

# Storebrand ASA

## Solvency and Financial Condition Report

2025



# Innhold

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# Summary

Dear Storebrand customer. This is the Solvency and Financial Condition report of Storebrand ASA as of 31 December 2025, prepared in accordance with the Solvency II regulatory framework.

Storebrand's primary products are occupational pensions in Norway and Sweden and individual pensions in Norway. For retirement savings, there are two major risks. The investment return from premiums paid are uncertain, and it is unknown how long one will live as a pensioner. The risk is reinforced because more than 50 years may pass from the premium is paid in until it is paid out as pension.

For traditional, guaranteed pensions (defined benefit pensions), Storebrand bears most of this risk. Storebrand guarantees a minimum return and that the pension will be paid out for life. Most companies in Norway no longer have defined benefit plans or have closed these for new employees; however, Storebrand has a large portfolio of fully paid-up pension schemes (paid-up policies). A significant amount of capital is allocated to cover the uncertainty associated with future returns and longevity from the paid-up policies. This is vital for the guarantees to have real value.

Most new premiums for occupational pensions are linked to defined contribution plans. For these products, you as an employee has the investment risk. The same applies to private pension savings within unit-linked contracts, such as the Fondskonto and the Ekstrapensjon product. Storebrand nonetheless plays an important role by offering a diverse, high-quality range of funds and in providing advice. Storebrand is also responsible for managing the assets in a sustainable and prudent manner, including keeping fees within reasonable levels. The life cycle portfolios Anbefalt Pensjon in Norway and SparaSäkra in Sweden offer a simple and comprehensive solution. For defined contribution and unit-linked insurance, pensions are usually temporary, meaning that you as an employee must ensure that your pension savings last throughout retirement. Storebrand Livsforsikring's role is to give you a comprehensive overview of all your pension entitlements and to advise you on how to meet your long-term pension needs.

Storebrand also offers insurance in case of unexpected events. You can receive compensation for loss or damage to assets. You can receive lump-sum compensation or annual benefits if you suffer an accident or become sick or disabled and you can take care of surviving dependents in the event of death. The risk that Storebrand has assumed is quantified and the risk is covered by allocating the required capital.

Storebrand also offers asset management to institutions and private individuals, mainly in Norway and Sweden. Banking services are offered in Norway, including housing loans to the retail market.

Under Solvency II, all assets and liabilities are valued at market value. The figures in this report are consolidated figures that include all companies in the Storebrand Group, including subsidiaries that are not insurance companies. Numbers in brackets relate to 2024.

**TABLE 1 SOLVENCY II BALANCE SHEET FOR STOREBRAND ASA**

NOK mill.					
Assets	31.12.2025	31.12.2024	Liabilities	31.12.2025	31.12.2024
Deferred tax asset	586	223	Technical provisions*	801 882	757 562
Financial assets that are not unit linked insurance	318 157	305 496	<i>Life insurance</i>	294 855	280 509
Financial assets for unit-linked insurance	519 065	457 996	<i>Non-life insurance</i>	2 844	2 374
Other assets	71 426	101 788	<i>Unit-linked insurance</i>	504 183	444 679
			Subordinated loans	10 000	10 095
			Other liabilities	42 531	77 491
<b>Total assets</b>	<b>909 233</b>	<b>865 502</b>	<b>Total liabilities</b>	<b>854 413</b>	<b>814 848</b>
			<b>Net assets</b>	<b>54 820</b>	<b>50 654</b>

The total value of the assets in the Storebrand Group calculated using Solvency II rules is NOK 909.5 billion (NOK 865.5 billion), while the total value of the liabilities is NOK 854.4 billion (NOK 814.8 billion). See table 1. Storebrand therefore has assets valued at NOK 54.8 billion (NOK 50.7 billion) more than the liabilities the company is obliged to cover. Eligible subordinated loan capital amounts to NOK 10.0 billion (NOK 10.1 billion). Total own funds<sup>1</sup> amount to NOK 60.9 billion (NOK 55.9 billion).

The valuation principles—and the differences between the solvency valuation and the financial accounts—are described in more detail in Chapter D. A key distinction from the financial accounts is that the valuation of insurance liabilities reflects the prevailing interest rate level.

Solvency II sets requirements for own funds under normal operation conditions. This is known as the “solvency capital requirement” and amounts to NOK 25.5 billion (NOK 22.2 billion) for the insurance companies in the Group. See table 2. The size of the solvency capital requirement is intended to ensure that there is a high degree of certainty that you as a customer will receive the insurance settlement or pension payment to which you are entitled. In addition, there is companies in the Group that are subject to capital requirements for banks and securities companies (CRD IV). The total capital requirement for the Group is NOK 31.4 billion (NOK 28.0 billion).

**TABLE 2 SOLVENCY CAPITAL REQUIREMENTS (NET)**

NOK mill.	31.12.2025	31.12.2024
Market risk	21 986	18 928
Counterparty default risk	713	919
Life underwriting risk	13 036	11 160
Non-life and health underwriting risk	1 829	1 997
Diversification	-8 642	-7 880
Operational risk	1 597	1 503
Loss-absorbing tax effect	-5 062	-4 405
<b>Total solvency capital requirement for insurance companies</b>	<b>25 458</b>	<b>22 221</b>
Capital requirements for subsidiaries regulated by CRD IV	5 948	5 778
<b>Total solvency capital requirement</b>	<b>31 406</b>	<b>28 000</b>

There are capital requirements for all significant risks Storebrand faces. 81 percent of the capital requirement is from the insurance business. 19 percent of the capital requirement is from other businesses, principally banking activities. Within the insurance business, 56 percent<sup>2</sup> of the capital requirement relates to the financial markets, particularly risk from interest rates, equities, property, credit spreads and currency. 33 percent of the capital requirement relates to life insurance risk, such as the risk that pension customers

may live longer than expected. The insurance business is also subject to operational risk, non-life insurance risk and risk of loss from counterparties not fulfilling their obligations. Total capital requirement is reduced through diversification, i.e. it is unlikely all the risk will materialise simultaneously. The capital requirement is also adjusted for the effect of reduced tax.

**TABLE 3 SOLVENCY POSITION**

NOK mill.	31.12.2025	31.12.2024
Own funds	60 928	55 908
Solvency capital requirement	31 406	28 000
<b>Solvency margin</b>	<b>194 %</b>	<b>200 %</b>

When own funds of NOK 60.9 billion are compared against the capital requirement of NOK 31.4 billion, Storebrand has a solvency margin of 194 percent (200 percent). The minimum regulatory requirement is 100 percent solvency margin under normal operating conditions.

Storebrands own target is for the solvency margin to be above 150 percent.

Storebrand Livsforsikring AS and Storebrand Forsikring AS in Norway, and SPP Pension & Försäkring AB in Sweden, calculates solvency at company level (solo) and publicise a Solvency and Financial Condition Report. Storebrand Bank ASA, Storebrand Asset Management AS and other subsidiaries regulated under CRD IV report in accordance with the requirements for these companies. All subsidiaries satisfy the capital adequacy requirements under relevant regulations and meet internal solvency targets.

<sup>1</sup> After deductions for provisions for share dividends and own shares.

<sup>2</sup> Before diversification between the risk modules.

# A. Business and performance

## A.1 BUSINESS

2025 confirmed the strength in Storebrand’s business model. In a year characterised by geopolitical turmoil and increased competition for capital and customers, Storebrand delivered good results and maintained a solid financial position. Operating profit increased by 26 per cent, supported by good returns and structural growth in pensions, net inflow and positive development in asset management, combined with continued high growth and targeted profitability measures in the insurance business. No material changes have occurred during the year that have had a significant impact on the company’s operations in 2025.

Storebrand ASA is the parent company of Storebrand Group and is headquartered in Lysaker in Bærum municipality. Storebrand’s main operations are in Norway and Sweden and are subject to group supervision by the Financial Supervisory Authority of Norway. Storebrand Group’s accounts have been audited by PwC.

Storebrand ASA is listed on the Oslo Stock Exchange. The company has a diverse ownership structure and is amongst the companies on Oslo Stock Exchange with the largest numbers of shareholders.

Because Storebrand is an insurance dominated group, Solvency II governs Storebrand ASA, as the ultimate holding company. The figure below is a simplified Group structure.

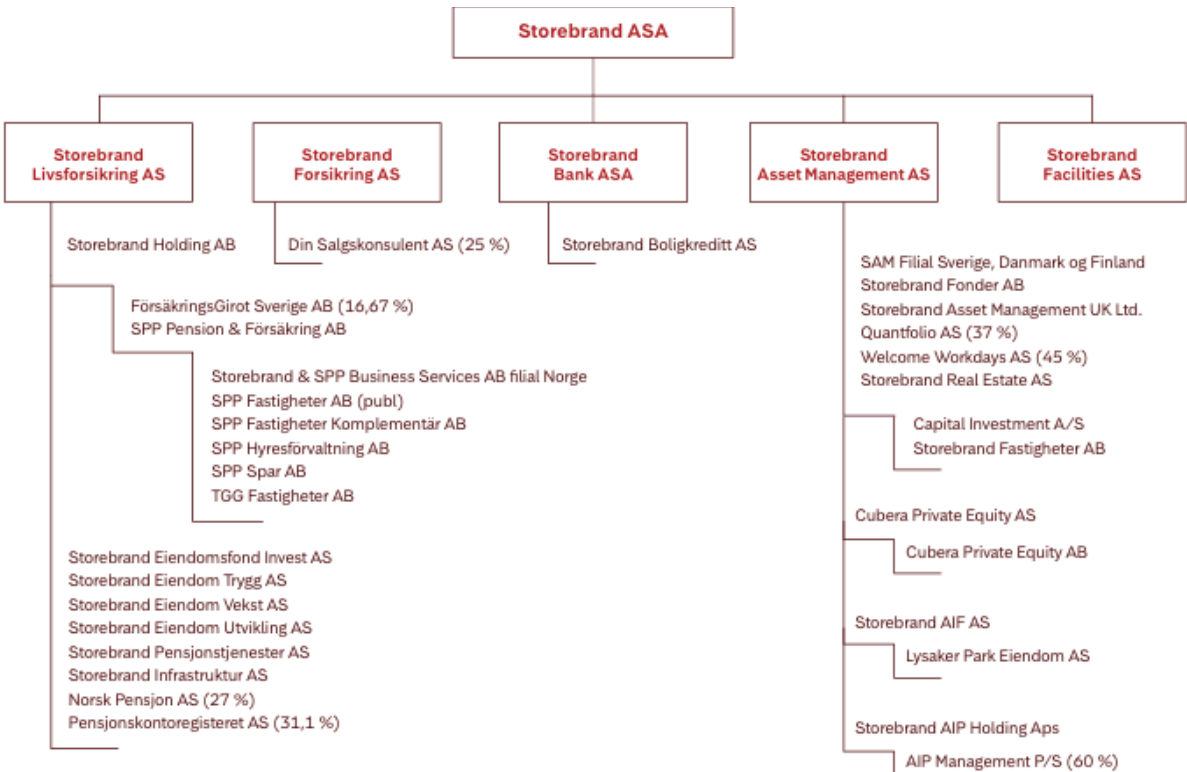


FIGURE 1 LEGAL STRUCTURE (SIMPLIFIED)

Storebrand ASA owns 100 percent of Storebrand Livsforsikring AS, which is the largest company in the Group. Storebrand Livsforsikring is a leading provider of life insurance and pension products to companies and private individuals in Norway. Storebrand Livsforsikring AS owns 100 percent of Storebrand Holding AB, which in turn owns 100 percent of SPP Pension & Försäkring AB. SPP is a leading Swedish provider of life insurance and occupational pensions. SPP delivers both unit-

linked products, traditional insurance and defined benefit pension products. Together, Storebrand and SPP will create the leading life insurance and pension provider in the Nordics. SPP has its head office in Stockholm.

Storebrand ASA owns 100 percent of Storebrand Forsikring AS which offers non-life insurance products to private individuals and companies.

Storebrand ASA owns 100 percent of Storebrand Bank ASA with subsidiaries, which offer banking services to the retail market in Norway.

Storebrand ASA owns 100 percent of Storebrand Asset Management AS, which offers asset management to the corporate and retail markets in Norway and Sweden, including management of most of the assets for the group's insurance companies. Storebrand Asset Management AS own 100 percent of Cubera Private Equity AS, a company offering private equity fund of funds, 100 percent of the Danish real estate asset management company Capital Investments and 60 percent of the Danish infrastructure management company AIP Management.

Storebrand ASA reports Solvency II on a group basis. The reporting includes all the Group's subsidiaries, including the companies that are not governed by Solvency II. The insurance companies<sup>3</sup> have their own Solvency II reporting on a solo basis, including the Solvency and Financial Condition Report. The Group's banking and securities companies, including Storebrand Bank ASA and Storebrand Asset Management AS, report in accordance with the CRD IV regulations.

Storebrand manage and report its core business in the Savings, Insurance and Guaranteed Pension segments<sup>4</sup>.

- *Savings* consist of long-term savings for retirement, without interest rate guarantees. The segment includes defined-contribution pensions and similar fund-based products in Norway and Sweden, asset management and retail banking.
- *Insurance* consists of the Group's non-life and risk coverage. The main products are P&C insurance and personal risk products in the Norwegian and Swedish retail market and employee-related and pension-related insurance in the Norwegian and Swedish corporate markets.
- *Guaranteed pensions* comprise long-term savings for retirement, where customers have a guaranteed return or benefit. The products are defined benefit pensions in Norway and Sweden, paid-up policies and individual capital and pension insurance.

Storebrand follows a strategy that provides an attractive combination of growth in capital-efficient business areas and capital release from guaranteed pensions which is in run-off. Storebrand's strategy focuses on the following positions in Norway and Sweden:

- (A) Be the leading provider of occupational pensions
- (B) Develop a Nordic powerhouse in asset management
- (C) Ensure rapid and profitable growth as a challenger in the Norwegian retail market for financial services.

## A.2 UNDERWRITING PERFORMANCE

The results reported in this chapter correspond with technical accounts in the financial reporting for Storebrand, ref. Note 18 in the Storebrand Annual report 2025 but grouped in accordance with the segmentation used for Solvency II reporting. Information about the risk result is found in Note 7 financial market risk and Insurance risk in the Storebrand Annual report 2025.

### Life insurance

Most premiums claim and expenses for Storebrand relate to life insurance products. For 2025, total net premiums were NOK 42.4 billion (NOK 40.4 billion). Premiums are divided among health insurance, guaranteed products with profit sharing, unit-linked contracts and other life insurance. Net claims were NOK 28.3 billion (NOK 26.5 billion). Expenses relating to life insurance products were NOK 3.2 billion (NOK 2.9 billion).

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<sup>3</sup> Storebrand Livsforsikring AS, SPP Pension & Försäkring AB, Storebrand Forsikring AS.

<sup>4</sup> The segments are described in more detail in note 4, Segment reporting, in the Storebrand Annual report 2025.

**TABLE 4 PREMIUMS, CLAIMS AND INSURANCE-RELATED OPERATING EXPENSES PER SEGMENT (LIFE INSURANCE)**

NOK mill.	Health insurance	Guaranteed products with profit sharing	Unit-linked contracts	Other life insurance	Total life insurance 2025	Total life insurance 2024
Gross premiums	263	5 891	31 791	4 507	42 452	40 412
Reinsurers' share	5	1	0	10	17	33
<b>Net premiums</b>	<b>258</b>	<b>5 889</b>	<b>31 791</b>	<b>4 497</b>	<b>42 435</b>	<b>40 379</b>
Gross claims	77	17 186	8 372	2 651	28 286	26 533
Reinsurers' share	0	0	0	-5	-5	-6
<b>Net claims</b>	<b>77</b>	<b>17 186</b>	<b>8 372</b>	<b>2 656</b>	<b>28 291</b>	<b>26 540</b>
<b>Expenses</b>	<b>77</b>	<b>970</b>	<b>1 667</b>	<b>518</b>	<b>3 232</b>	<b>2 925</b>

The health insurance segment includes disability insurance from the Group's Swedish subsidiary SPP.

The guaranteed products with profit sharing segment are mainly collective occupational pension and individual pension schemes with guaranteed benefits. The segment includes insurance that provides payment in the event of disability, or to surviving dependents in the event of death, when these are linked to a guaranteed retirement pension. Total claims are greater than premiums because most contracts are closed for new premiums and a significant portion of the portfolio is in the pay-out face. Premiums from previous years are reserved to cover these claims.

The unit-linked segment consists of collective occupational pension (defined contribution pension, hybrid pension and paid-up policies with investment choice) and individual pension schemes without guaranteed returns<sup>5</sup> or benefits. Premiums are significantly higher than claims because few employees have reached retirement age, particularly for defined contribution pensions in Norway. Most of the premium is therefore reserved to cover pension claims in future years.

The other life insurance segment is insurance against disability, illness, accident, or death. Collective disability insurance provides annual payments if the insured become incapacitated for work. Group life insurance provides lump sum payments in the event of disability due to accident or illness, or to surviving dependents in the event of death.

#### Non-life insurance

Storebrand has two subsidiaries that offer products defined as non-life insurance (Storebrand Forsikring AS and Storebrand Livsforsikring AS). For 2025, total net premiums for non-life insurance products were NOK 5.9 billion (NOK 4.8 billion). Net claims were NOK 3.5 billion (NOK 3.4 billion). Expenses associated with non-life insurance products were NOK 1.3 billion (NOK 1.1 billion).

**TABLE 5 PREMIUMS, CLAIMS AND INSURANCE-RELATED OPERATING EXPENSES PER SEGMENT (NON-LIFE INSURANCE)**

NOK mill.	Income protection	Workers' compensation	Motor vehicle liability	Other motor	Fire	Other	Total non-life insurance 2025	Total non-life insurance 2024
Gross premiums written	503	204	949	2 077	1 852	420	6 006	4 856
Reinsurers' share	2	3	11	1	87		104	60
<b>Net premiums written</b>	<b>502</b>	<b>201</b>	<b>938</b>	<b>2 077</b>	<b>1 765</b>	<b>420</b>	<b>5 902</b>	<b>4 795</b>
Gross premiums earned	496	198	849	1 879	1 615	387	5 423	4 390
Reinsurers' share	2	3	9	3	87		103	60
<b>Net premiums earned</b>	<b>494</b>	<b>195</b>	<b>840</b>	<b>1 876</b>	<b>1 528</b>	<b>387</b>	<b>5 319</b>	<b>4 330</b>
Gross claims	270	143	547	1 202	1 186	302	3 649	3 539
Reinsurers' share	3	3	18		104		128	90
<b>Net claims</b>	<b>267</b>	<b>140</b>	<b>529</b>	<b>1 202</b>	<b>1 081</b>	<b>302</b>	<b>3 521</b>	<b>3 449</b>

<sup>5</sup> Also includes paid-up policies with investment choice and hybrid occupational pension with a 0% return guarantee.

Expenses	91	32	213	501	403	105	1 345	1 106
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The income protection and occupational injury products are sold through both Storebrand Forsikring AS and Storebrand Livsforsikring AS. The insurance provides lump-sum compensation if accidents occur<sup>6</sup> or compensation for occupational injuries.

The remaining segments are primarily P&C-insurance sold through Storebrand Forsikring AS. The main products are motor and home insurance.

#### Geographic distribution

Most premiums, claims and expenses for life insurance are in Norway (home country), with the reminder in Sweden, see table 6. The geographic distribution is not materially changed from 2024.

**TABLE 6 PREMIUMS, CLAIMS AND INSURANCE-RELATED OPERATING EXPENSES BY COUNTRY (LIFE INSURANCE)**

NOK mill.	Home country	Top 5 countries (by amount of gross premiums written) - life obligations	Total home country and largest countries
	Norway	Sweden	
Gross premiums	28 020	14 432	42 452
Reinsurers' share	12	5	17
<b>Net premiums</b>	<b>28 008</b>	<b>14 427</b>	<b>42 435</b>
Gross claims	17 166	11 120	28 286
Reinsurers' share	-5	0	-5
<b>Net claims</b>	<b>17 171</b>	<b>11 120</b>	<b>28 291</b>
<b>Expenses</b>	<b>1 828</b>	<b>1 404</b>	<b>3 232</b>

For non-life insurance, premiums, claims costs and insurance related operating costs are exclusively in Norway (home market). The geographic distribution is not materially changed from 2024.

#### A.3 INVESTMENT PERFORMANCE

In this report, investment results are based on fair value accounting that apply for Solvency II. This entails that there will be discrepancies in relation to the financial statements, which are based on amortised cost for parts of the investments.

For 2025, Storebrand had income from investments of NOK 57.3 billion (NOK 78.4 billion). Of this, NOK 11.2 billion was interest income, NOK 2.3 billion was equity dividends, NOK 1.0 billion was rent and NOK 18.9 billion was capital gain (net) from the sale of securities. Net unrealised gains increased by NOK 23.9 billion.

Storebrand's investments are divided into the three main groups of portfolios: collective portfolios (guaranteed customer portfolios), index-linked and unit-linked contracts portfolios (customer portfolios without guarantee) and the company portfolios. The investment performance has a varying impact on Storebrand's income and financial performance for the different sub-portfolios. This is described in more detail in Chapter B.2. Market Risk.

**TABLE 7 INCOME AND EXPENSES RELATED TO INVESTMENTS BY MAIN PORTFOLIO**

NOK mill.	Dividends	Interest income	Rent	Net gains and losses	Change in unrealised gains and losses
Collective portfolio	467	7 554	717	5 877	1 998
Unit-linked portfolio	644	2 893	264	13 104	21 216
Company portfolio	1 208	712		-127	733
<b>Total</b>	<b>2 320</b>	<b>11 159</b>	<b>981</b>	<b>18 854</b>	<b>23 948</b>

Storebrand has not recognized investment income or expenses directly against equity.

Income from investments also appears in Note 25, Net income finance and income from properties, in the Storebrand Annual report 2025.

<sup>6</sup> Does not include Group Life which is part of Other life insurance.

#### **A.4 PERFORMANCE OF OTHER ACTIVITIES**

For the insurance companies, most income and expenses relate to the insurance business or the investments. For the Group, there are also income and expenses associated with the asset management business and the bank. Income and expenses from Storebrand Asset Management and the retail market part of Storebrand Bank are reported as part of the Saving segment in the Storebrand Annual report 2025.

Other activities are specified in more detail in Note 17 Other Income and Note 24 Other Expenses in the Storebrand Annual report 2025.

#### **A.5 ANY OTHER INFORMATION**

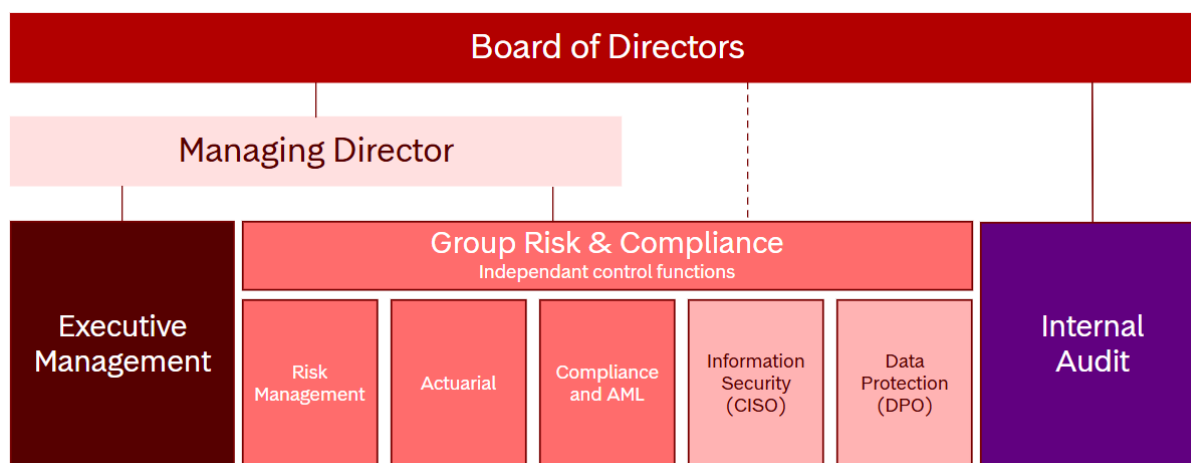
The business and results for 2025 are also described in the Storebrand Annual report 2025.

## B. System of governance

### B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

There are no changes during 2025 that affects the system of governance in a material way.

The groups organization of risk management responsibilities is modelled on three lines of responsibility. The model maintains risk management responsibilities at both the company and group level.



#### The Board and the Board's sub-committees

The Board of Storebrand ASA consist of ten members (four men and six women), of whom the shareholders elect seven and three are elected by the employees. None of the members elected by the general meeting have any employment or significant business relationship with Storebrand beyond their appointment to the Board. The day-to-day management is not represented on the Board.

The Board of Storebrand ASA and the boards of the group companies are responsible for the company being adequately organised and sets risk frameworks, strategies, plans and budgets and ensures that the business, accounts, and asset management are subject to adequate controls, including that the company is managed in accordance with the applicable laws. The Board shall also supervise the day-to-day management and the company's activities in general.

The Board of Storebrand ASA gives instructions to the boards of the group companies. The aim is to secure that the group companies, including the Board, implements Storebrand ASAs strategies, plans and guidelines, and follows relevant regulations for the group company. The instruction should also secure consistent implementation of the Group guidelines for risk management and an efficient flow of information across the group.

The Board has established three sub-committees in the form of an audit committee, risk committee and compensation committee, The committees consist of three to four board members. The committees assist the Board with the preparation of items for consideration. Decisions are taken, however, by the full Board.

The audit committee's main task is to prepare the Boards matters of the company and the group's financial reporting and sustainability reporting and ensure that the group companies' asset management is subject to satisfactory control.

The main task of the risk committee is to prepare the Board matters in risk, with a special focus on the Group's risk appetite and risk strategy. The committee shall contribute forward-looking decision-making support related to the Board's discussion of the business' risk taking, financial planning and the treatment of risk reporting.

The compensation committee is the Group's joint remuneration committee in accordance with Norwegian and Swedish regulations. The committee shall provide advice to the boards of the Group's companies in Norway and Sweden that are obligated to have remuneration committees. The scope is all matters that concern the company's compensation scheme for executive personnel, employees with duties of importance to the company's risk exposure and employees with control functions.

#### **Day-to-day management**

The CEO of Storebrand ASA (Group CEO) is responsible for the day-to-day management of Storebrand's business activities and must follow the guidelines and instructions issued by the Board. The Group CEO reports to the Board. The Group CEO's responsibilities and duties are specified in instruction approved by the Board.

The Group CEO is granted the authority to represent the ownership interests at the general meetings of the Group's subsidiaries. The Group CEO, or the person he/she authorises, appoints shareholder-elected board members in the subsidiaries. When appointing internal shareholder-elected board members, it is a requirement that they do not have direct functional responsibility under the company's CEO if this will weaken the Board's ability to undertake an independent and critical assessment.

Within the Group's functional management structure, the Group Executive Committee constitutes the highest level of management. Responsibilities are organised across the Retail Market Norway, Corporate Market Norway, SPP, and Asset Management, as well as cross-functional areas covering Digital, Finance & Economics, and PBC (People, Brand & Communication).

#### **Independent control functions**

Independent second-line control functions have been established for risk management, compliance, actuarial tasks, privacy, information security, and anti-money laundering. Internal Audit, as the third line of defence, reports directly to the Board of Directors. The organisation and responsibilities of the independent control functions are described in more detail in Chapters B.3–B.6.

#### **Remuneration**

Storebrand shall have competitive and stimulating remuneration principles that contribute to attracting, developing and retaining competent, motivated and flexible employees who contribute to the long-term value creation in the Group. Storebrand will have an incentive model that supports the strategy, with an emphasis on the customer's interests and long-term perspective, an ambitious collaboration model, as well as transparency that strengthens the Group's reputation. The company will therefore mainly place emphasis on fixed salary as a tool in the total financial compensation and will only make limited use of variable remuneration. Senior executives and employees who have a significant impact on the company's risk, as well as employees in independent control functions, only receive fixed salaries.

The group arrange and pay for ordinary group pension insurance for all employees in accordance with the applicable pension rules at any given time. In Norway, all employees have defined contribution pension schemes that also include salaries above 12 G (G - National Insurance base amount). The pension plan for employees at SPP in Sweden follows the plan for bank employees in Sweden (Bankanställdas Tjänstepensionsplan - BTP).

Further details concerning pension schemes and remuneration, including the level of remuneration received by the Board and executive personnel, are provided in notes 20 and 21 of the Storebrand Annual report 2025.

#### **Transactions with related parties**

Companies in the Storebrand Group have transactions with other companies in the Storebrand Group, senior employees, and shareholders in Storebrand ASA. These transactions are a part of the products and services offered by the companies in the group to their customers. The transactions are entered into on commercial terms, and include occupational pensions, private pension savings, non-life insurance, leasing of premises, loans and deposits, asset management and mutual fund investments.

More information is provided in Note 45 of the Storebrand Annual report 2025.

## **B.2 FIT AND PROPER REQUIREMENTS**

The Board of Storebrand ASA and the boards of the group companies, have established processes that ensure that the company's Board, CEO/actual management, and heads of independent control functions, satisfy the fit and proper requirements. Persons who hold management or key functions shall have sufficient qualifications for the responsibilities and tasks assigned to the respective roles, sufficient experience and education required to perform the role, as well as conduct and integrity that meet the requirements of good conduct and suitability. The board should collectively possess appropriate qualifications, experience, and knowledge for the business.

Work on the implementation and documentation of the suitability assessment is carried out in connection with board elections, annual board evaluations, recruitment, including background checks, annual succession planning and succession processes, as well as employee follow-ups.

The company shall ensure that management and key functions that are subject to suitability requirements, but which are handled by an external service provider, shall be assessed in the same way as a corresponding role in the company. Storebrand's internal audit is outsourced to Ernst & Young AS.

The suitability assessment is carried out at least annually or in the event of significant strategic or organisational changes, in the event of a replacement or other change of management or key function, and in the event of outsourcing of a management or key function. Finanstilsynet is informed on an ongoing basis about which persons are covered by the suitability assessment.

Suitability requirements also apply to employees engaged in insurance distribution and insurance intermediaries. The company has developed routines that deal with follow-up of requirements for suitability and continuing education requirements for these groups.

## **B.3 RISK MANAGEMENT SYSTEM, INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT**

During 2025, there has not been changes that affects the risk management system in a significant way.

### **The risk management system**

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

The Board of Storebrand ASA and the boards of the group companies have the primary responsibility for assessing and limiting the risks to the business. The board sets limits and guidelines for risk-taking in the business, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation.

As the first line of responsibility, the executive management have responsibility for managing risk. The risk owners in the executive management team shall contribute to the CEO being able to safeguard his/her overall responsibility for all risks within the group companies. The CEO is responsible for risk management within his/her own company, including the establishment of independent control key functions, and for the risk-taking being in accordance with regulatory requirements and guidelines from the Board.

Managers at all levels of the business are responsible for the risk management within their own area of responsibility. All employees should know that awareness of risks and risk management are important elements of the company culture.

Independent control key functions (second line of responsibility) have been established for risk management, compliance, actuarial tasks, privacy, information security (CISO), and anti-money laundering. The functions are established both on group and subsidiary level. These independent control functions report to the Managing Director and report directly to the Board of Directors.

The risk management function helps develop a strong risk culture, including processes for identifying, measuring, managing, and reporting risks. The function is actively involved in the development of Storebrand's risk appetite and risk strategy and should have a holistic view of the group's risk exposure.

The internal audit function (third line of responsibility) report directly to the Board and shall provide confirmation concerning the appropriateness and effectiveness of the company's risk management system, including the functioning of the first and second line of responsibility.

### **The risk management process**

The risk management process includes identification, evaluation, measurement, target setting, monitoring, reporting, and communication of risk.

Through the risk identification process, the company must be aware of all significant risks. A Group-wide risk universe has been established that groups the risks into appropriate risk categories. This is the basis for a common, holistic risk language. The starting point is the risk universe that forms the basis of the Solvency II framework. An assessment must also be made of emerging risks, both within existing risk categories and completely new risks.

All measurement and evaluation of risk is based on combinations of probability and consequence. In addition to the consequences for Storebrand's own operations, the impact of Storebrand's activities on customers and the outside world is assessed.

The measurement is intended to enable the board to follow up on goals and limits defined in risk appetite and/or risk strategies. Requirements for accuracy and frequency for measuring the individual types of risk shall be considered in the context of the materiality of the risk and how quickly the level is expected to change. It is desirable to have as fact-based and objective measurements as possible, which places great demands on historical data. For risks that do not have good enough data, measurement is based on qualitative evaluations.

Financial market risk, insurance risk, counterparty risk and operational risk are measured in terms of capital requirements for Solvency II. The capital requirement is calibrated to a loss that occurs with a 0.5 per cent probability within one year. The risk is also quantified using stress tests and scenario analyses. Requirements for stress tests are set out in the guidelines for ORSA.

The quantitative measurement is supplemented by qualitative evaluations of how the individual risks affect the enterprise's ability to achieve the risk objectives and a compilation and prioritisation of the most important risks into an overall risk picture that combines the magnitude of the risk and the time until the risk affects the enterprise.

The risk strategy documents set limits for risk exposure, both overall and for the most significant risks. The framework can be both qualitative, for example in the form of risk appetite statements, and quantitative. The board sets risk limits for the company. The risk limits for the enterprise shall be in accordance with the overall limits for the group.

Risk owners must continuously monitor developments in risk exposure and have reporting procedures in place to ensure that information about material risks is analysed and communicated. The reporting shall enable the board to follow up objectives and limits resulting from risk appetite and risk strategies. The board shall receive appropriate risk reporting from both the enterprise and the independent risk management function.

Risk management should be an integral part of the business and support business decisions. The board and management shall take relevant risk information into account in all decision-making processes.

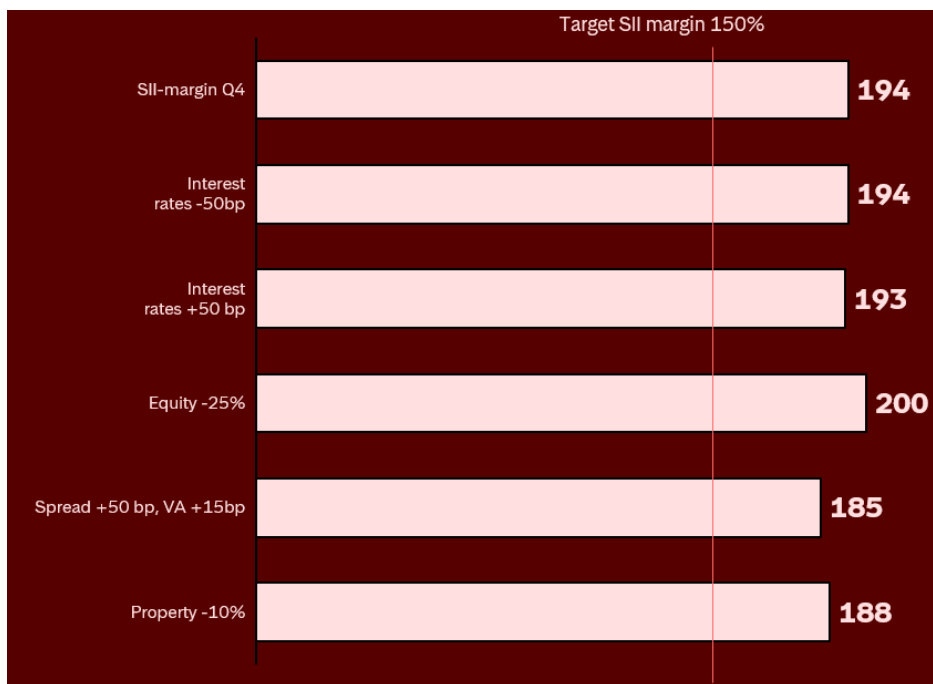
### **Own Risk and Solvency Assessment (ORSA)**

The Board conducts an Own Risk and Solvency Assessment (ORSA) at least once a year. The ORSA process gives the board a comprehensive picture of what risks Storebrand is, or can be, exposed to. The board evaluates whether the size and management of the risk is in accordance with established risk tolerance and supports capital targets and dividend policy. The board must understand and evaluate whether the risk, if desired, can be reduced. In addition to capturing the current situation, the report also must be forward looking.

The annual ORSA is linked to the Group's strategy and planning process and is concluded at the same time as the financial plan and capital plan. The Board is responsible for the ORSA process and approves an ORSA document that summarises the results.

An extraordinary ORSA shall be conducted, either in part or in full, if changes occur that may have a major impact on risk and/or capital. Changes may be driven by internal decisions or external circumstances.

As part of the ORSA process, Storebrand calculates how sensitive the solvency margin is to changes in key parameters. Results are updated and reported on a quarterly basis. Figure 2 shows the main sensitivities at year end 2025.



**FIGURE 2 SENSITIVITIES**

The solvency margin is most sensitive to increases in credit spreads, including changes in the volatility adjustment, as well as to declines in property values. A 50-basis point rise in credit spreads combined with a 15 percent increase in the volatility adjustment would reduce the solvency margin from 194 percent to 184 percent. A 10 percent decline in property prices would lower the solvency margin to 188 percent.

#### **Targets for solvency and consistency with the capital plan**

The Storebrand Group has overarching financial targets relating to capital adequacy, profitability, and dividends.

The capital adequacy target is that the solvency margin for Storebrand ASA (Group) is more than 150 percent. It is the Board's desire that there is a low probability that fluctuations, particularly in the financial market, shall require extraordinary measures to strengthen the solvency position. The target is therefore set significantly higher than the regulatory requirement of 100 percent. The solvency target shall also be consistent with a target of an A credit rating for Storebrand Livsforsikring AS.

The profitability target is a return on equity of more than 17 percent. Risk taking shall contribute to achieving this target.

Storebrand's ambition is that ordinary dividend per shares should at least be at the same nominal level as the previous year. Ordinary dividend is paid if the solvency margin is sustainable above 150 percent. If the solvency margin exceeds 175 percent, it is the Board's intention to propose extraordinary dividends or share repurchases. Storebrand ASA has reserved for a dividend of NOK 2.3 billion for 2025, corresponding to NOK 5.40 per share. Through 2025 Storebrand has repurchased own shares amounting to NOK 1.5 billion.

Surplus capital that exceeds the targeted solvency level for subsidiaries should be held in Storebrand ASA. This ensures flexibility and is a contingency for capital support to the Group's operating companies if needed.

#### **Use of internal model for risk measurement and risk management**

Storebrand is developing its own model to measure the risk. The model includes all financial market risk and life insurance risk for Storebrand Livsforsikring and SPP. The model uses a large number of one-year scenarios that simulate outcomes based on risk distributions for market and life insurance risk. The model calculates the entire probability distribution for the solvency capital in one year.

The model is used to better understand the risk and as a supplement to the official capital requirement calculations based on the standard model. Examples of use include preparing investment strategy and as a basis for investment decisions, assessing whether life insurance risk is properly priced, and setting risk appetite and capital targets. The model is used to measure risk in the ORSA process, including to assess whether the standard model provides a correct capital requirement.

Storebrand is in process with the Financial Supervisory Authority of Norway to gain approval to use the model to calculate the capital requirement for financial market risk and life insurance risk. If the partial internal model is approved, the capital requirement calculated using the internal model will replace the capital requirement of the standard model.

#### **Assessment of the system for risk management and internal control**

The board conducts, at least annually as part of the ORSA process, an assessment of the system for risk management and internal control. The Board of Directors is of the opinion that the organisation is appropriate regarding the nature, scope and complexity of the risks associated with Storebrand Livsforsikring's operations.

#### **B.4 INTERNAL CONTROL SYSTEM**

During 2025 there has not been changes that affects the internal control system in a material way.

The foundation for good risk management and internal control is a good control environment represented by the attitudes, integrity, values and ethics of the board, management and employees, as well as the formal and operational organisation of the business.

The concept of internal control encompasses everything the company does to achieve goals and limit undesirable incidents so that value is secured and created for customers, owners, employees and society. In other words, internal control involves more than mere control measures. This includes ensuring targeted and cost-effective operations, reliable reporting and compliance with external and internal regulations. Internal control is a continuous process carried out by the board, management and employees integrated into the day-to-day management and operation of the business.

As the first line of defence, managers at all levels of the organisation are responsible for internal control within their own area of responsibility and must continuously assess the implementation of internal control. Control functions must be organised so that they can carry out their tasks in an objective and independent manner. Emphasis shall be placed on ensuring sufficient independence of the control functions with a view to avoiding possible conflicts of interest.

Good internal control requires work on goals, strategies and action plans, identification and assessment of risks, reporting, as well as prioritisation and implementation of improvement measures. Furthermore, good internal control is characterised by good communication and information between all levels of the organisation and adequate control measures. Examples are internal regulations, routine descriptions, instructions and authorisations, technological assurance, certifications, reconciliations, operational reporting, as well as business methods (contracts, insurance, currency hedging, etc.).

#### **The compliance function**

The compliance function of Storebrand ASA covers all the Group's licensed operations. The compliance function has a direct reporting line to the CEO and the Board. In the operational group organisation, the function is part of the competence community Governance, Risk & Compliance with Group Compliance as personnel manager. The responsibilities, tasks and rights of the compliance function are described in separate instructions, which are updated and adopted by the board annually. There have been no significant changes at the last update.

The responsibility and main tasks of the compliance function are to ensure that the company has a framework for compliance with laws, regulations, the authorities' expectations and the company's own internal regulations. Furthermore, the function shall prepare a risk-based plan for monitoring and testing compliance in the enterprise. The function shall pay particular attention to compliance risks that may affect customers, result in financial sanctions or loss of reputation.

The function shall support the management's and the board's responsibility for compliance with external and internal regulations. The function will provide the CEO and the board with independent reporting and a comprehensive overview of the most important activities for advice, monitoring and control of internal and external regulations, as well as presenting an overall plan for the coming year's priorities. Regulatory changes are reviewed by the boards annually or as needed.

#### **B.5 INTERNAL AUDIT FUNCTION**

During 2025, there has not been changes that affects the functioning of the internal audit function in a significant way.

Storebrand has an agreement with Ernst & Young (EY), to act as the internal audit function for all the companies in the Group. The partner in charge at EY reports directly to the Board of Storebrand ASA, which issues instructions for the internal audit and approves the annual plan for the audit.

The internal audit of the Storebrand Group shall assist the Board and management with good corporate governance through an independent and neutral assessment of whether the most important risks for the companies are adequately managed and controlled.

The internal audit function is organised directly under the Board and its work shall be independent of the areas and persons under audit. The internal audit function may conduct investigations at its own initiative, independently of the executive management.

#### **B.6 ACTUARIAL FUNCTION**

During 2025, there has not been changes that affects the actuarial function in a significant way.

The group actuary is reporting to the CEO and the Board of Storebrand ASA. Those responsible for the actuarial function for the insurance subsidiaries report to the CEO and the Board of the relevant company. The responsibilities, duties and rights of the actuarial function are described in instructions approved by the Board.

The principal task of the actuarial function is to ensure that the calculation of the technical provisions for Solvency II is reliable and suitable. The function shall provide a statement about the guidelines for underwriting insurance and the suitability and effectiveness for the company's reinsurance programme. The function shall also contribute to the work of the risk management function, particularly in relation to the underwriting risk. The actuarial function submits a written report to the Board at least once a year, which assesses the degree of reliability and suitability of the calculation of the technical provisions.

The actuarial function shall act independently of the company's business. This entails that the function shall not decide, take responsibility for, or participate in the execution of the activities and services that are controlled in a manner that calls into question the independence or neutrality of the actuarial function. In connection with decisions that influence the company's technical provisions for Solvency II, the role of the function is to provide advice.

#### **B.7 OUTSOURCING**

Outsourcing is defined as the use of service providers to perform activities or services that Storebrand Livsforsikring would otherwise perform itself. This also includes arrangements with third party providers of ICT services. The guidelines for outsourced activities are intended to ensure that outsourcing is conducted in a prudent manner and does not impair Storebrand Livsforsikring's system of governance, internal control, risk profile, or ability to comply with regulatory requirements. The guidelines are aligned with applicable legislation and supervisory expectations, including the Financial Institutions Act, guidance issued by the Financial Supervisory Authority of Norway, and the regulatory framework on digital operational resilience (DORA).

The Board of Directors has overall responsibility for outsourced activities and approves outsourcing arrangements that support critical or important functions, as well as material changes to such arrangements. Storebrand Livsforsikring always retains full responsibility for outsourced activities. For each outsourcing arrangement, a contract owner is appointed with responsibility for risk assessment, contract execution, and ongoing monitoring in accordance with internal policies and external regulatory requirements.

Prior to entering an outsourcing arrangement, risk assessments are performed, including an assessment of whether the relevant service supports critical or important functions based on business impact analyses (BIA). The risk assessments cover operational, legal and ICT related risks, information security and data protection, data availability and data storage, as well as concentration and reputational risk. The selection of service providers is based on an overall assessment of quality, risk, financial soundness, sustainability and reputation, and due diligence is conducted where considered relevant.

All outsourcing agreements are documented in writing and clearly define responsibilities, rights and obligations, service level requirements, reporting, audit and inspection rights, as well as termination and exit provisions. For ICT services supporting critical or important functions, additional requirements apply in accordance with DORA, including requirements related to access, testing and documented exit plans. The monitoring of outsourced activities is risk based and includes regular controls performed by independent control functions.

The Storebrand group companies maintains a consolidated and up to date overview of its outsourcing arrangements. Agreements relating to ICT services are registered in accordance with DORA, and new ICT outsourcing arrangements are reported annually to the Financial Supervisory Authority of Norway. In line with applicable regulations, notifications are submitted to the Financial Supervisory Authority of Norway in connection with the establishment and modification of outsourcing arrangements that support critical or important functions, including changes of service provider or material

changes to the risk profile. The undertakings report annually to the Board of Directors on outsourced activities, including an overview of critical and important arrangements and the associated risk assessments.

**TABLE 9 OVERVIEW OF CRITICAL OR IMPORTANT OUTSOURCING<sup>7</sup>**

Contractors	Service	Home country
Cognizant Worldwide Ltd	Business processes, ICT operations and development	United Kingdom
Ernst & Young AS	Internal audit	Norway
Munich Re Automation Solutions Limited	Health assessment	Ireland
Storebrand Asset Management AS (konserntern)	Asset management and data services	Norway
Storebrand Bank ASA (konserntern)	Loan management	Norway
Storebrand Forsikring AS (konserntern)	Analytics and reporting	Norway
Microsoft Ireland Operations Ltd	Cloud and IAM	Ireland
TietoEvry Norway AS	Pension payment	Norway
International Business Machines AS	Customer Data	Norway
Atea AS	Collaboration platform	Norway
Kyndryl Norway AS	ICT operations	Norway
Nobly AS	Archive services	Norway
SFDC Ireland Limited	CRM	Ireland
Mnemonics AS	Data security	Norway
Signicat AS	Login and signing services	Norway
Mastercard Payment Services Norway AS	Pension solutions	Norway
Google Cloud EMEA Limited	Cloud services	Ireland
Storebrand Bank ASA (konserntern)	Distribution	Norway
Eika Alliansen	Distribution	Norway
Din Salgskonsulent AS	Distribution	Norway
Metaforce AB	Enterprise Content Management (ECM) Service	Sweden
Skandikon Administration AB	Insurance administration	Sweden
Storebrand Fixedigheter AB (konserntern)	Capital management	Sweden
Storebrand Livsforsikring AS (konserntern)	Data platform, cloud services and networks	Norway
Falck Global Assistance Norway AS	Travel injury	Norway
Storebrand Livsforsikring AS (konserntern)	Accounting, ICT, balance sheet and capital management, CISO, anti-money laundering	Norway
FDC A/S	Core system insurance	Denmark

## B.8 ANY OTHER INFORMATION

The system for risk management and internal control is also described in the Storebrand Annual report 2025, particularly the chapter about Corporate Governance, the Risk section in the Director's report, and Note 5, Risk management and internal control.

<sup>7</sup> In the report on solvency and financial position from the group's insurance companies, there is a more comprehensive list per company, especially for external distribution agreements.

## C. Risk profile

### C.1 UNDERWRITING RISK

Insurance (underwriting) risk is the risk of loss from higher-than-expected claims and/or insufficient reserves. The biggest insurance risks for Storebrand are longevity, disability, P&C insurance, customer churn and cost development. It has not been material changes in the composition of the underwriting risk or in the measures to assess these risks during 2025.

Customers with traditional pension products in both Norway and Sweden, can normally claim a guaranteed level of annual pension for the remainder of their lives. If the average life expectancy increases more than what has been assumed in the calculation of premiums and reserves, Storebrand must cover the difference. Storebrand also has some risk associated with increased longevity for surviving dependents. The most important method for controlling risk is that pricing and reserves assume that the trend towards increased longevity will continue. The actual development in longevity compared with the expected provides the basis for assessing whether pricing and reserves are adequate. Storebrand also offers insurance that provides payment to surviving dependants in the event of death, whereby the risk is associated with more people dying prematurely. This risk is low in relation to the risk from increased longevity.

Storebrand offers disability insurance, both as group insurance for companies and as cover for individuals. The disability coverage can be linked to both traditional guaranteed pension products and defined contribution pensions. The risk is associated with more people than expected becoming disabled or fewer disabled people than expected returning to work. In Norway, historically there has been a connection between increased unemployment and increased disability. Storebrand also offers insurance cover relating to illness, accident, or occupational injury.

For disability and other risk products, the risks are limited through obtaining health information before entering into insurance agreements with individuals or companies with few employees. For larger companies, the type of industry and statistics on illness are considered when calculating the premium. The risk is mitigated by monitoring risk results and, if necessary, adjusting the premium annually.

Storebrand also offers P&C insurance. The biggest risks are linked to major damages and special events. The largest claims will typically relate to motor liability, company and product liability, occupational injury and fire insurance for housing associations/condominiums and commercial buildings.

Storebrand has reinsurance contracts to limit the risk associated with major damage or disasters. Reinsurance covers the risk, exceeding a lower limit<sup>8</sup>, associated with major single events and disasters that cause two or more deaths or instances of disability. The company's maximum risk amount at its own expense is relatively high and the reinsured risk is therefore modest in size.

Due to future margins influencing the technical provisions, there is risk associated with profitable customers leaving the company (risk of lapse) or that expenses become higher than expected. The risk of lapse is particularly from defined contribution pension contracts. Storebrand has a reinsurance agreement that covers loss of margin if lapse for unit-linked insurance exceeds a defined level.

The provision as at 31/12/2025 is the company's best estimate and are considered to be sufficient.

### C.2 MARKET RISK

Market risk is changes in the value of assets from unexpected changes in volatility or prices, including that the value of the technical provisions may develop differently from the assets, because of interest rate changes. The most significant market

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<sup>8</sup> There is also an upper limit for coverage.

risks for Storebrand are equity market risk, property price risk, credit risk, interest rate risk, and exchange rate risk. During 2025, there has not been material changes in the measures to assess the market risk. Other changes to the risk are described under the sub-paragraphs.

Most of the market risk is for the life insurance companies. The life insurance companies invest the financial assets in a variety of sub-portfolios. Market risk affects Storebrand's income and profit differently in the different sub-portfolios. There are three main types of sub-portfolio: company portfolios, customer portfolios without a guarantee (unit-linked insurance) and customer portfolios with a guarantee. For the other companies in the Group, the financial assets are in company portfolios.

#### **Guaranteed customer portfolios**

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of the risk-reduction depends on several factors, most important the size and flexibility of the customer buffers and the level and duration of the guaranteed return. If the investment return is too low to meet the guarantee, the shortfall may be covered by using customer buffers built up from previous years' surpluses.

The market risk is managed by segmenting the portfolios based on risk-bearing capacity. For customers who have large customer buffers, assets are invested with higher market risk to improve expected returns. Equity risk is also managed dynamically with the aim of maintain good risk-bearing capacity by adjusting the financial risk to the buffer situation and the company's financial strength.

The risk is affected by changes in the interest rate level. Rising interest rates are negative for the investment return in the short term because of the fall in bond prices, but it is positive in the long term because it increases the probability of getting a return higher than guarantee. During 2025, short-term Norwegian interest rates declined following the central bank of Norway's reduction of the key policy rate from 4.5 to 4.0 per cent, while long-term interest rates remained broadly unchanged.

#### **Unit-linked insurance**

For unit-linked insurance (customer portfolios without guarantee), customers can choose how the funds are invested. The biggest market risks are equity risk and currency risk.

The market risk in unit-linked insurance is the customer's risk, so that Storebrand Livsforsikring is not directly affected by changes in value. However, changes in value affect Storebrand Livsforsikring's results indirectly. Revenues are largely based on reserve size, while costs are more fixed. Lower than expected financial market returns will therefore have a negative effect on future income and earnings.

#### **Company portfolios**

The market risk in the company portfolios has a direct impact on the profit. Storebrand aims to take moderate market risk for the company portfolios, and most of the assets are invested in short and medium-term fixed income securities with low credit risk. In addition, the shares in subsidiaries and other strategic shareholdings are within the company portfolio. Storebrand Livsforsikring AS shares in SPP<sup>9</sup> are partially currency hedged.

#### **Prudent asset management**

The management of the guaranteed portfolios is carried out in the context of the obligation to deliver a minimum guaranteed return. To ensure prudent asset management, the portfolios are segmented based on factors such as the level of guarantees, the age profile of policyholders and the size of customer buffers. Risk is primarily mitigated through investments in interest-bearing securities aligned with the characteristics of the insurance liabilities.

The exposure to market risk is dependent on the size of customer buffers. When buffers are sufficient, investment risk is increased to achieve a competitive return for customers. Dynamic equity allocation is used to adjust the investment risk to changes in risk-bearing capacity.

For unit-linked contracts, the customer makes the investment choice. Storebrand's role is to offer a good and extensive range of funds, to assemble portfolios adapted to different risk preferences, and to offer systematic reduction of risk towards retirement age.

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<sup>9</sup> Owned through Storebrand Holding AB

The company portfolios serve as a buffer for insurance customers in situations where the value of customer portfolios is insufficient to cover insurance liabilities. In addition, these portfolios are intended to cover operating costs and function as a liquidity buffer. Asset management of the company portfolios aims to ensure sufficient liquidity, low correlation with customer portfolios and the highest possible return relative to the assumed level of risk.

#### ***Outsourcing of asset management to Storebrand Asset Management***

The companies in the Storebrand Group have outsourced the management of most of the investments to Storebrand Asset Management AS (SAM). The outsourcing is based on normal business terms, and the relationship is governed by a management contract. The boards of the insurance companies decide an investment strategy. Based on the investment strategy, SAM gets investment mandates with investment objectives (benchmarks) and degree of freedom. The investment results are continuously monitored by the insurance companies.

#### ***The investment strategy***

The investment strategy defines the framework for asset allocation, asset management, risk management and risk monitoring. For all portfolios, the investment strategy limits the investable types of assets. Derivatives are utilised only to reduce risk or increase efficiency in the asset management. The investment strategy has requirements for the tradability of assets and for adequate distribution of risk between e.g., different asset classes, countries, industries, and individual issuers.

#### ***Sustainability risks in the investment process***

Storebrand considers sustainability risk, including climate risk, for all investments. The objective is to mitigate the risk of the investments' value being adversely impacted by sustainability-related issues. The tools include the exclusion of companies, the ranking of companies based on various sustainability criteria and influencing companies through voting at the general meeting and meetings with the management.

Storebrand will not invest in companies that can be linked to serious violations of human rights, serious environmental damage, corruption, or other financial crime. In addition, companies that produce or sell controversial weapons or have a significant share of sales from non-sustainable products such as tobacco, coal and oil sand are excluded. Other companies receive a sustainability score based on exposure to and management of sustainability risks that may affect the company's performance and value. The sustainability score is used to a variable extent in the investment process for various funds and portfolios, included that some funds and portfolios are overweighted companies which contributes to solutions of sustainability issues. The Investment strategi sets limits and goals for sustainability risks, among these requirements for minimum sustainability scores and goals for share in solution companies.

Further details on the Storebrand Group's sustainable investments can be found in the 2025 Annual report.

#### ***Strategy for active ownership***

Storebrand has a strategy for active ownership. The strategy describes how Storebrand follows up the company investments, engages in dialogue with the companies, uses voting rights at general meetings, collaborates with other shareholder groups and stakeholder groups, and how any conflicts of interest are handled.

#### ***Assessment of credit risk irrespective of rating***

For interest-bearing securities, the risk is managed through overall allocation to the various interest rate mandates, as well as by setting requirements for total maximum exposure per rating class and per individual issuer. The individual interest rate mandates given to managers also have rating requirements as part of their design. Storebrand uses external credit ratings in these contexts, as well as for several other purposes, including grouping and calculation of credit risk under the Solvency II standard model. Storebrand uses credit ratings from several rating agencies when available. Through the manager of the interest mandates, Storebrand Asset Management, Storebrand also makes its own assessment of the credit risk of each individual investment, regardless of official rating.

#### ***Management of interest rate risk related to the yield curve***

The yield curve that Storebrand uses when valuing the technical provisions is based on extrapolating against a long-term ultimate forward rate (UFR) and a spread in the form of a volatility adjustment (VA). Both elements are part of the standard model for Solvency II. However, it is a requirement<sup>10</sup> to assess the risk associated with these factors.

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<sup>10</sup> § 25 of the Norwegian Solvency II Regulation

Storebrand assess the risk both as a part of the ORSA process and as part of the ongoing risk management of the investment portfolio. At least quarterly, Storebrand calculates what the solvency position would have been without the VA at least quarterly.

### C.3 CREDIT RISK

Credit risk is the risk of loss if a counterparty does not fulfil its debt obligations. This risk includes losses on lending and losses related to current accounts or failure of counterparties to perform under reinsurance agreements or financial derivatives. Credit losses related to the securities portfolio are categorised as market risk. During 2025, there has not been material changes in the measures to assess the credit risk. Other changes to the risk are described under the sub-paragraphs.

The boards of each of the companies in the Group decide the limits for credit risk in relation to each counterparty and within rating categories. This ensures diversification of credit exposure to avoid concentration towards any individual debtor or sector. Changes in the credit quality of debtors are monitored and followed up. Storebrand use official credit ratings whenever available, supplemented by our own credit assessments.

#### Counterparty risk from derivatives

Storebrand has entered into framework agreements with all counterparties to reduce the risk from outstanding derivative transactions. Among other things, these regulate how collateral is to be pledged against changes in market values which are calculated daily.

Collateral pledged in connection with futures and options is regulated daily based on the change in margin for individual contracts. At yearend 2025, Storebrand had pledged collateral of NOK 8.6 billion and received collateral of NOK 0.5 billion. Net collateral pledged was NOK 8.1 billion. Collateral was received and pledged in the form of cash and securities.

Further information about collateral appears in Note 42 Collateral and Note 9 Credit risk in the Storebrand Annual report 2025.

#### Loans and mortgages

Most of the loans given by Storebrand are mortgages to retail customers. The mortgages are granted and administered by Storebrand Bank, but a significant share is transferred to Storebrand Livsforsikring on market terms and held as part of the investment portfolio. Storebrand Livsforsikring and SPP also holds loans to corporates as part of the investment portfolio.

At yearend 2025, Storebrand had loans and mortgages to customers totalling NOK 106.5 billion (NOK 94.6 billion).

Loans and mortgages are described in more detail in Note 35 of the Storebrand Annual report 2025.

### C.4 LIQUIDITY RISK

Liquidity risk is the risk that the company is unable to fulfil its obligations without incurring substantial additional expenses in the form of reduced prices for assets that must be realised, or in the form of especially expensive financing. During 2025, there has not been material changes in the measures to assess the liquidity risk.

For the insurance companies, and the life insurance companies in particular, the technical provisions are long-term, and the cash flows are generally known long before they fall due. In addition, liquidity is required to handle payments relating to operations, and there is liquidity needs related to derivative contracts. The liquidity risk is managed through liquidity forecasts and by parts of the investments being in liquid securities, such as government bonds. The liquidity risk is considered low based on these measures.

Liquidity risk is one of the most important risk factors for the banking business, and the regulations have requirements for liquidity management and liquidity indicators. The guidelines for liquidity risk specify the principles for liquidity management, minimum liquidity reserves and financing indicators for measuring liquidity risk. In addition to this, an annual funding strategy and funding plan set out the overall limits for the bank's funding activities.

Separate liquidity strategies are also in place for other subsidiaries in accordance with regulatory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategies define limits for allocations to various asset types and assure the companies have money market investments, bonds, equities, and other liquid investments that can be disposed of as required.

In addition, Storebrand ASA has established a liquidity buffer. The development of the liquid holdings is continuously monitored at Group level in relation to internal limits. A particular risk is the fact that during certain periods the financial markets can be closed for new borrowing. Measures for minimising the liquidity risk are to maintain a diverse maturity structure for the loans, low costs, an adequate liquidity buffer and credit agreements with banks, which can be drawn on if necessary.

The value of margins from future premiums that are within the contract boundary are included as part of own funds. This is described in more detail in Chapter E.1 Own Funds. Margins from future premiums are a capital element that can be less liquid than other capital. The liquidity planning is based on the financial statements. Margins from future premiums are not included in the financial statements. The size of margins from future premiums are therefore of limited relevance to liquidity risk or liquidity management.

### **C.5 OPERATIONAL RISK**

Operational risk is the risk of financial loss because of inadequate or failing internal processes or systems, human error, or external events. Risk is measured as a combination of how often it can happen (probability) and consequence. Through 2025, there have been no significant changes in the way operational risk is followed up.

In Storebrand's risk universe, operational risk includes the following categories: digital resilience, technology, data and infrastructure, customer risk, compliance, capacity and expertise, third-party risk, unclear responsibilities, model risk, crime and human error.

The management of operational risks is focused on people, functions, processes, models and systems that are critical to delivering good financial products, scalable, simple and engaging digital services for customers and competitive returns.

Efforts are made to mitigate operational risk through an effective system of internal control. Risks are monitored through management's risk reviews, including documented risk assessments, mitigation measures and follow-up of incidents. In addition, Internal Audit provides independent assurance through audit activities approved by the Board of Directors.

To manage serious incidents affecting business-critical processes, contingency plans have been established. Responsibility for the monitoring and control of operational risk is also assigned within Storebrand's independent control functions.

#### **ICT risk**

ICT risk is the risk of loss, damage or disruption as a result of the use of information and communication technology. This includes events that may affect the confidentiality, integrity, availability, performance, scalability, functionality or data quality of ICT services. In Storebrand's risk universe, ICT risk is a combination of the risk categories digital resilience and technology, data and infrastructure.

ICT risk is assessed using the same framework as other operational risk, but the board has provided supplementary requirements for risk management in the "Guidelines for Cyber Security, Operations and Development". The purpose of the guideline is to ensure a continuous ability to prevent, detect, manage and recover from ICT-related incidents and security incidents.

The guideline is designed to cover the requirements set out in the Digital Operational Resilience Regulation (DORA), the main purpose of which is to strengthen the digital operational resilience of the financial sector. A comprehensive risk assessment of the enterprise's ICT services must be carried out annually, which is documented and linked to internal controls. The scope and level of detail in the risk assessments shall be adapted to the results of the enterprises' impact assessments (BIAs) and reflect the importance of ICT services for the enterprise's important and critical business functions.

### **C.6 OTHER MATERIAL RISKS**

#### **Concentrations of risk**

Most of the risk for the Storebrand Group relates to the guaranteed pension products in the life insurance companies. These risks are consolidated in the Storebrand Life Insurance Group, which includes Storebrand Livsforsikring AS, and SPP Pension & Försäkring AB. Other companies directly owned by Storebrand ASA that are exposed to significant risks are Storebrand Forsikring AS, Storebrand Asset Management Group and Storebrand Bank Group.

For the life insurance businesses, the main risks are similar in Norway and Sweden. The market risk will significantly depend on global circumstances that influence the investment portfolios in all businesses. The insurance risk may be different for the various companies, but longevity can be influenced by universal trends.

Both the insurance business and the banking business are exposed to credit risk. The insurance business primarily has credit risk relating to bonds with significant diversification based on geography and industry, while the banks main exposure is direct loans for residential property in Norway. There is no significant concentration risk across bonds and loans.

The market and investment risks are largely related to the customer portfolios in the life insurance business. The banking business has little direct exposure to risks other than credit.

In the short term, an interest rate increase will have a negative impact on the returns for the life insurance companies. An interest rate increase may also result in bank customers having lower debt-servicing capacity and increased losses for the banking business.

The risk from the non-life insurance risk in Storebrand Forsikring AS has a low correlation with the risk from the rest of the businesses in the Group.

In the asset management business, the principal risk is operational risk in the form of behaviour that can trigger claims and/or affect reputation. Since the asset management business is the principal asset manager for the insurance businesses, errors in asset management could result in errors in the insurance businesses.

The companies' investment strategies set frameworks for concentration risk in the form of limits for maximum exposure to certain companies and rating categories. The insurance risk strategy sets limits for maximum exposure to disasters (reinsurance).

#### **Sustainability risk, including climate risk**

Sustainability risk is events related to the environment, social conditions or corporate governance that have a negative impact on Storebrand's business model, strategy, goal attainment and value creation or Storebrand's customers. Storebrand Livsforsikring also assesses and reports on how our operations may affect the world around us (double materiality).

The Board of Directors has adopted a sustainability risk strategy that sets goals and frameworks for the work on sustainability for Storebrand Livsforsikring. The board has also adopted a transition plan with concrete measures to achieve the goal of zero emissions in line with the Paris Agreement.

Storebrand is exposed to climate risk, both commercially, for its investments, including real estate and for its insurance obligations. Both physical climate change and the risk from the transition to low emissions can have an impact.

For the life insurance business, the largest risk is from investments. Both physical climate change and the risk from the transition to low emissions can impact the value of the investments, but short and medium term, transition risk is most material.

For non-life insurance, climate risk can affect the frequency and size of claims. The greatest risk is physical risk in the form of extreme precipitation and flooding.

#### **Emerging risks**

Emerging risk is a new risk, or a known risk that changes character or affects in new ways, that is expected to increase. Frameworks for understanding, measuring and managing risk are inadequate.

All risk owners must assess whether there are emerging risks within their area of responsibility. The risk from emerging risk must be managed within the ordinary limits of the risk area to which it belongs.

The risk is managed and controlled using the same framework as for the relevant risk area. The risk is by nature low in the short term, so the most important thing is to identify and monitor the risk. The risk owner reports emerging risks as part of the ordinary risk reporting for the risk area.

The risk management function compiles significant emerging risks and reports these to the board as part of the risk review and ORSA.

**C.7 ANY OTHER INFORMATION**

Information related to the risk profile can also be found in Storebrand Annual report 2025, particularly notes 5-12 for Storebrand Group.

## D. Valuation for solvency purposes

### D.1 ASSETS

There have not been any material changes to the recognition and valuation bases used during 2025 that affect the solvency balance of Storebrand ASA group.

#### Overview of assets in the solvency balance sheet

Total assets for Solvency II amount to NOK 909.2 billion (NOK 865.5 billion). NOK 344.2 billion are financial assets and loans relating to guaranteed customer portfolios or company portfolios. Assets for unit-linked contracts amount to NOK 519.1 billion, while other assets total NOK 46.0 billion.

TABLE 10 ASSETS IN THE SOLVENCY II BALANCE SHEET

NOK mill.	31.12.2025	31.12.2024
Deferred tax asset	586	223
Financial assets that are not unit-linked insurance	318 157	305 496
<i>Property</i>	38 692	35 881
<i>Subsidiaries</i>	7 927	7 499
<i>Equities</i>	20 128	16 351
<i>Listed</i>	20 026	16 228
<i>Unlisted</i>	102	123
<i>Bonds</i>	196 248	192 336
<i>Government bonds</i>	66 245	59 413
<i>Corporate bonds</i>	85 746	93 390
<i>Structured bonds</i>	44 257	39 563
<i>Collective Investments Undertakings</i>	53 160	51 139
<i>Derivatives</i>	1 709	2 109
<i>Deposits other than cash equivalents</i>	293	150
Financial assets for unit-linked insurance	519 065	457 996
Loans and mortgages	26 000	25 128
Reinsurance recoverables	115	70
Cash	11 605	6 808
Other assets	33 706	69 782
<b>Total assets</b>	<b>909 233</b>	<b>865 502</b>

#### Main principles for valuation of assets

For Solvency II, assets are appraised at fair value. The valuation principles largely coincide with the principles for fair value accounting for International Financial Reporting Standards (IFRS). The accounts for the Storebrand ASA group follow IFRS. In the consolidated accounts, bonds and loans are valued at fair value, similar to Solvency II.

Storebrand conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. This is described in detail in Note 1 Company information and accounting principles and Note 12 Valuation of financial instruments and investment properties, in the Storebrand Annual report 2025.

#### **Difference in valuation between Solvency II and financial statements**

As a result of the balance sheet being consolidated according to the Solvency II rules which differ from IFRS, it is not possible to reconcile the balance sheet line by line. See Chapter E.1 Own Funds, for a reconciliation of the transition from IFRS own funds to own funds under Solvency II.

An explanation is provided below of key differences between the valuation of assets in the financial statements and for Solvency II. The most important valuation differences relate to subsidiaries, bonds and loans, intangible assets, and deferred tax.

#### ***Intangible assets***

In accordance with the Solvency II principles, intangible assets are valued at zero for Solvency II. The difference gives a NOK 4.2 billion lower valuation.

#### ***Deferred tax liabilities/tax assets***

Changes in value due to transition from the financial statements to the Solvency II balance sheet also influence the Group's tax position. This applies to all changes in value, except for changes in value for subsidiaries. The tax position is also affected by changes in the valuation of liabilities described in Chapter D.2 Technical provisions and D.3. Other liabilities.

#### ***Subsidiaries***

For the financial statements (IFRS), all subsidiaries with ownership of more than 50 percent are consolidated. For ownership of between 20 percent and 50 percent, the equity method is used.

For solvency, Storebrand uses method 1 in the Solvency II regulations for consolidation at group level. There are different principles for consolidating subsidiaries based on the type of supervision the companies are subject to.

1. Insurance companies that are part of the EU/EEA and have own solo Solvency II reporting, are fully consolidated based on Solvency II valuation.
2. Companies that are regulated according to the CRD IV framework are entered in the "Subsidiaries" line in the balance sheet with a value equivalent to the proportionate share of the company's own funds based on CRD IV.
3. Non-regulated companies with ownership of more than 20% are entered as equity at the proportionate part of the market value (equity method), minus goodwill and intangible assets in the "Subsidiaries" line in the balance sheet, so-called one-line consolidation. The exceptions are the investment companies for property, which are fully consolidated.

Both total assets and total liabilities are lower under Solvency II than in the financial statements. This is due to one-line consolidation of several subsidiaries in the solvency balance sheet. Differences in consolidation methods will not affect the value of own funds, as opposed to valuation differences. Different valuations of subsidiaries give a total of NOK 3.4 billion lower value for the solvency balance sheet, ref. Table 17.

#### ***Conditional liabilities***

Other differences between the valuation of assets for Solvency II and the financial statements must be seen in relation to corresponding changes in the liability. Storebrand has assumed liabilities relating to non-paid-up capital, mainly linked to private equity funds and property. These are entered as a liability for Solvency II, with a corresponding item on the asset side.

### **D.2 TECHNICAL PROVISIONS**

During 2025 assumptions are updated based on new history.

Under Solvency II, the insurance liabilities (technical provisions) are appraised at fair value (market value). In principle, the technical provisions are valued at what they realistically could be traded for in a free market. Since there is no active secondary market for the purchase and sale of technical provisions and hence no observable market price, the fair value is calculated based on a model. This deviates from the valuation in the financial statements described in Note 1 of the Storebrand Annual report 2025.

The valuation for Solvency II is based on a best estimate for net cash flow from the insurance company to the customer. The cash flow is discounted by risk-free market interest rate. The best estimate is split between guaranteed provisions and discretionary benefits. Due to the uncertainty, the provisions shall include a risk margin in addition to the best estimate.

Figure 3 illustrates the principle for the structure of the solvency balance sheet and calculation of technical provisions.

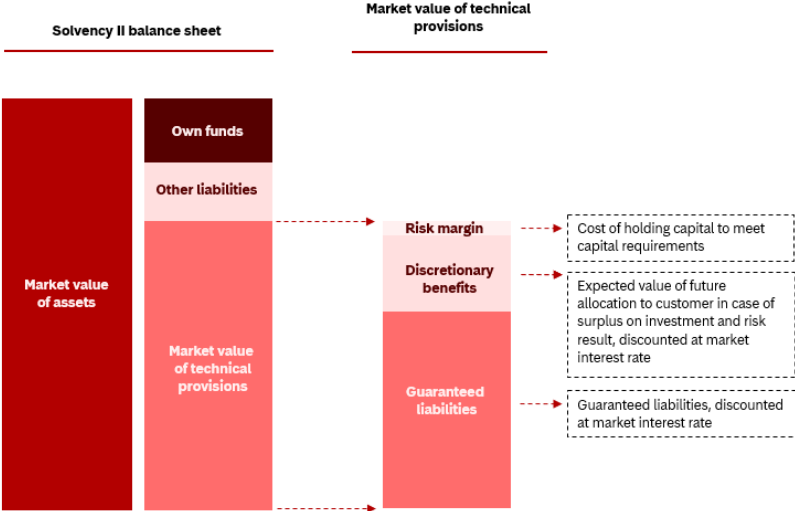


FIGURE 3 ELEMENTS IN THE SOLVENCY II BALANCE SHEET

**Method for valuing technical provisions**

**Best estimate**

The model calculates the net cash flow from the insurance company to the customer. All ingoing and outgoing payments are estimated, including future premiums that are part of the contract, insurance events, investment returns, pensions paid, lapses and transitions to other schemes. For guaranteed portfolios with profit sharing, the uncertainty is modelled using the ESG as described below. The probability-weighted cash flow is discounted using risk-free market interest rate to find the best estimate. For the calculation at yearend 2025, Storebrand has estimated cash flows for the next 60 years and calculated a residual value for the 60<sup>th</sup> year.

The best estimate of the value of the technical provisions is divided into guaranteed provision and discretionary benefits. The discretionary benefit is the part of the best estimate that is the result of future profit sharing; that is, added returns to the customer beyond the guaranteed amount. For the cash flows, differences in profit sharing between the products and the various buffer elements (buffer reserves, risk equalisation reserves)

**Risk margin**

Since the best estimate is associated with uncertainties, a risk margin is calculated to cover the cost of holding risk capital. The risk margin only applies for capital requirements that cannot be hedged. In practice, this means insurance risk, counterparty risk and operational risk, because it is assumed that the market risk can be hedged.

Storebrand has calculated the risk margin pursuant to method 2 in the Solvency II Directive. Product-specific parameters are used to calculate the underlying capital requirement. The simulated future capital requirements are diversified, and the present value of a capital cost of 6 percent for these capital requirements is calculated.

Table 11 shows the value of technical provisions split between best estimate and risk margin for Storebrand's product areas.

**TABLE 11 TECHNICAL PROVISIONS**

NOK mill.		Best estimate	Risk margin	Technical provisions 2025	Technical provisions 2024
Storebrand Livsforsikring	Traditional life insurance	202 783	3 240	206 022	196 259
	Unit-linked insurance	270 706	3 078	273 783	240 923
	Non-life (health similar to non-life) <sup>11</sup>	981	20	1 000	893
	<b>Sum</b>	<b>474 469</b>	<b>6 337</b>	<b>480 806</b>	<b>438 075</b>
SPP Pension & Försäkring	Traditional life insurance	86 558	1 220	87 808	83 221
	Unit-linked insurance	229 421	979	230 400	203 756
	Risk (health similar to life)	972	53	1 025	1 029
	<b>Sum</b>	<b>316 980</b>	<b>2 252</b>	<b>319 232</b>	<b>288 007</b>
Storebrand Forsikring	Non-life insurance	1 715	129	1 844	1 481
<b>Total technical provisions</b>		<b>793 164</b>	<b>8 718</b>	<b>801 882</b>	<b>727 562</b>

The technical provisions for Storebrand amount to NOK 801.9 billion, split between NOK 793.2 billion in best estimate and NOK 8.7 billion in risk margin. That is an increase of 74.3 billion during 2025. Traditional life insurance is 36 percent, unit-linked contracts 63 percent and other products less than 1 percent of the provisions. Storebrand Livsforsikring makes up 60 percent of the provisions and SPP 40 percent.

#### Difference between Solvency II and the financial statements

Table 12 shows the value of the technical provisions in the financial statements and under Solvency II.

**TABLE 12 TECHNICAL PROVISIONS UNDER SOLVENCY II AND IN THE FINANCIAL STATEMENTS**

NOK mill.		Solvency II	Financial statements
Storebrand Livsforsikring	Traditional life insurance	206 022	224 366
	Unit-linked insurance	273 783	282 147
	Non-life (health similar to non-life)	1 000	1 015
	<b>Sum</b>	<b>480 806</b>	<b>507 529</b>
SPP Pension & Försäkring	Traditional life insurance	87 808	90 793
	Unit-linked insurance	230 400	237 344
	Risk (health similar to life)	1 025	1 208
	<b>Sum</b>	<b>319 232</b>	<b>329 346</b>
Storebrand Forsikring	Non-life insurance	1 844	2 222
<b>Total technical provisions</b>		<b>801 882</b>	<b>839 096</b>

Total technical provisions are valued at NOK 801.9 billion for Solvency II, which is NOK 37.2 billion lower than in the financial statements.

Introduction of IFRS17 for parts of the insurance liability in the financial accounts for the group affects the difference to the solvency balance. For guaranteed pensions, the IFRS17 valuation is based on many of the same assumptions as for solvency, but there are also significant differences. The biggest difference is that the expected profit, Contractual Service Margin (CSM), is set aside as a liability in the financial statements. The obligation is recognized as income as the insurance contract expires. This gives a higher value than for the solvency balance, where future profit margin reduces the liability. There is also a different contract boundary, where a larger proportion of income and associated costs are within the contract boundary for IFRS17 than for solvency.

<sup>11</sup> Occupational injury, critical illness, and income protection insurance

Unit linked insurance is included in the financial statements for the group according to IFRS9. This gives a higher valuation of the liability than for the solvency balance because the future profit margin reduces the liability for the solvency balance.

## BASIS FOR CALCULATIONS

### Data sources

The data are retrieved from the various insurance systems. To reduce computation time, similar portfolio data are grouped into model points.

### Overview of main assumptions.

*Contract boundary:* Under Solvency II, future premiums are included in the calculation of the technical provisions if these are part of an existing liability, i.e. that the insurance company is exposed to the risk associated with their future premiums. In cases where premiums are within the contract boundary, premium developments are modelled based on historical premium payment patterns.

Future premiums are not included if Storebrand can unilaterally terminate the contract, or the contract can be repriced to reflect the current assessment of the risk. Based on this, most of Storebrand's future premiums are outside the contract boundary and are not included in the modelling. The exceptions are:

- Premiums until the first policy anniversary date for risk products.
- Premiums for traditional, individual pensions where the customer can pay future premiums, and Storebrand may not reprice or terminate the contract. The annual premiums from these contracts are in rapid decline, as the portfolio is nearly closed for new sales, and many contracts are reaching the pay-out phase.
- Premiums for occupational pension contracts to cover costs on existing reserves. Companies are required by Norwegian law to cover all expenses linked to occupational pension schemes, so that the existing reserve cannot be used to cover expenses. For defined benefit pension contracts, a margin for the cost of the interest rate guarantee, risk and administration is included. For defined contribution pensions, management and administration fees are included.

*Revenues:* In general, the modelling of revenues is based on actual levels that correspond to the revenues in the financial statements. Revenue is projected based on the price structure and expected development for the various products, usually in terms of a share of the total reserve or G-regulated per contract (G=National Insurance basic amount).

*Expenses:* The expense modelling is based on actual expenses per product area based on the cost allocation model used for the financial statements. A distinction is made between portfolio expenses, acquisition expenses and non-recurring expenses. Non-recurring expenses and most of the acquisition expenses are excluded from projections, consistent with the contract boundary. For products with future premiums within the contract boundary, the relevant part of the acquisition expense is included. Expenses are partly projected to follow the development in reserves and partly as a unit expense per contract. Unit expenses are adjusted for inflation.

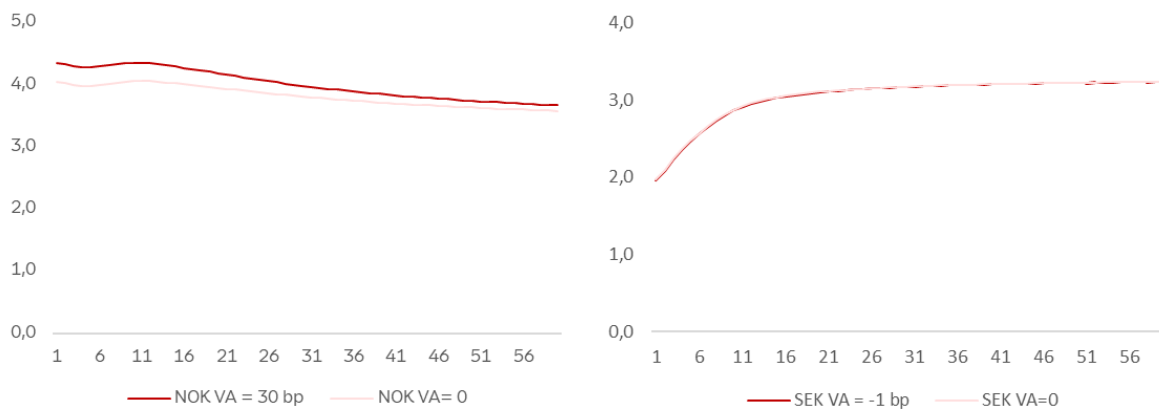
*Biometric assumptions:* Biometric assumptions include longevity, mortality, disability, and reactivation (disabled who become employable). The assumptions are consistent with the observed development of the portfolio. The assumptions are assessed annually and updated when required.

For mortality, a dynamic model is used; that is, estimated mortality for a given age decreases for people born in later years.

*Lapses and product conversions:* Assumptions are set per product and is updated annually. As a rule, historical observations over the last 3-5 years are used. Exceptions can be made in cases where the historical data is not considered relevant for the future, e.g. due to changing prices or new regulations.

*Tax:* In Sweden, investment income tax is modelled in accordance with applicable rules. Beyond this, tax is not included in the modelling of the cash flows. However, a change to the valuation of the provision will influence the Group's calculated tax position. See the paragraph concerning deferred tax liabilities in Chapter D3.

*Financial assumptions:* The risk-free yield curve is used both to discount the cash flows and for estimating future returns. The European Insurance and Occupational Pensions Authority (EIOPA) publish the yield curve. Storebrand uses the risk-free yield curve, including volatility adjustment (VA). At year-end 2025, the VA was 30 basis points (46bp) in Norway and -1 basis points (6bp) in Sweden.



**FIGURE 4 SPOT RATES WITH AND WITHOUT VA**

Without volatility adjustment, the value of the technical provisions increases by NOK 2.1 billion. The effect on own funds and solvency margin is described in Chapter E.2 Solvency Capital Requirement and Minimum Capital Requirement.

Storebrand does not use matching adjustment of the yield curve.

In Norway, there is no active market for inflation-linked bonds. For Storebrand, cost inflation is a combination of wage development (growth in G) and CPI. Wage growth is set at 50 percent of the risk-free interest rate plus 1.9 percentage points, while the CPI is set at the inflation target of 2 percent. In Sweden, the inflation that is priced in the market is used for inflation-linked bonds up to 10 years and then an extrapolation based on the same methodology as for the yield curve.

*Economic Scenario Generator (ESG):* To calculate the time value of options and guarantees, a Monte Carlo simulation based on 1000 risk-neutral stochastic scenarios generated in an economic scenario generator (ESG) has been used. Scenarios are created based on the risk-free interest rate curve and consider market pricing of the volatility of interest rates, equities, credit, and property. The asset allocation is set to match the actual allocation on the calculation date and is changed during the projection based on the way Storebrand adjust the investment portfolios to risk bearing capacity.

*Management actions:* To provide a realistic picture, it is necessary to implement management actions in the calculations. These management actions correspond to business practises and is documented.

#### Uncertainty relating to the valuation of the technical provisions

The degree of uncertainty in the calculations of the technical provisions is driven by uncertainty in the underlying assumptions. Uncertainty is greatest if there is no relevant historical or market data on which to base the assumptions. Storebrand considers there to be uncertainty relating to, among other things, the following assumptions:

- *The yield curve* is provided by EIOPA, but is based on several uncertain assumptions, including the method used for extrapolation, the time for reaching the ultimate forward rate (UFR), the UFR level and the volatility adjustment (VA) level.
- *Conversions to defined benefit schemes in Norway.* A faster than expected conversion from active defined benefit schemes to paid-up policies will increase the value of the technical provisions. A slower conversion will reduce the provisions.
- *Lapse assumptions.* Higher than expected lapse will reduce the provision while lower lapse will increase the provision.
- *Revenues from unit-linked contracts.* Lower than expected revenues will increase the provision. The effect will be less for the solvency margin because the capital requirements will also be reduced.
- *Expenses, particularly the division of expenses between acquisition and operating expenses.* Lower expenses will reduce technical provisions, while increased expenses will increase technical provisions. The effect will be counteracted by changed capital requirements, particularly for unit-linked contracts.

As part of the ORSA process, sensitivity analyses are performed to estimate the value of the technical provision, solvency capital and the capital requirements for alternative levels of interest rates, customer behaviour, revenues, and expenses, among other things. The purpose is to increase the understanding of the sensitivity of the calculations, among other things.

### D.3 OTHER LIABILITIES

During 2025, there has not been any material changes to the recognition and valuation bases used.

Liabilities other than technical provisions amount to NOK 52.5 billion (NOK 87.3 billion) under Solvency II. The valuation is essentially the same for Solvency II as for the financial statements, but some discrepancies arise due to other differences in accounting principles. The most important differences are explained below.

TABLE 13 OTHER LIABILITIES

NOK mill.	31.12.2025	31.12.2024
Contingent liabilities	20 806	17 677
Pension benefit obligations (own employees)	167	178
Deferred tax	4 157	2 971
Derivatives	4 980	6 166
Outstanding liabilities, insurance settlements, reinsurance and other	6 179	44 678
Subordinated loans	10 000	10 095
Other liabilities	6 242	5 520
<b>Total other liabilities</b>	<b>52 531</b>	<b>87 285</b>

#### *Contingent liabilities*

Storebrand Livsforsikring and SPP has assumed liabilities relating to non-paid-in capital, principally linked to private equity funds and property. This is included as a liability on the Solvency II balance sheet with a corresponding entry on the asset side, ref. section "Other" under "Difference in valuation between Solvency II and financial statements" in Chapter D.1. This increases the liability side of the Solvency II balance sheet compared to the financial statement.

#### *Deferred tax liabilities*

Changes in value in connection with the transition from the financial statements to the solvency balance sheet also influence the Group's calculated tax position. The difference in deferred tax liabilities is the net tax effect of changes in value in connection with the transition to Solvency II based on a tax rate of 25 percent. The Storebrand Group goes from having a deferred tax asset of NOK 1.3 billion and a deferred tax of NOK 1.4 billion under IFRS to a deferred tax asset of NOK 0.6 billion and a deferred tax of NOK 4,2 billion under Solvency II.

#### *Derivatives*

The principle for valuing derivatives is consistent with the principle in the financial statements, but deviations arise because derivatives in unit-linked contracts are entered as a net amount under Solvency II, but as a gross amount under IFRS.

#### *Subordinated loans*

Subordinated loans are valued at fair value under Solvency II but valued at amortised cost in the financial statements. This gives a valuation that is NOK 158 million higher for Solvency II. See also Chapter E.1. Own Funds.

### D.4 ALTERNATIVE METHODS FOR VALUATION

Storebrand's valuation principles for assets that cannot be appraised based on listed prices are described in detail in Note 12 of the Storebrand Annual report 2025.

### D.5 ANY OTHER INFORMATION

The description of valuation for solvency purposes is considered to be covered by the description in the previous sections.

## E. Capital management

Storebrand adjusts the level of equity and loans in the Group based on the Board's risk appetite, regulatory requirements and to ensure a capital efficient structure for shareholders. Growth and the composition of business areas are important drivers of capital needs. The purpose of capital management is to ensure an efficient capital structure and contribute to Storebrand's achievement of business objectives within regulatory requirements. The balance sheet should form a sound foundation and support the Group's growth strategy, while at the same time freeing capital for return to shareholders.

The Board of Directors of Storebrand reviews the capital plan together with the financial plan and ORSA to ensure consistency between business objectives, risk and capital. The financial plan and capital plan are prepared with a three-year horizon.

### E.1 OWN FUNDS

Storebrand ASA Group has NOK 60.9 billion in own funds (solvency capital), an increase of NOK 5.0 billion from 2024. The capital is divided into tiers depending on quality and availability. Table 14 shows the composition of own funds and distribution into tier 1 (restricted and unrestricted), tier 2 and tier 3 capital.

**TABLE 14a SOLVENCY CAPITAL AS OF 31.12.2025**

NOK mill.	Total	Group 1		Group 2	Group 3
		unrestricted	restricted		
Ordinary share capital	2 177	2 177			
Share premium	10 842	10 842			
Reconciliation reserve	35 903	35 903			
Subordinated loans	10 000		3 097	6 904	
Deferred tax asset	586				586
Risk equalisation fund	1 420			1 420	
Cap on Tier 2/3 capital	0			0	0
<b>Total eligible own funds to cover the solvency capital requirement</b>	<b>60 928</b>	<b>48 923</b>	<b>3 097</b>	<b>8 323</b>	<b>586</b>
<b>Total eligible own funds to meet the minimum capital requirement</b>	<b>46 608</b>	<b>41 345</b>	<b>3 097</b>	<b>2 167</b>	

**TABLE 14b SOLVENCY CAPITAL AS OF 31.12.2024**

NOK mill.	Total	Group 1		Group 2	Group 3
		unrestricted	restricted		
Ordinary share capital	2 240	2 240			
Share premium	10 842	10 842			
Reconciliation reserve	32 541	32 541			
Subordinated loans	9 206		1 976	7 230	

Deferred tax asset	223				223
Risk equalisation fund	1 267			1 267	
Cap on Tier 2/3 capital	-411			-411	
<b>Total eligible own funds to cover the solvency capital requirement</b>	<b>55 908</b>	<b>45 623</b>	<b>1 976</b>	<b>8 086</b>	<b>223</b>
<b>Total eligible own funds to meet the minimum capital requirement</b>	<b>42 468</b>	<b>38 479</b>	<b>1 976</b>	<b>2 013</b>	

Tier 1 represents capital of the best quality in terms of loss-bearing capability and must be available to cover any loss at any time. Tier 1 consists of paid-in capital and reconciliation reserve. Also included are perpetual subordinated loans with up to 20 percent of tier 1 capital. Storebrand has NOK 52.0 billion in tier 1 capital and this amounts to 85 percent of the total own funds. Of this, NOK 48.9 billion is unrestricted.

Other subordinated loans (non-perpetual) and risk equalisation reserve are categorised as tier 2 capital. Deferred tax assets are categorised as Tier 3 capital. Tier 2 and tier 3 capital combined can cover up to 50 percent of the solvency capital requirement. Storebrand has NOK 8.3 billion in tier 2 capital, and this represents 14 percent of total own funds. The tier 2 and tier 3 capital together cover 48 percent of the solvency capital requirement for Storebrand Livsforsikring, hence all capital is eligible.

Storebrand has eligible own funds to meet the minimum capital requirement of NOK 46.6 billion. Of this, NOK 44.4 billion is tier 1 capital, equivalent to 95 percent of the total minimum capital. Own funds from the CRD IV companies in the Group are not included as part of the minimum capital. Tier 2 capital can cover up to 20 percent of the minimum capital requirement.

#### Expected profit in future premiums

The value of Expected Profits in Future Premiums (EPIFP) amounts to NOK 4.5 billion, split between NOK 4.0 billion in the life insurance business and the rest from the non-life insurance business. This is part of the reconciliation reserve and is included as tier 1 capital. Only margins from future premiums that are within the contract boundary are included. This is described in more detail in the paragraph concerning contract boundary in chapter D.2 Technical Provisions.

#### Subordinated loan capital

The subordinated loan capital in the solvency balance sheet amounts to NOK 10.0 billion as of 31.12.2025. Two loans have been fully repaid in 2025. In the first quarter, the equivalent of NOK 1 billion of restricted tier 1 capital was raised, divided into two borrowings of NOK 700 million and SEK 300 million, respectively. The loans were raised as part of a refinancing of loans that were repaid early in 2025.

**TABLE 15 SUBORDINATED LOANS**

	Nominal value (mill.)	Currency	Interest rate	Call date	Financial statement (NOK mill.)	Solvency II (NOK mill.)
<b>Perpetual subordinated loan <sup>1)</sup></b>						
Storebrand Livsforsikring AS <sup>2)</sup>	900	SEK	Floating	2026	988	989
Storebrand Livsforsikring AS	300	NOK	Floating	2028	303	311
Storebrand Livsforsikring AS <sup>2)</sup>	400	SEK	Floating	2028	442	454
Storebrand Livsforsikring AS <sup>2)</sup>	300	NOK	Fixed	2028	316	313
Storebrand Livsforsikring AS	700	NOK	Floating	2030	704	703
Storebrand Livsforsikring AS <sup>2)</sup>	300	SEK	Floating	2030	330	327
<b>Dated subordinated loans</b>						
Storebrand Livsforsikring AS <sup>3)</sup>	650	NOK	Floating	2027	653	666
Storebrand Livsforsikring AS <sup>2)3)</sup>	750	NOK	Fixed	2027	752	746
Storebrand Livsforsikring AS <sup>3)</sup>	1 250	NOK	Floating	2027	1 259	1 314

Storebrand Livsforsikring AS <sup>2) 3)</sup>	1 000	SEK	Floating	2029	1 093	1 100
Storebrand Livsforsikring AS <sup>2) 3)</sup>	300	EUR	Fixed	2031	3 066	3 077
<b>Total subordinated loans</b>					<b>9 905</b>	<b>10 000</b>

<sup>1)</sup> On perpetual subordinated loans, the cash flow is calculated up to the first call. <sup>2)</sup> The loans are subject to hedge accounting. <sup>3)</sup> Green bonds issued in accordance with Storebrand's framework.

All loans are taken out by Storebrand Livsforsikring AS. Eight of the loans have a floating interest rate, while three are fixed-rate loans that have been changed to a floating rate. This means that Storebrand Livsforsikring's interest expense is affected by the level of the floating money market rate. Storebrand Livsforsikring has one current loan in euros, six in Norwegian kroner and four in Swedish kronor. The euro loan is secured against Norwegian kroner until the first early redemption right. The loans in Swedish kronor are not currency hedged, but function as partial currency hedging for the asset Storebrand Holding AB. For all loans, interest payments will cease in the event of a breach of the Solvency Capital Requirement (SCR).

#### Difference between Solvency II and financial statements

**TABLE 16 SOLVENCY CAPITAL VS. OWN FUNDS IN THE FINANCIAL ACCOUNTS**

NOK mill.	Solvency II	Financial statements
Paid-in equity	13 019	12 961
Retained earnings excl. deferred tax assets		17 172
Hybrid capital		730
Risk equalisation fund and natural damage capital	1 420	1 420
Deferred tax asset	586	1 305
Reconciliation reserve before dividend	39 796	
<b>Net assets</b>	<b>54 820</b>	<b>33 588</b>
Subordinated loans, excluding OIF interest	10 000	9 843
Tier 2 cap	0	
Deductions for participations in other financial undertakings	-7 578	
Deductions for own shares	- 1 603	
Foreseeable dividends 2025	-2 289	
<b>Basic own funds</b>	<b>53 350</b>	<b>43 430</b>
Own funds in other CRD IV companies	7 578	
<b>Total Solvency II own funds / IFRS own funds</b>	<b>60 928</b>	
<b>Total eligible own funds to meet the minimum capital requirement</b>	<b>46 608</b>	

The value of own funds appears as net assets in the solvency balance sheet (see table 1 in Summary) plus eligible subordinated loans. Own funds are reduced by the value of own shares and foreseeable dividends<sup>12</sup>. In addition, non-eligible own funds from minority interests are deducted.

The main difference between Solvency II and the financial statements is that profit earned, that is included as own funds in the financial statements, is replaced by the reconciliation reserve in the solvency balance sheet. The reconciliation reserve also includes profit earned but based on the valuation of assets and liabilities in the solvency balance sheet. The reconciliation reserve will also include the present value of future profits. The value of future profits is implicitly included because of the valuation of the technical provisions.

Table 17 shows the transition from the financial statements to Solvency II. Net assets for Solvency II are NOK 21.2 billion higher than in the financial statements. The main differences are that lower valuation of technical provisions increases own

<sup>12</sup> This occurs in the form of a reduction in the reconciliation reserve.

funds, while deductions for intangible assets, and lower valuation of subsidiaries, reduce own funds. Deferred tax liabilities increase because of the other changes in value.

**TABLE 17 TRANSITION FROM NET ASSETS IN THE FINANCIAL STATEMENTS TO NET ASSETS SOLVENCY II**

NOK mill.	
Subsidiaries	-3 412
Intangible assets	-4 226
Added value - bonds and loans at amortised cost	0
Technical provisions	30 853
Subordinated loans	-166
Net change in deferred tax	-4 160
Group contribution CRD IV	1 103
Other	-363
Own shares	1 603
<b>Total change</b>	<b>21 232</b>

## E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Both a Solvency Capital Requirement and a Minimum Capital Requirement is calculated. The Solvency Capital Requirement must be met under normal operating conditions, while the minimum capital requirement is an absolute requirement which must always be met. The Solvency Capital Requirement is risk dependent, while the minimum capital requirement is not risk sensitive.

### Solvency capital requirement

The solvency capital requirement for Storebrand ASA (Group) is calculated according to the standard model, without applying simplifications or company-specific parameters. For the insurance companies, the solvency capital requirement is loss of own funds (Value at Risk) with a probability of 0.5% over one year. There is capital requirement for market risk, underwriting risk, counterparty risk and operational risk. For the CRD IV companies, the capital requirement under this regulation is used.

For the insurance companies, a new solvency balance sheet is calculated for each individual stress, based on the same principles and methods as described in D.2. Technical provisions. The difference in own funds prior to and after stress gives the capital requirement. The capital requirement for the different stresses is aggregated to the total capital requirement based on given correlation matrices.

The capital requirement (net) is Storebrand's risk after risk sharing with customers and risk-mitigating effect of tax. Risk sharing with customers arises in guaranteed pensions in the life insurance companies when the stresses result in a reduction in customer buffers or reduction in future upward adjustment of pensions. Gross capital requirement includes the part of the risk that is borne by customers. Reduced tax because of lower profits after stress also reduces the risk. A prerequisite for including a deferred tax asset is that a corresponding profit is expected in the future.

**TABLE 18 SOLVENCY CAPITAL REQUIREMENTS**

NOK mill.	31.12.2025		31.12.2024	
	Net	Gross	Net	Gross
Market risk	21 986	51 601	18 928	43 442
Counterparty risk	713	2 658	919	2 792
Life risk	13 036	22 727	11 160	20 665
Health risk	582	589	1 046	1 056
Non-life risk	1 247	1 247	951	951
Diversification	-8 641		-7 880	
Operational risk	1 597		1 503	
Loss-absorbing capacity of deferred taxes	-5 062		-4 405	

Total capital requirement for insurance business	25 458	22 221
Capital requirement for CRD IV companies	5 948	5 778
<b>Total capital requirement for the Group</b>	<b>31 406</b>	<b>28 000</b>

Storebrand ASA has a total solvency capital requirement of NOK 31.4 billion (NOK 28.0 billion). NOK 25.5 billion (81 percent) of the capital requirement is from the insurance business. NOK 5.9 billion (19 percent) of the capital requirement is from other activities, mainly the bank. Within the insurance business, 56 percent of the capital requirement (before diversification and tax-effect) is for financial market risk, particularly interest rates, equities, property, credit spreads and foreign currency. 33 percent of the capital requirement is for life insurance risk.

#### Risk-mitigating effect of deferred tax

If the solvency capital falls to the level of the capital requirement, this will result in a reduced tax liability. The capital requirement has therefore been reduced by NOK 5.1 billion, which corresponds to 25 per cent of the capital requirement for insurance operations in Norway.

A prerequisite for calculating the full effect of deferred tax assets is that at least correspondingly large profits are expected in the future. The calculation should consider reduced earnings capacity following the 200-year wave, as indicated by the capital requirement, and account for uncertainty with a deduction. EIOPA has issued a guideline with requirements for how this is to be documented.

#### Minimum capital requirements

The minimum capital requirement is calculated in accordance with Section 22 of the Solvency II Regulations as the sum of the requirement from the non-life business and the requirement from the life insurance business.

**TABLE 19 MINIMUM CAPITAL REQUIREMENT**

NOK mill.	31.12.2025	31.12.2024
Storebrand Livsforsikring AS	6 979	6 503
SPP Pension & Försäkring AB	3 365	3 188
Storebrand Forsikring AS	492	374
<b>Total minimum capital requirement</b>	<b>10 834</b>	<b>10 065</b>

At year-end 2025, the minimum capital requirement is NOK 10.8 billion (NOK 10.1 billion).

#### Solvency margin and minimum capital margin

When own funds of NOK 60.9 billion are compared against the solvency capital requirement of NOK 31.4 billion, Storebrand ASA has a solvency margin of 194 percent.

When minimum capital of NOK 46.6 billion are compared against the minimum capital requirement of NOK 10.8 billion, Storebrand ASA has a minimum solvency margin of 430 percent.

**TABLE 20 SOLVENCY POSITION**

NOK mill.	31.12.2025	31.12.2024
Own funds	60 928	55 908
Minimum capital	46 608	42 468
Solvency capital requirement	31 406	28 000
Minimum capital requirement	10 834	10 065
<b>Solvency margin</b>	<b>194 %</b>	<b>200 %</b>
<b>Minimum capital margin</b>	<b>430 %</b>	<b>422 %</b>

**Solvency margin and minimum capital margin excluding volatility adjustment**

Without volatility adjustment (VA) the solvency margin is 188 percent. Own funds are reduced by NOK 0.9 billion and the SCR is increased by NOK 0.5 billion, se table 21 for details.

**TABLE 21 SOLVENCY POSITION WITH AND WITHOUT VOLATILITY ADJUSTMENT (VA)**

	With volatility adjustment	Without volatility adjustment
Own funds	60 928	60 013
Solvency capital requirement	31 406	31 916
Solvency margin	194 %	188 %

Excluding volatility adjustment, the minimum margin is 412 percent.

**E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SCR**

Not relevant, because no companies in the Storebrand Group use the duration-based equity risk sub-module for calculating the solvency capital requirement for equity risk.

**E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED**

Not relevant because Storebrand uses the standard formula for calculating the solvency capital requirement.

**E.5 NON-COMPLIANCE WITH THE MCR AND NON-COMPLIANCE WITH THE SCR**

Not relevant because the Storebrand Group and all subsidiaries satisfy both the MCR and SCR.

**E.6 ANY OTHER INFORMATION**

Capital management is also described in the Storebrand Annual report 2025, mainly note 13.

