

# Storebrand ASA

# Solvency and Financial Condition Report

**2023**



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# Summary

Dear Storebrand customer.

Storebrand's primary products are occupational pensions in Norway and Sweden and individual pensions in Norway. For retirement savings, there are two major risks. The investment return from premiums paid are uncertain, and it is unknown how long one will live as a pensioner. The risk is reinforced because more than 50 years may pass from the premium is paid in until it is paid out as pension. For traditional, guaranteed pensions (defined benefit pensions), Storebrand bears most of this risk. Storebrand guarantees a minimum return and that the pension will be paid out for life. Most companies in Norway no longer have defined benefit plans, or have closed these for new employees; however, Storebrand has a large portfolio of fully paid-up pension schemes (paid-up policies). A significant amount of capital is allocated to cover the uncertainty associated with future returns and longevity from the paid-up policies. This is vital for the guarantees to have real value.

Most new premiums for occupational pensions are linked to defined contribution plans. For these products, you as an employee has the investment risk. The same applies to private pension savings within unit-linked contracts, such as the Fondskonto and the Ekstrapensjon product. Storebrand nonetheless plays an important role by offering a diverse, high-quality range of funds and in providing advice. Storebrand is also responsible for managing the assets in a sustainable and prudent manner, including keeping fees within reasonable levels. The life cycle portfolios Anbefalt Pensjon in Norway and SparaSäkra in Sweden 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'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 also offers insurance in case of unexpected events. You can receive compensation for loss or damage to assets. You can receive lump-sum compensation or annual benefits if you suffer an accident or become sick or disabled and you can take care of surviving dependents in the event of death. The risk that Storebrand has assumed is quantified and the risk is covered by allocating the required capital.

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

Under Solvency II, all assets and liabilities are valued at market value. The figures in this report are consolidated figures that include all companies in the Storebrand Group, including subsidiaries that are not insurance companies. Numbers in brackets relate to 2022. The total value of the assets in the Storebrand Group calculated using Solvency II rules is NOK 782.2 billion (NOK 667.1 billion), while the total value of the liabilities is NOK 735.8 billion (NOK 626.0 billion). See table 1. Storebrand therefore has assets valued at NOK 46.4 billion (NOK 41.1 billion) more than the liabilities the company is obliged to cover. In addition, Storebrand has subordinated loans of NOK 10.7 billion (NOK 9.7 billion) which is part of the own funds. Total own funds<sup>1</sup> amount to NOK 51.9 billion (NOK 48.2 billion).

The principles for valuation, and the difference between the valuations in the solvency accounts and the financial statements, are described in Chapter D.

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

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

(NOK million)					
<b>Assets</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Liabilities</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Deferred tax assets	266	540	Technical provisions including transitional	649 049	577 574
Investments (other than assets held for index-linked and unit-linked contracts)	295 197	290 775	-Life insurance	279 889	270 600
Assets held for index-linked and unit-linked contracts	379 050	313 925	-Non-life insurance	2 402	2 001
Other assets	107 654	61 859	-Index-linked or unit-linked contracts	366 758	304 973
			Subordinated liabilities	10 712	9 661
			Other liabilities	76 048	38 747
<b>Total assets</b>	<b>782 168</b>	<b>667 098</b>	<b>Total liabilities</b>	<b>735 808</b>	<b>625 982</b>
			<b>Net assets</b>	<b>46 359</b>	<b>41 116</b>

Solvency II sets requirements for own funds under normal operation conditions. This is known as the "solvency capital requirement" and amounts to NOK 22.1 billion (NOK 22.4 billion) for the insurance companies in the Group. See table 2. The solvency capital requirement ensures that you as a customer get the insurance settlement or pension you are entitled to with high certainty. In addition, there is companies in the Group that are subject to capital requirements for banks and securities companies (CRD IV). The total capital requirement for the Group is NOK 27.1 billion (NOK 26.3 billion).

**TABLE 2 SOLVENCY CAPITAL REQUIREMENT**

(NOK million)			There are capital requirements for all major risks borne by Storebrand. 81 percent of the capital requirement is from the insurance business. 19 percent of the capital requirement is from other businesses, principally banking activities. Within the insurance business, 58 percent <sup>2</sup> of the capital requirement relates to the financial markets, particularly risk from interest rates, equities, property, credit spreads and currency. 34 percent of the capital requirement relates to life insurance
	<b>31.12.2023</b>	<b>31.12.2022</b>	
Market risk	18 842	21 267	
Counterparty risk	1 062	1 119	
Life risk	11 069	9 004	
Non-life and health risk	1 047	1 591	
Operational risk	746	1 485	
Loss-absorbing capacity of deferred taxes	1 508	-4 954	
<b>Total solvency capital requirement for insurance companies</b>	<b>22 061</b>	<b>22 438</b>	
Capital requirements for subsidiaries regulated by CRD IV	5 037	3 837	
<b>Total capital requirement</b>	<b>27 098</b>	<b>26 276</b>	

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

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

**TABLE 3 SOLVENCY POSITION**

(NOK million)	31.12.2023	31.12.2022	
Own funds	51 920	48 236	When own funds of NOK 51.9 billion are compared against the capital requirement of NOK 27.1 billion, Storebrand has a solvency margin of 192 percent (184 percent). The minimum regulatory requirement is 100 percent solvency margin under normal operating conditions. Storebrand has set a goal for solvency margin to exceed 150 percent.
Solvency capital requirement	27 098	26 276	
<b>Solvency margin</b>	<b>192 %</b>	<b>184 %</b>	

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

# A. Business and performance

## A.1 BUSINESS

2023 was characterized by geopolitical unrest, international warfare and market turmoil. At the same time, high inflation continued and eight interest rate hikes were carried out in Norway and four in Sweden. Although all these factors affect Storebrand, the company demonstrated resilience and adaptability. Through a combination of dynamic risk management and a diversified business model, the group achieved good results and a strengthened solvency position. The underlying growth was strong, and higher interest rates have a positive effect on the group. Overall, Storebrand delivered on both operational strategy and capital strategy in 2023.

Material changes for Storebrand's business in 2023 are:

- On 20 December 2021, Storebrand Livsforsikring AS entered into an agreement to buy 100 per cent of the shares in Danica Pensjonsforsikring Norge AS. The transaction was completed on 1 July 2022 and a mother-daughter merger was completed on 2 January 2023.
- To strengthen its presence in the private savings market for funds, Storebrand ASA entered into an agreement on 5 September 2022 to purchase the fintech company Kron AS. The transaction was approved by Finanstilsynet on 9 December 2022 and completed on 3 January 2023. Within a few years, Kron has built up a customer base of over 70,000 customers, and NOK 7 billion in assets under management.
- After a strategic review of the ownership in Storebrand Helseforsikring AS, Storebrand chose in 2023 to sell its 50 percent stake in Storebrand Helseforsikring AS to joint-venture partner ERGO International AG. Storebrand will continue to distribute health insurance in the Norwegian and Swedish markets through a distribution agreement with Ergo. The transaction will be completed in the second quarter of 2024, with an estimated positive profit effect of approx. NOK 1.1 billion.

Storebrand ASA is the parent company in the Storebrand Group and has its head office at Lysaker in Bærum municipality. Storebrand's principal business activities are in Norway and Sweden and are subject to group supervision by the Financial Supervisory Authority of Norway<sup>3</sup>. The accounts of the Storebrand Group are audited by PwC<sup>4</sup>.

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

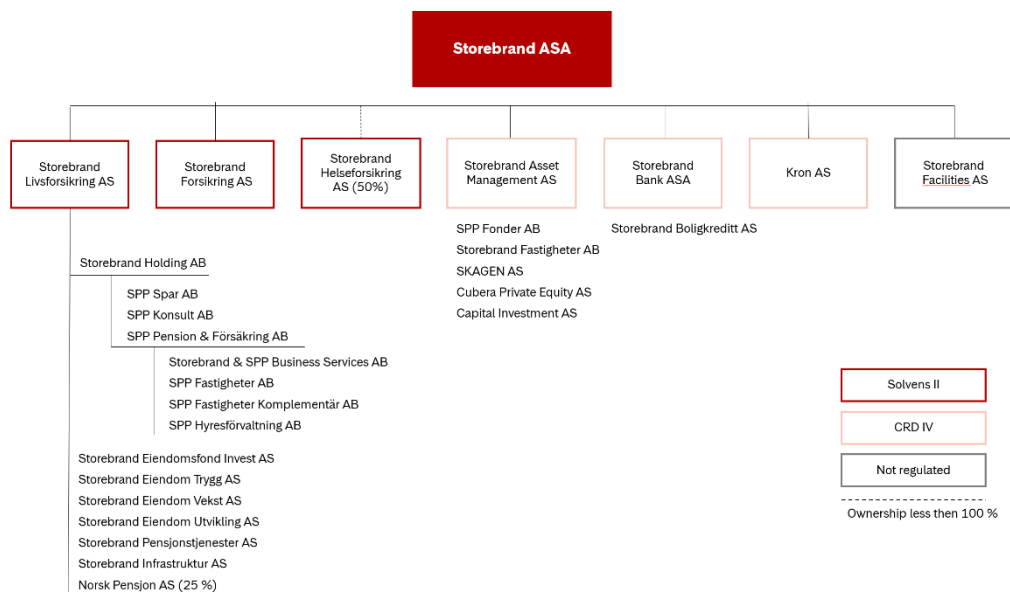
Because Storebrand is an insurance dominated group, Solvency II governs Storebrand ASA, as the ultimate holding company. The figure below is a simplified Group structure<sup>5</sup>, including the regulations that apply for the most important Group companies.

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<sup>3</sup> The Financial Supervisory Authority of Norway: Revierstredet 3, 0151 Oslo; Postboks 1187 Sentrum, 0107 Oslo; Tel.: +47 22 93 98 00.

<sup>4</sup> PwC: Dronning Eufemias gate 8; 0109 Oslo; Tel.: +47 952 60 578.

<sup>5</sup> A complete overview of the companies in the Storebrand Group can be found on page 214 of the Storebrand Annual report 2021.



**FIGURE 1 SIMPLIFIED GROUP STRUCTURE**

Storebrand ASA owns 100 percent of Storebrand Livsforsikring AS, which is the largest company in the Group. Storebrand Livsforsikring is a leading provider of life insurance and pension products to companies and private individuals in Norway. Storebrand Livsforsikring AS owns 100 percent of Storebrand Holding AB, which in turn owns 100 percent of SPP Pension & Försäkring AB. SPP is a leading Swedish provider of life insurance and occupational pensions. SPP delivers both unit linked products, traditional insurance and defined benefit pension products. Together, Storebrand and SPP will create the leading life insurance and pension provider in the Nordics. SPP has its head office in Stockholm.

On 20 December 2021, Storebrand Livsforsikring AS entered into an agreement to buy 100 percent of the shares in Danica Pensjonsforsikring Norge AS. The transaction was completed on 1 July 2022. In connection with the takeover, the company has changed its name to Storebrand Danica Pensjonsforsikring AS. A mother-daughter merger was completed on 2 January 2023.

Storebrand ASA entered into an agreement on 5 September 2022 to purchase 100 percent of the shares in Kron AS. The transaction was approved by Finanstilsynet on 9 December 2022 and completed on 3 January 2023. Kron offers its customers a wide selection of funds through engaging digital tools and digital advice.

In 2023, Storebrand has chosen to sell its 50 percent stake in Storebrand Helseforsikring AS to joint-venture partner ERGO International AG.

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

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

Storebrand ASA owns 100 percent of Storebrand Asset Management AS, which offers asset management to the corporate and retail markets in Norway and Sweden, including management of most of the assets for the group's insurance companies. The business in Sweden is managed through the 100 percent owned subsidiary Storebrand Fonder AB. Storebrand Asset Management AS own 100 percent of Skagen AS and 100 percent of Cubera Private Equity AS, a company offering private equity fund of funds. Storebrand Asset Management AS owns 100 percent of the Danish real estate asset management company Capital Investments.

Storebrand ASA reports Solvency II on a group basis. The reporting includes all the Group's subsidiaries, including the companies that are not governed by Solvency II. The insurance companies<sup>6</sup> have their own Solvency II reporting on a solo

<sup>6</sup> Storebrand Livsforsikring AS, SPP Pension & Försäkring AB, Storebrand Forsikring AS, Storebrand Helseforsikring AS.

basis, including the Solvency and Financial Condition Report. The Group's banking and securities companies, including Storebrand Bank ASA and Storebrand Asset Management AS, report in accordance with the CRD IV regulations.

Storebrand manage and report its core business in the Savings, Insurance and Guaranteed Pension segments<sup>7</sup>.

- *Savings* consists of long-term saving for retirement, without guarantees. The main products are unit linked insurance and defined contribution pensions in Norway and Sweden, asset management and retail banking.
- *Insurance* consists of the Group's non-life and risk coverage. The main products are health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian and Swedish retail market and employee-related and pension-related insurance in the Norwegian and Swedish corporate markets.
- *Guaranteed pension* consists of long-term pension with a guaranteed rate of return or a guaranteed benefit. The products are defined benefit pensions in Norway and Sweden, paid-up policies and retail 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 reported in this chapter correspond with technical accounts in the financial reporting for Storebrand, ref. Note 17 in the Storebrand Annual report 2023, but grouped in accordance with the segmentation used for Solvency II reporting. Information about the risk result is found in Note 7 financial market risk and Insurance risk in the Storebrand Annual report 2023.

### Life insurance

Most premiums claim and expenses for Storebrand relate to life insurance products. For 2023, total net premiums were NOK 36.6 billion (NOK 30.1 billion). Premiums are divided among health insurance (similar to life), guaranteed products with profit sharing, unit-linked contracts and other life insurance. Net claims were NOK 23.7 billion (NOK 21,4 billion). Expenses relating to life insurance products were NOK 2.8 billion (NOK 2.9 billion).

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

(NOK million)	Health insurance	Guaranteed products with profit sharing	Index-linked and unit-linked contracts	Other life insurance	Total life insurance 31.12.2023	Total life insurance 31.12.2022
Gross premiums	1 114	5 699	27 348	2 483	36 644	30 115
Reinsurers' share	9	4	0	12	25	15
<b>Net premiums</b>	<b>1 105</b>	<b>5 694</b>	<b>27 348</b>	<b>2 472</b>	<b>36 619</b>	<b>30 100</b>
Gross claims	1 163	15 624	6 020	935	23 743	21 369
Reinsurers' share	0	-3	0	-1	-4	
<b>Net claims</b>	<b>1 163</b>	<b>15 627</b>	<b>6 020</b>	<b>936</b>	<b>23 747</b>	<b>21 369</b>
<b>Expenses</b>	<b>189</b>	<b>958</b>	<b>1 387</b>	<b>297</b>	<b>2 831</b>	<b>2 852</b>

The health insurance segment (similar to life) includes disability insurance from the Group's Swedish subsidiary SPP.

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

<sup>7</sup> The segments are described in more detail in note 4, Segment reporting, in the Storebrand Annual report 2021.



The unit-linked contracts segment consists of collective occupational pension (defined contribution pension, hybrid pension and paid-up policies with investment choice) and individual pension schemes without guaranteed returns<sup>8</sup> or benefits. Premiums are significantly higher than claims because few employees have reached retirement age, particularly for defined contribution pensions in Norway. Most of the premium is therefore reserved to cover pension claims in future years.

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

#### Non-life insurance

Storebrand has three subsidiaries that offer products defined as non-life insurance, including health insurance (similar to non-life). Storebrand Forsikring AS and Storebrand Helseforsikring AS offer solely non-life insurance. In addition, Storebrand Livsforsikring AS offers some products defined as non-life insurance. For 2023, total net premiums for non-life insurance products were NOK 4.2 billion (NOK 3.7 billion). Net claims were NOK 3 billion (NOK 2.4 billion). Expenses associated with non-life insurance products were NOK 1.1 billion (NOK 1,0 billion).

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

(NOK million)	Health Insurance	Income protection insurance	Occupational injury	Motor vehicle and other motor	Fire	Other	Total non-life insurance 31.12.2023	Total non-life insurance 31.12.2022
Gross premiums written	642	461	122	592	1 015	1 448	4 280	3 749
Reinsurers' share	2	5	2	9	50	2	71	38
<b>Net premiums written</b>	<b>641</b>	<b>456</b>	<b>120</b>	<b>583</b>	<b>965</b>	<b>1 445</b>	<b>4 209</b>	<b>3 711</b>
Gross premiums earned	610	452	118	566	957	1 366	4 069	3 578
Reinsurers' share	2	5	2	9	50	2	71	38
<b>Net premiums earned</b>	<b>609</b>	<b>447</b>	<b>115</b>	<b>556</b>	<b>907</b>	<b>1 364</b>	<b>3 999</b>	<b>3 540</b>
Gross claims	502	209	207	332	836	1 082	3 167	2 469
Reinsurers' share	2	2	4	2	131	-	141	34
<b>Net claims</b>	<b>500</b>	<b>206</b>	<b>203</b>	<b>330</b>	<b>705</b>	<b>1 082</b>	<b>3 026</b>	<b>2 434</b>
<b>Expenses</b>	<b>161</b>	<b>123</b>	<b>23</b>	<b>145</b>	<b>253</b>	<b>387</b>	<b>1 093</b>	<b>953</b>

The health insurance segment (similar to non-life) comprises products sold through Storebrand Helseforsikring AS. The company offers coverage of expenses relating to illness and injury. Storebrand owns 50 percent, which means that only half of the premiums, claims and expenses are included in the Group's reporting.

The income protection and occupational injury products are sold through both Storebrand Forsikring AS and Storebrand Livsforsikring AS. The insurance provides lump-sum compensation if accidents occur<sup>9</sup> or compensation for occupational injuries.

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

#### Geographic distribution

Most premiums, claims and expenses for life insurance are in Norway (home country), with the reminder in Sweden, see table 6. The geographic distribution is not materially changed from 2022.

<sup>8</sup> Also includes paid-up policies with investment choice and hybrid occupational pension with a 0% return guarantee.

<sup>9</sup> Does not include Group Life which is part of Other life insurance.

**TABLE 6 PREMIUMS, CLAIMS AND EXPENSES BY COUNTRY- LIFE INSURANCE**

(NOK million)	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations <i>Sweden</i>	Total home country and largest countries
Gross premiums written	24 250	12 394	36 644
Reinsurers' share	20	5	25
<b>Net premiums written</b>	<b>24 230</b>	<b>12 389</b>	<b>36 619</b>
Gross claims	14 646	9 096	23 743
Reinsurers' share	-4	-	-4
<b>Net claims</b>	<b>14 650</b>	<b>9 096</b>	<b>23 747</b>
<b>Expenses</b>	<b>1 687</b>	<b>1 144</b>	<b>2 831</b>

The majority of the non-life premiums, claims and expenses are in Norway (home country), with the reminder in Sweden, see table 7. The geographic distribution is not materially changed from 2022.

**TABLE 7 PREMIUMS, CLAIMS AND EXPENSES BY COUNTRY- NON-LIFE INSURANCE**

(NOK million)	Home country (Norway)	Sweden	Total home country and largest countries
Gross premiums written	3 938	342	4 280
Reinsurers' share	71	-	71
<b>Net premiums written</b>	<b>3 868</b>	<b>342</b>	<b>4 209</b>
Gross premiums earned	3 750	319	4 069
Reinsurers' share	71	-	71
<b>Net premiums earned</b>	<b>3 821</b>	<b>319</b>	<b>4 140</b>
Gross claims	2 927	240	3 167
Reinsurers' share	141	-	141
<b>Net claims</b>	<b>3 068</b>	<b>240</b>	<b>3 308</b>
<b>Expenses</b>	<b>1 018</b>	<b>75</b>	<b>1 093</b>

### A.3 INVESTMENT PERFORMANCE

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

For 2023, Storebrand had income from investments of NOK 55.1 billion (NOK -38.9 billion). Of this, NOK 6,8 billion was interest income, NOK 1.8 billion was equity dividends, NOK 0.8 billion was rent and NOK 5.4 billion was capital gain (net) from the sale of securities. Net unrealised gains were increased by NOK 40.3 billion.

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

**TABLE 8 INCOME AND EXPENSES LINKED TO INVESTMENTS DIVIDED INTO MAIN PORTFOLIOS**

(NOK million)	Dividends	Interest	Rent	Net gains and losses	Value changes
Collective portfolio	474	4 914	630	-1 375	7 326
Index-linked and unit-linked contracts portfolio	455	1 395	176	6 891	31 842
Company portfolio	889	516	-	-159	1 163
<b>Total</b>	<b>1 818</b>	<b>6 825</b>	<b>806</b>	<b>5 357</b>	<b>40 331</b>

Storebrand has not recognized investment income or expenses directly against equity. Storebrand has no investments in securitisation.

Income from investments also appears in Note 24, Net income finance and income from properties, in the Storebrand Annual report 2023.

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

For the insurance companies, most income and expenses relate to the insurance business or the investments. For the Group, there are also income and expenses associated with the asset management business and the bank. Income and expenses from Storebrand Asset Management and the retail market part of Storebrand Bank are reported as part of the Saving segment in the Storebrand Annual report 2023.

Other activities are specified in more detail in Note 16 Other Income and Note 23 Other Expenses in the Storebrand Annual report 2023.

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

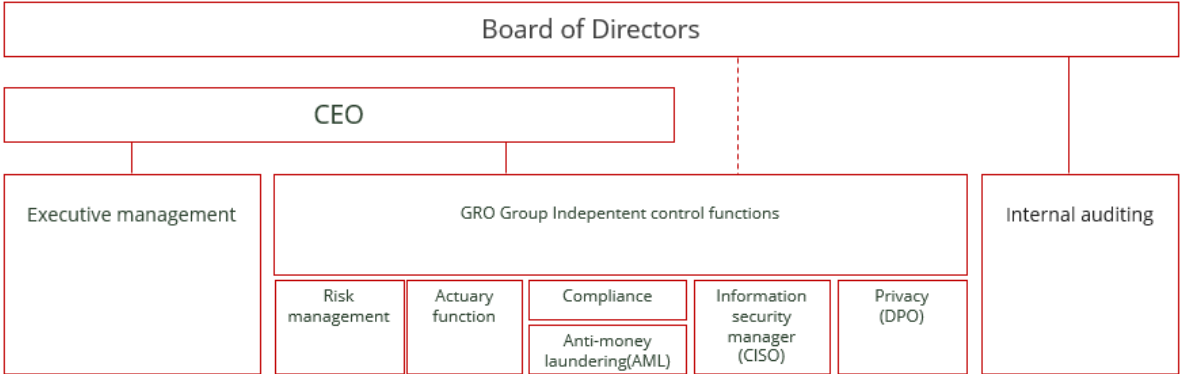
The business and results for 2023 are also described in the Storebrand Annual report 2023.

# B. System of governance

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

There are no changes during 2023 that affects the system of governance in a material way.

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



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

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

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

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

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

The audit committee's main task is to prepare the control processing of the company and the groups collective financial reporting. In addition, the group companies' asset management is subject to satisfactory control.

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

The strategy committee's main task is to assist the board's work with strategic decisions and goals, including mergers and acquisitions.

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

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

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

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

In terms of the functional governance of the Group, the executive management team constitute the highest level of management. Areas of responsibility are Retail market Norway, Corporate market Norway, SPP and Asset management, as well as intragroup responsibility for Digital, Communication, Finance & accounting, and People.

#### **Independent control functions**

The Board has established independent control functions in accordance with relevant legal requirements (risk management function, compliance function, data protection officer, anti-money laundering function, actuarial function, internal audit). The organisation of, and responsibility for, independent control functions are described in more detail in Chapters B.3-B.6.

#### **Remuneration**

Storebrand's remuneration should help to attract, develop, and retain highly qualified employees. The Group mainly offers fixed salaries supplemented by limited bonus payments linked to the company value creation and individual performances. Senior executives, employees that have a significant influence on the company's risk exposure and employees in independent control functions, are only eligible for fixed salaries.

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

Further details concerning pension schemes and remuneration, including the level of remuneration received by the Board and executive personnel, are provided in notes 19 and 20 of the Storebrand Annual report 2023.

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

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

More information is provided in Note 44 of the Storebrand Annual report 2023.

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

The Board of Storebrand ASA and the boards of the group companies, has established processes that ensure that the company's Board, CEO/actual management, and heads of independent control functions, satisfy the fit and proper requirements. People who hold management or key functions shall have adequate experience and education, as well as behaviour and integrity that satisfy requirements for good repute and aptitude. The Board as a whole shall have a satisfactory breadth of qualifications, experience and knowledge relating to the nature of the business.

The implementation and documentation of the fit and proper assessment are carried out in connection with board appointments, annual board reviews, recruitment including background checks, annual succession planning and - processes and employee appraisals.

Management functions and other key functions provided by external service providers shall be assessed in the same way as the corresponding roles internally. Storebrand has outsourced internal auditing to Ernst & Young (EY). An employee of Storebrand is responsible for following up this contract. The employee must meet fit and proper requirements in terms of having the necessary skills and experience to assess the performance of and deliverables from EY.

Fit and proper requirements is assessed at least once a year or in the event of important strategic or organisational changes, in the event of replacements or other changes to management or key functions and in connection with outsourcing of management or key functions. Storebrand provides The Financial Supervisory Authority of Norway with a list of persons covered by fit and proper requirements.

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

During 2023, there has not been changes that affects the risk management system in a significant way.

### **Risk management system**

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

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

As the first line of defence, the executive management have responsibility for managing risk. The risk owners in the executive management team shall contribute to the CEO being able to safeguard his/her overall responsibility for all risks within the subsidiaries. The CEO is responsible for risk management within his/her own company, including the establishment of key control 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 risk management in their own areas of responsibility. All employees shall know that awareness of risks and risk management are important elements in the Group's culture.

Key independent control functions (second line of defence) have been established for risk management (Chief Risk Officer), for compliance with the regulations (Compliance Function), for actuarial tasks (Actuarial Function), for privacy issues (Data protection officer) and for anti-money laundering. The functions are established at both Group level and for each company. The independent control functions are directly subordinate to the CEO and have independent reporting to the Board. The areas of responsibility of the functions are described in instructions issued by the Board. In functional terms, the independent control functions are affiliated with the Chief Risk Officer for the Group, who in turn is directly subordinate to the Group CEO.

The CRO must contribute to the business developing a good risk culture, including good processes for identifying, measuring and managing risk, as well as ensuring appropriate reporting. The function is actively involved in the development of Storebrand's risk appetite and risk strategy and must have a holistic view of the group's risk exposure. This includes responsibility for ensuring compliance with relevant regulations for risk management and the company's operations.

The internal audit function (third line of defence) report directly to the Board and shall provide the boards of the relevant companies with confirmation concerning the appropriateness and effectiveness of the company's risk management, including the functioning of the independent control functions.

### **The risk management process**

The risk management process involves identifying, measuring, limiting, managing, monitoring, reporting, documenting, and communicating risk.

The risk identification process shall ensure awareness of all intrinsic material risks. There is a group-wide risk universe based on the risk categories in Solvency II, to provide a common, comprehensive risk language.

The total risk is measured by capital requirements according to the Solvency II standard model: ref. chapter E.2 Solvency Capital Requirements and Minimum Capital Requirements. Additional stress testing measures and scenario analyses are used to quantify risks. All risks have a designated risk owner. The risk owner is responsible for risk assessment, including the use of relevant stress testing and scenarios. This assessment shall facilitate the Board's supervision of targets and limits defined in the risk appetite and/or risk strategies.

The risk appetite is the overall risk level and the risk types that Storebrand accepts to achieve its financial, business and operational goals. The risk strategy specifies guidelines from the risk appetite to targets and limits for risk taking, both as a whole and for different types of risk. The Board of Storebrand ASA discusses and approves the risk appetite and the risk strategy at least once a year. The Chief Risk Officer is responsible for preparing proposals. The risk appetite and risk strategy provide guidelines and establish limits for more detailed strategies relating to, among other things, market risk (investment strategy), insurance risk, credit risk and liquidity risk. The boards of the subsidiaries decide on their own risk appetite and risk strategy within limits set by the Group Board.

Managers at all levels are responsible for risk management within their area of responsibility. The risk management shall ensure that risk levels are consistent with the appetite for risk and always complies with internal and regulatory frameworks. If the risk exceeds the limits, the risk owner shall immediately ensure that necessary measures are taken.

Risk owners continuously monitor risk exposure and report level of and changes in risk. On a general level, the Board of Directors receives information about risks during board meetings and in the form of monthly business reports. Procedures and systems have been established which allow all employees to report quickly and systematically to their managers if they discover discrepancies, new risks, or defunct control systems.

The business' risk reporting is supplemented by independent reporting from the CRO. Each month, this function prepares a risk report for the Group and the subsidiaries, which goes to the executive management and the boards of Storebrand ASA and the subsidiaries. The CRO prepares a risk review for the executive management and the boards at least twice a year.

Risk management is an integral part of the business and shall serve as support when making business decisions. The Board and the management will consider any relevant risk information in all decision-making processes.

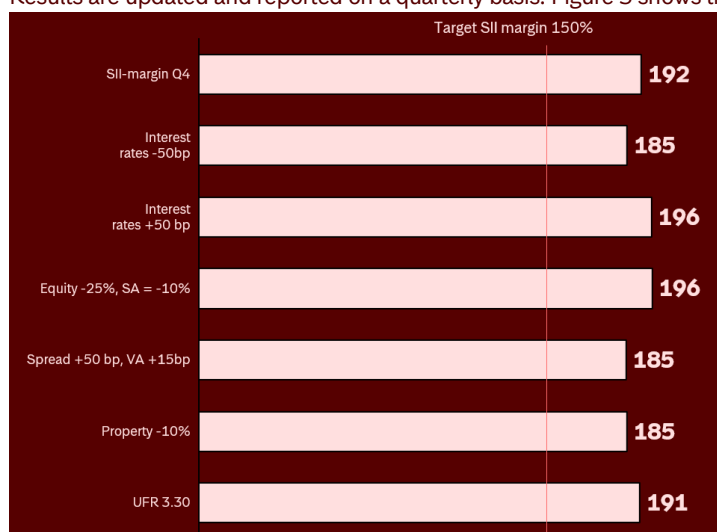
### **Own Risk and Solvency Assessment (ORSA)**

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

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

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

As part of the ORSA process, Storebrand calculates how sensitive the solvency margin is to changes in key parameters. Results are updated and reported on a quarterly basis. Figure 3 shows the main sensitivities at year end 2023.



**FIGURE 3 SENSITIVITIES FOR SOLVENCY**

The solvency margin is most sensitive to falling property prices, falling interest rates, increased credit premiums and falling stock markets. A property price drop of 10 percent will reduce the solvency margin from 192 percent to 185 percent. A 50bp fall in interest rates will reduce the solvency margin to 185 percent, a 50bp increase in credit spreads will reduce the solvency margin to 185 percent and a 25 percent stock market drop will increase the solvency margin to 196 percent. An interest rate increase will increase the solvency margin as well.

#### Capital adequacy targets and link to capital plan

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

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

The profitability target is a return on equity of more than 14 percent. Risk taking shall contribute to achieving this target.

Storebrand ambition is that ordinary dividend per shares should at least be at the same nominal level as the previous year. Ordinary dividend is paid if the solvency margin is sustainable above 150 percent. If the solvency margin exceeds 175 percent, it is the Board's intention to propose extraordinary dividends or share repurchases. Storebrand ASA has reserved for a dividend of NOK 1 834 million for 2023, corresponding to NOK 4.10 per share.

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

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

Storebrand is developing an internal model to measure 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 risks. The model calculates the entire probability distribution for the solvency capital in one year.

The model is used to better understand risk and as a supplement to the official capital requirement calculations based on the standard model. Examples of use are to prepare an investment strategy and as a basis for investment decisions, to assess whether the life insurance risk is priced correctly, and to set risk appetite and capital targets. The model is used to measure risk in the ORSA process, among other things to assess whether the standard model provides a correct capital requirement.



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

At least once a year, as part of the ORSA process, the Board assesses the system for risk management and internal control. The Board's assessment is that the organisation is appropriate in terms of the type, scope and complexity of the risks relating to Storebrand's business.

### B.4 INTERNAL CONTROL SYSTEM

During 2023 there has not been changes that affects the internal control system in a material way.

The basis 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. Operational risk is reduced with an effective system for internal control. Risks are followed up through management's risk review, with documentation, measures, and follow-up of incidents. As well as the internal audits functions independent control through board decided audit projects. To manage serious incidents in business-critical processes there has been established contingency and continuity plans.

Cyber risk is becoming an increasingly important operational risk. The threat picture for cybercrime is characterized by organized crime and increased geopolitical uncertainty. Technological developments enable the spread and increased automation of fraud, and an increasing targeting of cyber attacks. Our ability to manage cyber risk depends on good and proactive digital resilience. It involves an overall security strategy, good plans for crisis management and continuity for our critical business processes, as well as training and practice on relevant scenarios. This helps to reduce risk and increase the probability of good handling of unwanted incidents.

The insurance platform is built on purchased standardized systems that are controlled and followed up through outsourcing contracts. The life insurance platform is mostly self-developed, but parts of operations are outsourced. Administration of defined contribution pensions and unit linked, is managed in a purchased system solution.

Stable and secure technology and infrastructure are central to business and reliable financial reporting. Errors and service interruptions can affect the trust of both customers and shareholders. In a phase of conversion to cloud-based technology services, there is increased attention to complexity and integrations in existing solutions. Cloud-based services and infrastructure have good built-in security solutions, and reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. For those parts of the technology services that are outsourced, risk-based supplier follow-up has been established with the aim of managing the risks associated with the IT systems' development, management, operation and information security.

### The compliance function

The objective of the compliance function of Storebrand ASA is to cover all the Group's licensed operations. The compliance function has a direct reporting line to the CEO and the Board.

The responsibilities, tasks and rights of the compliance function are described in instructions approved by the Board. The function shall support the management and Board's responsibility for compliance with external and internal regulations. The function shall provide the CEO and Board with independent reporting and a complete overview of the most important activities for advice, monitoring, and control regarding internal and external regulations, as well as submit an overarching plan for priorities in the coming years.

Compliance reporting occurs in independent reports to the CEO and Board. The reports show the status of the work and controls per month/quarter. In addition, an annual report is presented with a plan for the work in the coming year. The Board reviews regulatory changes annually or when required.

### B.5 INTERNAL AUDIT FUNCTION

During 2023, there has not been changes that affects the functioning of the internal audit function in a significant way.

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

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

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

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

During 2023, there has not been changes that affects the actuarial function in a significant way.

To have an efficient and consistent actuarial function for the Storebrand Group, a Group actuary is responsible for reporting to the CEO and the board. Those responsible for the actuarial function for the insurance subsidiaries report to the CEO and the Board of the relevant company.

The responsibilities, duties and rights of the actuarial function are described in instructions approved by the Board. The principal task of the actuarial function is to ensure that the calculation of the technical provisions for Solvency II is reliable and suitable. The function shall provide a statement about the guidelines for underwriting insurance and the suitability and effectiveness for the company's reinsurance programme. The function shall also contribute to the work of the risk management function, particularly in relation to the underwriting risk.

The actuarial function submits a written report to the Board at least once a year, which assesses the degree of reliability and suitability of the calculation of the technical provisions.

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

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

Outsourcing is when Storebrand use contractors to perform tasks that alternatively can be carried out by the company's own employees. The 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 the outsourcing company always continues to be responsible for the activity that is outsourced. The company 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 Norwegian Transparency Act.

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

Companies in the Storebrand Group have outsourced services relating to, among other things, business processes, IT operation and development, IT infrastructure, cloud services and internal auditing, see table 9. There is also intragroup outsourcing, including asset management and distribution. Each year, the Board receives a report concerning outsourced activities in the Storebrand Group. The report provides an overview of the activities that have been outsourced and how the outsourcing is followed up. Relevant supervisory authorities are informed about outsourcing in accordance with applicable rules.

**TABLE 9 OVERVIEW OF SIGNIFICANT OUTSOURCING<sup>10</sup>**

Contract Partner	Service	Jurisdiction
Mastercard Payment Services Norway AS	Solution for pension management	Norway
Munich Re Automation Solutions Limited	Health assessment	Ireland
Trapets AB	AML analysis	Sweden
Admincontrol AS	Archive services	Norway
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
Snowflake Computing Netherlands BV	Cloud services	Netherlands
Signicat AS	Digital identity solutions	Norway
Crawford & Company AS	Management of industry claims and liability	Norway
FDC	IT systems	Denmark
GENUS AS	Case management system	Norway
SOS International AS	Hotline travel insurance	Norway
Simplifai AS	Document BOT/AI	Norway
Metaforce AB	Enterprise Content Management (ECM) Service for SPP	Sweden
Skandikon Administration AB	Insurance administration of collective insurances	Sweden
Distribusjonsselskaper i Norge og EU	Distribution of funds managed by Storebrand Asset Management	Norway /EU
JP Morgan	Collateral Management, Security lending	Luxembourg
Mutual Funds Exchange AB	Trading platform	Sweden
Solactive AG	Services for intraday pricing of fund on Nasdaq Danmark	Germany
BankID Bankaxept AS	Payment cards and infrastructure	Norway
Intrum AS	debt collection services	Norway
Mastercard Payment Services Norway AS	Payment Services	Norway
TietoEvry Norge AS	Card production, service, and customer service	Norway
Quantfolio AS	Robot and advising tool	Norway
Eiendomsverdi AS	Credit assessment	Norway
Nets Branch Norway	Service agreement card solutions	Norway
Nets Norge Infrastruktur AS	Clearing and settlement - NICS	Norway
Skandinavisk Data Center AS	Core systems (Bank)	Norway
Vipps AS	Agreement for delegated SCA	Norway
Fixrate AS	Marketplace for deposits	Norway
Stacc Insight AS	Credit system	Norway
Storebrand Asset Management AS (konsernintern)	Asset management	Norway
Storebrand Bank ASA (konsernintern)	AML services	Norway
Storebrand Livsforsikring AS (konsernintern)	Services and functions within CFO and Digital	Norway

<sup>10</sup> Significant is assessed from a Group perspective. In the Solvency and Financial Condition Report from the Group's insurance companies, there is a list per company that is somewhat more comprehensive, among other things, for external distribution agreements.

#### **B.8 ANY OTHER INFORMATION**

The system for risk management and internal control is also described in the Storebrand Annual report 2023, particularly the chapter about Corporate Governance, the Risk section in the Director's report, and Note 5, Risk management and internal control.

## C. Risk profile

### C.1 UNDERWRITING RISK

Insurance risk is the risk of loss linked to insurance events occurring beyond the expected level, or that the reserves are calculated insufficiently. The biggest insurance risks for Storebrand relate to longevity, disability, customer churn and cost development.

Beyond the mother-daughter fusion of Storebrand Danica Pensjonsforsikring, there have been no significant changes in the insurance risk or in the way the insurance risk is followed up in 2023.

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

Storebrand provides disability insurance, mainly in the form of group insurance for companies. The disability coverage can be linked to both traditional guaranteed pension products and defined contribution pensions. The risk is associated with more people than expected becoming disabled or fewer disabled people than expected returning to work. In Norway, historically there has been a connection between increased unemployment and increased disability.

Storebrand also offers insurance cover relating to illness, accident, or occupational injury. 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 limited through obtaining health information before entering into insurance agreements with individuals or companies with few employees. For larger companies, the type of industry and statistics on illness are considered when calculating the premium. The risk is mitigated by monitoring risk results and, if necessary, adjusting the premium annually.

Storebrand also offers P&C insurance. The biggest risks are linked to major damages and special events. The largest claims will typically relate to motor liability, company and product liability, occupational injury and fire insurance for housing associations/condominiums and commercial buildings. P&C insurance is a small business area compared to life and pension insurance, so from a group perspective the risk from P&C insurance is a small part of the total.

Storebrand has reinsurance contracts to limit the risk associated with major damage or disasters. Reinsurance covers the risk, exceeding a lower limit<sup>11</sup>, associated with major single events and disasters that cause two or more deaths or instances of disability. The company's maximum risk amount at its own expense is relatively high and the reinsured risk is therefore modest in size.

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<sup>11</sup> There is also an upper limit for coverage.

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

The provision as at 31/12/2023 is the company's best estimate and are considered to be sufficient.

## **C.2 MARKET RISK**

Market risk is changes in the value of assets from unexpected changes in volatility or prices in the financial markets, including that the value of technical provisions may develop differently from the assets. The most significant market risks for Storebrand are interest rate risk, equity market risk, property price risk, credit risk and exchange rate risk.

During 2023, there has not been material changes in the measures to assess the market risk. Other changes to the risk are described under the sub-paragraphs.

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

### **Guaranteed customer portfolios**

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

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

The risk is affected by changes in the interest rate level. The interest rate has risen significantly through 2023, especially in the short-term interest. Rising interest rates are negative for the investment return in the short term as a result 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 the guarantee. In the Swedish operations, interest rate risk from the assets is managed to correspond to the interest rate risk from the insurance liabilities.

### **Non-guaranteed customer portfolios**

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

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

### **Company portfolios**

The market risk in the company portfolios has a direct impact on the profit. Storebrand 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 shares in subsidiaries and other strategic shareholdings are within the company portfolio. Storebrand Livsforsikring AS shares in SPP<sup>12</sup> are partially currency hedged.

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<sup>12</sup> Owned through Storebrand Holding AB

### **Prudent persons principle**

The guaranteed portfolios are managed to deliver a minimum return. The portfolios are segmented based on, among other things, guarantee level, the age of the insurance taker and duration and size of customer buffers. The exposure to market risk is dependent on the size of customer buffers. When buffers are enough, 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 him/herself makes the investment choice. Storebrand's role is to offer a good and extensive range of funds, to assemble portfolios adapted to different risk preferences, and to offer systematic reduction of risk towards retirement age.

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***

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

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

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

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

Storebrand considers sustainability risk, including climate risk, for all investments. The goal is to reduce the risk of the value of the investments being negatively affected by sustainability-related matters. The tools include the exclusion of companies, the ranking of companies based on various sustainability criteria and influencing companies through voting at the general meeting and meetings with the management.

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

Further details on the Storebrand Group's sustainable investments can be found in the 2023 Annual report for Storebrand ASA.

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

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

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

The yield curve that Storebrand uses when valuing the technical provisions is based on extrapolating against a long-term ultimate forward rate (UFR) and a spread in the form of a volatility adjustment. Both elements are part of the standard model for Solvency II. However, it is a requirement<sup>13</sup> to assess the risk associated with these factors.

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

### **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 2023, there has not been material changes in the measures to assess the credit risk. Other changes to the risk are described under the sub-paragraphs.

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

#### **Counterparty risk from derivatives**

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

Collateral pledged in connection with futures and options is regulated daily based on the change in margin for individual contracts. At yearend 2023, Storebrand had pledged collateral of NOK 7 887 million and received collateral of NOK 4 859 million. Net collateral pledged was NOK 3 083 million. Collateral was received and pledged in the form of cash and securities.

Further information about collateral appears in Note 41 Collateral and Note 9 Credit risk in the Storebrand Annual report 2023.

#### **Loans and mortgages**

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

At yearend 2023, Storebrand had loans and mortgages to customers totalling NOK 86.6 billion (NOK 78.3 billion) net after provisions for losses of NOK 93 million.

Loans and mortgages are described in more detail in Note 34 of the Storebrand Annual report 2023.

### **C.4 LIQUIDITY RISK**

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

During 2023, there has not been material changes in the measures to assess the liquidity risk.

For the insurance companies, and the life insurance companies in particular, the technical provisions are long-term, and the cash flows are generally known long before they fall due. In addition, liquidity is required to handle payments relating to operations, and there are liquidity needs related to derivative contracts. The liquidity risk is managed through liquidity

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<sup>13</sup> § 25 of the Norwegian Solvency II Regulation



forecasts and by parts of the investments being in liquid securities, such as government bonds. The liquidity risk is considered low based on these measures.

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

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

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

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

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

Operational risk is the risk of financial losses due to inadequate or defective internal processes or systems, human error, or external incidents.

During 2023, there has not been material changes in the measures to assess the operational risk.

The risk is assessed as a combination of how often it may occur (probability) and consequence. In addition to direct financial loss and added work, consequences for customers, products/services, and regulatory compliance are assessed and measured. When the risk assessment concludes that the risk exceeds acceptable levels, measures must be established to reduce the risk (probability and/or consequence).

Storebrand seeks to reduce undesired operational risk through an effective system for internal control. Risks are handled through the management's risk reviews, with documentation of risks, risk-reducing measures, and the follow-up of incidents. Storebrand's control functions also include employees with responsibility for controlling operational risk. In addition, the internal audit function carries out an independent control in accordance with audit projects adopted by the Board.

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

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

##### **Concentrations of risk**

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

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

Both the insurance business and the banking business are exposed to credit risk. The insurance business primarily has credit risk relating to bonds with significant diversification based on geography and industry, while the banks main

exposure is direct loans for residential property in Norway. There is no significant concentration risk across bonds and loans.

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

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

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

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

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

#### **Climate risk**

Storebrand is exposed to climate risk, both business-wise, for investments including property and for insurance obligations. Both physical climate changes and risks from the transition to low emissions can have an impact. For Storebrand, transition risk has the greatest importance, especially in the short and medium term.

The biggest risk is from the investments. Given a rapid transition to low emissions, the value of shares and bonds in companies with large climate emissions may fall. Lower returns can affect results because income depends on the value of investments. The life insurance obligation can also change if the financial markets are affected by climate risk. The risk can turn out to be a cost for the guaranteed pension obligation, especially in scenarios where the investment return is lower than the return guarantee. Storebrand has a climate strategy which means that exposure to shares and bonds in fossil fuel companies is limited. Emissions of greenhouse gases in relation to turnover for the overall investment portfolio are lower than the general market. The risk can be offset somewhat by Storebrand's investments in solution companies that will benefit from a rapid transition to low emissions. But these companies also have a risk of a fall in value, especially if the transition to low emissions is slower than expected.

Physical climate changes can also affect the value of the investments. Storebrand has a well-diversified portfolio of shares and bonds, both geographically, across industries and towards individual companies. It limits the risk from some parts of the world, some industries and some companies experiencing large falls in value as a consequence of climate change. But climate change can also lead to lower economic growth and lower investment returns for the wider market, especially in the long term.

For investments that are priced in an active market, Storebrand's valuation is based on climate risk being taken into account in the market's pricing. It has not been identified that climate risk associated with investments has had a significant impact on the annual result for 2023.

Storebrand has climate risk from real estate investments. There is a transition risk from the fact that there may be high costs for adapting buildings to achieve lower climate emissions. There is also physical risk, especially from increased incidence of extreme rainfall and flooding.

The valuation of property is based on information that is not observable, level 3, ref. note 13 in the annual report. Climate risk can affect the valuation both through calculated cash flows and yield requirements for the property. The cash flow can be affected, for example, because climate change creates a need for upgrades or because the ownership costs are affected by the building's energy efficiency. The property's environmental standard is one of the factors considered when the return requirement is set.

Business-wise, Storebrand has a risk that there may be lower demand for our products if customers are negatively affected by climate risk. A rapid transition to low emissions could affect the Norwegian economy in general and the oil sector in particular.

In Norway, there is usually a connection between unemployment and disability. Negative effects for the Norwegian economy of a rapid transition to low emissions can therefore result in more cases of disability.

#### **Business risk**

We divide business risk into external risk and strategic risk. External risk arises from events or threats over which the business has no influence or control. This could be, for example, a change in framework conditions, social conditions, cyber attacks, economic fluctuations, natural disasters, etc. Strategic risk is risk that the business consciously takes with the aim of achieving profit. Examples of this are investments in organic growth and mergers and acquisitions. The company does not quantify business risk. The risk is instead described qualitatively and discussed in the board, which also adopts measures to limit the risk, if necessary.

#### **Compliance risk**

The risk that the business does not comply with requirements or obligations arising from external and internal regulations. There must be a low probability of Storebrand losing its reputation, losing major customers or receiving financial sanctions as a result of operational incidents. Risk targets and frameworks for compliance risk follow the same framework as for operational risk. Risk must be measured as a combination of probability and consequence. Risk must be assessed in the dimensions of loss of licence, sanctions/fines, orders for rectification/no financial sanction, extraordinary measures or simple error correction. The compliance function assesses and reports on Storebrand life insurance's compliance risk to the CEO and the board through half-yearly compliance reports.

#### **Customer risk**

Customer risk is the risk that the customers' interests are not looked after in the best way in accordance with the company's ethical rules and applicable legal requirements, seen from the customer's perspective. There must be a low risk of our products and services not safeguarding our customers' interests. Customer risk is assessed in the framework for operational risk, and is included as a basis for assessing reputational risk.

#### **Model risk**

Risk of loss as a consequence of decisions based on the results of models that are due to errors in model development, implementation or use of models. A model can be a quantitative method, a system or approximation method that uses statistical, financial or mathematical theories, techniques and assumptions to process input data into quantitative estimates.

There must be a low probability that errors in models or the use of models will cause significant financial losses or damage Storebrand's reputation.

#### **Emerging risk**

Emerging risk is a new risk, or a known risk that changes character or affects in new ways, which is expected to increase. The risk from emerging risks must be within the normal limits for the risk area to which it belongs.

### **C.7 ANY OTHER INFORMATION**

Information related to the risk profile can also be found in Storebrand Annual report 2023, particularly notes 5-12 for Storebrand Group.

## D. Valuation for solvency purposes

### D.1 ASSETS

There have not been any material changes to the recognition and valuation bases used during 2023 that affect the solvency balance of Storebrand ASA group.

Introduction of IFRS9 and IFRS17 for the financial accounts for the Storebrand ASA group from 1 January 2023 results in changes to the financial accounts. For the valuation of assets, it is IFRS9 that has effect. The change affects the difference between the solvency balance and the financial accounting balance and means that differences reported in last year's SFCR per 31.12.2022 are not directly comparable with differences reported in this report per 31/12/2023.

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

Total assets for Solvency II amount to NOK 782.2 billion (NOK 667.1 billion). NOK 321.7 billion are financial assets and loans relating to guaranteed customer portfolios or company portfolios. Assets for unit-linked contracts amount to NOK 379.1 billion, while other assets total NOK 81.4 billion.

**TABLE 10 ASSETS IN THE SOLVENCY BALANCE SHEET**

(NOK million)	31.12.2023	31.12.2022
Deferred tax assets	266	540
Investments (other than assets held for index-linked and unit-linked contracts)	295 197	290 775
<i>Property</i>	35 789	37 353
<i>Holdings in related undertakings, including participations</i>	6 282	5 046
<i>Equities</i>	15 492	13 341
<i>Equities – listed</i>	15 385	13 154
<i>Equities – unlisted</i>	107	187
<i>Bonds</i>	185 213	178 366
<i>Government bonds</i>	58 775	48 779
<i>Corporate bonds</i>	114 262	115 814
<i>Structured notes</i>	12 176	13 773
<i>Collective Investments Undertakings</i>	48 340	44 300
<i>Derivatives</i>	4 014	12 155
<i>Deposits other than cash equivalents</i>	67	215
Assets held for index-linked and unit-linked contracts	379 050	313 925
Loans and mortgages	26 516	26 933
Reassurance recoverable	108	321
Cash and cash equivalents	11 885	12 360
Other assets	69 144	22 245
<b>Total assets</b>	<b>782 168</b>	<b>667 098</b>

During 2023, total assets increased by NOK 115.1 billion. Assets held for index-linked and unit-linked contracts increased with NOK 65.1 billion.

### **Main principles for valuation of assets**

For Solvency II, assets must be assessed at fair value. The valuation principles largely coincide with the principles for valuation at fair value for International Financial Reporting Standards (IFRS). The accounts for the Storebrand ASA group follow IFRS. In the consolidated accounts, bonds and loans are booked at fair value so that there is no deviation from the Solvency II valuation.

Storebrand conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. This is described in detail in Note 1 Company information and accounting principles and Note 13 Valuation of financial instruments and investment properties, in the Storebrand Annual report 2023.

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

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

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

#### ***Subsidiaries***

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

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

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

Both total assets and total liabilities are lower under Solvency II than in the financial statements. This is due to one-line consolidation of several subsidiaries in the solvency balance sheet. Differences in consolidation methods will not affect the value of own funds, as opposed to valuation differences. Different valuations of subsidiaries give a total of NOK 2.1 billion lower value for the solvency balance sheet, ref. Table 17.

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

In accordance with the Solvency II principles, intangible assets shall be valued at zero for Solvency II. The difference gives a NOK 2.9 billion lower valuation.

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

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

#### ***Miscellaneous***

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

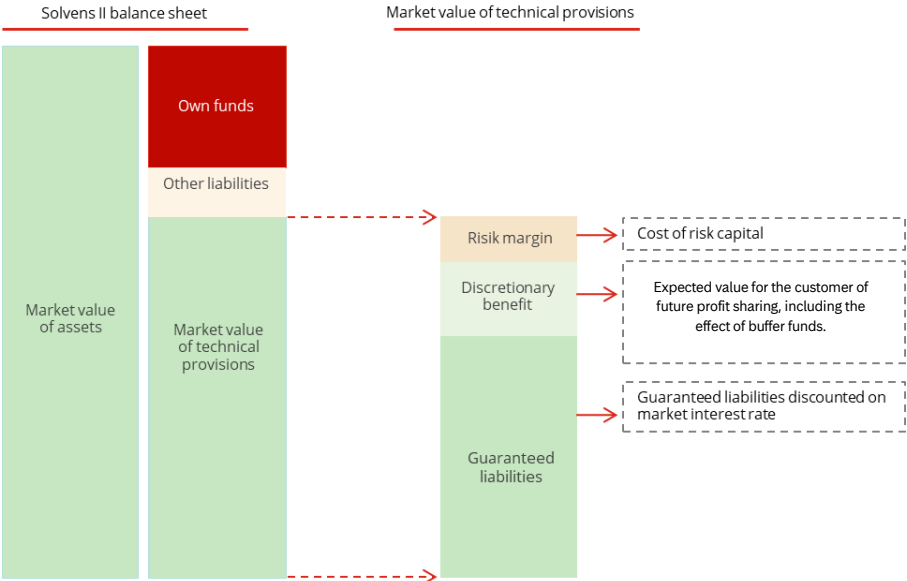
## **D.2 TECHNICAL PROVISIONS**

During 2023 provisions are updated based on new history.

Under Solvency II, technical provisions are appraised at fair value (market value). In principle, the technical provisions are valued at what they realistically could be traded for in a free market. Since there is no active secondary market for the purchase and sale of technical provisions and hence no observable market price, the fair value is calculated based on a model. This deviates from the valuation in the financial statements described in Note 1 of the Storebrand Annual report 2023.

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

Figure 4 illustrates the principle for the structure of the solvency balance sheet and calculation of technical provisions.



**FIGURE 4 ELEMENTS IN THE SOLVENCY II BALANCE SHEET**

**Method for valuing technical provisions**

**Best estimate**

The net cash flow from the insurance company to the customer is calculated. All ingoing and outgoing payments are estimated, including future premiums that are part of the contract, insurance events that have occurred, investment returns, pensions paid, lapses and transitions to other schemes. For the guaranteed portfolios with profit sharing, the uncertainty is modelled with the assistance of an ESG as described below. The probability-weighted cash flow is discounted using risk-free market interest rate to establish the best estimate. For the calculation at yearend 2023, Storebrand has estimated cash flows for the next 60 years and calculated a residual value for the 60<sup>th</sup> year.

The best estimate for the value of technical provisions is split into guaranteed provisions and discretionary benefits. The discretionary benefit is the part of the best estimate that is the result of future profit sharing, i.e. added returns to the customer beyond the guaranteed amount. The cash flows have considered differences in profit sharing between the products and the different buffer elements that are permitted pursuant to regulation or are agreed with customers in the form of product terms.

**Risk margin**

Since there is uncertainty associated with the best estimate, a risk margin is calculated that covers the cost of holding risk capital. The risk margin only applies for capital requirements that cannot be hedged. In practice, these will be underwriting risk, counterparty risk and operational risk. The market risk is assumed to be hedged.

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

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

**TABLE 11 TECHNICAL PROVISIONS**

(NOK million)		Best estimate	Risk margin	Technical Provisions 31.12.2023	Technical Provisions 31.12.2022
	Traditional life insurance	191 148	2 568	193 716	190 210
	Unit-linked contracts	199 439	2 785	202 224	147 626
Storebrand Livsforsikring	Group life (health similar to life)	1 859	28	1 887	1 570
	Non-life (health similar to non-life) <sup>14</sup>	761	14	776	737
	Traditional life insurance	82 054	1 132	83 186	76 846
SPP Pension & Försäkring	Unit-linked contracts	163 599	934	164 533	130 482
	Risk (health similar to life)	1 057	43	1 100	965
Storebrand Helseforsikring	Health insurance	173	7	180	112
Storebrand Forsikring	Non-life insurance	1 368	78	1 446	1 142
<b>Total technical provisions prior to transitional rules</b>		<b>641 459</b>	<b>7 590</b>	<b>649 049</b>	<b>578 018</b>

The technical provisions for Storebrand amount to NOK 649.0 billion, split between NOK 641.5 billion in best estimate and NOK 7.6 billion in risk margin. That is an increase of 71.0 billion during 2023. Traditional life insurance is 43 percent, unit-linked contracts 57 percent and other products less than 1 percent of the provisions. Storebrand Livsforsikring makes up 61 percent of the provisions and SPP 38 percent.

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

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

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

(NOK million)		Solvency II	Financial statements
	Traditional life and non-life insurance	196 379	229 123
Storebrand Livsforsikring	Unit-linked contracts	202 224	184 099
	Traditional life insurance	83 186	86 005
SPP	Unit-linked contracts	164 533	170 171
	Risk (health similar to life)	1 100	1 332
Storebrand Helseforsikring	Health insurance (health similar to non-life)	180	334
Storebrand Forsikring	Non-life insurance	1 446	1 442
<b>Total</b>		<b>649 049</b>	<b>675 728</b>

Total technical provisions are valued at NOK 645.0 billion for Solvency II, which is NOK 26.7 billion lower than in the financial statements.

Introduction of IFRS17 for parts of the insurance liability in the financial accounts for the group affects the difference to the solvency balance. Differences reported in last year's SFCR per 31.12.2022 before the introduction of IFRS17 are not directly comparable with differences in this report per 31/12/2023.

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

<sup>14</sup> Occupational injury, critical illness, and income protection insurance

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

#### Overview of main assumptions.

*Contract boundary:* Under Solvency II, future premiums are included in the calculation of technical provisions if these are part of an existing liability. When premiums are within the contract boundary, the premium development is modelled based on historical premium payment patterns. Future premiums are not included if Storebrand can unilaterally terminate the contract, or the contract can be repriced to reflect the current assessment of the risk. Based on this, most of Storebrand's future premiums are outside the contract boundary and are not included in the modelling. The exceptions are:

- Premiums until the first policy anniversary date for risk products.
- Premiums for traditional pension whereby the customer can pay future premiums without Storebrand being able to reprice or terminate the contract. Annual premiums quickly decline because the portfolios are essentially closed for new sales and many contracts reach the claims phase.
- Premiums that companies pay within occupational pension contracts in Norway to cover costs on existing reserves. In Norway, companies are required by law to cover all expenses for occupational pensions, so that the existing reserve cannot be used to cover expenses. Defined benefit contracts include the margin for the price of guaranteed return, risk, and administration. For defined contribution pensions, the premium for management and administration is included.

*Revenues:* In general, the modelling of revenues is based on actual levels that correspond to the revenues in the financial statements. Revenues is projected based on the price structure and expected development for the different products, normally as a proportion of the reserve or per contract, possibly with G-adjustment. (G=National Insurance basic amount).

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

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

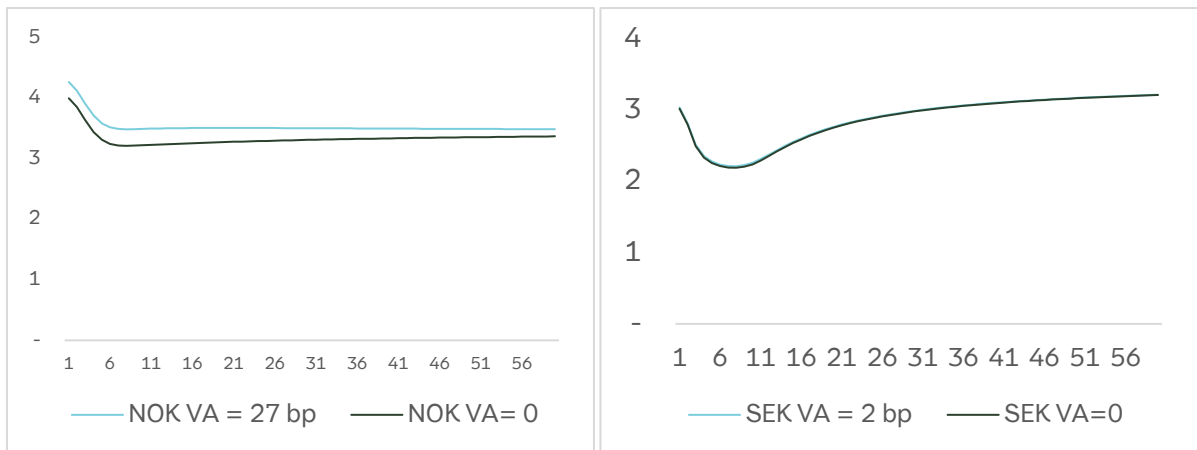
*Mortality:* For mortality, a dynamic model is used; that is, estimated mortality for a given age decreases for people born in later years.

*Departure and product transitions:* Assumptions are set per product and is updated annually. As a general rule, historical observations over the last 3-5 years are used. Exceptions to the general rule about experience-based assumptions are made if history is not considered relevant for the future, e.g. as a result of changed prices or new regulation. This applies in particular to developments in the defined benefit pension market and the likelihood of a transition from guaranteed paid-up policies to paid-up policies with investment options. In 2021, the defined contribution pension was changed to a separate pension account, which entails changed market dynamics.

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

*Financial assumptions:* The risk-free yield curve is used both to discount the cash flows and for estimating future returns. The European Insurance and Occupational Pensions Authority (EIOPA) publish the yield curve. Storebrand uses the risk-free yield curve, including volatility adjustment (VA). At yearend 2023, the VA was 27 basis points (5bp) in Norway and -2 basis points (-3bp) in Sweden.





**FIGURE 5 SPOT RATES WITH AND WITHOUT VA**

Without volatility adjustment, the value of the technical provisions increases by NOK 1.9 billion. The effect on own funds and solvency margin is described in Chapter E.2 Solvency Capital Requirement and Minimum Capital Requirement.

Storebrand does not use matching adjustment of the yield curve.

In Norway, there is not an active market for inflation-linked bonds and the inflation assumption is set at 50 percent of the risk free rate. Wage growth (G regulation) is inflation plus 1.9 percentage points. In Sweden, the inflation that is priced in the market is used for inflation-linked bonds up to 10 years and then an extrapolation based on the same methodology as for the yield curve.

*Economic Scenario Generator (ESG):* To calculate the time value of options and guarantees, Storebrand use a Monte-Carlo simulation based on 1,000 risk-neutral, stochastic scenarios generated in an Economic Scenario Generator (ESG). The scenarios are created based on the risk-free yield curve and consider market pricing of the volatility of interest rates, equities, credit, and property. The asset allocation is set to match the actual allocation on the calculation date and is changed during the projection based on the way Storebrand adjust the investment portfolios to risk bearing capacity.

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

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

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

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

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

The actuarial function has validated the valuation of technical provisions as of 31 December 2023 by analysing methods, data, assumptions, management actions and models used. The assessment is that the insurance technical provisions are sufficient,

### D.3 OTHER LIABILITIES

During 2023, there has not been any material changes to the recognition and valuation bases used.

Liabilities other than technical provisions amount to NOK 76.1 billion (NOK 48.4 billion) under Solvency II. The valuation is essentially the same for Solvency II as for the financial statements, but some discrepancies arise due to other differences in accounting principles. The most important differences are explained below.

**TABLE 13 OTHER LIABILITIES**

(NOK million)	31.12.2023	31.12.2022
Contingent liabilities	17 324	13 688
Pension benefit obligations	172	163
Deferred tax liabilities	1 108	944
Derivatives	5 612	12078
Insurance & intermediaries payables and subordinated liabilities	46 977	6 580
Other liabilities	4 855	5 295
<b>Total other liabilities</b>	<b>76 048</b>	<b>38 748</b>

#### *Contingent liabilities*

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

#### *Pension benefit obligations*

Pension benefit obligations are calculated in accordance with Norwegian IAS19, ref. Note 1, point 19 in the Storebrand Annual report 2023. The valuation of pension benefit obligations for Solvency II corresponds with the valuation in the financial statements.

#### *Deferred tax liabilities*

Changes in value in connection with the transition from the financial statements to the solvency balance sheet also influence the Group's calculated tax position. The difference in deferred tax liabilities is the net tax effect of changes in value in connection with the transition to Solvency II based on a tax rate of 25 percent. The Storebrand Group goes from having a deferred tax asset of NOK 3.3 billion and a deferred tax of NOK 1.2 billion under IFRS to a deferred tax asset of NOK 0.3 billion and a deferred tax of NOK 1.1 billion under Solvency II.

#### *Derivatives*

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

#### *Subordinated liabilities*

Subordinated liabilities are appraised at fair value under Solvency II but valued at amortised cost in the financial statements. This gives a valuation that is NOK 102 million lower for Solvency II. See also Chapter E.1. Own Funds.

### D.4 ALTERNATIVE METHODS FOR VALUATION

Storebrand's valuation principles for assets that cannot be appraised based on listed prices are described in detail in Note 12 of the Storebrand Annual report 2023.

### D.5 ANY OTHER INFORMATION

There is no other material information.

## E. Capital management

Storebrand places particular emphasis on continually and systematically adapting the levels of equity and loans in the Group. The level is adapted to the financial risk and capital requirements, where growth and the 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. The goal is to support the Group's growth strategy, while at the same time freeing capital for return to shareholders. Storebrand's goal is a solvency margin above 150 percent.

The Board of Storebrand assesses the capital plan together with the financial plan and ORSA to ensure consistency between commercial goals, risk, and capital. The financial plan and capital plan are prepared with a three-year time horizon.

### E.1 OWN FUNDS

Storebrand ASA Group has NOK 51.9 billion in own funds (solvency capital), an increase of NOK 3.7 billion from 2022. The capital is divided into tiers depending on quality and availability. Table 15 shows the composition of own funds and distribution into tier 1 (restricted and unrestricted), tier 2 and tier 3 capital.

**TABELL 14a OWN FUNDS as per 31.12.2023**

(NOK million)	Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
Ordinary share capital	2 327	2 327			
Share premium account related to ordinary share capital	10 842	10 842			
Reconciliation reserve	28 451	28 451			
Effect of transitional on technical provision	0				
Subordinated liabilities	9 847		1 912	7 935	
Deferred tax asset	266				266
Tier 3 cap	-904			-904	-
Risk equalisation reserve	1 091			1 091	
<b>Own funds</b>	<b>51 920</b>	<b>41 620</b>	<b>1 912</b>	<b>8 122</b>	<b>266</b>
<b>Minimum capital</b>	<b>39 621</b>	<b>35 648</b>	<b>1 912</b>	<b>2 061</b>	

**TABELL 14b OWN FUNDS as per 31.12.2022**

(NOK million)	Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
Ordinary share capital	2 360	2 360			
Share premium account related to ordinary share capital	10 842	10 842			
Reconciliation reserve	24 160	24 160			
Effect of transitional on technical provision					
Subordinated liabilities	9 661		1 894	7 766	
Deferred tax asset	540				540
Risk equalisation reserve	-231				-231
<b>Own funds</b>	<b>905</b>			<b>905</b>	

Minimum capital	48 236	37 361	1 894	8 671	309
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Tier 1 represents capital of the best quality in terms of loss-bearing capability and must be available to cover any loss at any time. Tier 1 consists of paid-in capital and reconciliation reserve. Also included are perpetual subordinated loans with up to 20 percent of tier 1 capital. Storebrand has NOK 43.5 billion in tier 1 capital and this amounts to 84 percent of the total own funds. Of this, NOK 41.6 billion is unrestricted.

Other subordinated loans (non-perpetual) and risk equalisation reserve are categorised as tier 2 capital. Deferred tax assets are categorised as Tier 3 capital. Tier 2 and tier 3 capital combined can cover up to 50 percent of the solvency capital requirement. Storebrand has NOK 8.1 billion in tier 2 capital, and this represents 16 percent of total own funds. The tier 2 and tier 3 capital together cover 56 percent of the solvency capital requirement for the insurance business for Storebrand Life Insurance. The eligible capital is reduced by NOK 904 million due to the limit of 50 percent coverage of the solvency capital requirement.

Storebrand has eligible own funds to meet the minimum capital requirement of NOK 39.6 billion. Of this, NOK 37.6 billion is tier 1 capital, equivalent to 95 percent of the total minimum capital. Own funds from the CRD IV companies in the Group are not included as part of the minimum capital. Tier 2 capital can cover up to 20 percent of the minimum capital requirement and is therefore limited to NOK 2.1 billion.

#### Expected profit in future premiums

The value of Expected Profits in Future Premiums (EPIFP) amounts to NOK 3.6 billion, split between NOK 3.5 billion in the life insurance business and the rest from the non-life insurance business. This is part of the reconciliation reserve and is included as tier 1 capital. Only margins from future premiums that are within the contract boundary are included. This is described in more detail in the paragraph concerning contract boundary in chapter D.2 Technical Provisions.

#### Subordinated loan capital

The responsible loan capital amounts to NOK 10.7 billion. In the fourth quarter, NOK 1 billion was raised in new subordinated loans of group 1 quality. This is a refinancing of a NOK loan that will be repaid early at the end of March 2024. The loan that will be repaid early in March has been taken out of the solvency calculation at the end of the year, and a call notice has been sent for this.

**TABLE 15 SUBORDINATED LOANS**

Nominal value (NOK million)	Currency	Solvency II (NOK million)	Financial statements (NOK million)	Repurchase right	Covered by transitional rules (grandfathering)
-1 000	SEK	-1 010	-1 004	2024	Nei
-900	SEK	-907	-907	2025	Nei
-500	NOK	-501	-500	2025	Nei
-1 100	NOK	0	-864	2024	Ja
-300	EUR	-2 782	-2 805	2031	Nei
-900	SEK	-910	-891	2026	Nei
-650	NOK	-653	-656	2027	Nei
-750	NOK	-763	-756	2027	Nei
-1 250	NOK	-1 260	-1 307	2027	Nei
-300	NOK	-302	-303	2028	Nei
-400	SEK	-406	-406	2028	Nei
-300	NOK	-316	-313	2028	Nei

All loans are taken out by Storebrand Livsforsikring AS. Nine 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, seven 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 financial statements

**TABLE 16 SOLVENCY II OWN FUNDS VS IFRS OWN FUNDS**

(NOK million)	Solvency II	Financial statements
Paid-in capital <sup>15</sup>	13 169	13 078
Retained earnings excluding deferred tax assets		11 819
Hybrid capital		408
Risk equalisation reserve	1 091	1 091
Deferred tax asset	266	3 134
Reconciliation reserve	31 833	
<b>Net assets</b>	<b>46 359</b>	<b>29 531</b>
Subordinated loans, excluding OIF interest	9 847	10 610
Tier 2 cap	-904	
Deductions for participations in other financial undertakings	-5 972	
Deductions for own shares	-1 548	
Foreseeable dividends	- 1 834	
Dividends 2022	- 0	
<b>Basic own funds</b>	<b>45 948</b>	<b>40 141</b>
Own funds in other CRD IV companies	5 972	
<b>Total own funds</b>	<b>51 920</b>	
<b>Total eligible own funds to meet the minimum capital requirement</b>	<b>39 621</b>	

The value of own funds appears as net assets in the solvency balance sheet (see table 1 in Summary) plus eligible subordinated loans. Own funds are reduced by the value of own shares and foreseeable dividends<sup>16</sup>. In addition, non-eligible own funds from minority interests are deducted.

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

Table 17 shows the transition from the financial statements to Solvency II. Net assets for Solvency II are NOK 16.8 billion higher than in the financial statements. The main differences is that lower valuation of technical provisions increases own funds, while deductions for intangible assets, lower valuation of subsidiaries, reduce own funds. Deferred tax liabilities increase because of the other changes in value.

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

(NOK million)	
Subsidiaries	-3 619
Intangible assets	-2 931
Added value of bonds at amortised cost	0
Technical provisions	24 236
Deposits	-105
Net change in deferred tax liabilities	-3 232
Group contribution	1 115
Miscellaneous	-184

<sup>15</sup> including own shares.

<sup>16</sup> This occurs in the form of a reduction in the reconciliation reserve.

Own shares	1 548
<b>Total change</b>	<b>16 828</b>

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

Both a solvency capital requirement and minimum capital requirement is calculated. The solvency capital requirement must be covered in a normal situation, while the minimum capital requirement is an absolute requirement that must always be covered. The solvency capital requirement depends on the risk, while the minimum capital requirement is not risk sensitive.

### Solvency capital requirement

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

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

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

**TABLE 18 CAPITAL REQUIREMENTS**

(NOK million)	31.12.2023		31.12.2022	
	Net	Gross	Net	Gross
Market risk	18 842	37 050	21 267	34 318
Counterparty risk	1 062	2 853	1 119	2 498
Life risk	11 069	18 403	9 004	14 827
Health risk	1 047	1 060	971	986
Non-life risk	746	746	620	620
Operational risk	1 508		1 485	
Loss-absorbing capacity of deferred taxes	-4 437		-4 954	
Diversification	-7 776		-7 074	
<b>Total capital requirement for insurance business</b>	<b>22 061</b>		<b>22 438</b>	
Capital requirement for CRD IV companies	5 037		3 837	
<b>Total capital requirement for the Group</b>	<b>27 098</b>		<b>26 276</b>	

Storebrand ASA has a total solvency capital requirement of NOK 27.1 billion (NOK 26.3 billion). NOK 22,1 billion (81 percent) of the capital requirement is from the insurance business. NOK 5.0 billion (19 percent) of the capital requirement is from other activities, mainly the bank. Within the insurance business, 62 percent of the capital requirement (before diversification) is for financial market risk, particularly interest rates, equities, property, credit spreads and foreign currency. 31 percent of the capital requirement is for life insurance risk.

### Minimum capital requirement

The minimum capital requirement is calculated as the total of the minimum capital requirements for the underlying insurance companies.

**TABLE 19 MINIMUM CAPITAL REQUIREMENT**

(NOK million)	31.12.2023	31.12.2022
---------------	------------	------------

Storebrand Livsforsikring	6 902	6 585
SPP Pension & Försäkring	3 087	2 785
Euroben*	293	245
Storebrand Forsikring	23	31
Storebrand Helseforsikring (50 %)	10 304	9 909
<b>Total minimum requirement</b>	<b>6 902</b>	<b>6 585</b>

At yearend 2023, the minimum capital requirement is NOK 10.3 billion (NOK 9.9 billion).

#### Solvency margin and minimum capital margin

When own funds of NOK 1.9 billion are compared against the solvency capital requirement of NOK 27.1 billion, Storebrand ASA has a solvency margin of 192 percent.

When minimum capital of NOK 39.6 billion are compared against the minimum capital requirement of NOK 10.3 billion, Storebrand ASA has a minimum solvency margin of 385 percent.

#### TABLE 20 SOLVENCY POSITION

(NOK million)	31.12.2023	31.12.2022
Own funds	51 920	48 236
Eligible own funds to meet the minimum capital requirement	39 621	36 433
Solvency capital requirement	27 098	26 276
Minimum requirement	10 304	9 801
Minimum margin	192 %	184 %
<b>Minimum margin</b>	<b>385 %</b>	<b>368 %</b>

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

Without volatility adjustment (VA) the solvency margin is 180 percent. Own funds are reduced by NOK 1.4 billion and the SCR is increased by NOK 0.9 billion, se table 21 for details.

#### TABLE 21 SOLVENCY POSITION INCLUDING AND EXCLUDING VOLATILITY ADJUSTMENT

(NOK million)	Including volatility adjustment	Excluding volatility adjustment
Own funds	51 920	50 476
Solvency capital requirements	27 098	28 004
Solvency margin	<b>192 %</b>	<b>180 %</b>

Excluding volatility adjustment, the minimum margin is 374 %.

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

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

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

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

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

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

### **E.6 ANY OTHER INFORMATION**

Capital management is also described in the Storebrand Annual report 2023, mainly note 13.



# Appendix 1 - mandatory tables

## S.02.01.02 – Balance sheet – assets, page 1

(NOK million)		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	266
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	1 225
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	295 197
<i>Property (other than for own use)</i>	R0080	35 789
<i>Holdings in related undertakings, including participations</i>	R0090	6 282
<i>Equities</i>	R0100	15 492
<i>Equities – listed</i>	R0110	15
<i>Equities – unlisted</i>	R0120	385
<i>Bonds</i>	R0130	107
<i>Government Bonds</i>	R0140	185 213
<i>Corporate Bonds</i>	R0150	58 775
<i>Structured notes</i>	R0160	114 262
<i>Collateralised securities</i>	R0170	12 176
<i>Collective Investments Undertakings</i>	R0180	-
<i>Derivatives</i>	R0190	48 340
<i>Deposits other than cash equivalents</i>	R0200	4 014
<i>Other investments</i>	R0210	67
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	379 050
<i>Loans on policies</i>	R0240	26 516
<i>Loans and mortgages to individuals</i>	R0250	0
<i>Other loans and mortgages</i>	R0260	16 675
Reinsurance recoverables from:	R0270	9 841
<i>Non-life and health similar to non-life</i>	R0280	108
<i>Non-life excluding health</i>	R0290	101
<i>Health similar to non-life</i>	R0300	100
<i>Life and health similar to life, excluding index-linked and unit-linked</i>	R0310	2
<i>Health similar to life</i>	R0320	7
<i>Life excluding health and index-linked and unit-linked</i>	R0330	7
<i>Life index-linked and unit-linked</i>	R0340	-

**S.02.01.02 – Balance sheet – assets, page 2,**

(NOK million)		<i>C0010</i>
Deposits to cedants	<i>R0350</i>	-
Insurance and intermediaries receivables	<i>R0360</i>	1 294
Reinsurance receivables	<i>R0370</i>	13
Receivables (trade, not insurance)	<i>R0380</i>	46 843
Own shares (held directly)	<i>R0390</i>	1 548
Amounts due in respect of own fund items or initial fund called up but not yet paid	<i>R0400</i>	-
Cash and cash equivalents	<i>R0410</i>	11 885
Any other assets, not elsewhere shown	<i>R0420</i>	18 221
<b>Total assets</b>	<i>R0500</i>	<b>782 168</b>

## S.02.01.02 – Balance sheet, liabilities

(NOK million)		C0010
Technical provisions - non-life	R0510	2 402
<i>Technical provisions - non-life (excluding health)</i>	R0520	1 284
<i>TP calculated as a whole</i>	R0530	-
<i>Best Estimate</i>	R0540	1 212
<i>Risk margin</i>	R0550	72
<i>Technical provisions - health (similar to non-life)</i>	R0560	1 117
<i>TP calculated as a whole</i>	R0570	-
<i>Best Estimate</i>	R0580	1 091
<i>Risk margin</i>	R0590	27
Technical provisions - life (excluding index-linked and unit-linked)	R0600	279 889
<i>Technical provisions - health (similar to life)</i>	R0610	3 200
<i>TP calculated as a whole</i>	R0620	-
<i>Best Estimate</i>	R0630	129
<i>Risk margin</i>	R0640	71
<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	R0650	276 689
<i>TP calculated as a whole</i>	R0660	-
<i>Best Estimate</i>	R0670	272 989
<i>Risk margin</i>	R0680	3 700
Technical provisions - index-linked and unit-linked	R0690	366 758
<i>TP calculated as a whole</i>	R0700	-
<i>Best Estimate</i>	R0710	363 038
<i>Risk margin</i>	R0720	3 720
Other technical provisions	R0730	-
Contingent liabilities	R0740	324
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	172
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	1 108
Derivatives	R0790	5 612
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	1 453
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	-
Subordinated liabilities	R0850	10 712
<i>Subordinated liabilities not in BOF</i>	R0860	864
<i>Subordinated liabilities in BOF</i>	R0870	9 847
Any other liabilities, not elsewhere shown	R0880	4 855
<b>Total liabilities</b>	R0900	735 808
<b>Excess of assets over liabilities</b>	R1000	46 359

S.05.01.02 – Premiums, claims and expenses by line of business - non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)  
non-life (only for lines of business relevant for Storebrand), page 1

(NOK million)		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
		C0010	C0020	C0030	C0040	C0050	C0060
<b>Premiums written</b>							
Gross	R0110	642	461	122	592	1 204	
Gross - Proportional reinsurance accepted	R0120						
Gross - Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140	2	5	2	9	1	
<b>Net</b>	<b>R0200</b>	<b>641</b>	<b>456</b>	<b>120</b>	<b>583</b>	<b>1 202</b>	
<b>Premiums earned</b>							
Gross	R0210	610	452	118	566	1 138	
Gross - Proportional reinsurance accepted	R0220						
Gross - Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240	2	5	2	9	1	
<b>Net</b>	<b>R0300</b>	<b>609</b>	<b>447</b>	<b>115</b>	<b>556</b>	<b>1 137</b>	
<b>Claims incurred</b>							
Gross	R0310	502	209	207	332	908	
Gross - Proportional reinsurance accepted	R0320						
Gross - Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340	2	2	4	2	-	
<b>Net</b>	<b>R0400</b>	<b>500</b>	<b>206</b>	<b>203</b>	<b>330</b>	<b>908</b>	
<b>Changes in other technical provisions</b>							
Gross	R0410						
Gross - Proportional reinsurance accepted	R0420						
Gross - Non-proportional reinsurance accepted	R0430						
Reinsurers' share	R0440						
<b>Net</b>	<b>R0500</b>						
<b>Expenses incurred</b>	<b>R0550</b>	<b>161</b>	<b>123</b>	<b>23</b>	<b>145</b>	<b>325</b>	
<b>Other expenses</b>	<b>R1200</b>						
<b>Total expenses</b>	<b>R1300</b>						

S.05.01.02 – Premiums, claims and expenses by line of business - non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)  
non-life (only for lines of business relevant for Storebrand), page 2

(NOK million)		Fire and other damage to property insurance	General liability insurance	Assistance	Miscellaneous financial loss	Total
		C0070	C0080	C0110	C0120	C0200
<b>Premiums written</b>						
Gross	R0110	1 015		177	67	4 280
Gross - Proportional reinsurance accepted	R0120					
Gross - Non-proportional reinsurance accepted	R0130					
Reinsurers' share	R0140	50	-	1	0	71
<b>Net</b>	<b>R0200</b>	<b>965</b>	<b>-</b>	<b>176</b>	<b>67</b>	<b>4 209</b>
<b>Premiums earned</b>						
Gross	R0210	957	-	166	62	4 069
Gross - Proportional reinsurance accepted	R0220					
Gross - Non-proportional reinsurance accepted	R0230					
Reinsurers' share	R0240	50	-	1	0	71
<b>Net</b>	<b>R0300</b>	<b>907</b>	<b>-</b>	<b>165</b>	<b>62</b>	<b>3 999</b>
<b>Claims incurred</b>						
Gross	R0310	836	-	132	41	3 167
Gross - Proportional reinsurance accepted	R0320					
Gross - Non-proportional reinsurance accepted	R0330					
Reinsurers' share	R0340	131	-	-	-	141
<b>Net</b>	<b>R0400</b>	<b>705</b>	<b>-</b>	<b>132</b>	<b>41</b>	<b>3 026</b>
<b>Changes in other technical provisions</b>						
Gross	R0410					

Gross - Proportional reinsurance accepted	R0420						
Gross - Non-proportional reinsurance accepted	R0430						
Reinsurers' share	R0440						
<b>Net</b>	<b>R0500</b>						
<b>Expenses incurred</b>	<b>R0550</b>	253	-	45	17		1 093
<b>Other expenses</b>	<b>R1200</b>						-8
<b>Total expenses</b>	<b>R1300</b>						1 085

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

(NOK million)		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Total
		<i>C0210</i>	<i>C0220</i>	<i>C0230</i>	<i>C0240</i>	<i>C0300</i>
<b>Premiums written</b>						
Gross	<i>R1410</i>	1 114	5 699	27 348	2 483	36 644
Reinsurers' share	<i>R1420</i>	9	4	-	12	25
<b>Net</b>	<i>R1500</i>	<b>1 105</b>	<b>5 694</b>	<b>27 348</b>	<b>2 472</b>	<b>36 619</b>
<b>Premiums earned</b>						
Gross	<i>R1510</i>	1 114	5 699	27 348	2 483	36 644
Reinsurers' share	<i>R1520</i>	9	4	-	12	25
<b>Net</b>	<i>R1600</i>	<b>1 105</b>	<b>5 694</b>	<b>27 348</b>	<b>2 472</b>	<b>36 619</b>
<b>Claims incurred</b>						
Gross	<i>R1610</i>	1 163	15 624	6 020	935	23 743
Reinsurers' share	<i>R1620</i>	-	(3)	-	(1)	(4)
<b>Net</b>	<i>R1700</i>	<b>1 163</b>	<b>15 627</b>	<b>6 020</b>	<b>936</b>	<b>23 747</b>
<b>Changes in other technical provisions</b>						
Gross	<i>R1710</i>					
Reinsurers' share	<i>R1720</i>					
<b>Net</b>	<i>R1800</i>					
<b>Expenses incurred</b>	<i>R1900</i>	1 114	5 699	27 348	2 483	2 831
<b>Other expenses</b>	<i>R2500</i>					(1 927)
<b>Total expenses</b>	<i>R2600</i>					<b>904</b>

S.05.02.01 - Premiums, claims and expenses by country – non-life insurance

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations	Total Top 5 and home country	
	C0010	C0020	C0070	
	R0010	SE		
	C0080	C0090	C0140	
<b>Premiums written</b>				
Gross	R0110	3 938	342	4 280
Gross - Proportional reinsurance accepted	R0120			
Gross - Non-proportional reinsurance accepted	R0130			
Reinsurers' share	R0140	71	-	
<b>Net</b>	R0200	<b>3 868</b>	<b>342</b>	<b>4 209</b>
<b>Premiums earned</b>				
Gross	R0210	3 750	319	4 069
Gross - Proportional reinsurance accepted	R0220			
Gross - Non-proportional reinsurance accepted	R0230			
Reinsurers' share	R0240	71	-	71
<b>Net</b>	R0300	<b>3 821</b>	<b>319</b>	<b>4 140</b>
<b>Claims incurred</b>				
Gross	R0310	2 927	240	3 167
Gross - Proportional reinsurance accepted	R0320			
Gross - Non-proportional reinsurance accepted	R0330			
Reinsurers' share	R0340	141	-	141
<b>Net</b>	R0400	<b>3 068</b>	<b>240</b>	<b>3 308</b>
<b>Changes in other technical provisions</b>				
Gross	R0410			
Gross - Proportional reinsurance accepted	R0420			
Gross - Non-proportional reinsurance accepted	R0430			
Reinsurers' share	R0440			
<b>Net</b>	R0500			
<b>Expenses incurred</b>	R0550	<b>1 018</b>	<b>75</b>	<b>1 094</b>
<b>Other expenses</b>	R1200			-8
<b>Total expenses</b>	R1300			<b>1 086</b>



S.05.02.01 - Premiums, claims and expenses by country – life insurance

(NOK millions)	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
		<i>C0150</i>	<i>C0160</i>	<i>C0210</i>
	<i>R1400</i>		<i>SE</i>	
		<i>C0220</i>	<i>C0230</i>	<i>C0280</i>
<b>Premiums written</b>				
Gross	<i>R1410</i>	24 250	12 394	36 644
Reinsurers' share	<i>R1420</i>	20	5	25
<b>Net</b>	<i>R1500</i>	<b>24 230</b>	<b>12 389</b>	<b>36 619</b>
<b>Premiums earned</b>				
Gross	<i>R1510</i>	24 250	12 394	36 644
Reinsurers' share	<i>R1520</i>	20	5	25
<b>Net</b>	<i>R1600</i>	<b>24 230</b>	<b>12 389</b>	<b>36 619</b>
<b>Claims incurred</b>				
Gross	<i>R1610</i>	14 646	9 096	23 743
Reinsurers' share	<i>R1620</i>	-4	-	-4
<b>Net</b>	<i>R1700</i>	<b>14 650</b>	<b>9 096</b>	<b>23 747</b>
<b>Changes in other technical provisions</b>				
Gross	<i>R1710</i>			
Reinsurers' share	<i>R1720</i>			
<b>Net</b>	<i>R1800</i>			
<b>Expenses incurred</b>	<i>R1900</i>	1 687	1 144	2 831
<b>Other expenses</b>	<i>R2500</i>			(1 927)
<b>Total expenses</b>	<i>R2600</i>			<b>904</b>

## S.22.01.22 - Impact of long term guarantees and transitional measures

		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
		<i>C0010</i>	<i>C0030</i>	<i>C0050</i>	<i>C0070</i>	<i>C0090</i>
Technical provisions	R0010	649 049	0	0	1894	0
Basic own funds	R0020	45 948	0	0	-1291	0
Excess of assets over liabilities	R0030	46 359	0	0	-1291	0
Restricted own funds due to ring- fencing and matching portfolio	R0040	0	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	R0050	51 920	0	0	-1291	0
Tier 1	R0060	43 533	0	0	-1291	0
Tier 2	R0070	8 122	0	0	0	0
Tier 3	R0080	266	0	0	0	0
Solvency Capital Requirement	R0090	27 098	0	0	907	0
Solvency Capital Requirement ratio	R0120	192 %	0 %	0 %	-11 %	0 %

S.23.01.22 – Own funds, page 1

(NOK million)		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		<i>C0010</i>	<i>C0020</i>	<i>C0030</i>	<i>C0040</i>	<i>C0050</i>
<b>Basic own funds before deduction for participations in other financial sector</b>						
Ordinary share capital (gross of own shares)	<i>R0010</i>	2 327.49	2 327.49			
Non-available called but not paid in ordinary share capital at group level	<i>R0020</i>					
		10				
Share premium account related to ordinary share capital	<i>R0030</i>	841.66	10 841.66			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	<i>R0040</i>					
Subordinated mutual member accounts	<i>R0050</i>					
Non-available subordinated mutual member accounts at group level	<i>R0060</i>					
Surplus funds	<i>R0070</i>					
Non-available surplus funds at group level	<i>R0080</i>					
Preference shares	<i>R0090</i>					
Non-available preference shares at group level	<i>R0100</i>					
Share premium account related to preference shares	<i>R0110</i>					
Non-available share premium account related to preference shares at group level	<i>R0120</i>					
Reconciliation reserve	<i>R0130</i>	28 451.24	28 451.24			
Subordinated liabilities	<i>R0140</i>	9847.41		1912.27	7935.14	
Non-available subordinated liabilities at group level	<i>R0150</i>					
An amount equal to the value of net deferred tax assets	<i>R0160</i>	904.33			904.33	
The amount equal to the value of net deferred tax assets not available at the group level	<i>R0170</i>	265.97				265.97
Other items approved by supervisory authority as basic own funds not specified above	<i>R0180</i>	1 091.04			1 091.04	
Non available own funds related to other own funds items approved by supervisory authority	<i>R0190</i>					
Minority interests (if not reported as part of a specific own fund item)	<i>R0200</i>					
Non-available minority interests at group level	<i>R0210</i>					

S.23.01.22 – Own funds, page 2

(NOK million)		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>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</b>						
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					
<b>Deductions</b>						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	904.33				
<b>Total deductions</b>	R0280	6 876.76	5 972.40			
<b>Total basic own funds after deductions</b>	R0290	45 948.08	35 647.99	1 912.27	8 121.85	265.97
<b>Ancillary own funds</b>						
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					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
	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					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
<b>Total ancillary own funds</b>	R0400					

S.23.01.22 – Own funds, page 3

(NOK million)		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		<i>C0010</i>	<i>C0020</i>	<i>C0030</i>	<i>C0040</i>	<i>C0050</i>
<b>Own funds of other financial sectors</b>						
Reconciliation reserve	<i>R0410</i>	5 972.40	5 972.40			
Institutions for occupational retirement provision	<i>R0420</i>					
Non regulated entities carrying out financial activities	<i>R0430</i>					
Total own funds of other financial sectors	<i>R0440</i>	5 972.40	5 972.40			
<b>Own funds when using the D&amp;A, exclusively or in combination of method 1</b>						
Own funds aggregated when using the D&A and combination of method	<i>R0450</i>					
Own funds aggregated when using the D&A and a combination of method net of IGT	<i>R0460</i>					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	<i>R0520</i>	45 948.08	35 647.99	1 912.27	8 121.85	265.97
		45 948.08	35 647.99	1 912.27	8 121.85	265.97
Total available own funds to meet the minimum consolidated group SCR	<i>R0530</i>					
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	<i>R0560</i>	45 682.10	35 647.99	1 912.27	8 121.85	
		39 621.03	35 647.99	1 912.27	2 060.78	
Total-eligible own funds to meet the minimum consolidated group SCR	<i>R0570</i>					
<b>Consolidated Group SCR</b>	<i>R0590</i>	27 097.87				
<b>Minimum consolidated Group SCR</b>	<i>R0610</i>	10 303.88				
<b>Ratio of Eligible own funds to Minimum Consolidated Group SCR</b>	<i>R0630</i>	191.60 %				

S.23.01.22 – Own funds, page 4

		C0010	C0020	C0030	C0040	C0050
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	384.53 %				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A )	R0660	39 621	35 648	1 912	2 061	
<hr/>						
SCR for entities included with D&A method	R0670					
Group SCR	R0680	27 098				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	191,60 %				
<hr/>						
<b>Reconciliation reserve</b>		C0060				
Excess of assets over liabilities	R0700	46 359				
Own shares (included as assets on the balance sheet)	R0710	1 548				
Forseeable dividends, distributions and charges	R0720	1 834				
Other basic own fund items	R0730	14 526				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-				
Other non available own funds	R0750	-				
<b>Reconciliation reserve before deduction for participations in other financial sector</b>	R0760	28 451				
<hr/>						
<b>Expected profits</b>						
Expected profits included in future premiums (EPIFP) - Life business	R0770	3 539				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	43				
<b>Total EPIFP</b>	R0790	3 582				

## S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula

(NOK million)		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	37 050		
Counterparty default risk	R0020	2 853		
Life underwriting risk	R0030	18 403		
Health underwriting risk	R0040	1 060		
Non-life underwriting risk	R0050	746		
Diversification	R0060	37 050		
Intangible asset risk	R0070			
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>46 777</b>		
<b>Calculation of Solvency Capital Requirement</b>				
Operational risk	R0130	C0100		
Loss-absorbing capacity of technical provisions	R0140	1 508		
Loss-absorbing capacity of deferred taxes	R0150	(21 786)		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	(4 437)		
<b>Solvency capital requirement excluding capital add-on</b>	<b>R0200</b>			
Capital add-on already set	R0210	22 061		
- add-on already set - Article 37 (1) Type a	R0211			
- add-on already set - Article 37 (1) Type b	R0212			
- add-on already set - Article 37 (1) Type c	R0213			
- add-on already set - Article 37 (1) Type d	R0214			
<b>Solvency capital requirement</b>	<b>R0220</b>	<b>27 098</b>		
<b>Other information on SCR</b>				
Capital requirement for duration-based equity risk sub-module	R0400			
Total amount of Notional Solvency Capital Requirements for remaining part	R0410			
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420			
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430			
Diversification effects due to RFF nSCR aggregation for article 304	R0440			
Net future discretionary benefits	R0460	37 003		
Minimum consolidated group solvency capital requirement	R0470	10 304		
<b>Information on other entities</b>				
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	5 037		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	5 037		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520			
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530			
Capital requirement for non-controlled participation requirements	R0540			
Capital requirement for residual undertakings	R0550			
<b>Overall SCR</b>				
SCR for undertakings included via D and A	R0560			
<b>Solvency capital requirement</b>	<b>R0570</b>	<b>27 098</b>		

S.32.01.22 - Undertakings in the scope of the group, part 1 page 1

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
<i>C0010</i>	<i>C0020</i>	<i>C0030</i>	<i>C0040</i>	<i>C0050</i>	<i>C0060</i>	<i>C0070</i>	<i>C0080</i>
NO	958995369	2	Storebrand Livsforsikring AS	Life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	930553506	2	Storebrand Forsikring AS	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	980126196	2	Storebrand Helseforsikring AS	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	NO0003005001	2	Storebrand Bank ASA	Credit institution, investment firm and financial institution	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	529900ZTCGG5XNFG694	1	Storebrand Asset Management AS	Credit institution, investment firm and financial institution	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	8999328582	1	Kron	Credit institution, investment firm and financial institution	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	916300484	2	Storebrand ASA	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares or by guarantee or unlimited	Non-mutual	Finanstilsynet
NO	924353554	2	Storebrand Facilities AS	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
NO	30460	2	Storebrand Pensjonstjenester AS	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
NO	94506	2	Norsk Pensjon AS	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
NO	101487	2	Pensjonskontoregisteret	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
NO	98995	2	Storebrand Eiendom Trygg AS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	
NO	98997	2	Storebrand Eiendom Utvikling AS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	





S.32.01.22 - Undertakings in the scope of the group, part 1 page 2

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
<i>C0010</i>	<i>C0020</i>	<i>C0030</i>	<i>C0040</i>	<i>C0050</i>	<i>C0060</i>	<i>C0070</i>	<i>C0080</i>
NO	98996	2	Storebrand Eiendom vekst AS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	
NO	99003	2	STB Eiendomsfond Invest	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	529900GS6OZTM1HYL611	LEI	SPP Pension & Försäkring AB	Life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Finansinspektionen
SE	556045-7581	Specific code	SPP Konsult AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	556892-4830	Specific code	SPP Spar AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	556883-1340	Specific code	SPP Hyresförvaltning AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	556594-9517	Specific code	Storebrand & SPP Business Services AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	556482-4471	Specific code	Försäkringsgirot AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	556743-9815	Specific code	Storebrand Holding AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	556745-7428	Specific code	SPP Fastigheter AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
SE	559051-7735	Specific code	SPP Fastigheter Komplementär AB	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	

S.32.01.22 - Undertakings in the scope of the group, part 2

% capital share	% used for the establishment of consolidated accounts	Criteria of influence			Proportional share used for group solvency calculation
		% voting rights	Other criteria	Level of influence	
<i>C0180</i>	<i>C0190</i>	<i>C0200</i>	<i>C0210</i>	<i>C0220</i>	<i>C0230</i>
100.00 %	100.00 %	100.00 %		1	100.00 %
100.00%	100.00%	100.00%		1	100.00%
50.00%	50.00%	50.00%		2	50.00%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
25.00%	25.00%	25.00%		2	25.00%
27.20%	27.20%	27.20%		2	27.20%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
100.00%	100.00%	100.00%		1	100.00%
21.24%	21.24%	21.24%		1	21.24%
100.00 %	100.00 %	100.00 %		1	100.00 %
100.00 %	100.00 %	100.00 %		1	100.00 %
100.00 %	100.00 %	100.00 %		1	100.00 %
100.00 %	100.00 %	100.00 %		1	100.00 %
100.00 %	100.00 %	100.00 %		1	100.00 %
100.00 %	100.00 %	100.00 %		1	100.00 %
16.67 %	16.67 %	16.67 %		2	16.67 %
100.00 %	100.00 %	100.00 %		1	100.00 %
81.14 %	81.14 %	81.14 %		1	81.14 %
100.00 %	100.00 %	100.00 %		1	100.00 %

S.32.01.22 - Undertakings in the scope of the group, part 3

Inclusion in the scope of Group supervision		Group solvency calculation	
YES/NO	Date of decision if art. 214 is applied	C0250	C0260
C0240		C0250	C0260
1			Method 1: Full consolidation
1			Method 1: Full consolidation
1			Method 1: Full consolidation
1			Method 1: Proportional consolidation
1			Method 1: Sectoral rules
1			Method 1: Sectoral rules
1			Method 1: Full consolidation
1			Method 1: Adjusted equity method
1			Method 1: Adjusted equity method
1			Method 1: Adjusted equity method
1			Method 1: Adjusted equity method
1			Method 1: Full consolidation
1			Method 1: Full consolidation
1			Method 1: Full consolidation
1			Method 1: Adjusted equity method
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