storebrand

Storebrand ASA
Annual report

2021

How to navigate in the Annual report

Previous page

Next page

Full screen

Table of contents

On the left hand side, you will always have access to the table of contents. Here you can easily navigate between the chapters. If you are looking for something you can always go back to this page for a complete overview.

Table of contents

Table of contents

Facts and figures 2021

Number of employees

1 914

Group profit[1], NOK million

4 503

Return on equity[2]

10.7 %

Solency ratio

175 %

Assets under management, NOK billion

1 097

Assets under management screened for sustainability criteria

100 %

Investments in fossil free funds, NOK billion

483

Investments in solutions[3], NOK billion

123.1

Real estate investments with green certificates[4]

68%

Rank in Global 100 among insurance comapanies

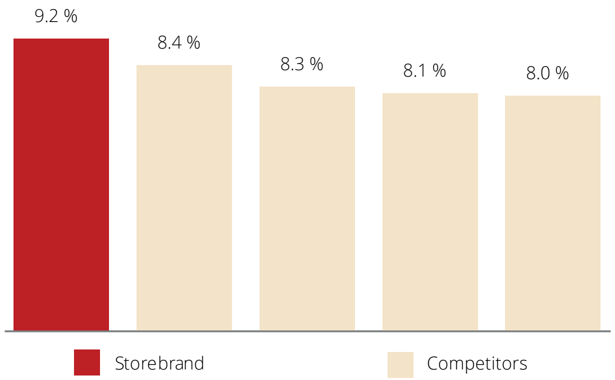
No. 1

(third consecutive year)

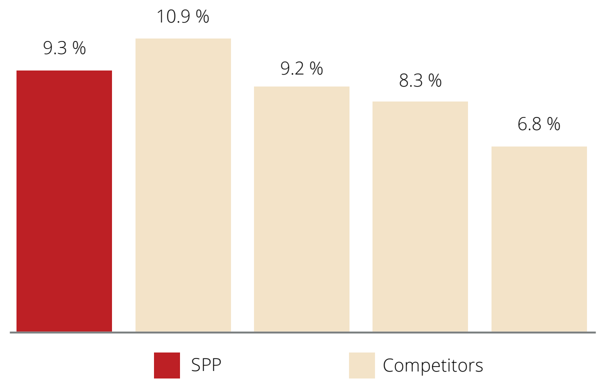
1 Profit before amortisation and tax.
2 After tax, adjusted for amortisation of intangible assets.
3 Equity investments in solution companies, investments in green bonds, green infrastructure and investments in real estate with Green Building Certificate.
4 Capital Investment that we acquired in 2021 has not reported to GRESB, and the real estate assets managed by the company is not included in the figures for Green Building Certificate

Table of contents

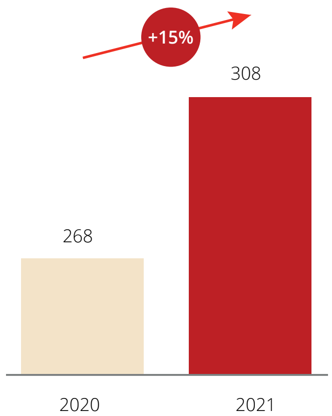
Defined Contribution pensions Norway – Annualised return last 5 years *)



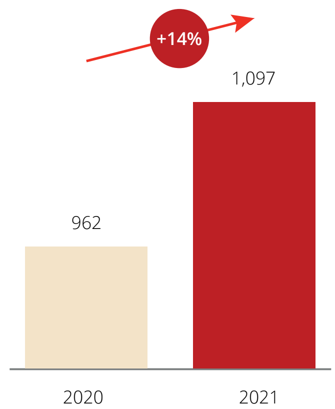
Pension investment profiles Sweden – Annualised return last 5 years **)



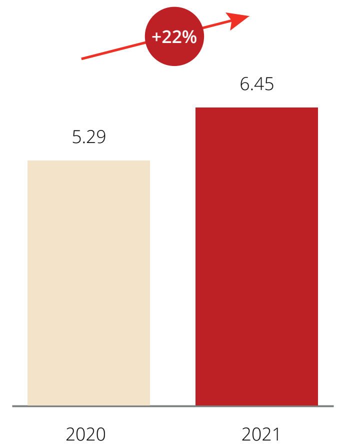
Unit Linked reserves (NOK billion)



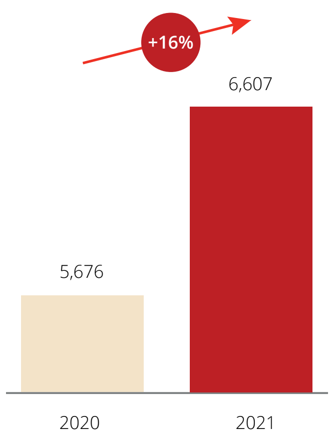
Total assets under management (NOK billion)



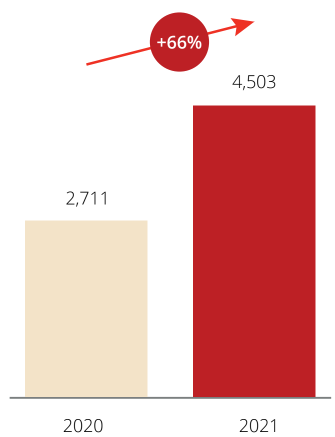
Written portfolio premiums (NOK billion)



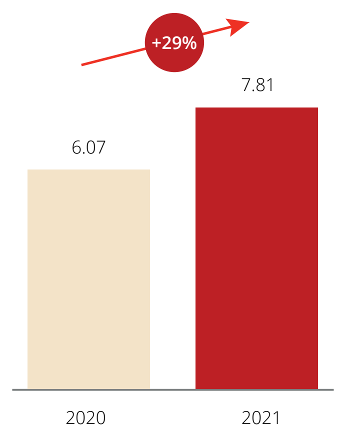
Fee and administration income (NOK million)



Group profit *) (NOK million)**



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.
***) Result before amortisation and tax

Table of contents

Foreword by our CEO

In 2021, we shifted into an even higher gear ensuring increased speed and growth, while defining clear ambitions for the coming years. With a strong solvency ratio and balance sheet, where Defined Contribution pensions now make up most of the pension assets, we could spend less time on older products in run-off and devote more attention to Storebrand's future business.

Odd Arild Grefstad
Group Chief Executive Officer

Throughout the year, more and more customers signed up for our market-leading digital products within pensions, savings, insurance, banking, and asset management. The group delivered both strong returns and long-term value to both customers and shareholders. The group result before amortisation and tax reached NOK 4.5 billion, supported by the sale of Værdalsbruket as well as good returns for customers in funds with performance fees. Excluding positive one-off effects, earnings grew substantially in 2021, and we are well on track to achieve our ambition of delivering a Group profit before amortisation and tax of more than NOK 4 billion in 2023.

Since the winter of 2019/2020, the pandemic has changed the professional and personal lives for most people. Throughout this period, Storebrand's employees have shown an impressive ability to make the best of the situation. We quickly found new ways of working that contributed to both customer and employee satisfaction, and solid results. Storebrand has been present for our customers during the pandemic. Throughout 2021, many customers confirmed that Storebrand plays an important role as a contributor to their financial security and freedom. We handled volatile markets throughout the pandemic and provided secure and good returns to our customers while strengthening our solvency.

The Norwegian and Swedish economies developed positively throughout the year. The share of companies with payment difficulties or at risk of going bankrupt fell sharply, and a record number of employees were employed. In fact, at the beginning of 2022, labour shortage was one of the biggest challenges in the Nordic countries. Interest rates rose through 2021. This was a sign of a healthier economy after a period of record-low interest rates, and an advantage for Storebrand as a life insurance company and manager of people's pension money. Unfortunately, the spread of Covid-19 increased towards the fall of 2021, resulting in new restrictions that created challenges for both companies and individuals. Although the uncertainty increased in the short term, we saw clear signs that everyday life was returning to normal.

Within Defined Contribution pensions, we delivered record-high returns within the most used pension profiles in Norway, both in 2021 and on a three- and five-year basis. This means that Storebrand's customers have received the best return in the market. We are proud to deliver market-leading returns through a distinctly sustainable asset management, providing better pension for our customers and contributing to a better world to retire in. In total, Unit Linked products achieved 15 per cent growth. At the turn of the year these products accounted for 51 per cent of the managed pension assets. Among corporate customers in Norway, we had both the highest customer satisfaction and loyalty.

Table of contents

Early last year, Individual Pension Accounts were introduced in Norway. The scheme makes pensions simpler and clearer, and it allows employees in the private sector to choose which company will manage their pension funds. Storebrand met the change with competitive solutions. Customers shall be confident that Storebrand provides the best offer, whether they follow their employer's collective scheme, or choose a pension provider themselves.

At the end of the year, we entered into an agreement to buy Danica in Norway. We look forward to combining our expertise and good technical solutions with Danica's strong and professional distribution partners. We will take pride in serving Danica's customers and helping even more people gain access to market-leading products and services.

In the public sector, which is one of our new focus areas, it was a very exciting year. First, we could welcome Vestland County Municipality. Then we won the trust of both Øygarden and Bjørnafjorden municipalities, as well as several public organisations. We demonstrated that there is money to be saved for municipalities that put their pension schemes out to public tender, while at the same time giving employees access to pension schemes that are at least as good the ones they had before. The results will inspire further efforts within the public sector in the time to come.

In Sweden, SPP continued to change the pension market by delivering strong digital solutions and sustainable products and services. This led to many new customers moving to SPP towards the end of the year. SPP was recognised as the most digital pension company in the Swedish market and delivered record-high results in 2021.

Our investment in the Norwegian retail market resulted in significant earnings growth and an increase in the number of customers and employees. We gained market shares within savings, banking and insurance. Storebrand was the fastest growing insurance company in the Norwegian retail market, with an increase in market share from 4.5 per cent to 6.0 per cent. The bank's lending, primarily for mortgages, grew by as much as 15 per cent. Continuously improving digital services - including the app "Mine Penger" ("My money") - contributed to good experiences for our savings customers. Profit in the retail market increased by 48 per cent in 2021, and we have high growth ambitions going forward.

Storebrand is both one of the largest, and the fastest growing, asset managers in the Nordic region. We are the gateway to investments in the Nordic region for international customers. At the same time, we offer a wide range of products to customers in the Nordic countries, and we have cutting-edge sustainable investment solutions for everyone. In 2021, we increased our total assets by more than NOK 130 billion and exceeded NOK 1,000 billion in total assets under management. Our funds delivered solid returns in 2021. In a market characterised by low interest rates, customers want to invest more and more into private equity, real estate, and infrastructure. These are asset classes we have a lot of experience with, and which will be important for Storebrand's growth and profitability in the future. I am therefore pleased that in the autumn of 2021, the Danish property manager Capital Investment became a part of Storebrand.

Sustainability has become increasingly important for both businesses and organisations, and for private individuals. With larger investments improves our ability to make an impact. Storebrand is an increasingly active driving force for sustainable business and societal development. Through active ownership, we contribute to important decisions in the companies we invest in. We also actively engage in global networks, with suppliers we buy from, and through products and services that we offer to our customers. Our goal is to achieve net zero emissions in all our investments by 2050. By 2025, our intermediate goal is to reduce greenhouse gas emissions from our investments by 32 per cent and increase the share of investments in solution companies to 15 per cent.

Sustainability is about more than climate. Going forward, we will emphasise our focus on nature, biodiversity and social challenges. As inequality in the world deepens, it is important to strengthen our commitment to issues such as equal pay, equal rights, and the protection of social groups particularly vulnerable to climate change. Storebrand was widely recognised for our sustainability work in 2021. For the second year in a row, Storebrand was ranked by the Dow Jones Sustainability Index as one of the world's 10 per cent most sustainable listed companies. In addition, we were again named one of the world's most sustainable insurance companies by Corporate Knights Global 100. Institutional customers in Norway and Sweden rated us as the best on sustainable investments.

In 2021, we further developed our workplaces to adapt everyday work to hybrid models, with flexible schemes and a combination of work and home offices. Our goal is for Storebrand to be a leading and future-oriented workplace. Employee satisfaction surveys showed that employees thrived even better in 2021 than before. We continued to attract skilled employees and recruited as many as 250 new colleagues throughout the year.

The use of data and insights is becoming increasingly important in the development of strategy, work processes, customer solutions, products and services. We are at the forefront of moving our IT infrastructure to cloud-based solutions. Digital sales also continued to increase in 2021.

I look forward to an exciting new year, where our employees, products and services will create a future to look forward to for customers and shareholders, and with positive ripple effects for the societies in which we operate. I would like to thank customers, shareholders and employees who all contributed to Storebrand's progress in 2021.

Odd Arild Grefstad

Table of contents

Foreword by the Chair

Storebrand's business has a major impact on society. The world is facing a green shift, and Storebrand intends to lead the way in sustainable value creation for customers, shareholders, and society. We will deliver products and services tailored to meet the needs of our customers and contribute to their financial security and financial freedom.

Didrik Munch
Chair, Storebrand ASA

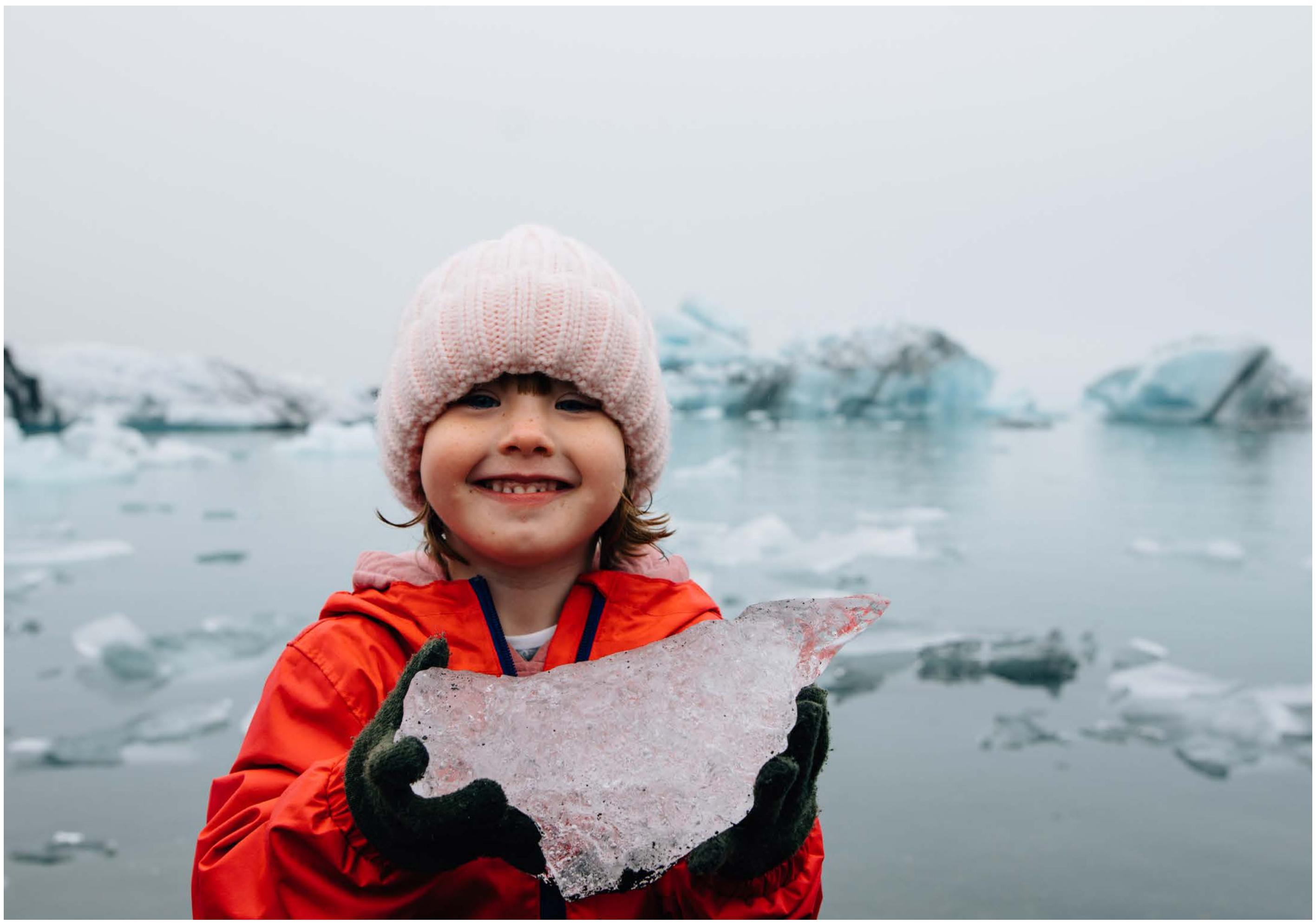


Table of contents

In recent years, Storebrand has carried out a successful strategic turnaround operation. While Storebrand previously was a manager of capital-intensive guaranteed pensions primarily, the company is now transformed into a leading manager of savings for both companies and individuals. In addition, we are a steadily growing insurance player. We will build on this position going forward.

Storebrand achieved historically strong growth and very satisfactory results in 2021. Thus, we are able to confirm the ambitious growth targets for the years 2021-2023 that were announced at Storebrand's Capital Markets Day in 2020.

Our ambition is to deliver a group profit (before amortisation and tax) of more than NOK 4 billion in 2023. Self-financed growth within what we call "Future Storebrand", will be a main contributor to increased profitability. At the same time, Storebrand will manage the balance sheet with guaranteed pensions in run-off in an efficient and safe manner that both secures customers' pension payments and frees up capital for shareholders over time. With skilled employees, a high degree of digitalisation, market-leading products and a solid financial position, the group is well positioned to meet market developments.

Storebrand ensures good solutions and accessibility for customers through cost-effective operations, innovation and digital solutions. Value-adding self-service solutions provide flexibility for customers and contribute to healthy margins in a pension market characterised by strong competition. Our ambition is to maintain Storebrand's position as a leading provider of occupational pensions in both Norway and Sweden.

The market for pension savings is becoming increasingly individualised. Retail customers expect us to meet their individual needs at various stages of their lives. Therefore, it was satisfying to note an increase in the number of customers who chose us as their savings and insurance provider in 2021. We aim to help our customers make good choices that provide both good returns for them as well as a positive societal development. While our offering to the retail market used to be a supplement to other activities, retail savings and insurance products have become part of Storebrand's core business. We will continue to challenge the established players in these markets.

Storebrand has grown to become one of the Nordic region's largest asset managers, with sustainable investments as a foundation. We have set ambitious goals and are committed to adapting our investment portfolio to the 1.5-degree target in line with the Paris Agreement. This means that the investment portfolio must be carbon neutral by 2050 at the latest. By 2025, Storebrand must reduce greenhouse gas emissions from our investments by 32 per cent, and at least 15 per cent of the portfolio must be invested in solution companies that are particularly well positioned to help achieve the UN Sustainable Development Goals. This requires a close dialogue with the companies we invest in to help them reduce emissions.

Storebrand's investments will provide good returns and long-term value for both customers and shareholders. We are well on our way to realising our ambition of becoming a Nordic powerhouse for asset management. Storebrand offers a wide range of management solutions. We have strengthened our focus on alternative investments and further developed our offering within sustainable investments. The goal is both to be a preferred partner for Nordic investors, and a gateway to the Nordic region for international investors.

The board is very pleased with Storebrand's results in 2021 and believes the company is well positioned for the years to come. Storebrand's shareholders achieved a total return of 43 per cent in 2021, which was higher than the returns reported both by the Oslo Stock Exchange and by European peers.

Storebrand faces exciting challenges. Competition is tough in both the corporate and retail markets. Customers have increasingly high expectations, and we must deliver on ambitious goals for profitable growth and sustainable development. Time and time again, Storebrand has demonstrated an ability to adapt to market and societal developments. The group's balance sheet is solid, and our financial flexibility is good. Storebrand has paid increasing dividends, made acquisitions to strengthen our customer offerings, and secured long-term financing through debt issuances in international markets. All this strengthens the basis for creating future growth and shareholder value, while also contributing positively to a sustainable development in the years to come.

Highlights in 2021

Q1

January - March

- **Storebrand launched a Nordic sustainable real estate fund.** More customers throughout the Nordic countries were looking for investment opportunities. The market outlook remains promising.
- **Storebrand led a global investor group** that met with the Brazilian government to call for stronger efforts to reduce deforestation.
- **Storebrand and the Confederation of Norwegian Enterprise renewed an occupational pension agreement** comprising the organisation's 29,000 member companies representing more than 592,000 man-years.
- **Storebrand Livsforsikring AS issued its first green bond.** The issuance was a time-limited subordinated bond of EUR 300 million. Storebrand continued to contribute to a growing market for sustainable bonds and stimulate the market for sustainable investments and financing.

Q2

April - June

- **Storebrand sold AS Værdalsbruket** to Fabritius Gruppen AS. Værdalsbruket was the country's second-largest private forest ownership company and had been owned by Storebrand since 1935.

Q3

July - September

- **Total assets under management exceeded NOK 1000 billion.**
- **Storebrand maintained its rank as best in class among sustainable investments.** For the third consecutive year, the annual Prospera survey in Norway and Sweden showed that institutional clients ranked Storebrand Asset Management best in class among sustainable investments.
- **Storebrand launched a new fund focused on investments in solutions for the cities of the future.** By 2050, 70 per cent of the world's population will live in cities, which will require smart urban planning and development. Companies that help cities become better places to live represent a great growth potential.
- **Norway reopened after one and a half years of pandemic restrictions.** Storebrand launched Future Storebrand, a flexible and trust-based work model where employees and teams may decide the physical locations for their work.

Q4

October - December

- **Storebrand acquired Capital Investment in Denmark**, strengthening the group's position within alternative investments in Norway, Sweden and Denmark.
- **Øygarden municipality chose Storebrand as its pension provider.** The pension scheme covered around 9,000 current and former employees in the municipality.
- **Storebrand maintained its position as one of the world's most sustainable companies.** For the second year in a row, Storebrand was named by the Dow Jones Sustainability Index as one of the world's 10 per cent most sustainable listed companies.
- **Bjørnafjorden municipality chose Storebrand as its pension provider.** The pension scheme covers around 6,000 employees, members, and pensioners in the municipality.
- **Storebrand Studio went live.** State-of-the art video production and digital live broadcasts will enhance Storebrand's visual communication with customers, stakeholders and employees.
- **Storebrand Livsforsikring AS entered into an agreement to purchase 100 per cent of the shares in Danica Pensjonsforsikring AS Norway.** Pending approval by Norway's Financial Supervisory Authority and the Norwegian Competition Authority, the acquisition was expected to take place during the first half of 2022.

Table of contents

1

This is Storebrand

Table of contents

About Storebrand

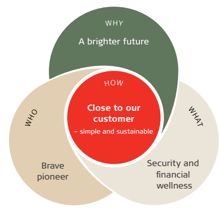
Storebrand is a Nordic financial group, headquartered in Oslo, Norway. We offer pension, savings, insurance and banking products to individuals, businesses, and public enterprises. We work hard to understand our customers well and to consistently meet their expectations. Our customers should be confident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

We have been an important 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 1,097 billion invested in more than 5,000 companies around the world.

More than 2 million people in Norway and Sweden have placed their savings with us. 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 brighter future.

Our driving force

Storebrand's driving force is key to delivering on our purpose. We will be closest to the customer, in a simple and sustainable way, delivering increased security and financial wellness. We do this by being a brave pioneer and by leading the way in sustainable investments.



A brighter future

We work to ensure that more and more people can think about the future with optimism. Both because they have a personal economy that allows them to live the life they want, and because they see that what we do together really contributes to the world moving in the right direction.

Brave Pioneer

We believe that there is always room for improvement. This requires courage to challenge the status quo and willingness to learn by trial and error. We do not simply choose the path of least resistance, rather we act in ways that are best for our clients based on our wealth of experience and knowledge. Both as a corporation and as individuals.

Security and financial wellness

Our products and services can significantly improve our customer's well-being - now and for the future. We ensure that what they value the most is taken care of and enable them the freedom to realise their dreams.

Close to our customer – simple and sustainable

We are committed to knowing the customer so well that we can provide them with what they want and need. We will always have their best interest at heart. This makes it easy for them to make good choices, both for themselves and for the planet.

Storebrand

1767 Almindelige Brand- Forsikrings-Anstalt is established as a compulsory fire insurance for buildings in Norwegian cities.

1814 After Norway's secession from Denmark, the scheme is continued, and the administration transferred to Christiania.

1847 Private interests establish Christiania almindelige Brandforsikrings-Selskab for Varer og Effecter. The company is referred to as Storebrand.

1861 Storebrand's owners establish Norway's first privately owned life insurance company, Idun.

1867 The non-life insurance company Norden is established as a competitor to Storebrand.

1917 The life insurance company Norske Folk is founded.

1923 Storebrand buys almost all the shares in Idun. With a few exceptions, the rest is acquired during the 1970s.

1925 Christiania Almindelige Forsikrings-Aksjeselskap, referred to as Storebrand, changes its name to Christiania almindelige Forsikrings-Aksjeselskap Storebrand.

1936 Storebrand buys Europeiske, Norway's leading travel insurer.

1963 Storebrand takes over Norske Fortuna. Brage and Fram merge and become the country's largest life company.

1978 Storebrand changes the logo and introduces the "link" as an easily recognisable trademark. The formal name of the holding company changes to the Storebrand Group Ltd.

1984 Norges Brannkasse and Norske Folk become UNI Forsikring.

1990 Storebrand and UNI Forsikring decide to merge and receive a formal licence in January 1991.

1995 Storebrand establishes sustainable investment in Storebrand Asset Management.

Table of contents

Organisation

Legal structure (simplified)

Storebrand ASA

- Storebrand Livsforsikring AS
  - Storebrand Holding AB
    - SPP Spar AB
    - SPP Konsult AB
    - SPP Pensjon & Forsäkring AB
      - Storebrand & SPP Business Services AB
      - SPP Fastigheter AB
      - SPP Fastigheter Komplementär AB
      - SPP Hyresförvaltning AB
  - Storebrand Eiendomsfond Invest AS
  - Storebrand Eiendom Trygg AS
  - Storebrand Eiendom Vekst AS
  - Storebrand Eiendom Utvikling AS
  - Storebrand Pensjonstjenester AS
  - Norsk Pensjon AS (25%)
- 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.

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 as non-life insurance products, and personal risk insurance products in the Norwegian retail market.

Guaranteed pensions

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.

Other

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

1996 The company changes its name to Storebrand ASA and establishes Storebrand bank ASA.

1998 Storebrand Helseforsikring is established.

1999 Storebrand, Skandia and Pohjola gather their non-life insurance activities in the new Nordic Swedish-registered company "If Skadeförsäkring ab". Storebrand sells out five years later.

2005 The Storting decides that all companies must introduce occupational pensions (OTPs) by 2007.

2006 Storebrand re-enters P&C insurance market.

2007 Storebrand acquires the Swedish pension company SPP and forms the Nordic region's leading life insurance group.

2009 Storebrand confirms that talks have been held about a possible merger with Gjensidige. The talks ended without result.

2012 Storebrand launches its new vision: "Our customers recommend us". Odd Arild Grefstad is appointed new CEO.

2014 Storebrand Asset Management exceeds NOK 500 billion.

2016 Storebrand launches "Our Driving Force", a mission statement with a vision to create a future to look forward to.

2017 Storebrand acquires SKAGEN and celebrates its 250th anniversary.

2019 Storebrand acquires the investment company Cubera Private Equity AS, which manages several private equity funds in the Nordic countries and internationally.

2020 Storebrand is included in the Dow Jones Sustainability Index, ranked as one of the world's 10 per cent most sustainable listed companies.

2021 Storebrand's Capital management exceeds NOK 1000 billion.

Table of contents

Sustainability as a core business

In 2019, the UN released the results of the most thorough planetary health check ever undertaken, the IPBES-report on biodiversity and ecosystem services.[5] The report is clear in its conclusion: Loss of biodiversity and ecosystems occurs to an 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.[6] The transition represents both financial risks and opportunities for Storebrand as an investor and asset manager. In 2021, the Intergovernmental Panel on Climate Change announced the Code Red for Humanity in its latest report on climate change.[7] The report states that climate change is intensifying continuously, and that some changes are already irreversible.

The financial sector plays a key role in helping to achieve the UN Sustainable Development Goals (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, we believe this will also result in higher returns for our customers.

Companies with sustainability as a key part of their business strategy have a stronger position for managing climate and sustainability risks and capitalising 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 every six months 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 (SDGs).
- We help our customers to live more sustainably through the products and services we offer.
- 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 work with our customers, suppliers, authorities and partners to achieve the UN Sustainable Development Goals.
- We are transparent about our work on sustainability and the results we achieve.

We have identified three SDGs that may be significantly impacted by how we manage the Group's business and human resource processes. At the end of relevant chapters of this report, figures are provided that show how far we have come in this work.

13 CLIMATE ACTION

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).

8 DECENT WORK AND ECONOMIC GROWTH

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).

5 GENDER EQUALITY

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

5) The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Media Release: Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating'. https://www.ipbes.net/news/Media-Release-Global-Assessment
6) IPCC. Special Report, Global Warming of 1.5 °C. https://www.ipcc.ch/sr15/
7) IPCC. Sixth Assessment Report. https://www.ipcc.ch/assessment-report/ar6/

Table of contents

Products and Services

Storebrand is a leading financial player in the Nordic market and will continue to 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.[8] In 2021, Prospera ranked Storebrand first in the sustainable investment category in both Norway and Sweden. We also scored best among the major financial institutions in the Ethical Banking Guide in Norway, and we were included on the Dow Jones Sustainability Index's list of the world's 10 per cent most sustainable companies for the second year in a row. These were important recognitions of Storebrand's efforts to operationalise sustainability and integrate sustainability in our investment products.

All our funds are managed according to the Storebrand standard. By the end of 2021, 11.2 per cent of our capital was invested in what we call solutions – companies that contribute to the SDGs, investments in green bonds, green infrastructure, and certified green real estate investments. In addition, almost 44 per cent (NOK 483 billion) of assets under management were invested in fossil-free funds. All assets under management in our Swedish branch SPP Funds were invested in funds consisting of companies that had no connections to the fossil fuel sector.

We have identified eight SDGs (below) where Storebrand can have the greatest impact through our investment activities. The goals are used actively, for example when applying Storbrand's sustainability rating. The protection of peace, justice and strong institutions (SDG 16) are key considerations when making investment decisions (see page 68). For Specific measures and objectives related to these sustainability goals in our asset management are described in the chapter *Driving force for sustainable investments*.

Communication and stakeholder dialogue

Strategic ambitions, target setting, reporting, and communication about sustainability are important success criteria in our work. We are transparent about our sustainability efforts and report in accordance with several leading reporting standards, including the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Project (CDP), in line with the expectations of several key stakeholders. In addition, we engage in international sustainability initiatives such as The Net Zero Asset Owner Alliance and Climate Action 100+ to support the development of international metrics and targets, and to positively influence investee companies. As one of the founding members of Net Zero Asset Owner Alliance, we have supported the development of a Target Setting Protocol that has received recognition from António Guterres, the UN Secretary General.[9]

This illustrates our strong commitment to SDG 17: collaboration and partnerships 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).

8) The Storebrand Standard applies to all self-managed funds and pension funds, and shall contribute to ensuring our customer's long-term returns. Read more about the criterias here: https://www.storebrand.no/asset-management/barekraftige-investeringer/storebrandstandarden
9) Net Zero Asset Owner Alliance has developed a second edition of the Target Setting Protocol: https://www.unepfi.org/net-zero-alliance/resources/target-setting-protocol-second-edition/

Table of contents

Executive management

Odd Arild Grefstad
CEO
Storebrand ASA

Lars Aa. Løddesøl
Group CFO and
EVP Strategy and Legal

Heidi Skaaret
Executive Vice President
Retail Market

Staffan Hansén
CEO, SPP

Jan Erik Saugestad
Executive Vice President
Asset Mgmt.

Terje Løken
Executive Vice President
Digital and Innovation

Geir Holmgren
Executive Vice President
Corporate Market

Trygve Håkedal
Executive Vice President
Technology

Karin Greve-Isdahl
Executive Vice President
Communications, Sustainability
and Business Policy

Tove Selnes
Executive Vice President
People

See Appendix on page 229 for Executive management CVs

Table of contents

Board of Directors

Didrik Munch
Board Chair

Martin Skancke
Board Director

Karin Bing Orgland
Board Director

Christel Elise Borge
Board Director

Fredrik Åtting
Board Director

Karl Sandlund
Board Director

Marianne Bergmann Røren
Board Director

Bodil Catherine Valvik
Employee Representative

Hans-Petter Salvesen
Employee Representative

Hanne Seim Grave
Employee Representative

See Appendix on page 234 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 shareholder-elected directors are independent and do not have significant business relations with Storebrand. All directors are non-managerial staff.

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 210.

The Strategy Committee

Leader
Didrik Munch

Members
Fredrik Åtting
Christel Elise Borge
Hans-Petter Salvesen

The Audit Committee

Leader
Karin Bing Orgland

Members
Martin Skancke
Hanne Seim Grave

The Risk Committee

Leader
Didrik Munch

Members
Marianne Bergmann Røren
Hans-Petter Salvesen

The Compensation Committee

Leader
Martin Skancke

Members
Fredrik Åtting
Bodil Catherine Valvik

The Nomination Committee

Leader
Per Otto Dyb

Members (shareholder-elected)
Leiv Askvig
Nils Halvard Bastiansen
Anders Gaarud
Liv Monica Stubholt

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. Our operating environment will be adjusted and shaped in line with societal developments. The materiality analysis will therefore be continuously updated through ongoing dialogue with our most important stakeholders: Shareholders, customers, employees, authorities, and NGOs. In 2022, we will develop an updated materiality analysis to incorporate the double materiality concept proposed by the European Financial Reporting Advisory Group (EFRAG) in its work for the elaboration of EU non-financial reporting standards under the Corporate Sustainability Reporting Directive (CSRD).

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. The analysis is publicly available.[10]

The dialogue with stakeholders is conducted through interviews, surveys, and direct dialogue. We also extract information 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 related material topics in 2020, and how we will work on these going forward.

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

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

The material topics are ranked according to the degree of influence they have on our stakeholders' assessments and their decisions related to Storebrand, and to the extent to which they affect our business. The materiality analysis forms the structure of this annual report and includes input from our stakeholders. The financial capital and investment universe, and the three underlying material topics, are consistently ranked by our stakeholders as very significant. They are also very relevant to the Group's strategy and risk management and therefore are included in the Director's Report. Topic A: Competitive long-term returns to shareholders and customers are covered through other chapters in the report such as Customer relations, the Director's report, and the accounts. Topic B and C have been merged into one chapter; *Driving force for sustainable investment*.

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, information security, anti-corruption, 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 results. The key figures for each focus area are reported to Executive 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 220. The guidelines of the International Integrated Reporting Council (IIRC) are also used as a basis 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 93 per cent of the group's employees. The figures do not include smaller, local offices or Cubera, as these are not considered material due to their size. See page 214 for more information about companies in the Storebrand Group.

Table of contents

2

Customer relations

Table of contents

Greater security and financial wellness

We shall help our customers achieve security and financial wellness by offering long-term savings, banking, and insurance solutions. 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 robust structures for risk management, we 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, in a simple and sustainable way.

Why

Recent reforms to the Norwegian and Swedish pension systems entail greater individual flexibility and responsibility for their own long-term financial situation, including pensions. With increased life expectancy in general, Norwegians in the future 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 Individual Pension Account ("Egen pensjonskonto") in February 2021. It is intended to provide better oversight and control over your own pension and increase payouts. In December 2021, the Swedish government proposed to extend the transfer right for Unit-linked insurance and custodian insurance covered before 1 July 2007. It will be easier and cheaper for employees in Sweden to move pension funds saved from 1 July 2007 to today. The rules on fees (maximum SEK 600) shall also include insurance policies covered prior to 1 July 2007. The regulatory amendments are proposed to enter into force on 1 July 2022.

Goals and ambitions

Storebrand aims 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 savings, 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 possible returns. We provide information and advice to our corporate customer so that they, in turn, may 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-ups. Through digital solutions, customer seminars, and advisory services, 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 coherent 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" ("Gode Penger"). Storebrand shall be known for its ability to create value for customers through sustainable investments. In 2021, we developed several new products and services that support this strategy.

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 these types of pension and savings products in the Swedish market.

Approach

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

The "My Money" ("Mine Penger") 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 "Smart Pension" ("Smart Pensjon") 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 advisory services.

In 2021, 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. SPP also developed a fully digital service for employees to choose when and how they want their pension payouts.

Table of contents

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

SPP also continued to develop the digital tool called "Your climate footprint" ("Ditt klimatavtrykk"). 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. In 2021 our financial advisors received training in the usage and communication of this tool. In Norway, a pilot project was launched to further develop a similar tool entitled the "Sustainability Dashboard" ("Bærekraftsdashboard"). Corporate customers in Sweden gave feedback that the tool is useful for communication with their own employees. Several companies also want to use the tool in recruitment campaigns and in their corporate sustainability reporting.

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).

Results

Storebrand works to increase customers' awareness related to their pensions and savings. We contribute to this through communication about products and services, both on our own website, in direct customer dialogue, in the app "My Money", and in social media.

More than 700,000 people checked their pension on Storebrand' s website in Norway in 2021. Throughout the year, more than 200,000 customers downloaded the "My Money" app, which was launched in a new version in 2021.

In Sweden, more than 428,000 customers logged into SPP's website to attain information about their pension, while over 4,000 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. More than 72.9 per cent of all private customers who retired in 2021 chose a fully digital pension payment solution.[11]

11) Private customers who retired earlier than the agreed retirement age is not included in this calculation.

Table of contents

Engaging, relevant and responsible advice

Why

Customers often find it complicated to get a complete overview of their own finances, pension and insurance policies, rights, and payments through the different stages of life. We work continuously to improve and simplify information for the benefit of our customers. Relevant and responsible advisory services are prerequisites for good customer satisfaction. We help customers select products and services that are relevant and appropriate for their current life situation.

Goals and ambitions

We aim to provide products and services that contribute to security and financial wellness for our customers. We deliver pension and savings capital growth through professional management tailored to fit individual risk profiles and time horizon preferences.

In Norway, our ambition is for 70 per cent of our advisors across savings, banking, and insurance to be authorised.[12] In Sweden, all our advisors are certified in line with requirements from the authorities.

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.

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. Information about our authorisation and competency requirements is available to customers across our digital platforms.

The interaction between digital and physical customer service will become increasingly important. Storebrand's, teams work closely together to deliver first-class customer services and develop new initiatives.

Results

In 2021, Storebrand was ranked 1st in the Norwegian Customer Barometer's annual measurement of customer satisfaction in the corporate market, with a satisfaction score of 74 points (out of 100). Storebrand received the highest loyalty score among corporate customers. Sustainability was an important driver of loyalty and trust. This confirmed that our commitment to profitable sustainability will become an important differentiator in both the corporate and retail markets.

In the market for mutual funds, we had a market share of 4.4 per cent at the end of 2021.[13] In the market for Unit-linked savings, we had a market share of 16.9 per cent at the end of 2021.[14]

In the non-life insurance market, we had a market share of 5.9 per cent.

In the market for banking, we had a market share of 1.8 per cent per Q3 in 2021.[15]

SPP has grown significantly in the Swedish market. SPP has positioned itself well, offering sustainable management of employees' pension funds and efficient digital services.

Market position, pension:

#1

Corporate Market Norge

12) The figures will be affected by turnover in the organisation
13) Securities funds consist of an equity savings account and an investor account.
14) Figures for retail customers. Source: https://vff.no/siste-m%C3%A5ned.
15) Market share for banking is measured in loans.

Table of contents

Digital innovator in financial services

Why

A well-maintained and advanced technology platform is required to adopt emerging technologies, create innovative digital services, and meet our customers' digital expectations. Storebrand's platform is continuously improved to offer strong financial products and services to our customers.

Goals and ambitions

We work to increase the number of satisfied and loyal customers through good, digital customer experiences. The interaction between digital services and automated processes is key for both distribution and operations, as well as for our ability to ensure profitable growth and a future-oriented Storebrand in the years to come.

Approach

We work systematically to develop excellent digital customer experiences through automated processes based on a solid technological platform and infrastructure. Increasingly advanced use of data and artificial intelligence, in combination with leading expertise, are critical success factors to creating good digital customer experiences. In 2021, digital service development, technology and data resources were merged into one, common business unit called "Storebrand Digital".

Integrated machine learning models were incorporated into key business processes across the Group. In addition, several core systems were modernised. Migrating Storebrand's IT solutions to a cloud-based infrastructure continued at full speed in 2021.

Results

During 2021, we had more than 4.4 million visits on www.storebrand.no. The number of page views increased by approximately 11 per cent from the previous year. The "Mine Penger" ("My Money") app was used by 30,000 customers every month and served as a digital hub for Storebrand's savings services. Additionally, the number of digital sales of insurance and savings increased by 32 per cent and 38 per cent, respectively, compared to 2020. The share of digital sales in our sales channels for both insurance and savings accounted for 40 per cent of the total volume.

Storebrand Forsikring launched an automated electronic health declaration that both streamlined and improved the experience for our customers when buying products. Storebrand Forsikring also launched a digital sales advisory solution for property damage, in addition to new innovative solutions for digital sales tailored to product packages for the SME market segment.

Storebrand Bank launched several new digital solutions. The Bank's partnership with Huseierne, a homeowner's membership organisation, and Nordvik, a real estate broker, was further strengthened. Huseiernes' service for security deposit accounts was improved, in addition to a new integration to Nordvik's real estate agent system that generates potential leads to Storebrand.

In 2021, customers' defined contribution pension schemes were transferred to their Individual Pension Account. This arrangement entailed that customers' pension funds gained from previous and current employers were collected in one pension account. More than 700,000 pension agreements were managed and 99 per cent of these processes were automated.

SPP has nearly completed the implementation of a new core system that enables further digitalisation and innovation of products and services. By the end of 2021, 97 per cent of all pension agreements were converted to the new solution. The share of people who received pension funds digitally increased from 15 per cent to 80 per cent in 2021. The number of manual cases processed by SPP was reduced by 30 per cent in 2021 following the introduction of digital services such as self-service solutions for corporate customers.

Through artificial intelligence and machine learning, we were able to improve the accuracy of risk-based pricing for group disability pensions by 15 per cent in the period 2019 - 2021. The basis for value creation through smart use of data was further strengthened in 2021. Among other things, Storebrand exposed 10 per cent more insurance fraud than previous years. Storebrand's use of machine learning to detect insurance fraud took second place in the "Dataforeningens' Innsiktspris" (Data Association's Insight Award) for 2021.

During 2021, the system portfolio of Storebrand Asset Management AS was moved from two local data centers to Microsoft Azure cloud.

Table of contents

Simple and seamless customer experiences

Why

In line with technological development, demands for improved customer experiences have increased significantly. Customers expect a seamless interaction between advisory service and customer service across digital and serviced channels.

Goals and ambitions

Our aim and ambition are to offer personalised experiences to each of our customers, across digital and serviced channels.

Approach

Storebrand invests in technology, services and concepts that ensure relevance for our customers in the channels they prefer.

In 2020, we introduced Salesforce as an IT platform for customer dialogue and follow-up across channels. The system allows for customer dialogue logged in one channel to be identified, retrieved and followed up in another. Increasingly, customers will experience that we recognise them, regardless of which channel they use to communicate with us. Going forward, we will continue to develop Salesforce to strengthen our customer offering in line with customer and market expectations.

Our core deliveries were also strengthened in 2021. New loan customers were assigned an individual contact person at the bank. Insurance claims settlement processes were improved, and we established a separate advisory system to service customers across banking and savings.

Surveys showed that customers wanted a trusted partner at important life events, and that good advice and customer experiences were considered more important than (actual) product properties. Increased use of digital meetings and webinars were important tools to improve customer dialogue in 2021.

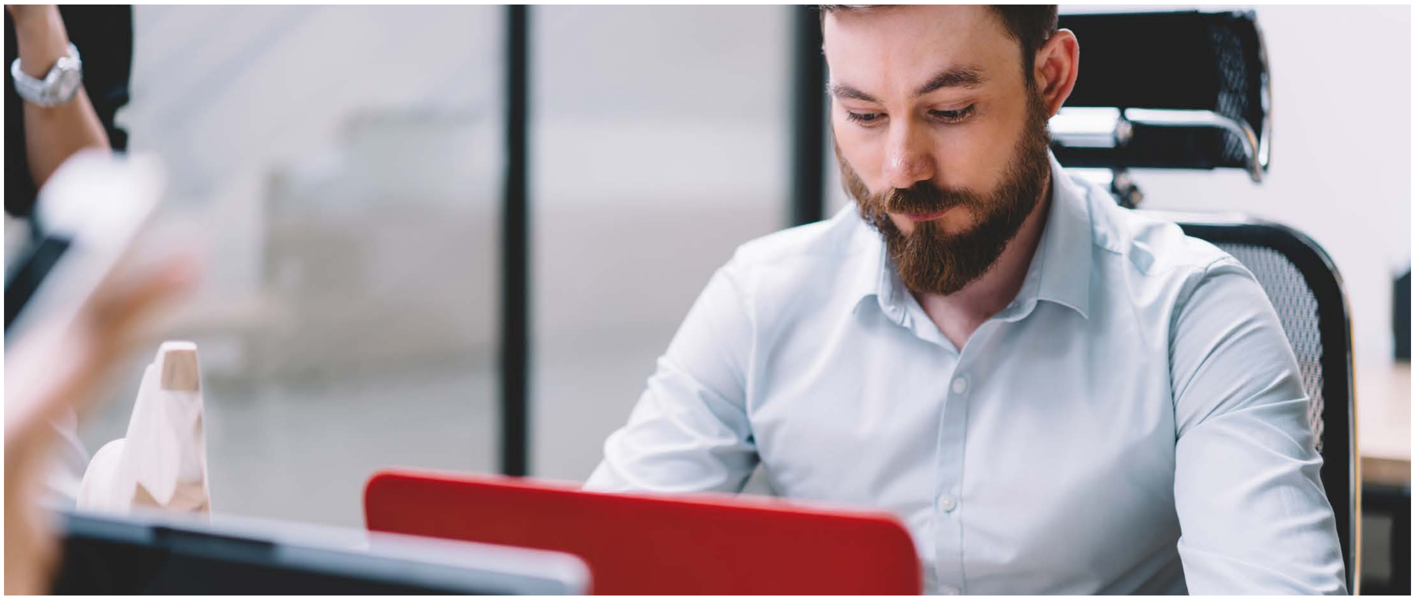
Through dialogue with existing and potential customers, we continued to develop product offerings aimed at affluent persons and people approaching retirement age ("Smart Pensjon"). Customer needs in connection with home purchases will have priority in 2022.

Results

Our digital platform for customer dialogue, Salesforce, gained traction throughout 2021. The platform was integrated with several digital sales and advisory services within savings and insurance. External partners also gained access to the platform.

The product concept for affluent persons performed well due to distinct value propositions, efficient presentations and sales activities, as well as close dialogue with customers.

The digital service "Smart Pensjon" ("Smart Pension") was further developed with, among other things, a new solution for simulating withdrawal of pensions and start-up of private savings schemes. Customer satisfaction increased by 15 per cent, to 7.0 (scale from 1 - 10) from 2020 to 2021. The share of digital sales through this service increased by 400 per cent from 2020 to 2021.



Key performance indicators

For more key performance indicators (KPIs) and detailed KPI definitions, see page 242.

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Customer Satisfaction [16]	No. 4	No. 4	No. 6	**No. 5**	Top 3	Top 3
Market share: Savings, retail market Norway	21 %	20 %	21.7 %	**19.6 %**	Increase	Increase
Market share: Pension, corporate market Norway	No. 1	No. 1	No. 1	**No. 2**	No. 1	No. 1
Recognised for sustainable value creation (Retail market Norway)	New	No. 3	No. 5	**No. 3**	Top 3	No. 1
Recognised for sustainable value creation (Corporate market Norway)	New	No. 1	No. 4	**No. 3**	No. 1	No. 1

16) Net Promoter System, retail market Norway

Table of contents

3

People

A culture for learning

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

For the second consecutive year, the pandemic affected our ways of working. We continued to facilitate flexible working arrangements and hybrid working models. Storebrand will build on this experience to develop the workplace of the future to benefit employees, the company, and society. Through our Future Storebrand initiative, we invited managers and employees to define and share their thoughts. Although digital solutions and flexible work patterns provide both efficiency and freedom, we see that physical meetings and gatherings strengthen the diversity of opinion, interpersonal relations, and a sense of belonging.

New ways of working contributed to an increase in the Group's employee engagement score, to a record 8.4 out of 10, in our bi-monthly employee survey. This progress, combined with the company's solid financial results, gives motivation and energy to further develop Storebrand as a future-oriented employer and workplace.

Why

Storebrand believes that all employees should have the opportunity to develop their skills continuously. Building competencies to ensure personal development and skills refinement is essential, and it contributes to Storebrand delivering value to our customers. Our goal is that employees should learn throughout their time with us and thereby strengthen their opportunities in the job market should they decide to seek employment elsewhere.

Storebrand offers courses and training programs and stimulates learning experiences through daily assignments. We strive to facilitate exciting tasks, new challenges, and collaboration across business units. Managers and employees have a shared responsibility to provide continuous feedback to ensure continuous improvement. Employees are encouraged to acquire new insights and experiences.

Goals and ambitions

Our ambition is to build a learning culture characterised by psychological safety. We strive towards having a culture where you can experiment, make mistakes, be open about what you master, and create a safe space to provide input, express different perspectives and receive feedback. Psychological safety is a prerequisite for innovation in a hybrid work model. We urge employees to contribute to the learning of their colleagues, and we aspire to achieve a genuine team spirit that exceeds the desire for individual success.

Approach

In 2021, we selected a group of employees from different parts of the Group to share their views on psychological safety on our internal social media channels. Group members published weekly posts about what psychological safety meant to them and how each employee could contribute to cultural improvements. The program was well received and evolved into a workshop titled "Psychological safety - what, why and how?", and more than 30 management teams and business units have later completed this workshop. The content was further converted into an e-learning course for new employees as part of their digital onboarding program.

In 2021, we also had a fully digital event, titled "Our new working day" for all our employees. The purpose was to strengthen internal unity and customer-centricity. The main topics include how to balance the needs of individuals, and society, and to raise awareness of challenges and opportunities in our new hybrid working day. Storebrand engaged with the entire organisation through live broadcasts from our new digital TV studios in our offices in Lysaker and Stockholm. In addition, participants completed digital teamwork activities, and employees were divided into small teams and played a new interactive game about challenges and interactions in a hybrid work model.

As we put lifelong learning and development on the agenda, we also conducted in-depth interviews with employees to understand their experiences about learning. We focused primarily on learning and development experiences during change and digital transformation. We interviewed more than 100 employees and 20 managers across more than 20 teams and conducted follow-up conversations with managers to discuss how to meet employees' expectations and needs.

We continued our work to further develop digital competence among our employees, and we see that successful hybrid working models depend on efficient use of digital tools for knowledge sharing and collaboration. Storebrand expects managers to take responsibility for self-development and continuous development of leadership skills. Managers can choose between a range of courses and programs tailored to support different roles and needs. In 2021, we offered a digital leadership development program called Storebrand Leadership Weekly, which focused on trust and change management.

We also implemented the Storebrand Future Impact programme for young talents with one to three years' work experience. The program aims to train future leaders and change agents and primarily develops three skills: self-management, relationships and collaboration, and complex problem-solving. The participants

Table of contents

completed a project where the goal was to solve global challenges in a responsible, ethical, and sustainable way. They were encouraged to apply what they had learned through the development programme.

In 2021, we launched Storebrand Inclusive Leadership, a programme designed to raise awareness of how leaders can foster and develop teams with employees of diverse backgrounds and competencies.

Storebrand also facilitated informal arenas where leaders could come together to reflect and share experiences. Examples included a practical leadership lunch, an onboarding program for new managers, and a buddy program. In addition, Storebrand hosted management meetings within the various business units and all

In 2021, we carried out our annual summer internship program, Storebrand Sandbox. Sandbox is a leading fintech program in Norway and Sweden, where students with different study backgrounds solve real challenges facing Storebrand and our customers. Sandbox invites young talents to get to know Storebrand and broadens our network among potential employees. The program also contributes to Storebrand's learning culture, demonstrating the importance of learning, failing, collaborating, and innovating.

Our digital learning platform, Campus Storebrand, provides access to various inspiration and professional development, including digital internal courses and links to various external course providers.

Results

The social media posts about psychological safety were read by between 1,000 and 1,200 employees every week during the campaign period from January to May 2021. The series increased the demand for more information and knowledge about the topic. Following the series, People facilitated more than 20 workshops on psychological safety in various management groups, business units, and teams across the company. The focus on psychological safety will continue in 2022.

More than 1,200 employees participated in our annual employee day. The day included an interactive digital group game about hybrid working models. More than 1,000 employees responded to an evaluation survey about the game, which scored 4.6 out of 5.

More than 120 employees celebrated of The International Day for Failure, which became the most visited StorebrandTalks in 2021.[17]

In-depth interviews with managers and employees conducted in 2021 gave us valuable knowledge and reassurance that we have the right approach to developing a learning culture. Development courses and training were considered significant, but everyday learning was valued higher – especially when presented with challenging tasks and working together with skilled colleagues. Feedback and recognition when developing new skills and competencies also were appreciated.

In 2021, we recruited 30 digital enthusiasts, strengthening our already numerous pool of digital change agents in Norway and Sweden. These employees play an important role in improving our use of digital solutions for collaboration.

In 2021, more than 24 middle managers participated in the digital leadership program, Storebrand Leadership Weekly. Approximately 90 managers participated in the program Storebrand Inclusive Leadership. We arranged four leadership guilds and five practical leadership lunches where all managers in Norway could attend or watch the recording.

The war for talent continued in 2021, and we took steps to position Storebrand as an attractive employer among students and young employees. Universum's ranking of Norway's most attractive employers named Storebrand as one of the increasingly attractive companies among IT graduates in 2021.

Our graduate program Storebrand Future Impact had 26 participants in 2021. Our goal was to develop effective ambassadors for change, both in Storebrand and society at large. The program began with two digital introductory sessions during the autumn of 2021, and we have planned three physical gatherings and a project assignment in 2022.

For the summer program, Storebrand Sandbox, we received close to 1000 applications for the program. A total of 20 students were accepted, of whom 15 work in Norway and five in Sweden. The students were majoring in economics, technology, psychology, IT, entrepreneurship, and design. Once again, the program was an essential catalyst for innovation. Through interdisciplinary teams, students solved current challenges that Storebrand was facing.

In 2021, we offered more than 200 courses through Campus Storebrand, our digital learning platform. More than 2,000 employees participated in one or more of them. Employees completed 7,185 hours of e-learning, averaging 3.63 hours of learning per person. In addition, employees completed digital courses via external web-based platforms. These courses do not show up in the statistics above. Employees also learn from sharing insights and experiences on our internal sharing platforms such as Yammer, Teams, and Sharepoint, for which we do not keep statistics.

We use the employee survey provider Peakon to distribute regular employee surveys to ensure frequent and continuous feedback on employee satisfaction. In 2021, the score for development increased from 7.8 to 8.0 out of 10. The score for guidance increased from 8.0 to 8.1 out of 10, while the score for career development increased from 7.5 to 7.7, and the score for learning increased from 8.1 to 8.3.

17) StorebrandTalks is our internal arena for sharing knowledge and inspiration across the organisation. Employees share experience, work, or expertise in a 30-minute broadcast or lecture once a month where we invite the whole organisation to participate. We share recordings right after the talks so that everyone can see them when it suits them best.

Engaged, competent and courageous employees

Why

Storebrand's employees are our primary source of innovation, development, and growth. Employees who are brave pioneers who dare to innovate and challenge prevailing norms are essential for Storebrand to secure a bright future for our customers and society.

Goals and ambitions

Our ambition is to strengthen employee satisfaction, job satisfaction, and employee engagement through meaningful work, strong leadership, a motivating work environment, development opportunities, and confidence in management. Our managers must define clear objectives and encourage employees to collaborate with peers to achieve collective and individual goals.

Transparency is a prerequisite for employee motivation, trust, and safety. All employees shall feel confident to raise issues with the management and others in the Group. Storebrand also has its own ethical guidelines.

Approach

Storebrand relies on trust from customers, partners, authorities, shareholders, and society. The organisation should be known for high ethical standards to gain trust. All employees shall act with diligence, accountability and legality. Storebrand uses e-learning for training in ethics, anti-corruption, anti-money laundering, and terrorist financing, as well privacy issues and digital trust. Annual completion of the courses is mandatory to ensure responsible business practices in line with our Code of Conduct.

Storebrand has established an external third-party notification channel through an auditor company, and the whistle-blower channel is communicated in our onboarding program for new starters and via the Storebrand intranet.[18] We also have well-established procedures for dealing with complaints, harassment, and other inappropriate behavior. In 2021, we received no alerts or complaints about harassment or other inappropriate behavior through the third- party notification channel.

Our driving force is to be close to our customers and to help them achieve financial safety and freedom, ensuring a brighter future. Our driving force requires us to act as brave pathfinders. Every year, an employee receives the Storebrand Brave Pioneer Award. The nomination process in 2021 was transparent, and all candidates were nominated via our internal social media platform, leading to a record turnout and number of nominations.

Employees answer employee surveys regularly (every two weeks or monthly via Peakon) to measure workplace engagement and satisfaction with work, management, collaboration, sustainability, perceived self-determination, and freedom of opinion. Executive management follows up these strategically anchored objectives. Our goal of being a smart and agile organisation is supported by Peakon, which allows us to follow the data in real time for continuous improvement.

At Storebrand, we encourage a good work-life balance for all employees. After the pandemic outbreak in 2020, we facilitated increased flexibility in work hours and choice of workplace. What employees delivered was more important than where they performed their work, but we continued to value physical meetings and collaboration. Throughout 2021, we worked continuously to develop a hybrid working model. To support the teams' autonomy, flexibility, ability to adapt and learn, we developed conversation tools to facilitate discussions about succeeding in our new workday. The office premises were upgraded with different zones for interaction and concentration to make it more attractive to return to the office when pandemic restrictions were removed. From now on, we will design our future workplace to ensure and maintain a good balance between efficiency, interaction, creativity, competence development, and engagement.

Results

In 2021, an average of 85 per cent of employees completed e-learning courses in ethics, anti-corruption, anti-money laundering, anti-terror financing, privacy, and digital trust.

All members of the Board and senior management completed annual courses in ethics, anti-corruption, anti-money laundering, terror financing, privacy, and digital trust, as part of the Group's risk management. Find more information about this in the chapter *Corporate governance*.

In 2021, our employees signed off on our privacy and information security guidelines through "Workday", our People system. All employees must review and confirm the guidelines annually to show that they have read and understood the content.

An average of 80 per cent of employees responded to the employee engagement survey at least once in the last three months throughout 2021. The score for engagement rose from 8.3 to 8.4 out of 10 throughout 2021.

In 2021, our employee engagement surveys showed an improved score on organisational adaptation (including core values, sustainability, and equality), self-determination, freedom of opinion, relationship with colleagues, support from the leader, and meaningful work tasks. The results showed room for improvement within the physical working environment to meet post-pandemic demands. We conducted several experiments to strengthen agile collaboration and work processes in the organisation. In the latter half of 2021, the scores for workplace environment increased from 7.7 to 8.0 out of 10.

18) Our third-party notification channel is through the audition company BDO: https://u.bdo.no/storebrand

Table of contents

Diversity and equal opportunities

Why

Storebrand's organisation and business should reflect our customers and the markets where 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. External independent sustainability analyses also show that companies that focus on diversity are more innovative and profitable. We depend on attracting the best talent to create a brighter future for our customers, employees, and society.

Goals and ambitions

We strive to be an organisation characterised by inclusion and a sense of belonging. All employees shall be treated on equal terms regardless of age, gender, disability, cultural background, religious belief, or sexual orientation, both in recruitment processes and throughout their employment. We practice zero-tolerance for harassment and discrimination.

Our goal is to achieve greater diversity and equal distribution of men and women in senior positions in all parts of the Group. Several initiatives have been implemented, including increasing the proportion of women assigned to development programmes and promoted to leadership positions. For the Board of Storebrand ASA, the requirement is that each gender should be represented by at least 40 per cent.

We contribute to the UN Sustainable Development Goal number 5, gender equality, by promoting gender equality in the workplace. At Storebrand, we practice equal pay for equal work.

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.

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.

The proportion of female managers as of 31 December 2020 was 38 per cent at management levels 1 to 4, i.e. below the target of at least 40 per cent female managers at these levels. In 2021, we initiated a number of measures to become a more inclusive and equal organisation. At the end of 2021, the proportion of female leaders at levels 1 to 4 was 39 per cent.

Approach

Storebrand works systematically to ensure diversity and equality through clearly defined processes in recruitment, reorganisations, salary adjustments, leadership training, and other development initiatives. Storebrand's CEO reports to the Board on several sustainability indicators. In 2021, one goal was to strengthen gender equality in the company, aiming to achieve at least 40 per cent women at management levels 1-4. A Group diversity committee worked on several initiatives dedicated to diversity, inclusion, and belonging in 2021.

In 2021, we started the Storebrand Inclusive Leadership Program, delivered by Skillhus AS, an external partner.

On the International Women's Day 8 March, we launched a new mentoring programme for women.

We work actively 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.

In June 2021, we committed to putting gender equality on the agenda by signing the manifest Women in Finance Charter Norway. Signatory companies are committed to setting internal goals for gender balance at management levels and in specialist positions, having a dedicated manager, publishing gender balance status and following up commitments regularly, and linking this to remuneration when achieving targets.

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

As psychological safety is a prerequisite for diversity and inclusion, we increased our focus on raising knowledge about psychological safety through sharing content on our internal social media channels last year. The relationship between psychological safety, diversity, and inclusion was also a theme in more than 20 management groups, business units, and teams across the organisation.

Throughout 2021, we improved our recruitment and interview process to make it as digitally inclusive and gender-neutral as possible at every stage. The interview team shall consist of women and men, and there must be at least one female and one male candidate in the final round for leadership positions. In addition, in 2021 we entered into a collaboration with the Norwegian Labour and Welfare Administration (NAV) to employ people with reduced working capacity or persons who, for various reasons, had been outside the labour market for a prolonged period. The objective was to offer the best and most inclusive journey for potential candidates and help Storebrand become an attractive and inclusive workplace. We offer permanent employees paid parental leave beyond the statutory requirements of Norway and Sweden and pay 100 per cent salary during parental leave for all employees, regardless of gender.

Results

Ten women from different parts of the Group were selected to participate in FiftyFifty, a talent and leadership development programme for women, in 2021. Storebrand initiated the programme in cooperation with external partners as part of our 250th anniversary in 2017. AFF, a leadership and organisational development consultancy in Norway, is now in charge of the programme. The 75 participants from nine different companies in the programme collaborate to develop initiatives that promote equality for themselves, their companies, and society.

For the mentoring programme for women, we received over 50 applications. We established 35 mentor pairs across the Group with participants from Norway and Sweden.

As many as 90 leaders completed the course Storebrand Inclusive Management in 2021, where leaders in groups of 15 participants attended six digital gatherings addressing how leaders can contribute to building an inclusive organisation. The course was developed based on a successful pilot in the spring of 2021. The programme continues in 2022.

The goal is to ensure at least 40 per cent female participation in our leadership and talent development programmes. Among the participants in the Storebrand Academy, 40 per cent were women and 60 per cent men. In the Storebrand Leadership Weekly Programme, 60 per cent were women and 40 per cent men. An equal number of women and men attended our summer internship programme, Sandbox. In the graduate programme Storebrand Future Impact, the female share of participants were 75 per cent and the remaining 25 per cent were men.

At the end of 2021, we had four employees recruited through our cooperation with the Norwegian Labour and Welfare Administration (NAV). The arrangement contributes to an increased understanding of diversity and creates a more inclusive work environment.

In 2021, the Board received regular reports on the share of female managers at management levels 1-4. At the end of 2021, 39 per cent of managers at these levels were women.

At the end of the year, the share of women among all Storebrand managers (management levels 1-6) was 37 per cent. Three out of nine members (33 per cent) of the Group Executive Management were women. Among the managers who reported directly to the Group Executive management, 37 per cent were women. 50 per cent of the Board directors of Storebrand ASA were women.

When recruiting for management positions in 2021, we invited at least one female and one male candidate in the final round of interviews.

We reviewed the Group's salary levels in connection with the wage adjustment process in 2021. The review showed slightly lower average earnings among female employees than male employees. The finding led to several measures, including an annual salary revision involving business unit leaders and executive managers. In addition, we introduced changes to our recruitment, development, and succession planning processes to make them more inclusive. We will continue with these measures in 2022.

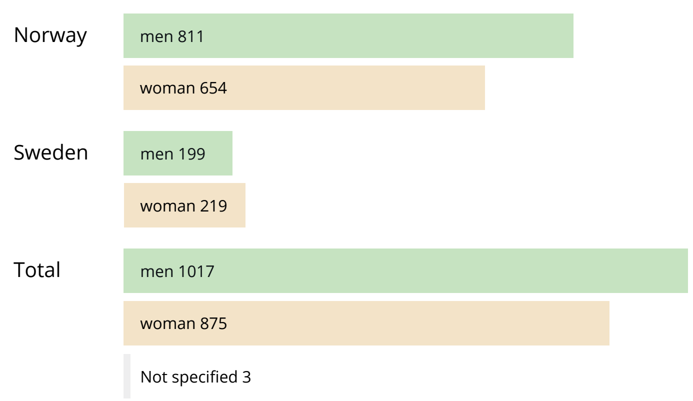
In our employee surveys in Peakon, questions related to gender equality and inclusion achieved a steady score of 8.7 out of 10 throughout 2021.

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

Per 31 December 2021, the Storebrand Group had a total of 1,914 employees. There was a good gender balance among permanent employees in both Norway and Sweden, as shown in the table below.

Sick leave has been low and stable for several years. In 2021, the absence rate was 2.5 per cent in our Norwegian operations and 1.6 per cent in our Swedish operations. No physical injuries were reported in the Storebrand Group in 2021.

Gender distribution*



* All figures are permanent employees only as of 31.12.21. Capital Investment is not included.

Table of contents

Key performance indicators

For more key performance indicators (KPIs) and detailed KPI definitions, see page 243.

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Women in Board of Directors	5 out of 9	4 out of 9	4 out of 10	**5 out of 10**	50 %	50 %
Women in Group Executive Management	3 out of 9	3 out of 10	3 out of 10	**3 out of 9**	40 %	50 %
Women at management level 3: share of women	46 %	41 %	38 %	**37 %**	50 %	50 %
Women at management level 1-4: share of women	New	New	38 %	**39 %**	50 %	50 %
Gender balance all managers: share of women	39 %	39 %	39 %	**37 %**	50 %	50 %
Expanded top management, women's share of men's salary per position category (Hay Grade 21-25)	110 %	100 %	104 %	**97 %**	100 %	100 %
Employees up to middle managers, women's share of men's salary per position category (Hay Grade 13-20)	99 %	99 %	97 %	**97 %**	100 %	100 %

Table of contents

4

Keeping our house in order

Corporate governance and compliance: Privacy and digital trust

Ethical guidelines and ethical practices at all levels of the organisation are prerequisites for gaining trust from customers, authorities, shareholders, and society in general. Our guidelines and routines apply to all levels of our organisation and aim to guide the behaviour and decisions of our employees.

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 are in safe hands and handled in a responsible manner. Therefore, we rely on proper security measures, established procedures and processes for privacy security. Moreover, our employees receive training in how to handle of personal and sensitive 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. So long as our customers continue to trust us with their data, 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.[19]

Approach

In our privacy guidelines, you will find purpose limitation, a description of roles and responsibilities and requirements for data processing. We work systematically with information security. Through an internal control system, we set requirements for, monitor, and continuously improve privacy 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 high, those affected 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.[20] In addition, on our website we provide advice and recommendations on how our customers can reduce their risk of online fraud. Fraudulent activities online often aim to steal personal information from the victims that may be misused by the fraudsters.

Our approach to securing personal information and other types of information against illegal and unwanted activity, is described further in the chapter *Information security*.

Results

E-learning courses on privacy issues is mandatory for all employees to complete each year. In addition, departmental training is carried out as needed. 89 per cent of the Group's employees completed a mandatory privacy course in privacy in 2021.

In 2021, 125 incidents related to the processing of personal data were reported. We reported 31 of these as discrepancies to the Data Protection Authority, in accordance with the EU General Data Protection Regulation (GDPR). This is an increase in incidents from 2020. The increase is due to both the transition of incidents to a joint technical platform which includes SPP as well as an increased internal awareness of the fact that incidents should be reported.

All incidents from 2021 have been handled properly and closed. The Norwegian Data Protection Authority did not issue any fines, warnings, or other actions for Storebrand to take, in order to meet GDPR discrepancies in 2021.

19) The Personal Data Act includes national legislation as well as the EU General Data Protection Regulation (GDPR).
20) For more information on digital security and privacy: https://www.storebrand.no/om-storebrand/sikkerhet-og-personvern

Corporate governance and compliance: Countering corruption

Why

Corruption is one of the major causes of poverty in many parts of the world. It is prohibited in all countries where Storebrand operates. Corruption can result in reduced trust in Storebrand as a company, and in the financial and insurance industry in general. Corruption is detrimental to healthy competition in all industries. Therefore, we must work systematically to prevent this form of crime.

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 to ensure that there is no corruption in our relationship with them, and that they are aware and conscious about how to fight against corruption within their own business.

All employees and board members shall complete the Group's anticorruption programme. Exceptions are made for employees on leave or long-term sick leave.

Approach

Our ethical guidelines establish our expectations to how our employees, temporary staff and consultants should contribute to uncover, reject and report any attempts of corruption or corrupt behaviour. Our ethical guidelines are approved by the Board of Storebrand ASA and the Boards of all subsidiaries. In addition to these guidelines, we have other internal regulations aimed at countering corruption. The Group's compliance function is responsible for informing all employees on the Groups work to counter corruption.

The Group's compliance functions are responsible for information and training related to anti-corruption work. Each employee is responsible for understanding and acting in accordance with our anti-corruption guidelines. Employees must also complete mandatory training each year, and compliance with this procedures is followed up by management. New employees complete the mandatory training as part of their onboarding programme.
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 that both employees and hired consultants behave in ways suited to build and maintain trust, both in them as individuals, and in the Group as a whole. As a general rule, no one is allowed to receive favours, gifts or invitations from Storebrand's suppliers or business partners. In cases where it may still be accepted, our guidelines specify acceptable threshold values in the relevant currency for each country.

Gifts given on behalf of Storebrand are subject to the same threshold value. No one must give or receive gifts with an expectation of reciprocity, nor achieve any form of advantage, personally or for the benefit of Storebrand's subsidiaries.

All events held on behalf of Storebrand shall be consistent with our role in society. All content shall be business appropriate and relevant and 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 using one of our reporting channels. If the report is delivered through our external channel, the one who reports (whistleblower) can choose to remain anonymous.

Results

89 per cent of the Group's employees completed a mandatory course on countering corruption in 2021.[21]

No cases related to corruption were uncovered or reported to the Group in 2021. One case of internal misconduct involving and external partner was uncovered. There were two cases of breaches to Storebrand's Code of Conduct and one breach of internal misconduct. These three matters were handled as personnel matters with written or oral warnings as a result.

Breaches to Storebrands Code of Conduct:[22]

Category	Number in 2021
Bribery/Corruption	0
Internal misconduct	1
Internal misconduct with agents [23]	1
Other violations of ethical rules	2
Discrimination	0

21) Figures do not include Cubera Private Equity, as this company has its own Anti-corruption Programme.
22) Internal misconduct among agents are not included in the key performance indicator on breaches to the ethical guidelines (Code of Conduct).
For a complete list of definitions see appendix *Sustainability indicators and definitions* on page 240.
23) It was registered one internal misconduct at an insurance broker in 2021.

Table of contents

Corporate governance and compliance: Information security

Why

As a financial institution, the Group's digital infrastructure is critical. We are an attractive target for a variety of threat actors, in large due to the nature of our work and the value of our customers, partners, employees, and our position in the market. Digital attacks are becoming increasingly sophisticated, and in combination with hybrid work patterns, this increases the risk of not detecting unwanted activity. This challenge applies to Storebrand, our partners and suppliers. If we become a victim of a cyber-attack, the potential consequences may include a temporary loss of services, decline in our customers' trust in us, and high financial costs for restoring our systems and data.

Information security is about ensuring that information is correct, and available only for the people who need to access to the information, when they need it. The Group's approach to ensuring good information security is through people, processes, and technology. Our business operations largely evolve around the use, communication, and storage of different types of information – both electronically and physically. Therefore, it is highly important for Storebrand to work systematically and continuously with information security. Good information security is a prerequisite for maintaining our customer's trust, the reputation of the Group, and our ability to be competitive and deliver services.

Goals and ambitions

In order to engage our customers, whilst developing and building long-term relationships with them, the Group work continuously to deliver first-class customer experiences. This requires us to have stable and secure IT-solutions. It is therefore a prerequisite for Storebrand to be able to conduct financial activities, and to increase our ability to innovate, to have and maintain good information security. Our continuous work with information security help us to manage cyber risk, maintain an acceptable threat level, and thus our ability to take care of the information we possess.

Approach

One of Storebrand's most important tasks is to maintain and ensure good solutions for an increasingly hybrid workday. This means that all employees, no matter where they work from, have access to secure and stable IT solutions, that adhere to Storebrand's information security policies and requirements. Additionally, the IT solutions must be able to deal with the dynamic threat landscape that Storebrand, and the financial services industry, is facing. When the pandemic hit in 2020, Storebrand put considerable effort in to adapting to new ways of working, new technical solutions and a distributed workforce working in several physical locations. It was therefore, and still is, a priority for Storebrand to ensure good information security at home, as well as in the office. In 2021, we were therefore very well equipped to handle a lasting hybrid working life – and 2022 is no different.

The Group's Security department sets the premise for all security activities in the Group. In the autumn of 2021, we split the security department into two lines of defense. The first line of defense is an operational unit (Security Operations) in the Storebrand Digital business unit. This unit is responsible for security monitoring, and for detecting and handling incidents. The second line of defense, also called the CISO-function (the Chief Information Security Officer-function) is an independent control function integrated in the Group's Governance, Risk & Compliance-function. This means that the CISO-function is at the same level as other independent control functions in the Group. The responsibility of the CISO-function includes security governance, offensive security, and resilience and continuity management. The CISO reports directly to the Board and the CEO's of the Group's subsidiaries, on topics such as changes to the threat landscape and cyber risk. The Group's board and executive management has defined cyber risk as the highest operational risk in the Group. Information security and the management of cyber risk is by this given high priority in the Group.

The Group has an Information Security Management System (ISMS), which is based upon specifications and requirements set out in ISO/IEC27001/2, an internationally recognised standard for information security.[24] The ISMS is an internal control system that ensures that Storebrand has a systematic and verifiable approach to information security. The ISMS makes it possible for the Group to adjust the requirements we set for information security when needed. The management system is a fundamental part of the Group's risk-based approach to business operations. All business

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.

24) ISO 27001 is an international starndard for information security management

areas in Storebrand are required to follow best practices for information security as described in the management system. The system sets requirements, verifies, and continuously improves information security in our daily routines, customer solutions and in collaboration with our partners. Additionally, information security is well integrated into our risk management processes.

The Group faces a complex and dynamic threat landscape where we experience daily attempts of cyber-attacks. The techniques used for cyber-attacks vary from attempts of social engineering to threat actors attempting to break into our IT systems. A common denominator is that the attacks are becoming increasingly advanced and hard to detect. Cooperation with external parties, partners and authorities has been, and continue to be, a crucial factor of success in managing cyber risk and potential threats.

During 2021, the Group has implemented several measures to identify, protect, detect, respond to- and recover from potential cyber-attacks. One such effort, has been the strengthening of the Group's efforts in the area of resilience and business continuity. A new Head of Resilience & Business continuity has been employed, and dedicated resources for resilience and business continuity has been appointed in each of the business units within the Group. In the fourth quarter of 2021, the Group also conducted a crisis management exercise, based on a complex cyber-attack-scenario, targeting critical parts of the Group's infrastructure.

Storebrand has established a separate first line of defense function for handling security incidents, CSIRT (Computer Security Incident Response Team). The team is actively searching for potential threats to, and vulnerabilities within, our systems, and responds to all tips regarding incidents, breaches and/or attacks. In addition, Storebrand is a member of the Nordic Financial CERT, a joint Nordic operations center that shares information regarding threats, attacks, and other activities among Nordic financial institutions. Storebrand contributes with information sharing in the network. In this way, we help to map and understand developments within the threat landscape, both internally and externally.

Knowledgeable, motivated, and aware employees are an important part of Storebrand's preventive security work, thus we updated our security culture program strategy in 2021. For eight years in a row, the Group spent October focusing our efforts on our annual Security Awareness Month. The theme for 2021 was "Security outside the office," addressing risks and security challenges with a distributed workforce and hybrid working model.

Results

The ever-changing threat landscape the Group is facing, requires a well-established risk management system for information security. Storebrand therefore works continuously with areas such as awareness and training, management and control, resilience and continuity, threat intelligence, and incident management, amongst others.

We will continue this work in 2022. In particular, the Group will focus on improving our Business Continuity Management System (BCMS), which is based on requirements set out in the standard ISO 22301[25]. This is a mutually compatible management system with our ISMS. Whilst the ISMS works to manage risk ensuring confidentiality, integrity, and availability of our information, the BCMS manages risks of major deviations and disasters that may lead to significant loss, disruption or re-organisation of key business processes.

25) ISO 22301 is an international standard for business continuity management

Table of contents

Corporate governance and compliance: Anti-money laundering and terror financing

Why

We are a key player in the Nordic financial market. Therefore, we have a clear 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 this in a serious manner in accordance with our responsibilities. Good routines and management focus on anti-money laundering (AML) are important for maintaining our reputation.

Goals and ambitions

Storebrand shall act consistently and in compliance with all 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 mandatory training each year.

Approach

We have established policies to avoid money laundering and terror financing. The guidelines have been reviewed and approved by the Board of Storebrand ASA and are based on our Code of Conduct and relevant legislation. These guidelines and additional measures have been implemented throughout the Group.

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 reports to identify and report suspicious transactions or behaviour.

Any activity that we suspect is in breach of the Norwegian Anti-Money Laundering Act of 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 2021, 15 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 28 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 2021, 90 per cent of our employees completed the mandatory training course in anti-money laundering, financial crime, and terror financing.

Responsible use of resources

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.

13.1 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.

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 is why we work to ensure that our own operations are as sustainable as possible.

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 2022.[26] For our own operations, we aim to reduce greenhouse gas emissions by 7.6 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.[27]

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

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.[28] 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 business travel. We introduced an internal carbon tax on flights of NOK 1,000 per tonne of CO2 in 2020. The cost is charged to the employee's business 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, but increased somewhat towards the end of 2021. 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 2021, employees were given the opportunity to buy private electric bikes at a discounted price with an interest-free loan from Storebrand. During the year, all meeting rooms in our headquarter in Lysaker were equipped with video equipment. The refurbishment of the headquarter in Stockholm will be completed in 2022, including updated video equipment in the meeting rooms.

In order to reduce unnecessary waste, we have decided to remove all disposable cups from our offices. Employees who bring their own cup receive a discount in the coffee shop at our main 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 unable to reduce through our own operations are compensated by purchasing emission quotas and investing in carbon-positive projects.

Results

Due to Covid-19, emissions from operations and the number of business trips were significantly reduced in 2021. Internal carbon pricing and new travel guidelines were introduced. 27 employees used the offer to buy electric bikes for personal use at a discounted rate, financed with an interest-free loan from Storebrand.

In 2021, Storebrand ordered the planting of 42,500 mangrove trees. Since 2020, we have planted 73,750 trees through the Worldview Foundation. We have also purchased climate quotas from a forest conservation project in Kenya through Wildlife Works and ordered negative emission quotas from Climeworks through direct carbon capture and storage.

26) So that the goal of limiting average global warming to 1.5 ° C by 2050 is achieved, in accordance with the Paris Agreement.

27) For more information about the findings in the UN's Emissions Gap Report 2019: https://wedocs.unep.org/bitstream/handle/20.500.11822/30797/EGR2019.pdf?sequence=1&isAllowed=y

28) Storebrand has a climate strategy that will help to limit global warming to 1.5 degrees. A key measure is that our investments must be carbon neutral by 2050, with specific intermediate targets along the way. At the same time, Storebrand as a Group must be carbon neutral. Through this, Storebrand helps to limit physical climate change.

Sustainable practices through our value chain

Why

Procurement is an area where we can have a major impact by influencing our suppliers towards more sustainable practices. We have increased the use of outsourcing in order to focus internal resources on core business activities and to ensure efficient operations. This requires proper procedures for the monitoring of working conditions, safeguarding human rights, and managing environmental issues throughout the value chain.

Goals and ambitions

A key objective is to avoid the use of suppliers whose production processes or products violate international agreements, national legislation, or Storebrand's 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 2021 was to maintain the share of environmentally certified purchasing volume of at least 60 per cent, following our achievement of this target in 2020.[29] Even though we achieved the target of purchasing volume from environmentally certified suppliers in 2021, 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 per cent.

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.[30]
- 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 in 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 Asset Management's exclusion list.[31] Our purchasing policy is based on the Group's governing documents and related procedures, which are revised annually. [32]

We have developed a 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.

We select - Sustainability is weighted at least at least 20 per cent 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.

29) Eco-Lighthouse, EMAS, ISO14001 and Swan Mark
30) This target allows suppliers to compensate for emissions they are unable to cut in the short term through the purchase of climate quotas.
31) For more information about Storebrand's list of exclusions: https://www.storebrand.no/en/asset-management/sustainable-investments/exclusions
32) 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".

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.

We map all suppliers with annual sales volume to Storebrand of more than 1 million NOK, through a questionnaire divided into the following main areas related to sustainability:

- 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 monitored each year. 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 considered to entail the greatest risk and impact on sustainability are outsourcing (including offshoring), damage settlement (car and property), and property management in general.

Results

In 2021, contracts worth more than NOK 1 million totaled around NOK 3.34 billion. This accounts for more than 91 per cent of our total purchasing volume and includes the management and development of direct real estate investments. Of this volume, 60.3 per cent comprise suppliers that are environmentally certified in accordance with our purchasing policy. This volume is divided into 339 suppliers, of which 68 (20 per cent) are certified according to a recognised environmental management standard.

In 2021, we worked actively with larger and strategic suppliers to promote our goal of achieving a carbon-neutral purchasing portfolio. Through these dialogues, we experienced a large commitment among suppliers to be carbon neutral by 2025. We also conducted a survey among suppliers with more than NOK 1 million in turnover. Many suppliers found that it was demanding to answer the survey. We therefore see a need to standardise reporting. In collaboration with suppliers, we will in 2022 continue to look for more appropriate ways to collect information and standardise reporting.

Table of contents

Corporate social responsibility

Why

As a leading financial institution in Norway and Sweden, we have an important social responsibility. The sustainability work means that we are actively engaged in the society we operate in through our primary business as a provider of financial services to over 2 million customers in Norway and Sweden, as a responsible employer, and by engaging in socially beneficial activities beyond this.

Goals and ambitions

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

Approach

Ungt Entreprenørskap ("Young Entrepreneurship") is a non-profit organisation that encourages young students to establish and run their own businesses. We have helped create a sustainability award to stimulate young students' engagement to continue to want to learn how to run a sustainable business. In 2021, we introduced a two-day program for youth companies where the students had the opportunity to discuss their ideas with a jury consisting of employees in Storebrand. The jury gave advice and feedback on how sustainable and feasible the young students' ideas were. Financial support and mentorship were given to the youth companies that had the best ideas.

Every six months, Storebrand organises the "We cheer on"-competition. This is a social responsibility initiative where we provide financial support for various social projects that contributes to making a future to look forward to. Financial support can be given to projects both in Norway and abroad. Volunteering is an important part of Norwegian culture, and a great deal of volunteer work is done annually, including in sports and leisure activities. This is something we want to support.

In 2021, Storebrand collaborated with Goodify to motivate employees to participate more actively in volunteering and carry out good deeds in society.

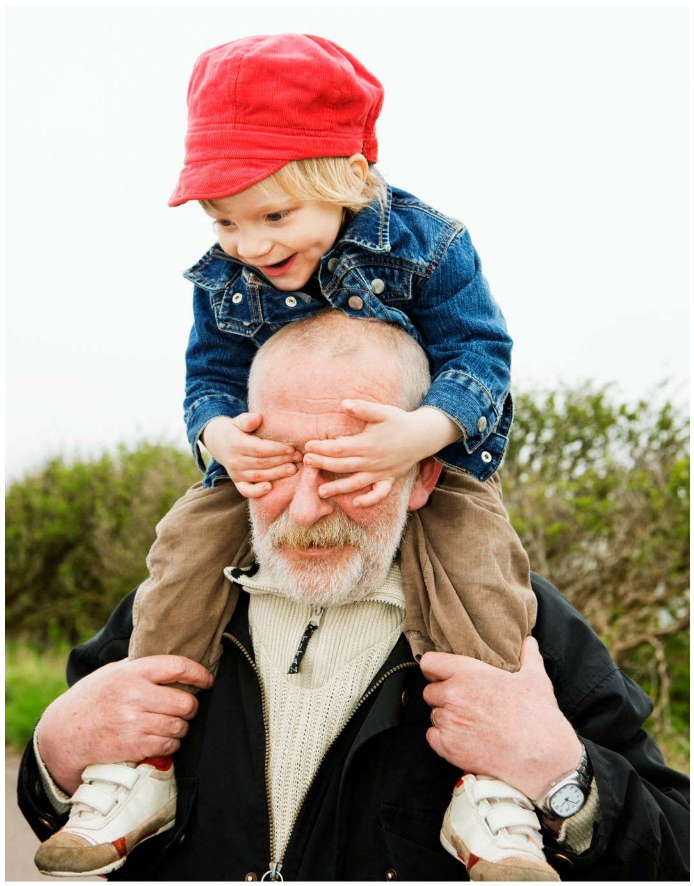
Results

As many as 318 youth companies competed in the sustainability category through Ungt Entreprenørskap ("Young Entrepreneurship"), in 2021. Cycle UB won the award for the development of a solution for collecting and utilising sludge from fish farms. The prototype managed to collect as much as 42 per cent of the sludge that comes from fish farms. Additionally, they had thought about how to make the process circular, by reusing the sluge for fish feed as well as for biogas used to operate the solution. Cycle UB's product solution can help to solve a global problem in the aquaculture industry, that has major environmental consequences.

As a result of the two-day program for "youth companies", we selected 10 winners that received a total of NOK 50 000 stipend for their ideas. In addition to the stipend, the youth companies were offered a few hours of mentorship with a Storebrand employee to further develop their ideas, service design, upscaling, and strategy.

In 2021, NOK 500 000 was awarded to 23 "We cheer on" projects around Norway, and 400 000 SEK were awarded to similar projects in Sweden. All the projects contributed to a future to look forward to.

In cooperation with Goodify we launched an internal competition over four weeks around Christmas that we called "GoodieChallenge". Employees who perfomed good deeds in this period earned points and could win small gifts. 44 unique deeds were performed and a total of 86 employees downloaded the Goodify app.



Key performance indicators

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 93 per cent of the group's employees. For more key performance indicators (KPIs) and detailed KPI definitions, see page 245.

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Environmentally certified purchases (share of the total expenditure that went to suppliers with certified environmental management system) [33]	46 %	57 %	62 %	**60 %**	55 %	60 %
Greenhouse gas emissions from own operation (total) scope 1-3: tonnes of CO2 / tonnes CO2 per FTE	1,444 / 0.9	1,519 / 0.92	477.4 / 0.28	**320 / 0.18**	0.71	0.6
Scope 1-emission: tonnes CO2 / tonnes CO2 per FTE	1.4 / 0	1.1 / 0	1.2 / 0	**0.5 / 0**	N/A	N/A
Scope 2-emission: tonnes CO2 / tonnes CO2 per FTE	201 / 0.13	179 / 0.11	164 / 0.09	**130.6 / 0.07**	N/A	N/A
Scope 3-emission: tonnes CO2 / tonnes CO2 per FTE	1,241 / 0.69	1,339 / 0.74	313 / 0.18	**188.9 / 0.11**	N/A	N/A
CO2e-emissions per FTE due to air travel: Scope 3, tonnes per FTE [34]	0.69	0.67	0.1	**0.07**	N/A	N/A
CDP-rating	B	A -	A -	**A -**	A	A
DJSI score/global percentile	63 / 74	75 / 81	81 / 93	**82 / 92**	Top 10 %	Top 10 %
E-learning conducted, ethics: total / share of man-years	New	1,518 / 89 %	1,660 / 91 %	**1,694 / 91 %**	100 %	100 %
E-learning carried out, anti-corruption work: total / share of man-years	New	1,479 / 87 %	1,642 / 90 %	**1,659 / 89 %**	100 %	100 %
E-learning completed, combating money laundering and financial crime: total / share of man-years	New	1,523 / 89 %	1,678 / 92 %	**1,673 / 90 %**	100 %	100 %
E-learning completed, privacy: total / share of man-years	New	New	1,368 / 75 %	**1,662 / 89 %**	100 %	100 %
Number of complaints processed by the Financial Appeals Board [35]	135	192	218	**198**	N/A	N/A
Number of breaches of Code of Conduct	New	9	2	**3**	N/A	N/A
Number of information security incidents	0	30	20	**28**	N/A	N/A
Number of privacy incidents [36]	60	48	41	**125**	N/A	N/A

33) Since we achieved the target for 2021, new targets have been set for 2022 and 2025.

34) CO2 emissions from air travel have been recalculated for 2018–2020 as a result of updates to the emission metrics in our travel agencies' systems.

35) The figures apply to our Norwegian companies, as these are complaints processed by the Financial Appeals Board Norway. SPP is not included here.

36) The Privacy Ombudsman's assessment is that the increase in incidents is primarily related to increased awareness of reporting incidents, and not a real increase in the number of non-conformities compared with previous years. In addition, a new reporting tool has made it possible to include SPP (Sweden) in the figures.

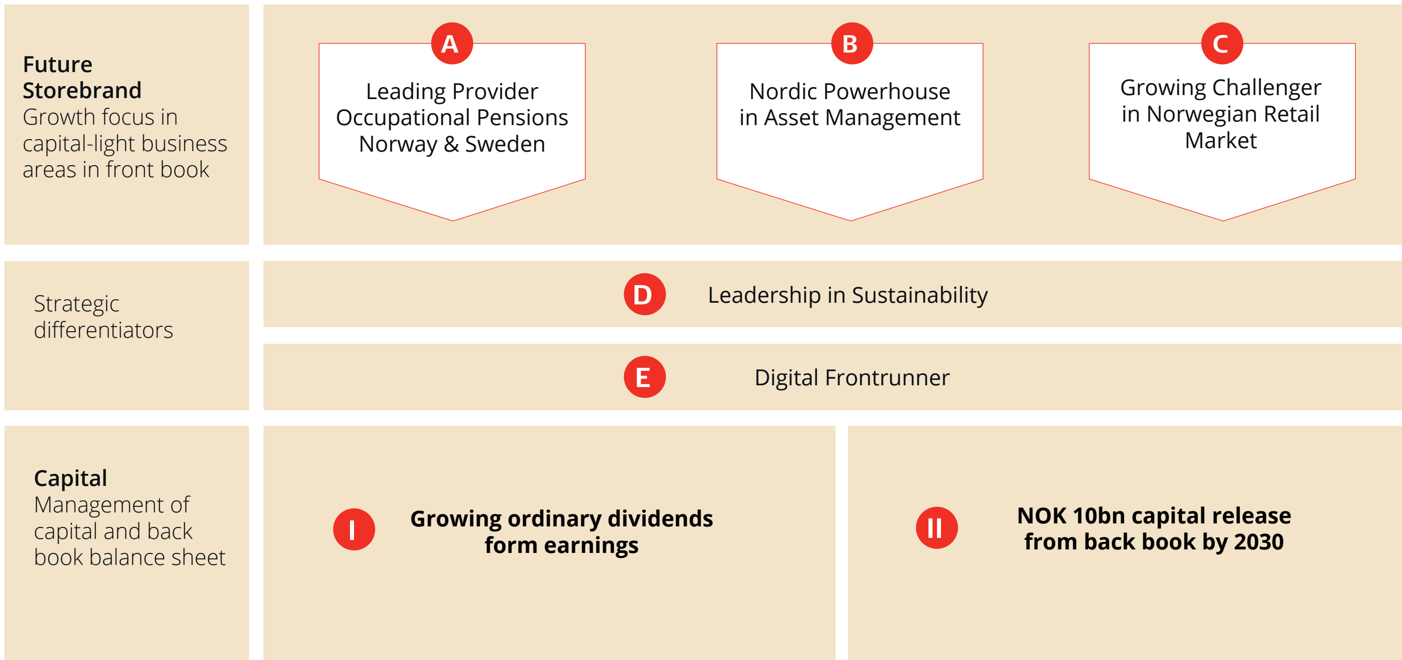
Table of contents

5

Directors' report

Table of contents

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



Storebrand aims to help customers achieve greater security and financial wellness by offering long-term savings and insurance solutions. Our goal is to deliver sustainable solutions tailored to the customer's individual needs. 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 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. We are well on the way to achieve our ambition to deliver a group profit (before amortisation and tax) of more than 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. Read more about our work with social responsibility in the chapters Customer relations, People, and Keeping our house in order.

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 products with interest rate guarantees. Our goal is to release an estimated NOK 10 billion of capital by 2030, while maintaining a strong solvency position and a balance sheet adapted to our risk and business.

Strategic highlights 2021

In 2021, we shifted into an even higher gear ensuring increased speed and growth. With a strong solvency ratio, a stable financial market that developed positively, and a balance sheet where the share of Defined Contribution pensions in growth exceeded the share of guaranteed pensions in run-off, we were able to strengthen our focus and deliveries in our growth strategy. Strong growth in the core business contributed to a larger customer base, an increased operating profit for the Group, as well as higher dividends to our shareholders.

The summer of 2021 marked a positive reopening of the economy after a prolonged period of restrictive measures due to the Covid-19 pandemic. However, by the end of the year, the outbreak of the Omicron variant contributed to renewed insecurity in the society and a need for new infection control measures. Storebrand has maintained operations fully and we have continued to follow our strategy throughout the period. The main impact of Covid-19 on Storebrand's business is the increased risk of lower employment and more disability in society, which can lead to higher claims. In response to this, Storebrand has made the necessary adjustments in provisions and prices. Throughout the pandemic, we have managed volatile markets and adapted our portfolios to ensure a good return on both our customers' funds and our own financial investments.

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 2021, we reached a milestone by managing more than NOK 1,000 million of assets, managing a total of NOK 1,097 million of assets. This is our main revenue driver. In addition, we will build on existing savings and pension relationships with individuals by offering related products and solutions within retail insurance and banking in Norway.

Leading provider of occupational pensions in Norway and Sweden

In 2021, we once again delivered the market's best return to our Defined Contribution pension customers, compared to comparable investment profiles. This applies to both our largest and most common investment profiles with high and moderate equity content, which achieved a return of 20.6 per cent and 13.4 per cent, respectively. The return on the profiles is also the market's best over the last three and five years. Norwegian customers also received their Individual Pension Accounts in 2021. Employees' funds from previous pension capital certificates were combined into the same account as their active Defined Contribution account they have with current employers. The vast majority of employees at Storebrand's corporate customers chose to continue pension savings through employers' agreements with us. Only 2.5 per cent chose to move pension management to an alternative provider. For Storebrand, the total one-off effect from the automatic transfer of pension capital certificates was NOK -6 billion in net transferred capital.

After consolidation in the market and intense competition ahead of the introduction of the Individual Pension Account, Storebrand was the second largest provider of Defined Contribution pensions at the end of 2021, with a market share of 27 per cent (by the end of Q3). In December, Storebrand entered into an agreement to buy Danica, Norway's sixth largest provider of Defined Contribution pensions with a 5 per cent market share. Approval of the transaction from the authorities is expected in the first half of 2022. Through Danica, we will strengthen our presence in the market for small and medium-sized companies and increase distribution power. In total, Storebrand managed NOK 158 billion within Unit Linked products in Norway at the end of the year.

At the same time, we strengthened our position in the market for public sector occupational pensions, where we won tenders that will give us a total of NOK 5.5 billion in transferred reserves at the beginning of 2022. We also took over the management of closed pension funds that contribute to earnings growth in the area Guaranteed pension.

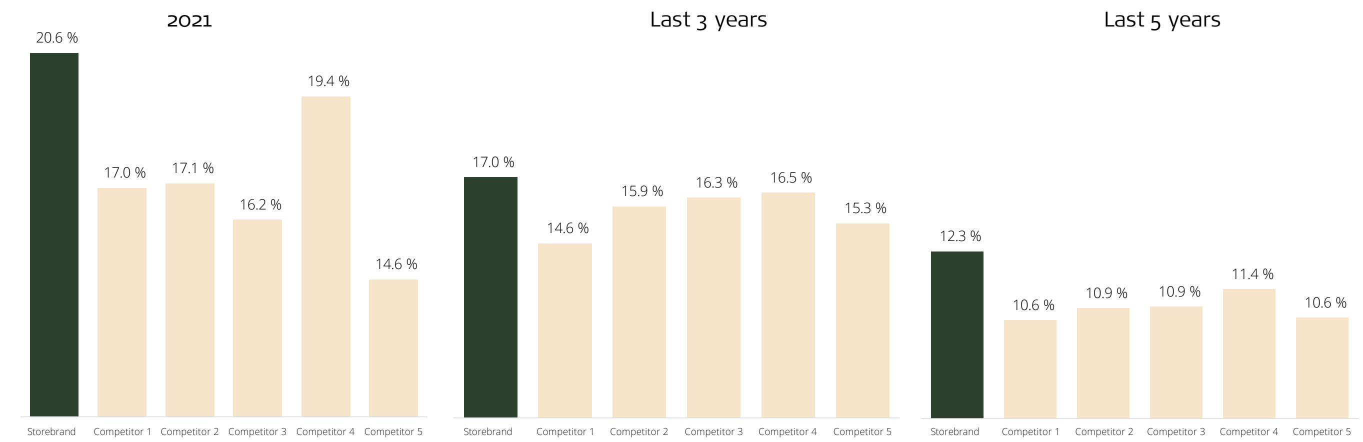
SPP continued to grow in the Swedish pension market, supported by being the most sustainable and digitally innovative provider. The "Hållbarhetskartan" ("Sustainability Map") was launched in early 2021. The service provides companies and their employees with information about the sustainability profile in their pension savings. We also continued to attract customers in the transfer market, but intense competition resulted in a net transfer of funds of NOK -4 billion. Despite this, SPP delivered its strongest result ever and total funds in Unit Linked insurance grew to NOK 150 billion. The ongoing capital release from guaranteed products in run-off resulted in a dividend corresponding to 137 per cent of the result for 2021.

Storebrand also provided insurance coverage to corporate customers equivalent to NOK 2 billion in insurance premiums in 2021. At the same time, we launched our P&C insurance offering for small and medium-sized companies. Together with contracts taken over from Insr through the year, these amounted to NOK 217 million in written premiums at the end of 2021.

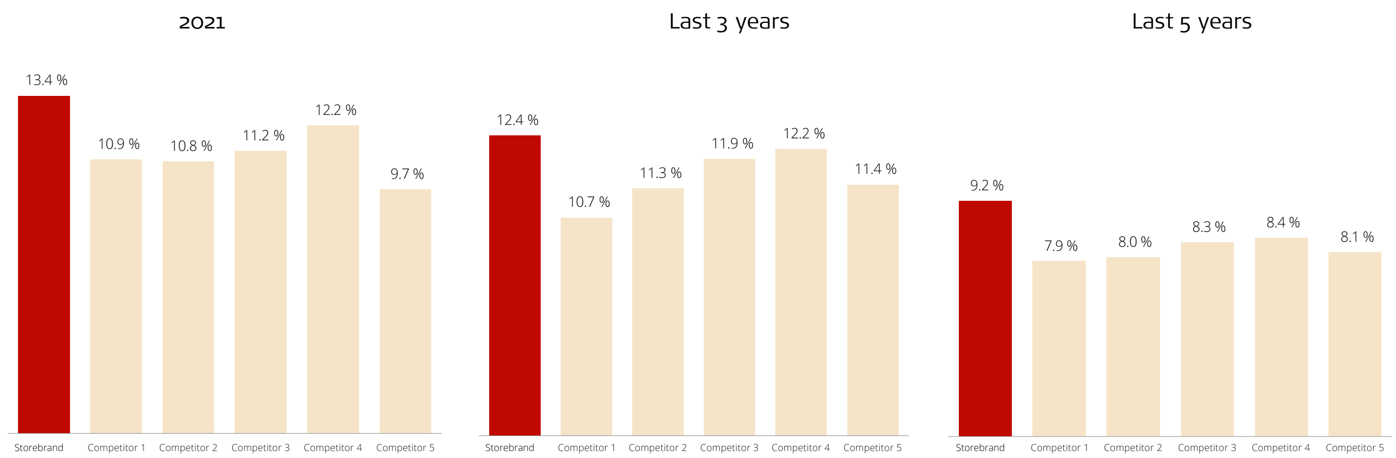
Table of contents

Competitive return (annualised) on Defined Contribution pension funds in Norway [37]

High equity content



Moderate equity content



Nordic Powerhouse in Asset Management

The progress for Storebrand Asset Management continued in 2021, with the strengthening of our position within alternative investment classes, solid excess returns for our customers through active management, and new steps to ensure sustainable management of the invested funds.

Within alternative investments, we acquired the Danish property manager Capital Investment, which managed properties worth NOK 21 billion. We also entered into Nordic partnerships in infrastructure investments and continued our focus on Private Equity through Cubera. In total, we raised NOK 9 billion in customer funds within alternative investments. Among our active funds, several funds achieved significant excess returns for our customers, and contributed to earnings growth from performance-based fees. The main contributor was SKAGEN Global which had an excess return of about 12 per cent compared with the benchmark index.

To strengthen the distribution of funds in the international market, we launched several of our most sustainable funds on The Asset Management Exchange (AMX) in Ireland. This opened for several British pension funds to consider Storebrand as an asset manager. At the end of 2021, new platforms in Ireland and Luxembourg accounted for NOK 11 billion of total assets.

We also took further steps to consolidate our position as a world leader in sustainable investment. At the end of the year, we managed NOK 483 billion in fossil-free investments, and NOK 123 billion in solutions. Solutions are defined as either investments in companies that Storebrand's investment team believes contribute to sustainable development and help us achieve the UN's sustainability goals, or through investments in green bonds, environmentally certified real estate and green infrastructure. By 2025, we aim to reduce direct greenhouse gas emissions from investments in equities, bonds and real estate by 32 per cent. In the same period, we will increase the proportion of investments in solutions to 15 per cent.

37) Return based on comparable investment profiles with moderate equity content (ca. 50%) and high equity content (ca. 80%) within an active defined contribution pension scheme . Source: Norsk Pensjon.

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 greater security and financial wellness.

The combination of an increased distribution power, acquisition of customer portfolios and strong demand in the retail market contributed to an exceptionally strong growth in 2021. The profit from the retail market increased by as much as 42 per cent compared with the previous year, mainly driven by:

- 72 per cent growth in net sales of fund-based savings to NOK 4.2 billion, and 24 per cent growth in assets under management, which amounted to NOK 52 billion at the end of the year.
- Growth in the bank's mortgage loan balance for by 15 per cent, to NOK 57 billion.
- Premium growth of more than NOK 1 billion within P&C insurance and private risk coverage. This corresponds to a growth of 54 per cent, of which approximately 28 per cent of the growth came from the Insr portfolio and organic growth amounted to 26 per cent.

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 2021. 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. We are also constantly developing our work to assess climate as a financial risk. We have incorporated climate risk assessments into our ongoing risk monitoring, management and reporting to supervisory authorities. Storebrand is determined to lead and develop the sustainability agenda within the financial industry in the years to come.

Our sustainability position has been highly recognised in 2021. Storebrand was once again 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 third 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 chapters *Driving Force for Sustainable Investments*, *Climate risks and opportunities*, 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 of insurance and savings have increased by 32 and 38 per cent, respectively, over the past year. The digital sales share in our own channels accounted for 40 per cent of the total volume for both insurance and savings.

The degree of automation when establishing an Individual Pension Account and merging customers' pension funds was over 99 per cent. In SPP, the proportion of individuals who retire digitally has increased from 15 per cent to 80 per cent in 2021. Through the use of machine learning, we have improved the price model for pension related disability insurance by 15 per cent and artificial intelligence means that we now detect 10 per cent more insurance fraud compared to through traditional techniques. The work with machine learning and insurance fraud achieved 2nd place in the Dataforeningens Innsiktspris (Data Association's Insight Award) for 2021.

More information about our digital initiatives is described in the chapter on *Customer relations* under the section *Digital innovator in financial services.*

Corporate governance

Good corporate governance is important for us to achieve our goals. Storebrand works continuously to improve both the overall decision-making processes and the day-to-day management of the company. Read more about our work in the chapter *Corporate Governance*.

Management of capital and balance sheet

For the past ten years, Storebrand has succeeded in transforming its business from capital-intensive products with guaranteed returns, to fast-growing and self-financing capital-light products. Total assets have more than doubled since 2012. At the end of the year, 73 per cent of the total assets under management were related to the capital-light business, and less than 49 per cent of the pension assets on the balance sheet were guaranteed reserves.

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 5 per cent in 2021. The growth business, on the other hand, yielded a return on equity of 33 per cent.[38] The Group's overall return on equity was 10.7 per cent for 2021.

The solvency ratio was 175 per cent at the end of 2021 – a decrease of 3 percentage points from last year's solvency ratio including transitional rules at the end of 2020. Without transitional rules, we strengthened the solvency ratio by 9 percentage points from 166 per cent in 2020. Regulatory input factors in the solvency calculation, modelling changes and growth in the business weakened solvency, while a higher interest rate level combined with a good excess return from positive financial markets contributed to increases in the solvency. In total, new subordinated loans also contributed 6 percentage points, and we sold AS Værdalsbruket, which had a positive effect on profit of NOK 546 million and strengthened solvency by 2 percentage points. The result in 2021 helped to strengthen the solvency margin by about 12 percentage points.

Storebrand wants to contribute to a growing market for sustainable bonds and stimulate the market for sustainable investments and financing. As the first Nordic insurance company, Storebrand Livsforsikring AS issued a green subordinated bond in the first quarter of 2021. The bond issue is a non-perpetual subordinated bond of EUR 300 million. The green bond qualifies as Tier 2 capital under the solvency regulations for insurance companies. [39]

Financial targets

Storebrand has the following financial targets:

	Goal	Status 2021
Return on equity [40]	> 10 %	10.7 %
Future Storebrand (Savings and Insurance)		33 %
Run-off business (Guaranteed and Other)		5 %
Dividend pay-out ratio [41]	> 50 %	52 %
Solvency ratio (Storebrand Group)	> 150 %	175 %

38) Based on a pro forma distribution of IFRS equity per business area. The capital is distributed based on the capital consumption under Solvency II and CRD IV. The Savings and Insurance segments are calibrated to a solvency margin of 150%, while the rest of the capital is allocated to the Guaranteed pension segment including Other.
39) Green Bond Allocation Report 2021: https://www.storebrand.no/en/investor-relations/rating-and-funding/_/attachment/inline/d0a9246a-8cf8-452f-a187-fff440653b9e:31d168bdf3de4eb26fbbee7ed6acd32718a0ac53/Green%20Bond%20Allocation%20Report%202021.pdf
40) After tax, adjusted for amortisation of intangible assets. This document contains Alternative Performance Measures (APMs) as defined by the European Securities and Markets Authority (ESMA). This is a summary of APMs used in financial reporting at storebrand.com/ir. The income statement is based on reported IFRS results for the individual companies.
41) After tax.

Table of contents

The Group's results 2021

The Storebrand Group's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). In accordance with Norwegian accounting legislation, the board of Storebrand ASA confirms that the annual accounts have been prepared on the assumption of continued operations. 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.

NOK million	2021	2020
Fee and administration income	6,607	5,676
Insurance result	1,201	825
Operational cost	-4,678	-4,068
Operating profit	**3,130**	**2,433**
Financial items and risk result life	1,372	278
Profit before amortisation	**4,503**	**2,711**
Amortisation	-527	-492
Profit before tax	**3,976**	**2,219**
Tax	-846	136
Profit after tax	**3,130**	**2,355**

Storebrand achieved a Group profit (before amortisation) of NOK 4,503 million (NOK 2,711 million). The figures in parentheses show the corresponding figures for last year.

Fee and administration income increased by 16 per cent to NOK 6,607 million (NOK 5,676 million), driven mainly by strong underlying growth in assets under management. Excess returns in funds with performance fees contributed NOK 550 million (NOK 234 million). Adjusted for this, the growth was 11 per cent compared to last year.

The insurance result was NOK 1,201 million (NOK 825 million) and resulted in a combined ratio of 94 per cent (97 per cent). This is somewhat weaker than the targeted combined ratio of 90-92 per cent. This year's improvement is due to weak results in 2020 in products with disability coverage as a result of the covid-19 pandemic.

Operating expenses amounted to NOK -4,678 million (NOK -4,068 million). Adjusted for costs related to acquired business, performance-related results and currency movements, operating expenses were NOK -4,410 million – in line with the target of keeping costs nominally flat at NOK 4.4 billion for 2021.

Total operating profit was NOK 3,130 million (NOK 2,433 million).

Financial items and risk result life was NOK 1,372 million (NOK 278 million). This year's result includes a positive effect on profit of NOK 546 million from the sale of AS Værdalsbruket. In addition, increased net profit sharing for guaranteed products and an improved risk result, after a period of weak results during the Covid-19 pandemic, contributed positively.

Amortisation of intangible assets amounted to NOK -527 million (NOK -492 million). The increase is mainly due to the acquisition of new businesses as well as customer portfolios from Insr.

Profit before tax was NOK 3,976 million (NOK 2,219 million).

The Group ended the year with a tax income of NOK -846 million (NOK 136 million). The tax income in 2020 was the result of new information and interpretation of the transitional rules for 2018. The estimated normal tax rate for the Group is 19-22 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 3,130 million (NOK 2,355 million).

Savings

NOK million	2021	2020
Fee and administration income	5,215	4,392
Operational cost	-2,927	-2,611
Operating profit	**2,288**	**1,781**
Financial items and risk result life	67	-51
Profit before amortisation	**2,355**	**1,730**

Financial results

Fee and administration income increased by 19 per cent to NOK 5,215 million (NOK 4,392 million). Income growth in Defined Contribution pensions in Norway was 5 per cent, despite the introduction of Individual Pension Accounts in 2021 contributing to reduced income margins. Within asset management, income growth was 29 per cent, driven by excess returns in funds with performance fees contributing NOK 550 million (NOK 234 million). Higher net interest margin and good volume growth led to a significant increase in the bank's contribution.

Operating expenses amounted to NOK -2,927 million (NOK -2,611 million). The cost increase is largely due to excess returns in funds with performance fees where costs increased to NOK -255 million (NOK -79 million). Adjusted for costs related to excess returns in funds with performance fees, the cost increase was 5.5 per cent in 2021. Growth and digital investments, as well as the acquisition of the Danish property manager Capital Investment, contributed to increased costs.

Financial and risk result life was NOK 67 million (NOK -51 million). The loss in 2020 is mainly due to model-based provisions for loan losses in the bank.

Profit before amortisation increased to NOK 2,355 million (NOK 1,730 million) - an increase of 36 per cent in 2021.

Balance sheet and market development

Assets under management grew significantly in 2021.

Unit Linked reserves grew by 15 per cent to NOK 308 billion. Positive market development and growth in paid-in premiums contributed positively, while net transfers of total assets contributed negatively with NOK -13.6 billion (NOK 5.4 billion). The reason for negative net transfers of capital is mainly a one-off effect in 2021 related to the automatic transfer of pension capital with the introduction of Individual Pension Accounts in the Norwegian market. Intense competition in the Swedish market also led to negative transfers in the Swedish business.

Total growth in assets under management for Storebrand Asset Management was NOK 134 billion (14 per cent) to NOK 1,097 billion. Good returns during the year, in addition to NOK 43 billion in net capital inflows and NOK 21 billion from the acquisition of Capital Investment, contributed to the growth.

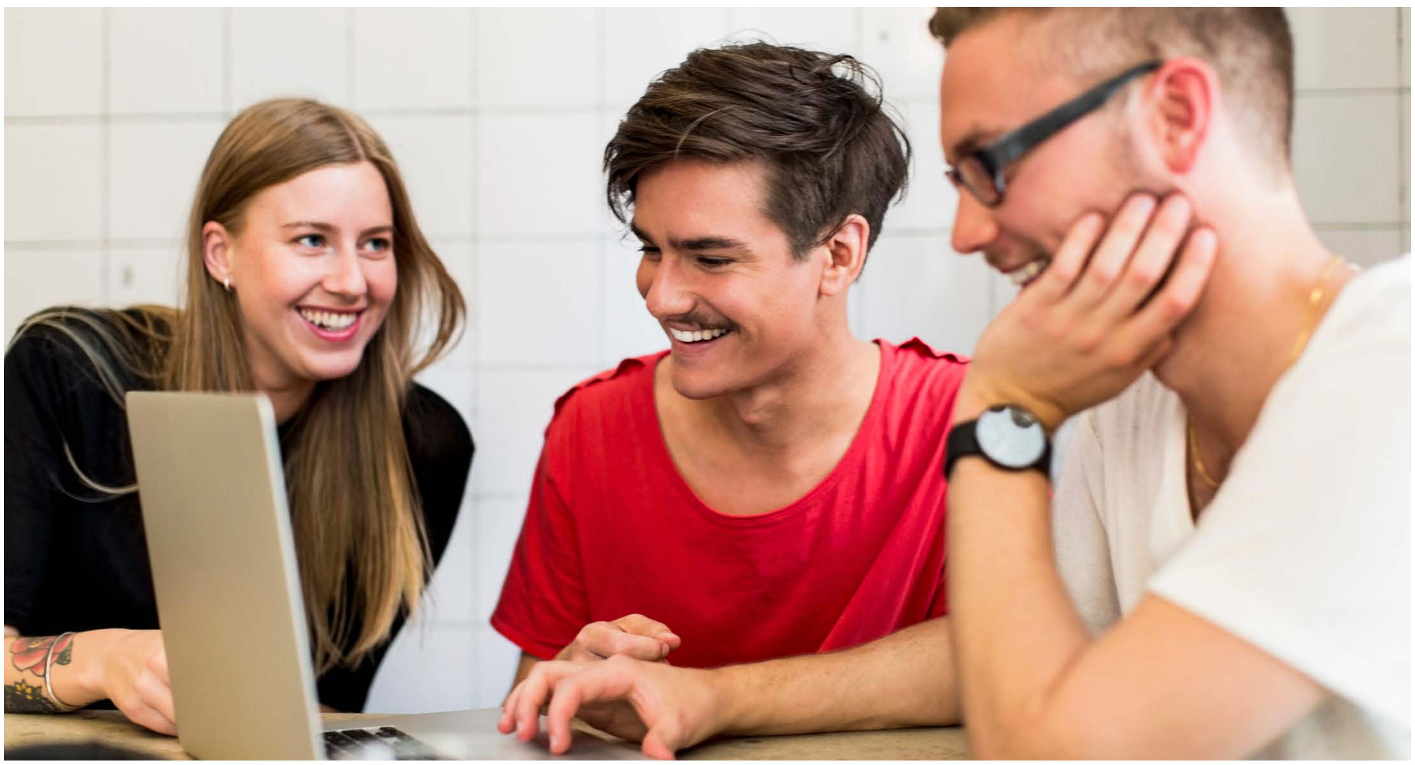
The bank's retail lending balance grew by NOK 7.5 billion (15 per cent) to NOK 57.0 billion.

Key figures Savings

NOK million	2021	2020
Unit Linked Reserves	308,351	268,331
Unit Linked Premiums	21,212	20,185
AuM Asset Management	1,096,556	962,472
Retail Lending	57,015	49,474

Insurance

NOK million	2021	2020
Insurance pemiums f.o.a.	5,175	4,331
Claims f.o.a.	-3,974	-3,506
Operational cost	-875	-712
Operating profit	**326**	**113**
Financial result	97	91
Profit before amortisation	**423**	**204**



Financial results

Insurance premiums for own account (f.o.a.) grew by 19 per cent to NOK 5,175 million in 2021 (NOK 4,331 million), driven mainly by strong volume growth.

Insurance claims increased to NOK -3,974 million (-3,506 million), but the claims ratio ended at 77 per cent, which is slightly better than 81 per cent the year before. The high claims ratio in 2020 was mainly a result of the Covid-19 pandemic which led to reserve strengthening for all products with disability coverage. The claims ratio in 2021 was more normalised, but still characterised by high levels of claims related to disability coverage within the group life product.

Total operating costs for the year were NOK -875 million (NOK -712 million) and resulted in a marginal increase in the cost ratio from 16 per cent to 17 per cent in 2021. The cost increase is related to increased staffing and sales commissions in external distribution channels, as well as the acquisition of Insr's customer portfolios.

The total combined ratio was 94 per cent (97 per cent) and the total operating profit was NOK 326 million (NOK 113 million) for the year. It is somewhat weaker than the target combined ratio of 90-92 per cent. The growth products P&C and Individual Life achieved a strong combined ratio of 88 per cent (89 per cent), while Group Life and Pension related disability insurance achieved weaker combined ratios of 110 per cent (123 per cent) and 96 per cent (91 per cent), respectively.

The financial result was NOK 97 million (NOK 91 million). The investment portfolio for insurance amounted to NOK 9.6 billion at the end of 2021 (NOK 8.8 billion) and achieved a return of 3.3 per cent. The investments are primarily in fixed income securities booked at amortised cost or with a short maturity.

Profit before amortisation was NOK 423 million (NOK 204 million).

Balance sheet and market development

The total growth in written portfolio premiums amounted to 22 per cent in 2021. Most of the growth was in P&C and Individual Life, which grew by NOK 1.2 billion, equivalent to 54 per cent. Of this, transfers from Insr amounted to NOK 610 million in 2021 (NOK 740 million in total). Pension related disability grew by 7 per cent while Health and Group Life decreased by 5 per cent. Written premiums at the end of the year was NOK 6.4 billion, of which NOK 3.3 billion is in the retail market and NOK 3.1 billion in the corporate market.

Key figures Insurance

	2021	2020
Claims ratio	77 %	81 %
Cost ratio	17 %	16 %
Combined ratio	94 %	97 %

Written premium NOK million	2021	2020
P&C & Individual life	3,301	2,144
Health & Group life*	1,775	1,870
Pension related disability insurance Nordic	1,369	1,274
Total written premium	**6,445**	**5,288**

* Includes the entire written premium for Storebrand Helseforsikring AS (50/50 joint venture with Munich Health)

Guaranteed pension

NOK million	2021	2020
Fee and administration income	1,631	1,511
Operational cost	-890	-861
Operating profit	**741**	**650**
Risk result life & pensions	187	19
Net profit sharing	504	136
Profit before amortisation	**1,432**	**805**

Financial results

The fee and administration income amounted to NOK 1,631 million (NOK 1,511 million). Growth in public sector occupational pensions and the takeover of closed pension funds contributed to increased income. Over time, fee income is expected to gradually decline because the products are mainly in long-term run-off.

Operating expenses amounted to NOK -890 million (NOK -861 million).

Risk result life & pension was NOK 187 million (NOK 19 million). The improvement in earnings is due to an improvement in the risk result related to Defined Benefit pensions, partly explained by price adjustments that were introduced after weak results in 2020.

Net profit sharing, after further strengthening of the buffer capital, was NOK 504 million (NOK 136 million), driven by good returns in both Norwegian and Swedish products. The booked return was on average 4.5 per cent in Norway against an average customer guarantee of 3.1 per cent. In Sweden, the average return was 3.7 per cent against an average guarantee of 2.8 per cent.

Profit before amortisation was NOK 1,432 million (NOK 805 million).

Balance sheet and market development

At the end of the year, guaranteed reserves amounted to NOK 291 billion. This is an increase of NOK 3 billion in 2021, but NOK 10 billion adjusted for currency effects. The increase is due to growth in public sector occupational pensions, takeover of closed pension funds and good returns. Net outflows, excluding transfers, amounted to NOK -10.2 billion (NOK -10.1 billion) as a result of larger pension payments being paid out than premium payments being paid in. As a share of the total balance sheet, the reserves correspond to 48.5 per cent (51.7 per cent) at the end of the year, a reduction of 3.2 percentage points since last year.

Table of contents

Storebrand's strategy is to grow the buffer capital to secure customer returns and shield shareholder's equity under turbulent market conditions. Buffer capital for guaranteed pensions increased to 11.2 per cent (11.0 per cent) of customer reserves in Norway and to 17.8 per cent (11.4 per cent) in Sweden. This corresponds to an overall increase of NOK 4.4 billion since last year.

Key figures Guaranteed Pension

NOK million	2021	2020
Guaranteed reserves	290,862	287,614
Guranteed reserves in % of total reserves	48.5 %	51.7 %
Net inflows and outflows, excluding transfers	-10,268	-10,058
Average booked return in Norway	4.5%	4.8%
Average guarantee in Norway	3.1%	3.1%
Average value-adjusted return in Sweden	3.7%	4.4%
Average guarantee in Sweden	2.8%	3.2%
Buffer capital in % of customer reserves in Norway	11.2 %	11.0 %
Buffer capital in % of customer reserves in Sweden	17.8 %	11.4 %

Other

NOK million	2021	2020
Fee and administration income	21	9
Operational cost	-246	-120
Operating profit	**-225**	**-111**
Financial items and risk result life	518	83
Profit before amortisation	**293**	**-28**

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.

Eliminations NOK million	2021	2020
Fee and administration income	-260	-236
Operational cost	260	236
Financial results	-	-
Profit before amortisation	**-**	**-**

Financial results

The operating profit was NOK -225 million, a decrease from the previous year (NOK -111 million). Transaction costs related to the acquisition of Capital Investment and the process with Danica contribute to increased costs and a lower operating profit. The Financial items and risk result life was NOK 518 million, an increase from last year's NOK 83 million. The strong financial result is mainly explained by a positive effect of NOK 546 million from the sale of AS Værdalsbruket.

Dividend for 2021

Storebrand has established a framework for capital management that links dividends to the solvency ratio. 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 ratio 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.

The Board has carefully reviewed the solvency position, liquidity position and the 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 3.50 per share for 2021, equal to NOK 1,645 million, to the Annual General Meeting.

For more information about historical dividends, Storebrand's share and other shareholder matters, see the chapter *Shareholder matters*.

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. The balance sheet must form a sound foundation and support the Group's growth strategy at the same time as released capital is repaid to the owners.

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 2021, the solvency ratio for the Group was 175 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's dividend policy:

Storebrand aims to pay an ordinary dividend of more than 50 per cent of Group profit 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 ratio above 150 per cent. If the solvency ratio is above 180 per cent, the Board of Directors intends to propose special dividends or share buy backs.

Table of contents

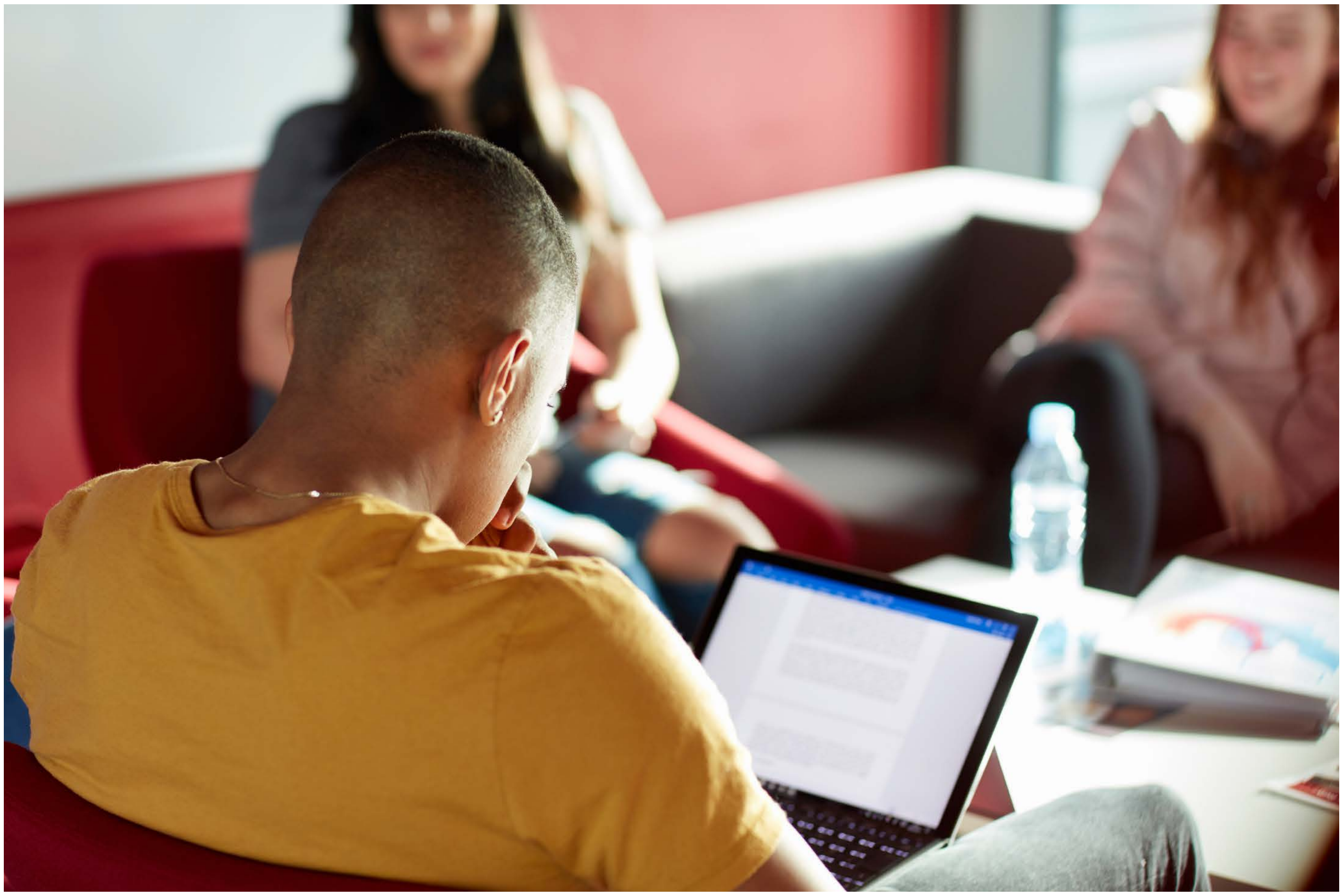
Storebrand Livsforsikring Group's solidity capital consists of equity, subordinated loan capital, market value adjustment reserves, additional statutory reserves, conditional bonuses and risk equalisation reserves. The solidity capital was strengthened by NOK 1.3 billion in 2021. Issuances of new loans and redemptions as well as exchange rate changes resulted in a net increase of NOK 2.0 billion in subordinated loans in 2021. The market value adjustment reserve has been reduced by NOK 0.9 billion as a result of rising interest rates, and amounts to NOK 6.3 billion at year-end. Conditional bonuses have been strengthened by NOK 3.0 billion and amount to NOK 13.8 billion. Booked returns have contributed to increasing the additional statutory reserves. Additional statutory reserves amounted to NOK 13.6 billion at the end of the year, an increase of NOK 2.2 billion for the year. The excess values of bonds and loans valued at amortised cost has been reduced by NOK 5.5 billion this year due to rising interest rates, and amounts to NOK 3.4 billion at the end of the year. Excess values of bonds and loans at amortised cost is not recognised in the accounts.

Storebrand Bank Group had a pure core capital adequacy ratio of 15.4 per cent and capital adequacy ratio of 20.3 per cent at the end of 2021. 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 57 per cent.

Storebrand ASA (holding) held liquid assets of NOK 4.8 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 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 2025. Storebrand ASA recognised dividend and group contributions from subsidiaries of NOK 4,542 million in 2021. The dividend allocated to shareholders amounted to NOK 1,645 million.

Rating

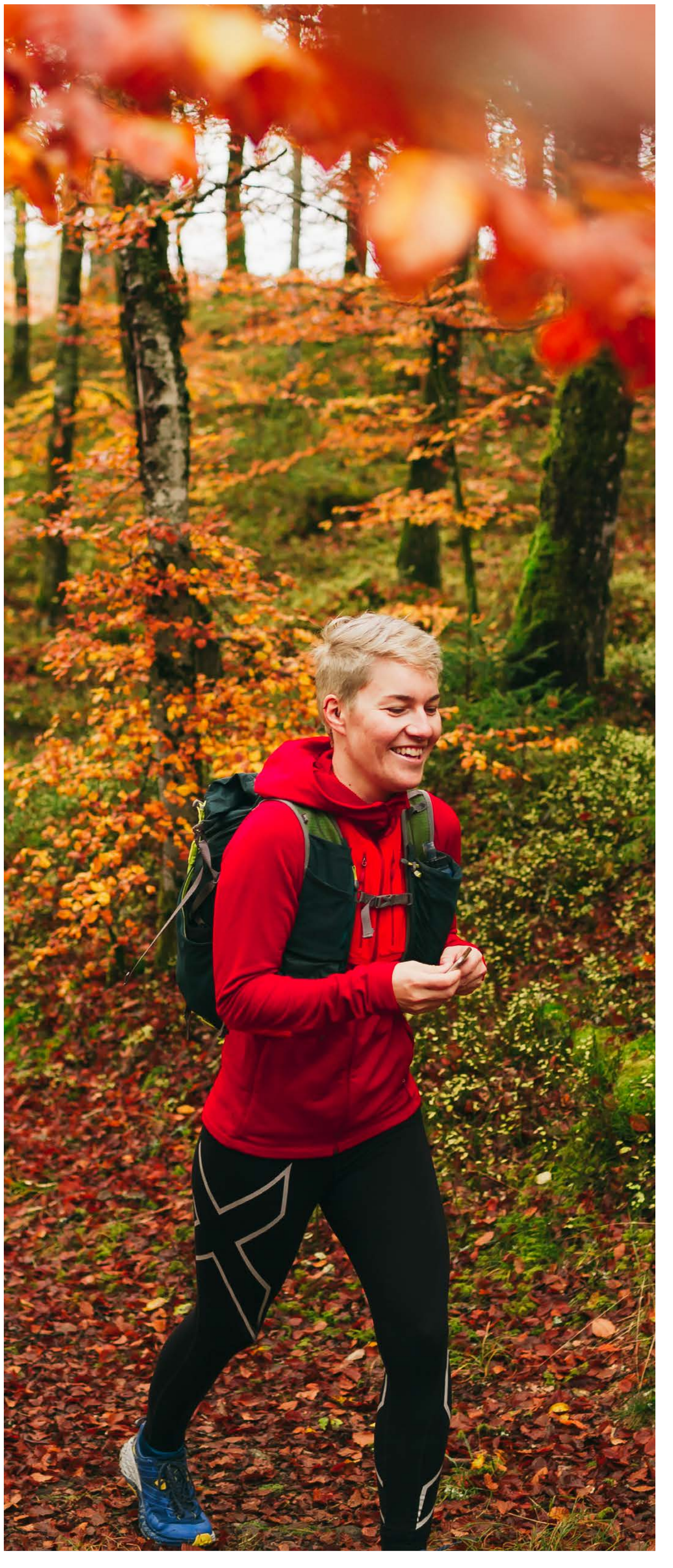
Four companies in the Storebrand Group issue debt securities. All four companies are rated by the credit rating agency S&P Global. Storebrand Livsforsikring AS, the main operating entity, aims for at least an A-rating. In July 2021, the A-rating of Storebrand Livsforsikring AS and Storebrand Bank ASA was affirmed with a stable outlook. Storebrand Boligkreditt AS is rated AAA and the holding company Storebrand ASA is rated BBB.



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 4,505 million in 2021, compared to NOK 2,975 million in 2020. Group contributions from investments in subsidiaries amounted to NOK 4,542 million, compared to NOK 3,028 million the year before.



Income statement for Storebrand ASA

NOK million	2021	2020
Group contribution and dividends	4,542	3,028
Net financial items	144	43
Operating expenses	-180	-96
Pre-tax profit	**4,505**	**2,975**
Tax	-258	-171
Profit for the year	**4,248**	**2,804**

Statement of comprehensive income

NOK million	2021	2020
Profit for the year	4,248	2,804
Other result elements not to be classified to profit/loss		
Change in estimate deviation pension	6	-15
Tax on other result elements	-1	4
Total other result elements	**4**	**-11**
Total comprehensive income	**4,252**	**2,793**

Allocation of the profit

Storebrand ASA reported a profit of NOK 4,248 million in 2021, compared to NOK 2,804 million in 2020. The Board proposes a dividend of NOK 1,645 million to the Annual General Meeting, corresponding to an ordinary dividend of NOK 3.50 per share for the financial year 2021.

Allocation of the profit for the year for Storebrand ASA

NOK million	2021	2020
Profit for the year	4,248	2,804
Allocations		
Transferred to other reserves	2,602	1,285
Provision for shared dividends	1,645	1,519
Total allocations	**4,248**	**2,804**

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 ratio of 175 per cent and more than 13 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.

Financial Results

In Norway, the market for Defined Contribution pensions has experienced strong structural growth in recent years. Going forward, high single-digit growth in premiums and double-digit growth in total assets are still expected. With the introduction of Individual Pension Accounts, the fees were reduced throughout the market. This will have a negative effect on earnings in 2022, but the expected growth and own profitability measures will bring results back to previous levels in 2023.

Our ambition is that Storebrand remains the market leader in pensions in the private sector by offering attractive and competitive customer solutions, while at the same time running a cost-effective business. The acquisition of Danica, pending regulatory approval, strengthens our ambition in the pension market. From July 2022, there will be increased requirements for which income is pensionable, which will increase the premium volume in the Norwegian market by approx. NOK 3 billion annually. We also have the ambition to take a 1 per cent market share annually, corresponding to NOK 5 billion in annual net inflow of assets, in the market for public sector occupational pensions. Storebrand aims to achieve further synergies across customers, products and capital by expanding our non-life insurance offering to corporate customers.

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 our competitive advantages in digital, sustainable solutions, and a strong market position. The market is expected to grow by about 8 per cent annually, supported by increasing relocation volumes. SPP's ambition is to grow between 14 and 16 per cent annually, twice as much as the overall market growth, by being the leading player in the transfer market.

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. These amounted to 48.5 per cent at the end of 2021, 3 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 13 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 of 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 by the end of 2023, compared to 2020, while maintaining a stable fee margin.

The retail market has evolved into and increasingly larger part of Storebrand and accounted for 25 per cent of the Group's profits in 2021. The individualisation of the pension and savings market is expected to increase further. Non-life insurance, particularly P&C insurance, is an important growth area. The ambition is to grow more than 10 per cent annually within savings, mortgage lending and insurance.

Storebrand's ambition from the Capital Market Day in 2021 was to achieve a Group profit (before amortisation and tax) of NOK 4 billion in 2023. We managed this already in 2021 with help from the sale of AS Værdalsbruket and significant performance fees from excess returns in active funds. The full effect of the regulatory change related to Individual Pension Accounts in 2021 will have a negative contribution in 2022 of approx. NOK 100 million. The full positive effect of the Danica acquisition (given government approval) will come in 2023. Strong growth in all focus areas will contribute to further earnings growth in the coming years.

In the period 2012-2020, Storebrand reported flat nominal costs, adjusted for acquisitions, currency, and performance related costs. In 2021, we delivered on our cost target of NOK 4.4 billion. We expect the cost base to increase to NOK 4.9 billion in 2022, due to growth initiatives and increased wage pressure. The growth initiatives include investments in the public sector, non-life insurance in the market for small and medium-sized enterprises, and the recently acquired Capital Investment. Should revenue growth not materialise, management has identified measures to reduce costs. Acquisitions, including Danica (given regulatory approval) and costs associated with future performance fees will come in addition.

Capital management

Storebrand aims to maintain a solvency ratio of at least 150 per cent. At the end of 2021 it was 175 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 percentage points 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. We expect that approximately NOK 10 billion in capital will be released by 2030.

Realisation of the Group's ambitions is expected to lead to a rising return on equity over time. We expect to deliver more than a 10 per cent return on equity by the end of 2023 and beyond.

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.

International regulations

Solvency II revision

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

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

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

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

Sustainable finance

The EU's goal of a carbon neutral Europe by 2050 requires significant investments. The EU's Action Plan on Sustainable Finance is expected to increase the share of sustainable investments, promote long-termism, and define which financial products may be defined as sustainable.

EU taxonomy for sustainable finance activities

The EU Taxonomy is a main part of the EU's Action Plan on Sustainable Finance. While the taxonomy regulations entered into force on 12 July 2020 in the EU, the new requirements will only apply from 2022 for the first two environmental goals (climate change mitigation and climate change adaptation), and from 2023 for the other four environmental goals (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biological diversity and ecosystems). Legislative measures including the EU Taxonomy and sustainability disclosures were passed by the Norwegian Parliament (Stortinget) in December 2021.

The new regulations entail a mapping of the legislative requirements for their products and services. Large, listed companies will be required to report on the proportion of their turnover, investments and operational costs that are covered by the EU Taxonomy. In 2023, companies must report on the share of turnover, investments and operational costs that are defined as environmentally sustainable activities in accordance with the technical criteria that the EU has prepared for each economic activity.

Table of contents

The new rules for sustainable finance will establish standards for sustainable asset management, as well as clarify disclosure and customer information requirements. We believe that the development will result in a higher quality of financial and non-financial reporting, better information to key stakeholders, and make it easier to compare data across the financial sector.

A challenge of implementing the new rules for sustainable finance is to get correct and necessary data. See appendix on page 248 for an overview of how much of our business is covered by the EU Taxonomy. The Taxonomy's reporting requirements are increasing step by step, and we will report on the share of our business that will be classified as sustainable in the years to come.

Markets in Financial Instruments Directive (MiFID II) and Insurance Distribution Directive (IDD)
In April 2021, the European Commission adopted a revision in existing MiFID II and IDD regulations that require businesses to map sustainability in the same way as financial risk. Companies that provide investment advice must obtain information about customers' preferences related to sustainability, in addition to mapping their experience and knowledge of investments. The mapping of sustainability risks and preferences will become an integral part of the suitability assessment made by companies that offer financial products. Supplementary provisions on sustainability in MIFID II and IDD are being considered for incorporation into Norwegian law through the EEA Agreement. These regulatory changes will take effect in the EU in the second half of 2022.

Corporate Sustainability Reporting Directive (CSRD)
In April 2021, the European Commission adopted a proposal to prepare a new Corporate Sustainability Reporting Directive (CSRD) to replace the previous Non-Financial Reporting Directive (NFRD). CSRD aims to raise sustainability information to the same level as financial information. The proposal aims to improve the flow of information on sustainability within corporate governance. This will make sustainability reporting from companies more consistent, so that finance players, investors and the general public can use comparable and reliable sustainability information. Storebrand's annual report will be in line with this regulation.

Sustainable Finance Disclosure Regulation (SFRD)
Another important part of the EU's Action Plan on Sustainable Finance is the EU's Sustainable Finance Disclosure Regulation (SFDR). The Sustainable Finance Disclosure Regulation (Hereafter the Disclosure Regulation) is intended to help clients make informed investment decisions. It requires Storebrand, as a financial player, to be transparent about how we manage sustainability risk, potential negative consequences of our investments, and the sustainability of our products.

The Disclosure Regulation divides financial products into three categories that affect the degree of sustainability information to be disclosed by companies. The three categories are:

- Financial products that have sustainability as the main objective (defined as an Article 9 financial product): Investments in companies or projects that contribute to an environmental or a social sustainability goal. This may be investments in companies that produce renewable energy or have services that contribute to increased equality. In addition, the companies invested in must not harm any other sustainability goals.
- Financial products that promote environmental or social aspects, but that do not have sustainability as the main objective of its investment (defined as an Article 8 financial product): It may be funds that have sustainability requirements, such as avoiding fossil fuels or having the lowest possible emissions, but where the entire investment does not focus solely on sustainability.
- All other financial products (defined as Article 6 financial products): This is a broad "other" category that includes everything from funds that completely ignore sustainability to funds that analyse sustainability and take sustainability risk into account without meeting the EU's requirements under the Disclosure Regulation.

We welcome the Disclosure Regulation as it should provide increased transparency on financial savings products and make it easier to compare data across the financial sector.

Changes in IFRS
A new accounting standard for insurance contracts, IFRS 17, is set to be implemented in 2023. The purpose is to introduce common accounting rules for insurance contracts and improve the comparability of insurance accounts. IFRS 17 entails, among other things, market valuation of liabilities, separation of insurance cohorts in the accounts, income recognition over the contract period rather upfront, and an amended profit and loss statement. Storebrand will implement IFRS 9 for financial instruments at the same time. For Storebrand's consolidated financial statements, the new standards will lead to changes in the valuation of insurance contracts, classification of fixed income investments and how profits are recognised. Estimated effects for Storebrand will be presented closer to implementation. Whether IFRS 17 is implemented in the statutory reporting requirements is decided by national regulations in each country. Storebrand expects that its property and casualty business will be required to implement IFRS 17 in the statutory reporting. For the life insurance business, IFRS 17 is not expected to be applied in the statutory reporting requirements. The effects from the implementation of IFRS 17 is thus not expected to affect the Solvency calculations nor dividend capacity significantly.

Table of contents

During COP26, IFRS announced that it will establish an International Sustainability Standards Board (ISSB) with the aim of developing standards in sustainability reporting. Storebrand views this positively and believes it is an important measure to meet increasing demands for sustainability information.

Norwegian regulations

Savings in Norwegian Defined Contribution pensions

In December 2021, new legislation was adopted making pension contributions mandatory for all of employees' income, not just income above 1G (G = NOK 17 Interim Report Storebrand Group 106,399) for employees working more than 20 per cent and are above the age of 13. Companies need to adapt to the new legislation before 1 July 2022. It is estimated that the changes will increase total savings in the Defined Contribution pension market by about NOK 3 billion per year.

Individual pension savings

The savings limit in the IPS scheme for individual, tax-favoured pension savings has been reduced from NOK 40,000 to NOK 15,000 per year, with effect from the tax year 2022. The tax rules will continue unchanged. In this sense, this is still a favorable scheme, which is nevertheless weakened by a sharp reduction in how much it is allowed to save.

Changes announced in the government platform

The government parties have announced in the Hurdal platform that a sales tax on health insurance will be introduced, in order to reduce the use of such insurances.

The governing parties have also announced a revenue-neutral reorganisation of the financial tax, in which the increased employer's contribution for financial companies will be removed.

Public Occupational Pensions

The Norwegian parliament also passed new legislation in December 2021 regulating the buffer capital within public occupational pension schemes. The new legislation merges the market value adjustment reserves with the additional statutory reserves into a more flexible customer buffer fund which can cover negative returns. There is no cap on the size of the new buffer fund. The new regulation will facilitate competition in the market for public occupational pensions and is expected to be positive for Storebrand's growth ambitions in this market.

Paid-up policies

New legislation was passed for Paid-up policies in December 2021. The final changes are:

- The ability for providers to build additional statutory reserves separately for individual contracts. This will allow for profit sharing and increased benefits on contracts with sufficient additional statutory reserves.
- Faster pay-outs for small paid up-policies. Providers can reduce

the pay-out period for paid up-policies so that annual payments equal 0.3G (G = NOK 106,399). Policyholders can demand a reduced payout period so that annual payments equal 0.5G. The policyholder and provider also have the option to enter into an agreement to reduce the pay-out period so that the annual payments equal 1G. This can reduce longevity risk and duration risk for the affected contracts.

- Providers will be allowed to compensate customers who convert guaranteed paid-up policies to investment choice. It will still be possible to offer conversion without compensation. If compensation is offered, it should reflect the value of the guaranteed returns the customer surrenders. The legislation change passed regarding more flexible buffer capital management within public occupational pensions mentioned above was not passed for paid-up policies. The Ministry of Finance has however announced that it may consider further regulatory changes.

The Financial Supervisory Authority of Norway's proposal for a flexible buffer fund, where exchange rate adjustment funds and additional provisions are merged into a new customer-distributed buffer fund that can cover negative returns, has so far only been introduced for municipal pension schemes. This happened through the Norwegian Parliament's (Stortinget) consideration of Prop. 223 L. The Ministry of Finance announced there that it would assess the need for further regulatory changes later.

Transparency Act

The Transparency Act has been passed by the Parliament and will enter into force on 1 July 2022. The Norwegian Consumer Authority has been given the task of providing guidance and supervision of the Transparency Act. The law imposes a number of obligations on larger businesses related to human rights and working conditions, and gives both consumers and others the right to information about the companies' handling of these.

All eligible companies are obliged to carry out due diligence assessments in line with the OECD's guidelines for multinational companies. The requirement for the scope of the due diligence assessments must be proportionate to the size of the business, and the assessments must be carried out regularly.

Disclosures of the due diligence assessments shall be published each year. The statement must meet the minimum requirements under the Transparency Act, but can also be more comprehensive. The report can be published in several places, but must as a minimum be easily accessible on the company's website.

The Transparency Act gives the opportunity for anyone to demand to receive information from companies about how they handle actual and potential negative consequences that have been assessed in the due diligence assessments. The right to information includes both general information about how the company handles negative consequences, and specific information related to goods and services.

Adaptations to the new regulatory requirements has been implemented both in departments that are responsible for processes that are directly affected by new obligations and at Group level to identify the need for adaptations in group-wide processes, including those related to reporting and transparency.

Swedish regulations

New transfer market regulation

To promote the transfer of pension rights, additional fee restrictions were introduced on 1 April 2021 for the repurchase and transfer of unit-linked and custodial insurance. Insurance companies can only charge an administration fee that corresponds to direct costs for the transaction, and the amount can not exceed 0.0127 basic amounts (equivalent to approximately SEK 600 in 2021).

On the question of the right of transfer for agreements entered into before 1 July 2007, the Swedish Government has proposed in a proposition that the right shall apply regardless of when a unit-linked and custodian insurance agreement has been entered into. The Swedish government has proposed that the fee restrictions for relocation and repurchase should also apply to these contracts. The new legislative amendments are proposed to take effect on 1 July 2022. The Swedish Parliament is expected to consider the proposals in the spring of 2022.

SPP supports a more open relocation market. In the past, this has been voluntary for insurance companies, and something SPP allows.

Premium pensions (PPM) of the national retirement pension system

A negotiated fund market is implemented as a second step in the reform of PPM, and a new set of rules was presented by the Swedish government on 22 December 2021. The fund market will continue to give pension savers the freedom to choose how the funds are to be invested. A new authority - Fondstorgsnemnda - which will negotiate funds and manage the fund market is also proposed. Increased demands will be placed on funds in the fund market; they must be suitable for pension savings, cost-effective, sustainable, controllable and of high quality. The Swedish government plans to present a proposition to the Swedish Parliament on 22 March 2022 and the legislative amendments are proposed to take effect on 1 June 2022.

PPM fund platform is a large distribution channel for SPP's funds. We envisage that the new fund platform will offer fewer funds at a lower price, but it is too early to say anything about the consequences of this.

Table of contents

A driving force for sustainable investments

Storebrand manages our customers' savings over several decades and we therefore have a long-term perspective. We take an integrated approach to sustainable investments, in which we combine our sustainability strategy with our investment strategy. We believe that companies that have a good understanding of how to manage sustainability risks and opportunities have a competitive advantage that will enable them to deliver better returns, while contributing positively to sustainable development.

In recent years, the debate about sustainability has largely focused on cutting greenhouse gas emissions to reduce global warming. Going forward, the global sustainability agenda will increasingly also revolve around topics such as biodiversity and ecosystems to solve climate challenges. In addition, the resilience of safeguarding good working conditions and social and economic justice in the transition to a low-emission society has received increased attention. To achieve long-term positive effects, it is important to view environmental and social conditions, and corporate governance in context.

We believe that investments in companies that are well-positioned to deliver on the UN Sustainable Development Goals will deliver better risk-adjusted returns for our customers over time. A main goal is to positively support the achievement of the UN's Sustainable Development Goals (SDGs), without causing harm or having a negative impact on society and the environment.

With this in mind, we strive to:

1. Contribute to positive influence by allocating more capital to investments in solution companies (see below for definition), green bonds, certified real estate and green infrastructure.
2. Exercising active ownership and excluding companies to reduce the negative impact our investments can have.

This approach enables us to be a driving force for sustainable investments that contribute to positive change and development, while reducing financial risk.

Directing capital towards sustainable solutions

Storebrand aims to be a driving force for lasting change in the way companies are managed, while ensuring the best possible return for customers and owners. We fundamentally believe that investing in companies well-positioned to deliver on the SDGs, will deliver better risk-adjusted long-term returns for our clients. We therefore put capital into action to fund socially beneficial, sustainable solutions aligned with the achievement of the SDGs; and we reduce exposure to activities that impact society and the environment negatively.

Storebrand works to increase our positive contribution to sustainability by directing more capital to investments that are well-positioned to deliver solutions to global sustainability challenges, as described through the SDGs. We do this by increasing investments in solution companies, green bonds, investments in real estate and infrastructure that support the SDGs. One of our goals is to invest 15 per cent of our assets under management in solution companies, green bonds, green infrastructure, and certified real estate by 2025.

Since 2012, Storebrand has developed and integrated a proprietary Sustainability Score to identify companies that have the potential to deliver good returns, while helping to solve sustainability challenges. All our portfolio managers can use the Sustainability Score in a way that is aligned with the investment strategy and risk profile of individual funds and portfolios.

Through proprietary analysis, we identify what we call "solution companies". These are companies that help achieve the SDGs through products, services and operations, without causing significant harm. The companies that are categorised as solution companies are included in a database that is updated regularly. The database is a valuable tool for fund managers in their work on sustainable investments and serves as the basis for our thematic solution portfolios (for example, on renewable energy, smart cities and equal opportunities), or as part of broader investment portfolios. At the end of 2021, 13 per cent of our equity investments were invested in solution companies. During the year, Storebrand launched two new solution funds; one with a focus on sustainable cities and one with a focus on equal opportunities.

Table of contents

We invest in green bonds, which allow fixed income funds to increase their exposure to projects that are focused on sustainability. The green bonds are for companies that both meet the Storebrand standard and are in line with international standards such as the Green Bond Principles, the forthcoming EU Green Bond standard, and with the framework of the International Capital Market Association (ICMA). By the end of 2021, we had invested NOK 25.7 billion in green bonds. This accounts for 6 per cent of our total bond investments, up from 5 per cent in 2020.

We integrate sustainability throughout our real estate business and aim to be the Nordic region's leading player in sustainable real estate management. The share of our buildings that were environmentally certified (BREEAM or equivalent) increased from 43 per cent in 2020 to 68 per cent in 2021. We reduced emissions from our real estate investments, from 7.9 kg CO_2 per m2 in 2020, to 5.9 CO_2 per m2 in 2021. In 2021, three out of four reporting companies with direct real estate investments achieved a 5-star rating from the Global ESG Benchmark for Real Assets (GRESB). The Danish-based company Capital Investment, which we acquired in 2021, has not yet reported to GRESB, and the properties that the company manages are not included in the figures for certification and greenhouse gas emissions above.

Storebrand also manages capital for infrastructure investments that enable the transition to a green economy. The transition away from fossil fuels will require significant investment in renewable energy infrastructure, both from the public and private sector. Sustainable infrastructure is a key focus area in the EU Commission's Investment Plan for Europe, that aims to mobilise EUR 650 billion of public and private investment by 2027 to transition to a climate-friendly economy in the coming years. During 2021, Storebrand Asset Management established and raised capital for a fund that invests in sustainable infrastructure. Throughout the year, the fund made three direct investments in a US onshore wind farm, an offshore wind farm in the UK and 65 electric train sets in the UK. Each investment has a positive sustainability impact.

HOW WE CONTRIBUTE TO THE UN SUSTAINABLE DEVELOPMENT GOALS THROUGH INVESTMENTS IN SOLUTIONS

We invest in companies that deliver climate solutions and contribute to achieving the Paris Agreement.

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

We invest in companies that deliver solutions in sustainable management and efficient use of natural resources. We promote circular economy and waste reduction in the product life cycle.

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

We ensure exposure to companies that contribute to sustainable urban development, transport systems, and reduce the impact of cities 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.

We promote companies that contribute to good health and quality of life. We are increasing exposure to companies that are helping more people access necessary health services, medicines and vaccines, health insurance, and companies that prevent deaths as a result of unsatisfactory water and sanitation conditions.

Table of contents

Active ownership

We set requirements for the companies we invest in and use our position as owners to influence the companies for improvement. To reduce negative impact, we have a clear and transparent process to ensure that companies meet our sustainability risk standards. This, combined with a structured corporate governance process, reduces our exposure to sustainability-related risks, such as climate risk. During 2021, we defined even more demanding criteria to the boards and management of the companies we invest in, and further developed our general principles of engagement. We also initiated several international initiatives.

Five principles of engagement guide Storebrand's active ownership:

1. Creating shareholder value: Our activities shall contribute to long-term value creation in a responsible manner.
2. Aiming for a positive impact: Our activities should be driven by the goal of creating a real difference, not symbolic value.
3. Nordic approach: We focus on topics and issues where Nordic actors have real influence and/or have a major impact on Nordic stakeholders.
4. Multi-stakeholder engagement: We work with a wide range of stakeholders, including governments, organisations, businesses and investors.
5. Targeted engagement: We strive to gain the greatest possible influence by concentrating our commitment to companies where we have a significant stake.

We have chosen to prioritise four themes for active ownership for 2021-2023:

- **The race to net zero:** Storebrand is committed to achieving net zero greenhouse gas emissions in all our assets under management by no later than 2050, in line with the Paris Agreement. This entails a decarbonised portfolio across all asset classes. In line with this commitment, we have set an intermediate target of reducing the carbon footprint of Storebrand's total equity, corporate bond and real estate investments by at least 32 per cent by 2025 with a base year in 2018. Storebrand was one of the founders of the UN-backed Net-Zero Asset Owner Alliance initiative in 2019. We also became a member of the Net Zero Asset Managers Initiative in 2021.
- **Biodiversity and ecosystems:** Our goal is that our investment portfolio will not contribute to deforestation by 2025. During 2021, we surveyed and identified companies with high exposure and insufficient risk management. Next, we selected 50 companies for further targeted engagement to achieve better forest protection in operations and supply chains. Based on this dialogue, we have chosen to cooperate with companies that show a willingness to improve. Divestments are considered in companies that do not have a satisfactory response. To help promote international regulation in this area, we also signed the Finance for Biodiversity Pledge, which is described below in the section on multilateral engagement.
- **Resilient supply chains:** Respect for labour rights in supply chains has been an important issue for Storebrand for many years. Dialogue on these topics helps to ensure healthy operations in the enterprises through robust supply chains, while helping to reduce maternity, child labour, forced labour and low living standards. Throughout the year, we established a partnership through the Platform for Living Wages Financials (PLWF), focusing on achieving a decent living wage, in the clothing, food and retail sectors.
- **Corporate sustainability disclosure:** Storebrand believes that all companies should report according to standardised and company-specific sustainability indicators. We therefore highlight the importance of consistent, reliable and verifiable reporting on sustainability indicators in our dialogue with our portfolio companies. Increased transparency also depends on reporting tools, such as the work of the Taskforce on Nature-related Financial Disclosures (TNFD), which Storebrand helped launch this year, and continues to provide advisory support.

Together with more than 50 members of The Institutional Investors Group on Climate Change (IIGCC), Storebrand has stated clear expectations about companies' management of physical climate risk. We want companies to demonstrate how they deal with the physical effects of climate change in their businesses. In 2021, we contacted 50 of the companies we have invested in that are highly exposed to climate risk, to require them to comply with our expectations. Expectations include strategic planning using climate scenarios, integration of climate adaptation in business decisions, and reporting in line with the TCFD recommendations.

Details of how we engaged in 2021

During 2021, we initiated contact 382 times with 332 different companies. This was in addition to already ongoing dialogues. During the year, we had a total of 601 dialogues with people or departments in a total of 490 companies.[42] The contact includes both obtaining information and direct dialogue about the companies' sustainability work. In addition to dialogue with companies, we also had four dialogues with external fund managers and 38 meetings with authorities and public organisations in 2021.

Dialogue with companies

Storebrand accounted for 154 of the dialogues with companies we have invested in. In other cases, we took the initiative together with other companies: 67 initiatives were with Storebrand in a leading role, and 358 with Storebrand as a contributor. A total of 87 per cent of the initiatives took place proactively, while 3.2 per cent took place on a reactive basis and 9.7 per cent were not categorised.[43]

The dialogues took place mainly in the form of e-mail, letters and digital meetings. In the vast majority of cases, the dialogue took place with investor contacts or sustainability teams. In 16 per cent of cases, we were in contact with the CEO of the companies in question.

What types of companies we engaged with (sectors)

Most of the initiatives included companies in the materials sector, consumer goods, financial services and manufacturing.

Geography

The majority of the companies we had dialogue with in 2021 were based in the US, Japan, Sweden and Norway.

What aspects of ESG we engaged on (ESG categories)

In 2021, our engagements with companies dealt with several topics within ESG and we addressed as many as 12 of the UN Sustainable Development Goals. Just over half of the dialogues dealt with climate issues, including climate change, emissions, deforestation and the use of chemicals, while 29 per cent focused on social issues such as human rights, working conditions and wage conditions. 18 per cent of the dialogues were about corporate governance.

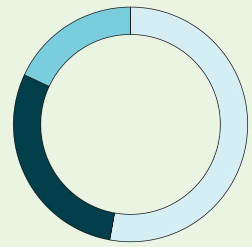
Outcomes of engagements concluded

During 2021, we conducted and concluded 33 dialogues. We achieved the outcomes we sought in eight of the dialogues, while we did not achieve the desired outcomes in six of them. In the remaining 18 dialogues, we consider the outcomes to have been neutral. In cases where the engagements concluded successfully, the result was first and foremost an increased awareness and understanding. In some cases, the companies changed their practices or committed to implementing concrete changes.

Voting

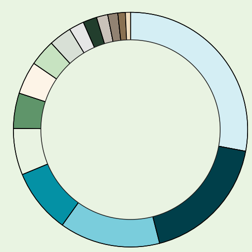
In 2021, we voted at the Annual General Meeting of 947 companies based in a total of 47 countries. Nearly 30 per cent of the meetings we attended took place in the United States. The financial sector accounted for the largest amount – 247 meetings – while the utilities sector accounted for the lowest number with 57 meetings.

ENGAGEMENTS BY ESG CATEGORY



53 % - Environment
29 % - Social
18 % - Governance

ESG ENGAGEMENTS - ESG ISSUES



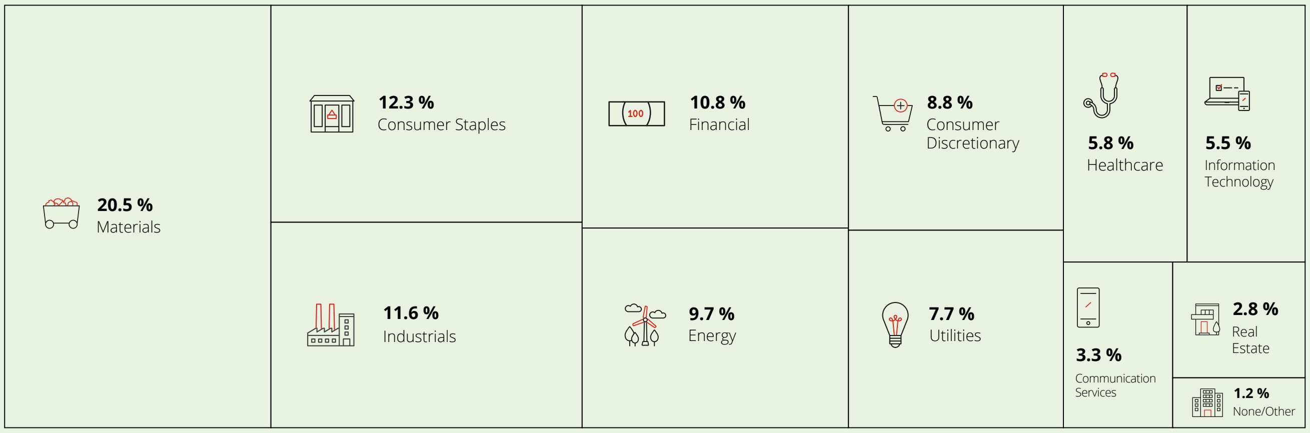
Tema	Number of engangements	Percentage distribution
GHG emissions	161	26.8 %
Climate change	104	17.3 %
Deforestation	80	13.3 %
Chemicals	51	8.5 %
Human rights in conflict zones	37	6.2 %
Climate change financing	28	4.7 %
Forced labour	26	4.3 %
Access to medicines	21	3.5 %
Living wages	18	3.0 %
Human Rights	12	2.0 %
Sustainability reporting and disclosure	11	1.8 %
Healthy food and nutrition	9	1.5 %
Coal financing	8	1.3 %
Biodiversity	6	1.0 %
Indigenous Peoples rights	4	0.7 %

42) The number of dialogues is higher than the number of companies because in some cases we have contact with several people on different topics in the same company.

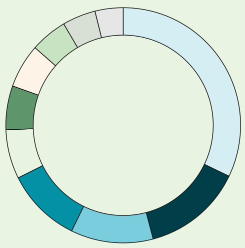
43) Proactive dialogues / initiatives mean internal pre-planned engagements in a case (e.g. dialogue with 20 companies with the highest emissions), while reactive means that we respond to a response that has been notified of a case (e.g. from a third party).

Table of contents

ESG ENGAGEMENTS BY SECTOR

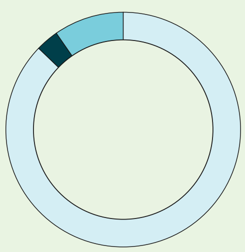


ESG ENGAGEMENTS - GEOGRAPHY



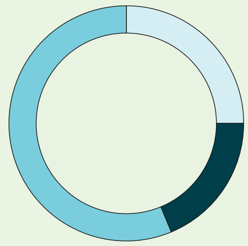
Country	Number of engagements	Percentage distribution
United States	133	22.1 %
Japan	57	9.5 %
Sweden	47	7.8 %
Norway	43	7.2 %
Germany	28	4.7 %
United Kingdom	25	4.2 %
France	25	4.2 %
China	21	3.5 %
Switzerland	19	3.2 %
Canada	16	2.7 %

ESG ENGAGEMENT BY CATEGORY



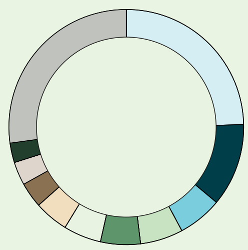
Type	Number of engagements	Percentage distribution
Proactive	524	87.20 %
Reactive	19	3.20 %
Other	58	9.70 %

FINISHED ENGAGEMENTS - RESULTS



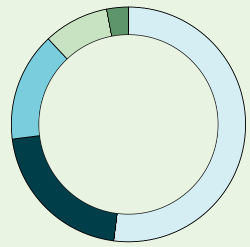
25 % - Successful
19 % - Unsuccessful
56 % - Neutral

MEETINGS VOTED BY MARKET



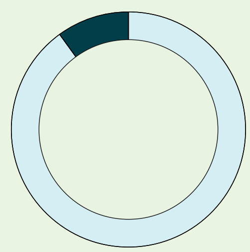
24.7 % - USA
11.4 % - China
6.1 % - Norway
5.9 % - India
5.5 % - Japan
5.2 % - Australia
4.7 % - United Kingdom
3.5 % - Cayman Islands
3.2 % - Sweden
2.7 % - Canada
27.2 % - Other Markets

FINISHED ENGAGEMENTS - OUTCOMES



52 % - Increased understanding/information
21 % - Failed/no outcome
15 % - Company committed to changes
9 % - Company changed practice
3 % - None

VOTE ALIGNMENT WITH MANAGEMENT



90 % - Votes With Mgmt
10 % - Votes Against Mgmt

Table of contents

Out of 18,016 proposals for consideration, we voted in 18,003 cases. In 90 per cent of cases, we supported proposals from the management of the companies, while we voted against the management's recommendation in 10 per cent of cases.

Storebrande against proposals from the management dealt with, among other things, extraordinary compensation schemes, reporting and plans related to climate risk, reporting on matters related to human rights, as well as the independence of the board and a lack of diversity. For example, we voted against a proposal from the management of the energy company Equinor for targets for climate change in the short, medium and long term. Our rationale was that companies we invest in should adopt targets for greenhouse gas emissions in line with the Paris Agreement. The Equinor management's proposal received a majority with the support of the Norwegian state, but Storebrand's vote sent a strong signal that investors want ambitious and concrete climate targets both in the short and long term.

Multilateral cooperation to support active ownership

Many sustainability challenges are so extensive that they can only be solved through multi-party involvement and cooperation, for example authorities, trade associations, environmental and human rights organisations and trade unions.

Several of the initiatives and alliances we have engaged in in recent years focus on the priority areas for active ownership in 2021-2023 as discussed above.

In 2021, we joined the Platform for Living Wages Financials (PLWF) to contribute to a positive development in the living wages in within the clothing, food and agricultural and retail sectors.

Another example of this type of collaboration is the Task force on Nature-related Financial Disclosures (TNFD), a framework for businesses that will help organisations manage biodiversity risks. Storebrand is an advisory participant in the TNFD Forum, a cross-sectoral competence body that supports the work of TNFD.

Business engagement at the political level is also important to stimulate change and promote sustainability initiatives. During 2021, we led and supported several broad initiatives to influence the COP26 United Nations Climate Conference and COP15 United Nations Biodiversity Conference sustainability negotiations. Both conferences brought together governments around the world to agree on national commitments and set new long-term goals for climate and natural issues. An important element of the negotiations was to create broad support among financial players for revised frameworks and commitments based on climate-based research that will contribute to achieving sustainability. Storebrand has been active in leading and supporting several important and broad sustainability collaboration initiatives.

The Global Investor Statement to Governments on the Climate Crisis and the Finance for Biodiversity Pledge were among the initiatives we actively engaged in. These initiatives involved financial institutions with a total of USD 46 trillion in assets under management and USD 10 trillion in assets under management, respectively.

Protection and sustainable management of oceans, forests, wetlands and other sensitive ecosystems are essential for long-term social and economic stability. Environmental destruction reduces nature's ability to continue to generate the ecosystem services that businesses and societies depend on. Industry players depend on input factors such as water, materials and minerals. In addition, for example, they need erosion control and flood protection to ensure stable production processes. A lack of understanding of the relationship between natural capital and industry activity is described as called "hidden" risks. The value of natural capital is estimated at more than NOK 100,000 billion globally. Loss of nature can thus have major economic consequences for business and social development. Activities to avoid loss of biodiversity are therefore high on Storebrand's agenda. In 2022, we will continue our work to establish nature-related risk as a concept, in the same way as climate risk.

At the forefront of the COP26 and COP15 conferences, we joined forces with 77 other financial institutions in the Finance for Biodiversity Pledge that urged the world's governments to act immediately to stop and reverse biodiversity loss. The statement calls for the creation of a more ambitious Global Biodiversity Framework (GBF) that drives the expectations of financial institutions and businesses to align financial flows to global biodiversity goals.

This year, we also signed the Business Call for a UN Treaty on Plastic Pollution. Plastic pollution is a problem that is not dealt with effectively by current legal and political frameworks. A global treaty on plastic pollution can help drive the transition to a circular economy for plastics, which Storebrand supports by committing to exercising responsible investment practices on this topic.

Table of contents

ACTIVE OWNERSHIP TO REALISE THE SDGS

We take measures to avoid corruption and bribery, as a result of inadequate corporate governance and systematic failure to uncover fraud and corruption. In Myanmar, we have also led a major investor initiative to reduce the risk of contributing to human rights violations. Some of the cases involved led to exclusions. Company reporting is another of our main topics: We have highlighted the importance of consistent, reliable and verifiable reporting on sustainability indicators in our dialogue with our portfolio companies during the period.

Biodiversity and ecosystems are one of our priority engagement topics – they play a crucial role in supporting sustainable value creation and meeting climate commitments. We are committed to achieving a deforestation-free portfolio by 2025. We work with portfolio companies to communicate our expectations for improved forest protection in operations and supply chains. Prior to the COP15 negotiations, Storebrand finance for Biodiversity Pledge signed, and called for urgent government action on climate issues. In the Nordic countries, we have also worked on a set of expectations and dialogues with forestry companies.

We continue our engagement with companies in the aquaculture sector, with a focus on climate issues and impacts on biodiversity. This year we have also collaborated with Grieg Seafood, WWF and the Norwegian Institute for Marine Research (NINA), on a pilot project to improve the aquaculture sector's reporting on influences and dependences on nature.

The transition to a low-emission society and net zero emissions in 2050 is one of our priority topics. Storebrand has been a member of the Taskforce on Nature-related Financial Disclosures working group, which was launched this year, with the aim of creating a reporting framework that helps organisations manage biodiversity risk and identify opportunities. We also announced clear expectations of companies in tackling climate risk and have focused on dialogues with the 20 largest emitters in our portfolios. Prior to COP26, we were a signatory of Call to Action for the decarbonisation of shipping, which clarifies an expectation for governments to increase their ambitions and commit to decarbonising shipping by 2050. During this period, Storebrand also signed the Global Investor Statement to governments on the climate crisis and called for urgent government measures to achieve climate targets.

We work with companies to reduce water consumption and greenhouse gas emissions in intensive livestock production. In addition, we have engaged them to raise environmental standards in important sectors, such as palm oil, soy, cattle and timber. In 2021, we signed the UN Treaty on Plastic Pollution to help drive the transition to a circular economy for plastics.

We are engaged with companies in our portfolio where we address issues of working conditions, including the living wage. We have joined the Platform for Living Wages Financials (PLWF) initiative and are working with other investors to address issues of the living wage and create structures that support workers' working conditions. The platform contributes to a positive development in the living wage in the clothing, food and agricultural and retail sectors.

One of our most important engagement issues is supply chain resilience, including the issue of forced labour, where we have continued to focus on China and the Xinjiang region, through direct dialogues and with the Investor Alliance on Human rights. Storebrand wants to raise awareness of international labour rights, particularly in high-risk sectors such as the textile industry. We seek to improve our policies and contribute to both better relationships between management and employees and working conditions in our supply chains.

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 required companies to establish the right practices and measures to protect their employees from Covid-19.

Storebrand has worked actively to mitigate the impact of the pandemic on companies, society, the economy and financial markets. As a result, Storebrand is committed to acting in support of investor statement on Coronavirus Response.

Exclusions

All our investments must satisfy the Storebrand Standard, our benchmark requirement for sustainable investments, which excludes companies that violate international norms and conventions or are involved in unacceptable operations. The Storebrand Standard includes criteria for human rights and international law, corruption, corporate crime, serious climate and environmental damage, controversial weapons (land mines, cluster munitions and nuclear weapons) and tobacco. Companies in high-risk industries that have low sustainability scores are excluded. Furthermore, we do not invest in companies that are excluded from the Norwegian Pension Fund Global (GPFG) by Norges Bank (the Norwegian national central bank). For selected funds and savings profiles, we apply expanded criteria related to businesses involved in the production and distribution of fossil fuels, alcohol, pornography, weapons and gambling, as well as green bond standards.

We address serious breaches of standards by our portfolio companies through a structured, policy-driven, and predicable process, in which exclusion is generally a final resort.

In case of serious behavioural violations of our standards, we usually begin by engaging in dialogue with the company. If we conclude that the company poses an unacceptable risk of breaching our standards, we sell our existing investments in the company and exclude it from our investment portfolio.[44]

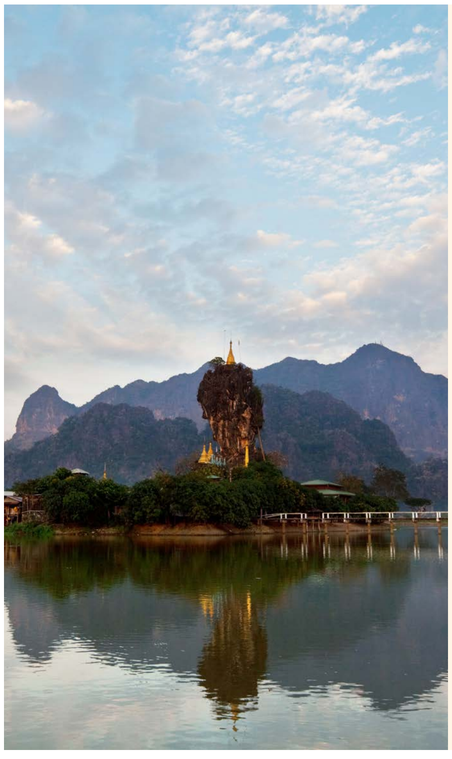
In case of product-based breaches, our exclusion process is based on more data analysis than dialogue. We have agreements with third-party databases that document and report to us the percentage of revenue that companies receive from specific classifications of products. If a company's revenue from the excluded product classes rises above our threshold levels, we automatically exclude the company. The detailed product-based threshold levels vary, rising to a maximum of 5 per cent of total revenue.

In 2021, the exclusion process resulted in the exclusion of 67 companies from our investment portfolios consisting of over 5,000 companies. A total of 7 companies were re-included, after observed and sustained returns to the required standards. As of December 31st, 2021, there are 257 companies of the MSCI ACWI Index on our exclusion list, while an additional 517 companies are excluded from certain funds based on our extended criteria.

Companies excluded based on the Storebrand standard, by category, as of 31 December 2021

Conduct-based exclusion - Environment	18
Conduct-based exclusion - Corruption	10
Conduct-based exclusion - Human Rights and International Law	39
Tobacco	25
Controversial weapons	27
Climate - Coal	133
Climate - Lobbying	5
Climate - Oilsand	9
Unsustainable Palmoil	11
Cannabis	1
Total number of companies	**257***

*) For further description of our exclusion methods, see Storebrand's exlusion list.



Human rights in Myanmar

After a military coup against Myanmar's democratically elected government in early 2021, Storebrand has been taking a leading role regarding investor engagement to help secure human rights in the country.

Following the coup, the military government that took control over the country carried out actions against pro-democracy protesters. These actions have resulted in hundreds of deaths and several thousand people being arrested, tortured and injured. Furthermore, an estimated 700,000 people hailing from Myanmar's Rohingya ethnic minority group have been forced to seek refuge outside the country. The Myanmarese military government's actions were met with international protests, condemnations and sanctions from the United States, the European Union and many other countries, multilateral institutions and organisations around the world.

Storebrand led the work to formulate a joint statement from the international business community, in cooperation with the Investor Alliance for Human Rights and the Heartland Initiative. One outcome is this work was the formal publication of the Investor Statement on Human Rights and Business Activities in Myanmar which was signed in June 2021 by 77 investors globally. The statement called on companies operating in Myanmar to identify the risk of human rights violations in their own value chain, take measures to reduce risk, report publicly on development, and participate in collective measures to support human rights in the country.

Storebrand carried out due diligence related to companies operating in Myanmar to identify links to the military junta government and potential human rights violations.

44) For a detailed description of our exclusions and methodology see: https://www.storebrand.no/asset-management/barekraftige-investeringer/utelukkelser

Table of contents

EXCLUSION CRITERIA BASED ON THE UN'S 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 economic crime. Companies that cause or contribute to serious and systematic violations of international law and human rights in war zones. Government bonds issued by countries that are systematically corrupt, that systematically suppress fundamental social and political rights, or against which the UN Security Council has adopted sanctions. Companies where more than 5 per cent of their revenue comes from the production or distribution of controversial weapons, including nuclear weapons, land mines, cluster munitions, biological weapons and chemical weapons.	Companies where more than 5 per cent of the revenue comes from the production or distribution of weapons (handguns and military weapons).
13 CLIMATE ACTION	Companies involved in serious environmental damage. Companies that receive more than 5 per cent of their revenues from coal or oil sands-based activities. Companies that contribute to severe and/or systematic deforestation through non-satisfactory production of palm oil, soy, cattle or timber. Companies that deliberately and systematically work and lobby to counteract the objectives enshrined in the Paris Agreement.	Companies where more than 5 per cent of their revenues come from the production or distribution of fossil fuels, or which have more than 100 million tonnes of CO2 in fossil reserves.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Companies with serious 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 where more than 5 per cent of their revenue comes 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.

Table of contents

Key performance indicators [45]

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Return on equity	13.7 %	8.0 %	8.6 %	**10.7 %**	>10 %	>10 %
Solvency Margin	173 %	179 %	178 %	**175 %**	>150 %	>150 %
Dividend ratio	68 %	0 %	65 %	**52 %**	>50 %	>50 %
Share of total assets screened for sustainability	100 %	100 %	100 %	**100 %**	100 %	100 %
NOK billion invested in fossil-free products [46]	68	277	379.2	**483**	N/A	N/A
Carbon footprint from equities investments: tonnes of CO2e per NOK 1 million in sales income (against index) [47]	22 (32)	18 (24)	12 (18)	**12 (18)**	N/A	N/A
Carbon footprint from bond investments: tonnes of CO2e per NOK 1 million in sales income (against index) [48]	New	7 (15)	9 (16)	**9 (17)**	N/A	N/A
Exposure to high emitting sectors: NOK billion / share of equity investments	37.7 / 19 %	34.6 / 13 %	32.2 / 8%	**42.5 / 9%**	N/A	N/A
Investments in solutions (solutions companies, green bonds, green infrastructure and property with environmental certification): NOK billion / share of total assets [49]	38.8 / 5.5 %	53.7 / 6.5 %	92.6 / 9.6%	**123.1 / 11.2 %**	13 %	15 %
Investments in green bonds: NOK billion/ share of total bond investments	8.4 / 2.9 %	12.4 / 3.1 %	22.2 / 5%	**25.7 / 6 %**	N/A	N/A
Investments in green infrastructure: NOK billion / share of total infrastructure investments	New	New	New	**1.5 / 100 %**	N/A	N/A
Investments in solution company equities: NOK billion/ share of total equity investments	New	24.3 / 9.3 %	50.3 / 13 %	**62.6 / 13 %**	N/A	N/A
Investments in certified green property: NOK billion/ share of total real estate investments [50]	13 / 30 %	17 / 41 %	20.1 / 43 %	**33.3 / 68 %**	75 %	90 %
Companies that have been contacted to discuss ESG through active ownership: number/ share of investment universe [51]	314 / 10.8 %	408 / 9.7 %	572 / 12 %	**601 / 12 %**	N/A	N/A
Carbon footprint direct real estate investments: tonnes CO2e / kg CO2e per m2	10,818 / 9.96	10,228 / 9.12	8,456 / 7.9	**6,703 / 5.9**	8.6	6.5

45) For a complete list of sustainability indicators and definitions, see Appendix on page 240.
46) Fossil-free products are one of several ways to achieve our overall goal of net zero emissions, and we have therefore not set a specific goal for how much to invest in fossil-free products.
47) The method for calculating carbon footprints has been further developed for the annual report 2021. Data are obtained through Trucost (S&P Global)'s systems and weighted by market value per position. For index figures, corresponding calculations are weighted per index and it is weighted together with the portfolios' indices based on portfolio values. This represents a coverage ratio of 96.7% in our carbon footprint from equity investments, and a coverage ratio of 93.8% for indices.
48) The method for calculating carbon footprints has been further developed for the annual report 2021. Data is obtained through Trucost (S&P Global)'s systems and calculated data from the management, weighted by market value per position. For index figures, corresponding calculations are weighted per index and it is weighted together with the portfolios' indices based on portfolio values. This represents a coverage ratio of 48.8% in our carbon footprint from bond investments, and a coverage ratio of 92.1% for indices.
49) We have decided to set an overall goal for resp. 2022 and 2025, instead of one target for each asset class.
50) Capital Investment, which we acquired in 2021, has not yet reported to GRESB, and the properties the company manages are not included in the figures for certification.
51) The number of companies we have engaged in has increased at the same time as the investment universe has increased. Number of engagements as a share of the investment universe will thus be the same as in 2020.

Table of contents

Risk

Our risk management framework is designed to ensure that we take the appropriate risk for delivering returns to customers and shareholders, 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.

The Board assesses the risk in the Own Risk Solvency Assessment (ORSA) process. The greatest risk for Storebrand is the financial market risk. In the short term, troubled financial markets, especially falling stock, credit and real estate markets, may result in investment losses, or falling interest rates may increase the insurance liability. In the longer term, persistently low interest rates are a risk because it becomes more difficult to achieve the guaranteed return on investment. Other risk areas include business risk, insurance risk, counterparty risk, operational risk, climate risk and liquidity risk.

Covid-19 has had a limited impact on Storebrand's operations. The reorganisation of work routines during the pandemic took place without significant adverse events, and the customer service and deliveries were affected only to a small degree. Increased use of digital services in the normal working day has, however, reinforced the need to take care of and further develop IT security solutions. Overall, we saw a stable development in the number of reported incidents in 2021. The number of customer and process-related incidents was at the same level as in 2020. However, the number of "high-risk incidents" was somewhat higher, where we reported several cases to the Norwegian Data Protection Authority in 2021.

The financial markets developments have been positive for Storebrand throughout the year, with rising stock markets and interest rates at the same time as credit spreads remained stable. One of the biggest financial risks associated with Covid-19 has been the risk associated with rising unemployment as a result of a weak economy. This has historically led to an increase in disability and related claims. Storebrand has strengthened its reserves to meet the increased uncertainty. The autumn of 2021 marked a reopening of Norwegian society, but the renewed infection pressure towards the end of the year means that the risk is still higher than usual.

The risk landscape varies between business areas. The main risks are described per business area below. Risks associated with regulatory changes are discussed in the section Outlook above.

Insurance

Insurance consists of personal 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 payout in the event of death, but Storebrand's risk from this is limited. In P&C 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 United 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.

Guaranteed pensions

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 return. 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 a zero per cent guarantee.

Storebrand wants to grow in the guaranteed public occupational pension market and received new customers in 2021. 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. 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 over many years. Storebrand and the Norwegian Tax Administration have interpreted some of the legislation changes and the associated transitional rules differently. Consequently, Storebrand has three significant uncertain tax positions with regards to recognised tax expenses. These are described in more detail in note 26. 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. 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.

Climate risk and opportunities

Climate risk often is divided into two categories: physical risk (consequences of changes to the climate and the environment) and transition risk (consequences of the transition to a low-carbon society).

Physical climate risk is impacted by the extent and speed of climate change. A common reference for total physical climate risk is the average global temperature increase since the pre-industrial age. The United Nations states that the global temperature rise already is 1.1 degrees.[52] The development the next decade is expected to be a consequence of previous years' emissions. Decisions made during the next few years will affect the risk significantly in the long term.

The transition risk will be influenced by how extensive and fast the transmission to a low-carbon society will take place. The transmission will be affected by politics, regulatory demands, technological development, business priorities and consumer preferences.

Why

Both climate change and the transmission to a low-carbon society represent both challenges and opportunities for Storebrand. Every year, we assess how climate risk may impact the Group's operations, financial situation, framework conditions, and reputation. The assessment provides a basis on which to analyse measures to reduce risks or exploit opportunities.

Climate change and the transition to a low-carbon society could impact our business significantly. The consequences may be further enhanced by changes to the oil price and activities in the oil and gas industry.

In 2020, Storebrand developed a climate strategy to contribute to global warming being limited to about 1.5 degrees.[53] A key element is to ensure carbon-neutral investments by 2050, at the latest, with specific sub-goals along the way. Measures to reduce risks and maximise opportunities are described in the chapter *A driving force for sustainable investments*.

The effects on investments and obligations may be sudden, in the form of market volatility, or gradual, through lower returns and lasting low interest rates. Policy or regulations may also entail risk if it is difficult to meet targets due to limited technological or investment opportunities. Examples could be an abrupt change to Norway's policies in order to reach the Paris agreement targets, dropping interest rates or oil price, or reduced petroleum activities. As part of our work to reduce risk, we mapped Storebrand's exposure in the fossile fuel sector last year, particularly in terms of income from pension products, as well as disability coverage related to the industry and related sectors.

We use the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) as a framework for reporting of climate-related financial risks.[54] Storebrand's impact on the climate is described elsewhere in this report, mainly in the chapter *Keeping our house in order* and in the chapter *A driving force for sustainable investments*.

We have established an index to describe where the TCFD-recommended disclosures are addressed in this report. The index is included in the appendix on page 216.

Our approach

Storebrand assesses climate risk based on the same framework as other business risks. Overall risks, including climate risk, are described in a risk analysis report addressed by the Group Executive Management and Board twice a year. The risk analysis includes assessments of business and reputation risks related Storebrand's strategy to uphold a leading sustainability position. Climate risk also is addressed in the annual ORSA-report[55], which is sent to Norway's Financial Supervisory Authority following approval by the Storebrand Board. Climate risk also is a part of the risk review conducted by all Group subsidiaries. Climate risk, particularly physical risk, is very long term and therefore is assessed in based on a longer time perspective than other risks.

Scenarios for climate risk assessments

As historical events have a limited relevance for climate risk, it is necessary to assess risks related to various scenarios. Storebrand bases our annual assessment on three scenarios:

- Rapid transition to a low carbon society, meeting the target of limiting global warming to 1.5 degrees
- Somewhat slower transition, but global warming is nevertheless limited to about 2 degrees
- Emissions continue to be high and global warming reaches or exceeds 3 degrees

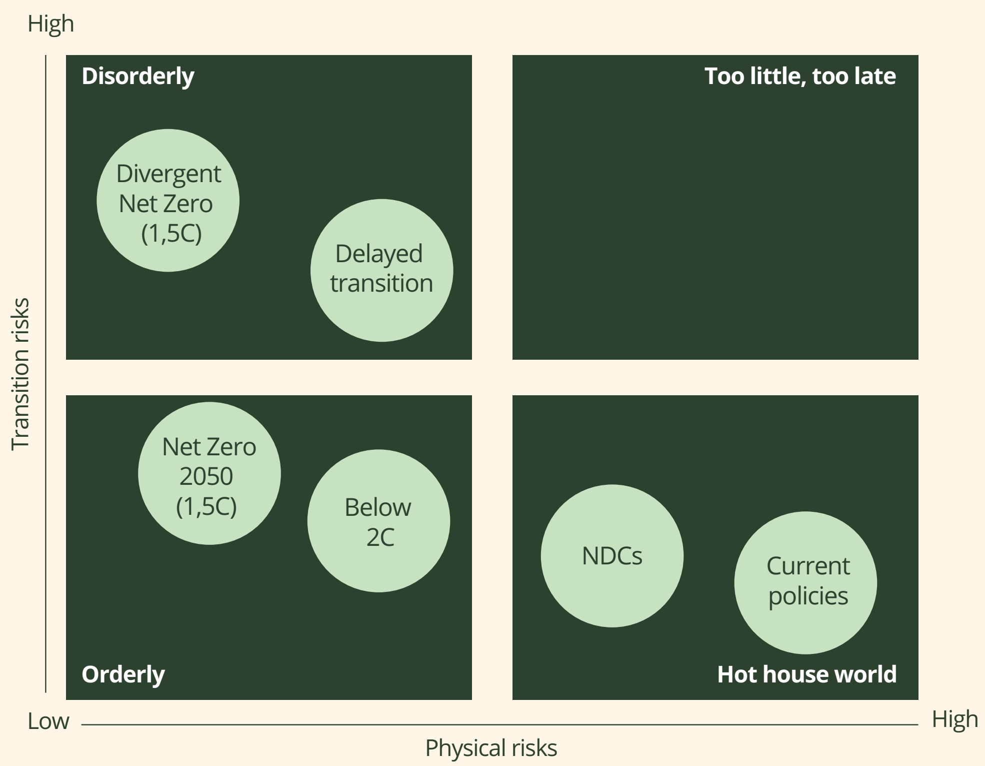
52 IPCC. Sixth Assessment Report. https://www.ipcc.ch/assessment-report/ar6/

53) Storebrand Climate Policy for Investments: https://www.storebrand.no/asset-management/barekraftige-investeringer/var-klimastrategi/_/attachment/inline/4378826b-d7e2-4dc7-a16d-62e1300f2b12:9f73b6f864f81af51ca8045668e4bc5f026a2674/86128%20STB_Clima_policy_investment_rapport.pdf

54) Since the launch of the TCFD recommendations in 2017, we have been working on these recommendations: https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf. In this annual report, the climate risk descriptions are also adapted to the greatest possible extent to the updated recommendations for reporting that were launched in the autumn of 2021: https://assets.bbhub.io/company/sites/60/2021/07/2021-Metrics_Targets_Guidance-1.pdf

55) Own Risk and Solvency Assessment, ORSA

Figure 1: Network for Greening the Financial System (NGFS) climate risk scenarios



Positioning of scenarios is approximate, based on an assessment of physical and transition risks out to 2100.

Storebrand uses scenarios developed by the Network for Greening the Financial System (NGFS).[56] The network has been established by central banks and supervisory authorities to establish a framework for assessing and handling of climate risk, as well as to encourage the financial sector to support the transition to a low-carbon economy. The scenarios will be further developed, including quantitative stress tests, as a basis for supervisory processes and analyses of financial stability.

NGSF has defined six scenarios with risk varying along two dimensions.

1. How serious will the physical consequence of global warming be?
2. Will the transition be a controlled or disruptive process? (transition risk)

NGFS outlines two scenarios that lead to zero emissions in 2050. The scenario "Net Zero 2050" expects a rapid transition, with a high degree of coordination among nations and sectors. The transition risk in this scenario therefore is seen as low, despite the speed of the transition. The "Divergent Net Zero" scenario considers the transition risk significantly higher, as the use of oil as transportation fuel is phased out very quickly while the use of fossil energy for industrial activities declines more slowly. The physical risk is about the same in both scenarios because global warming is limited to 1,5 degrees.

Storebrand has chosen «Divergent Net Zero» as a basis for the "Speedy transition" scenario. Norway could be particularly exposed to transition risk because of a rapid phasing out of oil and gas as energy sources. In addition, ambitions and preferred means are likely to vary significantly among various stakeholders.

Storebrand's "Delayed transition" scenario is based on the NGFS-scenario carrying the same name. In this scenario, emissions continue to rise up until 2030, after which policy becomes significantly restrictive. This is expected to result in a rapid decline in emissions after 2030, towards zero in 2050, keeping global warming below 2 degrees. In this scenario, transition risk is about the same as for «Speedy transition» but it is postponed until after 2030. The physical climate risk in this scenario is expected to be somewhat higher than for "Speedy transition."

56) Scenarios updated June 2021: https://www.ngfs.net/sites/default/files/media/2021/08/27/ngfs_climate_scenarios_phase2_june2021.pdf

Table of contents

Figure 2: Storebrand's climate risk scenarios

A: Speedy transition	B: Delayed transition	C: Current policies
The scenario is based on the NGFS "Divergent Net Zero". Climate policies are subject to a major shift, and the technological development happens fast. The zero emission target by 2050 is reached. Global warming is contained at less than 1.5 degrees. Costs related to the transition will be considerable, accelerated by a lack of coordination among nations and sectors. The use of oil for transporation is phased out rapidly, while the reduction in the fossil share for energy supply and industry are variable. The scenario is based on moderate use of CO2 capture and storage.	The scenario is based on the NGSF "Delayed Transition"-scenario. The absence of regulations lead to economical growth in the wake of Covid-19 are based on fossil energy. The CO2 emissions grow up until 2030. Policies then become stricter and include a significant increase in the price of CO2. This leads to a rapid decline in emissions post 2030, towards zero in 2050. The overall emission decline is sufficient to ensure a global warming below 2 degrees.	The scenario is based on the NGSF "Current Policies" scenario. Limited awareness of the climate crisis combined with shortsighted political priorities prevent the implementation of future restrictions. Measures implemented to reduce emissions are continued. Emissions increases until 2080. Global warming is expected to reach about 3 degrees, with a significant risk of an even further increase. This will lead to large and irreversible climate change.

It is useful to understand what the various scenarios mean for conditions that affect Storebrand's risks. A global temperature increase is a key indicator of physical risk, while carbon costs are a key indicator of the global temperature development. Carbon price development is a main indicator of transition risk. In Norway, the demand and price development for oil and gas are key indicators for transition risk. Both the transition and physical climate changes could affect economic growth and the financial markets. The development of the Norwegian economy will influence out customers, whose behaviour, in turn will impact Storebrand's future earnings. At the same time, the global effects on global financial markets will affect Storebrand as an asset manager.

Areas where climate-related risks can affect Storebrand

Climate risk affects several parts of our business. At the same time, it is important to understand that both the source of risk and the way the risk affects the business can be different. Therefore, it is important that separate assessments are made for each of the areas listed below.

- Storebrand's investments, both securities and real estate
- Storebrand's life insurance liabilities
- Storebrand's non-life insurance liabilities
- Storebrand's asset management
- Storebrand's banking business
- Risk that Storebrand's customers may be affected by climate risk
- Reputation risk, especially linked to Storebrand's strategy choice to be a leader in sustainability
- Regulatory risk from non-compliance with new requirements for climate adaptation or reporting

Further in this chapter, we will focus on the areas that are most important in different parts of our business. For each area, implemented and planned measures that affect the risk are described, in addition to assessments of any new measures that can contribute to reducing risks or realising opportunities from climate change.

Climate risk for investments

Storebrand's largest climate-related financial risks and opportunities are considered to be in the transition to a low-emission society. Our investments may be affected by climate policy and regulations, stricter emission requirements, a changed cost structure and market preferences. Our most important measures to reduce these risks and exploit potential opportunities are described in the chapter *A driving force for sustainable investments*.

Climate risk can affect Storebrand's return through two mechanisms:

- Climate-related factors affecting returns from the financial market as a whole, for example because economic growth is affected by physical climate change or due to a less effective policy to achieve zero emissions (absolute climate risk).
- Effects of Storebrand investing differently from the broad market, for example by failing to invest in some industries or companies and investing more in solution companies (relative climate risk).

Absolute climate risk
The transition risk can have both positive and negative consequences for various players, which can make it challenging to decide whether to invest in given sectors and companies. It can be difficult to argue whether the transition as a whole will have positive or negative consequences for the capital market. For long-term pension savings, it is therefore beneficial to invest broadly in global financial markets in order to diversify risk and meet any future risks.

The main difference between the scenarios above is the long-term negative effect of physical climate risk. The risk is greatest in the scenario "Current policies ", while it is least in the "Speedy transition" scenario. One challenge is that the negative effects of climate change are not evident to the individual company and consumer, especially in the short term. It is therefore important that authorities and other actors adjust framework conditions and preferences so that companies and private individuals can adapt both behaviours and attitudes in the interest of society.

Storebrand's most important contribution is to ensure that the Group's investments are carbon neutral by 2050. Through active ownership, we work systematically to ensure that the companies that we invest in do their part to reduce emissions. Our work is carried out in direct dialogue with individual companies, and through several strategic collaborations, such as in the Net Zero Asset Owner Alliance, the Net Zero Asset Manager Alliance, and the Climate Action 100+.

Relative climate risk
Storebrand's investment strategy means that our investments have deliberate deviations from the global market index. This is partly a consequence of Storebrand Asset Management's sustainability strategy that applies to all investments, and partly a consequence of Storebrand Livsforsikring and SPP Pension & Försäkring having their own requirements as part of the investment strategy. We make a number of adjustments to reduce the relative climate risk to which our investments are exposed, including:

- Excluding companies that contribute to serious environmental damage.[57]
- Excluding companies that actively work against the objectives of the Paris Agreement.
- Excluding companies in the fossil sector in parts of the portfolio.
- Setting requirements for a minimum average sustainability condition, which also includes climate-related conditions.
- A minimum of 15 per cent of the portfolio must be invested in solutions by 2025.

In 2020, we launched a new climate strategy for our investments, with the goal of entering into investments that greatly contribute to climate change. We no longer invest in companies that receive more than 5 per cent of the revenues from coal, oil sands-based activities, are involved in serious and / or systematic unsustainable production of palm oil, soy, cattle and timber. Storebrand will not invest in companies that consciously and systematically work against the goals agreed in the Paris Agreement. We expect companies to support effective policy measures aimed at reducing climate risk and limiting temperature rise to 1.5 degrees. This support should apply to all commitments made by the company in all geographical regions, and to political commitments made indirectly, through third-party organisations acting on behalf of the company or with the company's financial support.

Based on the targets for carbon-neutral investments by 2050 and intermediate targets for emission reductions, we established a framework in 2021 with the following targets for 2025:

- **Emission targets for equity, corporate bonds and real estate investments:** We have a goal of reducing the carbon footprint[58] in Storebrand's total investments in equities, corporate bonds and real estate by at least 32 per cent by 2025 (base year in 2018).

- **Direct capital towards solution companies:** Storebrand has a goal that 15 per cent of our total investments will be invested in what we define as solutions by 2025. This includes equity investments in solution companies[59], green bonds, certified green real estate and investments in green infrastructure.

- **Be an active owner and driver force:** In 2021, we had our focus on the 20 companies with the highest emissions.[60] The impact work took place mainly in collaboration with other investors, including Climate Action 100+. In addition, we held meetings with the management of the 20 companies in which we had ownership interests and which represented the largest emissions:

57) We exclude companies that contribute to serious environmental damage, including companies that receive more than 5 per cent of the revenues from coal, oil sands-based activities, and companies that are involved in serious and / or systematic unsustainable production of palm oil, soy, cattle and timber. Read more about our exclusions here: https://www.storebrand.no/asset-management/barekraftige-investeringer/utelukkelser
58) Calculated as Weighted Average Carbon Intensity, see definitions on page 240-241 in the appendix Sustainability indicators and definitions.
59) See definitions for investments in solutions on page 241 in the appendix Sustainability indicators and definitions.
60) Calculated based on the share of owned share capital in the company multiplied by the company's total Scope 1-2 emissions.

Table of contents

Figure 3: Overview of companies in high-emitting sectors

Industry & Materials

- Angang Steel Co Ltd.
- Elkem ASA
- Haci Omer Sabanci Holding AS
- JFE Holdings Inc
- Jiangxi Copper
- LafargeHolcim Ltd
- Nippon Steel Corp
- Norsk Hydro ASA
- O-I Glass Inc
- SSAB Svenskt Stål
- Waste Management Inc
- Yara International ASA

Shipping

- DFDS A/S
- Odfjell SE
- Wallenius Wilhelmsen ASA
- Wilh Wilhelmsen Holding ASA

Oil & Gas

- Equinor ASA
- Gazprom PJSC
- LUKOIL PJSC
- SFL Corp Ltd

Equities and bonds are valued on an ongoing basis based on all available information, including climate-related risks and opportunities. The valuation reflects, to some extent, that the authorities' target of zero emissions in 2050 may have consequences for oil and gas demand, and earnings for oil and gas shares and that the price of carbon emissions may be higher in the future. Similarly, the financial market has priced in that companies that invest in renewable energy, or that can in other ways take advantage of opportunities in the green shift, can achieve increased earnings in the future (high valuation in relation to current results is a measure of this).

Lower future returns for fossil fuel companies than solution companies are due to the climate effects being larger or coming faster than expected. It is therefore likely that Storebrand will have a somewhat lower climate risk than the market in the scenario "Speedy transition". In the scenarios "Delayed transition" or "Current policies", it is likely that Storebrand will have a somewhat higher climate risk than the market because we were early in developing a strategy to realise the goal of zero emissions. The risk must be seen in connection with Storebrand's total investments being broadly diversified, which means that the deviation risk in the portfolios is limited, including the effects of climate risk.

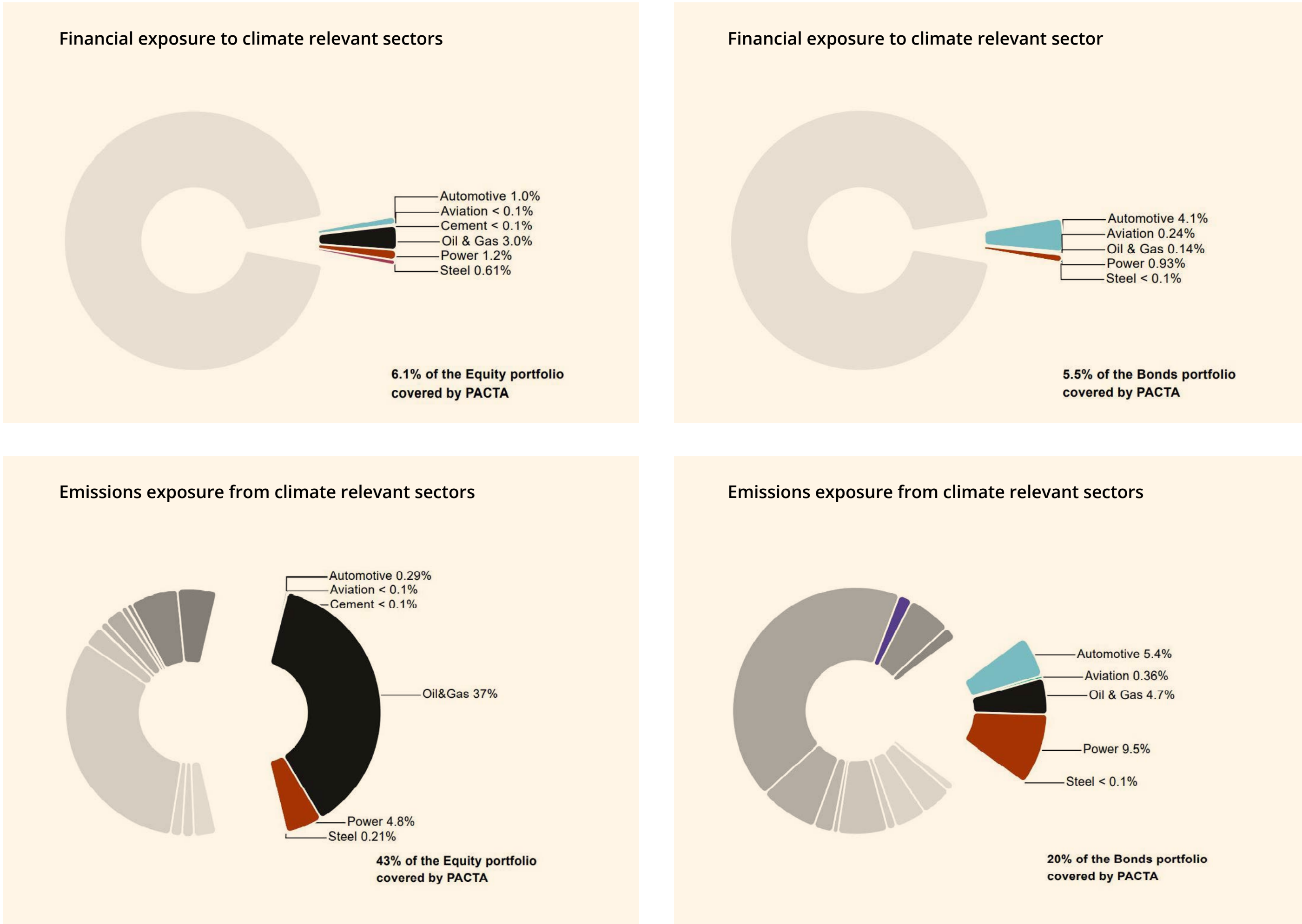
Exposure for different technologies

The overview of companies in high-emitting sectors (Figure 3) is based on each individual company being assessed as a whole, based on its own main business. An oil and gas company is defined in the overview as 100 per cent fossil sector, even though it has activities within green energy or technology.

Storebrand has performed a more granular analysis for selected investment portfolios based on methodologies from PACTA. As an example, the PACTA analysis is used for "Storebrand Balansert Pensjon", which is the largest investment profile for Defined Contribution pensions in Storebrand Livsforsikring.

Table of contents

Figure 4: Storebrand Balansert Pensjon, share of investments / emissions for equities / bonds covered



PACTA analyses the industries with the largest greenhouse gas emissions. Overall, the analysed industries account for approximately 75 per cent of greenhouse gas emissions globally. Measured as a proportion of investments, the analysed industries amounted to approximately 6 per cent of the equity and bond investments for Storebrand Balansert Pensjon, while they accounted for 43 per cent of emissions from the equity investments and 20 per cent of emissions from the bond investments. The proportion of emissions covered by the analysis was significantly lower than 75 per cent. This was due to Storebrand having lower exposure than the rest of the market to the analysed sectors. Non-analysed sectors are considered to be relatively larger contributors to emissions.

Figure 5: Storebrand Balansert Pensjon, exposure to different technologies for selected industries compared to index

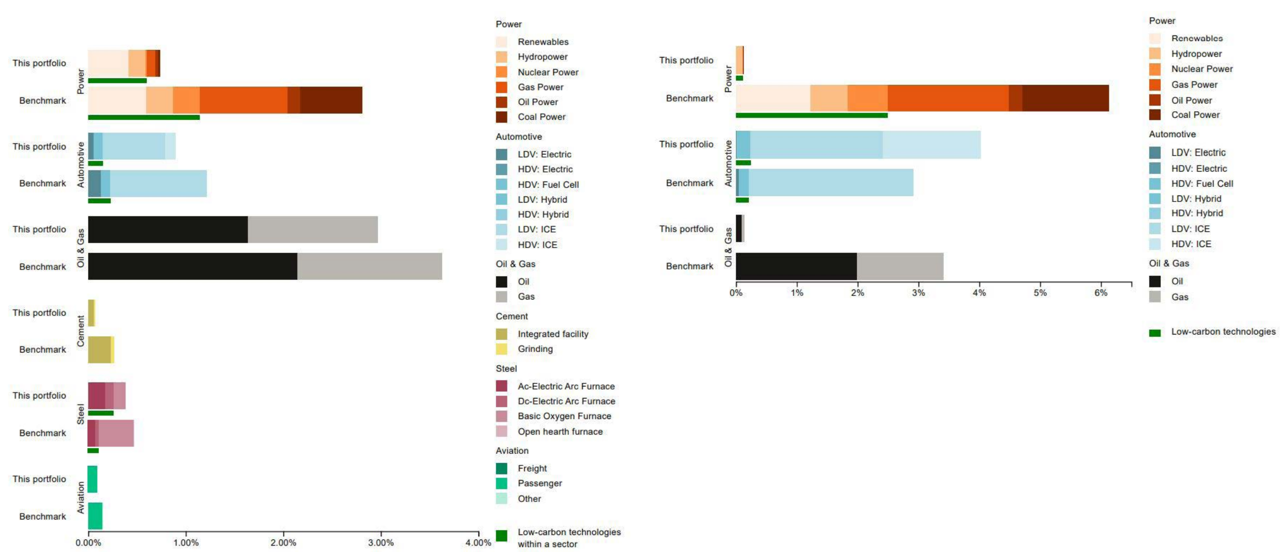


Table of contents

Storebrand had lower exposure than the index in the most exposed industries. As a consequence, Storebrand was therefore underexposed to some of the green technologies. This was especially relevant in power production, where Storebrand had lower exposure than the market to renewable energy. Many of the companies use fossil energy sources, including coal, while being involved in renewable energy. Other companies with exposure to renewable energy are excluded from other sustainability criteria, such as violations of basic human rights (this illustrates that a good strategy for climate and other sustainability adaptation requires many considerations).

Forward-looking analysis

Both the carbon footprint and exposure to industries or technologies provide a snapshot of risks. We believe it is more important to look at how companies work towards reducing the footprint in line with the zero-emission target. Storebrand assesses, among other things, whether companies we plan to invest in have committed to emission targets based on scientific facts. We also closely monitor the proportion of companies in our portfolios that have set science-based targets.

The PACTA tool provides an opportunity to assess how the companies' plans will affect the composition of technologies over time. Figure 12 shows what exposure to one of the expected future that our portfolio, as well as the world market index looks like. This is compared with what is required to be in line with the two degree-target or below (Aligned portfolio / benchmark).

The analysis above assumes that Storebrand owns the same companies in five years. The portfolio's exposure over time can be influenced through dynamic goals for the investment strategy. Examples may be not investing in bonds issued by fossil fuel companies maturing after 2030 or setting gradually increasing targets for the share of solution companies. By investing fossil-free, we can also reduce our risk, but this will not help the world reach its emission targets today. Therefore, investments in companies moving in the right direction may be effective, even if they have large emissions in the short term.

Figure 6: Storebrand Balansert Pensjon, exposure in five years based on the companies' plans

Listed Equity: Future technology mix as % of sector based on **ETP2017: B2DS** scenario compared to **iShares MSCI ACWI ETF** as a subset of **Global Market**.

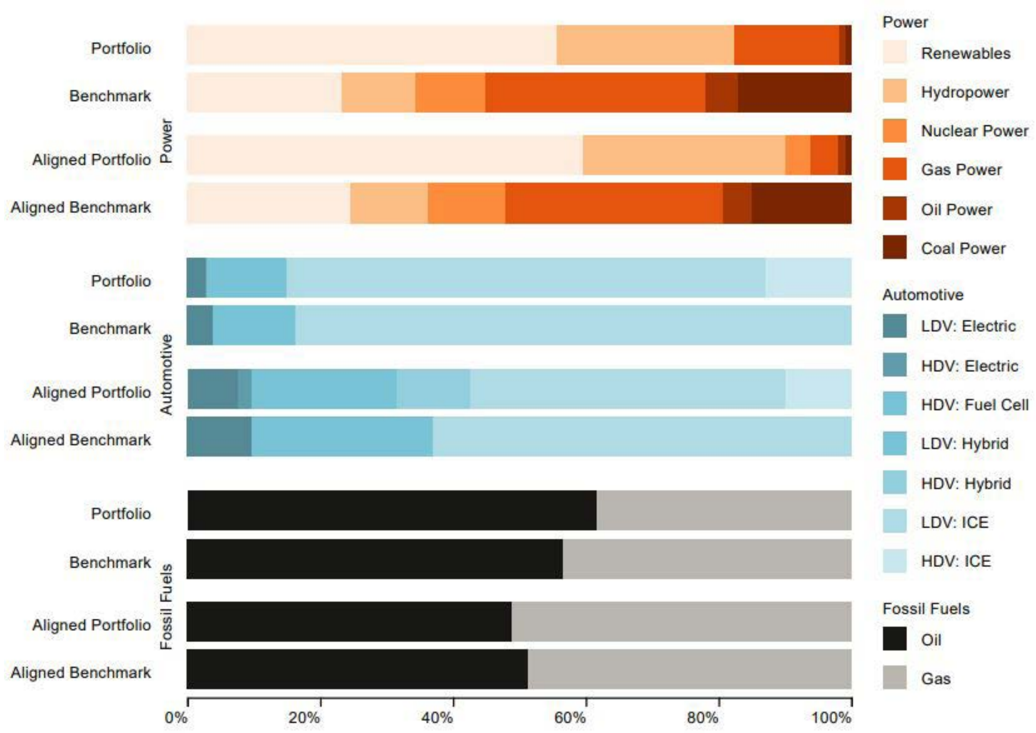


Table of contents

Figure 7: Sector-specific exposure to high-emitting sectors

Sector	2018 (BNOK)	2019 (BNOK)	2020 (BNOK)	2021 (BNOK)	Change 2018-2021 (BNOK)
Aluminium	1.2	1.2	1.5	2.3	1.1
Aviation	3.1	3.6	3.3	3.6	0.5
Cement	0.3	0.4	0.6	0.9	0.6
Chemicals	6.8	8.0	9.8	12.4	5.6
Energy	15.8	12.2	7.0	9.1	-6.7
Heavy duty automobiles	0.6	0.9	1.1	2.3	1.7
Light duty automobiles	3.7	3.8	4.3	5.8	2.1
Shipping	0.9	0.6	0.7	1.2	0.3
Steel	0.8	1.1	1.4	1.8	1.0
Utilities	4.6	2.9	2.5	3.3	-1.3
Grand Total	**37.7**	**34.6**	**32.2**	**42.5**	**4.8**

Other key performance indicators can be seen in the chapter *A driving force for sustainable investment* on page 71.

Key indicators

- Carbon footprint in equity investments: 12 tonnes of CO2 equivalents per NOK 1 million in sales revenue (against 18 index) [61]
- Carbon footprint in bond investments: 9 tonnes of CO2 equivalents per NOK 1 million in sales revenue (against 17 index) [62]
- Carbon intensity in real estate investments: 5.9 tonnes of CO2 equivalents per m2.
- Exposure to high-emitting sectors: NOK 42.5 billion / 9 per cent of total total assets.
- Number of active dialogues related to climate and environmental risks and opportunities: 318
- Number of companies that have been excluded due to serious climate and environmental damage: 176
- Equity investments in fossil energy, NOK billion / share of equity investments: NOK 9.1 billion / 1.8 per cent.

Real estate investments

Storebrand manages direct real estate investments equivalent to NOK 74.6 billion, which amounts to 6.8 per cent of assets under management.[63] Physical risk is largely related to the effects of extreme weather on physical assets.

Climate risk can affect growth, liquidity and absolute returns in real estate because real estate investments generally have higher costs and reduced growth opportunities. Gaining relative returns through appropriate managing and prevention of risks, and utilising opportunities in the transition to the low-emission society, varies from the market in general.

Acute physical climate risk is already affecting real estate, also in Scandinavia, even though the risk is far lower than in the most vulnerable parts of the world. The risk increases over time, especially during the "Current policies" scenario. Extreme rainfall and flooding stand out as the most important single factors. Micro-location and the robustness of properties affect exposure to damage, increased insurance costs and other costs. Chronic physical risk such as heat waves and sea level rise are more long-term, but can have both direct and indirect financial effects. In the worst case, property can become unusable and unchangeable.

Transition risk in the form of increased public requirements and fees, increased climate-related market requirements, as well as reputational risk of having too low climate ambitions or not achieving own targets, is most relevant in the "Speedy transition" scenario and then the "Delayed transition" scenario. Under the scenarios "Current policies" and "Delayed transition", there is a risk of lower returns in the short or medium term as a result of over-investment or premature investment in relation correct market values. Timing is critical to reduce risk. It will be important both on the cost and revenue side, and may be able to have a double effect. The general long-term nature of real estate investments can dampen the effect by getting return on investments at a later stage in the event of a delayed transition.

The main strategy for reducing risk is through active ownership. Proactive analysis and implementation of measures will optimise adaptation to future climate change and a 1.5-degree emission pathway, both on the portfolio and individual properties. This is better for society, rather than leaving property with lower climate efficiency to investors who do not have an active strategy. Selection

61) The source for the calculations of carbon footprint is based on data from our data supplier in Q3 2021.
62) The source for the calculations of carbon footprint is based on data from our data supplier in Q3 2021.
63) 74.6 billion including Capital Investment.

is therefore a secondary strategy, while climate risk is carefully assessed for new investments. Sustainability certification (the BREEAM system or equivalent) gives the properties both a quality rating and an important basis for improvement plans. Benchmarking through GRESB (Global Real Asset Sustainability Benchmark) provides a similar sustainability rating at portfolio and management level, and supports development towards a global standard that reduces risk and greenhouse gas emissions.

Key indicators for climate risk in real estate:

- **Requirements regarding energy efficiency and greenhouse gas emissions:** measures to improve energy efficiency and waste management are assessed and implemented continuously on the properties, and result in reduced greenhouse gas emissions from operations.

- **Long-term goal of 100 per cent environmentally certified property.**

- **Sustainability ranking of real estate:** The management of our direct real estate investments is ranked by GRESB in four different portfolios, and the portfolios are among the best in Northern Europe with a similar composition. In 2021, three out of four portfolios are ranked among the top 20 per cent globally, and awarded the maximum of 5 stars. [64]

	2018	2019	2020	2021[65]	Goal 2025
Carbon emissions kgCO2e/m2 per year [66]	9.96	9.12	7.9	5.9	Reduce
Certified green real estate, percentage share AuM [67]	30 %	41 %	43 %	68%	90%
GRESB-score	76.4 %	81.7 %	84.8 %	88.6%	Increase

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.

The biggest climate-related risk is more damage and higher compensation for property insurance due to precipitation that leads to water intrusion. The risk is mainly associated with buildings where the lowest floor is below ground level. The risk has increased because there are more frequent storms with heavy rain in a concentrated area, with the greatest consequences in densely populated areas. Although it can cause flooding in a large area, it is not described as a natural catastrophe and must therefore be covered by Storebrand. Major incidents that are directly caused by landslides, storms, floods (rivers and streams that cross their banks), storm surges, earthquakes or volcanic eruptions, on the other hand, are covered by the natural perils pool and internal reinsurance.

Even if physical risk is central to non-life insurance, transitional risk may occur. One possible risk is that fewer people want or need to own their own car. Measures to mitigate climate change may accelerate such a trend. Cars will then to a greater extent be owned by public transport actors, and this will change the market from a private market to a large customer market. For a small player like Storebrand Forsikring, it can be a threat. Increased use of car sharing of privately owned cars will also lead to changes in the need for insurance.

Our most important 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. We improve the risk assessment, among other things, by analyzing the risk of extreme precipitation and floods in various areas. At the same time, we give a higher price for insurance of buildings with basements in risk areas.

- **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.

- **Rewarding damage prevention:** We actively communicate with our customers, encouraging damage prevention measures, such as securing property during periods prone to flooding.

64) Capital Investment, which we acquired in 2021, has not yet reported to GRESB and is thus not included in the data base.
65) Capital Investment, which we acquired in 2021, is not included in the data base.
66) Certifiable properties in operation.
67) Sustainability certification is BREEAM or equivalent, can also be LEED, Svanen or Miljöbyggnad. The total assets of Capital Investment, which was acquired in 2021, are not included.

Key indicators in insurance

- Share of insurance premiums from electric car insurance: 22 per cent in 2021.
- 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.

Climate risk as an asset manager

Storebrand Asset Management manages more than NOK 1,000 billion, both for Storebrand's own companies and other institutional customers and private individuals. New EU standards for classifying funds (Sustainable Finance Disclosure Regulation, SFDR) highlights the importance of adapting to sustainability measures and makes it easier to compare different suppliers. In order for funds to be marketed as "green" or "sustainable", they must promote sustainability as part of the investment strategy (an Article 8 financial product) or have sustainability as an investment objective (an Article 9 financial product).[68] In 2021, Storebrand and SPP classified all their fixed income and equity funds as Article 8 or Article 9 under the SFDR standard.

There is a risk in linking sustainability and climate to Storebrand's brand and customer message if customers are more concerned with other things when they make the decision to purchase funds. Increased awareness of the importance of sustainability, especially climate, means that the risk is considered low.

Storebrand has a wide range of funds, including specialised funds with sustainability as an investment goal through investing in solution companies. This degree of sustainability alignment in investments carries the risk of lower returns than the market and competitors. Storebrand's solution fund received a strong return in 2020, but had a weak period from February to May in 2021. Such results are expected, and the long-term return is good, both in absolute terms and relative to the broad market.

Risk of customers being affected by climate risk

If climate risk has a negative effect on Storebrand's customers, it may lead to a reduced business volume and thus lower revenues. The consequences of this are particularly significant for Defined Contribution pensions. The annual savings premium (2021) was NOK 20 billion, of which NOK 13 billion was in Norway. Given that Storebrand Livsforsikring maintains a market share of approximately 30 per cent for Defined Contribution pensions in Norway, growth in premiums be reliant on employee numbers in Norwegian companies as well as the increased or decreased wage growth effect on possible changes in savings rates. A scenario with negative economic effects in the transition to a low-emission society can affect all these conditions negatively. With no changes in the transition pathway, 1 per cent lower growth in the number of employees or 1 per cent lower wage growth will result in a NOK 130 million lower premium in the first year. The effect will grow and accumulate over time if the change is prolonged.

The risk of negative effects from transition risk can be particularly high for customers in the fossil fuel sector. A review of the customer base shows that Storebrand has a significant exposure to the fossil fuel sector.

As an appendix to this report, we have prepared a TCFD index. This provides an overview of how we respond to the various recommendations for reporting, as well as which pages of the annual report more detailed information can be found. The index ensures transparency, and makes it easier to find relevant information. The table is on page 216.

68) For more information on the Sustainable Finance Disclosure Regulation (SFDR), see *Regulatory changes* in Director's Report, page 59.

Working environment and HSE

Managers are encouraged to discuss ethics, ethical dilemmas, information security, financial crime and HSE in departmental meetings. We monitor whether this is implemented and implement further measures when necessary.

Storebrand's sick leave rate among employees has been at a stable low level for many years. Sick leave among employees was 2.5 per cent in Norway and 1.6 per cent in the Swedish business in 2021. 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. Sick leave and overtime are regularly followed up in the Cooperation Committee (SU) in each business unit, which consists of the executive manager, union representatives, safety representatives and the People Business Partner. For members of the Working Environment Committee and safety representatives, there is a requirement for a mandatory HSE course.

There were no (zero) injuries to a staff member in 2021. No damage to property was reported, and no accidents were otherwise reported in the Storebrand Group in 2021.

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 also our compilation of sustainability indicators and definitions on page 240. A separate remuneration report has been prepared by the Board of Storebrand ASA and is available on on our website, www.storebrand.no.

Insurance for the Board members and the company's management

The Board and senior executives are covered by the company's ongoing board liability insurance. This is placed with insurers with a solid rating.

The insurer will, within the framework of the insurance coverage, compensate for loss of assets as a result of claims made against the insured for personal management responsibility during the insurance period.

Progress on our most material sustainability KPIs

	Key performance indicators	Status 2020	Status 2021	Target 2025
Investments	Carbon footprint from equity investments: tonnes of CO2e per NOK 1 million in sales income (against index)	12 (18)	12 (18)	N/A [69]
	Carbon footprint from bond investments: tonnes of CO2e per NOK 1 million in sales income (against index)	9 (16)	9 (17)	N/A [69]
	Carbon intensity property investments: CO2/m^2	7.9 tonn	5.9 tonn	6.5 tonn
	Exposure to high emission sectors: NOK billion/share of equity investments	32.2 / 8 %	42.5 / 9 %	N/A
	Investments in solutions: NOK billion/ share of total AUM	92.6 / 9.6 %	123.1 / 11.2 %	15 % of AUM
	Property investments with green certificates: share of property investments	43 %	68 %	90 %
	Company dialogues on ESG: number/share	572 / 12 %	601 / 12 %	N/A
People	Gender balance managment all levels: share of women	39 %	37 %	50 %
	Women in Group Executive Management Team	3 / 10	3 / 9	50 %
	Engagement score all employees: Storebrand score/ industry average in Peakon, scale from 1-10	8.3 (7.8)	8.4 (7.8)	> 8.0

69) Target to reduce the carbon footprint of the Storebrand Group's total equity, corporate bond and real estate investments by at least 32 perc ent by 2025 with a base year in 2018.

Storebrand ASA - Statement from the Board of Directors and the CEO

The Board of Directors and the CEO have today considered and approved the annual report and annual accounts for Storebrand ASA and Storebrand Group for the financial year 2021 and as of 31 December 2021 (annual report 2021).

The consolidated financial statements have been prepared in accordance with the EU-approved IFRS and associated interpretative statements, as well as the additional Norwegian disclosure requirements that follow from the Accounting Act to be applied as of 31 December 2021. The parent company financial statements have been prepared in accordance with the Accounting Act, the Annual Accounts regulations, and additional requirements in the Norwegian Securities Trading Act. The annual report for the group and parent is in accordance with the requirements of the Accounting Act and Norwegian Accounting Standard no. 16 as of 31 December 2021.

In the best belief of the Board and the CEO, the annual accounts for 2021 have been prepared in accordance with current accounting standards and the information in the accounts gives a true and fair view of the parent company's and group's assets, liabilities, financial position and results as a whole as of 31 December 2021. In the best belief of the Board and CEO, the annual report provides a correct and fair view of important events during the accounting period and their influence on the annual accounts of Storebrand ASA and the Storebrand Group. In the best belief of the Board and the CEO, the description of the most key risk and uncertainty factors the company faces in the next accounting period, as well as the description of related parties' significant transactions, are also provided in a correct and fair view.

Lysaker, 8 February 2022
Board of Directors, Storebrand ASA

Didrik Munch (sign.)
Board Chair

Karin Bing Orgland (sign.)

Martin Skancke (sign.)

Marianne Bergmann Røren (sign.)

Christel Elise Borge (sign.)

Karl Sandlund (sign.)

Fredrik Åtting (sign.)

Hanne Seim Grave (sign.)

Hans-Petter Salvesen (sign.)

Bodil Catherine Valvik (sign.)

Odd Arild Grefstad (sign.)
Group Chief Executive Officer

Table of contents

6

Shareholder matters

Share Capital, rights issue and number of shares

Storebrand's share is listed on the Oslo Stock Exchange (Oslo Børs) under the ticker code STB. Storebrand ASA's share capital at the end of 2021 was NOK 2,360 million. The company has 471,974,890 shares with a nominal value of NOK 5. In 2021, the share capital was increased by NOK 21 million through the issuance of 4,160,908 new shares in a private placement to the sellers of Capital Investment. As of 31.12.2021, the company owned 1,839,776 own shares corresponding to 0.4 per cent of the shareholding. The company has not issued options that could lead to the dilution of existing shareholders.

Shareholders

Storebrand ASA is among the largest companies listed on Oslo Børs measured in terms of number of shareholders. The company has shareholders from almost all Norwegian municipalities and from 48 countries. At the end of the year, Storebrand was the 11th largest company to be included in the Oslo Stock Exchange's benchmark index (OSEBX).

Share purchase scheme for employees

Storebrand ASA has every year since 1996 offered employees to buy shares in the company through a separate scheme. The purpose has been to link employees more closely to the economic development of the company. In 2021, just over half of the Group's employees subscribed for a total of 391,365 shares.

Share-based remuneration for executive management

Storebrand's executive management team will work to ensure that the Group develops for the benefit of customers, shareholders and employees. The Board of Directors of Storebrand ASA believes that the share remuneration model, in which a substantial part of the Group management's remuneration is paid in the form of shares in Storebrand ASA, provides good incentives for Executive management to act in line with the long-term interests of customers and owners. The table below shows how much of gross salary went to share purchases in 2021, actual equity exposure and normative equity exposure at the end of 2021. For more information, please refer to the *Storebrand ASA Report on Salaries and Other Remuneration* to Executive Personnel available on our website.

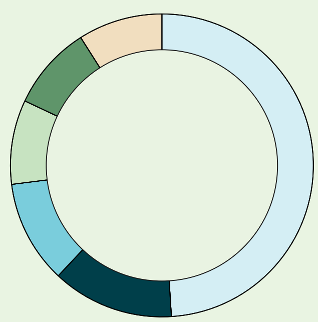
Foreign ownership

At the end of 2021, the share of shares owned by foreign investors amounted to 50.9 per cent, compared with 56.6 per cent at the end of 2020.

Trading volume for shares in Storeband

In 2021, 289 million Storebrand shares were traded, down from 585 million shares in 2020. Turnover was NOK 22,931 million in 2021, down from NOK 30,552 million in 2020. Relative to the average number of shares, the turnover rate of the share was 62 per cent.

GEOGRAPHICAL DISTRIBUTION



49 % - Norway
13 % - USA
11 % - Sweden
9 % - Germany
9 % - England
9 % - Other countries

Name	Share-based remuneration as a share of gross salary	Actual equity exposure	Normative equity exposure
Odd Arild Grefstad	41%	244 %	200 %
Staffan Hansén	39 %	135 %	150 %
Lars Løddesøl	37 %	199 %	150 %
Heidi Skaaret	38 %	186 %	150 %
Jan Erik Saugestad	37 %	157 %	150 %
Geir Holmgren	37 %	171 %	150 %
Karin Greve-Isdahl	29 %	79 %	100 %
Terje Løken	27 %	60 %	100 %
Trygve Håkedal	25 %	50 %	100 %
Tove Selnes	25 %	77 %	100 %

Table of contents

Share price performance last 10 years

Time period 2011-12-31 to 2021-12-31.
Source: https://www.storebrand.no/en/investor-relations/share/share-graph

Share price performance

Storebrand had a total return of +43 per cent through 2021. In the corresponding period, the OSEBX index of the Oslo Stock Exchange ended at +19 per cent, while the European insurance index Beinsur had a total return of +12.7 per cent in the corresponding period, measured in NOK.

Dividend policy

Storebrand aims to pay an ordinary dividend of more than 50 per cent of Group profit 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 ratio above 150 per cent. If the solvency ratio is above 180 per cent, the Board of Directors intends to propose special dividends or share buy backs. In 2021, NOK 3.25 per share was paid in ordinary dividend for the financial year of 2020.

Capital gains taxation

Dividends for personal shareholders are taxable. Dividends after deduction for a shielding amount shall be multiplied by 1.6. This amount is taxed at the tax rate for capital income (22 per cent), which gives a real tax on dividends of 35.2 per cent. The deduction for risk-free return is calculated by multiplying the share's basis for shielding (normally the purchase price of the share) by a shielding rate. The shielding rate is set by the Directorate of Taxes in January of the year after the income year. It is a rounded amount based on the average three-month interest rate on Treasury bills with a supplement of 0.5 percentage point reduced by the capital income tax rate. Dividends within the deduction for risk-free return are tax-free.

Storebrand share

	2021	2020	2019	2018	2017	2016
Highest closing price (NOK)	92.08	74.24	73.98	75.20	70.45	47.10
Lowest closing price (NOK)	62.30	34.73	50.86	59.48	46.97	28.45
Closing price on 31/12 (NOK)	88.52	64.20	69.02	61.64	66.9	45.92
Market cap 31/12 (NOK million)	41,779	30,034	32,289	28,836	31,296	20,660
Annual turnover (1000s of shares)	288,998	585,004	335,202	445,614	427,632	589,322
Average daily turnover (1000s of shares)	1,147	2,321,	1,346	3,094	2,450	2,780
Annual turnover (NOK million	22,931	30,552	21,348	30,477	25,359	21,249
Rate of turnover (%)	61.6	125.1	71.7	95.3	94.9	131
Number of ordinary shares 31/12 (1000s of shares)	471,975	467,814	467,814	467,814	467,814	449,910
Earnings per ordinary share (NOK)	6.68	5.02	4.43	7.89	5.28	4.73
Dividend per ordinary share (NOK)	3.50	3.25	0	3.0	2.1	1.55
Total return (%)	42.9	-7.0	16.8	-4.7	49.1	31.4

Insider trading

As one of Norway's leading financial institutions, Storebrand relies on having a professional relationship with the financial market and the regulatory authorities. The company therefore emphasises that routines and guidelines satisfy the formal requirements set by the authorities for securities trading. On this occasion, the company has prepared its own guidelines on insider trading and self-dealing based on relevant laws and regulations. The company has its own control system that ensure that the routines are complied with.

Investor relations

Storebrand attaches importance to having extensive and effective communication with the financial market. Continuous dialogue with owners, investors and analysts is a high priority. The Group has its own investor relations entity. This entity is responsible for establishing and coordinating the contact between the company and external connections such as stock exchanges, analysts, shareholders and other investors. All quarterly reports, press releases and presentations for the individual quarterly results can be found on the Group's website: http://www.storebrand.no/ir.

General meeting

Storebrand has one class of shares. Each share gives one vote. The annual general meeting is held every year before the end of June. Shareholders wishing to participate in the general meeting must register with the company no later than 16:00 on the third business day before the general meeting. Shareholders who have not registered their arrival before the deadline may participate in the general meeting, but not have the right to vote.

Shareholders' contact with the company

Shareholders should generally contact their bank or 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. 31.12.2021

Fund Manager	Current rank	Shares	Change in 2021	Ownership in %
Folketrygdfondet	1	51,635,337	0	10.94
Allianz Global Investors	2	32,864,528	-1,000,840	6.96
T Rowe Price Global Investments	3	28,069,733	-301,859	5.95
EQT Fund Management	4	18,500,000	0	3.92
Alfred Berg	5	16,530,966	13,903,960	3.50
KLP	6	14,529,651	291,819	3.08
Vanguard Group	7	12,586,072	-924,012	2.67
Handelsbanken Asset Management	8	9,850,928	-3,050,365	2.09
DNB Asset Management	9	9,841,124	-419,877	2.09
Storebrand Asset Management	10	9,473,167	-771,911	2.01
Danske Bank Asset Management	11	9,231,445	-167,350	1.96
HSBC Trinkaus & Burkhardt	12	9,191,705	2,817,735	1.95
OM Holding AS	13	8,824,187	4,167,970	1.87
BlackRock	14	8,391,240	-1,350,740	1.78
Nordea Asset Management	15	7,550,343	813,074	1.60
M&G Investments	16	7,040,521	7,040,521	1.49
Solbakken AS	17	6,766,008	0	1.43
Lannebo Fonder	18	4,999,840	4,999,840	1.06
BMO Global Asset Management (UK)	19	4,553,133	-164,374	0.96
SSGA	20	4,484,480	47,517	0.95

Table of contents

7

Annual Accounts and Notes

Income statement

NOK million	Note	2021	2020
Premium income	15	53,681	44,188
Net income from financial assets and properties for the company:			
- equities and other units at fair value	16	37	22
- bonds and other fixed-income securities at fair value	16	220	785
- derivatives at fair value	16	94	-397
- loans at fair value	16	3	37
- bonds at amortised cost	16	220	212
- loans at amortised cost	16	720	687
- profit from investments in associated companies/joint ventures	30	30	52
Net income from financial assets and properties for the customers:			
- equities and other units at fair value	16	53,776	14,632
- bonds and other fixed-income securities at fair value	16	780	3,550
- derivatives at fair value	16	-2,834	5,771
- loans at fair value	16	26	23
- bonds at amortised cost	16	4,101	4,202
- loans at amortised cost	16	275	909
- properties	17	2,164	1,680
- profit from investments in associated companies/joint ventures	30	790	569
Other income	18	5,698	4,109
Total income		**119,781**	**81,031**
Insurance claims	19	-52,529	-29,531
Change in insurance liabilities	39	-50,615	-37,929
Change in capital buffer	20	-4,827	-4,327
Operating expenses	21,22,23,24	-5,784	-4,914
Other expenses	25	-836	-826
Interest expenses	26	-686	-793
Total expenses before amortisation and write-downs		**-115,278**	**-78,320**
Group profit before amortisation and write-downs		**4,503**	**2,711**
Amortisation and write-downs of intangible assets	28	-527	-492
Group pre-tax profit		**3,976**	**2,219**
Tax expenses	27	-846	136
Profit/loss for the year		**3,130**	**2,355**
Profit/loss for the period attributable to:			
Share of profit for the period - shareholders		3,121	2,345
Share of profit for the period - hybrid capital investors		9	10
Total		**3,130**	**2,355**
Earnings per ordinary share (NOK)		6.68	5.02
Average number of shares as basis for calculation (million)		467.1	467.2
There is no financial instruments that gives diluted effect on earnings per share			

Table of contents

STOREBRAND GROUP

Statement of total comprehensive income

NOK million	Note	2021	2020
Profit/loss for the year		**3,130**	**2,355**
Change in actuarial assumptions	22	131	-110
Fair value adjustment of properties for own use	34	139	83
Other comprehensive income allocated to customers		-139	-83
Tax on other comprehensive income elements not to be reclassified to profit/loss		8	15
Total other comprehensive income elements not to be reclassified to profit/loss		**140**	**-95**
Exchange rate adjustments	42	-167	305
Gains/losses from cash flow hedging		-52	-33
Total other comprehensive income elements that may be reclassified to profit/loss		**-219**	**273**
Total other comprehensive income elements		**-79**	**178**
Total comprehensive income		**3,051**	**2,532**
Total comprehensive income attributable to:			
Share of total comprehensive income - shareholders		3,042	2,515
Share of total comprehensive income - hybrid capital investors		9	10
Share of total comprehensive income - non-controlling interests			8
Total		**3,051**	**2,532**

STOREBRAND GROUP

Statement of Financial Position

NOK million	Note	31.12.21	31.12.20
Assets company portfolio			
Deferred tax assets	27	1,104	1,780
Intangible assets and fair value adjustments on purchased insurance contracts	28	6,667	6,303
Tangible fixed assets	29	1,266	1,397
Investments in associated companies and joint ventures	30	387	283
Financial assets at amortised cost:			
- Bonds	10,31,32	12,955	10,639
- Loans to financial institutions	10,31	67	103
- Loans to customers	10,31,33	38,503	31,058
Reinsurers' share of technical reserves		32	56
Investment properties at fair value	8,13,34		50
Biological assets			67
Accounts receivable and other short-term receivables	31,35	11,024	7,018
Financial assets at fair value:			
- Equities and fund units	8,13,31,36	543	384
- Bonds and other fixed-income securities	8,10,13,31,37	27,706	28,833
- Derivatives	10,13,31,38	903	1,389
- Loans to customers	33	489	722
Bank deposits	10,31	3,543	2,775
Minority portion of consolidated mutual funds		54,912	59,845
Total assets company portfolio		**160,101**	**152,701**
Assets customer portfolio			
Investments in associated companies	30	7,141	6,167
Financial assets at amortised cost:			
- Bonds	10,31,32	104,974	92,846
- Bonds held-to-maturity	10,31,32	8,441	13,026
- Loans to customers	10,31,33	23,051	23,769
Reinsurers' share of technical reserves		13	24
Investment properties at fair value	8,13,34	33,376	32,067
Properties for own use	13,34	1,659	1,609
Accounts receivable and other short-term receivables	31,35	638	404
Financial assets at fair value:			
- Equities and fund units	8,13,31,36	277,783	230,446
- Bonds and other fixed-income securities	8,10,13,31,37	140,810	148,162
- Derivatives	10,13,31,38	2,916	8,587
- Loans to customers	33	7,443	7,665
Bank deposits	10,31	6,443	10,290
Total assets customer portfolio		**614,689**	**575,061**
Total assets		**774,790**	**727,763**

Table of contents

NOK million	Note	31.12.21	31.12.20
Equity and liabilities			
Paid-in capital		13,192	12,858
Retained earnings		24,291	22,839
Hybrid capital		226	226
Total equity		**37,709**	**35,923**
Subordinated loans	9,31	11,441	9,110
Capital buffer	39	33,693	29,319
Insurance liabilities	39,40	575,457	536,028
Pension liabilities	22	181	352
Deferred tax	27	832	849
Financial liabilities:			
- Loans and deposits from credit institutions	9,13,31	502	1,653
- Deposits from banking customers	9,13,31	17,239	15,506
- Securities issued	9,13,31	24,924	20,649
- Derivatives company portfolio	10,13,31,38	208	114
- Derivatives customer portfolio	10,13,31,38	1,840	851
- Other non-current liabilities	29	1,210	1,355
Other current liabilities	9,31,41	14,643	16,209
Minority portion of consolidated mutual funds		54,912	59,845
Total liabilities		**737,081**	**691,840**
Total equity and liabilities		**774,790**	**727,763**

Lysaker, 8 February 2022
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Board chair

Karin Bing Orgland (sign.)
Martin Skancke (sign.)
Marianne Bergmann Røren (sign.)

Christel Elise Borge (sign.)
Karl Sandlund (sign.)
Fredrik Åtting (sign.)

Hanne Seim Grave (sign.)
Hans-Petter Salvesen (sign.)
Bodil Cahterine Valvik (sign.)

Odd Arild Grefstad (sign.)
Chief Executive Officer

Table of contents

STOREBRAND GROUP

Statement of changes in equity

	Majority's share of equity									
NOK million	Share capital 1)	Own shares	Share premium	Total paid in equity	Currency translation differences	Other equity 2)	Total retained earnings	Hybrid capital 3)	Non-controlling interests	Total equity
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**
Profit for the period						3,121	3,121	9		3,130
Total other comprehensive income elements					-167	87	-79			-79
Total comprehensive income for the period					**-167**	**3,208**	**3,042**	**9**		**3,051**
Equity transactions with owners:										
Own shares		-7		-7		-97	-97			-104
Issues of shares	21		320	341						341
Hybrid capital classified as equity						2	2			2
Paid out interest hybrid capital								-9		-9
Dividend paid						-1,513	-1,513			-1,513
Other						18	18			18
Equity at 31 December 2021	**2,360**	**-9**	**10,842**	**13,192**	**1,041**	**23,249**	**24,291**	**226**		**37,709**

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

2) Includes undistributable funds in the risk equalisation fund amounting to NOK 547 million and security reserves amounting NOK 154 million.

3) Perpetual hybrid tier 1 capital classified as equity.

STOREBRAND GROUP

Statement of cash flow

NOK million	2021	2020
Cash flow from operating activities		
Net receipts premium - insurance	31,510	28,825
Net payments compensation and insurance benefits	-22,151	-21,606
Net receipts/payments - transfers	-7,313	7,285
Net receipts/payments - insurance liabilities	2,942	366
Receipts - interest, commission and fees from customers	918	953
Payments - interest, commission and fees to customers	-64	-102
Taxes paid	-222	-187
Payments relating to operations	-5,851	-5,197
Net receipts/payments - other operating activities	5,582	3,816
Net cash flow from operations before financial assets and banking customers	*5,350*	*14,152*
Net receipts/payments - loans to customers	-6,762	-1,801
Net receipts/payments - deposits bank customers	1,733	1,102
Net receipts/payments - mutual funds	-6,524	-12,270
Net receipts/payments - investment properties	178	-511
Receipts - sale of investment properties	721	
Payments - purchase of investment properties	-1,859	
Net change in bank deposits insurance customers	3,674	-2,657
Net cash flow from financial assets and banking customers	*-8,839*	*-16,137*
Net cash flow from operating activities	**-3,489**	**-1,984**
Cash flow from investing activities		
Receipts - sale of subsidiaries	815	
Payments - purchase of subsidiaries	-408	-220
Net receipts/payments - sale/purchase of fixed assets	-292	-48
Net receits/payments - sale/purchase of associated companies and joint ventures	-4	
Net cash flow from investing activities	**111**	**-269**
Cash flow from financing activities		
Receipts - new loans	6,430	9,012
Payments - repayments of loans	-2,106	-7,048
Payments - interest on loans	-260	-371
Receipts - subordinated loans	4,211	499
Payments - repayment of subordinated loans	-1,072	-872
Payments - interest on subordinated loans	-388	-388
Net receipts/payments - loans to financial institutions	-1,150	1,205
Receipts - issuing of share capital / sale of shares to employees	44	26
Payments - repayment of share capital	-144	
Payments - dividends	-1,513	
Payments - interest on hybrid capital	-9	-10
Net cash flow from financing activities	**4,043**	**2,052**
Net cash flow for the period	**665**	**-201**

Statement of cash flow (continue)

NOK million	2021	2020
Cash and cash equivalents at the start of the period	2,878	3,160
Currency translation cash/cash equivalents in foreign currency	68	-81
Cash and cash equivalents at the end of the period [1]	**3,611**	**2,878**
1) Consists of:		
Loans to financial institutions	67	103
Bank deposits	3,543	2,775
Total	**3,611**	**2,878**

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.

STOREBRAND GROUP

Notes

Business and risk

Income statement

Statement of financial position

Other

Note 1: Corporate 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 2021 were approved by the Board of Directors of Storebrand ASA on 8 February 2022.

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 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.

Table of contents

IFRS9 - FINANCIAL INSTRUMENTS TO AMORTISED COST AND FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2021	Fari value after IFRS 9 1.1.2021	Booked value after IAS 39 31.12.2021	Fari value after IFRS 9 31.12.2021
Financial assets						
Bank deposits	AC	AC	13,065	13,065	9,986	9,976
Bonds and other fixed-income securities	AC	AC	116,511	125,604	126,371	129,726
Loans to financial institutions	AC	AC	103	103	67	67
Loans to customers	AC	FVOCI	54,534	54,533	61,138	61,138
Loans to customers	AC	AC	294	294	416	416
Accounts receivable and other short-term receivables	AC	AC	7,422	7,422	11,661	11,661
Total financial assets			**191,928**	**201,021**	**209,640**	**212,985**
Financial liabilities						
Deposits from banking customers	AC	AC	15,506	15,506	17,239	17,239
Liabilities to financial institutions	AC	AC	1,653	1,653	502	502
Debt raised by issuance of securities	AC	AC	20,649	20,738	24,924	25,000
Subordinatd loan capital	AC	AC	9,110	9,115	11,441	11,441
Other current liabilities	AC	AC	16,209	16,209	14,643	14,643
Total financial liabilities			**63,127**	**63,221**	**68,749**	**68,824**

IFRS9 - FINANCIAL INSTRUMENTS AT FAIR VALUE

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 1.1.2021	Fari value after IFRS 9 1.1.2021	Booked value after IAS 39 31.12.2021	Fari value after IFRS 9 31.12.2021
Financial assets						
Shares and fund units	FVP&L (FVO)	FVP&L	230,830	230,830	278,326	278,326
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	176,995	176,995	168,516	168,516
Loans to customers	FVP&L (FVO)	FVP&L	8,386	8,386	7,931	7,931
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	9,977	9,977	3,820	3,820
Total financial assets			**426,188**	**426,188**	**458,593**	**458,593**
Financial liabilities						
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	964	964	2,048	2,048
Total financial liabilities			**964**	**964**	**2,048**	**2,048**

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.

Balance Sheet items — not covered by IFRS 9
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.

The liabilities side of the balance sheet primarily comprises of insurance liabilities, however also includes items such as financial liabilities and minority shares of managed securities funds. With the exception of derivatives and minority shares, 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 2021. For changes in estimates, see Note 2 for further information.

Storebrand selected early implementation of "Interest Rate Benchmark Reform—Amendments to IAS 39 and IFRS 7" (IBOR Reform) that was issued in September 2019. The discontinuation of LIBOR rates has had no impact other than for hedge accounting (see note 42) because all ISDA/CSA agreements have been renegotiated, and EURSTR + 8.5bps has replaced EONIA based on the "fallback" calculation under the auspices of ISDA.

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 was adopted by the European Union in 2021 and will enter into force from 1 January 2023. The purpose of the new standard is to establish uniform practices for the accounting treatment of insurance contracts and greater transparency between insurance companies.

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. The unearned profit is the sum total of each contract's service margin and is recognised as income over the contract's service period in line with how the insurance services are provided. Loss-making contracts must be recognised immediately.

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

IFRS 17 will be introduced into Storebrand's consolidated financial statements. The implementation date is 1 January 2023, with a requirement that comparable figures are stated for 2022. The financial regulatory authorities in Norway and Sweden have yet to decide on the rules for the company accounts of the legal entities, however it is expected that only the Group's P&C insurance companies will introduce IFRS 17 into the company accounts. The life insurance companies are expected to follow equivalent regulations to those that presently apply for the company accounts, and discrepancies will arise between the legal company accounts of the life insurance activities and the consolidated values from the activities in the consolidated financial statements.

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

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.

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
- 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).

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
Loans and receivables are non-derivative financial assets with fixed or determinable 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.

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 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 customer assets in the guarantee portfolio and Garanti90.

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 as they are accrued, 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.

Table of contents

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 assuming 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 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.

Table of contents

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.

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, 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 27 - 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 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.

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 14 for Solvency II and in Note 27 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 3.1 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 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, 39 and 40.

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 13 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 13, in which the valuation of financial instruments at fair value is described in more detail.

Covid-19
Storebrand is impacted by Covid-19 and the uncertainty associated with future economic development.

Mutations and new waves of infection resulted in more stringent infection control measures and effects for the economy during 2021. There is an uncertainty relating to future developments and the impact on Storebrand's accounts. The risk associated with Covid-19 is considered to have declined over the course of the year, however there is a risk that the scaling down of financial and monetary policy support packages could potentially weaken financial recovery. Negative financial market effects may be compounded by a high rate of savings, low interest rates and good access to credit having contributed to good investment returns and high valuations. Both the stock market and the property market are priced higher than before the pandemic. The risk for the property market is that demand for commercial space will fall as a consequence of a faster transition to online trade and increased use of remote work.

There is still uncertainty associated with the effect of the outbreak of Covid-19 on the insurance risk at Storebrand Livsforsikring. The assessment generally remains unchanged from 2020, however the uncertainty related to Covid-19 directly and financial uncertainty from infection control measures on the business sector have been more extensive than estimated in 2020. At the same time, the uncertainty of the insurance risk associated with the fall in oil prices during the first quarter of 2020 has proved less dramatic. There is thus considered to have been grounds for the extraordinary provisions relating to Covid-19 and financial uncertainty that were made in 2020. There is major uncertainty relating to these provisions and future developments. There is particular uncertainty associated with indications that Covid-19 may in some cases result in delayed harmful effects. New mutations (Delta — Omicron) may also be of significance to the potential effects of the virus. On the whole, there is still major uncertainty regarding the development of potential delayed harmful effects, and there are thus grounds for maintaining the provisions.

Table of contents

In 2020, there were temporary regulations which stipulated that benefit periods for the work assessment allowance (AAP) were extended by six months without consideration to the provisions concerning duration. The decision was applicable for jobseekers until 30 June 2021. Some AAP decisions, which were initially due to be clarified during the 2020 financial year and the first half of 2021, have therefore been deferred. In subsequent regulations, the extension has been expanded to apply until the end of June 2022. A reduction in unemployment has resulted in fewer people starting to receive AAP. At the same time, the option to access AAP for a longer period of time during the pandemic has resulted in fewer people no longer receiving AAP and disability pensions from Storebrand Livsforsikring are therefore maintained.

The Norwegian Institute of Public Health (FHI) recorded a "somewhat higher" mortality rate in the fourth quarter. Due to the increased mortality rate in the community, a good accident result was expected during the period. The increased mortality rate is viewed in connection with the infection control measures potentially having contributed to people who did not die one year ago dying now. This refers to delayed death, which occurs due to the limited prevalence of other infectious respiratory diseases and influenza viruses. An indication of mortality deficit was observed in 2020. This trend is observed evenly across the products, however, factors such as different dynamics in product regulations, previous provision levels and differences in portfolios mean that there are varied effects on the result. No significant shifts in assumptions related to future mortality have been assumed in the provisions.

The developments relating to Covid-19 directly and the financial uncertainty are being closely monitored. A continuation of the situation of high unemployment may lead to increased disability and result in higher provisions. The provisions as at 31 December 2021 are the company's best estimate and these provisions are considered adequate.

Storebrand has a risk management system which, through principles that have been adopted, manages and mitigates the impact of volatile financial markets. 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.

Covid-19 and the uncertain macroeconomic situation mean that there is greater uncertainty relating to several estimates at the end of 2021 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.

Management fee

In April 2021, the Financial Supervisory Authority of Norway sent an identical letter to all life insurance companies and pension funds regarding the treatment of management fees to management companies for securities funds and other managers of 'fund' structures. A united industry, including Storebrand, is of the opinion that the Financial Supervisory Authority of Norway's interpretation of the law is incorrect. Both Finance Norway and the Norwegian Association of Pension Funds have therefore asked the Ministry of Finance to review the Financial Supervisory Authority of Norway's interpretation. Both associations have obtained opinions supporting the industry's position. The question in the case is whether the management fee the fund pays to the manager should be deducted from the return (net entry) or should be covered by the company's cost result as part of the premium (gross entry). For some investment classes, for example, investments in infrastructure funds and private equity funds, for which investments are made in underlying funds to achieve effective risk diversified management, costs are recognised in the funds included in the customer's investment result. Storebrand considers the industry's legal understanding to be correct, and has therefore chosen to continue with previous practices, pending further clarification from the Ministry of Finance. The estimated annual effect for Storebrand, given present allocations and investments, is approximately NOK 45 million.

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 27.

Table of contents

Note 3: Acquisition

Storebrand has acquired Capital Investment, which is a Danish real estate investment advisory and asset manager with close to DKK 20 billion in assets under management headquartered in Copenhagen. The acquisition includes two legal companies: Capital Investment A/S and CI AM ApS. The transaction was completed on 30 September 2021.

Capital Investment delivers a comprehensive suite of real estate investment management services, handling the entire investment process from the beginning to the end on behalf of national and international clients. Capital Investment has 18 employees.

The acquisition of Capital Investment is in line with Storebrand's growth strategy within Nordic alternative investments and will further build Storebrand's position as a gateway to the Nordic market in asset management.

All shares in Capital Investment that were acquired by Storebrand ASA were transferred to Storebrand Asset Management AS as of 30 September 2021 as a contribution in kind.

Storebrand has paid the selling shareholders consideration for the shares amounting to NOK 692 million upon completion of the transaction, divided between newly issued shares in Storebrand ASA and a cash consideration of NOK 351 million. Upon completion of the transaction, 4,160,908 new shares have been issued in Storebrand ASA as a partial financing of the share acquisition by the capital increase having been carried out in return for contributions in the form of assets other than cash so that shareholders do not have preferential rights. The value of the consideration that Storebrand ASA is paying for the shares in Capital Investment is based on the price of the shares in Storebrand ASA of NOK 82.02 per share. In addition, there may be additional consideration based on developments in results and income in Capital Investment, estimated to NOK 93 million as of 30 September. The additional consideration has an upper limit of NOK 273 million.

The acquisition of the shares in Capital Investment was made public on 31 August 2021, and the transaction has been approved by the Financial Supervisory Authority of Norway and the Norwegian Ministry of Finance.

The table below shows the acquisition analysis. Excess value of NOK 242 million has been identified before deferred tax related to customer contracts and deferred tax of NOK 53 million has been calculated on the excess value. Goodwill amounts to NOK 586 million and this item is not depreciated, but is tested yearly against impairment.

ACQUISITION ANALYSIS CAPITAL INVESTMENT

	Book values in the company	Excess value upon acquistion	Book values
Assets			
Customer contracts		242	242
Other assets	6		6
Bank deposits	20		20
Total assets	**27**	**242**	**269**
Liabilities			
Current liabilities	11		11
Deferred tax		53	53
Net identifiable assets and liabilities	**16**	**189**	**205**
Goodwill			581
Fair value at acquisition date			**785**
Conditional payment			**93**
Cash payment			**692**

The tables below show the distribution of the consideration and an overview of the profit in Capital Investment in 2021 prior to acquisition and after acquisition on 30 September 2021.

Table of contents

SETTLEMENT OF CASH CONSIDERATION

	Amount
Consideration shares	341
Paid in cash	351
Total	**692**

INCOME STATEMENT CAPITAL INVESTMENT 2021

	After acquisition	Before acquisition
Income	18	70
Profit	4	5

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

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

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 Life Insurance and SPP. This also includes minority interests in securities funds and eliminations of intra-group transactions included in the other segments.

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.

Table of contents

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 Life Insurance 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.

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 insurance (KF portfolio), the company is entitled to charge an indexing fee if the group profit allows the indexing of the insurance. Indexing is allowed up to a maximum equalling the change in the consumer price index (CPI) between the previous two Septembers. Pensions that are paid out are indexed if the ratio between assets and guaranteed insurance liabilities in the portfolio as at 30 September exceeds 107 per cent, and half of the fee is charged. The entire fee will be charged if the ratio between assets and guaranteed insurance liabilities in the portfolio as at 30 September exceeds 120 per cent, in which case paid-up policies can also be included. The total fee equals 0.8 per cent of the insurance capital.

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

Loan losses:

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

Amortisation of intangible assets includes depreciation and possible write-downs of intangible assets established through acquisitions of enterprises.

GROUP PROFIT BY SEGMENT

NOK million	2021	2020
Savings	2,355	1,730
Insurance	423	204
Guaranteed pension [1]	1,432	805
Other [1]	293	-28
Group profit before amortisation	**4,503**	**2,711**
Amortisation of intangible assets	-527	-492
Group pre-tax profit	**3,976**	**2,219**

1) Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".

	Savings		Insurance		Guaranteed pension	
NOK million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020 [1]**
Fee and administation income	5,215	4,392			1,631	1,511
Insurance result			1,201	825		
- Insurance premiums f.o.a.			5,175	4,331		
- Claims f.o.a.			-3,974	-3,506		
Operating cost	-2,927	-2,611	-875	-712	-890	-861
Operating profit	**2,288**	**1,781**	**326**	**113**	**741**	**650**
Financial items and risk result life & pension	67	-51	97	91	691	155
Group profit before amortisation	**2,355**	**1,730**	**423**	**204**	**1,432**	**805**
Amortisation of intangible assets [2]						
Group pre-tax profit						

	Other [3]		Storebrand Group	
NOK million	**2021**	**2020 [1]**	**2021**	**2020**
Fee and administation income	-239	-227	6,607	5,676
Insurance result			1,201	825
- Insurance premiums f.o.a.			5,175	4,331
- Claims f.o.a.			-3,974	-3,506
Operating cost	14	116	-4,678	-4,068
Operating profit	**-225**	**-111**	**3,130**	**2,433**
Financial items and risk result life & pension	518	83	1,372	278
Group profit before amortisation	**293**	**-28**	**4,503**	**2,711**
Amortisation of intangible assets [2]			-527	-492
Group pre-tax profit			**3,976**	**2,219**

1) Comparing figures for previous periods have been revised. The result for Euroben has been moved from "Other" to "Guaranteed pension".

2) Amortisation of intangible assets are included in Storebrand Group

3) Includes eliminations of group transactions

The Storebrand Group are represented in the following countries:

Segment/Country	**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

Table of contents

KEY FIGURES BY BUSINESS AREA

NOK million	2021	2020
Group		
Earnings per ordinary share	6.68	5.02
Equity	37,709	35,923
Savings		
Premium income Unit Linked	21,212	19,292
Unit Linked reserves	308,351	268,331
AuM asset management	1,096,556	962,472
Retail lending	57,015	49,474
Insurance		
Total written premiums	6,445	5,288
Claims ratio	77%	81%
Cost ratio	17%	16%
Combined ratio	94%	97%
Guaranteed pension		
Guaranteed reserves	290,862	287,614
Guaranteed reseves in % of total reserves	48.5%	51.7%
Net transfer out of guaranteed reserves	447	704
Buffer capital in % of customer reserves Storebrand Life Group [1)]	11.2%	11.0%
Buffer capital in % of customer reserves SPP [2)]	17.8%	11.4%
Solidity		
Solvency II [3)]	175%	178%
Solidity capital (Storebrand Life Group) [4)]	74,074	72,766
Capital adequacy Storebrand Bank	20.3%	18.7%
Core Capital adequacy Stobrand Bank	16.8%	16.7%

1) Additional statutory reserves + market value adjustment reserve

2) Conditional bonuses

3) See note 14 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.

Table of contents

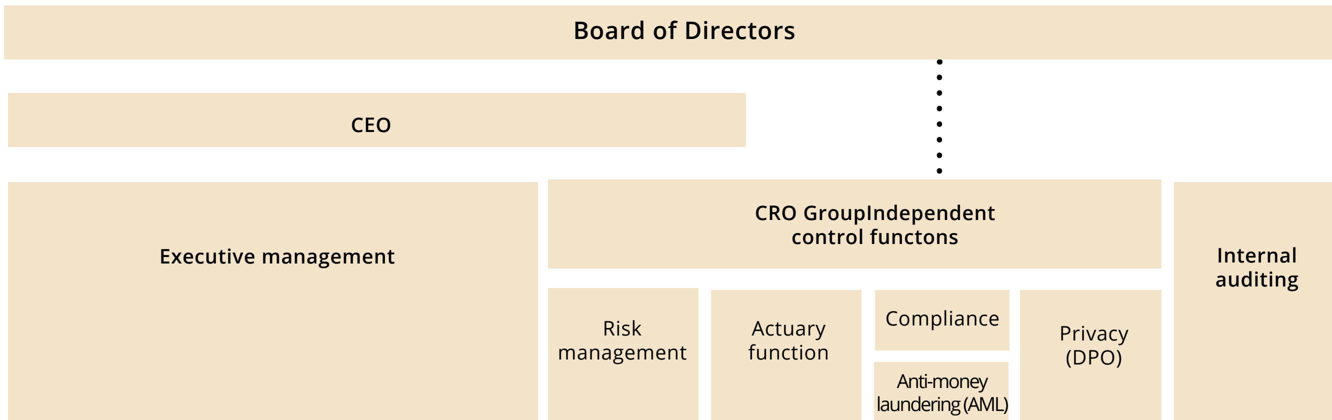
Note 5: Risk management and internal control

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 Governance Risk & Compliance (GRC). GRC is a knowledge community headed by the Group CRO. The Group CRO is responsible to the Group CEO and reports to the Board 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.

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.

Table of contents

Note 6: Operational risk

Operational risk is the risk of financial loss, damaged reputation or sanctions related to violations of internal or external regulations as a result of ineffective, insufficient or defective internal processes or systems, human error, external events or rules and guidelines not being followed.

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 and in 2021 the entire asset management business was migrated to cloud. Risks increase in connection with the actual transformation, and the consequence of errors can be greater when services are provided online. Cloud-based services and infrastructure have good inbuilt security solutions and 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.

In 2021, the security function was divided into two formal lines of responsibility. These consist of an independent second line placed with the Group's other control functions and an operational first line as an integrated part of infrastructure operations. Staffing was increased for both lines of responsibility and expanded monitoring systems were also implemented. During the pandemic, the threat landscape for information security and cyber-risk has changed in nature, and "home office fatigue", combined with migration to cloud platform, complex and manual processes, third-party vendors and dependency on key personnel have created increased short-term uncertainty.

The latter has to some extent already been addressed through the reinforcement and division of responsibilities that took place earlier in the year. The control function has been given a defined mandate and resources have been allocated that specifically address the expertise and awareness of employees now that we have a distributed work model. There is also an increased focus on and resources assigned to monitor third-party suppliers and technical vulnerabilities in infrastructure.

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.

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.
Own pension accounts are also included in the Savings segment. In 2021, 1.5 million Norwegians received an own pension account. During 2021, defined-contribution pensions from current and former employers were combined in the person's own pension account. There is no longer a requirement for 12 months of employment for employees to be able to take their accrued pension capital with them. Storebrand has no insurance risks related to own pension accounts.

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, pregnancy 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 fire in commercial buildings, housing cooperatives and residential homes, as well as personal injury for motor vehicle insurance constitute the main risks.

Covid-19 and the impact on the insurance business
There is still uncertainty related to the effect of the Covid-19 outbreak on the insurance risk in the Group. See the reference to Covid-19 under Note 2: Important accounting principles and discretionary assessments.

Rules for laid-off employees in private occupational pension schemes
The duration of the temporary statutory amendments which give employers the option to decide that laid-off employees shall continue as members of the private pension scheme has been extended until 28 February 2022. The employer can choose whether the laid-off employees shall still be covered by the insurance coverage in the pension scheme. Laid-off employees who do not have their insurance coverage continued are entitled to take out separate individual insurance (continuation insurance). The employees who remain members of the pension scheme will not be issued with pension capital certificates, paid-up policies or pension certificates. The temporary statutory amendments are not considered to be of significance to Storebrand Livsforsikring's insurance risk.

Rules for pension from the first krone and day enter into force
The rules for pension from the first krone and day enter into force on 1 January 2022. The companies will be given until 30 June 2022 to adjust their pension schemes to the new rules. Among other things, the new rules entail that there will be requirements for all private occupational pension schemes to save a minimum of 2 per cent of the members' income and that the option of exempting employees with salaries below 1 G (the National Insurance base amount) will be removed. Furthermore, the minimum requirement of

having a 20 per cent position to be entitled to membership in the schemes has been abolished. Like the National Insurance scheme, the age limit for membership has been reduced from 20 to 13 years. Employees are entitled to membership in the schemes when their income exceeds the limits for reportable salary in the a-ordning (a-scheme)[1]. There will no longer be separate exemption rules for seasonal workers.

The overall annual increased savings for Storebrand Livsforsikring are estimated at NOK 500 million. Increased savings also depend on how companies with savings rates that are higher than the minimum rate will potentially adapt the pension scheme.

Introduction of buffer funds for municipal pension schemes
The introduction of buffer funds for municipal pension schemes will enter into force on 1 January 2022. The new rules entail the introduction of a combined and customer-distributed buffer fund for municipal pension schemes effective from 1 January 2022. This buffer fund replaces the current additional statutory reserves and market value adjustment reserves for these schemes. Among other things, the rule change will facilitate a more neutral regulatory framework when transferring municipal pension schemes. The Ministry of Finance has stipulated transitional rules in regulations which entail that transfer processes initiated before the new rules enter into force must comply with the rules that applied at the time the decision to transfer was made. The new rules have no significance for Storebrand Livsforsikring as at 31 December 2021.

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 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.

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.

1) The a-ordning is a coordinated method for employers to report information about employees and income to Statistics Norway, the Norwegian Labour and Welfare Administration (NAV) and the Norwegian Tax Administration. This information will be sent electronically either via a service in Altinn or the employer's payroll system and entered into force on 1 January 2015. Through the scheme, employer reporting was simplified by going from five forms to one a-message (a-melding).

Table of contents

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 sum 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, assumes 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	**2021**	**2020**	**2021**	**2020**
Survival result	33	7	83	54
Death result	229	243	3	23
Disability result	249	-26	48	134
Reinsurance	-3	5	-1	0
Pooling	-7	-44	-22	-26
Other	-1	-33	30	1
Total risk result	**500**	**153**	**139**	**186**

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 2021, and these therefore had no impact on the results in the financial statements for 2021.

Sensitivity

The volatility of the risk results depends on the development in insurance risk, and the sensitivities indicate the uncertainty associated with different insurance risks. Storebrand's products have different insurance risks, however when calculating sensitivity, the starting point is the same changes, since the development in, for example, disability in the community, is assumed to be the same across the products. However, it is expected that there will be different effects on the risk results because the premium is calculated using a tariff that is specific for the product. Some forms of coverage have a stronger tariff for which a better risk result is expected, while other products have a weaker tariff for which the risk result is expected to be weaker. The tariff will also reflect any differences in the risk for products taken out as a collective or individual agreement. It will also reflect the different waiting periods, i.e. the period from when the claim is made until the right to compensation. The pension products typically have a waiting period of 12 months, while employee insurance is paid out in the event of permanent disability.

In the table below, the following stress factors are used:

- 5% increase for disability
- 5% reduction for reactivation
- 5% increased mortality
- 5% increased longevity

STOREBRAND LIFE INSURANCE AND STOREBRAND INSURANCE

Guaranteed pension

NOK million	Group pension private sector	Occupational pension	Paid-up policies	Individual with guarantee	Sum
Mortality	-4	NA	-15	-3	-22
Longevity	-11	-2	-66	-7	-87
Disability	-6	NA	-16	-4	-26
Recovering to work after disability	-2	-11	-3	NA	-16

The table above shows the sensitivity as a one-year gross effect on the risk result. It varies as to how the gross effect is 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 collective 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. The risk result for individual insurance policies is included in the profit sharing between the customers and Storebrand.

Furthermore, the need for an increased premium reserve has been estimated as a result of a permanent change in the assumptions. There has been an estimated increase in the premium reserve for increased longevity of NOK 1.6 billion and an increase of NOK 0.4 billion as a result of increased disability and reduced reactivation as stated above. Such a development may also entail the need for an increased premium. Pursuant to Sections 3-15 and 3-16 of the Insurance Activity Act, increased premium reserves can be fully or partly covered by the profit for the year on the risk result, risk equalization fund and future profit on the risk result if the Financial Supervisory Authority of Norway has consented to the plan for strengthening reserves.

Insurance

Effect on profit before tax	Effect NOK million
5 per cent change in premium income	+/- 259
5 percentage point change in combined ratio	+/- 242

The table above shows the effect on earnings and equity before tax of a 5 per cent change in gross premiums earned and a 5 percentage point change in the combined ratio. The combined ratio is the most commonly applied criterion for measuring profitability within P&C insurance and may result from a change in claims frequency, level of compensation and/or operating costs.

SPP PENSION & FÖRSÄKRING

	Guaranteed pension		Savings	
NOK million	Individual pension and occupational pension insurance	Group pension	Unit Linked	Total
Mortality	-1	-4	NA	-5
Longevity	-9	-21	-4	-34
Disability	-6	-3	NA	-9
Recovering to work after disability	-7	-3	NA	-10

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.

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 returns on the financial market than expected 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-term money market rates and long-term interest rates increased in Norway in 2021. Long-term rates have increased 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	12 %	2 %	1 %
Bonds at amortised cost	37 %	0 %	29 %
Money market	1 %	2 %	19 %
Bonds at fair value	21 %	15 %	42 %
Equities at fair value	12 %	81 %	0 %
Loans at amortised cost	16 %	1 %	7 %
Other	1 %	0 %	1 %
Total	**100 %**	**100 %**	**100 %**

Storebrand aims to take low financial risk for the company portfolios, and most of the funds were 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. The investment allocation was not significantly changed during 2021. 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.

The market risk is managed by segmenting the portfolios based on 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

NOK million	Balance sheet items excluding currency derivatives Net in balance sheet	Forwad contracts Net sales	Net position 2021 in currency	 in NOK	Net position 2020 in NOK
DKK	162	-237	-76	-102	-176
CHF	110	-128	-18	-178	-398
HKD	200	-802	-603	-682	-797
CAD	233	-406	-172	-1,203	-703
EUR	1,625	-1,707	-150	-807	-1,454
GBP	128	-267	-140	-1,668	-1,139
JPY	338	-542	-204	-1,567	-969
SEK	261,046	-9,918	250,809	244,595	234,084
USD	4,595	-6,444	-1,851	-16,320	-9,161
NOK [1]	62,478	-1,319	61,158	61,158	37,520
Other currency types				-312	-144
Insurance liabilities in SEK	-251,134		-251,134	-244,602	-233,735
Total net currency positions				**38,312**	**22,929**

1) Equity and bond funds denominated in NOK with foreign currency exposurein i.a. EUR and USD NOK 57 billion.

The table above shows the currency positions as at 31 December 2021. The currency exposure is primarily related to investments in the Norwegian and Swedish insurance business.

Storebrand Livsforsikring:
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. The company hedges most of the foreign exchange risk in the customer portfolios on an ongoing basis. Most of the non-guaranteed pension profiles are currency hedged. Most of the fixed-interest portfolios for the guaranteed pension portfolios are currency hedged, while approximately 70 per cent of global equity portfolios are currency hedged. Foreign exchange risk due to subordinated loans in a foreign currencies is currency hedged.

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. Storebrand employs a currency hedging principle called block hedging, which makes the execution of currency hedging more efficient.

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.

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 17 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.

Table of contents

The percentage distribution of the insurance reserves by the various basic annual interest rates as at 31 December is as follows:

Interest rate	2021	2020
6 %	0.2 %	0.3 %
5%	0.2 %	0.3 %
4%	39.8 %	42.9 %
3.4 %	0.4 %	0.3 %
3%	28.9 %	28.8 %
2.75 %	1.7 %	1.8 %
2.50 %	10.5 %	10.9 %
2.00 %	14.3 %	12.2 %
1.50 %	0.1 %	0.1 %
0.50 %	1.8 %	1.6 %
0%	0.6 %	0.9 %

The table includes premium reserve excluding IBNS

Average interest rate guarantee in per cent		2020
Individual endowment insurance	2.5 %	2.6 %
Individual pension insurance	3.8 %	3.8 %
Group pension insurance	2.3 %	2.4 %
Paid-up policy	3.2 %	3.3 %
Group life insurance	0.1 %	0.2 %
Total	**3.1 %**	**3.1 %**

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.

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.

Table of contents

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	2021	2020
5.20 %	10.2 %	12.1 %
4,5%-5,2%	0.1 %	0.4 %
4.00 %	4.9 %	4.5 %
3.00 %	50.6 %	47.4 %
2,75%-4,0%	4.9 %	5.0 %
2.70 %	0.1 %	0.1 %
2.50 %	5.3 %	5.9 %
1.60 %	0.0 %	0.0 %
1.50 %	1.4 %	1.9 %
1.25 %	3.5 %	4.2 %
1,25% *	10.8 %	9.7 %
0,5%-2,5%	2.4 %	3.5 %
0.00 %	5.9 %	5.4 %

* 1,25 per cent on 85 per cent of the premium

Average interest rate guarantee in per cent	2021	2020
Individual pension insurance	3.0 %	3.0 %
Group pension insurance	2.9 %	2.6 %
Individual occupational pension insurance	3.1 %	3.1 %
Total	**3.1 %**	**3.0 %**

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.

Sensitivity analyses
The tables show the fall in value for Storebrand Life Insurance and SPP's investment portfolios because of immediate changes in value related to financial market risk. The calculation is model-based, and the result is dependent on the choice of stress level for each category of asset. The stresses have been applied to the company portfolio and guaranteed customer portfolios as of 31 December 2021. The effect of each stress changes the return in each investment profile.

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

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

Table of contents

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 outco-mes 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 2021, the customer buffers are of such a size that the effects on the result are significantly lower.

Stresstest 1

	Storebrand Life Insurance		SPP Pension & Försäkring	
Resultatrisiko	**NOK Million**	**Share of portfolio**	**NOK Million**	**Share of portfolio**
Interest rate risk	4,811	2.1%	-283	-0.3%
Equtiy risk	-4,406	-1.9 %	-2,565	-2.8 %
Property risk	-2,723	-1.2 %	-1,333	-1.4 %
Credit risk	-1,097	-0.5 %	-796	-0.9 %
Total	**-3,415**	**-1.5 %**	**-4,977**	**-5.4 %**

Stresstest 2

	Storebrand Life Insurance		SPP Pension & Försäkring	
Resultatrisiko	**NOK Million**	**Share of portfolio**	**NOK Million**	**Share of portfolio**
Interest rate risk	-4,814	-2.1 %	283	0.3 %
Equtiy risk	-2,643	-1.1 %	-1,539	-1.7 %
Property risk	-1,588	-0.7 %	-778	-0.8 %
Credit risk	-658	-0.3 %	-478	-0.5 %
Total	**-9,703**	**-4.2 %**	**-2,512**	**-2.7 %**

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 9.7 billion, which is equivalent to 4.2 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 5.0 billion, which is equivalent to 5.4 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.

Table of contents

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.

UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES [1)]

NOK million	0-6 months	7-12 months	2-3 years	4-5 years	> 5 years	Total cashflows	Total booked value 2021	Total booked value 2020
Subordinated loan capital [2)]	905	1,109	5,282	3,361	3,290	13,947	11,441	9,110
Loans and deposits from credit institutions	502					502	502	1,653
Deposits from bank customers	16,752	1	94	150	242	17,239	17,239	15,506
Debt raised from issuance of securities	3,302	1,155	11,619	9,309	780	26,165	24,924	20,649
Other current liabilities	14,457	11	132	42		14,643	14,643	16,209
Uncalled residual liabilities Limited partnership	4,870					4,870		
Unused credit lines lending	13,416					13,416		
Lending commitments	3,516					3,516		
Total financial liabilities	**57,719**	**2,276**	**17,127**	**12,862**	**4,313**	**94,297**	**68,749**	
Derivatives related to funding	**-118**	**87**	**-96**	**61**	**-88**	**-154**	**-3**	
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

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 2021	Book value 2020
Issuer						
Perpetual subordinated loan capital [2]						
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,100	1,100
Storebrand Livsforsikring AS	900	SEK	Variable	2026	876	
Dated subordinated loan capital						
Storebrand Livsforsikring AS [3] [4]	750	SEK	Variable	2021		789
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2022	976	1,044
Storebrand Livsforsikring AS [3]	900	SEK	Variable	2025	877	938
Storebrand Livsforsikring AS [3]	1,000	SEK	Variable	2024	976	1,045
Storebrand Livsforsikring AS	500	NOK	Variable	2025	499	499
Storebrand Livsforsikring AS [3]	250	EUR	Fixed	2023	2,685	3,420
Storebrand Livsforsikring AS [3] [5]	300	EUR	Fixed	2031	2,876	
Storebrand Bank ASA	150	NOK	Variable	2022	150	150
Storebrand Bank ASA	125	NOK	Variable	2025	125	125
Storebrand Bank ASA	300	NOK	Variable	2026	300	
Total subordinated loans and hybrid tier 1 capital					**11,441**	**9,110**

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 42
4) The loan has been repaid on 11.10.21
5) 300 million EUR in Storebrand`s first green bond issuance in March 2021

SPECIFICATION OF LOANS AND DEPOSITS FROM CREDIT INSTITUTIONS

	Book value	
NOK million	2021	2020
Call date		
2021		1,653
2022	502	
Total loans and deposits from credit institutions	**502**	**1653**

SPESIFICATION OF SECURITIES ISSUED

	Book value	
NOK million	2021	2020
Call date		
2021		1,637
2022	5,532	6,011
2023	3,282	4,766
2024	6,100	4,997
2025	6,139	3,239
2026	3,075	
2027	795	
Total securities issued	**24,924**	**20,649**

Table of contents

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 200 million, expiration December 2025.

FINANCING ACTIVITIES - MOVEMENTS DURING THE YEAR

NOK Mill.	Subordinated loan capital	Liabilities to financial institutions	Securities issued
Book value 1.1.21	9,110	1,653	20,649
Admission of new loans/liabilities	4,211	502	6,430
Repayment of loans/liabilities	-1,072	-1,652	-2,106
Change in accrued interest	-22	-1	-48
Exchange rate adjustments	-629		
Change in value/amortisation	-156		
Book value 31.12.21	**11,441**	**502**	**24,924**

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 2021**	**Total Fair value 2020**
Government and government guaranteed bonds	23,450	10,257	343	10	8		34,068	39,622
Corporate bonds	18,378	6,596	34,270	34,892	4,493	1,604	100,233	106,228
Structured notes				30	13		43	35
Collateralised securities	6,172	203		30			6,405	7,883
Total interest bearing securities stated by rating	**48,000**	**17,056**	**34,613**	**34,962**	**4,513**	**1,604**	**140,749**	**153,769**
Bond funds not managed by Storebrand							24,224	20,847
Non-interest bearing securities managed by Storebrand							3,543	2,379
Total	**48,000**	**17,056**	**34,613**	**34,962**	**4,513**	**1,604**	**168,516**	
Total 2020	56,989	19,147	32,182	39,776	5,675	1		176,995

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 2021**	**Total Fair value 2020**
Government and government guaranteed bonds	12,398	13,360	3,815				29,574	29,056
Corporate bonds	11,575	8,470	22,320	15,558	23,529		81,451	85,728
Structured notes		136			17,652		17,788	9,177
Collateralised securities	913						913	1,602
Total	**24,886**	**21,966**	**26,135**	**15,558**	**41,181**		**129,726**	
Total 2020	30,481	26,559	24,947	19,441	24,135			125,562

Table of contents

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 2021	Total Fair value 2020
Derivatives	31	1,703	2,091	52	22	213	4,113	11,024
Of which derivatives in bond funds, managed by Storebrand		92	201				293	1,047
Total derivatives excluding derivatives in bond funds	**31**	**1,611**	**1,889**	**52**	**22**	**213**	**3,820**	
Total derivatives excluding derivatives in bond funds 2020		4,311	5,393	114	134	24		9,977
Bank deposits [1]	318	3,771	7,574	28			11,690	14,569
Of which bank deposits in bond funds, managed by Storebrand		2	1,674	28			1,704	1,504
Total bank deposits excluding bank deposits in bond funds	**318**	**3,769**	**5,900**				**9,987**	
Total bank deposits excluding bank deposits in bond funds 2020	50	3,626	9,265		124			13,064
Loans to financial institutions		19	48				67	103
1) of which tied-up bank deposit (tax deduction account)		324					324	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	3,764	2,048	1,716	163		1,553
Investments not subject to netting agreements	56		56			
Total 2021	**3,820**	**2,048**	**1,772**			
Total 2020	9,977	964	9,143			

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.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVO)

NOK million	2021	2020
Booke value maximum exposure for credit risk	176,448	185,382
Book value of related credit derivatives that reduce credit risk		
Collateral		
Net credit risk	**176,448**	**185,382**
This year's change in fair value due to change in credit risk	586	10
Accumulated change in fair value due to change in credit risk	47	-914

Storebrand has none related credit derivatives or collateral

LOAN PORTFOLIO

CREDIT RISK FOR THE LOAN PORTFOLIO

NOK million	Lending to and receivables from customers	Unused creditlines	Total commitments	Unimpaired comminents	Impaired commitments	Individual write- downs	Net defaulted commitments
Sale and operation of real estate	10,270		10,270		16	13	29
Other service providers	4		4				
Wage-earners and others	56,727	3,362	60,089	47	14	5	66
Others	2,626	21	2,647	1			1
Total	**69,626**	**3,384**	**73,010**	**48**	**29**	**18**	**59**
Individual write-downs	-101		-101				
Group write-downs	-39		-39				
Total loans to and receivables from customers 2021 [1]	**69,486**	**3,384**	**72,870**	**48**	**29**	**18**	**59**
Total loans to and receivables from customers 2020 [2]	63,214	3,128	66,342	66	71	17	119
1) 2021:							
- Of which Storebrand Bank	38,992	3,322	42,314	48	29	18	59
- Of which Storebrand Livsforsikring	30,495	62	30,556				
2) 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

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.

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 2021, Storebrand had loans to customers totalling NOK 69.5 billion net after provisions for losses of NOK 0.1 billion. Of this, NOK 12.9 billion was to the corporate market and NOK 56.7 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. Approximately 58 per cent of home loans have a loan to value ratio within 60 per cent, 97 per cent are within 85 and 99 per cent are within a 100 per cent loan to value ratio. The portfolio is considered to have a low credit risk.

TOTAL COMMITTMENTS BY REMAINING TERM

	2021			2020		
NOK million	**Loans to and receivables from customers**	**Unused credit line**	**Total commitments**	**Loans to and receivables from customers**	**Unused credit line**	**Total commitments**
Up to one month	56	1	57	9	2	12
1 - 3 months	686	29	716	553	32	586
4 months - 1 year	633	191	823	2,060	172	2,232
2 -5 years	12,858	477	13,334	10,267	609	10,876
More than 5 years	55,395	2,686	58,081	50,423	2,311	52,734
Total gross commitments	**69,627**	**3,384**	**73,011**	**63,312**	**3,128**	**66,440**

Default occurs after 90 days with arrears/overdrafts above both absolute and relative thresholds. All debtor commitments are considered defaulted if default has occurred for at least one of these. The absolute threshold is set at NOK 1,000 (per commitment), and the relative threshold is 1% of total debtor exposure.

CREDIT RISKS BY CUSTOMER GROUPS

NOK million	**Gross non-performing commitments**	**Individual write-downs**	**Net non-performing commitments**	**Total recognised value changes during the period**
Sale and operation of real estate	16	13	3	4
Wage-earners and others	60	5	55	-4
Others	1	-85	1	-85
Total 2021	**77**	**-66**	**59**	**-85**
Total 2020	121	-4	104	-3

In the case of default, Storebrand Bank ASA will sell the securities or repossess the properties if this is most suitable.

TOTAL ENGAGEMENT AMOUNT BY REMAINING TERM TO MATURITY

	2021			2020	
NOK millionon	Loans to and receivables from customers	Unused credit line	Total commitments	Loans to and receivables from customers	Total commitments
Overdue 1-30 days	76	1	77	223	223
Overdue 31-60 days	14		14	58	58
Overdue 61-90 days	5		5	29	29
Overdue more than 90 days	48		48	77	77
Total	**142**	**1**	**143**	**387**	**387**

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 Life Insurance 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 Helseforsikring 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.

Note 12: Climate risk

Storebrand is exposed to climate risk. This risk is not only commercial, but also applies to investments, including property, and the insurance liabilities. Both physical climate change and risks associated with the transition to low emissions may have an impact. For Storebrand, the transition risk is of the greatest importance, particularly in the short and medium term. A rapid transition to low emissions could impact the Norwegian economy in general and the fossil fuel sector in particular. This could result in an increased disability frequency and lower interest rates that increase insurance liabilities. For investments, the effect of climate risk is difficult to differentiate from other factors that influence financial market developments.

Reference is made to further descriptions of climate risk in the annual report under the chapter "Climate risks and opportunities".

Table of contents

Note 13: 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.

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 2021. 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 2021, 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 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 Arealstatistikk, as well as data and observations from brokers. 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 2021, external valuations were obtained for properties worth NOK 24.6 billion (98 per cent of the portfolio's value as at 31 December 2021).

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

NOK million	Level 1 Quoted prices	Level 1 Observable assumptions	Level 1 Non-observable assumptions	Total fair value 31.12.21	Book value 31.12.21	Total fair value 31.12.20	Book value 31.12.20
Financial assets							
Loans to and due from financial institutions		67		67	67	103	103
Loans to customers - corporate		3	5,055	5,058	5,046	6,076	6,064
Loans to customers - retail		38,499	18,021	56,521	56,507	48,763	48,763
Bonds held to maturity		9,103		9,103	8,441	14,244	13,026
Bonds classified as loans and receivables		120,623		120,623	117,929	111,359	103,484
Total financial assets 31.12.2021		**168,296**	**23,077**	**191,372**	**187,991**		
Total financial assets 31.12.2020		155,128	25,419			180,546	171,441
Financial liabilities							
Debt raised by issuance of securities		25,000		25,000	24,924	20,750	20,649
Loans and deposits from credit institutions		502		502	502	1,653	1,653
Deposits from banking customers		17,239		17,239	17,239	15,506	15,506
Subordinated loan capital		11,584		11,584	11,441	9,184	9,110
Total financial liabilities 31.12.2021		**54,324**		**54,324**	**54,106**		
Total financial liabilities 31.12.2020		47,094				47,094	46,918

VALUATION OF FINANCIAL INSTRUMENTS AND PROPERTIES AT FAIR VALUE

	Level 1	Level 2	Level 3		
NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	31.12.21	31.12.20
Assets:					
Equities and units					
- Equities	40,071	261	375	40,707	32,332
- Fund units		222,940	14,678	237,619	198,497
Total equities and fund units 31.12.21	**40,071**	**223,201**	**15,054**	**278,326**	
Total equities and fund units 31.12.20	31,446	189,117	10,266		230,830
Loans to customers					
- Loans to customers - corporate			7,443	7,443	7,665
- Loans to customers - retail			489	489	722
Loans to customers 31.12.21			**7,932**	**7,932**	
Loans to customers 31.12.20			8,387		8,387
Bonds and other fixed-income securities					
- Government bonds	16,722	14,426		31,148	34,634
- Corporate bonds		55,346	8	55,354	62,043
- Collateralised securities		5,550		5,550	7,051
- Bond funds		63,802	12,663	76,464	73,267
Total bonds and other fixed-income securities 31.12.21	**16,722**	**139,124**	**12,670**	**168,516**	
Total bonds and other fixed-income securities 31.12.20	16,114	151,367	9,514		176,995
Derivatives:					
- Interest derivatives		2,292		2,292	5,659
- Currency derivatives		-519		-519	3,353
Total derivatives 31.12.21		**1,772**		**1,772**	
- of which derivatives with a positive market value		3,820		3,820	9,977
- of which derivatives with a negative market value		-2,048		-2,048	-964
Total derivatives 31.12.20		9,012			9,012
Properties:					
Investment properties			33,376	33,376	32,117
Properties for own use			1,659	1,659	1,609
Total properties 31.12.21			**35,035**	**35,035**	
Total properties 31.12.20			33,726		33,726

Table of contents

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	83	59

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 01.01.21	907	9,360	8,387	318	9,196	32,117	1,609
Net gains/losses on financial instruments	-18	6,350	35	-311	113	558	124
Supply	4	1,523	1,338	38	5,740	1,793	66
Sales	-517	-2,212	-1,334	-38	-1,846	-721	
Exchange rate adjustments		-136	-495		-541	-775	-143
Other		-207				406	3
Book value 31.12.21	**376**	**14,678**	**7,932**	**8**	**12,663**	**33,376**	**1,659**

As of 31.12.21, Storebrand Livsforisikring had NOK 7.141 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
Forest investment 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 31.12.21	**-11**	**10**
Change in fair value per 31.12.20	-12	11

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.

	Change MSCI World	
NOK million	Increase + 10 %	Decrease - 10 %
Change in fair value per 31.12.21	**861**	**-861**
Change in fair value per 31.12.20	430	-430

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 31.12.21	**1**	**-1**
Change in fair value per 31.12.20	1	-1

Loans to customers

Loans are appraised at fair value. The value of these loans is determinated 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 31.12.21	**-26**	**26**
Change in fair value per 31.12.20	-30	31

Corporate bonds

Bonds registered as Tier 3 bonds are typically non-performing loans or convertible bonds. They are not priced based on a discount rate as bonds normally are, and these investments are therefore included in the same sensitivity test as private equity.

	Change MSCI World	
NOK million	Increase + 10 %	Decrease - 10 %
Change in fair value per 31.12.21		
Change in fair value per 31.12.20	15	-15

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 5.5 per cent. In the order of 25 percent of the property's cash flow is linked to lease agreeements 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 0.70 to 0.75 per cent.

	Change in required rate of return	
NOK million	0.25 %	-0.25 %
Change in fair value per 31.12.21	**-2,128**	**2,401**
Change in fair value per 31.12.20	-1,827	2,041

Note 14: 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

			31.12.21			31.12.20
NOK million	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	2,360	2,360				2,339
Share premium	10,842	10,842				10,521
Reconciliation reserve	28,711	28,711				31,851
Including the effect of the transitional arrangement						4,815
Counting subordinated loans	10,860		2,002	8,857		8,734
Deferred tax assets	356				356	247
Risk equalisation reserve	616			616		438
Deductions for CRD IV subsidiaries	-3,728	-3,728				-3,006
Expected dividend	-1,645	-1,645				-1,519
Total basic solvency capital	**48,369**	**36,538**	**2,002**	**9,473**	**356**	**49,605**
Subordinated capital for subsidiaries regulated in accordance with CRD IV	3,728					3,006
Total solvency capital	**52,098**					**52,611**
Total solvency capital available to cover the minimum capital requirement	**40,688**	**36,538**	**2,002**	**2,148**		**43,533**

SOLVENCY CAPITAL REQUIREMENT AND –MARGIN

NOK million	31.12.21	31.12.20
Market risk	25,258	25,675
Counterparty risk	720	951
Life insurance risk	10,829	10,859
Health insurance risk	931	935
P&C insurance risk	590	523
Operational risk	1,550	1,578
Diversification	-7,804	-7,948
Loss-absorbing ability defferd tax	-5,218	-5,533
Total solvency capital requirement - insurance company	**26,856**	**27,040**
Capital requirements for subsidiaries regulated in accordance with CRD IV	2,944	2,565
Total solvency capital requirement	29,800	29,605
Solvency margin	**175 %**	**178 %**
Minimum capital requirement	**10,738**	**11,074**
Minimum margin	**379 %**	**393 %**

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	31.12.21	31.12.20
Capital requirements for CRD IV companies	3,125	2,739
Solvency captial requirements for insurance	26,856	27,040
Total capital requirements	**29,982**	**29,779**
Net primary capital for companies included in the CRD IV report	3,728	3,006
Net primary capital for insurance	48,369	49,605
Total net primary capital	**52,098**	**52,611**
Overfulfilment	**22,116**	**22,833**

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 2021, the difference amounted to NOK 181 million.

Note 15: Premium income

NOK million	2021	2020
Savings:		
Unit Linked Storebrand Life Insurance	25,265	18,216
Unit Linked SPP	11,409	15,085
Total savings	**36,674**	**33,302**
Of which premium reserve transferred to company	15,461	13,116
Insurance:		
P&C & Individual life [1]	3,071	2,238
Group life [2]	694	835
Pension related disability insurance	1,159	1,407
Pension related disability insurance SPP	284	
Total insurance	**5,208**	**4,479**
Of which premium reserve transferred to company	59	88
Guaranteed pension:		
Defined Benefit (fee based) Storebrand Life Insurance	9,233	2,744
Paid-up policies Storebrand Life Insurance	415	134
Traditional individual life and pension Storebrand Life Insurance	225	236
SPP Guaranteed Products	1,927	3,270
Total guaranteed pension	**11,800**	**6,384**
Of which premium reserve transferred to company	6,544	2,232
Other:		
Euroben		23
Total other		**23**
Total premium income	**53,681**	**44,188**
Of which premium reserve transferred to company	22,064	15,437

1) Individual life and disability, property and caualty insurance

2) Group life, workers comp. And health insurance

Note 16: Net income analysed by class of financial instrument

NOK million	Dividend/ interest income etc.	Net gains and losses on financial assets	Net revaluation on investments	Total 2021	Of which Company	Of which Customer	Total 2020
Profit on equities and fund units	714	11,073	42,026	53,813	37	53,776	14,654
Profit on bonds and other fixed-income securities at fair value	3,155	-83	-2,072	1,000	220	780	4,335
Profit on financial derivatives	1,230	869	-4,838	-2,740	94	-2,834	5,374
Profit on loans	26		3	28	3	26	60
Total gains and losses on financial assets at fair value	**5,124**	**11,859**	**35,119**	**52,102**	**354**	**51,748**	**24,423**
- of which FVO (fair value option)	51	-22	14	43	43		3,547
- of which trading							2,676
- of which available-for-sale							
Net income bonds to amortised cost	3,970	351		4,321	220	4,101	4,413
Net income loans	995			995	720	275	1,595
Total gains and losses on financial assets at amortised cost	**4,965**	**351**		**5,316**	**940**	**4,376**	**6,009**

LOSSES FROM LOANS

NOK million	2021	2020
Write-downs/income recognition for loans and guarantees for the period		
Change in individual loan write-downs for the period	-1	3
Change in grouped loan write-downs for the period	-12	-27
Other corrections to write-downs	-1	-1
Realised losses on loans where provisions have previously been made	-2	-2
Realised losses on loans where no provisions have previously been made	-5	-13
Recovery of loan losses realised previously	1	1
Write-downs/income recognition for loans and guarantees for the period	**-20**	**-37**

Note 17: Net income from properties

NOK million	2021	2020
Rent income from properties [1)]	1,589	1,648
Operating expenses (including maintenance and repairs) relating to properties [2)]	-381	-393
Result minority defined as liabilities	-183	-68
Total	**1,025**	**1,187**
Realised gains/losses	206	
Change in fair value	933	494
Total income properties	**2,164**	**1,680**
1) Of which real estate for own use	104	97
2) Of which properties for own use	-42	-42
Allocation by company and customers:		
Customer	2,164	1,680
Total income from properties	**2,164**	**1,680**

Note 18: Other income

NOK million	2021	2020
Fee and commission income, banking	96	114
Net fee and commission income, banking	**96**	**114**
Management fees, asset management	3,128	2,342
Return commissions/Kick-back	1,321	1,217
Insurance related income	324	264
Revenue from companies other than banking and insurance	235	180
Profit sale of subsidaries	591	
Other income	1	-8
Total other income	**5,698**	**4,109**

Note 19: Insurance claims

NOK million	2021	2020
Savings:		
Unit Linked Storebrand Life Insurance	-23,582	-6,805
Unit Linked SPP	-10,166	-5,162
Total savings	**-33,748**	**-11,968**
Of which premium reserve transferred to company	-29,032	-7,662
Insurance:		
P&C & Individual life [1]	-2,077	-1,459
Group life [2]	-716	-705
Pension related disability insurance	-236	-202
Total insurance	**-3,029**	**-2,366**
Of which premium reserve transferred to company	-60	-50
Guaranteed pension:		
Defined Benefit (fee based) Storebrand Life Insurance	-1,835	-1,625
Paid-up policies Storebrand Life Insurance	-6,709	-6,420
Traditional individual life and pension Storebrand Life Insurance	-1,200	-1,243
SPP Guaranteed Products	-6,009	-5,462
Total guaranteed pension	**-15,752**	**-14,751**
Of which premium reserve transferred to company	-685	-440
Other:		
Euroben		-447
Total other		**-447**
Total insurance claims	**-52,529**	**-29,531**
Of which premium reserve transferred to company	-29,777	-8,152

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

DEVELOPMENT IN EXPECTED INSURANCE CLAIM PAYMENTS - LIFE INSURANCE

NOK billion	Storebrand Life Insurance	SPP
0-1 year	14	7
1-3 years	29	16
> 3 years	300	207
Total	**343**	**231**

Table of contents

DEVELOPMENT IN INSURANCE CLAIM PAYMENT - P&C INSURANCE, EXLUSIVE RUN-OFF

NOK million	2016	2017	2018	2019	2020	2021	Total
Calculated gross cost of claims							
At end of the policy year	793	797	760	825	998	1,457	
- one year later	774	764	749	814	1,026		
- two years later	750	756	744	805			
- three years later	741	745	734				
- four years later	736	738					
- five years later	727						
Calculated amount 31.12.21							
Total disbursed to present	713	707	699	734	916	936	4,705
Claims reserve	14	30	34	71	110	521	780
Claims reserve for previous years (before 2016)							26
Total claims reserve							**806**

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 20: Change in capital buffer

NOK million	2021	2020
Change in market value adjustment reserve	861	-1,670
Change in additional statutory reserves	-1,566	-2,434
Change in conditional bonuses	-4,122	-223
Total change in capital buffer	**-4,827**	**-4,327**

Note 21: Operating expenses and number of employees

OPERATING EXPENSES

NOK million	2021	2020
Personnel expenses	-2,725	-2,320
Amortisation/write-downs	-329	-267
Other operating expenses	-2,731	-2,328
Total operating expenses	**-5,784**	**-4,914**

SPECIFICATION OF AMORTISATION/WRITE-DOWNS

NOK million		2021	2020
Amortisation/write-downs tangible fixed assets	(see note 29)	-7	-7
Amortisation/write-downs right-of-use assets	(see note 29)	-136	-135
Amortisation/write-downs IT systems	(see note 28)	-185	-123
Amortisation/write-downs properties for own use	(see note 34)	-1	-2
Total amortisation/write-down in income statement		**-329**	**-267**

NUMBER OF EMPLOYEES [1)]

	2021	2020
Number of employees 31.12	1,901	1,824
Average number of employees	1,862	1,789
Number of person-years 31.12	1,886	1,802
Average number of person-years	1,845	1,767

1) Including Storebrand Helseforsikring with 100 per cent.

Note 22: Pension 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 106,399 at 31 December 2021)
- 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 2021.

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 68,200 in 2021 and will be SEK 71.000 in 2022), 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	2021	2020
Present value of insured pension liabilities	1,009	1,237
Fair value of pension assets	-1,035	-1,082
Net pension liabilities/assets insured scheme	**-26**	**155**
Asset ceiling [1]	31	
Present value of unsecured liabilities	175	196
Net pension liabilities recognised in statement of financial position	**181**	**351**

1) Pension assets that cannot be recognized in the statement of financial position

BOOKED IN STATEMENT OF FINANCIAL POSITION

NOK million	2021	2020
Pension liabilities	181	351

CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITIES IN THE PERIOD

NOK million	2021	2020
Net pension liabilities 01.01	1,433	1,259
Pensions earned in the period	13	15
Pension cost recognised in period	16	21
Estimate deviations	-155	79
Gain/loss on insurance reductions		-1
Pensions paid	-49	-51
Pension liabilities additions/disposals and currency adjustments	-74	111
Net pension liabilities 31.12	**1,185**	**1,433**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2021	2020
Pension assets at fair value 01.01	1,082	995
Expected return	12	16
Estimate deviation	7	-31
Premiums paid	29	25
Pensions paid	-27	-30
Pension liabilities additions/disposals and currency adjustments	-67	107
Net pension assets 31.12	**1,035**	**1,082**

Expected premium payments (pension assets) in 2022	19
Expected premium payments (contributions) in 2022	192
Expected AFP early retirement scheme payments in 2022	18
Expected payments from operations (uninsured scheme) in 2022	44

Table of contents

PENSION ASSETS ARE BASED ON THE FINANCIAL ASSETS HELD BY STOREBRAND LIFE INSURANCE/SPP COMPOSED AT 31.12:

	Storebrand Livsforsikring		SPP	
NOK millionon	**2021**	**2020**	**2021**	**2020**
Real estate at fair value	13 %	15 %	13 %	12 %
Bonds at amortised cost	39 %	34 %		
Loans at amortised cost	15 %	20 %	21 %	18 %
Equities and units at fair value	13 %	12 %	13 %	13 %
Bonds at fair value	19 %	17 %	53 %	57 %
Other short-term financial assets	1 %	3 %		
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	4.5 %	4.4 %	1.9 %	4.8 %

NET PENSION EXPENSES BOOKED TO PROFIT AND LOSS ACCOUNT, SPECIFIED AS FOLLOWS

NOK million	2021	2020
Current service cost	13	15
Net interest cost/expected return	4	5
Total for defined benefit schemes	**18**	**20**
The period's payment to contribution scheme	243	220
The period's payment to contractual pension	24	17
Net pension cost recognised in profit and loss account in the period	**285**	**258**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2021	2020
Actuarial loss (gain) - change in discount rate	-117	103
Actuarial loss (gain) - change in other financial assumptions	-33	-11
Actuarial loss (gain) - experience DBO		-11
Loss (gain) - experience Assets	-16	25
Investment management cost	5	3
Asset ceiling - asset adjustment	31	
Remeasurements loss (gain) in the period	**-131**	**110**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY 31.12

	Storebrand Life Insurance		SPP	
NOK million	**2021**	**2020**	**2021**	**2020**
Discount rate	2.0 %	1.5 %	1.8 %	1.2 %
Expected earnings growth	2.25 %	1.75 %	3.5 %	3.5 %
Expected annual increase in social security pensions	2.25 %	1.75 %		
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 2021.

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 2021 and are calculated for each individual when all other assumptions are kept constant.

SWEDEN

	Discount rate		Expected earnings growth		Expected annual increase in pensions payment		Mortality - change in expected life expectancy	
	1.0 %	**-1.0 %**	**1.0 %**	**-1.0 %**	**1.0 %**		**+ 1 år**	**- 1 år**
Percentage change in pension:								
- Pension liabilities	-8 %	10 %	-2 %	-4 %	0 %	0 %	**2 %**	**-2 %**
- The period's net pension costs	-10 %	13 %	5 %	-4 %	0 %	0 %	**1 %**	**-1 %**

Note 23: Remuneration to senior employees and elected officers of the company

NOK thousand	Ordinary salary [1]	Other benefits [2]	Total remuneration for the year	Pension accrued for the year	Post termination salary (months)	Loan [3]	No. of shares owned [4]
Senior employees							
Odd Arild Grefstad	7,638	185	7,823	1,493	24	5,384	221,242
Lars Aa. Løddesøl	5,900	201	6,101	1,130	18	10,000	140,384
Geir Holmgren	5,025	202	5,227	945	12	6,035	100,770
Heidi Skaaret	5,053	177	5,230	950	12	3,009	110,379
Staffan Hansén	6,528	28	6,555	1,682	12		99,083
Jan Erik Saugestad	6,531	153	6,684	1,256	12	1,200	120,176
Karin Greve-Isdahl	3,210	41	3,251	566	12	18,598	29,551
Trygve Håkedal	3,527	41	3,568	629	12	8,989	24,848
Tove Selnes	3,215	168	3,382	562	12	11,282	29,538
Terje Løken [5]	3,527	158	3,686	629	12	6,786	24,695
Total 2021	**50,154**	**1,354**	**51,507**	**9,842**		**71,284**	**900,666**
Total 2020	47,812	1,498	49,311	9,598		69,128	754,613

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, 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.

5) Resigned from his position on 31 December 2021. Since Løken will commence in a different position outside of the Storebrand Group, he will not receive severance pay.

NOK thousand	Remuneration	Loan [1]	No. of shares owned [2]
Board of Directors			
Didrik Munch	874		255,000
Laila Synnøve Dahlen [3]	141		15,500
Martin Skancke	677		30,000
Karin Bing Orgland	566		27,000
Christel Elise Borge [3]	303		
Karl Sandlund	477		7,000
Marianne Bergmann Røren	428		5,000
Fredrik Åtting	630		18,500,000
Bodil Catherine Valvik	472	5,047	1,390
Hans-Petter Salvesen	428	4,854	
Magnus Gard [3]	155	6,829	325
Hanne Seim Grave [3]	317	1,932	325
Total 2021	**5,468**	**18,662**	**18,841,540**
Total 2020	5,077	17,122	18,615,503

1) Employees can borrow up to NOK 7.0 million at a subsidised interest rate, excess loan amounts will be subject to market terms.

2) 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.

3) Board member only part of the year

Loans to Group employees totalled NOK 3.263 million.

Note 24: Remuneration paid to auditors

NOK million	2021	2020
Statutory audit	-11	-11
Other reporting duties	-2	-2
Other non-audit services	-2	-1
Total remuneration to auditors	**-15**	**-15**

The amounts above are incluing VAT

Note 25: Other expenses

NOK million	2021	2020
Losses on claims, insurance	-7	-128
Management fees	-463	-448
Interest expenses Insurance	-91	-138
Other expenses	-276	-112
Total other expenses	**-836**	**-826**

Note 26: Interest expenses

NOK million	2021	2020
Interest expenses subordinated loans	-413	-364
Interest expenses financial institutions	-193	-295
Interest expenses deposits from banking customers	-41	-85
Interest expenses lease liabilities	-12	-20
Other interest expenses	-27	-30
Total interest expenses	**-686**	**-793**

Note 27: Tax

TAX EXPENSES ON ORDINARY PRE-TAX PROFIT

NOK million	2021	2020
Tax payable	-90	-84
Change in deferred tax	-755	220
Total tax expenses on ordinary profit	**-846**	**136**

RECONCILIATION OF TAX EXPENSES AGAINST ORDINARY PRE-TAX PROFIT

NOK million	2021	2020
Ordinary pre-tax profit	3,976	2,219
Expected income tax at nominal rate	-986	-555
Tax effect of		
shares ("Fritaksmetoden")	38	228
share dividends received	2	
associated companies	4	4
profit subject to return tax	161	82
permanent differences	-26	-61
deferred tax on the increase in value of properties for customer assets [1)]	-582	-566
deferred tax on the increase in value of properties for customer assets covered by customer returns [1)]	582	566
change in tax rate	-25	
Changes from previous years	-14	437
Total tax charge	**-846**	**136**
Effective tax rate [2)]	21%	-6%

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) 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 was changed to 20.6 per cent for 2021, from 21.4 per cent in 2020.

TAX EXPENSES ON OTHER COMPREHENSIVE INCOME ELEMENTS

NOK million	2021	2020
Tax on other comprehensive income elements not to be reclassified to profit/loss	8	15
Total tax expenses on other comprehensive income elements	**8**	**15**

CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

NOK million	2021	2020
Tax-increasing temporary differences		
Securities	22	178
Properties [1]	2,748	2,696
Fixed assets	27	24
Gains/losses account	48	62
Other	1,234	1,212
Total tax-increasing temporary differences	**4,078**	**4,173**
Tax-reducing temporary differences		
Securities	-59	-27
Fixed assets	-16	-24
Provisions	-21	-36
Accrued pension liabilities	-150	-171
Gains/losses account	-1	
Total tax-reducing temporary differences	**-248**	**-259**
Carryforward losses	-3,332	-6,530
Basis for net deferred tax and tax assets	**499**	**-2,616**
Write-down of basis for deferred tax assets	6	
Net basis for deferred tax and tax assets	**504**	**-2,616**
Net deferred tax assets/liabilities in balance sheet [1] [2] [3]	-273	-931
Recognised in balance sheet		
Deferred tax assets	1,104	1,780
Deferred tax	832	849

Uncertain tax positions

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

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

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. When presenting the national budget for 2020 in October 2019, the Ministry of Finance proposed a clarification of the wording of the transitional rules in line with the interpretive statement from the Norwegian Directorate of Taxes. The clarification was approved by the Norwegian Parliament in December 2019. Storebrand considers there to be uncertainty regarding the value such subsequent work on a legal rule has as a source of law, and which in this instance only applies for a previous financial year. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. 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 an additional tax income of approximately NOK 0.8 billion if Storebrand's position under (B) is accepted. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.6 billion.

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

Note 28: Intangible assets and fair value adjustments on purchased insurance contracts

	Intangible assets					
NOK million	**IT systems**	**VIF [1]**	**Other intangible assets**	**Goodwill**	**2021**	**2020**
Acquisition cost 01.01,	1,454	10,602	1,811	2,552	16,419	14,901
Additions in the period						
- Developed internally	60				60	105
- Purchased separately	183		7		191	200
- Purchased via acquistion/merger	27		459	581	1,067	14
Disposals in the period	-8				-8	-10
Exchange rate adjustments	-23	-679	-51	-64	-817	1,209
Acquisition cost 31.12	**1,693**	**9,923**	**2,227**	**3,069**	**16,912**	**16,419**
Accumulated depreciation and write-downs 01.01	-708	-7,954	-1,149	-305	-10,116	-8,681
Write-downs in the period	-23				-23	-22
Amortisation in the period [2]	-162	-365	-162		-689	-592
Disposals in the period	5				5	7
Exchange rate adjustments	3	527	47		577	-828
Acc. depreciation and write-downs 31.12	**-884**	**-7,792**	**-1,264**	**-305**	**-10,245**	**-10,116**
Book value 31.12	**809**	**2,131**	**963**	**2,764**	**6,667**	**6,303**

1) Value of business-in-force, the difference between market value and book value of the insurance liabilities in SPP and Silver

SPECIFIACTION OF AMORTISATION OF INTANGILBE ASSETS

NOK million	2021	2020
Amortisation in the period - VIF	-366	-372
Amortisation in the period - other intangible assets	-161	-120
Total write-downs//amortisation of intangible assets in income statement	**-527**	**-492**

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 2021	Book value 2020
IT systems	5 years	20 %	Straight line	809	746
Value of business in force SPP	20 years	5 %	Straight line	1,963	2,451
Value of business in force Silver	10 years	10 %	Straight line	168	197
Customer lists Skagen	10 years	10 %	Straight line	238	278
Customer lists Cubera	7 years	14 %	Straight line	138	170
Customer lists SPP	10 years	10 %	Straight line		1
Customer lists Insr	5 years	20 %	Straight line	205	13
Customer contracts Cubera	5 years	20 %	Straight line	63	90
Brand name Skagen	10 years	10 %	Straight line	86	102
Database Cubera	3 years	33 %	Straight line	2	8
Customer relations Capital Investment	7 years	14 %	Straight line	232	
Total				**3,903**	**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 31.12.21	Book value 31.12.20
Delphi Fondsforvaltning	Savings	35	-4	32		32	32
Storebrand Bank ASA	Other	422	-300	122		122	122
SPP	Guarant. pension/ Savings	831		831	-53	778	831
SPP Fonder	Savings	48		48	-1	47	49
Skagen	Savings	1,007		1,007		1,007	1,007
Cubera	Savings	206		206		206	206
Capital Investment	Savings				572	572	
Total		**2,550**	**-304**	**2,246**	**518**	**2,764**	**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.

Table of contents

In calculating the utility value, the management have made use of budgets and forecasts approved by the Board for the next three years .The management has made assessments for the period from 2025 to 2031, 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 1.7 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 6.7 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 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 2025 to 2031, and the annual growth has been determined in the income statement. A growth rate of 1.8 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 5.2 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 are used as the basis for the valuation. For the period from 2025 to 2026, 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 1.8 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 6.7 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 are used as the basis for the valuation. For the period from 2025 to 2026, a projected forecast has been used that is based on the expected development in the private equity market. A growth rate of 1.8 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 after tax of 6.7 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.

Table of contents

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. Silver has been integrated into Storebrand Livsforsikring's business and is predominantly part of the savings segment. The recoverable amount is determined by calculating the entity specific value of the business. 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. In order to determine whether there has been impairment that is less than the book values, the parameters used in the valuation and acquisition analysis are assessed. A comparison is also made with the development of expected values used in the valuation upon acquisition.
The value will be influenced by the assumptions regarding expected returns in the financial markets, costs, transfers, income development and the discount rate. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value, cf. IAS 36.

knyIntangible assets related to the purchase of customer portfolio from Insr

In 2020, Storebrand Forsikring AS entered into an agreement to acquire a customer portfolio from Insr Insurance Group ASA. The policies were renewed in Storebrand's systems during 2020 and 2021, and the intangible asset was accrued based on actual renewals, cf. IAS 38. The customer portfolio from Insr is integrated into Storebrand's business and primarily Storebrand Forsikring AS and the Insurance segment. The recoverable amount is determined by calculating the utility value of the business. It is considered most accurate to estimate the value of the contracts that were acquired, despite these not being a separate cashflow generating unit. In order to determine whether there has been impairment that is less than the book values, the parameters used in the valuation and acquisition analysis are assessed. A comparison is also made with the development of expected values used in the valuation upon the entering into of the agreement to acquire the customer portfolio.
The utility value will be influenced by the assumption of profitability and claims ratio, customer loss, and the required rate of return that is used. Simulations with reasonable and also conservative assumptions indicate a value that justifies the book value, cf. IAS 36.

Intangible assets related to the acquisition of Capital Investment

Storebrand Asset Management AS acquired Capital Investment in 2021. See Note 3 for the acquisition analysis. This acquisition analysis is still considered to be the best estimate of the value of Capital Investment and further calculations have not been carried out as at 31 December 2021.

Note 29: Tangible fixed assets and lease agreements

NOK million	Vehicles/ equipment	Real estate	2021	2020
Book value 01.01	59	2	60	49
Additions	24	1	24	20
Disposals	-2		-2	-2
Depreciation	-7		-7	-7
Book value 31.12	**73**	**2**	**75**	**60**

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

SPECIFICATION OF TANGIBLE FIXED ASSETS AND LEASE AGREEMENTS IN BALANCE SHEET

NOK million	2021	2020
Tangible fixed assets	75	60
Right-of-use assets	1,191	1,337
Book value 31.12	**1,266**	**1,397**
Allocation by company and customers		
Tangible fixed assets - company	1266	1397
Total tangilbe fixed assets and lease agremments	**1,266**	**1,397**

LEASE AGREEMENTS

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	2021	2020
Book value 01. 01	1,519	83	2	1,604	1,167
Additions	41			41	406
Disposals	-6			-7	-1
Exchange rate adjustments	-43	-4		-47	33
Book value 31. 12	**1,510**	**78**	**2**	**1,591**	**1,604**
Accumulated write-downs/depreciations 01.01	-222	-44	-1	-267	-139
Depreciation	-117	-18		-135	-135
Exchange rate adjustments		2		3	7
Accumulated write-downs/depreciations 31.12	-338	-60	-1	-400	-267
Booked value 31.12	**1,172**	**18**	**1**	**1,191**	**1,337**

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.

Depreciations lease agreements

Lease agreements for right-of-use assets are depreciated on a straight-line basis over the lease term.

NON-DISCOUNTED LEASE LIABILITIES

NOK million	2021	2020
Year 1	144	145
Year 2	126	141
Year 3	114	112
Year 4	113	108
Year 5	113	107
After 5 years	651	793
Total non-discounted lease liabilities 31.12.	**1,260**	**1,406**

CHANGES IN LEASE LIABILITIES

NOK million	2021	2020
Upon initial adoption 01.01	1,355	1,037
New/changed lease liabilities recognised during the period	34	404
Payment of principal	-145	-146
Accrued interest	11	19
Exchange rate adjustments	-44	40
Total lease liabilities 31.12	**1,210**	**1,355**

OTHER LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

NOK million	2021	2020
Lease expenses for assets with low value	-17	-14
Total lease expenses included in operating expenses	**-17**	**-14**

Note 30: 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.

SPECIFICATION OF ASSOCIATED COMPANIES AND JOINT VENTURES CLASSIFED AS SUBSTANTIAL (100% FIGURES)

NOK million	2021 Storebrand Helseforsikring AS	2020 Storebrand Helseforsikring AS
Accounting method	Equity-method	Equity-method
Type of operation	Insurance	Insurance
Type of interest	Joint venture	Joint venture
Current assets	748	694
Fixed assets	120	121
Short term liabilities	89	74
Long term liabilities	451	446
Cash and cash equivalents	26	34
Income	937	862
Result after tax	35	67
Total comprehensive income	35	67

PROFIT AND OWNERSHIP INTERESTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

NOK million	Business location	Ownership share	Profit 31.12	Book value 31.12.21	Book value 31.12.20
Associated companies					
Inntre Holding AS	Steinkjær	0.0 %			127
Storebrand Eiendomsfond Norge KS	Bærum	31.0 %	398	4,089	3,694
Other associated companies				8	3
Joint ventures					
Försäkringsgirot AB	Stockholm	16.7 %	3	8	5
Ruseløkkveien 26 AS	Oslo	50.0 %	402	3,259	2,472
Storebrand Helseforsikring AS	Lysaker	50.0 %	17	164	147
Total			**820**	**7,528**	**6,449**
Booked in the statement of financial position					
Investments in associated companies - company			30	387	283
Investments in associated companies - customers			790	7,141	6,167
Total			**820**	**7,528**	**6,449**

Note 31: Classification of financial assets and liabilities

NOK million	Loans and receivables	Investments, held to maturity	Fair value, held for sale	Fair value, FVO	Liabilities at amortised cost	Total 2021	Total 2020
Financial assets							
Bank deposits	9,986					9,986	13,065
Shares and fund units				278,326		278,326	230,830
Bonds and other fixed-income securities	117,929	8,441		168,516		294,887	293,506
Loans to financial institutions	67					67	103
Loans to customers	61,555			7,931		69,486	63,214
Accounts receivable and other short-term receivables	11,661					11,661	7,422
Derivatives			3,760	60		3,820	9,977
Total financial assets	**201,199**	**8,441**	**3,760**	**454,833**		**668,233**	
Total financial assets 2020	178,902	13,026	9,903	416,284			618,116
Financial liabilities							
Subordinated loan capital					11,441	11,441	9,110
Loans and deposits from credit institutions					502	502	1,653
Deposits from banking customers					17,239	17,239	15,506
Securities issued					24,924	24,924	20,649
Derivatives			1,997	51		2,048	964
Other current liabilities					14,643	14,643	16,209
Total financial liabilities			**1,997**	**51**	**68,749**	**70,797**	
Total financial liabilities 2020			898	78	63,116		64,091

Table of contents

Note 32: Bonds at amortised cost

LOANS AND RECEIVABLES

	2021		2020	
NOK million	**Book value**	**Fair value**	**Book value**	**Fair value**
Government bonds	28,171	29,574	26,249	29,261
Corporate bonds	70,854	71,189	66,944	73,488
Structured notes	17,993	17,581	8,699	9,177
Collateralised securities	911	913	1,592	1,602
Total bonds at amortised cost	**117,929**	**119,257**	**103,484**	**113,529**
Storebrand Bank				
Modified duration		0.1		0.1
Average effective yield		0.9 %		0.6 %
Storebrand Livsforsikring				
Modified duration		8.0		6.6
Average effective yield	3.0%	2.5%	1.6%	1.7%
Distribution beween company and customers				
Loans and receivables company	12,955		10,639	
Loans and receivables customers with guarantee	104,975		92,846	
Total	**117,929**		**103,484**	

BONDS HELD TO MATURITY

	2021		2020	
NOK million	**Book value**	**Fair value**	**Book value**	**Fair value**
Corporate bonds	8,441	9,103	13,026	14,244
Total bonds at amortised cost	**8,441**	**9,103**	**13,026**	**14,244**
Modifed duration		3.5		3.1
Average effective yield	4.3%	2.0%	4.4%	1.1%
Distribution beween company and customers:				
Bonds held to maturity - customers with guarantees	8,441		13,026	
Total	**8,441**		**13,026**	

For the individual securities, the effective interest rate is calculated based on the fair value of the security and when capitalised at amortized value. For fair value, the weighted average effective interest rate for the total portfolio is calculated using the individual security's share of total fair value as weightings. For fixed-interest securities assessed at book (amortized) value, the weighting takes place with the individual security's share of total amortized value, including accrued interest.

Note 33: Loans to customers

NOK million	2021	2020
Corporate market	12,532	13,738
Retail market	57,042	49,553
Gross loans	**69,574**	**63,291**
Write-downs of loans losses	-88	-77
Net loans [1]	**69,486**	**63,214**
1) Of which Storebrand Bank	38,992	31,780
Of which Storebrand Livsforsikring	30,494	31,434
Allocation by company and customers:		
Net loans to customers - company	38,992	31,780
net loans to customers - customers with guarantee	30,493	31,434
Total	**69,486**	**63,214**

NON-PERFORMING AND LOSS-EXPOSED LOANS

NOK million	2021	2020
Non-performing and loss-exposed loans without identified impairment	48	71
Non-performing and loss-exposed loans with identified impairment	29	50
Gross non-performing loans	**77**	**121**
Individual write-downs	-18	-17
Net non-performing loans [1]	**59**	**104**

1) The figures apply in their entirety Storebrand Bank

For further information about lending, see note 10 Credit risk.

Note 34: Properties

NOK million	31.12.21	31.12.20	31.12.21 Required rate of return % [1]	31.12.21 Average duration of lease (years) [3]	31.12.21 m2
Office buildings (including parking and storage):					
Oslo-Vika/Filipstad Brygge	8,715	8,435	3,25 - 3,75	5.9	94,165
Rest of Greater Oslo	4,988	4,811	4,00 - 5,35	4.1	85,225
Office buildings in Sweden	724	790	4.40	3.7	16,987
Shopping centres (including parking and storage)					
Rest of Norway	5,611	5,497	5,00 - 6,30	3.4	180,173
Housing Sweden [2]	2,807	2,693	5.20	5.0	112,329
Car parks					
Multi-storey car parks in Oslo	933	858	4.20	1.0	27,393
Other properties:					
Cultural/conference centres Sweden [2]		270			
Housing properties Sweden [2]	3,905	2,589	3.16	0.2	90,191
Hotel Sweden [2]	2,550	2,692	4.25	11.4	35,872
Service properties Sverige [2]	2,434	2,750	4.33	10.0	49,579
Properties under development Norway	709	683	7.63		38,820
Conference centres Norway		50			
Total investment properties	**33,376**	**32,117**			**730,734**
Properties for own use	1,659	1,609			
Total properties	**35,035**	**33,726**			**730,734**
Allocation by company and customers:					
Properties - company		50			
Properties - customers with guarantee	30,202	29,261			
Properties - customers without guarantee	4,833	4,415			
Total	**35,035**	**33,726**			

1) The properties are valued on the basis of the following effective required rate of return (included 2.5 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 31.12.21, Storebrand Life Insurance had NOK 7 141 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 8 per cent (7.4 per cent) at the end of 2021

The vacancy rate for areas that are not available for rent due to ongoing development projects is 91.8 per cent (78.6 per cent).

At the end of 2021, a total of 10.7 per cent (13.8 per cent) of the floor space in the investment properties was vacant

Sweden

At the end of 2021, the vacancy for investment properties was 0,5 per cent

Transactions:

Purchases: Further SEK 539 millions in property acquistions in SPP have been agreed on in 4th quarter 2021 in addtition to the figures that have been finalised and included in the finacial statements as of 31 December 2021.

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 finacial statements as of 31 December 2021.

Table of contents

PROPERTIES FOR OWN USE

NOK million	2021	2020
Book value 01.01	1,609	1,375
Additions	27	8
Revaluation booked in balance sheet	124	72
Depreciation	-13	-14
Write-ups due to write-downs in the period	12	13
Exchange rate adjustments	-106	108
Other change	6	48
Book value 31.12	**1,659**	**1,609**
Acquisition cost opening balance	559	551
Acquisition cost closing balance	586	559
Accumulated depreciation and write-downs opening balance	-692	-677
Accumulated depreciation and write-downs closing balance	-705	-692
Allocation by company and customers:		
Properties for own use - customers	1,659	1,609
Total	**1,659**	**1,609**

Depreciation method:	Straight line
Depreciation plan and financial lifetime	50 years

Note 35: Accounts receivable and other short-term receivables

NOK million	2021	2020
Accounts receivable	1,078	863
Receivables in connection with direct insurance	498	261
Pre-paid expenses	272	231
Fee earned	886	458
Claims on insurance brokers	5,350	2,093
Client funds	45	182
Collateral	2,335	2,022
Tax receivable	284	324
Activated sales costs (Swedish business)	699	717
Other current receivables	215	271
Book value 31.12	**11,661**	**7,422**
Allocation by company and customers:		
Accounts receivable and other short-term receivables - company	11,024	7,018
Accounts receivable and other short-term receivables - customers	638	404
Total	**11,661**	**7,422**

AGE DISTRIBUTION FOR ACCOUNTS RECEIVABLE 31.12 (GROSS)

NOK million	2021	2020
Receivables not fallen due	1,061	858
Past due 1 - 30 days	18	6
Past due 31 - 60 days		1
Past due 61 - 90 days	1	0
Gross accounts receivable	**1,081**	**865**
Provisions for losses	-3	-2
Net accounts receivable	**1,078**	**863**

Note 36: Equities and fund units

NOK million	2021 Fair value	2020 Fair value
Equities	38,946	30,402
Private Equity fund investments	76,237	1,268
Fund units	162,308	199,160
Infrastructure funds	834	
Total equities and fund units	**278,326**	**230,830**
Allocation by company and customers:		
Equities and fund units - company	543	384
Equities and fund units - customers with guarantee	28,714	21,839
Equities and fund units - customers without guarantee	249,069	208,607
Sum	**278,326**	**230,830**

Note 37: Bonds and other fixed-income securities

NOK million	2021 Fair value	2020 Fair value
Government bonds	31,148	34,634
Corporate bonds	55,354	62,043
Structured notes	2,023	
Collateralised securities	3,528	7,051
Bond funds	76,464	73,267
Total bonds and other fixed-income securities	**168,516**	**176,995**
Allocation by company and customers:		
Bonds and other fixed-income securities - company	27,706	28,833
Bonds and other fixed-income securities - customers with guarantee	90,011	97,223
Bonds and other fixed-income securities - customers without guarantee	50,800	50,939
Total	**168,516**	**176,995**

	Fair value				
	Storebrand Life Insurance	**SPP Pension & Insurance**	**Storebrand Bank**	**Storebrand Insurance**	**Storebrand ASA**
Modified duration	7.3	6.7	1.6	0.6	0.6
Average effective yield	3.3%	1.4%	0.9%	1.3%	1.3%

For individual fixed-interest securities, the effective rate is calculated based on the fair value (market value) of the security. The average effective interest rate for total holdings is calculated using the individual security's share of fair value as a weighting. Interest derivatives are included in the calculation of modified duration and average effective interest rate.

Note 38: 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 2021**	**Net amount 2020**
Interest derivatives	167,367	2,992	675	2,317	5,659
Currency derivatives	168,575	828	1,373	-545	3,353
Total derivater 31.12.		**3,820**	**2,048**	**1,772**	
Total derivater 31.12.20		9,977	964		9,012
Distribution between company and customers:					
Derivatives - company				695	1,275
Derivatives - customers with guarantee				1,514	5,753
Derivatives - customers without guarantee				-437	1,984
Total				**1,772**	**9,012**

1) Values 31.12.

Note 39: Technical insurance reserves - life insurance

SPECIFICATION OF BUFFER CAPITAL ITEMS CONSERNING LIFE INSURANCE

NOK million	**Guaranteed pension**	**Savings**	**Insurance [1)]**	**Total Storebrand Group 2021**	**Total Storebrand Group 2020**
Additional statutory reserves	13,602			13,602	11,380
Conditional bonus	13,781			13,781	10,769
Market value adjustment reserve	6,173		136	6,309	7,170
Total buffer capital	**33,557**		**136**	**33,693**	**29,319**

SPECIFICATION OF BALANCE SHEET ITEMS CONSERNING LIFE INSURANCE

NOK million	Guaranteed pension	Savings	Insurance [1]	Total Storebrand Group 2021	Total Storebrand Group 2020
Premium reserve/pension capital	255,380	308,351	5,645	569,376	531,715
- of which IBNS	2,253	20	1,906	4,180	5,526
Pension surplus fund	1			1	
Premium fund/deposit fund	2,881		619	3,500	2,266
Other technical reserves			661	661	702
- of which IBNS			573	573	587
Total insurance liabilities - life insurance	**258,263**	**308,351**	**6,925**	**573,539**	**534,683**

1) Including personal risk and employee insurance of the Insurance segment.

MARKET VALUE ADJUSTMENT RESERVE

NOK million	2021	2020
Equities	5,195	3,102
Interest-bearing	1,115	4,069
Total market value adjustment reserves at fair value	**6,309**	**7,170**

NOK million	Guaranteed pension	Savings	Insurance [1]	Total 2021	Total 2020
Total insurance liabilities - life insurance 01.01	259,489	268,345	6,849	534,683	476,040
Premium income	12,084	36,674	2,754	51,512	42,804
Capital return	10,921	47,682	228	58,831	30,557
Change in market value adjustment reserve	819		42	861	-1,670
Insurance claims	-15,994	-33,683	-1,268	-50,945	-28,509
Change in conditional bonuses	-4,504			-4,504	37
Fair value adjustment of properties for own use in Other comprehensive income	-127			-127	
Fee and administration income	-1,785	-544	-229	-2,557	-2,294
Surplus allocated to additional statutory reserves	-1,653			-1,653	-2,535
Allocated risk equalisation fund	-109			-109	27
Profit sharing to owner	-166	-44	-215	-425	-135
Other changes	332	-482	-118	-268	-355
Total change in insurance liabilities in income statement	**-182**	**49,603**	**1,194**	**50,615**	**37,928**
Transfer between products	955		-986	-31	36
Yield tax	-77	-109		-186	-184
Fair value adjustment of properties for own use in Other comprehensive income	127			127	-72
Change in reinsurance share			-11	-11	-11
Change in premium fund	893		-97	796	484
Other	381	-58	-24	299	-542
Acquisition of insurance portfolio	2,550	1		2,551	
Exchange rate adjustments	-5,875	-9,431		-15,306	21,004
Total insurance liabiliteis - life insurance 31.12.	**258,263**	**308,351**	**6,925**	**573,538**	**534,683**

1) Including personal risk and employee insurance of the Insurance segment.

See note 40 for insurance liabilities - P&C.

Note 40: Technical insurance reserves - P&C insurance

ASSETS AND LIABILITIES - P&C INSURANCE

NOK million	2021	2020
Reinsurance share of insurance technical reserves	32	56
Total assets	**32**	**56**
Premium reserve	985	695
Claims reserve	933	650
- of which IBNS	893	620
- of which administration reserve	41	30
Total liabilities	**1,918**	**1,345**

See note 39 for insurance liabilities - life insurance.

Note 41: Other current liabilities

NOK million	2021	2020
Accounts payable	286	173
Accrued expenses	990	776
Appropriations restructuring	36	54
Appropriations earnout	231	122
Other appropriations	50	189
Governmental fees and tax withholding	357	407
Collateral received derivates in cash	2,756	8,141
Liabilities in connection with direct insurance	1,449	956
Liabilities to broker	5,096	2,769
Liabilities tax/tax appropriations	321	211
Minority SPP Fastighet KB	2,411	1,746
Kick back	205	32
Other current liabilities	454	633
Book value 31.12	**14,643**	**16,209**

SPECIFICATION OF RESTRUCTURING RESERVES

NOK million	2021	2020
Book value 01.01	54	57
Increase in the period	7	27
Amount recognised against reserves in the period	-22	-34
Exchange rate adjustments	-3	4
Book value 31.12	**36**	**54**

Note 42 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 99 per cent per 31.12.21.

HEDGING INSTRUMENT/HEDGED ITEM

	2021					2020				
		Book value [1]					Book value [1]			
NOK millionon	Contract/ nominal value	Assets	Liabilities	Booked	Recog-nised of compre-hensive income	Conract/ nominal value	Assets	Liabilities	Booked	Recog-nised of compre-hensive income
Interest rate swaps	2,374	699		-4	-391	2,557	1,101		8	141
Subordinated loans	-1,865		2,685	-1	335	-2,238		3,420	-2	-173
Debt raised through issuance of securities	480		475	5		284		284	-7	

1) Book values as at 31.12.

Fair value hedging of interest rate risk
Storebrand uses fair value hedging for the interest rate risk. The items hedged are financial assets and 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.
Hedge effectiveness is monitored at an individual security level. Hedge effectiveness was 90 per cent as at 31 December 2021.

HEDGING INSTRUMENT/HEDGED ITEM

	2021			
		Book value [1]		
NOK million	Contract/ nominal value	Assets	Liabilities	Booked
Renteswapper	3 045		158	
Ansvarlig lånekapital	-3 039		2 876	2
Gjeld stiftet ved utstedelse av verdipapirer				

1) Book values as at 31.12.

Hedging of net investment in Storebrand Holding AB
In 2021, 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. A revenue of NOK 577 million were recognised in total comprehensive income in connection with the hedging of Storebrand Holding AB, compared with an expence of NOK 868 million in 2020.

Table of contents

HEDGING INSTRUMENT/HEDGED ITEM

	2021			2020		
		Book value [1]			Book value [1]	
NOK millionon	Contract/ nominal value	Assets	Liabilities	Contract/ nominal value	Assets	Liabilities
Currency derivatives	-4,693	3	-18	-4,700		27
Loan used as hedging instrument	-3,800		3,704	-3,650		3,815
Underlying items		9,538			10,045	

1) Book values at 31.12.

The phasing out of LIBOR as a reference rate for various currencies garnered considerable attention throughout 2021. The transition to new "overnight rates" has been demanding for many market players, however the transition has gone better than many feared. From 1 January 2022, LIBOR for USD, GBP, EUR, CHF and JPY will be replaced by new "overnight rates", SOFR, SONIA, EURSTR, SARON and TONA. The value of some of the LIBOR rates will still be quoted in 2022, however this will only be synthetic for GBP and JPY. The transition to and use of the new official "overnight rates" will continue in 2022.

For Storebrand, the process of LIBOR rates being discontinued has not been particularly difficult because exposure to LIBOR rates has been limited. The necessary adaptation of agreements related to EONIA when concerning certain counterparties was completed in Q4 2021. EONIA has been replaced by EURSTR and the stipulated "fallbacks" which has entailed a continuation of the values based on EONIA. NIBOR and STIBOR, which have the greatest significance to the management of Storebrand's customer portfolios, will be continued until further notice. The same applies to EURIBOR.

Storebrand hedges an exposure in the reference interest rate EURIBOR 3M that is divided among two cross currency swaps in EUR/NOK which has a total nominal amount of EUR 550 million.

Note 43: Collateral

NOK million	2021	2020
Collateral for Derivatives trading	2,324	3,380
Collateral received in connection with Derivatives trading	-3,077	-8,828
Total received and pledged collateral	**-753**	**-5,448**

The CSA agreements entered into with 15 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. Most 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 35 and 41 respectively.

NOK million	2021	2020
Book value of bonds pledged as collateral for the bank's lending from Norges Bank	651	1,703
Booked value of securities pledged as collateral in other financial institutions	151	151
Total	**802**	**1,854**

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 one F-loan in Norges Bank as per 31.12.2021.

Of the total lending of NOK 38.6 billion in the Bank Group, NOK 26.4 billion is loans in Storebrand Boligkreditt AS. The loans in Storebrand Boligkreditt AS have been provided as security in connection with the issuing of covered bonds in Storebrand Boligkreditt AS.

Storebrand Boligkreditt AS has over-collateralisation (OC) of 11 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 7.77 per cent at the end of 2021. 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 710 million more than what the present rating requires. Storebrand Bank ASA therefore considers the security to be adequate.

Note 44: Contingent liabilities

NOK million	2021	2020
Unused credit limit lending	3,322	3,063
Loan commitment retail market	3,516	2,962
Uncalled residual liabilities re limited partnership	4,870	8,251
Undrawn capital in alternative investment funds	10,093	
Total contingent liabilities	**21,801**	**14,276**

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 45: Securities lending and buy-back agreements

UTLÅN AV VERDIPAPIRER OG GJENKJØPSAVTALER

NOK million	2021	2020
Lending of shares	207	
Collateral received for lent securities	-227	

Storebrand Livsforsikring has entered into agreements for securities loans with a number of counterparties. JPMorgan Luxembourg is the agent for the securities loans and will execute the lending itself on behalf of Storebrand Livsforsikring. Only shares are loaned. Storebrand Livsforsikring receives 80% of the income from securities loans. JPMorgan charges a fee of 20%.

Table of contents

Note 46: 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 23 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 30 and 41.

Note 47: Sold/liquidated operations

Storebrand has conducted a strategic review of its ownership in AS Værdalsbruket, which was a wholly owned subsidiary of Storebrand, and was owned 74.9% by Storebrand Livsforsikring AS and 25.1% by Storebrand ASA. AS Værdalsbruket is Norway's second largest private forest owning company located in Trøndelag county. The company owns significant limestone resources, provides nature tourism experiences and is part owner of Inntre Holding AS, a large exporter of building timber.

In 2021, Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 546 million. The gain is classified as Other income in the accounts.

During the year, Storebrand Livsforsikring discontinued the wholly-owned subsidiary BenCo Insurance Holding B.V. A loss of NOK 24 million was incurred in the financial result as a consequence of this.

Table of contents

STOREBRAND ASA

Income statement

NOK million	Note	2021	2020
Operating income			
Income from investments in subsidiaries	2	4,542	3,028
Net income and gains from financial instruments:			
- equities and other units	3	-2	4
- bonds and other fixed-income securities	3	39	64
- financial derivatives/other financial instruments	3		-3
Other financial income	8	204	1
Operating income		**4,783**	**3,095**
Rentekostnader		-18	-30
Andre finanskostnader		-79	6
Operating expenses			
Personnel expenses	4,5,6	-44	-40
Other operating expenses	6	-136	-56
Total operating expenses		**-180**	**-96**
Total expenses		**-277**	**-120**
Pre-tax profit		**4,505**	**2,975**
Tax	7	-258	-171
Profit for year		**4,248**	**2,804**

Statement of total comprehensive income

NOK million	Note	2021	2020
Profit for year		4,248	2,804
Other result elements not to be classified to profit/loss			
Change in estimate deviation pension	5	6	-15
Tax on other result elements		-1	4
Total other result elements		**4**	**-11**
Total comprehensive income		**4,252**	**2,793**

Table of contents

STOREBRAND ASA

Statement of financial position

NOK million	Note	31.12.21	31.12.20
Fixed assets			
Deferred tax assets	7	46	44
Tangible fixed assets	12	27	27
Shares in subsidiaries and associated companies	8	23,006	20,893
Total fixed assets		**23,079**	**20,964**
Current assets			
Owed within group	15	4,542	3,139
Other current receivables		15	15
Investments in trading portfolio:			
- equities and other units	9	55	57
- bonds and other fixed-income securities	10,11	4,811	4,894
Bank deposits	11	28	61
Total current assets		**9,450**	**8,166**
Total assets		**32,530**	**29,130**
Equity and liabilities			
Share capital		2,360	2,339
Own shares		-9	-2
Share premium reserve		10,842	10,521
Total paid in equity		**13,192**	**12,858**
Other equity		15,128	12,609
Total equity		**28,321**	**25,467**
Non-current liabilities			
Pension liabilities	5	142	157
Securities issued	11,13	1,001	1,001
Total non-current liabilities		**1,143**	**1,158**
Current liabilities			
Debt within group	15	1,193	910
Provision for dividend		1,645	1,519
Other current liabilities		228	76
Total current liabilities		**3,066**	**2,505**
Total equity and liabilities		**32,530**	**29,130**

Lysaker, 8 February 2022
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Board chair

Karin Bing Orgland (sign.) Martin Skancke (sign.) Marianne Bergmann Røren (sign.)

Christel Elise Borge (sign.) Karl Sandlund (sign.) Fredrik Åtting (sign.)

Hanne Seim Grave (sign.) Hans-Petter Salvesen (sign.) Bodil Cahterine Valvik (sign.)

Odd Arild Grefstad (sign.)
Chief Executive Officer

STOREBRAND ASA

Statement of changes in equity

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Total equity
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**
Profit for the period				4,248	4,248
Total other result elements				4	4
Total comprehensive income				**4,252**	**4,252**
Issues of shares [2]	21		320		341
Provision for dividend				-1,640	-1,640
Own share sold [3]		-7		-97	-104
Employee share [3]				4	4
Equity at 31. December 2021	**2,360**	**-9**	**10,842**	**15,128**	**28,321**

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

2) A capital increase was carried out in september2021 by issuing 4,160,908 shares with a subscription price of NOK 82.02. The shares have been used as consideration for the purchase of shares in Capital Investement.

3) In 2021, Storebrand ASA has bought 2 000 000 own shares. In 2021, 576 479 shares were sold to our own employees. Holding of own shares 31. December 2021 was 1 839 776.

Table of contents

STOREBRAND ASA

Statement of cash flow

NOK million	2021	2020
Cash flow from operational activities		
Net receipts/payments - securities at fair value	130	-1,577
Payments relating to operations	-184	-112
Net receipts/payments - other operational activities	3,126	3,163
Net cash flow from operational activities	**3,071**	**1,473**
Cash flow from investment activities		
Receipts - sale of subsidiaries	202	
Payments - purchase/capitalisation of subsidiaries	-1,675	-1,144
Net receipts/payments - sale/purchase of property and fixed assets	-1	
Net cash flow from investment activities	**-1,473**	**-1,144**
Cash flow from financing activities		
Payments - repayments of loans		-800
Receipts - new loans		500
Payments - interest on loans	-18	-30
Receipts - sold own shares to employees	44	26
Payments - buy own shares	-144	
Payments - dividends	-1,513	
Net cash flow from financing activities	**-1,631**	**-304**
Net cash flow for the period	**-33**	**26**
Net movement in cash and cash equivalents	-33	26
Cash and cash equivalents at start of the period	61	34
Cash and cash equivalents at the end of the period	**28**	**61**

Notes

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.

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	2021	2020
Storebrand Livsforsikring AS	3,210	2,222
Storebrand Bank ASA	238	80
Storebrand Asset Management AS	948	620
Storebrand Forsikring AS	146	105
Storebrand Facilities AS		1
Total	**4,542**	**3,028**

Group contribution from Storebrand ASA, see note 8

Note 3: Net income for various classes of financial instruments

NOK million	Dividend/ interest income	Net gain/loss on realisation	Net unrealised gain/loss	2021	2020
Net income from equities and units			-2	-2	4
Net income from bonds and other fixed income securities	51	9	-22	39	64
Net income from financial derivatives					-3
Net income and gains from financial assets at fair value	**51**	**10**	**-24**	**37**	**66**
– of which FVO (Fair Value Option)	51	9	-24	37	69
– of which trading					-3

Note 4: Personnel costs

NOK million	2021	2020
Ordinary wages and salaries	-24	-21
Employer's social security contributions	-6	-5
Personnel costs [1]	-7	-8
Other benefits	-7	-6
Total	**-44**	**-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 106,399 as at 31 December 2021)
- 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 2021.

RECONSILIATION OF PENSION ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

NOK million	2021	2020
Present value of insured pension benefit liabilities	2	2
Pension assets at fair value	-7	-7
Net pension liabilities/assets for the insured schemes	**-6**	**-5**
Present value of the uninsured pension liabilities	147	163
Net pension liabilities in the statement of financial position	**142**	**157**

CHANGES IN THE NET DEFINED BENEFITS PENSION LIABILITIES IN THE PERIOD:

NOK million	2021	2020
Net pension liabilities 01.01	165	161
Interest on pension liabilities	2	3
Pension experience adjustments	-6	15
Pensions paid	-12	-15
Net pension liabilities 31.12	**149**	**165**

CHANGES IN THE FAIR VALUE OF PENSION ASSETS

NOK million	2021	2020
Pension assets at fair value 01.01.	7	7
Net pension assets 31.12	**7**	**7**

Expected premium payments are estimated to be NOK 2 million and the payments from operations are estimated to be NOK 11 million in 2022.

PENSION ASSETS ARE BASED ON THE FINANCIAL ASSETS HELD BY STOREBRAND LIFE INSURANCE, WHICH ARE COMPOSED OF AS PER 31.12.:

NOK million	2021	2020
Properties and real estate	13 %	15 %
Bonds at amortised cost	39 %	34 %
Loan	15 %	20 %
Equities and units	13 %	12 %
Bonds	19 %	17 %
Other short term financial assets	1 %	3 %
Total	**100 %**	**100 %**
Booked returns on assets managed by Storebrand Life Insurance were:	4.5%	4.4%

NET PENSION COST BOOKED TO PROFIT AND LOSS ACCOUNTS IN THE PERIOD

NOK million	2021	2020
Net interest/expected return	2	3
Total for defined benefit schemes	**2**	**3**
The period's payment to contribution scheme	5	4
Net pension cost booked to profit and loss accounts in the period	**7**	**8**

OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD

NOK million	2021	2020
Actuarial loss (gain) - change in discount rate	-6	9
Actuarial loss (gain) - experience DBO		6
Remeasurements loss (gain) in the period	**-6**	**15**

MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY AS PER 31.12.

	2021	2020
Economic assumptions:		
Discount rate	2.0 %	1.5 %
Expected earnings growth	2.25 %	1.75 %
Expected annual increase in social security pension	2.25 %	1.75 %
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 2021.

Table of contents

Note 6: Remuneration of the CEO and elected officers of the company

NOK thousand	2021	2020
Chief Executive Officer [1]		
Salery [2]	7,638	7,373
Other taxable benefits	185	209
Total remuneration	**7,823**	**7,582**
Pension costs [3]	1,493	1,451
Board chair	874	871
Board of Directors including the Chair	5,468	5,077
Remuneration paid to auditors [4]		
Statutory audit	1,125	1,083
Other reporting duties	871	818
Tax advice	50	226
Other non-audit services	664	50

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.

4) The amounts are including VAT.

For further information on senior employees, see note 23 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	2021	2020
Pre-tax profit	4,505	2,975
Dividend	-135	-30
Gain/loss equities	-203	
Tax-free group contribution	-3,214	-2,253
Permanent differences	83	-30
Change in temporary differences	6	13
Tax base for the year	**1,042**	**675**

TAX COST

NOK million	2021	2020
Payable tax group contribution	-260	-169
Change in deferred tax	2	-2
Tax cost	**-258**	**-171**

CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

NOK million	2021	2020
Tax increasing temporary differences		
Total tax increasing temporary differences		
Tax reducing temporary differences		
Securities	-40	-18
Accrued pension liabilities	-142	-157
Gains/losses account	-1	-2
Total tax reducing temporary differences	**-183**	**-177**
Net tax increasing/(reducing) temporary differences	**-183**	**-177**
Net deferred tax asset/liability in the statement of financial position	**46**	**44**

RECONCILIATION OF TAX COST AND ORDINARY PROFIT

NOK million	2021	2020
Pre-tax profit	4,505	2,975
Expected tax at nominal rate (27%)	-1,126	-744
Tax effect of:		
Dividends received	34	8
Gains on equities	51	
Permanent differences	784	567
Changes from previous year		-2
Tax cost	**-258**	**-171**
Effective tax rate	6 %	6 %

Note 8: Parent company's shares in subsidiaries and associated companies

NOK million	Business office	Interest/ votes in %	Carrying amount 2021	2020
Subsidiaries				
Storebrand Livsforsikring AS [1]	Oslo	100%	15,603	14,813
Storebrand Bank ASA [2]	Oslo	100%	2,823	2,493
Storebrand Asset Management AS [3]	Oslo	100%	3,425	2,637
Storebrand Forsikring AS [4]	Oslo	100%	1,053	843
Storebrand Facilities AS	Oslo	100%	25	25
Jointly controlled/associated companies				
Storebrand Helseforsikring AS	Oslo	50%	78	78
AS Værdalsbruket [5]	Værdal	25%		4
Total			**23,006**	**20,893**

1) Group contribution in 2021 of NOK 790 million as capital contribution.

2) Group contribution in 2021 of NOK 80 million as capital contribution.

3) In 2021, a share capital increase of NOK 791 million was carried out through a non-cash contribution of the shares in Capital Investment.

4) Group contribution in 2021 of NOK 60 million as capital contribution.

5) Storebrand has conducted a strategic review of its ownership in AS Værdalsbruket, which was a wholly owned subsidiary of Storebrand, and was owned 74.9% by Storebrand Livsforsikring AS and 25.1% by Storebrand ASA. AS Værdalsbruket is Norway's second largest private forest owning company located in Trøndelag country. The company owns significant limestone resources, provides nature tourism experiences and is part owner of Inntre Holding AS, a large exporter of building timber.

During the second quarter Storebrand has sold AS Værdalsbruket. The sale has contributed to the accounts with a net gain of NOK 202 million for Storebrand ASA, including in line Other financial income in Income statement.

Note 9: Equities

NOK million	Fair value 2021	2020
Equities	55	57
Total equities	**55**	**57**

Note 10: Bonds and other fixed-income securities

NOK million	Fair value 2021	2020
Bond funds	4 811	4 894
Total bonds and other fixed-income securities	**4 811**	**4 894**
Modified duration	0,6	0,3
Average effective yield	1,25 %	0,67 %

For individual fixed-interest securities, the effective rate is calculated based on the fair value (market value) of the security. The average effective interest rate for total holdings is calculated using the individual security's share of fair value as a weighting.

Table of contents

Note 11: 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 2021	Total Fair value 2020
State and state guaranteed	54	134	6			194	261
Company bonds	1,013	439	2,193	526		4,171	4,353
Covered bonds				5		5	
Supranational organisations	439					439	278
Other						2	1
Total 2021	**1,506**	**573**	**2,199**	**530**		**4,811**	
Total 2020	1,494	721	1,984	693	1		4,894

COUNTERPARTIES

NOK million	AAA Fair value	AA Fair value	Total Fair value
Bank deposits	5	23	28

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.

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	508	4	14	505	1,031	1,001
Total financial liabilities 2021	**508**	**4**	**14**	**505**	**1,031**	**1,001**
Total financial liabilities 2020	7	7	516	510	1,042	1,001

Storebrand ASA had as per 31 December 2021 liquid assets of NOK 4,8 billion.

Currency risk
Storebrand ASA has investments of SEK 51 million.

Note 12: Tangible fixed assets

EQUIPMENT, FIXTURES & FITTINGS

NOK million	2021	2020
Acquisition cost 01.01	34	34
Accumulated depreciation	-7	-7
Carrying amount 01.01	**27**	**27**
Additions	1	
Disposals		-1
Carrying amount 31.12	**27**	**27**

Property, plant and equipment mainly includes art that is not depreciated.

Note 13: Securities issued

NOK million	Interest rate	Currency	Net nominal value	2021	2020
Bond loan 2020/2025	Variable	NOK	500	500	500
Bond loan 2017/2022	Variable	NOK	500	501	501
Total bond and bank loans [1)]				**1,001**	**1,001**

1) 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 2025.

Table of contents

Note 14: Shareholders

THE 20 LARGEST SHAREHOLDERS

	Ownership interest in %
Folketrygdfondet	10.9
Allianz Global Investors	7.0
T Rowe Price Global Investments	5.9
EQT Fund Management	3.9
Alfred Berg	3.5
KLP	3.1
Vanguard Group	2.7
Handelsbanken Asset Management	2.1
DNB Asset Management	2.1
Storebrand Asset Management	2.0
Danske Bank Asset Management	2.0
HSBC Trinkaus & Burkhardt	1.9
OM Holding AS	1.9
BlackRock	1.8
Nordea Asset Management	1.6
M&G Investments	1.5
Solbakken AS	1.4
Lannebo Fonder	1.1
BMO Global Asset Management (UK)	1.0
SSGA	1.0
Foreign ownership of total shares	**51%**

Note 15: Information about close associates

	Number of shares [1]
Senior employees	
Odd Arild Grefstad	221,242
Lars Aa. Løddesøl	140,384
Geir Holmgren	100,770
Heidi Skaaret	110,379
Staffan Hansén	99,083
Jan Erik Saugestad	120,176
Karin Greve-Isdahl	29,551
Trygve Håkedal	24,848
Tove Selnes	29,538
Terje Løken [2]	24,695
Board of Directors	
Didrik Munch	255,000
Martin Skancke	30,000
Karin Bing Orgland	27,000
Christel Elise Borge	
Karl Sandlund	7,000
Marianne Bergmann Røren	5,000
Frode Åtting	18 500 000
Bodil Catherine Valvik	
Hans-Petter Salvesen	
Hanne Seim Grave	325

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.

2) Resigned from his position on 31 December 2021. Since Løken will commence in a different position outside of the Storebrand Group, he will not receive severance pay.

TRANSACTIONS BETWEEN GROUP COMPANIES

NOK million	2021	2020
Profit and loss account items:		
Group contributions and dividends from subsidiaries	4,542	3,028
Purchase and sale of services (net)	-108	-47
Statement of financial position items:		
Due from group companies	4,542	3,139
Payable to group companies	1,193	910

Note 16: Number of employees/person-years

	2021	2020
Number of employees	8	7
Number of full time equivalent positions	8	7
Average number of employees	8	7

Table of contents

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 2021 financial year and as at 31 December 2021 (2021 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 2021. 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 2021.

In the best judgment of the Board and the CEO, the annual financial statements for 2021 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 2021. 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, 8 February 2022
Board of Directors of Storebrand ASA

Didrik Munch (sign.)
Board chair

Karin Bing Orgland (sign.)   Martin Skancke (sign.)   Marianne Bergmann Røren (sign.)

Christel Elise Borge (sign.)   Karl Sandlund (sign.)   Fredrik Åtting (sign.)

Hanne Seim Grave (sign.)   Hans-Petter Salvesen (sign.)   Bodil Catherine Valvik (sign.)

Odd Arild Grefstad (sign.)
Chief Executive Officer

Table of contents

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 2021, the income statement, statement of total 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, and

- The consolidated financial statements of Storebrand ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of total 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 comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and

- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 11 April 2018 for the accounting year 2018.

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 2021 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 39 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

(2)

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.

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, 13 and 34 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 challenged the management and external valuers on the possible effects from climate risk in setting fair value. We assessed the explanations reasonable.

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 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 13 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 27 uncertain tax positions have occurred as

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

Table of contents

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.

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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 and using 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.

← → ✥

Table of contents

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 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.

Table of contents

pwc

We also provide the Audit Committee 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.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name storebrandasa-2021-12-31-nb.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 8 February 2022
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

(7)

Table of contents

8

Corporate governance

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 can be found on page 19.

Storebrand complies with the Code of Practice without significant deviations - with the exception of a minor deviation in section 3 below on Board authorisations to make capital increases and to purchase own shares. The discrepancy relates to the fact that it was not facilitated for the general meeting to vote separately on each individual purpose to which the board authorisations apply.

Statement in line with the Norwegian Code of Practice for Corporate Governance (NUES) of 17 October 2018

The statement below describes how Storebrand complies with the 15 sections of the NUES Code of Practice.

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 on page 46.

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 shareholders.

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 Director's 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 (SDGs).
- We help our customers to live more sustainably through the products and services we offer.
- 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 work with our customers, suppliers, authorities and partners to achieve the UN Sustainable Development Goals.
- We are transparent about our work on sustainability and the results we achieve.

The Board of Directors adopts Storebrand' s overall goals for the work on sustainability, which is in line with these principles. Executive management is responsible for realising the strategic goals. An overall strategic goal in 2021 has been to strengthen 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 Executive 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. On page 26, 33, 44 and 71, 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 2021. Read more about Storebrands dividend policy on page 54.

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 2021 Annual General Meeting, the Board was granted authorization to increase the share capital through issuing new shares for a total maximum value of NOK 233,906,990. This authorisation 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 authorisation may be used for one or more new issues. This authorisation 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 233,906,990. 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.

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 authorisations 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 authorisations.

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.

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 page 87 above.

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 18th April 2021. 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 Board Chair, 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 Chair. The Board of Directors endorses an independent chairman of the meeting, 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 Chair of the Nomination Committee, elect members to the Board of Directors, and this should include the Board Chair,
- 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.

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)

The Nomination Committee of Storebrand ASA is statutory and consists of a minimum of 3 and a maximum of 5 members. For the election period 2021-2022, the nomination committee has consisted of five members.

The Chair of the Nomination Committee and the other members are elected annually by the General Meeting.

The majority of the nomination committee is independent of the board and the administration. The committee is put together with a view to safeguarding the interests of the shareholder community. The general meeting's instructions to the nomination committee include provisions on rotation for members of the nomination committee.

The articles of association stipulate that the nomination committee shall follow instructions laid down by the general meeting in its work. The nomination committee's instructions were most recently revised at the annual general meeting in the spring of 2019. In accordance with the instructions, the nomination committee shall pay attention to, among other things, the following factors in the preparation of its settings of candidates for the company's Board of Directors: competence, experience, capacity, gender distribution, independence and consideration for the interests of the shareholder community. More information about the members is posted on Storebrand's website. The Nomination Committee annually attributes the company's 30 largest shareholders with a call to come forward with proposals for candidates for the Board of Directors and the Nomination Committee. A similar call to shareholders has been made on the company's website.

The nomination committee's mandate in accordance with the company's articles of association is to propose candidates and remuneration to the board and the nomination committee, through settings to the general meeting.

The remuneration of the members of the nomination committee has been sought adapted to the nature of the work and the time spent in the committee work. The Nomination Committee held 14 meetings in 2021.

8. Composition and independence of the Board (No deviations from the Code of Practice)

The Articles of association stipulate that between five and seven Board members are elected by the General Meeting at the recommendation of the Nomination Committee. The Board Chair is elected separately by the General Meeting.

Two members, or three members if the General Meeting elects six or seven Board members, are elected by and among the employees. Members of the Board 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 2021, the Board consisted of 10 members (five men and five women).

None of the Board 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 on page 230 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 during 2021). 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 of 31 December 2021 is included in the notes to the financial statements for Storebrand ASA (Information on related parties) on page 193. None of the board members have held office for more than ten years.

9. The work of the Board of Directors (no deviations from the Code of Practice)

Duties of the Board of Directors

In 2021, 19 board meetings were held. Storebrand's future strategic direction 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 familiarize 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.

All Board members attended all Board meetings in 2021. 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 Board Chair. 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 annually carries out an evaluation of its work and its working method that provides the 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 Committees

The Board has established four subcommittees in the form of the Compensation Committee, Audit Committee, Risk Committee and Strategy Committees. 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 2021.

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 seven meetings in 2021, including one 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 2021, 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 held four meetings during 2021.

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 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.

Storebrand's independent control functions for risk management, compliance, actuary professional and information security are gathered in a competence community, Governance Risk & Compliance, led by the Group Chief Risk Officer (CRO) The CRO reports directly to the CEO and the Board of Directors. The CRO function is responsible for supporting the Board and Executive 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.

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

Table of contents

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 Note 15 (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 Executive 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 Note 15 (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 inside information, see also section 10 - Overall 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 Code of Practice)

The external auditor is elected by the General Meeting of Storebrand ASA and conducts a financial audit. The external auditor issues an auditor's report in connection with the annual financial statement, conducts limited audits of the interim accounts. The external auditor attends board meetings where the quarterly accounts are processed, and all meetings of the Audit Committee, unless the items on the agenda do not require the presence of the auditor. The external auditor shall rotate the responsible partner on the audit assignment every seven years, and Storebrand shall carry out tenders for the election of an auditing company 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 owners in the Norwegian stock market, Storebrand has a major potential influence on the development of listed companies. Storebrand is committed to exercising its ownership interest in listed companies on the basis of a set of simple and uniform ownership principles, which place considerable emphasis on sustainability. Storebrand uses the Norwegian code of practice for corporate governance in its corporate governance practice. Storebrand has had an administrative Corporate Governance Committee since 2006. The committee helps ensure good corporate governance across Storebrand.

Storebrand Asset Management AS has held a Corporate Governance Committee for several years. The Committee has a mandate to set a level of ambition and establish limits for active ownership. The Committee shall coordinate Storebrand's exercise 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 can be found on the 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.

9. Guidelines for gender equality and diversity, including goals, implementation and effect.

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	556745-7428	100.0 %
SPP Hyresförvaltning	556883-1340	100.0 %
Storebrand & SPP Business Services AB	556594-9517	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 %
Norsk Pensjon AS	890 050 212	25.0 %
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 %
Capital Investment A/S CVR	32343775	100.0%
CI AM Aps CVR	37939374	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 %**

Table of contents

9

Sustainability Assurance

Table of contents

TCFD-index

	TCFD-recommended disclosures		Pages
Governance *Disclose Storebrand's governance around climate-related risks and opportunities.*			
a	Describe the Board's oversight of climate-related risks and opportunities.	- Storebrand assesses climate risk in the same framework as other business risks. The overall risk, including climate risk, is summarised in the Risk Review in Executive management and the Board twice a year. Climate risk is also assessed in the annual ORSA (Own Risk and Solvency) report which is adopted by the Board of Directors and submitted to the Financial Supervisory Authority. - Sustainability, hereunder climate risk, is part of the Board's risk discussions and strategy agenda. - "Setting the agenda for sustainable finance" is one of the CEOs Must Win Battles, and status and progress on selected ESG (hereunder climate) KPIs are reported to the Board regularly. The EVP sustainability reports on ESG related risks and opportunities to the Board twice a year.	72 and 74
b	Describe the management's role in assessing and managing climate-related risks and opportunities.	- All subsidiaries are expected to perform a climate risk assessment that is included in the group's climate risk analysis. - Management includes transition risks in strategic planning, especially in our role as asset owners and asset managers. - Physical risks, with a specific focus on extreme weather is particularly important for our property and insurance subsidiaries. - Storebrands CEO has appointed an EVP of sustainability that is part of the executive management team.	72 and 74

Table of contents

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.*			
a	Describe the climate-related risks and opportunities Storebrand has identified over the short, medium and long term.	- Storebrand's climate risk assessment is based on the following risk formulations: - Reduced return on investment (as a result of climate change or the transition to low emissions). - Declining demand for our products (due to market changes as a result of climate change or the transition to a low carbon economy). - Increased costs, higher compensations/losses or increased requirements for reserves (as a result of climate change or the transition to low emissions). - Missed opportunities from the lack of, or too late climate adaptation. - Non-compliance with new regulations climate adaptation or reporting. - Not reaching our own climate adaptation targets, or our ambitions are insufficient (in relation to zero-emission commitments or customer expectations). - Some of these risk formulations can also materialise as opportunities: - Increased return on investment (as a result of climate change or the transition to low emissions) due to our investment strategies. - Increasing demand for our products (as a result of market changes caused by climate change or the transition to a low carbon economy) due to successful strategies. - Reduced costs, lower compensations/losses than our peers (as a result of climate change or the transition to low emissions). - Best in class compliance with new regulations climate adaptation or reporting. - Reaching our own climate adaptation targets and having a sufficient level on our ambitions (in relation to zero-emission commitments or customer expectations).	74-84
b	Describe the impact of climate-related risks and opportunities on Storebrand's businesses, strategy, and financial planning.	- Business strategy is influenced to a large degree by transition risks, as can be seen through our climate strategy for investments, our exclusions and our tilt towards solution companies. - Business strategy is influenced by reputational risks related to customer as well as regulators expectations. - All the executive vice presidents at Storebrand have appointed a strategic and operational sustainability general to ensure that sustainability is well integrated into the strategy processes and followed up during the year in executive management meetings. Moreover, the CEO is followed up by the board on the sustainability KPIs he is responsible for.	14-15, 62-70, 74-83, 85

c	Describe the resilience of Storebrand's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	- By aligning our analysis to the NGFS climate scenarios, we are able to evaluate the robustness of our business strategies and investment strategies across different climate-related scenarios, including a 2 °C or lower scenario. We have a strategic ambition to contribute to the achievement of the 1,5 degree target. - We have set a target to have a carbon neutral investment portfolio by 2050 at the latest, and intermediate targets for 2025. In our intermediate reporting we are in line with this trajectory.	14-15, 62-70, 74-83
Risk Management *Disclose how Storebrand identifies, assesses and manages climate-related risks.*			
a	Describe Storebrand's processes for identifying and assessing climate-related risks.	- Climate risk is an integrated part of the Group's enterprise risk assessment. - Storebrand assesses climate risk in the same framework as other business risks. The overall risk, including climate risk, is summarized in the Risk Review in Executive management and the Board twice a year. Climate risk is also assessed in the annual ORSA (Own Risk and Solvency) report which is adopted by the Board of Directors and submitted to the Financial Supervisory Authority of Norway. - A climate risk assessment is conducted on a group level, and for each of the subsidiaries/business areas within the group. - We track and assess exposure to sectors with significant climate and sustainability risks. - We conduct physical climate risk assessments for our property portfolio on a property level.	72 and 74-83
b	Describe Storebrand's processes for managing climate-related risks.	- For investments, we analyse all companies in our investment universe using our in-house sustainability rating, including climate risks. - We track our exposure to fossil fuels, high emitting sectors and assess our 20 top emitting companies. We engage in one to one dialog with the top emitters. - For property investments, we utilize sustainability due diligence to support pre investment decisions, and an active ownership post-investment process to align portfolios to the 1.5 degree target, through surveys and action plans at asset level. - We integrate climate factors in risk assessment and pricing in the insurance underwriting process. We improve risk assessment by analysing for extreme precipitation and flooding in different areas. At the same time, we provide a higher price for insurance of buildings with basements in risk areas.	74-83
c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	- Our processes are described in the chapters *Risk* and *Climate risk and opportunities* of this report.	57, 72, 74-83

Table of contents

Metrics and Targets *Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*			
a	Disclose the metrics used by Storebrand to assess climate-related risks and opportunities in line with its strategy and risk management process.	- Carbon footprint in equity investments: 12 tonnes CO2 equivalents per NOK/SEK 1 million in sales income (compared to 18 index). - Carbon footprint in bond investments: 9 tonnes CO2 equivalents per NOK/SEK 1 million in sales income (compared to 17 index). - Carbon intensity in real estate investments (scope 1-3 (kg/m2)): 5.91. - Exposure to high emitting sectors: NOK 42,5 billion / 9 per cent of total equity investments - Number of active company engagements related to climate and environmental-related risks and opportunities: 318. - Number of companies that have been excluded due to severe climate and environmental damage: 176.	40, 44, 62-70, 74-83
b	Disclose Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks.	- All our greenhouse gas emissions are reported in the chapters *Keeping our house in order*, *A driving force for sustainable investment*, and in the appendices *Sustainability indicators and definitions* and *Carbon Accounting Report*.	44, 71, 85
c	Disclose the targets used by Storebrand to manage climate-related risks and opportunities and performance against targets.	- - Targets for each asset class are described in the chapters *Keeping our house in order* and the *Director's report*.	40, 44, 71, 74-83, 85

Table of contents

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	Chapter	Section	Reporting
Organisation profile					
102-1	The name of the organisation	Storebrand ASA	GRI-index	GRI-index	Full
102-2	Activities, brands, products and services		This is Storebrand	Our driving force	Full
102-3	The location of the head office	Professor Kohts vei 9, Lysaker, Oslo, Norway	GRI-index	GRI-index	Full
102-4	The places where your organisation operates		This is Storebrand	Our driving force	Full
102-5	Ownership and legal form		This is Storebrand; Director's report	Organisation; Companies in the Storebrand Group	Full
102-6	The markets covered		This is Storebrand	Our driving force	Full
102-7	The size of the organisation		This is Storebrand	Our driving force	Full
			People	Key performance indicators	Full
			Director's report	The Group's results 2021	Full
102-8	Information about employees and other workers		People	Engaged, competent and courageous employees	Partial
			People	Key performance indicators	Partial
102-9	Supply chain		Keeping our house in order	Sustainable practices through our value chain	Full
102-10	Significant changes in the organisation and supply chain		Foreword by our CEO	Foreword by our CEO	Full
102-11	Precautionary principle or approach		This is Storebrand; Director's report	Sustainability as a core business; Climate risks and opportunities; A driving force for sustainable investments	Full

Table of contents

GRI-ref.	Title	Account	Chapter	Section	Reporting
102-12	External initiatives	CDP Finance for Biodiversity Pledge UN's Sustainable Development Goals United Nations Convention Against Corruption Universal Declaration of Human Rights UN Environmental Conventions UN Women's Empowerment Principles UN Principles for Responsible Business Conduct UN Treaty on Plastic Pollution Global Real Estate Sustainability Benchmark (GRESB) Global Reporting Initiative Global 100 ILO Conventions Montreal Pledge Paris-Agreement 2015 Platform for Living Wages Financials Investor Alliance on Human rights Portfolio Decarbonisation Coalition Task Force on Climate-related Financial Disclosures (TCFD) Taskforce on Nature-related Financial Disclosures (TNFD) Tobacco-Free Portfolios	This is Storebrand; Keeping our house in order; Director's report	Sustainability as a core business; Corporate governance; A driving force for sustainable investments	Full
102-13	Membership in organisations	Accounting for Sustainability Investor group under UNEP FI working with TCFD Climate Action 100+ Net-Zero Asset Owner Alliance Net-Zero Asset Manager Alliance Nordic CEOs for a Sustainable Future NORSIF PRI Investor Commitment to Support a Skift – Næringslivets klimaledere Just Transition on Climate Change UN Global Compact UNEP Finance Initiative UN Principles for Responsible Investment UN Principles for Sustainable Insurance	This is Storebrand; Director's report	Sustainability as a core business; Climate risks and opportunities; A driving force for sustainable investments	Full
Strategy					
102-14	Opinion from the chief decision-maker		Foreword by our CEO	Foreword by our CEO	Full
Ethics and integrity					
102-16	Values, standards, principles and norms		This is Storebrand; Keeping our house in order; Director's report	Sustainability as a core business; Corporate governance;	Full

← → ✥

Table of contents

GRI-ref.	Title	Account	Chapter	Section	Reporting
Management					
102-18	Governance structure		This is Storebrand; Director's report	Organisation; Group Executive Management; Board of Directors and Committees; Risk; Corporate governance	Full
Stakeholder engagement					
102-40	List of stakeholder groups		This is Storebrand	Material issues	Full
102-41	Collective bargaining agreements	100 % in Norway and 100 % in Sweden	GRI-index	GRI-index	Full
102-42	Identification and selection of stakeholders		This is Storebrand	Material issues	Full
102-43	Approach to stakeholders		This is Storebrand	Material issues	Full
102-44	Important topics and questions that have been addressed		This is Storebrand; all chapters	Material issues; "Why" paragraphs in the beginning of each section	Full
Reporting practices					
102-45	Entities covered by the organisation's consolidated financial statements		Director's report	The Group's results 2021	Full
102-46	Defining report content and topic boundaries		This is Storebrand	Material issues	Full
102-47	List of material topics		This is Storebrand	Material issues	Full
102-48	Restatements of information		Keeping our house in order; Director's report	Key performance indicators	Full
102-49	Changes in reporting	No significant changes	GRI-index	GRI-index	Full
102-50	Reporting period	January 1, 2021 – December 31, 2021	GRI-index	GRI-index	Full
102-51	Date of previous report	January 1, 2020 – December 31, 2020	GRI-index	GRI-index	Full
102-52	Reporting frequency	Annually	GRI-index	GRI-index	Full
102-53	Contact	https://www.storebrand.no/en/investor-relations	GRI-index	GRI-index	Full
102-54	Reporting in accordance with GRI standards		This is Storebrand	Material issues	Full
102-55	GRI-index	This table is the GRI-index.	GRI-index	GRI-index	Full
102-56	External verification		Appears in the auditor's statement	Appears in the auditor's statement	Full
Competitive long-term return to shareholders and customers					
103-1	Explanation of the material topic and its boundary		This is Storebrand; Director's report; Customer relations	Risk; Climate risks and opportunities; A driving force for sustainable investments; Strategy 2021-2023: "Leading the way in Sustainable Value Creation"	Full
103-2	The management approach and its components		Director's report	Corporate governance; A driving force for sustainable investments; Strategy 2021-2023: "Leading the way in Sustainable Value Creation"	Full

Table of contents

GRI-ref.	Title	Account	Chapter	Section	Reporting
103-3	Evaluation of management's approach		Director's report	Corporate governance; Strategy 2021-2023: "Leading the way in Sustainable Value Creation"	Full
201-1	Direct financial value generated and distributed		Director's report	Strategic highlights 2021; The Group's results 2021	Full
201-2	Financial implications and other risks and opportunities resulting from climate change		Director's report	Climate risks and opportunities; A driving force for sustainable investments;	Full
Corporate governance and compliance					
103-1	Explanation of the material topic and its boundary		Keeping our house in order	Privacy and digital trust; Countering corruption; Information security; Anti-money laundering and terror financing	Full
103-2	The management approach and its components		Keeping our house in order	Privacy and digital trust; Countering corruption; Information security; Anti-money laundering and terror financing	Full
103-3	Evaluation of management's approach		Keeping our house in order	Privacy and digital trust; Countering corruption; Information security; Anti-money laundering and terror financing	Full
205-2	Communication and training on policies and procedures for combating corruption		Keeping our house in order	Countering corruption; Key performance indicators	Partial
418-1	Documented complaints about privacy violations and loss of customer data		Keeping our house in order	Privacy and digital trust; Countering corruption; Key performance indicators	Full
Responsible resource use					
103-1	Explanation of the material topic and its boundary		Keeping our house in order; Director's report	Responsible resource use; Sustainable practices through our value chain; A driving force for sustainable investments; Climate risks and opportunities	Full
103-2	The management approach and its components		Keeping our house in order; Director's report	Responsible resource use; Sustainable practices through our value chain; A driving force for sustainable investments; Climate risks and opportunities	Full
103-3	Evaluation of management's approach		Keeping our house in order; Director's report	Responsible resource use; A driving force for sustainable investments; Climate risks and opportunities	Full
305-4	The intensity of greenhouse gas emissions		Keeping our house in order; Director's report	Key performance indicators	Full
305-5	Reduction in greenhouse gas emissions		Keeping our house in order; Director's report	Key performance indicators	Full

Table of contents

GRI-ref.	Title	Account	Chapter	Section	Reporting
Diversity and equal opportunities					
103-1	Explanation of the material topic and its boundary		People	Diversity and equal opportunities	Full
103-2	The management approach and its components		People	Diversity and equal opportunities	Full
103-3	Evaluation of management's approach		People	Diversity and equal opportunities	Full
405-1	Diversity in governing bodies and among employees		People	Key performance indicators	Full
405-2	Ratio of basic salary and remuneration of women to men		People	Key performance indicators	Full
Assessing human rights					
103-1	Explanation of the material topic and its boundary		Director's report	A driving force for sustainable investments	Full
103-2	The management approach and its components		Director's report	A driving force for sustainable investments	Full
103-3	Evaluation of management's approach		Director's report	A driving force for sustainable investments	Full
412-3	Significant investment agreements and contracts that include human rights provisions or have undergone human rights screening		Director's report	A driving force for sustainable investments	Full
Corporate social responsibility					
103-1	Explanation of the material topic and its boundary		Keeping our house in order	Countering corruption; Anti-money laundering and terror financing; Coporate social responsibility	Full
103-2	The management approach and its components		Keeping our house in order	Countering corruption; Anti-money laundering and terror financing; Coporate social responsibility	Full
103-3	Evaluation of management's approach		Keeping our house in order	Countering corruption; Anti-money laundering and terror financing; Coporate social responsibility	Full
415-1	Political contributions	We do not make contributions to political parties.	GRI-index	GRI-index	Full
Simple and seamless customer experiences					
103-1	Explanation of the material topic and its boundary		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services	Full
103-2	The management approach and its components		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services	Full
103-3	Evaluation of management's approach		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services	Full

Table of contents

GRI-ref.	Title	Account	Chapter	Section	Reporting
417-2	Cases of non-compliance with information and labelling of products and services		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services; Key performance indicators	Partial
417-3	Cases of non-compliance with market communication requirements		Customer relations; Keeping our house in order	Privacy and digital trust; Digital innovator in financial services; Key performance indicators	Full
Engaging, relevant and responsible advisory services					
103-1	Explanation of the material topic and its boundary		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services	Full
103-2	The management approach and its components		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services	Full
103-3	Evaluation of management's approach		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services	Full
418-1	Documented complaints about privacy violations and loss of customer data		Customer relations; Keeping our house in order	Greater security and financial wellness; Privacy and digital trust; Digital innovator in financial services; Key performance indicators	Full
Active ownership					
103-1	Explanation of the material topic and its boundary		Director's report	A driving force for sustainable investments	Full
103-2	The management approach and its components		Director's report	A driving force for sustainable investments	Full
103-3	Evaluation of management's approach		Director's report	A driving force for sustainable investments	Full
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.		Director's report	A driving force for sustainable investments; Key performance indicators	Full
FS11	Percentage of assets exposed to positive and negative environmental or social screening		Director's report	A driving force for sustainable investments; Key performance indicators	Full

Auditor's Statement

Table of contents

To the Board of Directors in Storebrand ASA

Independent statement regarding Storebrand's sustainability reporting

We have examined whether Storebrand ASA has prepared a GRI Index for 2021 and measurements and reporting of key performance indicators for sustainability (sustainability reporting) for the year ending 31 December 2021.

> Storebrand's GRI index for 2021 is an overview of which sustainability topics Storebrand considers material to its business and which key performance indicators Storebrand uses to measure and report its sustainability performance, together with a reference to where material sustainability information is reported. Storebrand's GRI Index for 2021 is available and included in Storebrand's annual report for the period ending 31 December 2021. We have examined whether Storebrand has developed a GRI Index for 2021 and whether mandatory disclosures are presented according to the Standards published by the Global Reporting Initiative (www.globalreporting.org/standards) (criteria).
>
> Key performance indicators for sustainability are tables that show indicators of sustainability that Storebrand measure and control. The tables are available and included in Storebrand's annual report for the period ending 31 December 2021, specifically at the end of each of the chapters "A driving force for sustainable investments", "Customer relations", "People" and "Order in one's own house". The various tables are also available in the summary overview «Sustainability indicators and definitions» which is an appendix to the annual report. Storebrand has defined the key figures and explained how they are measured in notes to the tables that are available and included in the appendix to the annual report (criteria). We have examined the basis for the measurements and checked the calculations of the measurements.

Management's responsibility

Management is responsible for Storebrand's sustainability reporting and for ensuring that it is prepared in accordance with criteria as described above. The responsibility includes designing, implementing and maintaining an internal control that ensures 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 the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQC 1 - Quality control for audit firms that perform audits and simplified audit of accounts as well as other certification assignments and related services and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

Auditor's tasks and duties

Our task is to express a limited assurance conclusion on Storebrand's sustainability reporting based on our control. We have performed our checks and issue our opinion in accordance with the Standard on

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information". A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our work involves performing actions to obtain evidence that Storebrand's GRI Index for 2021 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 explained in relation to each individual table of key performance indicators. The procedures selected depend on our judgment, including assessments of the risks that the sustainability reporting contains material misstatement, whether due to fraud or error. In making those risk assessments, we take into account the internal control that is relevant for the preparation of the sustainability reporting. The purpose is to design control procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of internal control.

Our procedures include an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the sustainability reporting. Our procedures include meetings with representatives from Storebrand who are responsible for the material sustainability topics covered by the sustainability reporting; review of internal control and routines for reporting key performance indicators for sustainability; obtaining and reviewing relevant information that supports the preparation of key performance indicators for sustainability; assessment of completeness and accuracy of the sustainability reporting; and controlling the calculations of key performance indicators for sustainability based on an assessment of the risk of error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that

Storebrand's GRI Index for 2021 is not, in all material respects, developed and presented in accordance with the requirements of the Standards published by The Global Reporting Initiative;

Storebrand's key performance indicators are not, in all material aspects, developed, measured and reported in accordance with the definitions and explanations provided in relation to each table containing the key performance indicators.

Oslo, 8 February 2022
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorized Public Accountant

(This translation from Norwegian has been made for information purposes only)

(2)

Table of contents

10

Appendix

Executive management CVs

Odd Arild Grefstad (1965)
Group Chief Executive Officer
Storebrand ASA

Education
State-Authorised Public Accountant
Authorised Financial Analyst (AFA)

Previous positions
Managing Director, Storebrand Livsforsikring (2011–2012)
Executive Vice President Finance and Legal, Storebrand ASA (2008–2011)
Executive Vice President Finance, Storebrand ASA (2002–2008)
Manager of the Group Controller Unit, Storebrand ASA (1998–2002)
Group Controller, Life Insurance, Storebrand ASA (1997–1998)
Vice President, Internal Auditing, i Storebrand ASA (1994–1997)
External Auditing, Arthur Andersen & Co (1989–1994)

Ownership in Storebrand
Number of shares as of 31.12.2021: 219 242

Lars Aa. Løddesøl (1964)
Group Chief Financial Officer,
Storebrand ASA

Education
MSc in Economics and Business Administration, BI Norwegian Business School
MBA Thunderbird School of Global Management (AGSIM), USA
AMP, Columbia University, USA

Previous positions
Executive Vice President, Life and Pensions Norway and Managing Director, Storebrand Livsforsikring AS (2008–2011)
Executive Vice President, Corporate Market Life Insurance, Storebrand Livsforsikring AS (2004–2008)
CFO, Storebrand ASA (2001–2004)
Vice President/Relationship Manager, Citibank International plc (1994–2001)
Asst. Treasurer, Scandinavian Airlines Systems (1990–1994)

Ownership in Storebrand
Number of shares as of 31.12.2021: 140 384

Heidi Skaaret (1961)

Executive Vice President,
Retail Market

Education

MSc in Economics and Business Administration, University of Washington, Seattle, USA

Previous positions

Lindorff Group AB, Executive Vice President, Scandinavia Region, Managing Director of Lindorff AS in Norway (2008–2012)
Managing Director, IKANO Finans ASA (2001–2008)
Managerial positions at DNB ASA (1987–2000)
Financial Services Officer, Bank of America, San Francisco, USA (1986–1987)

Ownership in Storebrand

Number of shares as of 31.12.2021: 110 379

Staffan Hansén (1965)

Executive Vice President,
SPP

Education

Licentiate Degree (Economics), Åbo Academy, Finland
PhD studies at the Finnish Doctoral Programme in Economics (FDPE)
Stockholm School of Economics

Previous positions

Executive Vice President, SPP Livförsäkring AB (2013 to present)
CIO, Storebrand Livsforsikring AS (2011–2013)
CIO, SPP Livförsäkring AB (2008–2011)
Responsible for strategi allocation, SPP Livförsäkring AB (2006–2008)
Head of Government and Covered Bond trading, Svenska Handelsbanken (2003–2006)
Head of Fixed Income, Alfred Berg Finland (1996–2003)
Trainee, Pohjola Bank (OKOBANK) (1994–1996)

Eierforhold i Storebrand

Number of shares as of 31.12.2021: 99 083

Table of contents

Jan Erik Saugestad (1965)

Executive Vice President,
Storebrand Asset Management

Education
MSc in Engineering, Norwegian University of Science and Technology (NTNU)
MBA INSEAD, France

Previous positions
Investment Director, Storebrand Asset Management (2006–2015)
Senior Portfolio Manager, Storebrand Asset Management (1999–2006)
Sector Head Equities, Energy/Shipping, Handelsbanken Markets (1997–1999)
Partner, Marsoft Capital (1995–1997)
Head of Research, Christiania Markets (now: Nordea Markets) (1992–1995)
Junior Consultant, McKinsey & Company (1990–1991)

Ownership in Storebrand
Number of shares as of 31.12.2021: 120 176

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
Executive Vice President, Guaranteed Pension, Storebrand ASA (2013–2015)
Manager Customer Service and Product, Storebrand Livsforsikring AS (2011–2012)
Product Manager, Storebrand Livsforsikring AS (2003–2011)
Product Manager Unit-linked Insurance, Storebrand Livsforsikring AS (2002–2003)
Product Manager, Defined Contribution Pensions, Storebrand Livsforsikring AS (2000–2002)
Sales International Life Insurance, Storebrand Livsforsikring AS (1998–2000)
Actuary Trainee, Storebrand Livsforsikring AS (1997–1998)
Teacher, University of Oslo (1995–1997)

Ownership in Storebrand
Number of shares as of 31.12.2021: 100 770

Table of contents

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
Vice President Communications, Opera Software (2014–2018)
Communications Director, SN Power (2009–2014)
Business Reporter, TV 2 (2008–2009)
TV Reporter, CNBC/FBC Media (2005–2008)
Researcher, CNBC Europe (2004–2005)

Ownership in Storebrand
Number of shares as of 31.12.2021: 29 551

Trygve Håkedal (1979)
Executive Vice President, Technology

Education
Master of Science, Advanced Computing, Imperial College London, UK
Bachelor of Science, Computing Science, Newcastle University, UK

Previous positions
SVP IT Strategy & Architecture, Storebrand Group (2017–2020)
Chief Architect & Head of IT Strategy, Storebrand Group (2013–2015)
Enterprise Architect, Storebrand Group (2009–2013)
Analyst, Goldman Sachs (2008–2009)
Consultant, Accenture (2006–2008)
Project Test Manager, Opera Software (2003–2004)

Ownership in Storebrand
Number of shares as of 31.12.2021: 24 848

Table of contents

Tove Selnes (1969)
Executive Vice President,
People

Education
Master in Law, University of Oslo, Norway

Previous positions
HR Director, Storebrand Livsforsikring (2015–2020)
Group Director HR, Opera Software (2007–2015)
HR Director, Eltel Networks (2004–2007)
HR Manager East Norway Region, Avinor (1997–2004)
Legal Advisor, Aetat (1995–1997)

Ownership in Storebrand
Number of shares as of 31.12.2021: 29 538

Terje Løken (1975)
Executive Vice President,
Digital & Innovation

Education
Master of Science, Computer Science, NTNU, Norway

Previous positions
Chief Digital Officer (CDO), Storebrand Livsforsikring (2018-2020)
Head of Digital and Mobile IT, Storebrand Livsforsikring (2013-2017)
Chief Architect (CTO), Storebrand Livsforsikring (2009-2013)
Enterprise Architect, Storebrand Livsforsikring (2008-2009)
Technology Manager (previously Technical Lead, Sr. Software Engineer, Software Engineer), Fast Search & Transfer (2001-2008)
Computer Engineer, SINTEF Tele & Data (1999-2001)

Ownership in Storebrand
Number of shares as of 31.12.2021: 24 695

Table of contents

Board of Directors CVs

Didrik Munch (1956)

Board Chair,
Storebrand ASA since 2017

Position
Self-employed

Education
Norwegian Police University College
Master in Law

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 Chair, NWT Media AS
Board Director, Grieg Maritime Group AS
Board Director, Lerøy Seafood Group
Board Chair, SH Holding (Solstrand Fjord Hotell)

Ownership in Storebrand
Number of shares as of 31.12.2021: 40 000
Number of shares owned by the close associate: NWT Media AS: 215 000

Christel Elise Borge (1967)

Board Director,
Storebrand ASA since 2021

Position
CEO, Entur AS

Education
Master of Science, Computer Science, NTNU, Norway
MBA Programme INSEAD, Fontainebleau, France

Previous positions
Telenor ASA (2005-2020)
CEO, Dipper AS
Senior Vice President, Head of Group Strategy and CEO Office
Senior Vice President, Head of Group Strategy and Portfolio Development
Strategy Director, Telenor Nordics, Oslo
Strategy Advisor, Innovation AS (2002-2004)
Project Manager, Schibsted (2001)
Director, Cell Network AS (2000-2001)
Strategy Advisor, McKinsey & Company (1991-1999)

Ownership in Storebrand
Number of shares as of 31.12. 2021: 0

Karin Bing Orgland (1959)

Board Director,
Storebrand ASA since 2015

Position
Self-employed

Education
MSc 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, Ministry of Trade and Shipping Handels og skipsfartsdepartementet (1983–1985)
Board Director and Chair of the Audit Committee at Norske Skog ASA
Board Director, Norwegian Finans Holding ASA
Board Director, Scatec Solar ASA
Board Director, HAV Eiendom AS
Board Director, Boligselskapet INI AS, Grønland
Board Chair, Røisheim Hotell AS and Board Director, Røisheim Eiendom AS
Board Chair, Visit Jotunheimen AS
Board Director and Chair of the Audit Committee, Grieg Seafood ASA

Positions of trust
Board Chair, Entur AS
Board Chair, GIEK
Board Director and Chair of the Audit Committee, KID ASA
Board Director, Eksportfinansiering Norge (eksfin)

Ownership in Storebrand
Number of shares as of 31.12. 2021: 27 000

Marianne Bergmann Røren (1968)

Board Director,
Storebrand ASA since 2020

Position
CEO, Mesta AS

Education
Master in Law, University of Oslo, Norway

Previous positions
Danske Bank Corporate & Institutions (2007-2019):
Global Head of COO Office
Global Head of Risk
Global Head of AML Programme
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 the Nomination Committee, Telenor ASA
Board member, EBA
Board member, SmartCraft ASA

Ownership in Storebrand
Number of shares as of 31.12. 2021: 5 000

Karl Sandlund (1977)
Board Director,
Storebrand ASA since 2019

Position
Executive Vice President & CCO, SAS

Education
MSc Industrial Engineering and Management, University of Linköping, Sweden

Previous positions
EVP Commercial, SAS (2017-2020)
EVP & Chief Strategy Officer, SAS (2014-2017)
Vice President, Network, SAS (2009-2014)
Vice President, Commercial, SAS (2007-2009)
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 of 31.12. 2021: 7 000

Martin Skancke (1966)
Board Director,
Storebrand ASA since 2014

Position
Self-employed

Education
Authorised Financial Analyst, Norwegian School of Economics (NHH), Norway
MSc Econ, London School of Economics and Political Science, UK
Intermediate level Russian, University of Oslo, Norway
International Finance Programme, Stockholm School of Economics, Sweden
MSc Economics and Business Administration, Norwegian School of Economics, Norway

Previous positions
Special Adviser, Storebrand (2011–2013)
Deputy Director General and Director General,
Ministry of Finance, Norway (1994–2001, 2006–2011)
Director General, Office of the Prime Minister, Norway (2002–2006)
Management Consultant, McKinsey & Company (2001–2002)

Positions of trust
Board Director, Norfund
Board Chair, Principles for Responsible Investment (PRI)
Board Director, Storebrand Livsforsikring AS
Member of the Task Force on Climate-related Financial Disclosure (TCFD)

Ownership in Storebrand
Number of shares as of 31.12. 2021: 30 000

Table of contents

Fredrik Åtting (1968)

Board Director,
Storebrand ASA since 2020

Position
Partner and CO-Head of EQT Public Value

Education
MSc (Stockholm School of Economics)

Previous positions
Various positions in EQT, Sweden, Hong Kong, Germany and England (1996-)
Associate Enskilda Securities, Sweden (1993-1996)

Positions of trust
Member of the Nomination Comittee AFRY AB
Member of the Nomination Comittee, BioGaia AB
Member of the Nomination Comittee, Securitas AB
Member of the Nomination Comittee, Storytel AB

Ownership in Storebrand
Number of shares as of 31.12.2021: 0
Number of shares owned by the close associate, EQT Public ValueInvestments S.à r.l.: 18 500 000

Hanne Seim Grave (1974)

Employee Representative,
Board at Storebrand ASA since 2021

Position
Senior Authorised Insurance Advisor, Storebrand Forsikring AS

Education
Market Economics, IHM
Forsikringsakademiet
KAN Finans and FinAut

Previous positions
Authorised Insurance Agent, Akademikernes Insurance
Customer advisor, settlement, Storebrand Livsforsikring,
Employee advisor, Storebrand Livsforsikring
Customer service, Life, Storebrand Livsforsikring
Professional training manager, IF Skadeforsikring
Professional support, Storebrand Skadeforsikring
Sales, Storebrand Skadeforsikring
Manpower, Storebrand Eiendom

Ownership in Storebrand
Number of shares as of 31.12.2021: 325

Table of contents

Hans-Petter Salvesen (1968)

Employee Representative,
Storebrand ASA since 2020

Position
Head of Union Representantives,
the Finance Sector Union of Norway, Storebrand ASA

Education
Marketing Communications, BI Norges Markedshøyskole/NMH
People Management, Høyskolen i Akershus, Norway

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 of 31.12. 2021: 0

Bodil Catherine Valvik (1973)

Employee Representative,
Storebrand ASA since 2020

Position
Head of Fund Administration,
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 (2019-2020)
Manager, Customer Services, Pensions & Savings, Storebrand PM (2013-2018)
Manager, Customer Services, Link and Mutual Funds, Storebrand Kapitalforvaltning (2007-2012)
Manager, Customer Services, 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 of 31.12.2021: 1 390

Page 1, Photographer: Johnér Bildbyrå AB / Mikael Svensson
Page 5, Photographer: Lise Eide Risanger / Storebrand
Page 7, Photographer: Brooke Alderson / Offset.com
Page 11, Photographer: Johnér Bildbyrå AB / Hans Berggren
Page 20, Photographer: Shutterstock
Page 22, Photographer: Shutterstock
Page 25, Photographer: Shutterstock
Page 27, Photographer: Johnér Bildbyrå AB
Page 34, Photographer: Shutterstock
Page 38, Photographer: Maskot / Offset.com
Page 42, Photographer: Johnér Bildbyrå AB / Henrik Trygg
Page 43, Photographer: Johnér Bildbyrå AB / Susanne Kronholm
Page 45, Photographer: Johnér Bildbyrå AB
Page 50, Photographer: Johnér Bildbyrå AB / Lina Arvidsson
Page 52, Photographer: Maskot / Offset.com
Page 55, Photographer: Johnér Bildbyrå AB
Page 56, Photographer: Johnér Bildbyrå AB
Page 60, Photographer: Shutterstock
Page 62, Photographer: Shutterstock
Page 67, Photographer: David Pereiras / Offset.com
Page 69, Photographer: Galyna Andrushko
Page 73, Photographer: Johnér Bildbyrå AB
Page 84, Photographer: Cultura / Offset.com
Page 87, Photographer: Johnér Bildbyrå AB
Page 202, Photographer: Johnér Bildbyrå AB / Michael Jönsson
Page 211, Photographer: Johnér Bildbyrå AB
Page 224, Photographer: Johnér Bildbyrå AB / Fredrik Schlyter
Page 243, Photographer: Johnér Bildbyrå AB / Håkan Hjort

Important notice

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

Sustainability indicators and definitions

Definitions under each table apply to the key figures in chapters 2-5 of this report, and all the indicators in the complete list below.

Investments

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Return on equity	13.7 %	8.0 %	8.6 %	**10.7 %**	>10 %	>10 %
Solvency margin	173 %	176 %	178 %	**175 %**	>150 %	>150 %
Dividend ratio	68 %	0 %	65 %	**52 %**	>50 %	>50 %
Share of total assets screened for sustainability	100 %	100 %	100 %	**100 %**	100 %	100 %
NOK billion invested in fossil-free products [70]	68	277	379.2	**483**	N/A	N/A
Carbon footprint from equities investments: tonnes of CO2e per NOK 1 million in sales income (against index) [71]	22 (32)	18(24)	12(18)	**12(18)**	N/A	N/A
Carbon footprint from bond investments: tonnes of CO2e per NOK 1 million in sales income (against index) [72]	New	7(15)	9(16)	**9(17)**	N/A	N/A
Total carbon emissions from equity investments: tonnes of CO2 Scope 1-2 [73]	New	3,661,218	3,261,366	**3,318,508**	N/A	N/A
Exposure to high emitting sectors: NOK billion / share of equity investments	37.7 / 19 %	34.6 / 13 %	32.2 / 8 %	**42.5 / 9 %**	N/A	N/A
Investments in solutions (solutions companies, green bonds, gre-en infrastructure and property with environmental certification): NOK billion / share of total assets [74]	38.8 / 5.5 %	53.7 / 6.5 %	92.6 / 9.6 %	**123.1 / 11.2 %**	13 %	15 %
Investments in green bonds: NOK billion/ share of total bond investments	8.4 / 2.9 %	12.4 / 3.1 %	22.2 / 5 %	**25.7 / 6 %**	N/A	N/A
Investments in green infrastructure: NOK billion / share of total infrastructure investments	New	New	New	**1.5 / 100 %**	N/A	N/A
Investments in solution company equities: NOK billion/ share of total equity investments	New	24.3 / 9.3 %	50.3 / 13 %	**62.6 / 13 %**	N/A	N/A
Investments in certified green property: NOK billion/ share of total real estate investments [75]	13 / 30 %	17 / 41 %	20.1 / 43 %	**33.3 / 68 %**	75 %	90 %
Companies excluded from the investment universe of the Storebrand Group: number	171	182	215	**257**	N/A	N/A
Companies excluded from MSCI ACWI Index: number/share of MSCI ACWI investment universe	New	178 / 7.6 %	198 / 8.1 %	**212 / 7.9 %**	N/A	N/A
Companies that have been contacted to discuss ESG through active ownership: number/share of investment universe [76]	314 / 10.8 %	408 / 9.7 %	572 / 12 %	**601 / 12 %**	N/A	N/A
Votes at general meetings to promote Storebrand's ESG criteria: number/ share of investment universe [77]	530 / 41.6 %	151 / 4.3 %	503 / 13 %	**947 / 22.5 %**	N/A	N/A
Energy intensity direct real estate investments: kWh/m2	201	194	181	**170**	190	181
Water intensity direct real estate investments: m3/m2	0.38	0.46	0.44	**0.38**	0.45	0.43
Waste quantity direct real estate investments: kg/m2 [78]	8.2	9.4	9.2	**8.3**	N/A	N/A
Share of waste sorted for recycling direct real estate investments	71%	74 %	69 %	**72 %**	73 %	80 %
Total carbon emissions from direct real estate investments (Scope 1-3): Tonnes CO2e / kgCO2 per m2 investments	10,818 / 9.96	10,228 / 9.12	8,456 / 7.9	**6,703 / 5.9**	8.6	6.5
Scope 1 emissions: tonnes CO2 (kg/m2)	New	0.15	0.08	**0.02**	N/A	N/A
Scope 2 emissions: tonnes CO2 (kg/m2)	New	7.67	6.80	**4.87**	N/A	N/A
Scope 3 emissions: tonnes CO2 (kg/m2)	New	1.26	1.04	**1.02**	N/A	N/A
GRESB score direct real estate investments (value-weighted average) [79]	76 %	82 %	85 %	**88.6 %**	Increase	Increase

70) Fossil-free products are one of several ways to achieve our overall goal of net zero emissions, and we have therefore not set a specific goal for how much to invest in fossil-free products.

71) The method for calculating carbon footprints has been further developed for the annual report 2021. Data are obtained through Trucost (S&P Global)'s systems and weighted by market value per position. For index figures, corresponding calculations are weighted per index and it is weighted together with the portfolios' indices based on portfolio values. This represents a coverage ratio of 96.7% in our carbon footprint from equity investments, and a coverage ratio of 93.8% for index.

72) The method for calculating carbon footprints has been further developed for the annual report 2021. Data is obtained through Trucost (S&P Global)'s systems and calculated data from management, weighted by market value per position. For index figures, corresponding calculations are weighted per index and it is weighted together with the portfolios' indices based on portfolio values. This represents a coverage ratio of 48.8% in our carbon footprint from bond investments, and a coverage ratio of 92.1% for index.

73) In total, carbon emissions in equity investments have decreased since 2019, but have increased somewhat from 2020 to 2021. At the same time, the coverage ratio has increased from 89.5% in 2020 to 96.7% in 2021. Since the coverage ratio has increased by 8%, while the increase in emissions is only 1.7%, emissions have relatively decreased also since 2020.

74) We have decided to set an overall goal for resp. 2022 and 2025, instead of one target for each asset class.

75) Capital Investment, which we acquired in 2021, has not yet reported to GRESB, and the properties the company manages are not included in the figures for certification.

76) The number of companies we have engaged in has increased at the same time as the investment universe has increased. Commitments as a share of the investment universe will thus be the same as in 2020.

77) The increase from 2020 to 2021 is due to a partial automation of the voting process.

78) Figures for waste volume in real estate investments only apply to Norway.

79) The goal is for all our portfolios to achieve 5 stars in GRESB. This means that one must be among the 20% best globally, and can therefore not be directly translated into a score (value-weighted average). Capital Investment, which we acquired in 2021, has not yet reported to GRESB, and is not included in the figures.

Table of contents

Definitions for key performance indicators related to *A driving force for sustainable investments*

Return on equity: Return on equity after tax, adjusted for amortisation of intangible assets.

Solvency margin: Degree of solvency according to European regulations for insurance regulation. Under Solvency II, the size of the capital requirement will be defined by how much risk the company is exposed to.

Dividend ratio: Share dividend as a share of the profit for the year after tax (see dividend policy on page 54).

Share of total assets screened for sustainability: All companies in our investment universe are screened for sustainability according to our standards: https://www.storebrand.no/en/sustainability/investments

Investments in fossil-free products: The sum of funds / products with a mandate that requires them to be fossil-free. The companies in the portfolio cannot have more than 5 per cent of their income 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: The figures for the calculations for carbon footprints are based on data from our data supplier in Q3 2021. Based on TCFD's definition. The total carbon footprint of the investments is the sum of the companies' carbon emissions over the companies' income, weighted for our ownership in the respective companies. The unit of measurement shows carbon emissions per million NOK in sales revenue. The method is the same for equities and bonds.

Carbon footprint in bond investments: The figures for the calculations for carbon footprints are based on data from our data supplier in Q3 2021. Based on TCFD's definition. The fund's total carbon footprint is the sum of the companies 'carbon emissions over the companies' income, weighted for our ownership in the respective companies. The unit of measurement shows carbon emissions per million NOK in sales revenue. The method is the same for equities and bonds.

Investments in solutions (solutions companies, green bonds, green infrastructure and property with environmental certification): Total share of assets under management invested in sustainable solutions. Sustainable solutions consist of green bonds, environmentally certified real estate, investments in green infrastructure and shares in companies that we believe are well positioned to solve challenges related to the UN's Sustainable Development Goals.

Investments in solution company equities: Share of investments in equities in solution companies in Storebrand and SPP. These are investments in shares in companies that we believe are well positioned to solve challenges related to the UN's Sustainable Development Goals. Investments in solution companies are segmented into four thematic areas; renewable energy and climate solutions, the cities of the future, the circular economy and equal opportunities.

Investments in green bonds: Share of investments in green bonds. Green bonds are for companies that both meet the Storebrand standard and are in line with international standards such as the Green Bond Principles, the forthcoming EU Green Bond standard, and with the framework of the International Capital Market Association (ICMA).

Investments in green infrastructure: share of investments in sustainable infrastructure. The fund (Storebrand Infrastructure Fund) invests in projects that contribute to a green transition, for example through land-based wind power, offshore wind and electric train sets.

Investments in certified green property: Share of direct real estate investments under operational control in Norway and Sweden with environmental certification. The certification system is mainly BREEAM, but can also include LEED, the Nordic Ecolabel or Miljöbyggnad.

Energy intensity 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 intensity direct real estate investments: Water consumption in cubic meters 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.

Waste quantity 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.

Carbon footprint in 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 in accordance with the GHG protocol (The Greenhouse Gas Protocol). Nordic mix emission factor is the basis for calculating location-based emissions from electric power.

Exposure to high-emitting sectors: Exposure to high-emission sectors shows our exposure to high-emission sectors as a share of total equity investments. The definition of high-emission sectors follows the recommendations of the Net Zero Asset Owner Alliance, and includes the following GICS codes.
Aluminium: 15104010
Aviation: 20302010, 20301010
Cement: 15102010
Chemicals: 15101050, 15101040, 15101030, 15101020, 15101010
Energy: 10102050, 10102040, 10102030, 10102020, 10102010, 10101020, 10101010
Heavy Duty Automobiles: 20304020
Light Duty Automobiles: 25102010
Shipping: 20303010
Steel: 15104050
Utilities: 55105010, 55103010, 55102010, 55101010

Table of contents

Customer relations

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Customer satisfaction [80]	No. 4	No. 4	No. 6	**No. 5**	Top 3	Top 3
Market share: Savings, retail market Norway	21 %	20 %	21.7 %	**19.6 %**	increase	increase
Market position: Pension, corporate market Norway	No. 1	No. 1	No. 1	**No. 2**	No. 1	No. 1
Proportion of women, pension savings	43 %	44 %	44.2 %	**44.9 %**	increase	increase
Recognised for sustainable value creation (Retail market Norway)	New	No. 3	No. 5	**No. 3**	Top 3	No. 1
Recognised for sustainable value creation (Corporate market Norway)	New	No. 1	No. 4	**No. 3**	No. 1	No. 1
Customer satisfaction (Net Promoter System, Corporate Market Sweden)	No. 7	No. 5	No. 7	**No. 7**	Top 3	Top 3

Definitions for key performance indicators related to *Customer relations*

Customer satisfaction: Scores based on Net Promoter System (NPS) figures as of November 2021. NPS is a measurement tool for customer satisfaction where the customer gives a score from 0 to 10 with 10 as the best result.

Market share: Savings, retail market Norway: Total assets for respectively free funds retail market (incl. nominee) & Unit Linked products retail market including Pension Capital Certificate and Paid-up Policy with investment choice. Based on Q3 figures from Finans Norge and VFF (Verdipapirfondenes forening).

Market position: Pension, corporate market Norway: Private group pension insurance, gross overdue premium, defined contribution, market share. Based on Q3 figures from Finance Norway (Finans Norge).

Proportion of women, pension savings: Proportion of women with money invested in respectively Extra pension and IPS at Storebrand (in number of customers, not volume).

Recognised for sustainable value creation: Proportion that connects Storebrand with the statements "Invest in a way that combines profitability and sustainability", "Manages people's savings in a way that combines profitability and environmental responsibility" and "Manages people's savings in a way that combines profitability and social responsibility" (these are average responses to the statements and 3-month rolling average).

80) Net Promoter System, retail market Norge

Table of contents

People

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Sick leave Norway	2.7 %	3.1 %	2.3 %	**2.5 %**	< 3.5 %	< 3.5 %
Sick leave Sweden	3.3 %	2.5 %	1.8 %	**1.6 %**	< 3.5 %	< 3.5 %
Turnover rate, women, Group	New	9.7 %	6.1 %	**5.2 %**	N/A	N/A
Turnover rate, men, Group	New	9.2 %	6.8 %	**7.8 %**	N/A	N/A
Number of employees [81]	1,667	1,742	1,824	**1,914**	N/A	N/A
New hires to the Group	220	204	285	**337**	N/A	N/A
Number of women recruited this year	78	78	124	**152**	N/A	N/A
Number of men recruited this year	116	126	161	**175**	N/A	N/A
Male employees under 30	115	109	119	**154**	N/A	N/A
Female employees under 30	102	117	112	**132**	N/A	N/A
Male employees 30-50	526	531	572	**631**	N/A	N/A
Female employees 30-50	408	379	425	**484**	N/A	N/A
Male employees over 50	235	264	268	**260**	N/A	N/A
Female employees over 50	284	302	302	**280**	N/A	N/A
Female Board of Directors at Storebrand ASA	5 out of 9	4 out of 9	4 out of 10	**5 out of 10**	50 %	50 %
Women in the Group Executive Management	3 out of 9	3 out of 10	3 out of 10	**3 out of 9**	40 %	50 %
Women at management level 3: share of women / number of women	46 %	41 %	38 % / 24	**37 % / 22**	50 %	50 %
Women at management level 1-4: share of wo-men / number of women	New	New	38 %	**39 %**	50 %	50 %
Gender balance all managers: share of women / number of women	39 %	39 %	39 % / 103	**37 % / 102**	50 %	50 %
Average salary female employees, Norway (NOK)	699,228	743,684	760,948	**796,854**	N/A	N/A
Average salary male employees, Norway (NOK)	871,146	914,107	923,686	**968,096**	N/A	N/A
Average salary female employees, Sweden (SEK)	608,551	644,484	671,159	**705,162**	N/A	N/A
Average salary male employees, Sweden (SEK)	762,151	811,717	842,226	**873,155**	N/A	N/A
Expanded top management, women's share of men's salary per position category (Hay Grade 21-25)	110 %	100 %	104 %	**97 %**	100 %	100 %
Employees up to middle managers, women's share of men's salary per position category (Hay Grade 13-20)	99 %	99 %	97 %	**97 %**	100 %	100 %
CEO - average worker pay ratio: CEO pay/ avera-ge worker pay	New	8.2 : 1	8.9 : 1	**8.9 : 1**	N/A	N/A
Average hours per FTE of training and development	New	New	3.9	**3.63**	N/A	N/A
Average amount spent per FTE on training and development (NOK)	New	New	New	**8,353**	N/A	N/A

81) The total number of employees includes employees from Capital Investment in 2021.

Table of contents

Definitions for key performance indicators related to *People*

Sick leave: Number of sick leave days divided by number of working days at end-December 2021. Sick leave in Norway includes sick children days. Sick leave in Sweden does not include sick children days.

Number of employees: Total number of employees at Storebrand and SPP as of 31.12.2021.

Management level 1-4:

- **Level 1:** Group Chief Executive Officer.
- **Level 2:** Group Executive Management.
- **Level 3:** Reports to Group Executive Management, irrespective of personnel responsibilities. Administrative roles are not included. Capital Investment is not included.
- **Level 4:** Reports to management level 3. Everyone at this level has personnel responsibilities. Administrative roles are not included.

Gender balance all managers, share of women: Includes all female managers with personnel responsibilities. For management level 3, all female managers are counted, except personal assistants.

Turnover: Permanent employees who quit in the last 12 months with the exception of voluntary severance agreements between employer and employee, reduction in workforce or retirement, divided by the average number of permanent employees in 2021.

Number of hires to the Group: Number of hires including permanent employees, substitutes and internships in Norway and Sweden. The figures also include recruited employees who left the Group later in 2021.

Number of employees in different age groups / genders: 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.

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.

Average salary: Basic salary as of 31.12.2021, all companies in the group in a common salary system. This does not include Capital Investment.

CEO - Average Worker Pay Ratio: Basic salary for CEO relative to average salary for all employees in Norway.

Table of contents

Keeping our house in order

Key performance indicators	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2022	Goals 2025
Environmentally certified purchases (share of the total expenditure that went to suppliers with certified environmental management system) [82]	46 %	57 %	62%	**60%**	55 %	60 %
Greenhouse gas emissions from own operation (total) Scope 1-3: tonnes of CO_2 / tonnes CO_2 per FTE	1,444 / 0.9	1,519 / 0.92	477 / 0.28	**320 / 0.18**	0.8	0.6
Scope 1 emissions: tonnes CO_2 / tonnes CO_2 per FTE	1.4 / 0	1.1 / 0	1.2/0	**0.5 / 0.00**	N/A	N/A
Scope 2 emissions: tonnes CO_2 / tonnes CO_2 per FTE	201 / 0.13	179 / 0.11	164 / 0.09	**130.6 / 0.07**	N/A	N/A
Scope 3 emissions: tonnes CO_2 / tonnes CO_2 per FTE	1,241 / 0.69	1,339 / 0.74	313 / 0.18	**188.9 / 0.11**	N/A	N/A
CO_2e-emissions per FTE due to air travel: Scope 3, tonnes per FTE [83]	0.69	0.67	0.1	**0.07**	N/A	N/A
Energy consumption, head offices (kWh per m2)	151	150	142	**139**	148	145
Water consumption, head offices (m3 per m2)	0.29	0.32	0.18	**0.16**	0.31	0.30
Total waste, head offices (tonnes / kg per FTE)	209 / 130	203 / 123	120 / 73	**99.7 / 51**	198 / 119	190 / 110
Share of waste sorted for recycling, head offices (share of total waste)	71 %	72 %	71 %	**82%**	79 %	82 %
CDP-rating	A -	A -	A-	**A-**	A	A
DJSI score / global percentile	63/74	75/81	81 / 93	**82 / 92**	Top 10%	Top 10%
E-learning conducted, ethics: total / share of man-years	New	1,518 / 88.9 %	1,660 / 91 %	**1,694 / 91%**	100 %	100 %
E-learning carried out, anti-corruption work: total / share of man-years	New	1,479 / 86.6 %	1,642 / 90 %	**1,659 / 89%**	100 %	100 %
E-learning completed, combating money laundering and financial crime: total / share of man-years	New	1,523 / 89.2 %	1,678 / 92 %	**1,673 / 90%**	100 %	100 %
E-learning completed, privacy: total/ share of man-years	New	New	1,368 / 75 %	**1,662 / 89%**	100 %	100 %
Number of information security incidents	0	30	20	**28**	N/A	N/A
Number of complaints processed by the Financial Appeals Board [84]	135	192	218	**198**	N/A	N/A
Number of breaches of the Code of Conduct [85]	N/A	9	2	**3**	N/A	N/A
Number of privacy incidents [86]	60	48	41	**125**	N/A	N/A

82) Since we exceeded the target for 2021, new targets have been set for 2022 and 2025.
83) CO2 emissions from flights have been recalculated for 2018–2020 as a result of updates to the emission factors in our travel agencies' systems, so that it is comparable with the 2021 figures.
84) The figures apply to our Norwegian companies, as these are complaints processed by the Financial Appeals Board. SPP is not included here.
85) Internal misconduct by agents is not included in the key figure for breaches of Code of Conduct, but is included in the detailed reporting of breaches of Code of Conduct on page 36.
86) The Privacy Ombudsman's assessment is that the increase in incidents is primarily related to increased awareness of reporting incidents, and not a real increase in the number of non-conformities compared with previous years. In addition, a new reporting tool has made it possible to include SPP (Sweden) in the figures.

Definitions for key performance indicators related to *Keeping our house in order*

Environmental requirements for suppliers: Share of contracts with suppliers where Storebrand has over NOK 1 million 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 (Scope 1-3). 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 business 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 in accordance with 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 meters 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.

CDP rating: Rating performed by CDP. CDP is an independent organisation that works with increasing company reporting on greenhouse gas emissions. CDP evaluates and scores companies accordingly. CDP is used by investors and managers to gain access to analysis and information on climate reporting from companies.
DJSI score: The Dow Jones Sustainability Indexes (DJSI) assesses companies' performance in sustainability, and rank companies based on a range of economic, social and environmental (ESG) criteria.

E-learning course completed: Employee who is registered as completed in our e-learning system.

Number of complaints processed by the Financial Appeals Board: Customers complain Storebrand to the Financial Appeals Board who processes a case. These are processed by the Financial Appeals Board on an ongoing basis.

Information security incidents: An information security incident is a suspected, attempted, successful or imminent threat of unauthorised access, use, disclosure, breach, alteration or destruction of information; or a material breach of Storebrand's guidelines for information security.

Violation of ethical guidelines/Code of Conduct: Below are definitions of corruption, internal misconduct, other breaches of ethical rules, and discrimination, which we describe as breaches of ethical guidelines.

- **Corruption:** abusing one's position to gain personal or business-related benefits for oneself or others.
- **Internal misconduct:** to perform actions for the purpose of enriching oneself or one's loved ones at the expense of Storebrand and / or Storebrand's customers.
- **Other breaches of ethical rules:** breaches of internal or external regulations that are covered by and have consequences in line with the sanction matrix in Storebrand's ethical rules.
- **Discrimination:** discrimination based on gender, pregnancy, maternity or adoption leave, care responsibilities, ethnicity, religion, outlook on life, disability, sexual orientation, gender identity, gender expression, age, and other significant factors of a person.

Privacy incidents: A privacy incident is an incident where there have been deviations related to compliance with the privacy policy.

Carbon Accounting

Total greenhouse gas emissions from Storebrand's operations

Key performance indicators	Results 2019	Results 2020	Results 2021
Scope 1 emissions: tonnes CO_2	1.1	1.2	**0.5**
Scope 2 emissions: tonnes CO_2	179	164	**130.6**
Scope 3 emissions: tonnes CO_2 (operations, equity investments, real estate investments)			
Scope 3 emissions: tonnes CO_2 Own operations	1,339	313	**188.9**
Scope 3 emissions: tonnes CO_2 equity investments (Scope 1-2) [87]	3,661,218	3,261,366	**3,318,508**
Scope 3 emissions: tonnes CO_2 real estate investments (Scope 1-3) [88]	10,228	8,456	**6,703**
Total emissions, Scope 1-3: Tonnes CO_2	3,672,965	3,270,300	**3,325,531**

In total, carbon emissions in equity investments have decreased since 2019, but have increased somewhat from 2020 to 2021. At the same time, the coverage ratio has increased from 89.5 per cent in 2020 to 96.7 per cent in 2021. Since the coverage ratio has increased by 8 per cent, while the increase in emissions is only 1.7 per cent, emissions have relatively decreased also from 2020 to 2021.

87) Equity investments are included in our Scope 3, but we are looking at Scopes 1 and 2 for these companies because Scope 3 data is still of limited quality.
88) Real estate investments are included in our Scope 3 and we look at Scopes 1 to 3 for these investments.

Table of contents

Taxonomy reporting

The EU Taxonomy for sustainable finance is a classification system that aims to establish common criteria for sustainable economic activities. The Taxonomy regulation entered into force on 12 July 2020 in the EU, but the new requirements will only apply from 2022 for the first two environmental goals (climate change mitigation and climate change adaptation), and from 2023 for the other four environmental goals (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biological diversity and ecosystems).

In accordance with Article 8 of the EU Taxonomy Regulation and the underlying Disclosures Delegated Act, the Taxonomy reporting must be done on two levels. Firstly, companies must report on how much of their turnover, investments and operational costs are covered by the Taxonomy, defined as Taxonomy eligible activities. Secondly, companies must report the share of their activities that are aligned to the Taxonomy, which means that the activities are considered to be environmentally sustainable activities due to meeting the specified technical criteria as defined by the Taxonomy. For example, an entire car company will be covered by the Taxonomy (Taxonomy-eligible), but only the cars with zero emissions or emissions below the defined threshold value (Technical Screening Criteria), and in compliance with Do no significant harm criteria and the minimal safeguards will be in accordance with the Taxonomy (Taxonomy-aligned).

In accordance with the regulations, Storebrand must disclose the degree of insurance premiums, loans and investments that are Taxonomy-eligible. For the investments, this is based on data from underlying investments. Storebrand works actively to meet the reporting requirements in accordance with the EU Taxonomy, and follows the regulatory aspects closely. We interact with third-party suppliers, and internally in the organisation, so we are well prepared to fully implement the regulations. Storebrand has worked to obtain data related to our underlying investments' share of economic activities that are covered by the Taxonomy. In the selection of data suppliers, the providers have been thoroughly assessed based on, among other things, data quality, coverage rate and the suppliers' ability to adapt and change the delivery in accordance with the regulations.

Our reporting of key figures related to the EU Taxonomy will become increasingly important as a measure of climate change as data quality and coverage increase.

We have divided the reporting into two parts: mandatory reporting and voluntary reporting. The regulations for how the reporting is to be done are still unclear and the reporting is thus done to the best of our ability and available data. Note that interpretations of the regulations may change, and that the definitions behind the figures for next year may thus have to be adapted to new understandings.

Mandatory reporting for Storebrand as an insurance-dominated cross-sectoral financial group:

The mandatory Taxonomy reporting for financial companies can only include actual reported data from companies that are required to report under the Non-Financial Reporting Directive (NFRD). This means that, for example, companies with less than 500 employees or companies located outside Europe cannot be included in the mandatory Taxonomy reporting.

Key indicators related to non-life insurance activities

Share of non-life insurance premiums that is Taxonomy-eligible	**63.4 %**

Storebrand offers non-life and health insurance to Norwegian customers. In order to analyse the share of non-life insurance premiums covered by the Taxonomy, Storebrand has segmented the insurance activities according to the Lines of Business defined in the Solvency II regulations.[89] In addition to segmenting products under Solvency II, the product categories must refer to a policy on climate-related risks in order to be fully covered by the Taxonomy.[90] We have analysed each insurance product to determine whether the products refer to climate-related risks.

Some players have chosen to include product categories as long as they do not explicitly exclude compensation as a result of climate-related risks. We have chosen a stricter interpretation by only including products that refer to climate-related risks specifically in the policy terms, or in additional coverage, when we have calculated the share of insurance premiums covered by the Taxonomy. Workers' compensation insurance, income protection insurance and health insurance, including expenses for medical treatment, do not mention climate-related risks and are in our assessment not Taxonomy eligible. Most of our non-life insurance products have additional coverage defined by the natural perils regulations and will then be covered by the Taxonomy eligibility requirements.[91]

The insurance products in Storebrand, which are both defined under Solvency II and which refer to climate-related risks, correspond to 63.4 per cent of the total insurance premium. The rest of our insurance business is not covered by the taxonomy.

89) Lines of Business categorised in the Solvency II regulations (Annex 1 of Regulation 2015/35) and are as follows: (a) medical expense insurance; (b) income protection insurance; (c) workers' compensation insurance; (d) motor vehicle liability insurance; (e) other motor insurance; (f) marine, aviation and transport insurance; (g) fire and other damage to property insurance; (h) assistance

90) The criteria for non-life insurance are under Annex 2 of the delegated act that accompanies the Taxonomy Ordinance, Chapter 10.1. For classification of climate-related risks, see page 289: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-2_en.pdf

91) Natural perils regulations: Act of 16 June 1989 no. 70 on natural perils insurance

← → ✥

Table of contents

Key indicators related to activities within the bank's lending

Share of the bank's lending that is Taxonomy-eligible	**99 %**

Storebrand is a retail market bank. The loans are mainly mortgages with a small proportion of unsecured credits. Mortgages are covered by the Taxonomy. In the calculation of what is Taxonomy eligible within the bank's activities, we have chosen not to include unsecured credits. Thus, 99 per cent of the bank's activities are covered by the Taxonomy.

Key indicators related to investment activities

Share of investments that is Taxonomy-eligible in the mandatory reporting	**0 %**

Since the implementation of the Taxonomy Regulation started on 1 January 2022, the underlying NFRD companies we invest in have not yet had time to publish information on how much of their business is covered by the Taxonomy. We use third-party data providers to collect this information for listed shares and bonds, as we have an investment universe of approximately 5,000 companies, which makes it almost impossible to obtain the information directly from the companies. We have compared most data providers and evaluated them carefully before we chose to collaborate with Sustainalytics. Sustainalytics has estimated data for a large number of companies, on which we base our voluntary reporting below. But as mentioned above, actual reported data is still missing.

In addition to investments in listed companies, we also invest in other types of assets where we have been in contact with the companies to obtain relevant data. None of these qualify for reporting under the NFRD, which means that they are also not reported in the mandatory reporting, but below in the voluntary reporting.

Since none of the companies that are required to be assessed in the mandatory reporting, i.e. those that follow the NFRD, have reported their data yet, the figure on the share of investments covered by Taxonomy will be 0 per cent. Below you will find the voluntary taxonomy description, with a more detailed description for equities, corporate bonds, real estate, infrastructure and private equity.

Voluntary reporting for Storebrand as an insurance-dominated cross-sectoral financial group

Key indicators related to activities within equity and bond investments

Share of equity investments that is Taxonomy-eligible	**3.4 %**
Share of bond investments that is Taxonomy-eligible	**3.4 %**

The data provider Sustainalytics provides estimates of how much of the investee companies' activites that are covered by the Taxonomy.

The numerator multiplies our investments (assets under management) in companies with headquarters in Europe by the proportion of activities covered by the Taxonomy of the respective companies. Exposures to governments, central banks and supranational issuers are excluded from the calculation of the numerator.

The denominator includes all investments globally, with the exception of exposures to central governments, central banks and supranational issuers. Thus, only 3.4 per cent of Storebrand's equity investments and 3.4 per cent of Storebrand's bond investments are covered by the Taxonomy.

For equity investments in Europe, we have estimates from Sustainalytics covering 77.6 per cent of the companies we have invested in based on assets under management. If we had only used the investments in the companies where we have available data as a basis for our calculations, 11.9 per cent of our equity investments in Europe would have been covered by the Taxonomy.

For equity investments globally, we have estimates from Sustainalytics covering 82.3 per cent of the companies we have invested in based on assets under management. If we had only based our calculations on investments in the companies where we have available data, and including companies outside Europe, 12.7 per cent of our global equity investments would have been covered by the Taxonomy.

These are estimates based on information from our data providers and will probably change somewhat when the data quality improves.

Key indicators related to activities within investments in infrastructure

Share of infrastructure investments that is Taxonomy-eligible	**100 %**

All our infrastructure investments are in activities that are covered by the Taxonomy. Infrastructure investments are not covered by the NFRD, and are thus not reported as mandatory reporting, but as voluntary. Since infrastructure is direct investment made from Europe, we have defined that investment in infrastructure projects located outside Europe is also covered by the Taxonomy.

Key indicators related to activities within investments in private equity

Share of investments in private equity that is Taxonomy-eligible	**3 %**

Only 3 per cent of private equity investments are covered by the taxonomy. 53 per cent of investments in private equity are outside Europe, and the remaining companies are not covered by the NFRD.

Key indicators related to activities in real estate investments

Share of real estate investments that is Taxonomy-eligible	**100 %**

All the direct real estate investments are in activities that are covered by the taxonomy. Real estate investments are not covered by the NFRD, and are thus not reported as mandatory reporting, but as voluntary.

Table of contents

Storebrand ASA
Professor Kohts vei 9, P.O. Box 474, N-1327 Lysaker, Phone: +47 915 08 880, storebrand.no