storebrand

Storebrand Livsforsikring AS

Solvency and Financial Condition Report

2024

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Summary

Dear Storebrand Livsforsikring customer.

Storebrand Livsforsikring's primary products are private and public occupational pensions and individual pension accounts. 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 Livsforsikring bears most of this risk. Storebrand Livsforsikring guarantees a minimum return, and that the pension will be paid out for life. Most companies no longer have defined benefit plans, or have closed these for new employees; however, Storebrand Livsforsikring 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 in defined contribution plans. For these products, you as an employee has the investment risk. The same applies to private pension savings within unit-linked insurance, such as the Fondskonto and Ekstrapensjon products. Storebrand Livsforsikring nonetheless plays an important role by offering a diverse, high-quality range of funds and in providing advice. Storebrand Livsforsikring is also responsible for managing the assets in a sustainable and prudent manner, including keeping fees within reasonable levels. The lifecycle portfolio Anbefalt Pensjon offers a simple and comprehensive solution. For defined contribution and unit-linked insurance, pensions are usually temporary, meaning that you as an employee is responsible for ensuring that your pension will be enough in a lifelong perspective. Storebrand Livsforsikring's role is to provide a good, comprehensive overview of all your pension rights, and give advice on how you can prepare for retirement.

Storebrand Livsforsikring also offers insurance in the case of unexpected events. You can receive a lump-sum compensation or annual payouts if you suffer an accident, become sick or disabled and you can take care of surviving dependents in the event of death. The risk that Storebrand Livsforsikring has assumed is quantified and the risk is covered by allocation the required capital.

Under Solvency II, all assets and liabilities are valued at market value. These data are summarized in Table 1. Numbers in brackets relate to 2023. The total value of assets amounts to NOK 547.2 billion (NOK 505.5 billion), while the total value of liabilities is NOK 509.0 billion (NOK 470.9 billion). Storebrand Livsforsikring thus has assets worth NOK 38.1 billion (34,6 billion) more than the liabilities the company is obliged to cover. Liable subordinated loans are NOK 9.2 billion (9.8 billion). Storebrand Livsforsikring has set aside NOK 3 732 million in net group contribution for 2024 to Storebrand ASA. This is deducted from own funds as of 31/12/2024. Total own funds (solvency capital) are NOK 43.2 billion (40.5 billion).

The principles for valuation, and the difference between the valuations in the solvency accounts and the financial statements, are described in more detail in Chapter D. A fundamental difference from the financial statements is that the valuation of the insurance liability (technical provisions), is based on the current interest rate level.

TABLE 1 THE SOLVENCY II BALANCE SHEET FOR STOREBRAND LIVSFORSIKRING AS

(NOK million) **Assets**	*12/31/2024*	*12/31/2023*	**Liabilities**	*12/31/2024*	*12/31/2023*
Deferred tax assets	0	0	Technical provisions[1]	438 075	398 603
Investments (other than assets held for index-linked and unit-linked contracts)	218 581	211 491	*-Life insurance*	*196 259*	*195 603*
Assets held for index-linked and unit-linked contracts	247 781	208 820	*-Non-life insurance*	*893*	*776*
Other assets	80 797	85 228	*-Index-linked and unit-linked insurance*	*240 923*	*202 224*
			Subordinated liabilities	10 095	10 712
			Other liabilities	60 879	61 588
Total assets	**547 159**	**505 539**	**Total liabilities**	**509 049**	**470 903**
			Net assets	**38 110**	**34 636**

Solvency II sets requirements for own funds under normal operating conditions. This is known as the solvency capital requirement and amounts to NOK 16.1 billion (NOK 16.2 billion); see Table 2. The solvency capital requirement guarantees that customers receive their insurance or pension with high certainty.

TABLE 2 SOLVENCY CAPITAL REQUIREMENT

(NOK million)	*12/31/2024*	*12/31/2023*
Market risk	15 001	15 206
Counterparty default risk	838	961
Life underwriting risk	8 189	8 039
Non-life and health underwriting risk	826	795
Diversification	-5 501	-5 525
Operational risk	1 034	1 037
Loss-absorbing capacity of deferred taxes	-4 265	-4 318
Total Solvency capital requirement	**16 122**	**16 195**

There are capital requirements for all major risks borne by Storebrand Livsforsikring. 60% of the solvency capital requirement[2] relates to the financial markets, particularly risk from interest rates, equities, property, credit spreads and currency. 33% of the capital requirement relates to life insurance risk, such as the risk that pension customers may live longer than expected. Storebrand Livsforsikring is also subject to operational risk, non-life insurance risk and risk of losses from counterparties not fulfilling their obligations. Total capital requirement is reduced through diversification, i.e. it is unlikely all the risk will hit simultaneously. The capital requirement is also adjusted for the effect of reduced tax.

TABLE 3 SOLVENCY POSITION

(NOK million)	*12/31/2024*	*12/31/2023*
Own funds	43 174	40 523
Solvency capital requirement	16 122	16 195
Solvency margin	**267,8%**	**250,2%**

When the own funds of NOK 43.2 billion are compared against the solvency capital requirement of NOK 16.1 billion, Storebrand Livsforsikring has a solvency margin of 267,8% (250,2%). The minimum regulatory requirement is 100% solvency margin under normal operating conditions. Storebrand Livsforsikring has set a goal for solvency margin to exceed 150%.

[2] Prior to diversification between risk modules

A. Business and performance

A.1 BUSINESS

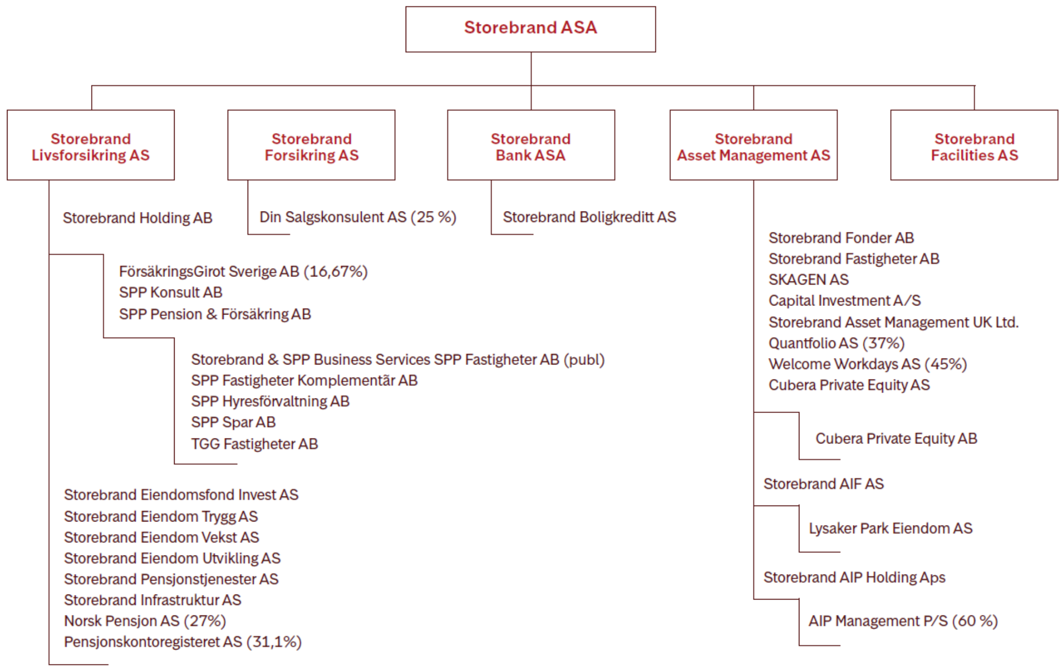
2024 was another year marked by geopolitical uncertainty and international conflicts. At the same time, inflation decreased, and interest rates were reduced internationally. The first interest rate cut in Norway is expected in 2025. The stock market was strong with an increase of 21 percent for the world index and 9 percent for the Oslo Stock Exchange.

No significant operational changes were made to Storebrand Livsforsikring AS in 2024.

Storebrand Livsforsikring AS has its main business in Norway with its head office located at Lysaker in Bærum municipality. Finanstilsynet (The Financial Supervisory Authority of Norway) supervises Storebrand Livsforsikring[3]. PwC audits Storebrand Livsforsikring's accounts[4].

Storebrand Livsforsikring is the largest company in the Storebrand Group. The company is a wholly owned subsidiary of Storebrand ASA, which is the parent company of the Storebrand group. Being the ultimate parent company, Storebrand ASA is subject to group supervision by Finanstilsynet (The Financial Supervisory Authority of Norway). Storebrand ASA prepares and publishes the Group Solvency and Financial Condition Report for the Storebrand Group.

FIGURE 1 Legal structure (simplified)



Storebrand Livsforsikring AS owns 100 percent of Storebrand Holding AB, which in turn owns 100 percent of SPP Pension & Försäkring AB, SPP Spar AB, SPP Konsult AB and Storebrand & SPP Business Services AB. SPP is a leading Swedish provider of life insurance and occupational pensions. SPP delivers both unit linked products, traditional insurance and

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[3]PwC: Dronning Eufemias gate 8; 0191 Oslo; Phone: +47 952 60 578

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.

Through Storebrand Pensjonstjenester AS, Storebrand offers actuarial services, system solutions and all types of services associated with the operation of pension funds. The company is a wholly owned subsidiary of Storebrand Livsforsikring AS.

Storebrand Eiendom Trygg AS, Storebrand Eiendom Vekst AS and Storebrand Eiendom Utvikling AS are holding companies for the Norwegian real-estate business. The companies are wholly owned by Storebrand Livsforsikring AS. In addition, Storebrand Livsforsikring owns 34 percent of Storebrand Eiendomsfond Norge KS, through direct ownership shares and through its wholly owned subsidiary Eiendomfond Invest AS.

Pursuant to the Solvency II regulations, Storebrand Livsforsikring report on a solo basis. This means that subsidiaries are consolidated based on the value of own funds. These principles are described in more detail in Chapter D1. Assets. The data referred to in chapters A. Business and performance, D. Valuation for solvency purposes of assets and liabilities, and E. Capital management, are based on these principles for solo reporting. In chapters B. System of Governance and C. Risk Profile, the descriptions provided are mainly based on Storebrand Livsforsikring including subsidiaries.

Storebrand's core business is managed and reported based on the following segments: Savings, Insurance and Guaranteed Pension[5].

- *Savings* consists of long-term saving for retirement without guarantees. The segment includes defined contribution pensions in Norway and Sweden.
- *Insurance* consists of personal risk products in the Norwegian and Swedish retail markets and pension-related insurance in the Norwegian and Swedish corporate markets.
- *Guaranteed Pension* comprises long-term pension savings with a guaranteed rate of return or guaranteed benefits. The area includes 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 capital-efficient growth within what we call "the future Storebrand", and capital release from the guaranteed pension business which is in run-off.

Storebrand aims to

(A) be the leading provider of occupational pension both in Norway and Sweden,
(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 presented in this chapter correspond to the technical accounts in the financial reporting for Storebrand Livsforsikring, ref. Note 14 in the 2024 Annual Report; but are grouped according to the segmentation used for Solvency II reporting. Note 6 in the 2024 Annual Report provides details on the insurance risk for Storebrand Livsforsikring.

Life insurance

Most of the premium income, claims and expenses for Storebrand Livsforsikring are associated with life insurance products. For 2024, the net premiums from life insurance products amounted to NOK 26.3 billion (NOK 24.3 billion). Premiums are distributed across guaranteed products with profit sharing, unit-linked and other life insurance. Net claims amounted to NOK 16.5 billion. (NOK 14,7 billion). The total expenses associated with life insurance products amounted to NOK 1.7 billion (NOK 1.7 billion).

[6] The overview of what is included in the various segments is here limited to Storebrand Livsforsikring AS and its subsidiaries. These segments are described in more detail in Note 3. Segments in the 2024 Annual Report for Storebrand Livsforsikring.

TABLE 4 PREMIUMS, CLAIMS AND EXPENSES PER SEGMENT (LIFE INSURANCE)

(NOK milllion)	Guaranteed products with profit sharing	Unit linked insurance	Other life insurance	Sum life insurance 2024	Sum life insurance 2023
Gross premiums	4 042	18 251	4 015	26 309	24 250
Reinsurers' share	2	0	28	27	20
Net premiums	**4 041**	**18 251**	**3 990**	**26 281**	**24 230**
Gross claims	10 588	3 267	2 688	16 542	14 646
Reinsurers' share	0	0	-6	-6	-4
Net claims	**10 588**	**3 267**	**2 694**	**16 548**	**14 650**
Expenses	**661**	**562**	**454**	**1 676**	**1 687**

Guaranteed products with profit sharing

This segment comprises private and public collective occupational and individual pension schemes with guaranteed benefits and profit sharing. It includes insurance that pays out compensation in the event of disability or to survivors in the event of death when the insurance is linked to a guaranteed retirement pension.

For 2024, net premiums amounted to NOK 4.0 billion. Net claims amounted to NOK 10.6 billion. 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. Expenses associated with this segment amounted to NOK 661 million.

Unit-linked insurance

This segment comprises collective occupational pensions (defined contribution pensions, hybrid pensions and paid-up policies with investment choice) and individual pensions without guaranteed returns[6] or guaranteed benefits.

For 2024, the premium payments amounted to NOK 18.3 billion. The insurance claims amounted to NOK 3.3 billion. Premiums are significantly higher than claims because few employees have reached retirement age. Much of the premium is therefore reserved to cover pension claims in future years. Expenses associated with this segment amounted to NOK 562 million.

Other life insurance

This segment mainly consists of insurance against disability, illness, accidents, or death. Group disability insurance provides annual pay-outs if the insured becomes incapacitated for work. Group life insurance provides lump sum payments for disability caused by accident or illness, or to the survivors in the event of death.

For 2024 the net premiums amounted to NOK 4.0 billion. Net claims amounted to NOK 2.7 billion. Expenses associated with this segment amounted to NOK 454 million.

Non-life insurance

Storebrand Livsforsikring AS also offers certain products defined as non-life insurance. For 2024, the net premiums from non-life insurance amounted to NOK 530 million (NOK 439 million). Net claims amounted to NOK 390 million (NOK 286 million). Expenses associated with non-life insurance products amounted to NOK 83 million (NOK 114 million).

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

(NOK million)	Income protection insurance	Workers' compensation insurance	Total for non-life insurance 2024	Total for non-life insurance 2023
Gross premiums	396	139	535	446
Reinsurers' share	3	2	5	7
Net premiums	**393**	**137**	**530**	**439**
Gross claims	260	132	392	293
Reinsurers' share	2	0	2	6
Net claims	**258**	**132**	**390**	**286**
Expenses	**63**	**20**	**83**	**114**

[6] Including paid-up policies with investment choice and hybrid occupational pensions, which may have a 0% guarantee.

Appendix to this report includes a table with further details about the accrual of insurance claims over time for the past 10 years (S.19.01.21).

Income protection insurance
This segment includes insurance contracts that offer a lump-sum payment in the event of an accident[7].

For 2024, the net premiums amounted to NOK 393 million. Net claims amounted to NOK 258 million. Expenses associated with this segment amounted to NOK 63 million.

Workers' compensation insurance
This segment comprises of premiums that cover compensation for work related injuries.

For 2024, the net premiums amounted to NOK 137 million. Net claims amounted to NOK 132 million. Expenses associated with this segment amounted to NOK 20 million.

Geographical distribution of premiums, insurance claims and expenses
Virtually all premiums, claims costs and insurance-related operating costs for Storebrand Livsforsikring AS are in Norway. The geographical distribution of premiums, insurance claims and expenses for the Storebrand Group are described in Section A.2 in the Solvency and Financial Condition Report for Storebrand ASA.

The subsidiary SPP Pension & Försäkring has the main share of income and expenses in Sweden. See section A.2 in the Solvency and Financial Conditions Report for this company.

A.3 INVESTMENT PERFORMANCE

In 2024, the average investment return for guaranteed customer portfolios was 4.9 percent (based on market value). The investment return for portfolios with investment choice was 14.1 percent. The return for the company portfolio was 4.9 percent. Further details on the return for sub-portfolios can be found in Note 46 Return on Capital in the Storebrand Livsforsikring 2024 Annual Report.

Income from investments is also described in Note 18 Net Financial Income in the Storebrand Livsforsikring 2024 Annual Report. The investment results in this report are based on the principles that apply for the solvency balance sheet. For this reason, the figures deviate somewhat from the financial statements, particularly because amortised cost are not used for the solvency balance sheet.

For 2024, Storebrand Livsforsikring's income from investments amounted to NOK 42.6 billion (NOK 30.0 billion). Of this, NOK 8.1 billion was interest income, NOK 2.0 billion equity dividends and NOK 12.7 billion net capital gains on the sale of securities. Unrealised capital gain was NOK 19.8 billion.

Storebrand Livsforsikring's investments are divided into three main portfolio groups: the collective portfolio (guaranteed customer portfolios), the index-linked and unit-linked insurance portfolio (non-guaranteed customer portfolios) and the corporate portfolio. Market risk affects Storebrand's income and profit differently in the different sub-portfolios, as described in more detail in Chapter B.2 Market Risk.

TABLE 6 REVENUES AND EXPENSES ASSOCIATED WITH INVESTMENTS DISTRIBUTED BY MAIN PORTFOLIOS

(NOK million)	Dividends	Interest incomes	Net capital gains	Change in unrealized gains and losses
Collective portfolio	409	5 393	2 167	1 980
Index-linked and unit-linked insurance portfolio	552	1 943	10 741	17 254
The corporate portfolio	1 034	794	-246	574
Total	**1 995**	**8 130**	**12 662**	**19 809**

Storebrand Livsforsikring has not recognised investment revenues or investment costs directly against equity.

[7] Does not include Group life, which is included in Other life insurance.

A.4 PERFORMANCE OF OTHER ACTIVITIES

Storebrand Livsforsikring is funded by a combination of equity and subordinated loans. Interest cost for subordinated loans is NOK 826 million (NOK 822 million). Other than this, Storebrand Livsforsikring has little income or expenses that are not related to insurance and investment activities. Other income is also specified in Note 19 and other expenses in Note 25 in the Storebrand Livsforsikring 2024 Annual Report.

A.5 ANY OTHER INFORMATION

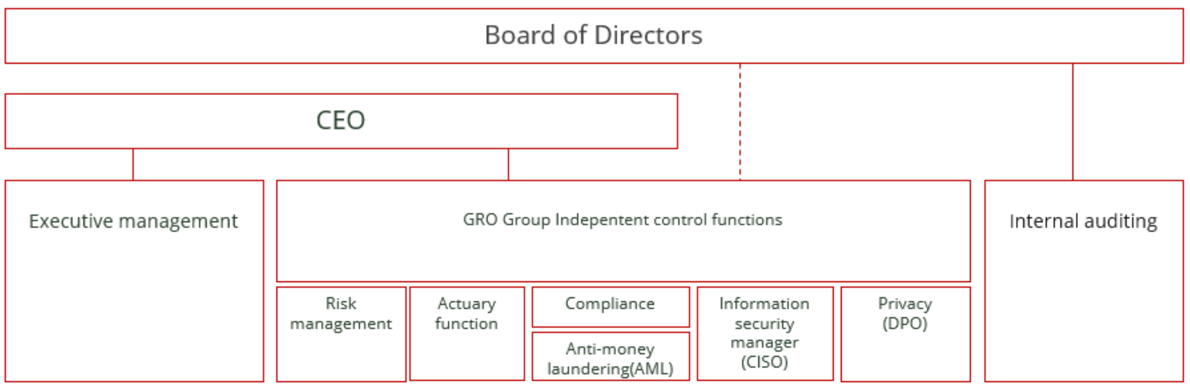
The business activities and performance in 2024 are described in detail in the Storebrand Livsforsikring 2024 Annual Report.

B. System of governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

There are no changes during 2024 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 of Directors and its advisory subcommittees

The Board of Directors of Storebrand Livsforsikring consists of seven members, two of whom are external and two of whom are elected by the company's employees. The CEO of the Storebrand Group is Chairman of the Board.

The Board is responsible for the company being adequately organised and sets risk frameworks, strategies, plans and budgets for the business 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 Directors of Storebrand ASA has established a sub-committee which acts as the Group's joint remuneration committee in accordance with Norwegian and Swedish regulations. The Compensation Committee shall advise the boards of the Group's companies in Norway and Sweden that are obliged to have remuneration committees. They will advise the boards in any matters concerning the individual companies' remuneration schemes for executive personnel, employees that influences the company's risk exposure and employees with control functions.

Day-to-day management

The Managing Director is responsible for the day-to-day management of Storebrand Livsforsikring's operations and activities and shall act in accordance with the guidelines and orders issued by the Board. The Managing Director reports to the Board. The duties and responsibilities of the Managing Director are outlined in instructions approved by the Board.

The Group's executive management team is the top management level for the management of the Group. Areas of responsibility include retail market in Norway, corporate market Norway, SPP and asset management as well as intragroup responsibility for digital, finance & accounting and people.

Independent key control functions

Storebrand Livsforsikring's Board of Directors has established independent key control functions in accordance with relevant legal requirements: Risk management function; Compliance function; Data Protection officer; Anti-money laundering function; Actuarial function and Internal audit. The organization of, and areas of responsibility for each of these independent control functions, are described in more detail in Chapters B.3-B.6.

Remuneration

Storebrand Lifsforsikring follows the Group's common guidelines for 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 CEO of Storebrand Livsforsikring has a share of fixed salary tied to the purchase of Storebrand shares with a three-year lock-in period. In addition to fixed salary, other employees can receive a discretionary bonus of 5-15% of fixed salary.

The CEO has a 12-month salary guarantee after the ordinary notice period. The company has no obligations to the chairman of the board in the event of termination or change of office. Further details regarding remuneration, including the level of remuneration received by the Board of Directors and senior executives, can be found in Note 22 in the Annual Report 2024 for Storebrand Livsforsikring.

The company takes care of and pays for an ordinary collective pension insurance for all employees, valid from the time of employment, and in accordance with the pension agreement in force at any given time. From 2015, the company has defined-contribution pension schemes for all employees.

Further information about the pension scheme can be found in Note 21 Pension costs and pension liabilities in Storebrand Livsforsikring's Annual Report 2024.

Transactions with related parties

Storebrand Livsforsikring has 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 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.

During 2024 Storebrand Livsforsikring AS has bought mortgages from sister company Storebrand Bank ASA. The transactions are entered into in commercial terms. The portfolio of loans that have been transferred in 2024 totalled NOK 6.3 billion. The total portfolio of loans bought as of 31/12/2024 is NOK 17.6 billion. Storebrand Livsforsikring AS pays management fees to Storebrand Bank ASA for management of the portfolios, the expense for 2024 is NOK 67 million.

See Note 44 in the Storebrand Livsforsikring 2024 Annual Report for further details.

B.2 FIT AND PROPER REQUIREMENTS

The Board of Directors of Storebrand Livsforsikring has established processes to ensure that the company's Board of Directors, CEO/Senior Management, as well as heads of independent control functions/key functions (risk management, compliance, compliance officer, anti-money laundering, actuarial and internal audit) meet suitability 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. In Storebrand Livsforsikring, 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 2024, there has not been changes that affect the risk management system in a material 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 Livsforsikring AS has 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 at least twice a year.

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 Storebrand Livsforsikring. 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 (Chief Risk Officer), for compliance with regulations (Compliance Function), for actuarial tasks (Actuarial Function), for privacy issues (Data protection officer), for information security (CISO), and for compliance with the Anti-Money Laundering Act. These independent control functions report to the Managing Director of Storebrand Livsforsikring, and report directly to the Board of Directors.

The CRO (Chief Risk Officer) 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 Livsforsikring's risk appetite and risk strategy and should have a holistic view of the company'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 Livsforsikring's own operations, it is assessed how Storebrand Livsforsikring's operations may affect customers and the outside world.

The measurement is intended to enable the board to follow up risk targets 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 Livsforsikring is, or can be, exposed to. The Board evaluates whether the size and management of the risk is in guidance with established risk tolerance and supports capital plans and dividend policy. The Board must understand and evaluate whether the risk, if desired, can be reduced through measures. In addition to capturing the current situation, the report also must be forward looking.

The regular ORSA is linked to the Group's strategy and planning process and is concluded at the same time as the financial and capital plans. The Board is responsible for the ORSA process and approves an ORSA report for Storebrand Livsforsikring that summarizes the results from the risk and solvency assessment.

A non-regular ORSA shall be conducted, in full or in part, if changes occur that may have a significant impact on risks and/or capital. Such changes may be driven by internal decisions or external circumstances.

As part of the ORSA process, Storebrand Livsforsikring calculates how sensitive the solvency margin is to changes in key parameters. Results are updated and reported on a quarterly basis as part of the financial reporting. Main sensitivities as of 31/12/2024 are summarised in figure 2.

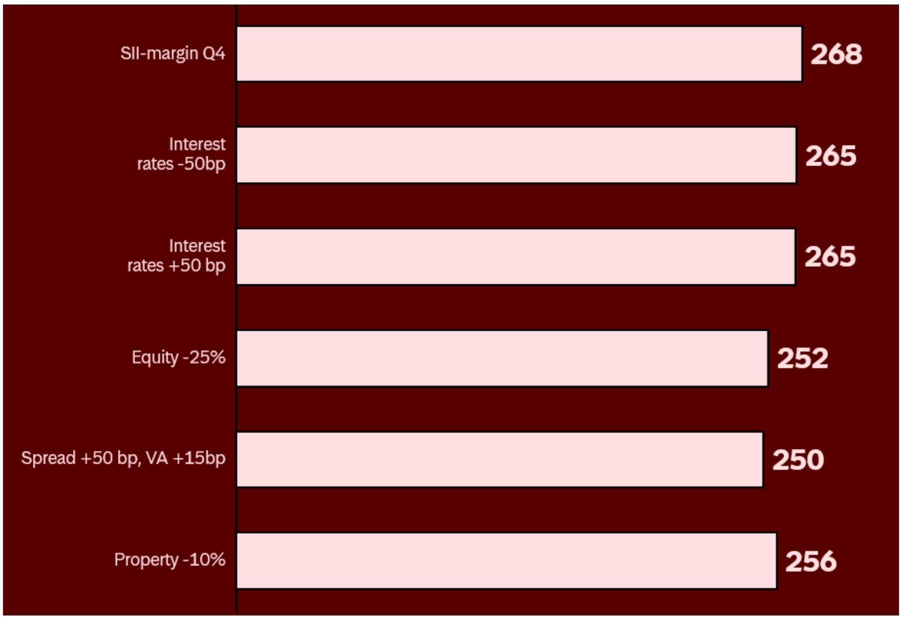


FIGURE 2 SENSITIVITIES

The solvency margin is most sensitive to increased credit spreads, including an increase in the volatility adjustment, as well as equity market declines and property price declines. A 50bp increase in credit spreads and an increase in the volatility adjustment by 15bp will reduce the solvency margin from 268% to 250%. An equity market decline of 25% will reduce the solvency margin to 252 percent, and a 10% property price decline will reduce the solvency margin to 256%.

Targets for solvency and consistency with the capital plan
Storebrand Livsforsikring has overall financial targets related to solvency and financial strength, profitability, and dividends. This is further described in the Storebrand Livsforsikring Annual report 2024.

There should be low risk for the solvency margins to fall below 100 percent. The level of solvency margin should be consistent with the goal of A credit-rating for Storebrand Livsforsikring AS.

The Group's capital plan is that surplus capital, above the target solvency level in 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.

The dividend policy of Storebrand Livsforsikring is that, as a main rule, the entire result can be distributed to Storebrand ASA. The board will evaluate if the solvency situation gives room to distribute dividends in addition to the annual result. The board wants a low probability that fluctuations, particularly in the financial market, shall require extraordinary measures or a call for additional capital from Storebrand ASA. For 2024, Storebrand Livsforsikring has set aside a net group contribution of NOK 3 732 million.

Use of internal model for risk measurement and control
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 has submitted an application to the Financial Supervisory Authority of Norway 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 with regard to the nature, scope and complexity of the risks associated with Storebrand Livsforsikring's operations.

B.4 INTERNAL CONTROL SYSTEM

During 2024 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 in Storebrand Livsforsikring reports to the CEO and the Board of Directors. 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 2024, there has not been changes that affects the functioning of the internal audit function in a material way.

Storebrand has entered into an agreement with Ernst & Young (EY) to provide the internal audit function for all companies in the Group. EY's responsible partner reports directly to Storebrand Livsforsikring's Board of Directors, which determines the internal audit function's instructions and annual plan.

The internal audit function assists the Board and the executive management in exercising good corporate governance by providing an independent and neutral assessment of whether the companies' most significant risks are adequately managed and controlled.

The internal audit function is direct responsible to the Board and the tasks shall be carried out independently 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 2024, there has not been changes that affects the actuarial function in a material way.

The Actuarial Function of Storebrand Livsforsikring reports to the Managing Director and the Board. 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 Storebrand Livsforsikring Board at least once a year, which assesses the degree of reliability and suitability of the calculation of the technical provisions.

Storebrand Livsforsikring' 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 when Storebrand Livsforsikring use contractors to perform tasks that could alternatively have been carried out by the company's own employees. Storebrand Livsforsikring's Board has approved guidelines for outsourcing that apply both to outsourcing internally within the Storebrand group and outsourcing to external companies. Exceptions are purchase agreements and agreements for the provision of services that are of minor importance to the operational business of the company.

A fundamental principle for outsourcing is that Storebrand Livsforsikring always continues to be responsible for the activity that is outsourced. Storebrand Livsforsikring must therefore be able to carry out its obligations and verify the contractor's risk management and internal controls, including compliance with laws and rules for the outsourced activity. All outsourcing risks and due diligence are assessed in accordance with the Storebrand group's routines for compliance with The Transparency Act

Before an activity is outsourced, a risk assessment is always conducted. The outsourcing must be justified based on commercial considerations and regarding adequate operation and control, assurance of continual operation, effective supervision, and the relationship to our customers.

Storebrand Livsforsikring has outsourced services related to, among other things, business processes, IT infrastructure, operations and development, cloud services, internal audit, asset management and distribution (see Table 7 for more details). Storebrand Livsforsikring's Board receives an annual report on outsourced activities. The report provides an overview of outsourced tasks and how the outsourcing is followed up. Relevant supervisory authorities are informed about outsourcing in accordance with applicable rules.

TABLE 7 OVERVIEW OF THE COMPANY'S MAIN OUTSOURCED ACTIVITIES

Contracting Partner	Activity	Jurisdiction
Mastercard Payment Services Norway AS	Solution for pension management	Norway
Munich Re Automation Solutions Limited	Health assessment	Ireland
Trapets AB	AML analysis	Sweden
Kyndryl Norway AS	IT services	Norway
Slack Technologies Inc	Chat	USA
Atea AS	Interaction platform	Norway
Cognizant Worldwide Ltd	Business processes, IT services & development	Great Britain
Ernst & Young AS	Internal audit	Norway
Google Ireland Limited	Cloud services	Ireland
Iron Mountain Norge AS	Generating customer documentation	Norway
J.P. Morgan Europe Limited, Oslo branch	Archive services	Norway
Microsoft Ireland Operations	Office 365	Ireland

Microsoft Ireland Operations	Analytics Platform	Ireland
Microsoft Ireland Operations	Azure Platform	Ireland
Merkle Outfox AB	Google Analytics, Optimize 360	Sweden
Tieto Sweden AB	IT services	Sweden
TietoEvry Norge AS	Pension payments	Norway
Enonic AS	Cloud services	Norway
Salesforce SFDC Ireland Limited	Cloud services	Ireland
Signicat AS	Digital identity solutions	Norway
Snowflake Computing Netherlands BV	Cloud services	Netherlands
Storebrand Asset Management AS (konsernintern)	Asset management	Norway
Storebrand Bank ASA (konsernintern)	AML services	Norway
Storebrand Forsikring AS (konsernintern)	Actuary and analytics services	Norway
Loyalty Customer Service AS	Distribution	Norway
Coop Norge SA	Distribution	Norway
Din Salgskonsulent AS	Distribution	Norway
Exito Assuranse AS	Distribution	Norway
Formuesforvaltning Aktiv Forvaltning AS	Distribution	Norway
Done AS (24SevenOffice AI AS)	Distribution	Norway
Danske Bank	Distribution	Norway
Myre & Partnere AS	Distribution	Norway
Storebrand Bank ASA	Distribution	Norway
Union Forsikring AS	Distribution	Norway
Østfold Forsikring AS	Distribution	Norway
Eika Alliansen	Distribution	Norway
BBL Datakompetanse A	Distribution of collective products	Norway
BBL Pivotal	Distribution of collective products	Norway
Private Barnehagers Landsforbund	Distribution of collective products	Norway

B.8 ANY OTHER INFORMATION

The system for risk management and internal control is also described in the Storebrand Livsforsikring 2024 Annual Report, especially Note 4. Risk management and internal control.

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 largest insurance risks for Storebrand Livsforsikring are longevity, disability, customer lapses and expense developments.

There have not been material changes in the composition of the underwriting risk or in the measures to assess these risks during 2024.

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 Livsforsikring must cover the difference. Storebrand Livsforsikring 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 Livsforsikring 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 Livsforsikring provides disability insurance, mainly in the form of group insurance for companies. 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 Livsforsikring also offers insurance cover relating to illness, accident or occupational injury. The risk, however, is limited due to this being a small part of the overall premiums.

For disability and other risk products, the risks are controlled 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 Livsforsikring has entered reinsurance contracts to limit the risk associated with major damage or disasters. Reinsurance covers risks, exceeding a lower limit[8], associated with major single events and disasters that cause two or more deaths or instances of disability. The company's maximum risk 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 related to defined contribution pension contracts.

Provisions per 31/12/2024 are the company's best estimate and are considered to be sufficient.

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[8] This cover is also subject to an upper limit

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 risks for Storebrand Livsforsikring are interest rate risk, equity market risk, property price risk, credit risk and exchange rate risk.

During 2024, 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.

For the life insurance companies, the financial assets are invested in a variety of sub-portfolios. Market risk affects Storebrand Livsforsikring's income and profit differently in the different 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.

TABLE 8 INVESTMENTS BY MAIN PORTFOLIO GROUPS

	Guaranteed customer portfolios	Non-guaranteed customer portfolios	Company portfolios*
Real estate at fair value	11 %	3 %	0 %
Bonds at amortised cost	45 %	0 %	40 %
Money market	0 %	1 %	22 %
Bonds at fair value	15 %	22 %	17 %
Shares at fair value	14 %	73 %	1 %
Loans at amortised cost	14 %	2 %	20 %
Miscellaneous	0 %	-1 %	1 %
Total	**100 %**	**100 %**	**100 %**

*The current asset part of the company portfolio in Storebrand Livsforsikring and SPP

Guaranteed customer portfolios

For customer portfolios with a guarantee, the net risk for Storebrand Livsforsikring will be lower than the gross market risk. The extent of risk-reduction depends on several factors, the most important being 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.

74% of the assets are invested in interest-bearing securities and loans. In Norway, most of the credit risk is from securities held at amortised cost, which significantly reduces the risk to the company's profit. 11% of the assets are invested in real estate and 14% in equity. As most of the assets in foreign currency are currency hedged, the currency risk is limited.

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 in order 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. By exercising this type of risk management, Storebrand Livsforsikring expects to create good returns each year and over time.

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. Norwegian short-term rates were little changed in 2024, while long term rates rose.

Non-guaranteed customer portfolios (Unit-linked insurance)

For defined contribution and unit-linked insurance, the customers can decide how to invest their funds. The most significant market risks are equity risk and currency risk.

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

Company portfolios
The market risk in the company portfolios has a direct impact on the profit. Storebrand Livsforsikring aims to take low 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 ownership of daughter companies and other strategic investments are in the company portfolios. Storebrand Livsforsikring has currency hedged part of the value of its shareholding in SPP[9].

Prudent asset management
The guaranteed portfolios are managed to deliver a minimum return. To ensure this, the portfolios are segmented based on, among other things, guarantee level, age of the policyholder and size of customer buffers. The risk is limited by investing in interest-bearing securities that correspond to the liability.

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 Livsforsikring'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.

The company portfolios are a buffer for the insurance customers if there are insufficient funds in the customer portfolios to cover the pay-outs. In addition, the portfolios shall cover operating expenses and act as a liquidity buffer. The asset management should ensure sufficiently liquid portfolios with low correlation with the customer portfolios, combined with good returns relative to the risk.

Outsourcing of asset management to Storebrand Asset Management
Storebrand Livsforsikring has 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 an asset management contract. The Board of Storebrand Livsforsikring 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 Storebrand Livsforsikring.

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 diversification of risk between e.g. different asset classes, countries, industries, and individual issuers.

Sustainability risks in the investment process
Storebrand Livsforsikring 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 Livsforsikring 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 2024 Annual report for Storebrand ASA.

[9] Owned through Storebrand Holding AB

Strategy for active ownership
Storebrand Livsforsikring follows the Storebrand Group's 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 ratings
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 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. Storebrand through the manager of the mandates, Storebrand Asset Management, also makes its own assessment of the credit risk of each individual investment, regardless of official rating.

Management of the interest rate risk linked to the yield curve
The yield curve that Storebrand Livsforsikring uses when valuing the technical provisions is based on extrapolation against a long-term Ultimate Forward Rate (UFR) and a spread in the form of volatility adjustment (VA). Both elements are part of the standard model for Solvency II. However, it is a requirement to assess the risk associated with these factors[10].

Storebrand Livsforsikring assess this risk both as part of the ORSA process and as part of the ongoing risk management of the investment portfolio. Storebrand Livsforsikring calculates what the solvency position would have been without 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 2024, 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 maximum limits for credit exposure to individual counterparties and for overall credit exposure to rating categories are set by the Board of Storebrand Livsforsikring as part of the investment strategy. Particular attention is paid to avoid concentration towards borrowers or sectors. Changes in the credit quality of debtors are monitored and followed up. Storebrand uses official credit ratings wherever possible, supplemented by our own credit assessment.

Counterparty risk from derivatives
Storebrand has entered into framework agreements with all counterparties to reduce the risk from outstanding derivative transactions. Amongst 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 the individual contracts. As of 31/12/2024, Storebrand Livsforsikring AS had pledged collateral of NOK 6 374 million and received collateral of NOK 34 million. The net pledged collateral totalled NOK 6 340 million. Collateral is received and pledged in the form of cash and securities.

Further details on collateral can be found in Note 41 Collateral and Note 9 Credit Risk in the Storebrand Livsforsikring 2024 Annual Report.

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

[10] The Solvency II regulation to the Financial Institutions Act, §25.

As of 31/12/2024, Storebrand Livsforsikring has provided loans and mortgages to customers, including unused credit limits, for a total of NOK 21.1 billion. (NOK 21.5 billion). NOK 17.5 billion are to retail market customers, mainly by means of low-risk home mortgages. Loans and mortgages are described in more detail in Note 9 in the Storebrand Livsforsikring 2024 Annual Report.

C.4 LIQUIDITY RISK

Liquidity risk is the risk that the company is unable to fulfil its obligations without incurring substantial additional expense in the form of reduced prices for assets that must be realised, or in the form of especially expensive financing.

During 2024, there has not been material changes in the measures to assess the liquidity risk.

For Storebrand Livsforsikring, insurance liabilities are long-term, and the cash flows are generally known long before they fall due. In addition, sufficient liquidity is required to be able to handle payments in daily business operations as well as for derivative contracts. The liquidity risk is managed by liquidity forecasts and the fact that portions of the investments are in liquid securities, such as government bonds. The liquidity risk is considered low based on these measures.

The value of profits from future premiums that are within the contract boundary is included in the solvency capital. This is further described in Chapter E.1 Own Funds. The margin from future premiums is a capital element that may have less liquidity than other capital. Liquidity planning is based on data from the financial statements. The margin from future premiums is not included in the financial statements. The size of the margin from future premiums is therefore of limited relevance in terms of liquidity risk or liquidity management strategies.

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 2024, there have been no significant changes in the way operational risk is followed up.

In Storebrand's risk universe, operational risk includes cyber & crime, technology, data & infrastructure, customer risk, compliance, capacity and expertise, third-party collaboration, unclear responsibilities, model risk 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.

An effort is made to reduce undesirable operational risk with an effective system for internal control. Risks are followed up through management's risk review with documentation of risks, measures and follow-up of incidents. In addition, there is internal audit's independent control through board-approved audit projects.

To deal with serious incidents in business-critical processes, contingency plans have been prepared. Within Storebrand's control functions, there are also people responsible for operational risk control.

Risk with low probability and high consequence

Risks with a low probability and very high consequence are managed with a separate framework. A catalogue of possible incidents will be established, including an assessment of risk-reducing measures and requirements for emergency preparedness. Where appropriate, the risk shall be assessed based on scenario analyses, for example as part of the ORSA process.

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 Cyber & Crime 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 Act (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

Concentration of risks

Most of the risk for Storebrand Livsforsikring is related to the guaranteed pension products. The risks are quite similar for Norway and Sweden. The equity, real estate and bond portfolios are well diversified so that there is a low concentration risk towards geography, industry or individual companies. Market risk will nevertheless largely depend on global conditions that affect the investment portfolios of all the companies. Insurance risk may have a more different impact on the different companies, but longevity risk in particular may be affected by universal developments.

The companies' investment strategies set limits for concentration risk in the form of limits for maximum exposure to individual companies and rating classes. The insurance risk strategy sets limits on maximum exposure to disasters (reinsurance requirements).

Sustainability risk, including climate risk

Sustainability risk is environmental, social or governance events that have a negative impact on the environment and people (e.g. customers or society), or that can have a significant negative impact on Storebrand's business model, strategy, goal attainment and value creation (e.g. financial loss or loss of reputation).

As stated in the definition, the risk assessment and reporting are based on double materiality. A distinction is made between effect for Storebrand and effect for the outside world and customers. 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 Livsforsikring is exposed to climate risk, both commercially, for its investments, including real estate and for its insurance obligations. The risk is assessed in ORSA. Both physical climate change and the risk from the transition to low emissions can have an impact. For Storebrand Livsforsikring, transition risk is of greatest importance, especially in the short and medium term.

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 regarding the risk situation can also be found in the Storebrand Livsforsikring 2024 Annual Report, particularly the risk chapters and Notes 5–12.

D. Valuation for solvency purposes

D.1 ASSETS

There have not been any material changes to the recognition and valuation bases used during 2024.

Overview of assets in the solvency balance sheet

Total assets for Solvency II amount to NOK 547.2 billion (505,5 billion). NOK 218.6 billion hereof is investments and loans linked to guaranteed customer portfolios or the corporate portfolio. Index-linked and unit-linked insurance assets total NOK 247.8 billion, while other assets total NOK 80.8 billion.

TABLE 9 ASSETS IN THE SOLVENCY BALANCE SHEET

(NOK million)	*12/31/2024*	*12/31/2023*
Deferred tax assets	0	0
Investments (other than assets held for index-linked and unit-linked contracts)	218 581	211 491
Holdings in related undertakings, including participations	*36 631*	*36 440*
Equities	*14 843*	*14 114*
Equities – listed	*14 771*	*14 038*
Equities – unlisted	*72*	*76*
Bonds	*147 970*	*142 603*
Government bonds	*45 026*	*42 671*
Corporate bonds	*63 438*	*87 811*
Structured bonds	*39 506*	*12 121*
Collective Investments Undertakings	*17 813*	*16 130*
Derivatives	*1 174*	*2 137*
Deposits other than cash equivalents	*150*	*67*
Assets held for index-linked and unit-linked contracts	247 781	208 820
Loans and mortgages	20 571	20 212
Reinsurance recoverables	2	2
Cash	3 305	9 213
Other assets	56 920	55 802
Total assets	**547 159**	**505 539**

During 2024, total assets increased by NOK 41.6 billion, of which unit-linked insurance assets increased by NOK 39.0 billion.

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 Storebrand Livsforsikring AS have been prepared in accordance with the Norwegian GAAP (NGAAP), which largely coincides with IFRS.

Storebrand Livsforsikring conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. This is described in more detail in Note 1 Company information and accounting policies and Note 12 Valuation of financial instruments and real estate in the 2024 Annual Report for Storebrand Livsforsikring.

Differences in valuation between Solvency II and the financial statements
The main differences from the financial statements are due to intangible assets, bonds, loans and mortgages, subsidiaries, as well as deferred tax assets.

TABLE 10 DIFFERENCES BETWEEN SOLVENCY II AND THE FINANCIAL STATEMENT (NGAAP)

(NOK million)	Solvency II	Financial statement	Difference
Intangible assets		1 270	-1 270
Deferred tax assets	-1 959	481	-2 440
Holdings in related undertakings, including participations	36 631	34 602	2 029
Added value – bonds and loans at amortised costs	-13 141		-13 141
Miscellaneous	13 143		13 143
Reinsurance	2	157	-156
Total	**34 675**	**36 510**	**-1 835**

Intangible assets
Intangible assets shall, according to the Solvency II principles, be valued at zero in the solvency balance sheet. The difference gives a NOK 1 270 million lower valuation for the solvency balance sheet.

Deferred tax liabilities/assets
Changes in value when transitioning from NGAAP to Solvency II also affects the company's tax situation. This applies to all changes in value except for changes in value for subsidiaries and holdings in related undertakings, including participations. As a result, Storebrand Livsforsikring goes from having a deferred tax asset under NGAAP of NOK 481 million to a tax liability under Solvency II of NOK 1 959 million.

Subsidiaries & holdings in related undertakings, including participations
For Solvency II, insurance subsidiaries subject to Solvency II shall be valued at their respective solvency capital/own funds. This applies to Storebrand Holding AB (owner of SPP). For non-regulated subsidiaries, the equity value from the financial statement is used as a reference for assuming the approximate fair value (excluding goodwill and intangible assets). All subsidiaries are recognised at historic cost in the financial statement. See Table 11.

TABLE 11 SUBSIDIARIES & HOLDINGS IN RELATED UNDERTAKINGS, INCLUDING PARTICIPATIONS

(NOK million)	**Solvency II**		**Financial statement**		
Subsidiaries & holdings in related undertakings, including participations	Valuation principle	Value	Valuation principle	Value	Difference
Storebrand Holding AB	Own funds	15 293	Historic cost	13 283	2 010
Non-regulated subsidiaries[11]	Equity method excluding any goodwill and intangible assets	21 338	Historic cost	21 318	19
Total for subsidiaries & holdings in related undertakings, including participations		**36 631**		**34 602**	**2 029**

The non-regulated subsidiaries are mainly pension-service companies. Overall, subsidiaries and holdings in related undertakings, including participations, are valued at NOK 2.0 billion higher in the solvency balance sheet.

Bonds, loans and mortgages
Financial assets that are valued at amortised cost in the financial statements shall be valued at fair value in the solvency balance sheet. This applies to bonds at amortised cost and bonds classified as loans. Valuation at fair value in the solvency balance sheet is NOK 13.1 billion lower than the valuation at amortised cost, ref. Note 31 in the Annual Report for 2024 for Storebrand Livsforsikring.

Contingent 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 liabilities. The main difference is that Storebrand Livsforsikring has assumed liabilities

[11] Storebrand Pensjonstjenester AS, Norsk Pensjonskontoregister og Norsk Pensjon AS, Storebrand Eiendom Trygg AS, Storebrand Eiendom Vekst AS, Storebrand Eiendom Utvikling AS, Storebrand Eiendom Invest AS.

relating to non-paid-up capital, mainly related to private equity and infrastructure funds. These are entered as a liability for Solvency II, with a corresponding item on the assets side. This increases the assets side in the solvency balance sheet by NOK 13.1 billion compared to the financial statements. This is included in the "other assets" entry in Table 13. The own funds are not affected by this difference in assessment.

D.2 TECHNICAL PROVISIONS

During 2024 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, Paragraph 3 of the Annual Report for 2024 for Storebrand Livsforsikring.

The valuation in the solvency balance sheet 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 rates. The best estimate is split between a guaranteed provision and discretionary benefits. Due to the uncertainty, the provisions shall include a risk margin in addition to the best estimate.

See Figure 3 for details on the solvency balance composition and calculation of technical provisions.

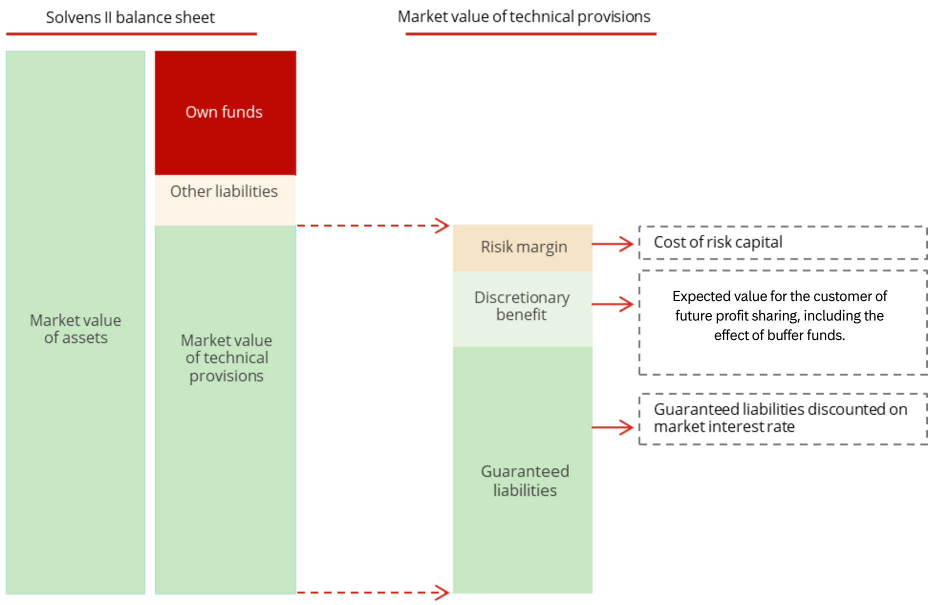

FIGURE 3 ELEMENTS IN THE SOLVENCY II BALANCE SHEET

Method for valuation of the technical provisions / insurance liabilities

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, expenses, 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 rates to find the best estimate. For the calculation as of 31/12/2024, Storebrand Livsforsikring calculated cash flows for the next 60 years, as well as a residual value for the 60th year.

The best estimate of the value of the insurance liability / 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 Livsforsikring 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% for these capital requirements is calculated.

Table 12 shows the value of technical provisions by the best estimate and risk margin for Storebrand Livsforsikring's product areas.

TABLE 12 TECHNICAL PROVISIONS

(NOK million)	Best estimate	Risk margin	Technical provisions 2024	Technical provisions 2023
Defined-benefit pension	45 237	514	45 751	41 901
Paid-up policies	130 153	1 536	131 690	135 656
Traditional individual capital and pension	7 370	138	7 508	8 471
Other life insurance*	8 855	489	9 344	7 688
Sum traditional life insurance	**191 616**	**2 677**	**194 293**	**193 716**
Private Unit Link	46 891	935	47 826	42 915
Defined contribution, including pension capital certificates	191 277	1 820	193 097	159 230
Sum index-linked and unit-linked insurance	**238 168**	**2 755**	**240 923**	**202 224**
Group life (health similar to life)	1 936	30	1 966	1 887
Non-life (health similar to non-life)**	874	18	893	776
Total	**432 594**	**5 481**	**438 075**	**398 603**

**Hybrid, ITP risk and LKB saving*
***Worker's compensation, critical illness and disability/accident insurance*

The total technical provisions for Storebrand Livsforsikring amounted to NOK 438.1 billion (NOK 398.6 billion), based on a best estimate of NOK 432.6 billion and a risk margin of NOK 5.5 billion. That is an increase of NOK 39.5 billion during 2024. Guaranteed products account for roughly 44% of the provisions, defined contribution and other unit-linked insurance for roughly 55%, and other products for less than 1%.

Difference between Solvency II and the financial statements
Table 13 shows the value of technical provisions in the financial statements and under Solvency II.

TABLE 13 PROVISIONS UNDER SOLVENCY II AND IN THE FINANCIAL STATEMENT

(NOK million)	Solvency II	Financial Statement	Difference
Technical provisions	**438 075**	**462 672**	**24 598**
Traditional life insurance	*194 293*	*211 470*	17 177
Unit linked insurance	*240 923*	*248 179*	7 256
Group life (health similar to life)	*1 966*	*2 118*	152
Non-life (health similar to non-life)	*893*	*905*	13
Subordinated liabilities	10 095	9 920	-175
Contingent liabilities	13 143		-13 143
Total	**461 313**	**472 592**	**11 279**

Total provisions are valued at NOK 461.3 billion for Solvency II, which is NOK 11.3 billion lower than in the financial statements.

The valuation in the solvency balance sheet varies from the financial statements. Reasons for this include:

- The valuation in the solvency balance sheet is based on risk-free market interest rates, whereas the valuation in the financial statements is based on the guaranteed rate.
- The valuation in the solvency balance sheet includes both guaranteed benefits and discretionary benefits (future profit sharing). The valuation in the financial statements only includes the guaranteed benefits (the premium reserve).
- The valuation in the solvency balance sheet includes the market value of the interest rate guarantee.
- The valuation in the solvency balance sheet includes the cost of holding capital in the form of a risk margin.
- Expected future margins for Storebrand Livsforsikring reduces the liability for the solvency balance sheet.

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 in cases where Storebrand can unilaterally terminate the contract, or the contract can be re-priced to reflect current risk evaluations. In this perspective, the majority of Storebrand's future premiums fall beyond the contract boundary and are not included in the model. 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 Livsforsikring may not re-price 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

Generally, projections of revenue are based on actual income levels that correspond to the income in the financial statements. Revenue is projected based on the price structure and expected developments 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 projection 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 or one-off expenses and most of the acquisition expenses are excluded from projections, to ensure consistency between the expense projection and the contract boundary. For products with future premiums within the contract boundary, the relevant portion of the acquisition expense is included. Expenses are projected partly based on reserve developments and partly based on a unit expense for individual contracts. The 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 portfolio developments. The assumptions are assessed annually and updated when required.

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

Lapses and product conversion
Assumptions are determined per product and updated annually. As a rule, historical observations over the past 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. This applies to developments in the defined benefit pension market and for transition from paid-up policies to paid-up policies with investment choice.

Tax
Taxes are not considered when projecting cash flows. However, changes in the valuation of technical provisions will affect the company's estimated tax situation.

Financial assumptions
The risk-free yield curve is used both for discounting cash flows and for estimating future returns. The yield curve is published by EIOPA. Storebrand uses the risk-free yield curve, including the volatility adjustment (VA). The volatility adjustment was 46bp as of 31/12/2024, compared to 27bp as of 31/12/2023.

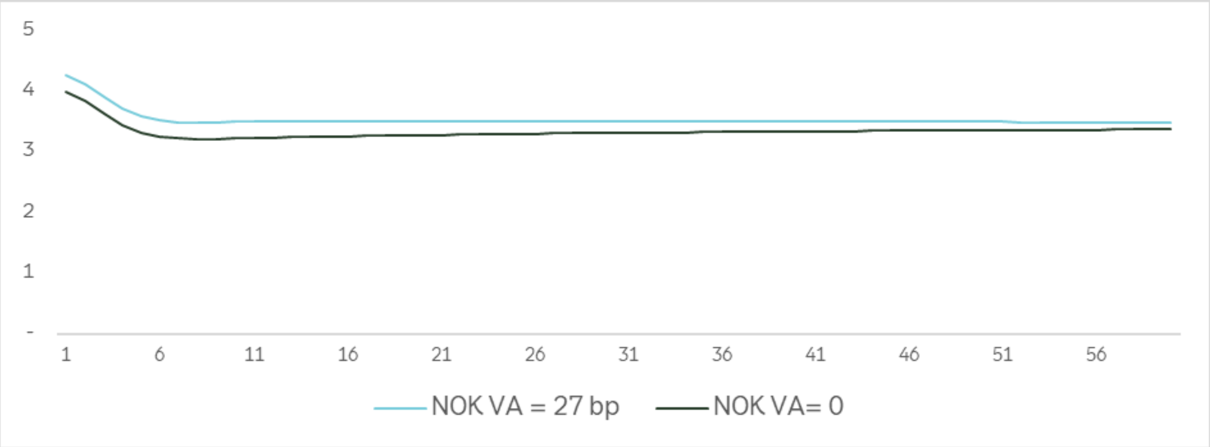

FIGURE 4 SPOT RATES INCLUDING/EXCLUDING VA

Without the volatility adjustment, the value of technical provisions increases by NOK 2.0 billion. The effect on the solvency capital and solvency margin is described in Chapter E.2 Solvency Capital Requirement and Minimum Requirement. Storebrand does not apply matching adjustment.

In Norway, there is no active market for real 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.

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 associated with 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 Livsforsikring considers there to be uncertainty relating to, among other things, the following assumptions:

- *The yield curve* is provided by EIOPA, but is based on a number of 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.* 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

There have not been any material changes to the recognition and valuation bases used during 2024.

Liabilities other than technical provision amount to NOK 71.0 billion under Solvency II (NOK 72.3 billion). The valuation is essentially the same for Solvency II as for the financial statements, but some discrepancies arise due to differences in accounting principles. The most important differences are explained below.

TABLE 14 OTHER LIABILITIES

(NOK million)	*12/31/2024*	*12/31/2023*
Contingent liabilities	13 143	14 530
Pension benefit obligations		
Deferred tax liabilities	1 959	243
Derivatives	3 236	2 090
Insurance & intermediaries payables	42 540	44 726
Subordinated liabilities	10 095	10 712
Sum other liabilities	**70 974**	**72 300**

Contingent liabilities

Storebrand Livsforsikring has undertaken liabilities linked to unpaid capital, primarily related to private equity and infrastructure funds. This is a liability in the Solvency II balance sheet, with a corresponding entry on the assets side; see also section "Other" under "Differences in valuation between Solvency II and the financial statements" in Chapter D.1. This increases the liabilities in the Solvency II balance sheet by NOK 13.1 billion compared to the financial statements.

Deferred tax liabilities

The difference in deferred tax liabilities is the net tax effect of the change in value upon transitioning to Solvency II, including transitional on technical provisions, based on a tax rate of 25%. See chapter D.1 Assets.

Derivatives

The principle for valuation of derivatives is consistent with the principle applied in the financial statements; however, deviations occur since derivatives in unit-linked insurance are booked net under Solvency II, as opposed to gross under NGAAP.

Insurance & intermediaries payables

The principle for valuation of insurance and intermediaries' payables is consistent with the principle applied in the financial statements.

Subordinated liabilities

Subordinated liabilities are valued at fair value under Solvency II, but valued at amortised cost in the financial statements, which results in a NOK 175 million higher valuation in the solvency balance sheet. See also Chapter E.1 Own Funds.

D.4 ALTERNATIVE METHODS FOR VALUATION

Storebrand's valuation principles for assets that cannot be valued based on quoted prices are described in detail in Note 12 of Storebrand Livsforsikring's 2024 Annual Report.

D.5 ANY OTHER INFORMATION

The description of valuation for solvency purposes is covered by the descriptions given in the preceding sections.

E. Capital management

Storebrand manages the levels of equity and loans in the Group to secure an optimal structure. The level is adapted to changes in the financial risk and capital requirement. The rate of growth and composition of business segments are important drivers for the need for capital. The purpose of capital management is to ensure an efficient capital structure and provide an appropriate balance between internal goals and regulatory requirements. This balance functions as the foundation that supports the company's growth strategy, while at the same time freeing capital for return to shareholders. Storebrand Livsforsikring's goal is a solvency margin above 150 percent.

Storebrand Livsforsikring's Board reviews the capital plan, financial plan and ORSA to ensure consistency between business objectives, risk exposure and capital. The financial and capital plans are prepared with at least a three-year horizon.

Storebrand Livsforsikring has provisioned for NOK 3 732 million in group contribution to Storebrand ASA for 2024. This is deducted from own funds as of 31/12/2024, in anticipation of the actual payout in 2025.

E.1 OWN FUNDS

Storebrand Livsforsikring's own funds (solvency capital) amount to NOK 43.2 billion, an increase of NOK 2.7 billion from 2023. The own funds are segmented into groups depending on quality and availability. Table 15 shows the composition of Storebrand Livsforsikring's own funds and their distribution in Tier 1 (restricted and unrestricted), Tier 2 and Tier 3 capital.

TABLE 15a OWN FUNDS (SOLVENCY CAPITAL) AS OF 12/31/2024

(NOK million)	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital	3 540	3 540			
Share premium account related to ordinary share capital	9 711	9 711			
Reconciliation reserve	19 885	19 885			
Subordinated liabilities	9 206		1 976	7 230	
Deferred tax assets	0				
Risk equalisation reserve	1 242			1 242	
Tier 2/3 cap	-411			-411	
Total eligible own funds to meet the solvency capital requirement	**43 174**	**33 136**	**1 976**	**8 061**	
Total eligible own funds to meet the minimum capital requirement	**36 413**	**33 136**	**1 976**	**1 301**	

TABLE 15b OWN FUNDS (SOLVENCY CAPITAL) AS OF 12/31/2023

(NOK,million)	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital	3 540	3 540			
Share,premium account related to ordinary share capital	9 711	9 711			
Reconciliation reserve	17 262	17 262			
Subordinated liabilities	9 847		1 912	7 935	
Deferred tax assets	0				
Risk equalisation reserve	1 067			1 067	
Tier 2/3 cap	-904			-904	
Total eligible own funds to meet the solvency capital requirement	**40 523**	**30 513**	**1 912**	**8 098**	
Total eligible own funds to meet the minimum capital requirement	**33 806**	**30 513**	**1 912**	**1 380**	

Tier 1 capital 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% of tier 1 capital. Storebrand Livsforsikring's Tier 1 capital amounts to NOK 35.1 billion, which accounts for 81% of the company's total own funds (solvency capital). NOK 33.1 billion hereof is unrestricted.

Other subordinated loans (non-perpetual) and risk equalisation reserves are categorised as Tier 2 capital. Deferred tax assets are categorised as Tier 3 capital. Tier 3 capital can cover up to 15% of the solvency capital requirement and Tier 2 and Tier 3 capital combined can cover up to 50% of the solvency capital requirement. Storebrand Livsforsikring's Tier 2 capital amounts to NOK 8.1 billion (19% of total own funds) and Tier 3 capital amounts to NOK 0 mill. The Tier 2 and Tier 3 capital combined covers 53% of the solvency capital requirement and entails a cap on the solvency capital of NOK 411 million.

Storebrand Livsforsikring has a minimum capital of NOK 36.4 billion, of which NOK 35.1 billion is categorised as Tier 1 capital. Tier 1 capital accounts for 96% of the total eligible own funds to meet the minimum capital requirement. Tier 2 capital can cover up to 20% of the minimum capital requirement and is therefore limited to NOK 1.3 billion.

Expected profits in future premiums

The value of expected profits in future premiums (EPIFP) amounts to NOK 7.3 billion. This is part of the reconciliation reserve and counts as Tier 1 capital. Only profits from future premiums that fall within the contract boundary are included. This is described in more detail in the section on contract boundaries in Chapter D.2 Technical Provisions.

Subordinated loans

The subordinated loans in the Solvency II balance sheet amounts to NOK 10.1 billion. Two loans are fully repaid in 2024. In the third quarter, SEK 1 billion in new subordinated loan of Tier 2 quality was raised. This is a refinancing of a SEK loan that was partially repaid in September 2024. The remainder of the loan will be repaid early in March 2025 and has therefore been excluded from the solvency calculation at the turn of the year. A call notice has been issued for this.

TABLE 16 SUBORDINATED LOANS

	Nominal value (million)	Currency	Interest	Maturity	Financial statement (NOK million)	Solvency II (NOK million)
Perpetual subordinated loan capital [1]						
Storebrand Livsforsikring AS [2]	900	SEK	Variable	2026	928	931
Storebrand Livsforsikring AS	300	NOK	Variable	2028	302	309
Storebrand Livsforsikring AS [2]	400	SEK	Variable	2028	414	428
Storebrand Livsforsikring AS [2]	300	NOK	Fixed	2028	313	309
Dated subordinated loan capital						
Storebrand Livsforsikring AS [2] [5]	862	SEK	Variable	2025	887	889
Storebrand Livsforsikring AS [5]	426	NOK	Variable	2025	427	428
Storebrand Livsforsikring AS [3]	650	NOK	Variable	2027	653	668
Storebrand Livsforsikring AS [2] [3]	750	NOK	Fixed	2027	748	741
Storebrand Livsforsikring AS [3]	1 250	NOK	Variable	2027	1 259	1 325
Storebrand Livsforsikring AS [2] [3]	300	EUR	Fixed	2031	3 022	3 039
Storebrand Livsforsikring AS [2] [3]	1 000	SEK	Variable	2029	1 026	1 029
Total subordinated loan capital					**9 979**	**10 095**

[1] In the case of perpetual subordinated loans, the cash flow is calculated through to the first call date. [2] The loans are subject to hedge accounting. [3] Green bonds. [4] The loan has partly been repaid September 2024.

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 swapped to a floating rate. This means that the interest cost of Storebrand Livsforsikring is affected by the level of the floating money market interest rate. Storebrand Livsforsikring has one loan in euros, six in Norwegian kroner and four in Swedish kroner. The euro loan is secured against Norwegian kroner until the first right of early redemption. The loans in Swedish kroner are not currency hedged, but function as a partial currency hedge for the asset Storebrand Holding AB. For all loans, interest payments will cease if the solvency capital requirement (SCR) is breached.

Difference between Solvency II and the financial statements

TABLE 17 SOLVENCY OWN FUNDS VS. IFRS OWN FUNDS

(NOK million)	Solvency II	Financial statement
Paid-in capital	13 251	13 251
Retained earnings excluding deferred tax assets		9 934
Risk equalisation reserve	1 242	1 242
Deferred tax assets	0	639
Reconciliation reserve before dividend	23 617	
Net assets	**38 110**	**25 066**
Subordinated liabilities	9 206	9 920
Foreseeable dividends/group contributions after taxes	-3 732	
Cap on Tier 2/3 capital	-411	
Total Solvency II own funds / IFRS own funds	**43 174**	**34 986**

The main difference between Solvency II and the financial statements is that earned profits in the IFRS own funds are replaced by the reconciliation reserve in the solvency balance sheet. The reconciliation reserve also includes earned profits but is 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 in the calculation because of the valuation of the technical provisions.

Table 18 shows the transition from net assets according to NGAAP principles to net assets according to Solvency II. The total difference is NOK 13.0 billion. The main positive difference is that technical provisions are valued at NOK 24.4 billion lower for solvency. On the other hand, bonds and loans are valued at NOK 13.1 billion less and intangible NOK 1.3 valued at zero for solvency. Deferred tax asset decreases by NOK 2.4 billion because of the other value changes. Expected dividend/group contribution is deducted from the NGAAP net assets before taxes. Under Solvency II, the expected dividend/group contribution after taxes is included in net assets but deducted in the calculation of own funds.

TABLE 18 TRANSITION FROM NET ASSETS IN THE FINANCIAL STATEMENTS TO NET ASSETS IN SOLVENCY II

(NOK million)	
Subsidiaries	2 029
Intangible assets	-1 270
Added value – bonds at amortised costs	-13 141
Technical provisions	24 442
Subordinated liabilities	-175
Net change in deferred tax[12]	-2 440
Treatment of expected dividend/group contribution	3 600
Total change	**13 045**

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 Livsforsikring is calculated according to the standard method, without applying simplifications or company-specific parameters. The solvency capital requirement is calculated as loss of Solvency Capital (Value at Risk), with a probability of 0.5% over a one-year period. There are capital requirements for market risk, insurance risk, counterparty risk and operational risk.

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

The net capital requirement is Storebrand Livsforsikring's risk after risk sharing with customers and the risk-mitigating effect of taxes. Risk sharing with customers arises for guaranteed pensions when the stresses result in a reduction in customer buffers or reduction in future upward adjustment of pensions. Gross capital requirements include the risk borne by the customer. A prerequisite for including a deferred tax asset is that, at a minimum, an equivalently large profit is expected in the future.

TABLE 19 CAPITAL REQUIREMENTS

	12/31/2024		*12/31/2023*	
(NOK million)	Net	Gross	Net	Gross
Market risk	15 001	30 914	15 206	26 041
Counterparty default risk	838	2 481	961	2 469
Life underwriting risk	8 189	16 566	8 039	14 271
Other underwriting risks[13]	826	826	795	795
Diversification	-5 501		-5 525	

[12] 25% of tax related changes, i.e. value changes in the solvency balance sheet except for holdings in related undertakings and participation. Tax effect of dividends received is included in the line below

[13] Health insurance similar to non-life insurance and health insurance similar to life insurance

Operational risk	1 034	1 037
Loss-absorbing capacity of deferred taxes	-4 265	-4 318
Total Solvency capital requirement	**16 122**	**16 195**

Storebrand Livsforsikring has a total solvency capital requirement of NOK 16.1 billion (16.2 billion). Market risk contributes NOK 15.0 billion, representing 58% of the capital requirement before diversification and loss absorbing tax effects. Life insurance risk contributes NOK 8.2 billion, representing 32% of the capital requirement.

Minimum capital requirement

The minimum capital requirement is calculated as a linear function of technical provisions, premiums, uncovered risk, deferred taxes and administrative expenses (with different functions for life insurance and non-life insurance respectively); with a 25% floor and a 45% cap relative to the Solvency Capital Requirement. Storebrand Livsforsikring is a life insurance company with non-life insurance liabilities in license classes 1 and 2 cf. regulation of 18 September 1995 no. 797. The minimum capital requirement will therefore be the sum of the non-life insurance claims and life insurance claims.

TABLE 20 MINIMUM CAPITAL REQUIREMENT

(NOK million)	12/31/2024	12/31/2023
Linear minimum capital requirement, non-life insurance	143	123
Linear minimum capital requirement, life insurance	6 360	6 779
Total linear minimum capital requirement	6 503	6 902
Minimum capital requirement cap	7 255	7 288
Minimum capital requirement floor	4 031	4 049
Combined minimum capital requirement	6 503	6 902
Absolute floor for the minimum capital requirement	80	65
Total minimum capital requirement	6 503	**6 902**

As of end of 2024, the minimum capital requirement is NOK 6.5 billion (6.9 billion).

Solvency margin and minimum capital margin

When the solvency capital of NOK 43.2 billion is compared against the solvency capital requirement of NOK 16.1 billion, Storebrand Livsforsikring has a solvency margin of 268%.

When the minimum capital of NOK 36.4 billion is compared against the minimum capital requirement of NOK 6.5 billion, Storebrand Livsforsikring has a minimum capital margin of 560%.

TABLE 21 SOLVENCY POSITION

(NOK million)	12/31/2024	12/31/2023
Own funds	43 174	40 523
Minimum capital requirement	36 413	33 806
Solvency capital requirement	16 122	16 195
Minimum requirement	6 503	6 902
Solvency margin	268 %	250 %
Minimum margin	560 %	490 %

Solvency margin and minimum capital margin excluding volatility adjustment

The Solvency margin excluding volatility adjustment (VA) is 238%. The own funds are reduced by NOK 1.5 billion and the capital requirement increases by NOK 1.4 billion. See table 22 for details.

TABLE 22 SOLVENCY MARGIN EXCLUDING VA

	Including volatility adjustment	Excluding volatility adjustment
Own funds	43 174	41 686
Solvency Capital Requirement	16 122	17 533
Solvency margin	268 %	238 %

Minimum margin excluding VA is 506%.

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

N/A because Storebrand Livsforsikring does not use the duration-based equity risk sub-module in the calculation of the solvency capital requirement.

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

N/A because Storebrand Livsforsikring applies the standard formula for calculating the solvency capital requirement.

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

N/A because Storebrand Livsforsikring fulfils both the minimum capital requirement and the solvency capital requirement.

E.6 ANY OTHER INFORMATION

The capital management is also described in the Storebrand Livsforsikring 2024 Annual Report, in particular Note 45 Solvency II.

Appendix 1 – Mandatory tables Storebrand Livsforsikring AS

S.02.01.02 – Balance sheet, assets

(NOK million)		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	11
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	218 581
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	36 631
Equities	R0100	14 843
Equities – listed	R0110	14 771
Equities – unlisted	R0120	72
Bonds	R0130	147 970
Government Bonds	R0140	45 026
Corporate Bonds	R0150	63 438
Structured notes	R0160	39 506
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	17 813
Derivatives	R0190	1 174
Deposits other than cash equivalents	R0200	150
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	247 781
Loans and mortgages	R0230	20 571
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	20 571
Reinsurance recoverables from:	R0270	2
Non-life and health similar to non-life	R0280	2
Non-life excluding health	R0290	
Health similar to non-life	R0300	2
Life and health similar to life, excluding index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	

Insurance and intermediaries receivables	*R0360*	509
Reinsurance receivables	*R0370*	18
Receivables (trade, not insurance)	*R0380*	43 231
Own shares (held directly)	*R0390*	
Amounts due in respect of own fund items or initial fund called up but not yet paid	*R0400*	
Cash and cash equivalents	*R0410*	3 305
Any other assets, not elsewhere shown	*R0420*	13 151
Total assets	*R0500*	**547 159**

S.02.01.02 – Balance sheet, liabilities

(NOK million)		C0010
Technical provisions - non-life	R0510	893
Technical provisions - non-life (excluding health)	R0520	
TP calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	R0560	893
TP calculated as a whole	R0570	
Best Estimate	R0580	874
Risk margin	R0590	18
Technical provisions - life (excluding index-linked and unit-linked)	R0600	196 259
Technical provisions - health (similar to life)	R0610	1 966
TP calculated as a whole	R0620	
Best Estimate	R0630	1 936
Risk margin	R0640	30
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	194 293
TP calculated as a whole	R0660	
Best Estimate	R0670	191 616
Risk margin	R0680	2 677
Technical provisions - index-linked and unit-linked	R0690	240 923
TP calculated as a whole	R0700	
Best Estimate	R0710	238 168
Risk margin	R0720	2 755
Other technical provisions	R0730	
Contingent liabilities	R0740	13 143
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	1 959
Derivatives	R0790	3 236
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	861
Reinsurance payables	R0830	11
Payables (trade, not insurance)	R0840	41 668
Subordinated liabilities	R0850	10 095
Subordinated liabilities not in BOF	R0860	889
Subordinated liabilities in BOF	R0870	9 206
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	**509 049**
Excess of assets over liabilities	R1000	**38 110**

S.05.01.02 - Premiums, claims and expenses by line of business – non-life (only for lines of business relevant for Storebrand Livsforsikring)

(NOK million)		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		
		Income protection insurance	Workers' compensation insurance	Total
		C0020	C0030	*C0200*
Premiums written				
Gross	*R0110*	396	139	535
Gross - Proportional reinsurance accepted	*R0120*			
Gross - Non-proportional reinsurance accepted	*R0130*			
Reinsurers' share	*R0140*	3	2	5
Net	*R0200*	**393**	**137**	**530**
Premiums earned				
Gross	*R0210*	396	139	535
Gross - Proportional reinsurance accepted	*R0220*			
Gross - Non-proportional reinsurance accepted	*R0230*			
Reinsurers' share	*R0240*	3	2	5
Net	*R0300*	**393**	**137**	**530**
Claims incurred				
Gross	*R0310*	260	132	392
Gross - Proportional reinsurance accepted	*R0320*			
Gross - Non-proportional reinsurance accepted	*R0330*			
Reinsurers' share	*R0340*	2	0	2
Net	*R0400*	**258**	**132**	**390**
Changes in other technical provisions				
Gross	*R0410*			
Gross - Proportional reinsurance accepted	*R0420*			
Gross - Non-proportional reinsurance accepted	*R0430*			
Reinsurers' share	*R0420*			
Net	*R0500*			
Expenses incurred	*R0550*	63	20	83
Other expenses	*R1200*			-2
Total expenses	*R1300*			**81**

S.05.01.02 - Premiums, claims and expenses by line of business – life (only for lines of business relevant for Storebrand Livsforsikring)

(NOK million)		Line of Business for: life insurance obligations				
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life	Total
		C0210	*C0220*	*C0230*	*C0240*	*C0300*
Premiums written						
Gross	*R1410*	1 027	4 042	18 251	2 988	26 309
Reinsurers' share	*R1420*	4	2	0	22	27
Net	*R1500*	**1 023**	**4 041**	**18 251**	**2 967**	**26 281**
Premiums earned						
Gross	*R1510*	1 027	4 042	18 251	2 988	26 309
Reinsurers' share	*R1520*	4	2	0	22	27
Net	*R1600*	**1 027**	**4 041**	**18 251**	**2 967**	**26 281**
Claims incurred						
Gross	*R1610*	957	10 588	3 267	1 731	16 542
Reinsurers' share	*R1620*	-4	0	0	-2	-6
Net	*R1700*	**961**	**10 588**	**3 267**	**1 733**	**16 548**
Changes in other technical provisions						
Gross	*R1710*					
Reinsurers' share	*R1720*					
Net	*R1800*					
Expenses incurred	*R1900*	116	661	562	338	1 676
Other expenses	*R2500*					-946
Total expenses	*R2600*					730

S. 12.01.02 - Life and Health SLT Technical Provisions, page 1

(NOK million)		Insurance with profit participation	Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees	Other life insurance			Total (Life other than health insurance, incl. Unit-Linked)
		C0020	*C0030*	*C0040*	*C0050*	C0060	C0070	C0080	*C0150*
Technical provisions calculated as a whole	*R0010*								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	*R0020*								
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	*R0030*	177 031		238 091	77		11 715	2 869	429 784
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	*R0080*								
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	*R0090*	177 031		238 091	77		11 715	2 869	429 784
Risk Margin	*R0100*	2 130	2 755			548			5 433
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	*R0110*								
Best estimate	*R0120*								
Risk margin	*R0130*								
Technical provisions - total	*R0200*	179 161	240 923			15 132			435 216

S.12.01.02 - Life and Health SLT Technical Provisions, page 2

(NOK million)		Health insurance (direct business)				
			Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Total (Health similar to life insurance)
		C0160	*C0170*	*C0180*	*C0190*	*C0210*
Technical provisions calculated as a whole	*R0210*					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	*R0220*					
Technical provisions calculated as a sum of BE and RM						
Best Estimate						
Gross Best Estimate	*R0030*		1 936			1 936
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	*R0080*					
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	*R0090*		1 936			1 936
Risk Margin	*R0100*	30				30
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	*R0110*					
Best estimate	*R0120*					
Risk margin	*R0130*					
Technical provisions – total	*R0200*	1 966				1 966

S.17.01.02 - Non-life Technical Provisions (only for lines of business relevant for Storebrand Livsforsikring)

(NOK million)		Direct business and accepted proportional reinsurance		
		Income protection insurance	Workers' compensation insurance	Total Non-Life obligations
		C0030	*C0040*	*C0180*
Technical provisions calculated as a whole	*R0010*			
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	*R0050*			
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	*R0060*	74	23	97
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	*R0140*			
Net Best Estimate of Premium Provisions	*R0150*	74	23	97
Claims provisions				
Gross	*R0160*	177	600	777
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	*R0240*	-	2	2
Net Best Estimate of Claims Provisions	*R0250*	177	598	775
Total Best estimate - gross	*R0260*	251	623	874
Total Best estimate - net	*R0270*	251	621	873
Risk margin	*R0280*	6	13	18
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	*R0290*			
Best estimate	*R0300*			
Risk margin	*R0310*			
Technical provisions – total				
Technical provisions – total	*R0320*	**257**	**635**	**893**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	*R0330*	-	2	2
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	*R0340*	**257**	**634**	**891**

S.19.01.21 - Non-life Insurance Claims Information

Accident year / Underwriting year	Z0010	Accident year

(NOK million)

Gross Claims Paid (non-cumulative) (absolute amount)

		Development year										
	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	*C0020*	*C0030*	*C0040*	*C0050*	*C0060*	*C0070*	*C0080*	*C0090*	*C0100*	*C0110*
Prior	*R0100*											5,4
N-9	*R0160*	9,1	17,5	19,5	20,0	22,0	32,9	19,5	11,9	17,3	9,8	
N-8	*R0170*	25,7	23,1	27,1	27,8	22,8	26,9	32,6	26,1	15,9		
N-7	*R0180*	21,3	19,4	24,7	21,7	27,7	16,0	22,5	17,0			
N-6	*R0190*	21,3	33,8	48,9	34,1	32,2	42,3	37,8				
N-5	*R0200*	40,1	42,6	46,6	36,1	33,3	33,6					
N-4	*R0210*	33,1	41,1	46,9	50,7	38,6						
N-3	*R0220*	50,1	45,8	39,4	37,5							
N-2	*R0230*	56,2	54,7	51,4								
N-1	*R0240*	55,3	68,1									
N	*R0250*	98,2										

		In Current year	Sum of years (cumulative)
		C0170	*C0180*
	R0100	5,4	5,4
	R0160	9,8	179,4
	R0170	15,9	228,1
	R0180	17,0	170,3
	R0190	37,8	250,4
	R0200	33,6	232,3
	R0210	38,6	210,4
	R0220	37,5	172,7
	R0230	51,4	162,3
	R0240	68,1	123,3
	R0250	98,2	98,2
Total	*R0260*	413,2	1 832,8

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

		Development year										
	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	*C0210*	*C0220*	*C0230*	*C0240*	*C0250*	*C0260*	*C0270*	*C0280*	*C0290*	*C0300*
Prior	*R0100*											32,2
N-9	*R0160*	-	106,1	78,3	54,3	52,5	34,2	23,8	3,6	17,1	9,9	
N-8	*R0170*	189,2	96,8	68,5	74,0	67,2	36,6	7,4	17,7	12,5		
N-7	*R0180*	98,1	78,9	72,0	75,7	49,6	17,5	21,4	20,8			
N-6	*R0190*	97,6	87,7	86,8	67,4	35,5	26,6	36,9				
N-5	*R0200*	90,1	108,4	101,2	61,1	60,7	39,8					
N-4	*R0210*	183,1	146,0	93,2	58,5	82,5						
N-3	*R0220*	155,7	153,8	69,3	82,0							
N-2	*R0230*	239,9	73,6	91,4								

	Year end (discounted data)
	C0360
R0100	32,2
R0160	9,9
R0170	12,5
R0180	20,8
R0190	36,9
R0200	39,8
R0210	82,5
R0220	82,0
R0230	91,4

N-1	*R0240*	104,7	89,3
N	*R0250*	113,5	

	R0240	89,3
	R0250	113,5
Sum	*R0260*	610,9

S.22.01.21 - Impact of long term guarantees and transitional measures

(NOK million)		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	*C0030*	*C0050*	*C0070*	*C0090*
Technical provisions	*R0010*	438 075			1 984	
Basic own funds	*R0020*	43 585			-1 899	
Eligible own funds to meet Solvency Capital Requirement	*R0050*	43 174			-1 488	
Solvency Capital Requirement	*R0090*	16 122			1 410	
Eligible own funds to meet Minimum Capital Requirement	*R0100*	36 413			-1 406	
Minimum Capital Requirement	*R0110*	6 503			411	

S .23.01.01 – Own funds, page 1

(NOK million)		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	3 540	3 540			
Share premium account related to ordinary share capital	R0030	9 711	9 711			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	19 885	19 885			
Subordinated liabilities	R0140	9 206		1 976	7 230	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	1 242			1 242	
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	**43 585**	**33 136**	**1 976**	**8 472**	**-**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					

S.23.01.01 – Own funds, page 2

(NOK million)		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	43 585	33 136	1 976	8 472	-
Total available own funds to meet the MCR	R0510	43 585	33 136	1 976	8 472	-
Total eligible own funds to meet the SCR	R0540	43 174	33 136	1 976	8 061	-
Total eligible own funds to meet the MCR	R0550	36 413	33 136	1 976	1 301	-
SCR	R0580	16 122				
MCR	R0600	6 503				
Ratio of Eligible own funds to SCR	R0620	268 %				
Ratio of Eligible own funds to MCR	R0640	560 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	38 110
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends. distributions and charges	R0720	3 732
Other basic own fund items	R0730	14 493
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	19 885
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	7 348
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	7 348

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

(NOK million)		Gross solvency capital requirement	USP	Simplifications
		C0110	*C0090*	*C0100*
Market risk	*R0010*	30 914		
Counterparty default risk	*R0020*	2 481		
Life underwriting risk	*R0030*	16 566		
Health underwriting risk	*R0040*	826		
Non-life underwriting risk	*R0050*			
Diversification	*R0060*	-11 132		
Intangible asset risk	*R0070*			
Basic Solvency Capital Requirement	*R0100*	39 656		

Calculation of Solvency Capital Requirement		*C0100*
Operational risk	*R0130*	1 034
Loss-absorbing capacity of technical provisions	*R0140*	-20 303
Loss-absorbing capacity of deferred taxes	*R0150*	-4 265
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	*R0160*	
Solvency capital requirement excluding capital add-on	*R0200*	16 122
Capital add-on already set	*R0210*	
Solvency capital requirement	*R0220*	16 122
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	*R0400*	
Total amount of Notional Solvency Capital Requirement for remaining part	*R0410*	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	*R0420*	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	*R0430*	
Diversification effects due to RFF nSCR aggregation for article 304	*R0440*	
Loss-absorbing capacity of deferred tax assets (LAC DT)	*R0640*	-4 265
LAC DT justified by reversion of deferred tax liabilities	*R0650*	-4 265
LAC DT justified by reference to probable future taxable economic profit	*R0660*	

S.28.02.01 - Minimum capital Requirement - Both life and non-life insurance activity, page 1

(NOK million)		Non-life activities	Life activities
		MCR$_{(NL,NL)}$ Result	MCR$_{(NL,L)}$Result
		C0010	*C0020*
Linear formula component for non-life insurance and reinsurance obligations	*R0010*	123	

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	*C0040*	*C0050*	*C0060*
Medical expense insurance and proportional reinsurance	*R0020*				
Income protection insurance and proportional reinsurance	*R0030*	251	393		
Workers' compensation insurance and proportional reinsurance	*R0040*	621	137		
Motor vehicle liability insurance and proportional reinsurance	*R0050*				
Other motor insurance and proportional reinsurance	*R0060*				
Marine, aviation and transport insurance and proportional reinsurance	*R0070*				
Fire and other damage to property insurance and proportional reinsurance	*R0080*				
General liability insurance and proportional reinsurance	*R0090*				
Credit and suretyship insurance and proportional reinsurance	*R0100*				
Legal expenses insurance and proportional reinsurance	*R0110*				
Assistance and proportional reinsurance	*R0120*				
Miscellaneous financial loss insurance and proportional reinsurance	*R0130*				
Non-proportional health reinsurance	*R0140*				
Non-proportional casualty reinsurance	*R0150*				
Non-proportional marine, aviation and transport reinsurance	*R0160*				
Non-proportional property reinsurance	*R0170*				

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(NOK million)		Non-life activities	Life activities
		MCR(L,NL) Result	MCR(L,L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200		6 360

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210			147 759	
Obligations with profit participation - future discretionary benefits	R0220			29 273	
Index-linked and unit-linked insurance obligations	R0230	238 168		199 439	
Other life (re)insurance and health (re)insurance obligations	R0240			16 520	
Total capital at risk for all life (re)insurance obligations	R0250				572 491

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(NOK million)

Overall MCR calculation

		C0130
Linear MCR	R0300	6 503
SCR	R0310	16 122
MCR cap	R0320	7 255
MCR floor	R0330	4 031
Combined MCR	R0340	6 503
Absolute floor of the MCR	R0350	80
Minimum Capital Requirement	R0400	6 503

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	143	6 360
Notional SCR excluding add-on (annual or latest calculation)	R0510	355	15 768
Notional MCR cap	R0520	160	7 095
Notional MCR floor	R0530	89	3 942
Notional Combined MCR	R0540	143	6 360
Absolute floor of the notional MCR	R0550	32	48
Notional MCR	R0560	143	6 360