEIR HOLMGREN (1972)

Executive Vice President,
Corporate Market

Education

Cand. Scient degree with actuarial qualifications, University of Oslo, Norway
MBA, Griffith University Brisbane, Australia

Previous positions

2013–2015: Executive Vice President, Guaranteed Pension, Storebrand ASA
2011–2012: Manager Customer Service and Product, Storebrand Livsforsikring AS
2003–2011: Product Manager, Storebrand Livsforsikring AS
2002–2003: Product Manager Unit linked Insurance, Storebrand Livsforsikring AS
2000–2002: Product Manager Defined Contribution Pensions, Storebrand Livsforsikring AS
1998–2000: Sales International Life Insurance, Storebrand Livsforsikring AS
1997–1998: Actuary Trainee, Storebrand Livsforsikring AS
1995–1997: Teacher, University of Oslo

Ownership in Storebrand

Number of shares as at
31 December 2020: 85,072

TRYGVE HÅKEDAL (1979)

Executive Vice President
Technology

Education

Master of Science, Advanced Computing, Imperial College London
Bachelor of Science, Computing Science, Newcastle University

Previous positions

2016-2019 SVP IT Strategy & Architecture, Storebrand Group
2013-2015 Chief Architect & Head of IT Strategy, Storebrand Group
2009-2013 Enterprise Architect, Storebrand Group
2008-2009 Analyst, Goldman Sachs
2006-2008 Consultant, Accenture
2003-2004 Project Test Manager, Opera Software

Ownership in Storebrand

Number of shares as of
31 December 2020: 16,135

KARIN GREVE-ISDAHL (1979)

Executive Vice President
Sustainability, Communications and Industry Policy

Education

Master of International Relations, Bond University, Australia
Bachelor of Communications, Bond University, Australia

Previous positions

2014–2017: Vice President Communications, Opera Software
2009–2014: Communications Director, SN Power
2008–2009: Business Reporter, TV 2
2005–2008: TV Reporter, CNBC/FBC Media
2004–2005: Researcher, CNBC Europe

Ownership in Storebrand

Number of shares as of
31 December 2020: 20,962

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TOVE SELNES (1969)
Executive Vice President
People

Education
Master in Law, Oslo University

Previous positions
2015- 2019: HR Director, Storebrand Livsforsikring
2007-2015: Group Driector HR, Opera Software
2004-2007: HR Director, Eltel Networks
1997-2004: HR Manager East Norway Region, Avinor
1995-1997: Legal Advisor, Aetat

Ownership in Storebrand
Number of shares as of
31 December 2020: 21,955

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Group Board of Directors CVs

DIDRIK MUNCH (1956)

Chairman of the Board at Storebrand ASA since 2017

Position

Position

Education

Norwegian Police University College
Cand. jur law degree

Previous positions

Group Chief Executive Officer, Schibsted Norway (2011–2018)
Group Chief Executive Officer, Media Norway (2008–2011)
Chief Executive Officer, Bergens Tidende (1997–2008)
Division Director, Corporate Market, DNB (1995–1997)
Regional Bank Manager, Corporate Market Bergen, DNB (1992–1995)
Various managerial roles at Nevi and DNB (1987–1992)
Attorney, Kyrre AS (1987–1987)
Police intendant I/II, the Bergen Police Department (1984–1986)
Police inspector, the Oslo/Bergen Police Department (1979–1984)

Positions of trust

Board Chairman, NWT Media AS
Board Director, Grieg Star Shipping
Board Director, Lerøy Seafood Group
Board Chairman, SH Holding (Solstrand Fjord Hotel)

Ownership in Storebrand

Number of shares as at 31 December 2020: 40,000

LAILA S. DAHLEN (1968)

Director of the Board at Storebrand ASA since 2013

Position

CPO, Schibsted News Media

Education

State-Authorised Public Accountant, Norwegian School of Economics (NHH)
MSc in Economics and Business Administration, BI Norwegian Business School
Master of Science in Finance, University of Wisconsin, USA

Previous positions

SVP Product and UX, Schibsted Marketplaces/Adevinta ASA (2017-2019)
Product Director, Finn.no AS (2011–2017)
COO, Kelkoo/Yahoo, London (2007–2009)
VP Marketplace, Yahoo Europe, London (2006–2007)
Regional Manager Scandinavia and the Netherlands, Kelkoo/Yahoo, Stockholm (2003–2006)
VP International Operations, Kelkoo, Paris (2000–2001)
Manager, PricewaterhouseCoopers, Oslo (1993–2000)

Positions of trust

Director, FINN.no AS
Board Director, Schibsted Products & Technology AS
Board Director, Lendo AS
Board Director, E24 AS

Ownership in Storebrand

Number of shares as at 31 December 2020: 15,500

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KARIN BING ORGLAND (1959)

Director of the Board at Storebrand ASA since 2015

Position

Self-employed

Education

MSc in Economics and Business Administration
Norwegian School of Economics (NHH)
Top Manager Programme (IMD, BI and Management in Lund)

Previous positions

Executive Vice President of DNB, and various managerial positions in the same group (1985–2013)
Consultant, the Ministry of Trade and Shipping (1983–1985)
Board Director and Chairman of the Audit Committee at Norske Skog ASA
Board Director, Norwegian Finance Holding ASA
Board Director, Scatec Solar ASA
Board Director, HAV Eiendom AS
Director of Boligselskapet INI AS, Grønland
Board Chairman of Røisheim Hotell AS and director at Røisheim Eiendom AS
Chairman of Visit Jotunheimen AS

Positions of trust

Board Chairman, Entur AS
Board Chairman, GIEK
Board Director and Chairman of Audit Committee, KID ASA
Board Director and Chairman of Audit Committee , Grieg Seafood ASA

Ownership in Storebrand

Number of shares as at 31 December 2020: 27,000

MARIANNE BERGMANN RØREN (1968)

Director of the Board at Storebrand ASA since 2020

Position

CEO, Mesta AS

Education

Master in Law, Oslo University

Previous positions

Danske Bank Corporate & Institutions (2007-2019)
Global Head of COO Office
Global Head of Risk
Global Head of AML Program
COO and Deputy Country Manager
Chief Legal Adviser
Managing Associate (lawyer) Thommessen (2005-2007)
Managing Associate and Associate (lawyer) Wiersholm (2001-2005)
Advisor and international coordinator Finanstilsynet (1999-2001)
Lawyer Advokatfirmaet Arthur Andersen (1998-1999)

Positions of trust

Member of nomination comittee, Telenor ASA
Board member, EBA

Ownership in Storebrand

Number of shares as at 31 December 2020: 0

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KARL SANDLUND (1977)

Director of the Board at Storebrand ASA since 2019

Position

Executive Vice President & CCO, SAS

Education

MSc Industrial Engineering and Management, University of Linkōping

Previous positions

EVP Commercial, SAS (2017-2020)
EVP & Chief Strategy Officer, SAS (2014-2017)
Vice President, Network, SAS (2009-2014)
Vice President, Commercial, SAS (2007-2008)
Vice President, Corporate Development, SAS (2006-2007)
Director, Business Strategies, SAS (2004-2006)
Consultant, McKinsey & Company (2001-2004)

Ownership in Storebrand

Number of shares as at 31 December 2020: 3,000

MARTIN SKANCKE (1966)

Director of the Board at Storebrand ASA since 2014

Position

Independent consultant

Education

Authorised Financial Analyst Norwegian School of Economics (NHH)
MSc Econ,London School of Economics and Political Science
Intermediate level Russian,University of Oslo
International Finance Programme,Stockholm School of Economics
MSc in Economics and Business Administration (MBA) Norwegian School of Economics (NHH)

Previous positions

Special Adviser, Storebrand (2011–2013)
Deputy Director General and Director General, the Ministry of Finance (1994–2001, 2006–2011)
Director General, the Office of the Prime Minister (2002–2006)
Management consultant, McKinsey & Company (2001–2002)

Positions of trust

Director of Norfund
Board Chairman of the Principles for Responsible Investment (PRI)
Director of Storebrand Livsforsikring AS

Ownership in Storebrand

Number of shares as at 31 December: 27,500

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FREDRIK ÅTTING (1968)

Director of the Board at Storebrand ASA since 2020

Position
Partner and CO-Head of EQT Public Value

Utdannelse
MSc (Stockholm School of Economics)

Previous positions
Various positions in EQT, Sweden, Hong Kong, Germany and England (1996-)
Associate, Enskilda Securities, Sverige (1993-1996)

Positions of trust
Chairman of the nomitation committee, BHG Group AB
Chairman of nomitation committee, Adapteo Plc

Ownership in Storebrand
Number of shares as at 31 December 2020: 0
Number of shares owned by the close associate, EQT Public Value Investments S.à r.l, as of 7th December 2020: 18,500,000

MAGNUS GARD (1978)

Employee Representative of the Board at Storebrand ASA since 2019

Position

Team Lead, corporate market, new sales

Education
MSc Economics and Business Administration (NHH)

Previous positions
Head of marketing, partners, retail market (2020)
Sales Manager Pensions and Investment, Financial Advisory AS, Storebrand (2013-2019)
Authorised Finanical Advisor, Storebrand (2007 – 2014)
Account Manager, Mamut ASA (2004 – 2007)
Sales Executive, Rosa Index AS (2004)
Internship, Centennial AS (2003-2004)

Ownership in Storebrand
Number of shares as at 31 December 2020: 1 633

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HANS-PETTER SALVESEN (1968)

Employee Representative of the Board at Storebrand ASA since 2020

Position

Head of Union Representatives, The Finance Sector Union of Norway in Storebrand ASA

Education

Marketing Communications, BI Norges Markedshøyskole/NMH
People Management, Høyskolen i Akershus

Previous positions

Sales Manager Storebrand Bank ASA (2016-2020)
Sales Manager Storebrand Finansiell Rådgivning AS (2014-2016)
Head of Dialogue Marketing/CRM Storebrand ASA, (2012-2014)
Operational Manager Storebrand Baltic UAB (2010-2012)
Key Account Manager, Storebrand Bank ASA (2005-2010)
Web Manager/Project Management Storebrand Bank ASA (2003 – 2005)
Web Manager/Project Management Finansbanken ASA (2000-2003)
Employee Gjensidige Forsikring (1988-2000)

Ownership in Storebrand

Number of shares as at 31 December 2020: 0

BODIL CATHERINE VALVIK (1973)

Employee Representative of the Board at Storebrand ASA since 2020

Position

Head of Fund Administration in Storebrand Asset Management ASA

Education

BA(Hons) Travel & Tourism Management, University of Northumbria at Newcastle

Previous positions

Manager, Customer Services, Public pensions, Storebrand Pensjonstjenester AS (2018-2020)
Manager, Customer Service, Pension & Savings, Storebrand PM (2013-2018)
Manager Customer Service Link and Mutal Funds, Storebrand Kapitalforvaltning (2007-2012)
Manager Customer Service Link, Storebrand Livsforsikring (2002-2006)
Manager for Helpline Link, Storebrand Livsforsikring (2001-2002)
Financial advisor, Storebrand Livsforsikring (1999-2001)

Ownership in Storebrand

Number of shares as at 31 December 2020: 870

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Complete list of Sustainability KPIs

Investments

Key performance indicators	Result 2017	Result 2018	Result 2019	Result 2020	Goal 2021	Goal 2025
Return on equity	11.3 %	13.7 %	8.0 %	**8.6%**	>10 %	>10 %
Solvency margin	172 %	173 %	176 %	**178%**	>150 %	>150 %
Dividend ratio	40 %	68 %	0%	**65%**	>50 %	>50 %
Share of total assets screened for sustainability	100 %	100 %	100 %	**100%**	100 %	100 %
NOK billion invested in fossil-free products [61]	60	68	277	**379**	N/A	N/A
Carbon footprint from equity investments: tonnes of CO2e per NOK 1 million in sales income (against index) [62]	28 (18)	22 (32)	18 (24)	**12 (18)**	N/A	N/A
Carbon footprint from bond investments: tonnes of CO2e per NOK 1 million in sales income (against index) [63]	New	New	7 (12)	**9 (16)**	N/A	N/A
Total carbon emissions from equity investments: tonnes of co2	New	New	3 661 218	3 261 366	N/A	N/A
Exposure to high emission sectors[64]: NOK billion / share of equity investments	New	37.7 / 19%	34.6 /13%	**32.2 / 8%**	N/A	N/A
Investments in solutions (solutions companies, green bonds and property with environmental certification): NOK billion / share of total assets [65]	New	38.8 / 5.5 %	53.7 / 6.5 %	**92,6 / 9,6%**	10 %	15 %
Investments in green bonds: NOK billion/ share of total bond investments	New	8.4 / 2.9 %	12.4 / 3.1 %	**22.2 / 5%**	-	-
Investments in solution companies: NOK billion/ share of total equity investments	New	New	24.3 / 9.3 %	**50.3 / 13%**	-	-
Investments in certified green property: NOK billion/ share of total real estate investments	9.9 / 26 %	13 / 30 %	17 / 41 %	**20.1 / 43 %**	52 %	74 %
Companies excluded from the investment universe of the Storebrand Group: number/share of investment universe	New	171 / 5.9 %	182 / 4.3 %	**215 / 4.6%**	N/A	N/A
Companies excluded from MSCI ACWI Index: number/share of MSCI ACWI investment universe	New	New	178 / 7.6%	**198 / 8.1%**	N/A	N/A
Companies that have been contacted to discuss ESG through active ownership: number/share of investment universe	New	314 / 10.8 %	408 / 9.7%	**572 / 12%**	N/A	N/A
Votes at general meetings to promote Storebrand's ESG criteria: number/ share of investment universe	New	530 / 41.6 %	151 / 4.3 %	**503 / 13%**	N/A	N/A
Energy intensity direct real estate investments: kWh/m2	192 kWh/m²	201 kWh/m²	194 kWh/m²	**181 kWh/m²**	190 kWh/m²	181 kWh/m²
Water intensity direct real estate investments: m3/m2	0.34 m³/m²	0.38 m³/m²	0.46 m³/m²	**0.44**	0.45 m³/m²	0.43 m³/m²
Waste quantity direct real estate investments: kg/m2 /Share of waste sorted for recycling	8.2 / 71 %	9.4 / 74 %	9.2 / 69 %	**8.1 / 72 %**	73 %	80 %
Carbon footprint direct real estate investments: tonnes co2e / kg CO2e per m2	9,368 / 10,35	9,675 / 9,9	9,692 / 9,1	**8,456 / 7,9**	8.2	6.5
GRESB score direct real estate investments (value-weighted average)[66]		76%	82%	**85%**	Increase	Increase

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Customer relations

Key performance indicators [67]	Result 2017	Result 2018	Result 2019	Result 2020	Goal 2021	Goal 2025
Customer satisfaction [68]	Nr. 4	Nr. 4	Nr. 4	**Nr. 6**	Top 3	Top 3
Market share: Savings, retail market Norway	22 %	21 %	20 %	**22 %**	Increase	Increase
Market position: Pension, corporate market Norway	Nr. 1	Nr. 1	Nr. 1	**Nr. 1**	Nr. 1	Nr. 1
Proportion of women, pension savings	43 %	43 %	44 %	**44.2%**	Increase	Increase
Recognised for sustainable value creation (Retail Norway)	New 2019	New 2019	Nr. 3	**Nr. 5**	Top 3	Nr. 1
Recognised for sustainable value creation (Corporate market Norway)	New 2019	New 2019	Nr. 1	**Nr. 4**	Nr. 1	Nr. 1
Customer satisfaction (Net Promoter System, Enterprise Market Sweden)	Nr. 8	Nr. 7	Nr. 5	**Nr. 7**	Top 3	Top 3

Footnotes "Investments":

61) Fossil-free products are one of several ways to achieve our overall goal of net zero emissions, and therefore we have not set a specific target for how much should be invested in fossil-free products.

62) The method of carbon footprint calculations has been further developed for the annual report 2020. Similar indicators for 2017 – 2019 are rendered with the same methodology to ensure a consistent comparison basis.The ratio of funds to index is similar with the current and previous method, but the absolute values on the indicators will thus differ from previous years' reported figures.

63) The method of carbon footprint calculations has been further developed for the annual report 2020. Similar indicators for 2017 – 2019 are rendered with the same methodology to ensure a consistent comparison basis. The ratio of funds to index is similar with the current and previous method, but the absolute values on the indicators will thus differ from previous years' reported figures.

64) The figure applies to equity investments. For more information, see the chapter on climate risks and opportunities, especially page 70. See also description in the list of definitions from page 225.

65) We have decided to set an overall target for 2020 and 2025, and not a target for each asset class.

66) The objective is for all our portfolios to achieve a 5 star GRESB rating. This means that the portfolio must be among the top 20% globally, and therefore cannot be directly translated into a score (which is based on a value-weighted average).

Footnotes "Customer relations"

67) We have stopped reporting on two indicators from 2019 on 2019: a) GDPR courses (this is an important indicator to make sure that new routines are implemented, but we are confident that these routines are working well and that all relevant employees receive GDPR training as part of the onboarding) and b) Sustainable Brand Index scores for the UK and Sweden (these indicators are replaced by others). In addition, complaints are now discussed under chapter 5 below.

68) Net Promoter System, Retail Norway

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People

Key performance indicators	Result 2018	Result 2019	Result 2020	Goal 2021	Goal 2025
Sick leave Norway	2.7%	3.1%	**2.3%**	< 3.5%	< 3.5%
Sick leave Sweden	3.3%	2.5%	**1.8%**	N/A	N/A
Turnover rate for women group	N/A	9.7%	**6.1%**	N/A	N/A
Turnover rate for men group	N/A	9.2%	**6.8%**	N/A	N/A
Number of employees	1,667	1,742	**1,824**	N/A	N/A
New recruits to the group	220	204	**285**	N/A	N/A
Number of women hired during the year	78	78	**124**	N/A	N/A
Number of men hired during the year	116	126	**161**	N/A	N/A
Male employees under 30	115	109	**119**	N/A	N/A
Female employees under 30	102	117	**112**	N/A	N/A
Male employees 30-50	526	531	**572**	N/A	N/A
Female employees 30-50	408	379	**425**	N/A	N/A
Male employees over 50	235	264	**268**	N/A	N/A
Female employees over 50	284	302	**302**	N/A	N/A
Female directors on the Group Board	5 out of 9	4 out of 9	**4 out of 10**	40%	40%
Women in Group Executive Management Team	3 out of 9	3 out of 10	**3 out of 10**	N/A	N/A
Women at management level 3: share of women / number of women	46%	41%	**38% / 24**	50%	50%
Gender balance all managers: share of women / number of women	39%	39%	**39% / 103**	50%	50%
Average salary female employees, Norway (NOK)	699,228	743,684	**760,948**	N/A	N/A
Average salary male employees, Norway (NOK)	871,146	914,107	**923,686**	N/A	N/A
Average salary female employees, Sweden (SEK)	608,551	644,484	**671,159**	N/A	N/A
Average salary male employees,, Sweden (SEK)	762,151	811,717	**842,226**	N/A	N/A
Expanded top management, women's share of men's salary per position category (Hay Grade 21-25)	110%	100%	**104%**	100%	100%
Employees up to middle managers, women's share of men's salary per position category (Hay Grade 13-20)	99%	99%	**97%**	100%	100%
CEO - average worker pay ratio: CEO pay/ average worker pay	N/A	8.2 : 1	**8.9 : 1**	N/A	N/A

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Keeping our house in order

Key performance indicators	Result 2017	Result 2018	Result 2019	Result 2020	Goal 2020	Goal 2025
Environmentally certified purchases (share of the total expenditure that went to suppliers with certified environmental management system) [69)]	38 %	46 %	57 %	62%	60%	60 %
Share of purchasing volume that has answered survey on sustainability of suppliers [70)]	New	New	New	17%	Increse	100%
Greenhouse gas emissions from own operation (total) scope 1-3: tonnes of CO2 / tonnes CO2 per FTE	1,484 / 0.9	1,444 / 0.9	1,519 / 0.92	477 / 0.28	0.71 [71)]	0.6[71)]
Scope 1-emission: tonnes CO2 / tonnes CO2 per FTE	1.9 / 0	1.4 / 0	1.1 / 0	1.2 / 0	-	-
Scope 2-emission: tonnes CO2 / tonnes CO2 per FTE	320 / 0.19	201 / 0.13	179 / 0.11	164 / 0.09	-	-
Scope 3-emission: tonnes CO2 / tonnes CO2 per FTE	1,162 / 0.71	1,241 / 0.77	1,339 / 0.81	313 / 0.18	-	-
CO2e-emissions per FTE due to air travel: Scope 3,tonnes [73)]	0.64	0.69	0.74	0.15	-	-
CDP rating	B	A -	A -	A -	A	A
DJSI score/ percentile global	69/74	63/74	75/81	81/93	Top 10% [72)]	Top 10% [72)]
E-learning conducted, ethics: total / share of man-years[74)]	New	New	89 %	91%	100 %	100 %
E-learning carried out, anti-corruption work: total / share of man-years [74)]	New	New	87 %	90%	100 %	100 %
E-learning completed, combating money laundering and financial crime: total / share of man-years[74)]	New	New	89 %	92%	100 %	100 %
E-learning completed, privacy: total/ share of man-years [74)]	New	New	New	85%	100%	100%
Number of complaints processed by the Financial Appeals Board [75)]	New	135	192	218	N/A	N/A
Number of breaches of code of conduct/ Code of Conduct	New	New	9	2	N/A	N/A
Number of information security incidents	3	0	30	20	N/A	N/A
Number of privacy events	N/A	60	48	41	N/A	N/A

69) Even though we achieved a higher purchasing volume from environmentally certified suppliers in 2020, the dynamics of our supply chain and market conditions still make the 60 per cent target challenging. Therefore, our aim is to work on maintaining a share of purchases from environmentally certified suppliers of over 60%.
70) Applies to volume of our purchases in NOK to suppliers with over NOK 1 million in sales to Storebrand
71) We have set a target to reduce our emissions by 7,6% per year by 2025 with a 2019 baseline year. Due to the Covid-19 pandemic, our emissions in 2020 were abnormally low. We will consider adjusting our long-term targets when the pandemic stabilises and working-life becomes more normalised.
72) A top 10% rank entails that Storebrand will be included in the Dow Jones Sustainability Wolrd Index. Score and percentile as expressed in the indicator can therefore not be directly compared with the target expressed here.
73) We have stopped reporting the average number of flights per FTE, as this is not a relevant indicator. The impact of air travel on the environment depends on how far you travel. This indicator is therefore replaced by kg CO2equivalents per FTE related to flights will be replaced from 2019. Emissions from flights have been recalculated for 2017-2019 as a result of updates to the emission factors in our travel agencies' systems.
74) From 2019, we started reporting for each course separately. Historical data for 2017 and 2018 is therefore not available. Data for 2019 shows the share of all permanent employees throughout the year. The deviation from the 100% target is mainly due to turnover and new hires.
75) The figures apply to our Norwegian enterprises, as these are complaints dealt with in the Financial Complaints Commission. SPP not included here.

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Definitions of Key performance indicators

Definitions apply to the KPIs in Chapters 2 - 6 of this report, and all the KPIs in the complete list of sustainability KPIs above

A driving force for sustainable investments

Return on equity: Return on equity

Solvency II: Common European regulatory framework for insurance regulation. Under Solvency II, the size of the capital requirement will be determined by how much risk the company is exposed to.

Dividend/Pay-out ratio: Dividend as a share of profit after tax. (see Dividend Policy on p.51)

Per cent of AuM screened for sustainability: All companies in our investment universe are screened for sustainability according to our standards: https://www.storebrand.no/en/sustainability/investments
Fossil-free products: The companies in the portfolio may have no more than 5% of their revenues related to the production or distribution of fossil energy, and the fossil reserves shall not exceed 100 million tonnes of CO2.

Carbon footprint in equity investments: Results per Q3 2020. Based on TCFD's definition. The fund's total carbon footprint is the sum of the companies' carbon emissions over the companies' revenues, weighted for our ownership of the respective companies. The unit of measure shows carbon emissions per million fund currency in NOK. The method is the same for stocks and bonds.

Exposure to high-emitting sectors: Indicates our exposure to high-emitting sectors in NOK and as a share of total equity investments. The definition of high-emitting sectors follows the methodology recommendation of the Net Zero Asset Owner Alliance, and includes the following GICS codes for each sector:

Aviation 20301010, 20302010
Chemicals 15101010, 15101020, 15101030, 15101040, 15101050
Energy, 10101010, 10101020, 10102010, 10102020, 10102030, 10102040, 10102050
Steel, 15104050
Shipping, 20303010
Cement 15102010
Utilities, 55101010, 55102010, 55103010, 55105010
Light duty automobiles, 25102010
Heavy duty automobiles, 20304020, 20104020
Aluminium, 15104010

Investment in solutions (solution companies, Green Bonds, and real estate investments with Green Building Certificate): Total share of managed capital invested in solution companies, through our portfolio of clean technology, renewable energy and green bonds in equity and interest rates in Storebrand and SPP. Direct real estate investments under operational control in Norway and Sweden with environmental certification.
Investments in green bonds: Green bonds enable capital raising for new and existing projects with environmental gains.

Investments in solution companies: The investment in solution companies, through our portfolio of clean technology and renewable energy, among others, in Storebrand and SPP.

Certified green property: Share direct real estate investments under operational control in Norway and Sweden with environmental certification.

Energy consumption direct real estate investments: Temperature-adjusted energy consumption per square meter of heated area in direct real estate investments under operational control in Norway and Sweden. Consumption measured by energy suppliers (electricity, district heating / cooling and other) and registered in the environmental monitoring system.

Water consumption in direct real estate investments: Water consumption in cubic metres per square meter of heated area in direct real estate investments under operational control in Norway and Sweden. Consumption measured and registered in the environmental follow-up system.

Carbon footprint direct real estate investments: CO2 emissions from direct real estate investments under operational control, per square meter of heated area. Includes direct and indirect emissions (scope 1-3), including the tenant's energy and water consumption as well as waste production. The carbon footprint is calculated by CemaSys AS according to the Greenhouse Gas Protocol (GHG) protocol. The Nordic mix emission factor is the basis for calculating location-based emissions from electric power.

Waste sorting in direct real estate investments: Share of source sorted waste from real estate including tenants. Residual waste is sorted mechanically at the recycling plant, and mainly goes to energy recovery.

Customer relations

Net Promoter System: Net Promoter System: Net Promoter System (NPS) is a measuring tool for customer satisfaction where the customer gives a score from 0 to 10 with 10 as the best result.

Market share Savings Norway PM: Based on Q3 figures from Finans Norway and VFF (Mutual Funds Association).

Market position BM occupational pension: Based on Q3figures from the Finance Norway.

Share of female pension savers: Proportion of pension savers (customers) who are women.

Association to profitable sustainability: Averages of the share that connects Storebrand with sustainability, environmental responsibility and corporate social responsibility.

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Expected pension as a share of salary: Customers' expected pension from all sources (including private savings for pension, national insurance, AFP, and occupational pension schemes in Norway), expressed as a percentage of current salary.

People

Sickness absence: Number of sick leave days divided by number of working days at end-December 2020

Number of employees: Number of employees at Storebrand and SPP as of 31.12.20, including Værdalsbruket.

Leader level 1-3:
Level 1=CEO
Level 2=Group management
Level 3=Reports to group management, with the exception of personal assistants

Gender balance all managers, proportion of women: Includes all female managers with personnel responsibilities. For level 3, all female managers are counted, except personal assistants

Turnover: Permanent employees who quit in 2020 with the exception of voluntary severance agreements between employer and employee, reduction in workforce or retirement, divided by average number of permanent employees in 2020.

Number recruited: Number of recruits including permanent employees, substitutes and internships in Norway and Sweden. The figures also include recruited employees who left the group later in 2020.

Number of employees in different age groups/sex: Includes Norway and Sweden. Discrepancies compared to the total number of employees are due to the fact that gender is not registered for all employees and that Værdaksbruket is not included in these figures.

Hay Grade: Hay Grade is a recognised job evaluation system used by many larger companies in Norway and internationally. The system makes it possible to compare pay for positions that have the same requirements for competence, experience and complexity. The system is used to compare wages for positions across the group and also against positions with the same Hay Grade in the labour market. The figures only apply to Storebrand in Norway. Hay Grade 21-25 includes roles except CEO.

CEO - Average Worker Pay Ratio: Basic salary for CEO relative to average salary for all employees in Norway

Keeping our house in order

Environmental requirements for suppliers: Share of contracts with suppliers where Storebrand has over 1MNOK in procurement where the supplier is certified or meets requirements according to one or more of the following environmental certification systems: Miljøbas, Miljøfyrtårn, Svanen, ISO 14001, CO2 neutral.

Co2 emissions: CO2 emissions per man-year in Norwegian and Swedish operations. Includes direct and indirect discharge; transport, other transport, energy consumption and waste (scope1-3). The carbon footprint is calculated by CemaSys AS according to the Greenhouse Gas Protocol (GHG) protocol. The Nordic mix emission factor is the basis for calculating location-based emissions from electric power.

CO2 emissions from air travel: Emissions from service trips the employees of the Group's Norwegian and Swedish operations have done by air.
Scope 1: Tonnes of CO2 equivalents, measured in accordance with Greehouse gas protocol.
Scope 2: Tonnes of CO2 equivalents, measured in accordance with Greehouse gas protocol.
Scope 3: Tonnes of CO2 equivalents, measured according to Greehouse gas protocol.

Energy consumption: Temperature-adjusted energy consumption per square metre of heated area at the head offices in Norway and Sweden. Consumption measured by the energy supplier (electricity and district heating / cooling) and registered in the environmental monitoring system.

Water consumption: Water consumption in cubic metres per square meter of heated area in the head offices of Norway and Sweden. Consumption measured and registered in the environmental follow-up system.

Waste sorting/sorting grade: Share of waste sorted for recycling and further handling at head offices in Norway and Sweden. The residual waste is mechanically sorted at the recycling plant, and mainly goes to combustion with heat recovery.

Paper consumption: Consumption of office paper (copy and bond paper), envelopes, advertisements, including externally printed and regulatory letter attachments in kilograms per full-time employee in both Norwegian and Swedish operations.

CDP rating: Rating performed by carbon disclosure project.
E-learning course completed: Employee who is registered as completed in our e-learning system.

Cases dealt with in the Financial Complaints Committee: Customers complain storebrand to the Financial Complaints Commission for the processing of cases. These are processed by the Financial Complaints Committee on an ongoing basis.

Information security events: An information security incident is a suspected, attempted, successful or imminent threat of unauthorised access, use, disclosure, violation, alteration or destruction of information; disruption of IT operations; or significant violation of the responsible use policy.

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Storebrand ASA

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