Storebrand

Interim report
4th quarter 2023

Storebrand Livsforsikring AS (unaudited)

Contents

Interim report Storebrand Livsforsikring Group
Fourth quarter 2023

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company Storebrand ASA. For information about the Storebrand Group's 4th quarter result please refer to the Storebrand Group's interim report for the 4th quarter of 2023. Storebrand Group's ambition is to provide our customers with financial freedom and security by being the best provider of long-term savings and insurance. The Group offers an integrated product range spanning from life insurance, P&C insurance, asset management and banking to private individuals, companies and public sector entities. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other.

The figures in brackets are from the corresponding period last year.

Changes in IFRS – How to read this report

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

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

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

Financial performance (IFRS)

From the 1st quarter 2023, Storebrand Livsforsikring Group reports its official IFRS financial statements in accordance with IFRS 17 and IFRS 9, which replaces IFRS 4 and IAS 39 from 1 January 2023. Storebrand Livsforsikring Group's profit after tax expenses was NOK 646m (NOK 277) in the 4th quarter and year to date NOK 2 841m (NOK 1 742m) under IFRS. The increased 4th quarter result is mainly attributed to the improved financial result and stronger results in unit linked. It is also driven by an increased loss component due to reduced interest rates which has a negative discounting effect on the insurance contract liabilities. The reduced interest rates also affect the CSM development in the quarter negatively. On a general basis, higher volatility is expected under IFRS 17 due to the measurement models applied.

Financial performance (alternative income statement)

Profit Storebrand Livsforsikring Group

NOK million	2023 Q4	Q3	Q2	Q1	2022 Q4	Full year 2023	2022
Fee and administration income	975	963	926	937	940	3,800	3,609
Insurance result	-13	238	231	194	243	650	939
Operational expenses	-752	-727	-754	-728	-772	-2,961	-2,733
Cash equivalent earnings from operations	**210**	**473**	**402**	**403**	**411**	**1,488**	**1,815**
Financial items and risk result life & pension	395	261	237	225	115	1,119	-92
Cash equivalent earnings before amortisation	**605**	**734**	**640**	**628**	**525**	**2,607**	**1,723**
Amortisation	-46	-133	-44	-50	-50	-273	-151
Cash equivalent earnings before tax	**559**	**601**	**596**	**578**	**476**	**2,334**	**1,572**
Tax	11	-137	275	109	78	258	429
Cash equivalent earnings after tax	**570**	**463**	**872**	**688**	**554**	**2,592**	**2,002**

The figures in brackets are from the corresponding period previous year.

Storebrand Livsforsikring Group's cash equivalent earnings before amortisation were NOK 605m (NOK 525m) in the 4th quarter and NOK 2,607m (NOK 1,723m) for the full year. Adjusted for integration cost the result was NOK 2 430m. The increased result reflects continued underlying growth across the business and improved financial results driven by increased interest rates. The insurance result was weak driven by challenging increased disability.

Total fee and administration income amounted to NOK 975m (NOK 940m) in the 4th quarter and NOK 3,800m (NOK 3,609m) for the full year, corresponding to an increase of 3.7% compared to the same quarter last year and an increase of 5.3% for the full year. Income growth is driven by strong growth in Unit Linked Reserves while the growth is zero for the year in guaranteed business.

The Insurance result decreased to NOK -13m (NOK 243m) in the 4th quarter and NOK 650m (NOK 939m) for the full year due to high claims. In Group life and Pension related disability segments, persistent high disability levels have led to a strengthening of reserves and corresponding weak results in the quarter and for the full year. Several measures, including further repricing, have been implemented to improve the robustness and profitability in the affected segments. The measures implemented are expected to bring profitability gradually back to the 90-92% targeted combined ratio within 2025.

The Group's operational cost amounted to NOK -752m (NOK -772m) in the 4th quarter and NOK -2,961m (NOK -2,733m) for the full year. The increase is mainly attributed to high inflation, acquired business and integration cost. Currency effects, growth initiatives and digital investments are also contributing factors. For the acquired business, profitability will increase as synergies are gradually realised.

Overall, the cash equivalent earnings from operations amounted to NOK 210m (NOK 411m) in the 4th quarter and NOK 1,488m (NOK 1,815m) for the full year.

The 'financial items and risk result' amounted to NOK 395m (NOK 115m) in the 4th quarter and NOK 1,119m (NOK -92m) for the full year. The improvement stems from increased return in the company portfolios and strong profit sharing result in the Swedish business. Net profit sharing amounted to NOK 139m (NOK 38m) in the 4th quarter and NOK 252m (NOK -106m) for the full year. In the Norwegian guaranteed portfolio profit sharing is close to zero in the quarter and year to date. In the Swedish guaranteed business profit sharing is improving, driven by solid returns and favourable markets. The risk result amounted to NOK 77m (NOK 53m) in the 4th quarter and NOK 296m (NOK 262m) for the full year.

Amortisation of intangible assets from acquired business amounted to NOK -39m (NOK -42m) in the 4th quarter and NOK -245m (NOK -123m) year to date. The increased amortisation compared to the restated figures for 2022 is attributed the Danica acquisition. In addition, a write-down of intangible assets of NOK -87m associated with distribution agreements that has been cancelled in connection with Danske Bank's sale of the Norwegian retail banking operation was conducted in the 3rd quarter. The write-down has no material effect on Storebrand's earnings as Storebrand no longer will pay commissions to Danske Bank from 3rd quarter 2023. The one-off write in the third quarter will lead to correspondingly lower amortisation going forward.

Storebrand Livsforsikring Group booked a tax expenses of NOK 11m (NOK 78m) in the 4th quarter and a tax income of NOK 258m (NOK 429m) year to date. The low effective tax rate in the quarter is due to a high contribution to the pre-tax result from the Swedish business. Another contributing factor is taxable unrealised losses on currency hedges related to the Swedish business and corresponding non-deductible unrealised gains on the shares in the subsidiaries, as the Swedish krona appreciated 3% against the Norwegian krone. The tax income year to date is driven by a tax gain of approx. NOK 440m in the 2nd quarter, as the Tax Appeals Committee gave Storebrand full consent in a disputed tax case for the income year 2015. The estimated normal tax rate is 19-22%, depending on each legal entity's contribution to the Group result. Different tax rates in different countries of operations as well as currency fluctuations impact the quarterly tax rate.

Profit Storebrand Livsforsikring group - by business ares

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Savings	168	206	156	201	161	731	705
Insurance	-115	108	112	48	87	153	430
Guaranteed pensions	433	314	293	285	270	1,326	903
Other	119	106	79	94	8	398	-315
Cash equivalent earnings before amortisation	**605**	**734**	**640**	**628**	**525**	**2,607**	**1,723**

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

Capital situation

The solvency ratio of Storebrand Livsforsikring was 250% at the end of the 4th quarter, a decrease of 21 percentage points from the previous quarter. Adverse changes in regulatory assumptions and a substantial decrease in interest rates are the main explanations behind the decrease. The 10-year swap rate saw a decrease of 88 bps to 3.33% for NOK, while it was down 109 bps to 2.36% for SEK. In terms of regulatory assumptions, the symmetrical adjustment for the equity stress (SA) was up over 3 percentage points quarter to quarter. Write-downs in the Norwegian real estate portfolio of 1.7% in the quarter impacted the solvency ratio negatively, while a strong equity marked had a positive impact.

Savings

- **Cash equivalent earnings from operations up 13% compared to Q4 2022**
- **22% growth in asset under management compared to Q4 2022**
- **11% growth in quarterly Unit Linked premiums compared to Q4 2022**

The Savings segment includes products for retirement savings with no interest rate guarantees. The segment consists of defined contribution pensions in Norway and Sweden.

Savings

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Fee and administration income	553	549	538	559	527	2,199	2,013
Operational expenses	-381	-353	-375	-357	-376	-1,466	-1,306
Cash equivalent earnings from operations	**171**	**196**	**164**	**203**	**151**	**734**	**706**
Financial items and risk result life & pension	-3	10	-8	-2	9	-3	-2
Cash equivalent earnings before amortisation	**168**	**206**	**156**	**201**	**161**	**731**	**705**

Profit

The Savings segment reported cash equivalent earnings before amortisation of NOK 168m (NOK 161m) in the 4th quarter and NOK 731m (NOK 705m) for the full year.

The fee and administration income in the Savings segment amounted to NOK 553m (NOK 527m) in the 4th quarter and NOK 2,199m (NOK 2,013m) for the full year, corresponding to growth of 3% (adjusted for currency effect NOK vs SEK). In Unit Linked Norway, income was reduced by 2% compared to the same quarter last year, explained by lower fee margin. During 2023 the income grew by 11%, driven by solid growth in the underlying business, positive market development and larger contribution from the acquired Danica portfolio. In Sweden, fee and administration income grew 13% compared to the same quarter last year and 8% compared to last year. In Retail Banking, income grew by 44% from the 4th quarter last year and 43% for the full year, driven by lending growth and a higher net interest margin.

Operational cost amounted to NOK -381m (NOK -376m) in the 4th quarter and NOK -1,466m (NOK -1,306m) year to date.

Balance sheet and market trends

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

In the Norwegian Unit Linked business, assets under management increased to NOK 209bn (NOK 179bn). The growth stems from high occupational pension premiums, new sales, asset return and limited pension payments due to the young nature of the product. Net inflow (from premiums, claims and withdrawals, and transfers) amounted to NOK 2.6bn (NOK 2.8bn).

In the Swedish Unit Linked business, assets under management increased during the quarter by SEK 13bn and amounted to SEK 170bn. Net inflow amounted to NOK 1.4bn (NOK 1.8bn) in the 4th quarter.

Savings - Key figures

	2023				2022
NOK mill	Q4	Q3	Q2	Q1	Q4
Unit Linked Reserves	384,504	353,448	357,150	343,347	314,992
Unit Linked Premiums	7,309	7,055	7,024	6,883	6,583

Insurance

- **15% overall growth in premiums f.o.a. in 2023 compared to last year**
- **Combined ratio of 115% in the quarter driven increased disability levels**

The Insurance segment provides personal risk products in the Norwegian and Swedish retail market and employee insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Insurance result	-13	238	231	194	243	650	939
- Insurance premiums f.o.a.	989	996	995	970	923	3,950	3,435
- Claims f.o.a.	-1,002	-758	-764	-776	-680	-3,300	-2,496
Operational expenses	-130	-139	-136	-151	-145	-556	-507
Cash equivalent earnings from operations	**-143**	**99**	**95**	**43**	**98**	**93**	**432**
Financial items and risk result life & pension	28	9	16	6	-11	59	-3
Cash equivalent earnings before amortisation	**-115**	**108**	**112**	**48**	**87**	**153**	**430**

Profit
Insurance premiums f.o.a. amounted to NOK 989m (NOK 923m) in the 4th quarter and NOK 3,950m (NOK 3,435m) for the full year, corresponding to an increase of 7% compared to the same quarter last year and an increase of 15% for the full year.

Cash equivalent earnings before amortisation amounted to NOK -115m (NOK 87m) in the 4th quarter and NOK 153m (NOK 430m) for the full year. The total combined ratio was 115% (89%) in the 4th quarter and 98% (87%) for the full year. In Group life and Pension related disability segments, persistent high disability levels have led to a strengthening of reserves and corresponding weak results in the quarter and for the full year. Several measures, including further repricing, have been implemented to improve the robustness and profitability in the affected segments. The measures implemented are expected to bring profitability gradually back to the 90-92% targeted combined ratio within 2025. There is still a high level of uncertainty linked to the disability development in the Norwegian society and Storebrand follows the development closely.

Within 'Individual life', growth continued with premiums f.o.a. growing 7% in the 4th quarter compared to last year. The cash equivalent earnings before amortisation were NOK 84m (NOK 63m) in the 4th quarter and NOK 281m (NOK 220m) for the full year. The claims ratio was 60% (49%) in the 4th quarter and 57% (54%) for the full year.

'Group life' reported a cash equivalent earnings before amortisation of NOK -147m (NOK -17m) in the 4th quarter and NOK -211m (NOK 9m) for the full year. The disability development in the associations segment of the Group life product has resulted in a strengthening of reserves, with a corresponding negative effect on the results. Significant re-pricing has been implemented from 2024, together with other measures. Group life' reported a combined ratio of 159% (106%) in the 4th quarter and 122% (100%) for the full year.

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

The cost ratio was 13% (16%), with cost amounting to NOK -130m (NOK -145m) in the 4th quarter and NOK -556m (NOK -507m) for the full year.

The Insurance investment portfolio is primarily invested in fixed income securities with short to medium duration and achieved a financial return of 1.2% in the 4th quarter and 3.5% for the full year.

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

Overall growth in annual portfolio premiums amounted to 8% compared to the same quarter last year. Growth in 'Individual life' amounted to 4%. 'Group life' grew by 7%, driven by price adjustments, and 'Pension related disability insurance' grew by 11%, driven by price adjustments and salary increases.

Portfolio premiums (annual)

NOK million	2023 Q4	Q3	Q2	Q1	2022 Q4
Individual life *	1,198	1,181	1,174	1,168	1,150
Group life **	1,047	1,040	1,027	970	978
Pension related disability insurance ***	1,928	1,884	1,856	1,834	1,738
Portfolio premium	4,173	4,105	4,057	3,972	3,866

** Individual life disability insurance*

*** Group disability, workers compensation insurance*

**** DC disability risk premium Norway and disability risk Sweden*

Key Figures

	2023 Q4	Q3	Q2	Q1	2022 Q4
Claims ratio	101%	76%	77%	80%	74%
Cost ratio	13%	14%	14%	16%	16%
Combined ratio	**115%**	**90%**	**90%**	**96%**	**89%**

Guaranteed pension

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

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

Guaranteed pension – Results

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

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

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

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

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

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

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

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

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

Guaranteed pension – Key figures

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

Other

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

	2023				2022	Full year	
NOK million	Q4	Q3	Q2	Q1	Q4	2023	2022
Operational expenses	-35	-26	-28	-29	-19	-117	-71
Cash equivalent earnings from operations	**-35**	**-26**	**-28**	**-29**	**-19**	**-117**	**-71**
Financial items and risk result life & pension	154	131	107	123	27	515	-244
Cash equivalent earnings before amortisation	**119**	**106**	**79**	**94**	**8**	**398**	**-315**

Profit

The Other segment reported cash equivalent earnings before amortisation of NOK 119m (NOK 8m) in the 4th quarter and 398m (NOK -315m) for the full year. The positive result this year stems primarily from positive returns on investments in company portfolios due to higher interest rates and hence higher running yield in the bond portfolios.

The operational cost amounted to NOK -35m (NOK -19m) in the 4th quarter and -117m (NOK -71m) for the full year. Integration cost booked in the Other segment amounted to NOK -25m in the 4th quarter and -85m for the full year.

The financial result for the Other segment amounted to NOK 154m in the 4th quarter and 515m for the full year, reflecting higher yields on fixed income investments at higher interest rates. The result mainly stems from returns in the company portfolios of SPP and Storebrand Life Insurance. The investments in the company portfolios are primarily in interest-bearing securities in Norway and Sweden. The Norwegian company portfolio achieved a return of 1.1% in the 4th quarter and 3.8% for the full year, while the Swedish company portfolio reported a return of 1.6% in the 4th quarter and 4.9% for the full year. The company portfolios in the Norwegian and Swedish life insurance companies amounted to NOK 24.9bn at the end of the quarter.

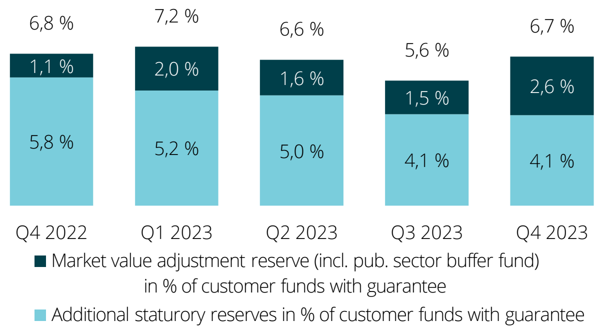
The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Interest expenses in the quarter amounted to NOK -160m.

Balance sheet and capital situation

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

Storebrand Livsforsikring AS

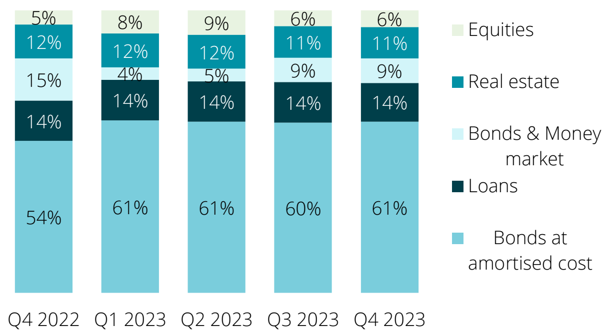
Customer buffers (NOR)



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

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

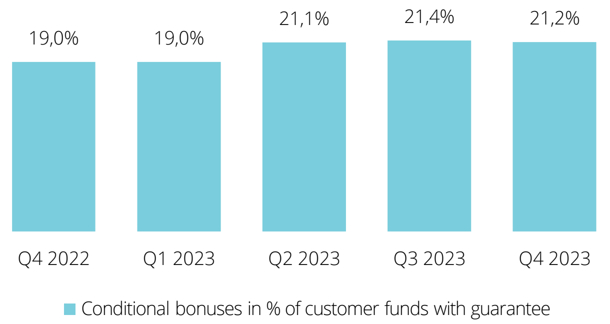
Allocation of guaranteed customer assets (NOR)



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

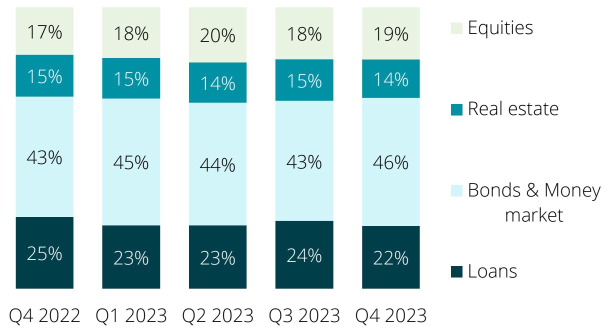
SPP

Customer buffers (SWE)



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

Allocation of guaranteed customer assets (SWE)



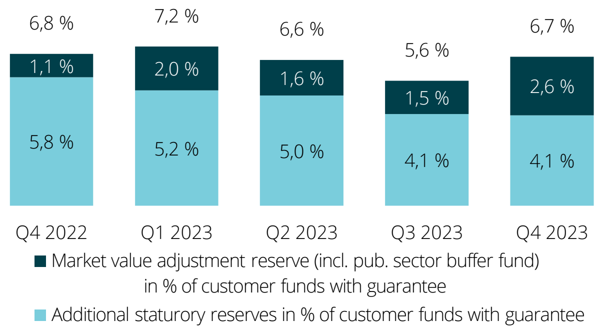
Customer assets amounted to SEK 251bn (SEK 223bn) at the end of the 4th quarter. Customer assets within non-guaranteed savings amounted to SEK 169bn (SEK 143bn) at the end of the 4th quarter, which is an increase of 18% compared to the same quarter last year. Guaranteed customer assets had a stable development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

Balance sheet and capital situation

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

Storebrand Livsforsikring AS

Customer buffers (NOR)

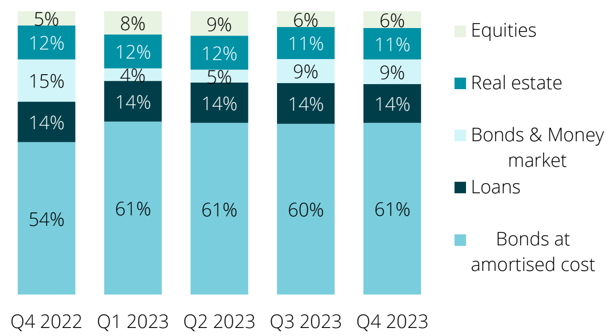


The market value adjustment reserve and buffer fund increased during the 4th quarter by NOK 1.9bn and by NOK 2.7bn year to date. At the end of 4th quarter 2023 the market value adjustment reserve and buffer fund amounted to NOK 6.3bn, corresponding to 2.6% (1.5% at the end of 3rd quarter 2023) of customer funds with a guarantee.

The additional statutory reserves amounted to NOK 4.2bn, corresponding to 2.5% (4.1% at the end of the 3rd quarter 2023) of customer funds with guarantee at the end of the 4th quarter. Investment returns in customer portfolios lower than the guaranteed interest rate decreased reserves by NOK 2.7bn in the 4th quarter and NOK 5.4bn year to date.

Together, the customer buffers amounted to 5.1% (5.6% at the end of the 3rd quarter 2023) of customer funds with guarantee at the end of the 4th quarter 2023. The excess value of bonds and loans valued at amortised cost increased by NOK 6.5bn in the 4th quarter and decreased by NOK 0.4bn year to date due to decreased interest rates and amounted to minus NOK 10.6bn at the end of the 4th quarter 2023. The excess value of bonds and loans at amortised cost is not included in the financial statements of Storebrand Livsforsikring AS.

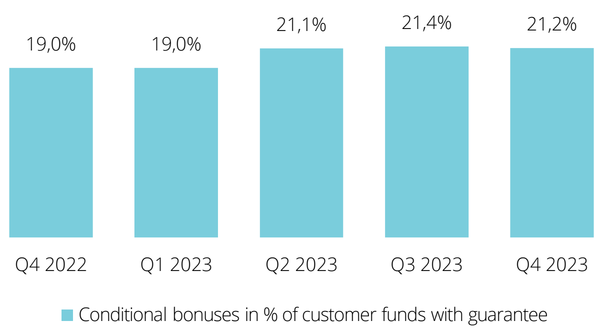
Allocation of guaranteed customer assets (NOR)



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

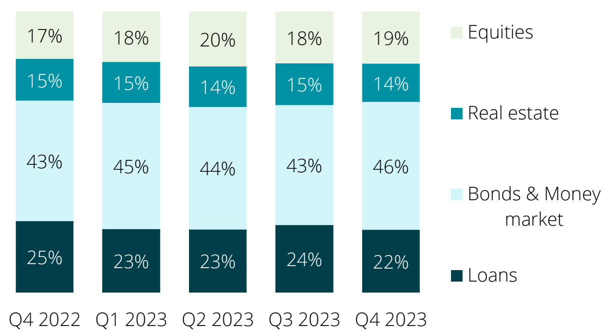
SPP

Customer buffers (SWE)



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

Allocation of guaranteed customer assets (SWE)



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

Outlook

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

Storebrand's strategy gives a compelling combination of capital-light growth in the front book, i.e. the growth areas of the "future Storebrand", and capital return from a maturing back book of guaranteed pensions.

Storebrand Group aims to (a) be the leading provider of Occupational Pensions in both Norway and Sweden, (b) continue a strategy to build a Nordic Powerhouse in Asset Management and (c) ensure fast growth as a challenger in the Norwegian retail market for financial services. The combined capital, cost and revenue synergies across the Group provide a solid platform for profitable growth and value creation.

Financial performance
In Norway, the market for Defined Contribution pensions is growing structurally due to the young nature of the product. High single-digit growth in Defined Contribution premiums and double-digit growth in assets under management are expected during the next years. Storebrand aims to defend its strong position in the market, while also focusing on cost leadership and improved customer experience through end-to-end digitalisation. Storebrand also follows an active strategy within the market for closed corporate pension funds, with an ambition to be the preferred choice for corporates who no longer wish to operate these funds in-house. As a leading occupational pension provider in the private sector, Storebrand also has a competitive pension offering to the Norwegian public sector. It is a growing market which is larger than the private sector market. It is currently dominated by one monopolist and represents a potential additional source of revenue for Storebrand. The ambition is to achieve NOK 7bn in annual net inflow in this market, equaling an increased market of more than 1 percentage point annually.

In Sweden, SPP is a leading market challenger within the segment for non-unionised pensions, with an edge in digital and ESG-enhanced solutions. SPP has become a significant profit contributor to the Storebrand Group, supported by an ongoing capital release from its guaranteed products in run-off. SPP's ambition is achieve double digit annual growth, driven by a strong value proposition, growth in capital light guaranteed savings and selected portfolio transfers.

Overall reserves of guaranteed pensions are expected to decrease in the coming years. Guaranteed reserves represent a declining share of the Group's total pension reserves and amounted to 42,5% of the pension reserves at the end of the quarter, 4 percentage points lower than a year ago. With interest rates having risen to significantly higher levels than the average level of interest rate guarantees, the prospects for future profit sharing with customers has increased.

The brand name 'Storebrand' is well recognised in Norway. It facilitates our rapid growth in the Norwegian retail market to leverage capital, customer, and operational synergies. The ambition is to grow more than 10% annually within retail savings and insurance through leading customer experience, cross sales and continued focus on scalable growth.

Strong cost discipline will be a critical success factor to deliver on the earnings ambition. Storebrand will continue to reduce underlying costs, but it will also be necessary to make selective investments to facilitate profitable growth. Should the growth not materialise, management has contingency plans in place to cut costs. High inflation rates, particularly wage inflation, is expected to increase the cost base and acquired business such as Danica will add to the total cost base.

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

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

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

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

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

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

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

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

Storebrand expects ESA to decide on the complaints during the first half of 2024.

Lysaker, 6 February 2024

Board of Directors Storebrand Livsforsikring AS

Storebrand Livsforsikring Group

Income Statement

NOK million	Q4 2023	Q4 2022	01.01 - 31.12 2023	01.01 - 31.12 2022*
Insurance revenue	1,527	1,540	6,126	5,826
Insurance service expenses	-1,313	-1,087	-4,442	-3,687
Net expenses from reinsurance contracts held	1	-25	-52	-34
Net insurance service result	**215**	**428**	**1,632**	**2,104**
Income from unit linked	480	491	2008	1841
Other income	135	31	344	263
Total income	**830**	**950**	**3,984**	**4,209**
Operating expenses	-463	-504	-1,775	-1,627
Other expenses	-12	-14	-95	-33
Operating profit	**355**	**433**	**2,114**	**2,548**
Income from investments in subsidiaries, associated companies and joint ventures companies	-23	-310	-395	-327
Net income on financial and property investments	33,946	19,587	55,660	-51,785
Net change in investment contract liabilities	-16,443	-12,248	-38,409	25,147
Finance expenses from insurance contracts issued	-16,856	-6,621	-15,274	26,624
Interest expenses securities issued and other interest expenses	-263	-247	-809	-534
Net financial result	**361**	**161**	**773**	**-876**
Profit/loss before amortisation and tax	**716**	**594**	**2,887**	**1,673**
Amortisation and write-downs intangible assets	-39	-42	-245	-123
Tax expenses	-31	-275	199	192
Profit/loss for the period	**646**	**277**	**2,841**	**1,742**
Change in actuarial assumptions	-33	-23	-41	-29
Fair value adjustment of properties for own use	48	3		63
Other comprehensive income allocated to customers	-48	-3		-63
Tax on other profit elements not to be reclassified to profit/loss	3	4	3	4
Other comprehensive income not to be reclassified to profit/loss	**-31**	**-19**	**-39**	**-25**
Profit/loss cash flow hedging		12	-10	-12
Translation differences foreign exchange	-155	-14	-364	-4
Unrealised profit/loss on financial instruments FVOCI	301	146	82	-576
Tax on other profit elements that may be reclassified to profit/loss	-78	-42	-20	144
Other profit comprehensive income that may be reclassified to profit	**68**	**101**	**-313**	**-448**
Other comprehensive income	**38**	**82**	**-352**	**-473**
TOTAL COMPREHENSIVE INCOME	**684**	**359**	**2,489**	**1,269**
PROFIT IS ATTRIBUTABLE TO:				
Share of profit for the period - shareholders	646	277	2,841	1,742
Share of profit for the peride - non-controlling interests				
COMPREHENSIVE INCOME IS ATTRIBUTABLE TO:				
Share of profit for the period - shareholders	684	359	2,489	1,269
Share of profit for the peride - non-controlling interests				
* Restated numbers				

Storebrand Livsforsikring Group

Statement of financial position

NOK million	31.12.23	31.12.22*
ASSETS		
Other intangible assets	2,792	2,968
Total intangible assets	**2,792**	**2,968**
Tangible fixed assets	658	633
Tax assets	3,037	2,943
Equities and units in subsidiaries, associated companies and joint ventures	7,739	8,685
Investment properties	34,382	35,171
Loans	27,153	27,951
Bonds and other fixed-income securities	277,575	262,122
Equities and fund units	333,550	270,216
Derivatives	8,003	6,573
Bank deposits	13,201	13,470
Total investments	**701,603**	**624,188**
Reinsurance contracts assets	184	301
Receivable in the group	113	138
Accounts receivable and other short-term receivables	48,052	12,459
TOTAL ASSETS	**756,438**	**643,630**
EQUITY AND LIABILITIES		
Paid in equity	15,578	15,150
Earned equity	1,807	1,622
Total equity	**17,385**	**16,772**
Subordinated loans and hybrid tier 1 capital	10,672	9,757
Insurance contracts liabilities	316,783	302,168
Reinsurance contracts liabilities		38
Investment contracts liabilities	354,270	292,931
Pension liabilities etc.	57	41
Deferred tax	1,064	1,137
Derivatives	6,056	12,573
Liabilities to group companies	35	27
Other liabilities	50,116	8,186
Total liabilities	**728,381**	**617,101**
TOTAL EQUITY AND LIABILITIES	**756,438**	**643,630**
* Restated numbers		

Storebrand Livsforsikring Group

Statement of changes in equity

	Majority's share of equity					
NOK million	Share capital	Share premium	Other paid in equity	Total paid in equity	Other equity	Total equity
Equity at 31.12.2021	**3,540**	**9,711**	**1,110**	**14,361**	**11,649**	**26,010**
Equity effect when implementing IFRS 9 and IFRS 17					**-8,077**	**-8,077**
Equity at 1.1.2022	**3,540**	**9,711**	**1,110**	**14,361**	**3,572**	**17,933**
Profit for the period					1,817	1,817
Other comprehensive income					-549	-549
Total comprehensive income for the period					**1,268**	**1,268**
Equity transactions with owner:						
Received dividend/group contributions			790	790		790
Paid dividend/group contributions					-3,210	-3,210
Other					-9	-9
Equity at 31.12.2022	**3,540**	**9,711**	**1,899**	**15,150**	**1,621**	**16,772**
Profit for the period					2,841	2,841
Other comprehensive income					-352	-352
Total comprehensive income for the period					**2,489**	**2,489**
Equity transactions with owner:						
Received dividend/group contributions			427	427		427
Paid dividend/group contributions					-2,325	-2,325
Other					22	22
Equity at 31.12.2023	**3,540**	**9,711**	**2,327**	**15,578**	**1,807**	**17,385**

Storebrand Livsforsikring Group/AS

Statement of cash flow

Storebrand Livsforsikring group 01.01 - 31.12 2022	2023	NOK million	Storebrand Livsforsikring AS 01.01 - 31.12 2023	2022
		Cash flow from operating activities		
31,889	27,075	Net received - direct insurance	25,653	20,283
-22,448	-20,813	Net claims/benefits paid - direct insurance	-14,796	-13,719
-1,704	-4,660	Net receipts/payments - policy transfers	-4,709	-266
30,472	30,344	Net change insurance liabilities	30,714	1,463
-1,000	-918	Taxes paid	86	-775
-2,656	2,874	Net receipts/payments operations	-1,772	-1,524
2,897	6,856	Net receipts/payments - other operational activities	29	142
37,450	40,759	**Net cash flow from operating activities before financial assets**	35,205	5,604
1,904	4,099	Net receipts/payments - loans to customers	572	1,435
-30,050	-43,721	Net receipts/payments - financial assets	-33,595	-218
1,447	1,306	Net receipts/payments - property activities		
610	3	Receipts - sale of investment properties		
-1,509	-300	Payment - purchase of investment properties		
-27,598	-38,613	**Net cash flow from operating activities from financial assets**	-33,023	1,217
9,852	2,146	**Net cash flow from operating activities**	2,182	6,820
		Cash flow from investing activities		
-562		Net payments - purchase/capitalisation associated companies		
-32	-26	Net receipts/payments - sale/purchase of fixed assets	-2	-4
-2,892	-26	**Net cash flow from investing activities**	-2	-2,051
		Cash flow from financing activities		
2,648	997	Receipts - subordinated loans issued	997	2,648
-2,558	-676	Repayment of subordinated loans	-676	-2,558
-512	-613	Payments - interest on subordinated loans	-613	-512
1,050	565	Payments received of dividend and group contribution	1,441	2,432
-3,210	-2,325	Payment of dividend and group contribution	-2,325	-3,210
-2,583	-2,052	**Net cash flow from financing activities**	-1,177	-1,201
4,377	68	**Net cash flow for the period**	1,004	3,569
31,975	38,681	of which net cash flow for the period before financial assets	34,026	2,352
4,377	68	Net movement in cash and cash equivalent assets	1,004	3,569
9,139	12,924	Cash and cash equivalents at the start of the period	8,814	5,245
-45	210	Currency translation differences		
13,470	13,201	**Cash and cash equivalent assets at the end of the period**	9,817	8,814

Storebrand Livsforsikring Group

Notes to the financial statements

Note 1 Accounting policies

The Group’s interim financial statements include Storebrand Livsforsikring AS, subsidiaries, associated and joint-ventures companies. The financial statements are prepared in accordance with the “Regulation on the annual accounts etc. of life insurance companies” for the parent company and the consolidated financial statements in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

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

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

Storebrand Livsforsikring AS - the company's financial statements
The financial statements have been prepared in accordance with the accounting principles that were used in the annual report for 2022.

1.1 New standards and changes to the accounting policies applied

IFRS 9 Financial Instruments

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

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

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

IFRS 9 - Financial instruments to amortised cost and FVOCI

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 31.12.21	Fair value after IFRS 9 1.1.22
Financial assets				
Bank deposits	AC	AC	9 139	9 139
Bonds and other fixed-income securities	AC	FVOCI	9 408	9 435
Accounts receivable and other short-term receivables	AC	AC	9 562	9 562
Total financial assets			**28 109**	**28 135**
Financial liabilities				
Subordinated loan capital	AC	AC	10 865	10 865
Other current liabilities	AC	AC	13 379	13 379
Total financial liabilities			**24 244**	**24 244**

IFRS 9 - Financial instruments at fair value

NOK million	IAS 39 classification	IFRS 9 classification	Booked value after IAS 39 31.12.21	Fair value after IFRS 9 1.1.22
Financial assets				
Shares and fund units	FVP&L (FVO)	FVP&L	278 056	278 056
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	158 533	158 533
Bonds and other fixed-income securities	AC	FVP&L	113 416	116 745
Loans to customers	FVP&L (FVO)	FVP&L	7 443	7 443
Loans to customers	AC	FVP&L	23 052	23 060
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	4 855	4 855
Total financial assets			**585 355**	**588 693**
Financial liabilities				
Derivatives	FVP&L/ Hedge accounting	FVP&L/ Hedge accounting	3 092	3 092
Total financial liabilities			**3 092**	**3 092**

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

IFRS 17 Insurance Contracts

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

Storebrand Livsforsikring Group

1.1.1 Scope:

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

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

1.2 Accounting policies

1.2.1 Measurement model

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

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

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

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

1.2.2 Contracts measured according to variable fee approach and general measurement method.
At initial recognition, the carrying value of the insurance contract liability is measured as the sum of:

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

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

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

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

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

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

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

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

In the subsequent measurement, the contractual service margin is only adjusted for changes that apply to future services. This entails that changes in cash flows for future services are recognised as profit or loss as Storebrand provides services. At the end of each reporting period, the contractual service margin represents the profit that is not recognised in the income statement as profit or loss since it relates to future services.

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

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

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

CONSEQUENCES OF TRANSITION TO IFRS 17 IN THE FINANCIAL STATEMENT:

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

1.2.3 Contracts measured according to premium allocation approach

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

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

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

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

1.2.4 Aggregation level for insurance contracts

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

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

1.2.5 Cash flows within the boundaries of a contract

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

Such an obligation to provide insurance contract services ends when:

- Storebrand has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

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

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

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

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

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

1.2.6 Risk adjustment

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

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

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

1.2.7 Discount rate

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

1.3 Transition to IFRS 17

According to IFRS 17 a retrospective transition method must be applied for the opening balance sheet. However, a modified retrospective transition method or fair value approach is permitted if retrospective application is impracticable.

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

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

1.3.1 Changes in equity at transition

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

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

Opening balance

NOK mill.	31.12.21	Reclassification	1.1.22
Assets			
Deferred tax assets	1 058,4	1 809,4	2 867,8
Other assets	4 153,8	-1 607,1	2 546,8
Financial assets	637 154,4	3 363,1	640 517,5
Reinsurance contracts assets	12,9	0,0	12,9
Bank deposit	9 138,6	0,0	9 138,6
Receivable	9 680,9	-119,3	9 561,6
Minority portion of consolidated mutual funds	0,0	0,0	0,0
Total assets	**661 199,1**	**3 446,2**	**664 645,3**
Equity and liabilities			
Equity	**26 010,3**	**-8 077,1**	17 933,2
Insurance liabilities (excl CSM)	321 945,9	-4 914,3	317 031,6
Contractual Service Margin (CSM)	0,0	11 810,4	11 810,4
Risk Adjustment (RA)	0,0	4 627,1	4 627,1
Investment contracts liabilities	285 286,0	0,0	285 286,0
Reinsurance contracts liabilities	0,0	0,0	0,0
Financial liabilities	14 578,5	0,0	14 578,5
Other liabilities	13 378,5	0,0	13 378,5
Minority portion of consolidated mutual funds	0,0	0,0	0,0
Total liabilities	**635 188,8**	**11 523,3**	**646 712,1**
Total equity and liabilities	**661 199,1**	**3 446,2**	**664 645,3**

Deferred tax assets

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

Other assets

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

Financial assets

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

Receivable

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

Equity

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

Insurance liabilities

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

Contractual service margin

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

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

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

Note 2 Important accounting estimates and judgements

In preparing the Group's financial statements the management are required to make estimates, judgements and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgement at the time the financial statements were prepared.

Actual results may differ from these estimates.

A description of the most critical estimates and judgements that can affect recognised amounts is included in the 2022 annual report in note 2, valuation of financial instruments at fair value is described in note 13 and in the interim financial statements note 10 Solvency II.

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

2.1 Insurance contracts

2.1.1 Definition and classification:

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

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

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

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

2.1.2 The methods and assumptions used to measure insurance contracts:

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

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

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

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

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

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

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

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

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

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

31.12.2023	1 år	5 år	10 år	15 år	20 år
NOK	4,26%	3,58%	3,49%	3,50%	3,50%
SEK	3,05%	2,28%	2,27%	2,56%	2,77%

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

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

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

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

Contracts with direct participation (VFA): Storebrand Livsforsikring uses the policyholder's reserves as a basis for determining the level of benefits provided when calculating the coverage unit per group of insurance contracts measured under the variable fee approach. For SPP, policyholder funds, including the deferred capital contribution (DCC), are used as a basis for the assessment of coverage unit. This insures a relatively stable amortization and serves as a scaling factor for variable fee approach contracts providing both insurance coverage and investment-related services.

Non-participating contracts (GMM): For group disability insurance in Norway, Storebrand uses insurance premiums as a basis to determine the quantity of benefits during the first coverage year (accumulation phase), as opposed to the policyholder reserves during the pay-out phase. At the end of each reporting period, the total coverage units are reassessed to reflect the expected pattern of service, contract cancellations and lapse when applicable. Storebrand provides no investment-return services under the group disability insurance, as the contract does not feature any investment components.

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

Storebrand Livsforsikring Group

Note 3 Acquisitions

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

The final PPA of Danica Pensjonsforsikring is shown in the table below.

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

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

Note 4 Profit by segments

Storebrand´s operation includes the segments Savings, Insurance, Guaranteed Pension and Other.

Savings
The savings segment includes products for retirement savings with no interest rate guarantees. The segment consists of defined contribution pensions in Norway and Sweden. In addition, certain other subsidiaries in Storebrand Livsforsikring and SPP are included in Savings.

Insurance
The insurance segment provides personal risk products in the Norwegian retail market in addition to employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

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

Other
The result for the company portfolios of Storebrand Livsforsikring and SPP are reported in the Other segment

Reconciliation with the profit and loss account
The alternative income statement is based on the statutory accounts of the legal entities in the Group, adjusted for intercompany transactions. The statutory accounts in the legal entities is primarily similar to IFRS with the exception of IFRS 17 for Storebrand Livsforsikring AS and SPP Pension & Forsäkring AB where the local GAAP is more aligned with the historical IFRS 4

reporting. Since the alternative income statement is based on the statutory accounts of the legal entities, the group adjustments related to amortisation and tax effects on acquired business is not included in the alternative income statement. The results in the segments are reconciled against the statutory income statement of each legal entity in the Group.

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

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

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

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

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

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

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

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

Risk result life and pensions consists of the difference between risk premium and claims for products relating to defined-contribution pension, unit linked insurance contracts (savings segment) and defined-benefit pension (guaranteed pension segment). Risk premium is classified as insurance income in the statutory income statements.

The financial result consists of the return for the company portfolios of Storebrand Livsforsikring AS and SPP Pension & Försäkring AB (Other segment), while returns for the other company portfolios in the Group are a financial result within the segment which the business is associated with. Return on company portfolios are classified as net income on financial and property investment in the statutory income statements. The net income financial and property investment in the statutory income statements also includes return on customer assets, both guaranteed and non guaranteed.

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

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

Storebrand Livsforsikring Group

sharing is triggered, 90 per cent of the total return on assets passes to the policyholder and 10 per cent to the company. The company's share of the total return on assets is included in the financial result. In the case of defined-benefit insurance (KF portfolio), the company is entitled to charge an indexing fee if the group profit allows the indexing of the insurance. Indexing is allowed up to a maximum equalling the change in the consumer price index (CPI) between the previous two Septembers. Pensions that are paid out are indexed if the ratio between assets and guaranteed insurance liabilities in the portfolio as at 30 September exceeds 107 per cent, and half of the fee is charged. The entire fee will be charged if the ratio between assets and guaranteed insurance liabilities in the portfolio as at 30 September exceeds 120 per cent, in which case paid-up policies can also be included. The total fee equals 0.8 per cent of the insurance capital. The guaranteed liability is continuously monitored. If the guaranteed liability is higher than the value of the assets, a provision must be made in the form of a deferred capital contribution. If the assets are lower than the guaranteed liability when the insurance payments start, the company supplies capital up to the guaranteed liability in the form of a realised capital contribution. Changes in the deferred capital contribution are included in the financial result.

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

Profit by segments

	Q4		01.01 - 31.12	
NOK million	2023	2022	2023	2022
Savings	168	161	731	705
Insurance	-115	87	153	430
Guaranteed pension	433	270	1,326	903
Other	119	8	398	-315
Profit before amortisation	**605**	**525**	**2,607**	**1,723**
Amortisation and write-downs intangible assets	-46	-50	-273	-151
Profit before tax	**559**	**476**	**2,334**	**1,572**

Segment information Q4

	Savings		Insurance		Guaranteed pension	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	553	527			422	413
Insurance result			-13	243		
- Insurance premiums for own account			989	923		
- Claims for own account			-1,002	-680		
Operational cost	-381	-376	-130	-145	-205	-233
Cash equivalent earnings from operations	**171**	**151**	**-143**	**98**	**217**	**180**
Financial items and risk result life & pension	-3	9	28	-11	77	53
Net profit sharing					139	38
Cash equivalent earnings before amortisation	**168**	**161**	**-115**	**87**	**433**	**270**

Storebrand Livsforsikring Group

NOK million	Other 2023	Other 2022	Storebrand Livsforsikring group 2023	Storebrand Livsforsikring group 2022
Fee and administration income			975	940
Insurance result			-13	243
- Insurance premiums for own account			989	923
- Claims for own account			-1,002	-680
Operational cost	-35	-19	-752	-772
Cash equivalent earnings from operations	**-35**	**-19**	**210**	**411**
Financial items and risk result life & pension	154	27	395	115
Cash equivalent earnings before amortisation	**119**	**8**	**605**	**525**
Amortisation and write-downs intangible assets			-46	-50
Cash equivalent earnings before tax	**119**	**8**	**559**	**476**
Tax			11	78
Cash equivalent earnings after tax			**570**	**554**

Segment information as at 31.12

NOK million	Savings 2023	Savings 2022	Insurance 2023	Insurance 2022	Guaranteed pension 2023	Guaranteed pension 2022
Fee and administration income	2,199	2,013			1,600	1,597
Insurance result			650	939		
- Insurance premiums for own account			3,950	3,435		
- Claims for own account			-3,300	-2,496		
Operational cost	-1,466	-1,306	-556	-507	-822	-850
Cash equivalent earnings from operations	**734**	**706**	**93**	**432**	**778**	**747**
Financial items and risk result life & pension	-3	-2	59	-3	296	262
Net profit sharing					252	-106
Cash equivalent earnings before amortisation	**731**	**705**	**153**	**430**	**1,326**	**903**

NOK million	Other 2023	Other 2022	Storebrand Livsforsikring group 2023	Storebrand Livsforsikring group 2022
Fee and administration income			3,800	3,609
Insurance result			650	939
- Insurance premiums for own account			3,950	3,435
- Claims for own account			-3,300	-2,496
Operational cost	-117	-71	-2,961	-2,733
Cash equivalent earnings from operations	**-117**	**-71**	**1,488**	**1,815**
Financial items and risk result life & pension	515	-244	1,119	-92
Cash equivalent earnings before amortisation	**398**	**-315**	**2,607**	**1,723**
Amortisation and write-downs intangible assets			-273	-151
Cash equivalent earnings before tax			**2,334**	**1,572**
Tax			258	429
Cash equivalent earnings after tax			**2,592**	**2,002**

Note 5 Financial market risk and insurance risk

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

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

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

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

Financial market risk
Market risk means changes in the value of assets due to unexpected volatility or price changes in the financial markets. It also refers to the risk that the value of the insurance liability develops differently than the assets due to interest rate changes. The most significant market risks are interest rate risk, equity market risk, property price risk, credit risk and currency exchange rate risk.

The financial assets are invested in a variety of sub-portfolios. Market risk affects Storebrand's income and profit differently in the different portfolios. There are three main types of sub-portfolios: company portfolios, customer portfolios without a guarantee (unit linked insurance) and customer portfolios with a guarantee.

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

Storebrand Livsforsikring Group

The market risk in unit linked insurance is borne by the customers, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based mainly on the size of the portfolios, while the costs tend to be fixed. Lower returns from the financial market than expected will therefore have a negative effect on Storebrand's income and profit.

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of risk sharing with customers depends on several factors, the most important being the size and flexibility of the customer buffers, and the level and duration of the interest rate guarantee. If the investment return is not sufficiently high to meet the guaranteed interest rate, the shortfall will be met by using customer buffers in the form of risk capital built up from previous years' surpluses. The buffers primarily consist of unrealised gains, additional statutory reserves, and conditional bonuses. Storebrand is responsible for meeting any shortfall that cannot be covered by the customer buffers. The risk is affected by changes in the interest rate level. Rising interest rates are negative in the short term because resulting price depreciation for bonds and interest rate swaps reduce investment return and buffers. But long term, rising interest rates are positive due to higher probability of achieving a return above the guarantee.

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

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

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

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

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

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

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

The market-based return for guaranteed customer portfolios in Norway was positive in 2023. The booked return was also positive but was lower than the guarantee for some of the portfolios. As this was mainly covered by utilising customer buffers, the effect on the financial result was limited.

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

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

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

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

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

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

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

Because it is the immediate market changes that are calculated, dynamic risk management will not affect the outcome. If it is assumed that the market changes occur over a period, then dynamic risk management would reduce the effect of the negative outcomes and reinforce the positive outcomes to some extent.

Insurance risk
Insurance risk is the risk of higher-than-expected payments and/or an unfavourable change in the value of an insurance liability due to actual developments deviating from what was expected when premiums or provisions were calculated. Most of the insurance risk for the group is related to life insurance. Changes in longevity is the greatest insurance risk for Storebrand because higher longevity means that the guaranteed benefits must be paid over a longer period. There are also risks related to disability and early death.

The development of the insurance reserves is dependent on future scenarios and are currently more uncertain than normal. Storebrand will continue to monitor the development of Covid-19 and effects for the economy. A prolonged situation with high unemployment could lead to higher disability levels and increased reserves. However, the current insurance reserves represent Storebrand's best estimate of the insurance liabilities.

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

Sensitivities
The following sensitivities are calculated:

Financial sensitivities:

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

Non-financial sensitivities:

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

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

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

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

NOK million	CSM as at end of period	Impact on CSM
	10 801	
Equity down		-1 842
Property down		-1 098
Interest rate up		949
Interest rate down		-839
Spread up		-891
Mortality down		-402
Disability up		-0
Expenses up		-298

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Note 6 Liquidity risk

Specification of subordinated loans

NOK million		Nominal value	Currency	Interest rate	Call date	Book value 31.12.23	Book value 31.12.22
Issuer							
Perpetual subordinated loans	1)						
Storebrand Livsforsikring AS	1)	1,100	NOK	Variable	2024	863	1,101
Storebrand Livsforsikring AS	1,2)	900	SEK	Variable	2026	910	856
Storebrand Livsforsikring AS	1)	300	NOK	Variable	2028	302	
Storebrand Livsforsikring AS	1,2)	400	SEK	Variable	2028	406	
Storebrand Livsforsikring AS	1)	300	NOK	Fixed	2028	316	
Dated subordinated loans							
Storebrand Livsforsikring AS	2)	900	SEK	Variable	2025	907	851
Storebrand Livsforsikring AS	2)	1,000	SEK	Variable	2024	1,010	947
Storebrand Livsforsikring AS		500	NOK	Variable	2025	501	500
Storebrand Livsforsikring AS	3)	650	NOK	Variable	2027	653	651
Storebrand Livsforsikring AS	2,3)	750	NOK	Fixed	2027	763	773
Storebrand Livsforsikring AS	3)	1,250	NOK	Variable	2027	1,260	1,261
Storebrand Livsforsikring AS	2,4)	38	EUR	Fixed	2023		421
Storebrand Livsforsikring AS	2,3)	300	EUR	Fixed	2031	2,782	2,397
Total subordinated loans and hybrid capital						**10,672**	**9,757**

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

[2] The loans are subject to hedge accounting.

[3] Green bonds

[4] The loan has been repaid in April 2023

Note 7 Valuation of financial instruments and investment properties

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

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

Fair value of financial assets and liabilities at amortised cost

NOK million	Fair value 31.12.23	Fair value 31.12.22	Book value 31.12.23	Book value 31.12.22
Subordinated loan capital	10,711	9,714	10,672	9,757

Valuation of financial instruments at fair value OCI

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total 31.12.2023	Total 31.12.2022
Bonds and other fixed income securities					
- Government bonds		1,847		1,847	1,863
- Corporate bonds		4,133		4,133	4,567
- Structured notes		497		497	479
Total bonds and other fixed income securities 31.12.2023		**6,477**		**6,477**	
Total bonds and other fixed income securities 31.12.2022		**6,909**			**6,909**

Valuation of financial instruments and properties at fair value

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.12.23	31.12.22
Assets					
Equities and fund units					
- Equities	41,240	310	76	41,626	47,645
- Fund units		270,338	21,586	291,924	222,571
Total equities and fund units 31.12.2023	**41,240**	**270,648**	**21,662**	**333,550**	
Total equities and fund units 31.12.2022	**30,690**	**221,065**	**18,461**		**270,217**
Total loans to customers					
- Loans to customers - corporate			10,391	10,391	11,248
- Loans to customers - private			16,761	16,761	16,704
Bonds and other fixed income securities					
- Government bonds	27,674	34,424		62,098	54,222
- Corporate bonds		106,235	8	106,242	106,067
- Structured notes		14,055		14,055	14,292
- Collateralised securities		3,049		3,049	2,887
- Bond funds		70,516	15,138	85,654	77,745
Total bonds and other fixed income securities 31.12.2023	**27,674**	**228,278**	**15,146**	**271,098**	
Total bonds and other fixed income securities 31.12.2022	**16,824**	**224,138**	**13,818**		**255,212**
Derivatives:					
- Equity derivatives					
- Interest derivatives		-3,193		-3,193	-8,263
- Currency derivatives		5,140		5,140	2,262
Total derivatives 31.12.2023		**1,947**		**1,947**	
- derivatives with a positive market value		8,003		8,003	6,573
- derivatives with a negative market value		-6,056		-6,056	-12,573
Total derivatives 31.12.2022		**-6,001**			**-6,001**
Properties:					
- investment properties			32,644	32,644	33,481
- Owner-occupied properties			1,737	1,737	1,689
Total properties 31.12.2023			**34,382**	**34,382**	
Total properties 31.12.2022			**35,171**		**35,171**

There is no significant movement between level 1 and level 2 in this quarter and year to date.

Movement level 3

NOK million	Equities	Fund units	Loans to customers	Corporate bonds	Bond funds	Investment properties	Owner-occupied properties
Book value 01.01	**356**	**18,105**	**6,757**	**8**	**13,810**	**33,482**	**1,689**
Policy change IFRS 9			20,725				
Net profit/loss	-69	4,010	110		137	-2,550	-60
Supply/disposal	-211	-1,017	-877		421	925	36
Sales/overdue/settlement							
To quoted prices and observable assumptions							
Currency translation differences		219	437		770	804	74
Other		269				-16	-2
Book value 31.12.2023	**76**	**21,586**	**27,152**	**8**	**15,138**	**32,644**	**1,737**

As of 31 December 2023, Storebrand Livsforsikring had NOK 7 533 million invested in Storebrand Eiendomsfond Norge KS and VIA, Oslo. The investments are classified as "investment in associated companies and joint ventures" in the Consolidated Financial Statements.

Sensitivity assessments

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

Note 8 Insurance contracts

Insurance revenue and expenses

NOK million	Guaranteed products - Norway	Guaranteed products - Sweden	Pension related disability insurance - Norway	P&C and Individual Life	Group Life and Disability Insurance	Total	31.12.22
	31.12.23						
	Guaranteed pension			Insurance			
Contracts measured under VFA and GMM							
Amounts relating to changes in LRC							
Expected incurred claims and other insurance service expenses							
Expected incurred claims			611			611	482
Expected incurred expenses	520	201	110			831	773
Change in the risk adjustment for non-financial risk for risk expired	185	98	52			336	344
CSM recognised in P&L for services provided	1,106	450	342			1,898	2,056
Other							
Recovery of insurance acquisition cash flows	2	4	6			12	7
Insurance revenue from contracts measured under VFA and GMM	**1,813**	**753**	**1,121**			**3,687**	**3,662**
Insurance revenue from contracts measured under the PAA				1,139	1,300	2,440	2,164
Total insurance revenue	**1,813**	**753**	**1,121**	**1,139**	**1,300**	**6,126**	**5,826**
Incurred claims and other directly attributable expenses							
Incurred claims	4		-573	-555	-1,043	-2,167	-1,904
Incurred expenses	-598	-210	-96	-188	-176	-1,267	-1,213
Changes that relate to past service - Adjustment to the LIC				42	-267	-225	-97
Losses on onerous contracts and reversal on those losses	-269	-12	-490			-771	-467
Insurance acquisition cash flows amortisation	-2	-4	-6			-12	-7
Total insurance service expenses	**-865**	**-226**	**-1,165**	**-700**	**-1,486**	**-4,442**	**-3,687**
Net income (expenses) from reinsurance contracts held	-1		-1	-43	-8	-53	-34
Total insurance service result	**946**	**527**	**-45**	**397**	**-194**	**1,631**	**2,104**

Composition of the balance sheet

NOK million	Guaranteed pension				Insurance			
	Guaranteed products - Norway	Guaranteed products - Sweden	Pension related disability insurance - Norway	Total Guaranteed pension	P&C and Individual Life	Group Life and Disability Insurance	Total Insurance	Total
31.12.23								
Insurance contract assets								
Insurance contract liabilities	214,696	86,504	9,039	310,239	2,769	3,776	6,544	**316,783**
Reinsurance contract assets	-1		133	132	46	6	52	**184**
Reinsurance contract liabilities								
31.12.22								
Insurance contract assets								
Insurance contract liabilities	209,311	79,168	7,692	296,171	2,646	3,350	5,996	**302,167**
Reinsurance contract assets					292	9	301	**301**
Reinsurance contract liabilities		4		4	34		34	**38**

Guaranteed pension

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

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

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

Storebrand Livsforsikring Group

Reconciliation of the measurement component of insurance contract balances

NOK million	31.12.23 Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	283,085	3,556	9,530	296,171
Opening insurance contract assets				
Net opening balance	**283,085**	**3,556**	**9,530**	**296,171**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided			-1,898	-1,898
Change in the risk adjustment for non-financial risk for the risk expired		-338		-338
Experience adjustments	33			33
Total changes that relate to current service	**33**	**-338**	**-1,898**	**-2,202**
Change that relate to future service				
Changes in estimates that adjust the CSM	-2,531	381	2,151	
Changes in estimates that results in onerous contract losses or reversal of losses	371	185		555
Contracts initially recognised in the period	-719	135	800	217
Total changes that relate to future service	**-2,880**	**700**	**2,951**	**772**
Changes that relate to past service				
Adjustment to liabilities for incurred claims				
Insurance service result	**-2,847**	**363**	**1,054**	**-1,430**
Finance expenses from insurance contracts issued recognised in profit or loss	15,127		33	15,160
Finance expenses from insurance contracts issued recognised in OCI				
Finance expenses from insurance contracts issued	**15,127**		**33**	**15,160**
Total amount recognised in comprehensive income	**12,281**	**363**	**1,086**	**13,730**
Other changes	45			45
Effect of changes in foreign exchange rates	4,989	65	185	5,239
Cash flows				
Premiums received	9,607			9,607
Claims and other directly attributable expenses paid	-14,503			-14,503
Insurance acquisition cash flows	-51			-51
Total cash flows	**-4,947**			**-4,947**
Net closing balance	**295,453**	**3,984**	**10,801**	**310,238**
Closing insurance contract liabilities	295,453	3,984	10,801	310,239
Closing insurance contract assets				
Net closing balance	**295,453**	**3,984**	**10,801**	**310,239**

Storebrand Livsforsikring Group

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

Impact of contracts recognised in the year

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

Insurance

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

	31.12.23				
	LRC		LIC for contracts under the PAA		
NOK million	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	252	10	5,623	112	5,996
Opening insurance contract assets					
Net opening balance	**252**	**10**	**5,623**	**112**	**5,996**
Insurance revenue	**-2,439**				**-2,439**
Insurance service expenses					
Incurred claims and other directly attributable expenses			1,956		1,956
Adjustment to liabilities for incurred claims	25		192	7	225
Losses on onerous contracts and reversal of those losses					
Insurance acquisition cash flows amortisation					
Insurance service expenses	**25**		**2,148**	**7**	**2,181**
Insurance service result	**-2,414**		**2,148**	**7**	**-259**
Finance expenses from insurance contracts issued recognised in profit or loss			113		**113**
Finance expenses from insurance contracts issued recognised in OCI					
Finance expenses from insurance contracts issued			**113**		**113**
Total amounts recognised in comprehensive income	**-2,414**		**2,262**	**7**	**-146**
Investment components					
Other changes					
Effect of changes in foreign exchange rates			65	4	69
Cash flows					
Premiums recieved	2,431				2,431
Claims and other directly attributable expenses paid			-1,806		-1,806
Insurance acquisition cash flows					
Total cash flows	**2,431**		**-1,806**		**625**
Net closing balance	**268**	**10**	**6,144**	**123**	**6,545**
Closing insurance contract liabilities	268	10	6,145	122	6,544
Closing insurance contract assets					
Net closing balance	**268**	**10**	**6,145**	**122**	**6,544**

Storebrand Livsforsikring Group

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

Underlying items for contracts measured under variable fee approach

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

Note 9 Tax

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

The tax rate for companies in Sweden is 20.6 per cent, but a majority of Storebrand's business related to occupational pension is subject to a standardized return tax on the assets managed on behalf of policyholders and not company tax. The expected tax rate from Storebrand's Swedish business is therefore lower than the company tax rate.

Storebrand has hedged part of the currency risk from the investment in the Swedish subsidiaries. Gains/losses on currency derivatives are taxable/deductible, while agio/disagio on the shares in the subsidiaries falls under the exemption method. Hence, large SEK/NOK movements will affect the Group tax cost.

Uncertain tax positions

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

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In March 2021 Storebrand received a decision from the Norwegian Tax Administration arguing that the liquidation of Storebrand Eiendom Holding AS resulted in a tax gain of approximately NOK 4.7 billion. Storebrand Livsforsikring AS appealed the decision to the Tax Appeals Commitee in May 2021, which in June 2023 ruled in favor of the company. In December 2023, the Ministry of Finance took legal action against the decision. The company considers it to be probable that Storebrand's understanding of the tax legislation will be accepted by a court of law and thus, no additional uncertain tax position has been recognised in the financial statements based on the subpoena. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.6 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise.

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. In April 2022 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration and has challenged the decision to the Norwegian Tax Appeals Committee. As a result of the complaint the Norwegian Tax Administration reversed parts of its own decision in January 2023, and reduced the tax income by approximately NOK 800 million. The remaining parts of the disagreement must be dealt with by the Tax Appeals Commitee. The uncertain tax position is therefore recognized in the financial statement. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

C. The outcome of the interpretation of tax rules for group contributions referred to above under (A) will have an impact when calculating the effect from the transitional rules for the new tax rules referred to under point (B). An equivalent interpretation to that described under (A) has been used as a basis in the financial statements when calculating tax input values on property shares owned by customer assets for 2016 and 2017. There is thus an uncertain tax position relating to the effect from the transitional rules described in (B). The decisions that Storebrand received in April 2022 and in January 2023 (described under point B) have reduced the uncertain tax position and have resulted in tax revenues of NOK 0.6 billion in the first quarter and NOK 0.2 billion in the fourth quarter 2022. The effect as mentioned in point B depends on the interpretation and outcome of point A. In June 2023, the Tax Appeals Committee ruled in favor of Storebrand's interpretation, and therefore generated an additional tax income of approximately NOK 0.44 billion. As already mentioned, the Ministry of Finance took legal action against the decision in December 2023. If the Norwegian Tax Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.5 billion.

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

Note 10 Contingent assets and liabilities

	Storebrand Livsforsikring Group	
NOK million	31.12.23	31.12.22
Uncalled residual liabilities limitied partnership	3,990	4,087
Uncalled residual liabilities in alternative investment funds	14,949	12,238
Total contigent liabilities	**18,939**	**16,326**

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

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see also note 2 and note 44 in the 2022 annual report.

Note 11 Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 24 and 46 in the 2022 annual report.

Storebrand Livsforsikring has not carried out any material transactions other than normal business transactions with related parties during 2023, other than Storebrand Livsforsikring AS having acquired mortgages from the sister company Storebrand Bank ASA. The mortgages were transferred on commercial terms. Storebrand Livsforsikring transfers loans back to Storebrand Bank when mortgages are renegotiated or terminated. The total portfolio of loans bought as of 31th December 2023 is NOK 17 billion, the value of the transferred portfolio is NOK 6,5 billion year to date. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expense year to date is NOK 67,4 million.

Storebrand Livsforsikring AS

Statement of comprehensive income

NOK million	Q4 2023	Q4 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
TECHNICAL ACCOUNT:				
Gross premiums written	6,024	4,969	26,018	20,300
Reinsurance premiums ceded	-3	-1	-33	-7
Premium reserves and pension capital transferred from other companies	1,651	1,862	10,735	9,474
Premiums for own account	**7,671**	**6,830**	**36,720**	**29,766**
Income from investments in subsidiaries, associated companies and joint ventures companies	-136	-608	-1,200	103
of which from investment in property companies	-136	-608	-1,200	103
Interest income and dividends etc. from financial assets	1,273	1,901	5,000	5,823
Changes in investment value	2,076	105	2,683	-6,095
Realised gains and losses on investments	27	-15	-869	-2,857
Total net income from investments in the collective portfolio	**3,240**	**1,383**	**5,615**	**-3,025**
Income from investments in subsidiaries, associated companies and joint ventures companies	-38	-163	-338	-8
of which from investment in rproperty companies	-38	-163	-338	-8
Interest income and dividends etc. from financial assets	1,069	570	1,707	975
Changes in investment value	6,487	2,362	11,509	-15,253
Realised gains and losses on investments	2,765	3,364	9,852	2,252
Total net income from investments in the investment selection portfolio	**10,283**	**6,133**	**22,729**	**-12,034**
Other insurance related income	**250**	**204**	**824**	**817**
Gross claims paid	-3,775	-3,373	-15,062	-13,425
Claims paid - reinsurance	2		33	30
Premium reserves, pension capital etc., additional satutory reserves and buffer fund transferred to other companies	-2,347	-1,984	-15,444	-9,740
Claims for own account	**-6,120**	**-5,357**	**-30,473**	**-23,135**
To/from premium reserve, gross	139	376	-1,923	-3,095
To/from additional statutory reserves	2,707	2,700	2,770	2,769
Change in market value adjustment fund	-1,522	-258	-1,783	5,207
Change in buffer fund	-403	-90	-1,031	356
Change in premium fund, deposit fund and the pension surplus fund		-2	-1	-2
To/from technical reserves for non-life insurance business	-88	23	-46	-43
Transfer of additional statutory reserves and buffer fund from other insurance companies/pension funds	29		232	418
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	**862**	**2,750**	**-1,781**	**5,611**
Change in pension capital	-12,764	-8,724	-30,110	5,429
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	**-12,764**	**-8,724**	**-30,110**	**5,429**

Storebrand Livsforsikring AS

Statement of comprehensive income (continued)

	Q4		01.01 - 31.12	
NOK million	2023	2022	2023	2022
Profit on investment result	-120	-75	-120	-75
Risk result allocated to insurance contracts	-216	-230	-216	-230
Other allocation of profit	-60	-83	-60	-83
Unallocated profit	323	273		
Funds allocated to insurance contracts	**-74**	**-114**	**-396**	**-388**
Management expenses	-55	-53	-228	-228
Selling expenses	-72	-70	-294	-270
Insurance-related administration expenses (incl. commissions for reinsurance received)	-342	-297	-1,236	-1,026
Insurance-related operating expenses	**-469**	**-421**	**-1,758**	**-1,524**
Other insurance related expenses after reinsurance share	**-70**	**-32**	**-84**	**-119**
Technical insurance profit	**2,809**	**2,653**	**1,284**	**1,398**
NON-TECHNICAL ACCOUNT				
Income from investments in subsidiaries, associated companies and joint ventures companies	330	-176	1,640	1,247
Interest income and dividends etc. from financial assets	259	119	750	456
Changes in investment value	-68	102	139	-155
Realised gains and losses on investments	-205	210	-629	211
Net income from investments in company portfolio	**316**	**254**	**1,900**	**1,759**
Other income	**12**	**10**	**90**	**22**
Management expenses	-5	-5	-19	-20
Other expenses	-319	-268	-1,147	-613
Total management expenses and other costs linked to the company portfolio	**-324**	**-273**	**-1,166**	**-633**
Profit or loss on non-technical account	**4**	**-9**	**824**	**1,148**
Profit before tax	**2,813**	**2,644**	**2,109**	**2,546**
Tax expenses	-615	-489	326	461
Profit before other comprehensive income	**2,198**	**2,154**	**2,435**	**3,007**
Change in actuarial assumptions	-2		-2	3
Tax on other profit elements not to be reclassified to profit/loss			3	3
Other comprehensive income not to be reclassified to profit/loss	**-2**			**6**

Storebrand Livsforsikring AS

Statement of comprehensive income (continued)

	Q4		01.01 - 31.12	
NOK million	2023	2022	2023	2022
Profit/loss cash flow hedging		-8	-10	-12
Other profit comprehensive income that may be reclassified to profit /loss		**-8**	**-10**	**-12**
Other comprehensive income	**-2**	**-8**	**-10**	**-6**
TOTAL COMPREHENSIVE INCOME	**2,195**	**2,146**	**2,425**	**3,000**

Storebrand Livsforsikring AS

Statement of financial position

NOK million	31.12.23	31.12.22
ASSETS		
ASSETS IN COMPANY PORTFOLIO		
Goodwill	302	
Other intangible assets	1,091	431
Total intangible assets	**1,392**	**431**
Equities and units in subsidiaries, associated companies and joint ventures	13,045	14,299
of which investment in property companies		
Loans at amortised cost	3,218	2,948
Bonds at amortised cost	12,453	7,460
Deposits at amoritsed cost	332	530
Equities and fund units at fair value	598	339
Bonds and other fixed-income securities at fair value	6,065	9,092
Derivatives at fair value	499	263
Total investments	**36,209**	**34,931**
Receivables in connection with direct business transactions	831	505
Receivables in connection with reinsurance transactions	5	
Receivables with group company	578	677
Other receivables	40,298	3,712
Total receivables	**41,713**	**4,894**
Tangible fixed assets	14	8
Cash, bank	1,245	1,394
Tax assets	1,300	1,123
Other assets designated according to type	3	4
Total other assets	**2,562**	**2,529**
Other pre-paid costs and income earned and not received	64	24
Total pre-paid costs and income earned and not received	**64**	**24**
Total assets in company portfolio	**81,942**	**42,809**

Storebrand Livsforsikring AS

Statement of financial position (continued)

NOK million	31.12.23	31.12.22
ASSETS IN CUSTOMER PORTFOLIOS		
Equities and units in subsidiaries, associated companies and joint ventures	22,226	23,921
of which investment in property companies	22,226	23,921
Bonds held to maturity		
Bonds at amortised cost	135,453	117,622
Loans at amoritsed cost	17,279	17,785
Deposits at amoritsed cost	7,704	6,011
Equities and fund units at fair value	19,675	16,505
Bonds and other fixed-income securities at fair value	8,798	21,732
Derivatives at fair value	2,045	2,051
Total investments in collective portfolio	**213,182**	**205,626**
Reinsurance share of insurance obligations	**175**	**6**
Equities and units in subsidiaries, associated companies and joint ventures	6,319	6,162
of which investment in property companies	6,319	6,162
Bonds at amortised cost	187	79
Loans at amoritsed cost	546	894
Deposits at amoritsed cost	536	878
Equities and fund units at fair value	143,577	101,286
Bonds and other fixed-income securities at fair value	54,052	40,976
Loans at fair value	135	122
Derivatives at fair value	3,582	1,975
Other financial assets		
Total investments in investment selection portfolio	**208,934**	**152,372**
Total assets in customer portfolios	**422,290**	**358,004**
TOTAL ASSETS	**504,232**	**400,813**

Storebrand Livsforsikring AS

Statement of financial position (continued)

NOK million	31.12.23	31.12.22
EQUITY AND LIABILITIES		
Share capital	3,540	3,540
Share premium	9,711	9,711
Other paid in equity	2,708	2,327
Total paid in equity	**15,959**	**15,578**
Risk equalisation fund	1,067	809
Security reserves	7	8
Other earned equity	**9,167**	**10,426**
Total earned equity	**10,241**	**11,243**
Perpetual subordinated loans	2,798	1,957
Dated subordinated loans	7,875	7,800
Total subordinated loans and hybrid tier 1 capital	**10,672**	**9,757**
Premium reserves	191,951	185,269
Additional statutory reserves	6,919	9,622
Market value adjustment reserve	2,411	619
Buffer fund	2,071	1,137
Premium fund, deposit fund and the pension surplus fund	2,986	3,532
Other technical reserve	788	706
Total insurance obligations in life insurance - contractual obligations	**207,127**	**200,885**
Pension capital	209,317	152,558
Total insurance obligations in life insurance - investment portfolio separately	**209,317**	**152,558**

Storebrand Livsforsikring AS

Statement of financial position (continued)

NOK million	31.12.23	31.12.22
Pension liabilities etc.		
Deferred tax	199	
Other provisions for liabilities		
Total provisions for liabilities	**199**	
Liabilities in connection with direct insurance	905	503
Liabilities in connection with reinsurance		
Derivatives	2,615	4,083
Liabilities to group companies	3,474	2,345
Other liabilities	43,409	3,616
Total liabilities	**50,403**	**10,547**
Other accrued expenses and received, unearned income	314	246
Total accrued expenses and received, unearned income	**314**	**246**
TOTAL EQUITY AND LIABILITIES	**504,232**	**400,813**

Storebrand Livsforsikring AS

Statement of changes in equity

NOK million	Share capital[1)]	Share premium reserve	Other paid in capital	Total paid in equity	Risk equalisation fund	Security reserves	Other equity	Total equity
Equity at 31.12.2021	**3,540**	**9,711**	**1,899**	**15,150**	**547**	**5**	**10,015**	**25,718**
Profit for the period					262	3	2,742	3,007
Other comprehensive income							-6	-6
Total comprehensive income for the period					**262**	**3**	**2,735**	**3,000**
Equity transactions with owner:								
Received dividend/group contributions			428	428				428
Paid dividend/group contributions							-2,325	-2,325
Other								
Equity at 31.12.2022	**3,540**	**9,711**	**2,327**	**15,578**	**809**	**8**	**10,426**	**26,821**
Policy change IFRS 9							-3	-3
Equity at 01.01.2023	**3,540**	**9,711**	**2,327**	**15,578**	**809**	**8**	**10,423**	**26,818**
Profit for the period					234		2,200	2,434
Other comprehensive income							-10	-10
Total comprehensive income for the period					**234**		**2,190**	**2,424**
Equity transactions with owner:								
Received dividend/group contributions			381	381				381
Paid dividend/group contributions							-3,439	-3,439
Other					23		-6	17
Equity at 31.12.2023	**3,540**	**9,711**	**2,708**	**15,959**	**1,067**	**7**	**9,167**	**26,200**

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

Storebrand Livsforsikring AS

Notes to the financial statements

Note 1 Accounting policies

The financial statements are prepared in accordance with the Regulation on the annual accounts etc. of lifeinsurance companies" for the parent company and the consolidated financial statements in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2022 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

Storebrand Livsforsikring AS - the company's financial statements
The financial statements have been prepared in accordance with the accounting principles that were used in the annual report for 2022.

IFRS 9 was implemented in the Statutory accounts from 1. January 2023. The accounting effects have not been significant.

Note 2 Accounting estimates and judgements

In preparing the financial statements the management are required to make estimates, judgements and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgement at the time the financial statements were prepared.

Actual results may differ from these estimates.

A description of the most critical estimates and judgements that can affect recognised amounts is included in the 2022 annual report in note 2, insurance risk in note 7, valuation of financial instruments at fair value is described in note 13 and in the interim financial statements note 10 Solvency II.

Note 3 Merger Storebrand Livsforsikring AS and Storebrand Danica Pensjonsforsikring AS

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

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

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

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

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

Note 4 Segments - profit by business area

Storebrand´s operation includes the segments Savings, Insurance, Guaranteed Pension and Other.

Savings
The savings segment includes products for retirement savings with no interest rate guarantees. The segment consists of defined contribution pensions in Norway and Sweden. In addition, certain other subsidiaries in Storebrand Livsforsikring and SPP are included in Savings.

Storebrand Livsforsikring AS

Insurance
The insurance segment provides personal risk products in the Norwegian retail market in addition to employer's liability insurance and pension-related insurance in the Norwegian and Swedish corporate markets.

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

Other
The result for the company portfolios of Storebrand Livsforsikring and SPP are reported in the Other segment.

Reconciliation with the profit and loss account
Profit in the segments are reconciled with the corporate profit and loss account before tax. The corporate profit and loss account includes gross income and gross expenses linked to both the insurance customers and owners. The various segments are to a large extent followed up on net profit margins, including risk and administration results. The profit lines that are used in segment reporting will therefore not be identical with the profit lines in the corporate profit and loss account.

Profit by segments

	Q4		01.01 - 31.12	
NOK million	2023	2022	2023	2022
Savings	128	72	492	347
Insurance	-140	41	23	257
Guaranteed pension	212	197	769	810
Other	29	-18	1,014	1,162
Cash equivalent earnings before amortisation	**229**	**293**	**2,299**	**2,576**
Amortisation and write-downs intangible assets	-25	-7	-190	-30
Cash equivalent earnings before tax	**204**	**285**	**2,109**	**2,546**

Segment information Q4

	Savings		Insurance		Guaranteed pension	
NOK million	2023	2022	2023	2022	2023	2022
Fee and administration income	272	216			294	282
Insurance result			-51	151		
- Insurance premiums for own account			896	787		
- Claims for own account			-947	-636		
Operational cost	-144	-148	-117	-99	-143	-153
Cash equivalent earnings from operations	**128**	**68**	**-168**	**52**	**151**	**129**
Financial items and risk result life & pension	1	5	28	-11	59	55
Net profit sharing					2	7
Cash equivalent earnings before amortisation	**128**	**72**	**-140**	**41**	**212**	**190**

Storebrand Livsforsikring AS

NOK million	Other		Storebrand Livsforsikring AS	
	2023	2022	2023	2022
Fee and administration income			566	498
Insurance result			-51	151
- Insurance premiums for own account			896	787
- Claims for own account			-947	-636
Operational cost	-33	-19	-438	-419
Cash equivalent earnings from operations	**-33**	**-19**	**77**	**230**
Financial items and risk result life & pension	62	1	153	56
Cash equivalent earnings before amortisation	**29**	**-18**	**229**	**286**
Amortisation and write-downs intangible assets			-25	-7
Cash equivalent earnings before tax			**204**	**279**
Tax			37	98
Cash equivalent earnings after tax			**242**	**377**

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

Segment information as at 31.12

NOK million	Savings		Insurance		Guaranteed pension	
	2023	2022	2023	2022	2023	2022
Fee and administration income	1,106	883			1,090	1,072
Insurance result			461	633		
- Insurance premiums for own account			3,628	2,983		
- Claims for own account			-3,167	-2,350		
Operational cost	-607	-525	-498	-378	-584	-546
Operating profit	**500**	**358**	**-36**	**254**	**506**	**526**
Financial items and risk result life & pension	-7	-11	59	3	252	249
Net profit sharing					11	35
Profit before amortisation	**492**	**347**	**23**	**257**	**769**	**810**

Storebrand Livsforsikring AS

	Other		Storebrand Livsforsikring AS	
NOK million	2023	2022	2023	2022
Fee and administration income			2,196	1,955
Insurance result			461	633
- Insurance premiums for own account			3,628	2,983
- Claims for own account			-3,167	-2,350
Operational cost	-110	-69	-1,798	-1,518
Cash equivalent earnings from operations	**-110**	**-69**	**859**	**1,069**
Financial items and risk result life & pension	1,124	1,231	1,439	1,506
Cash equivalent earnings before amortisation	**1,014**	**1,162**	**2,299**	**2,576**
Amortisation and write-downs intangible assets			-190	-30
Cash equivalent earnings before tax			**2,109**	**2,546**
Tax			326	461
Cash equivalent earnings after tax			**2,435**	**3,007**

Storebrand Livsforsikring AS

Note 5 Liquidity risk

Specification of subordinated loans

NOK million		Nominal value	Currency	Interest rate	Call date	Book value 31.12.23	Book value 31.12.22
Issuer							
Perpetual subordinated loans	1)						
Storebrand Livsforsikring AS	1)	1,100	NOK	Variable	2024	863	1,101
Storebrand Livsforsikring AS	1,2)	900	SEK	Variable	2026	910	856
Storebrand Livsforsikring AS	1)	300	NOK	Variable	2028	302	
Storebrand Livsforsikring AS	1,2)	400	SEK	Variable	2028	406	
Storebrand Livsforsikring AS	1)	300	NOK	Fixed	2028	316	
Dated subordinated loans							
Storebrand Livsforsikring AS	2)	900	SEK	Variable	2025	907	851
Storebrand Livsforsikring AS	2)	1,000	SEK	Variable	2024	1,010	947
Storebrand Livsforsikring AS		500	NOK	Variable	2025	501	500
Storebrand Livsforsikring AS	3)	650	NOK	Variable	2027	653	651
Storebrand Livsforsikring AS	2,3)	750	NOK	Fixed	2027	763	773
Storebrand Livsforsikring AS	3)	1,250	NOK	Variable	2027	1,260	1,261
Storebrand Livsforsikring AS	2,4)	38	EUR	Fixed	2023		421
Storebrand Livsforsikring AS	2,3)	300	EUR	Fixed	2031	2,782	2,397
Total subordinated loans and hybrid capital						**10,672**	**9,757**

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

2) The loans are subject to hedge accounting.

3) Green bonds

4) The loan has been repaid in April 2023

Note 6 Valuation of financial instruments and real estate

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

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

Storebrand Livsforsikring AS

Fair value of financial assets and liabilities at amortised cost

NOK million	Fair value 31.12.23	Fair value 31.12.22	Book value 31.12.23	Book value 31.12.22
Financial assets				
Loans to customers - corporate	3,991	4,392	4,056	4,539
Loans to customers - retail	16,766	16,800	16,986	17,088
Bonds held to maturity		7,474		7,402
Bonds classified as loans and receivables	137,898	107,924	148,094	117,758
Financial liabilities				
Subordinated loan capital	10,774	9,714	10,672	9,757

Valuation of financial instruments and properties at fair value

	Level 1	Level 2	Level 3	Total	
NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	31.12.23	31.12.22
Assets					
Equities and fund units					
- Equities	39,924	278	76	40,278	29,674
- Fund units		105,528	18,044	123,572	88,456
Total equities and fund units 31.12.2023	**39,924**	**105,806**	**18,120**	**163,850**	
Total equities and fund units 31.12.2022	**29,357**	**73,826**	**14,947**		**118,130**
Total loans to customers					
- Loans to customers - corporate			135	135	122
Bonds and other fixed income securities					
- Government bonds	7,948			7,948	10,444
- Corporate bonds		3,117		3,117	20,385
- Structured notes		323		323	
- Collateralised securities					840
- Bond funds		54,776	2,752	57,528	40,130
Total bonds and other fixed income securities 31.12.2023	**7,948**	**58,216**	**2,752**	**68,916**	
Total bonds and other fixed income securities 31.12.2022	**10,170**	**59,494**	**2,135**		**71,799**
Derivatives:					
- Interest derivatives		-1,093		-1,093	-1,855
- Currency derivatives		4,604		4,604	2,062
Total derivatives 31.12.2023		**3,511**		**3,511**	
- derivatives with a positive market value		6,126		6,126	4,289
- derivatives with a negative market value		-2,615		-2,615	-4,083
Total derivatives 31.12.2022		**206**			**206**

Movement level 3

NOK million	Equities	Fund units	Loans to customers	Corporate bonds	Bond funds
Book value 01.01	**145**	**14,802**	**122**	**8**	**2,127**
Merger	211	439			
Net profit/loss	-63	3,606	12		140
Supply/disposal	-216	-803			485
Sales/overdue/settlement				-8	
Book value 31.12.2023	**76**	**18,044**	**135**		**2,752**

Expected credit loss

	31.12.23			
NOK million	Stage 1 12 months ECL	Stage 2 Lifetime ECL - credit risk significantly increased	Stage 3 LiftimeECL - credit impaired	Total
01.01.2023	**-60**			**-60**
The periods change in impairment losses stage 1				
The periods change in impairment losses stage 2				
The periods change in impairment losses stage 3				
New loans/bonds	-5			-5
Derecognition	7			7
ECL on financial assets without change in stage	-6			-6
31.12.23	**-64**			**-64**
ECL Amortized Cost	-64			-64
ECL Fair Value OCI				
Total	**-64**			**-64**

Sensitivity assessments

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

Note 7 Tax

The tax rate for the company is' subject to the financial tax of 25 per cent.

Storebrand has hedged part of the currency risk from the investment in the Swedish subsidiaries. Gains/losses on currency derivatives are taxable/deductible, while agio/disagio on the shares in the subsidiaries falls under the exemption method. Hence, large SEK/NOK movements will affect the Group tax cost.

Uncertain tax positions

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

A. In 2015, Storebrand Livsforsikring AS discontinued the Norwegian subsidiary, Storebrand Eiendom Holding AS, with a tax loss of approximately NOK 6.5 billion and a corresponding increase in the tax loss carryforward. In March 2021 Storebrand received a decision from the Norwegian Tax Administration arguing that the liquidation of Storebrand Eiendom Holding AS resulted in a tax gain of approximately NOK 4.7 billion. Storebrand Livsforsikring AS appealed the decision to the Tax Appeals Commitee in May 2021, which in June 2023 ruled in favor of the company. In December 2023, the Ministry of Finance took legal action against the decision. The company considers it to be probable that Storebrand's understanding of the tax legislation will be accepted by a court of law and thus, no additional uncertain tax position has been recognised in the financial statements based on the subpoena. If the Norwegian Tax Administration's position is accepted, Storebrand estimates that a tax expense for the company of approximately NOK 1.6 billion will arise. There will also be negative effects for returns on customer assets after tax. The effects are based on best estimates and following a review with external expertise.

B. New tax rules for life insurance and pension companies were introduced for the 2018 financial year. These rules contained transitional rules for how the companies should revalue/write-down the tax values as at 31 December 2018. In December 2018, the Norwegian Directorate of Taxes published an interpretive statement that Storebrand does not consider to be in accordance with the wording of the relevant act. In the tax return for 2018, Storebrand Livsforsikring AS applied the wording in the original transitional rule. However, in October 2019 Storebrand received a notice of adjustment of tax assessment in line with the interpretive statement from the Norwegian Directorate of Taxes and the clarification from the Ministry of Finance. Storebrand Livsforsikring AS disagrees with the Norwegian Tax Administration's interpretation but considers it uncertain as to whether the company's interpretation will be accepted if the case is decided by a court of law. In April 2022 Storebrand received a decision from the Norwegian Tax Administration based on similar grounds as the ones outlined in the draft decision. Storebrand continues to disagree with the view of the Norwegian Tax Administration and has challenged the decision to the Norwegian Tax Appeals Committee. As a result of the complaint the Norwegian Tax Administration reversed parts of its own decision in January 2023, and reduced the tax income by approximately NOK 800 million. The remaining parts of the disagreement must be dealt with by the Tax Appeals Commitee. The uncertain tax position is therefore recognized in the financial statement. Based on our revised best estimate, the difference between Storebrand's interpretation and the Norwegian Tax Administration's interpretation is approximately NOK 6.4 billion in an uncertain tax position. If Storebrand's interpretation is accepted, a deferred tax expense of approximately NOK 1.6 billion will be derecognised from the financial statements.

C. The outcome of the interpretation of tax rules for group contributions referred to above under (A) will have an impact when calculating the effect from the transitional rules for the new tax rules referred to under point (B). An equivalent interpretation to that described under (A) has been used as a basis in the financial statements when calculating tax input values on property shares owned by customer assets for 2016 and 2017. There is thus an uncertain tax position relating to the effect from the transitional rules described in (B). The decisions that Storebrand received in April 2022 and in January 2023 (described under point B) have reduced the uncertain tax position and have resulted in tax revenues of NOK 0.6 billion in the first quarter and NOK 0.2 billion in the fourth quarter 2022. The effect as mentioned in point B depends on the interpretation and outcome of point A. In June 2023, the Tax Appeals Committee ruled in favor of Storebrand's interpretation, and therefore generated an additional tax income of approximately NOK 0.44 billion. As already mentioned, the Ministry of Finance took legal action against the decision in December 2023. If the Norwegian Tax

Administration prevails with its argument under point (A), Storebrand will recognise a tax expense of approximately NOK 0.5 billion.

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

Note 8 Contingent assets and liabilities

	Storebrand Livsforsikring AS	
NOK million	31.12.23	31.12.22
Uncalled residual liabilities limitied partnership	3,762	3,666
Uncalled residual liabilities in alternative investment funds	12,382	9,791
Total contigent liabilities	**16,144**	**13,457**

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

Storebrand Group companies are engaged in extensive activities in Norway and abroad, and are subject for client complaints and may become a party in legal disputes, see also note 2 and note 44 in the 2022 annual report.

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

Note 9 Solvency II

Storebrand Livsforsikring is an insurance company with capital requirements in accordance with Solvency II.

The calculations below are for Storebrand Livsforsikring AS when Storebrand Livsforsikring Group no longer entitled to report solvency. The requirement on consolidated level only applies to Storebrand Group.

The solvency capital requirement and minimum capital requirement are calculated in accordance with Section 46 (1) – (3) of the Solvency II Regulations using the standard method.

Storebrand Livsforsikring AS

Solvency capital

NOK million	31.12.23 Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	31.12.22 Total
Share capital	3,540	3,540				3,540
Share premium	9,711	9,711				9,711
Reconciliation reserve	20,318	20,318				15,543
Including the effect of the transitional arrangement						
Counting subordinated loans	9,847		1,912	7,935		9,661
Deferred tax asset						306
Risk equalisation reserve	1,067			1,067		809
Expected dividend/group distributions	-3,056	-3,056				-1,885
Non-counting tier 3 capital	-904			-904		-231
Total solvency capital	**40,523**	**30,513**	**1,912**	**8,097**		**37,454**
Total solvency capital available to cover the minimum capital requirement	**33,806**	**30,513**	**1,912**	**1,380**		**30,121**

Solvency capital requirement and margin

NOK million	31.12.23	31.12.22
Market	15,206	18,219
Counterparty	961	997
Life	8,039	5,882
Health	794	672
Operational	1,037	1,003
Diversification	-5,524	-4,745
Loss-absorbing tax effect	-4,318	-4,725
Total solvency requirement	**16,195**	**17,301**
Solvency margin	**250%**	**216%**
Minimum capital requirement	**6,902**	**6,585**
Minimum margin	**490%**	**457%**

Note 10 Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 24 and 46 in the 2022 annual report.

Storebrand Livsforsikring has not carried out any material transactions other than normal business transactions with related parties during 2023, other than Storebrand Livsforsikring AS having acquired mortgages from the sister company Storebrand Bank ASA. The mortgages were transferred on commercial terms. Storebrand Livsforsikring transfers loans back to Storebrand Bank when mortgages are renegotiated or terminated. The total portfolio of loans bought as of 31th December 2023 is NOK 17 billion, the value of the transferred portfolio is NOK 6,5 billion year to date. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expense year to date is NOK 67,4 million.

Financial calendar

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

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