



# Storebrand Livsforsikring

**Restricted Tier 1 Bond Issue  
Investor Presentation**

12 February 2025



# Disclaimer (1/2)

**IMPORTANT:** You must read the following before continuing. The attached presentation is in summary form and relates to an offering of securities as currently contemplated and has been prepared solely for information purposes and on the basis of your acceptance of this disclaimer and does not purport to be a complete description of all material terms or of the terms (which may be different from the any terms referred to herein) of an offering that may be finally consummated.

The information and the opinions in this presentation have been prepared by Storebrand Livsforsikring AS (the Issuer) solely for use at meeting(s) regarding a proposed offering (the Offering) of Perpetual Restricted Tier 1 Bonds to be issued by the Issuer (the Bonds or the Notes). This presentation and its contents are strictly confidential, are intended for use by the recipient for information purposes only and may not be reproduced in any form or further distributed to any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws. By accessing or reading the presentation slides, you agree to be bound by the following limitations. This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this presentation does not constitute a recommendation regarding any securities.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR AUSTRALIA, CANADA, JAPAN, HONG KONG OR SOUTH AFRICA OR TO ANY RESIDENT THEREOF, OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE OR LOCAL SECURITIES LAWS.

This presentation is made to and is directed only at persons who are (a) "investment professionals" as defined under Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). Any person who is not a relevant person should not act or rely on this presentation or any of its contents. Any investment or investment activity to which this presentation relates is available only to and will only be engaged in with such relevant persons.

MiFID II - eligible counterparties and professional clients (all distribution channels). No PRIIPs key information documents (KID) has been prepared as Bonds will not be made available to retail investors in the EEA.

This presentation does not constitute a recommendation or investment advice regarding the Notes. This presentation is an advertisement and does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129, including as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. This presentation does not constitute or form part of, and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy or subscribe for, Notes in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of the Issuer and the nature of the Notes before taking any investment decision with respect to the Notes.



# Disclaimer (2/2)

This presentation is the sole responsibility of the Issuer and has not been approved by any regulatory authority. The information contained in this presentation speaks as of the date hereof and is subject to change, completion and amendment without notice. The information contained herein has not been independently verified.

No representation, warranty or undertaking, expressed or implied, is or will be made by the Issuer or any bookrunner or manager appointed in connection with the Offering or their respective affiliates, advisers or representatives (collectively, the Joint Bookrunner) or any other person as to, and no reliance should be placed on, the truth, fairness, accuracy, completeness or correctness of the information or the opinions contained herein (and whether any information has been omitted from the presentation). Each Joint Bookrunner and, to the extent permitted by law, the Issuer and each of their respective directors, officers, employees, affiliates, advisers and representatives disclaims all liability whatsoever (in negligence or otherwise) for any loss however arising, directly or indirectly, from any use of this presentation or its contents or otherwise arising in connection with this presentation.

To the extent available, the industry, market and competitive position data contained in this presentation comes from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data.

The distribution of this presentation and other information in connection with the Offering in certain jurisdictions may be restricted by law and persons into whose possession this presentation or any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This presentation and any materials distributed in connection with this presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The Issuer does not accept any liability to any person in relation to the distribution or possession of this presentation in or from any jurisdiction.

This presentation does not purport to identify all of the risks (direct and indirect) and information which may be associated with any decision relevant in respect of the proposed Offering. A non-exhaustive list of certain material risk factors relevant for the Issuer is included from slide 43.

Certain statements made in this presentation are forward-looking statements. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "believes", "continue", "could", "due", "estimates", "expects", "goal", "intends", "may", "plans", "project", "seeks", "should", "targets", "will" or the negative or other variations of these terms and related and similar expressions. Such statements are based on current expectations and are subject to risks and uncertainties that could cause actual results or developments to differ materially from any expected future events or results referred to in or implied by these forward-looking statements. The forward-looking statements contained in this presentation speak only as of the date that this presentation was prepared and the Issuer does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments, occurrence of unanticipated events or otherwise.

Nothing in this presentation should be construed as legal, tax, regulatory, accounting or investment advice. Each recipient of this presentation contemplating participating in the Offering must make (and will be deemed to have made) its own independent investigation and appraisal of the business, operations, financial condition, prospects, creditworthiness, status and affairs of the Issuer and consult with its own legal, tax, regulatory, accounting or investment advisers to the extent necessary.

All opinions and estimates in this presentation are subject to change without notice. Neither the Issuer or the Joint Bookrunners are under any obligation to update or keep current the information contained herein.

Certain data in this presentation has been rounded. As a result of such rounding, the totals of data prescribed in this presentation may vary slightly from the arithmetic total of such data.



# Presentation content

Section	Page
1. Storebrand overview and strategy	7
2. Capital and solvency	18
3. Group results Q4 2024	27
4. Appendix	37

# Executive summary

## Storebrand<sup>1</sup> Overview and Strategy

- Nordic Savings and Insurance Group
- Leading provider of occupational pensions in Norway and Sweden, Nordic powerhouse in Asset Management and growing challenger in Norwegian retail market
- Active in structurally growing markets with resilient economic development

## Capital and Solvency

- The Group has transitioned from capital consumptive Guaranteed business to capital light Savings and Insurance business
- Assets of high and rising quality
- Strengthened back-book contribution - transformed into Financial Asset at higher interest rates
- Resilient, diversified and growing profit generation – results close to cash
- Solid capital position, moderate leverage

## The proposed transaction

- New Issue:
- Type: FRN and/or FXD Storebrand Livsforsikring 2025/Perpetual Restricted Tier 1 Non-Cumulative Callable Bond Issue
- Tenor: Perpetual (PNC5.25)
- Coupon: FRN: [3mN / 3mS] + Margin, quarterly, act/360 and/or Fixed: MS + Margin, annually, 30/360

<sup>1</sup> **Definitions:** Storebrand ASA and its consolidated subsidiaries is referred to as "**Storebrand**" or the "**Group**" in this document. Storebrand Livsforsikring AS is also referred to as the "**Issuer**" in this document



# Transaction summary – Indicative key terms

<b>Issuer</b>	Storebrand Livsforsikring AS
<b>Rating (S&amp;P):</b>	Issuer: A / Issue: Expected BBB
<b>Type of Issue:</b>	FRN and/or FXD Storebrand Livsforsikring 2025/Perpetual Restricted Tier 1 Non-Cumulative Callable Bond Issue
<b>Status:</b>	The Bonds will constitute Restricted Tier 1 Instruments of the Issuer and/or the Issuer Group under the Applicable Regulations, and constitute direct, unsecured and subordinated debt obligations
<b>Tenor:</b>	Perpetual (PNC5.25)
<b>Amount &amp; Currency:</b>	[NOK / SEK] [•]
<b>Coupon:</b>	FRN: [3mN / 3mS] + Margin, quarterly, act/360 and/or Fixed: MS + Margin, annually, 30/360
<b>Cancellation of Coupons:</b>	Optional cancellation, and Mandatory cancellation upon insufficient fulfilment of solvency capital requirement, non-cumulative
<b>Loss absorption:</b>	The bonds are subject to loss absorption according to relevant regulations
<b>Trigger Events:</b>	<p><i>Full Write Down Trigger Events:</i></p> <p>(i) Own-fund Items is equal to or less than 75% of the Solvency Capital Requirement</p> <p>(ii) Own-fund Items is equal to or less than the Minimum Capital Requirement</p> <p><i>Partial Write Down Trigger Event:</i></p> <p>Compliance with the Solvency Capital Requirement is not re-established within a period of three months of the date when a Capital Requirement Breach was first observed</p>
<b>Write-up / Discretionary Reinstatement:</b>	Any write down may be reinstated at the Issuer's sole discretion
<b>Event of Default:</b>	None
<b>Redemption at the option of the Issuer:</b>	On February [•] 2030 and on every subsequent Business Day to and including the Interest Payment Date on May [•] 2030, or on any Interest Payment Date thereafter, subject to the preconditions to redemption, purchase, substitution and variation and regulatory approval
<b>Special Event Redemption:</b>	Issuer's option to redeem the Notes due to a Capital Disqualification Event, Rating Agency Event, Taxation Reasons, subject to the preconditions to redemption, purchase, substitution and variation and regulatory approval
<b>Substitution and Variation:</b>	Issuer's option to substitute or vary the Notes in case of Capital Disqualification Event, Rating Agency Event or Taxation Reasons, subject to the preconditions to redemption, purchase, substitution and variation, and provided terms are not materially less favourable to the Noteholders
<b>Denomination / Law / Listing:</b>	[NOK / SEK] 2,000,000 min subscription 2,000,000 / Norwegian / Oslo Børs listing
<b>Use of Proceeds:</b>	General corporate purposes

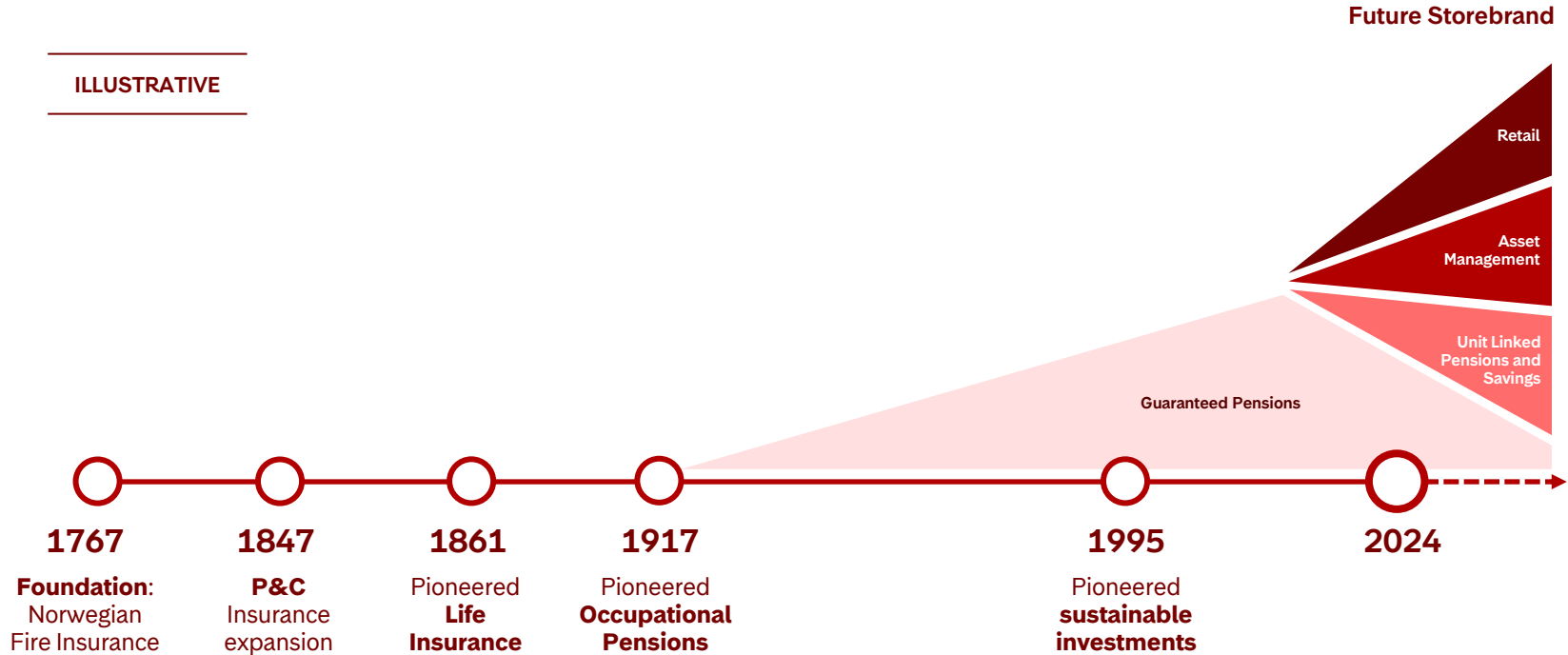


## Storebrand overview and strategy

- 1. Storebrand overview and strategy**
2. Capital and solvency
3. Group results Q4 2024
4. Appendix

# 257 years of pioneering the Nordic financial industry

Future Storebrand is a capital light business with material group synergies





# A Nordic Savings and Insurance group

**55,000**

Corporate  
customers

**2,200,000**

Individuals



## Pensions & savings

Market leader

**NOK 749bn AuM<sup>1</sup>**

## Asset management

World leader in sustainability

**NOK 1,469bn AuM**



## Retail banking

Fast growing challenger

**NOK 87bn lending**

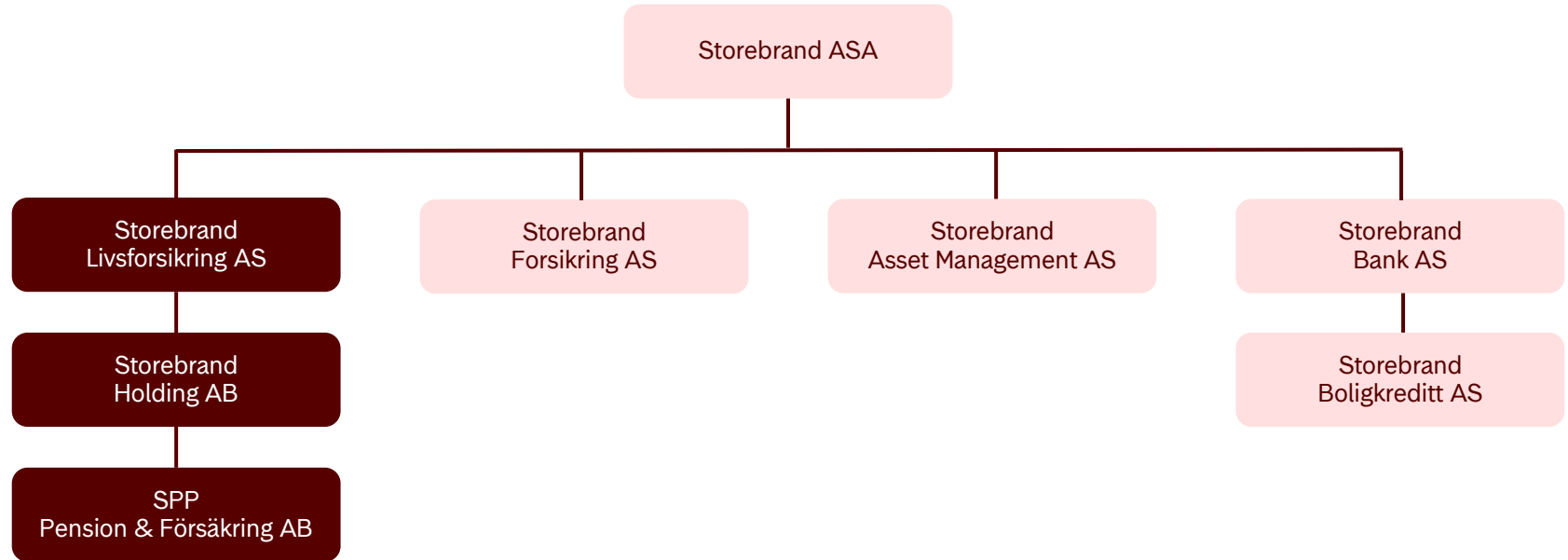
## Insurance

Fast growing challenger

**NOK 8.8bn premiums**

# Storebrand Simplified Legal Structure

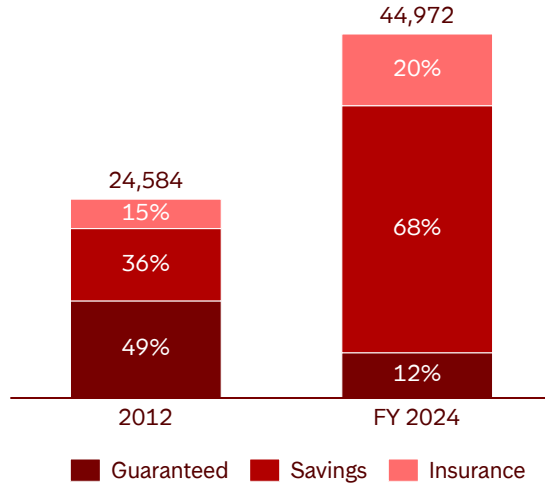
Diversified cash flow to holding company Storebrand ASA



# Transitioned from capital consumptive Guaranteed business to capital light Savings and Insurance business

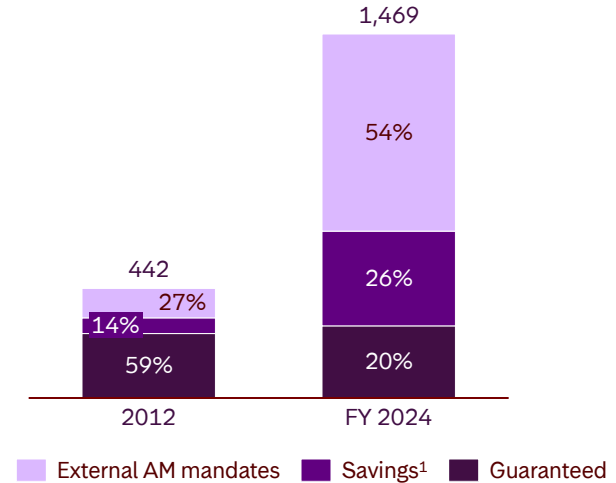
## Premiums Storebrand

NOK million



## Shift in total Storebrand AuM

NOK billion



# Sustainable Nordic Savings and Insurance Group

## Future Storebrand

Growth focus in capital-light business areas in front book

A

**Leading Provider  
Occupational Pensions  
Norway & Sweden**

B

**Nordic Powerhouse in  
Asset Management**

C

**Growing Challenger in  
Norwegian Retail Market**

## Strategic enablers

Unlocking growth

D

**People First**

**Leadership in Sustainability**

**Digital Frontrunner**

## Capital Management

For shareholder returns

**Growing ordinary  
dividends from earnings**

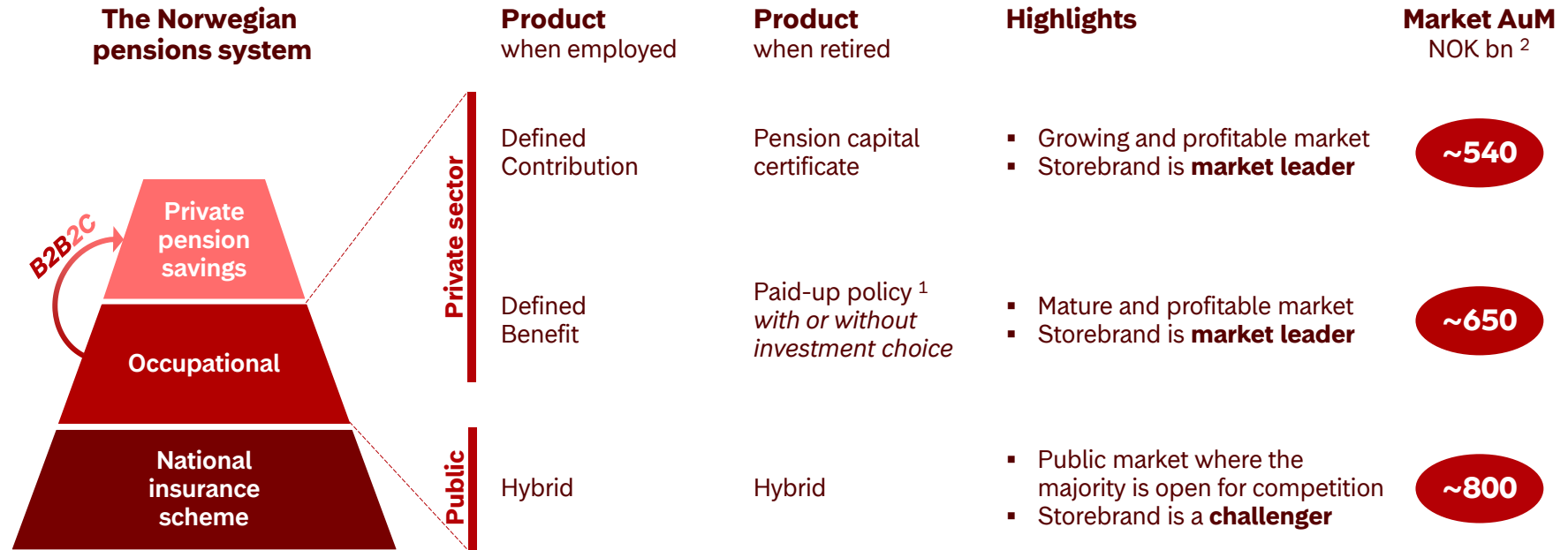
**~1.5bn<sup>1</sup> annual buybacks**  
*NOK ~12bn by YE2030*

**Additional  
capital generation**



# Occupational pensions in Norway

## Sticky and growing assets in an immature defined contribution market



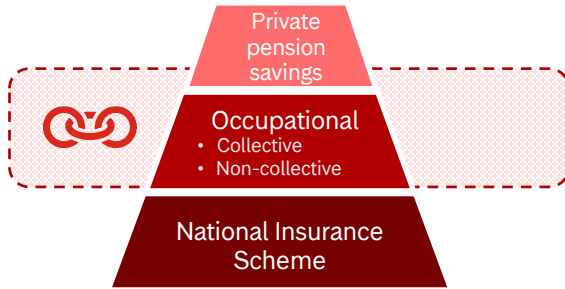
1. Paid-up policy is main pension product from Defined Benefit (DB) schemes. However, some receive pensions directly from the DB scheme.  
 2. Storebrand estimates. Defined Benefit based on Q323 figures of NOK 400bn from Finance Norway and pension fund estimate of NOK 250bn. For defined contribution and public sector. Please find further details in the pages describing the concrete growth initiatives.



# SPP: A digital leader in the Swedish life & pension market

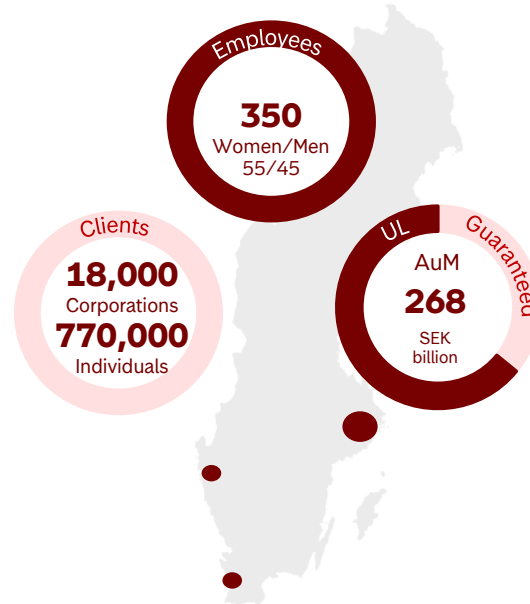
## Core market within occupational pensions

The Swedish pension system



- Occupational pension is not mandatory
- Collective agreement or a customized solution
- SPP's core market is non-collective occupational pensions

## Serving clients in Sweden



## Value proposition and go-to market



B2B2E



Multi-channel distribution



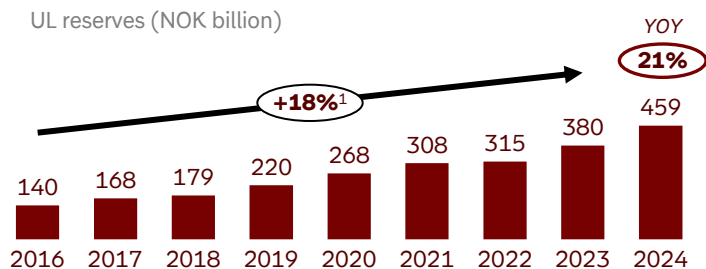
Digital leader



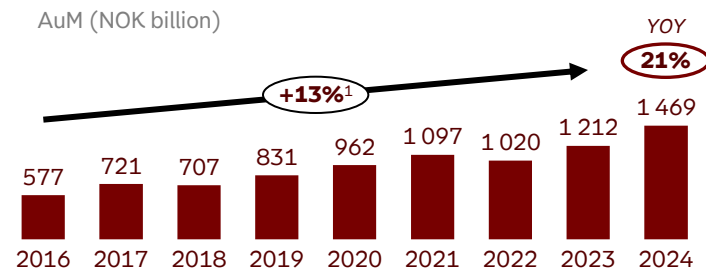
Sustainable pioneer

# Double digit growth continues across the Group

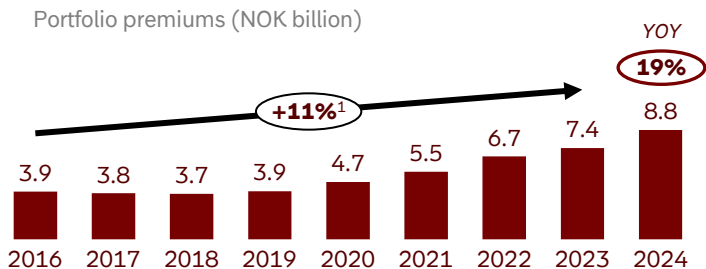
## Unit linked (defined contribution) pensions



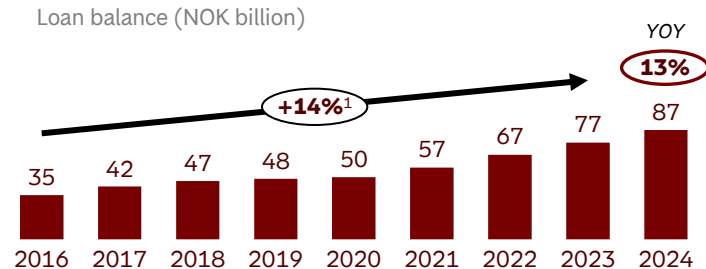
## Asset management



## Insurance <sup>2</sup>



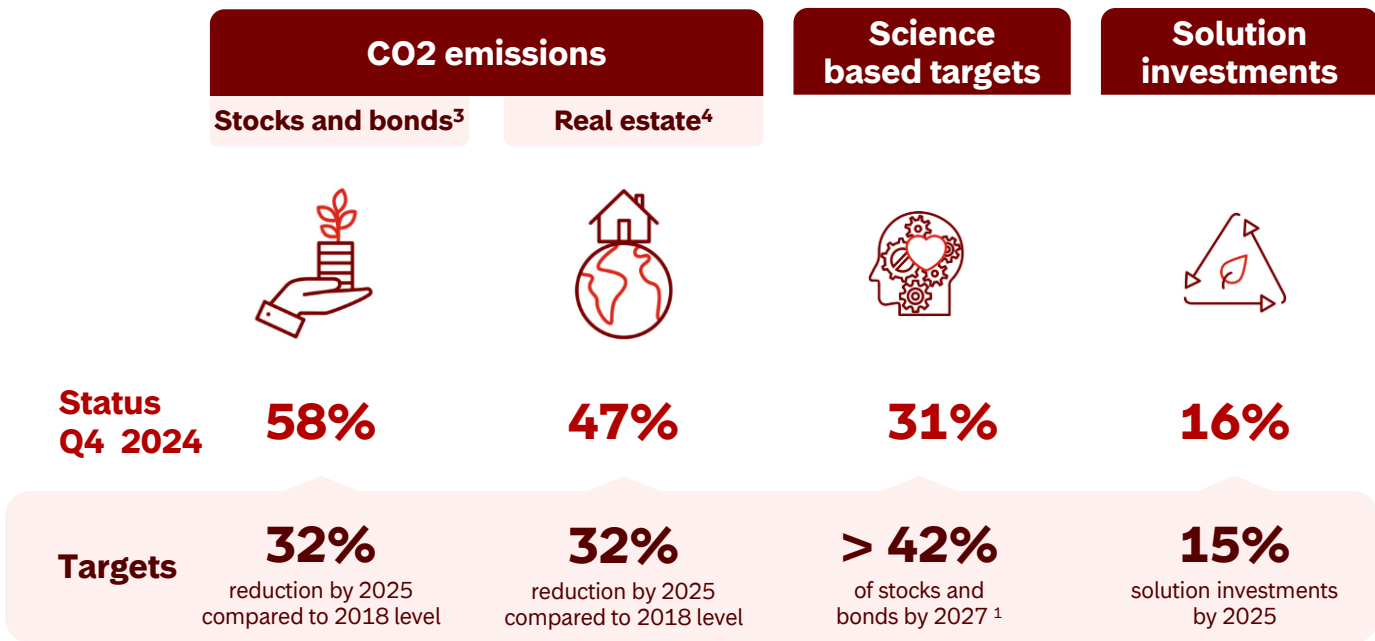
## Retail bank



1. Growth figures expressed as CAGR from FY 2016 to FY 2023  
 2. Excludes all written premiums in Storebrand Helseforsikring AS.



# On track to reach sustainability targets



## Other highlights



Developing products & services that aim to reduce growth in disability benefit dependent population.

Pilot projects involving 500 participants have yielded good results. This will be scaled to all customers with disability insurance in 2025 with the goal of reducing disability.



**NOK 16bn** of green bonds issued and allocated since 2021 <sup>2</sup>

1. Listed equity and corporate bonds

2. NOK 6.8bn from Storebrand Livsforsikring AS, NOK 9.0bn from Storebrand Boligkreditt AS and NOK 0.6bn from Storebrand Bank ASA.

3. Emissions intensity (weighted average of emissions relative to company revenue, tonnes of CO2e per NOK 1 million in sales income)

4. Emissions intensity (kgCO2e per m2), location based





# Financial and Sustainability goals as presented on Capital Markets Day in December 2023

## Group **financial** ambitions

**5** NOK billion

Group profit 2025

**>14%**

Return on Equity

**Increasing every year**

Dividends per share

**1.5** NOK billion per year

Share buybacks

## Group **sustainability** ambitions

**Net-zero investments**

Group-level by 2050

**Workforce participation**


Reduce disability

**50/50**

Gender balance

**Science-based targets**

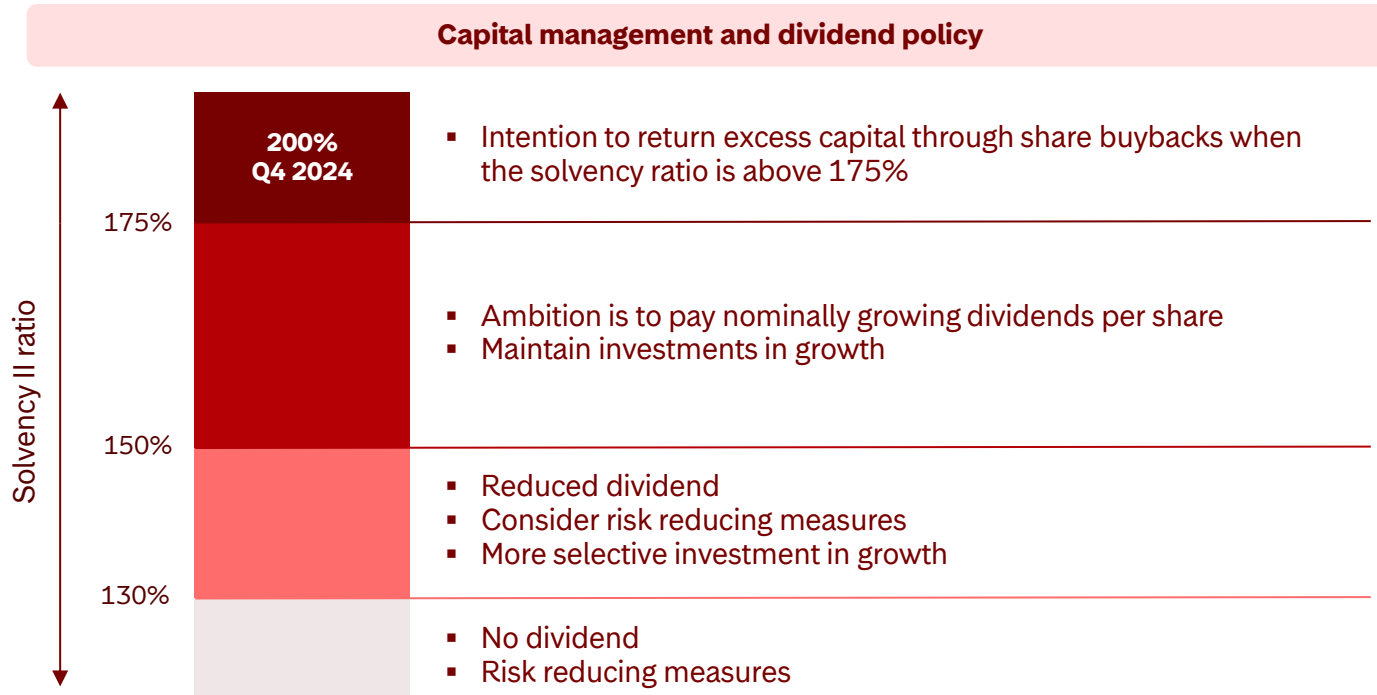
Commitment for STB and suppliers



## Capital and solvency

1. Storebrand overview and strategy
2. **Capital and solvency**
3. Group results Q4 2024
4. Appendix

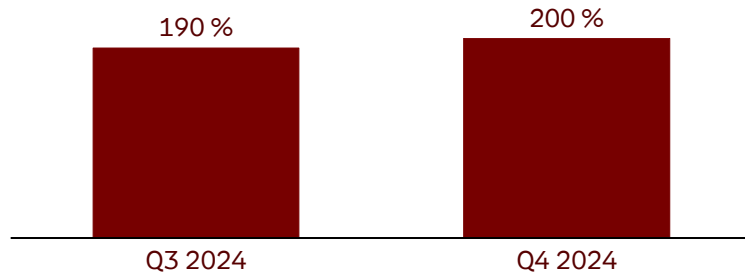
# Consistent Group capital management and dividend policy



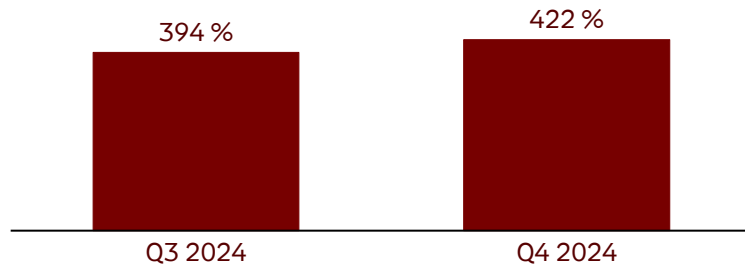
# Solvency position and sensitivities Q4 2024

## Storebrand Group

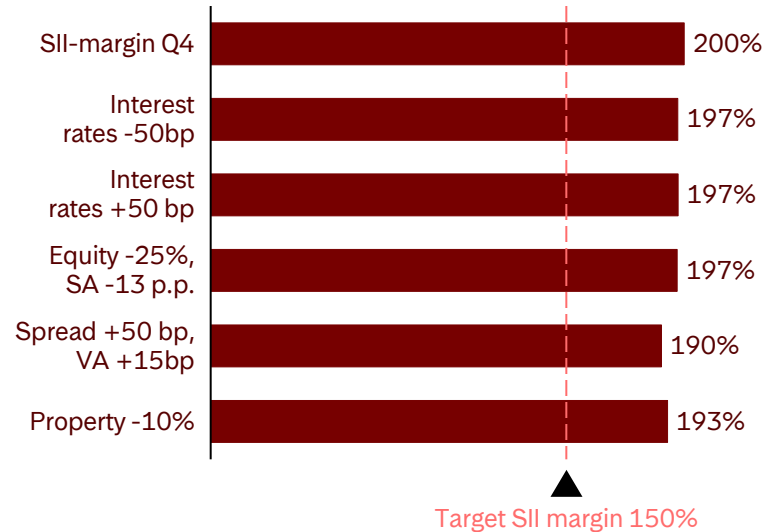
### Solvency position <sup>1</sup>



### MCR position <sup>1</sup>



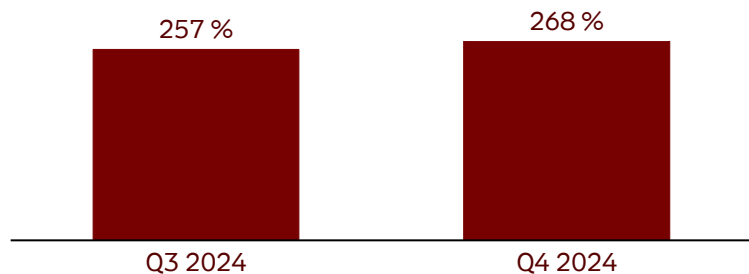
### Estimated sensitivities



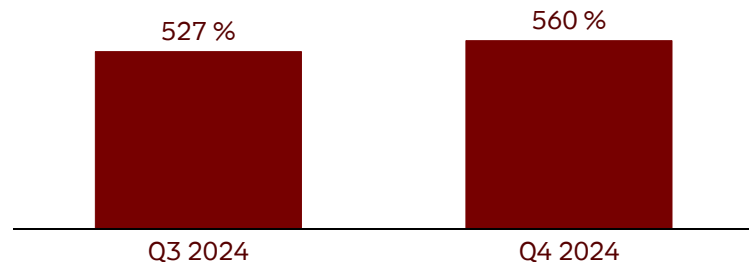
# Solvency position and sensitivities Q4 2024

## Storebrand Livsforsikring AS

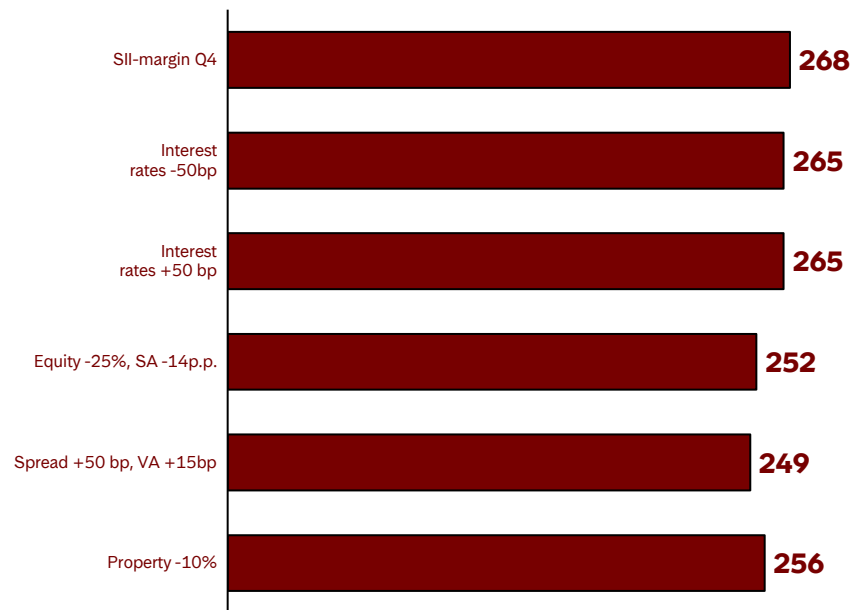
### Solvency position <sup>1</sup>



### MCR position <sup>1</sup>

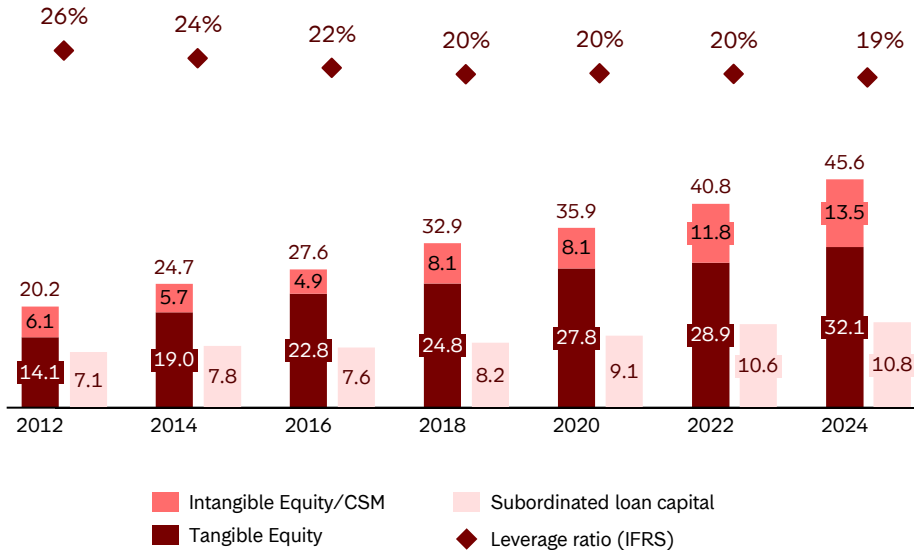


### Estimated sensitivities

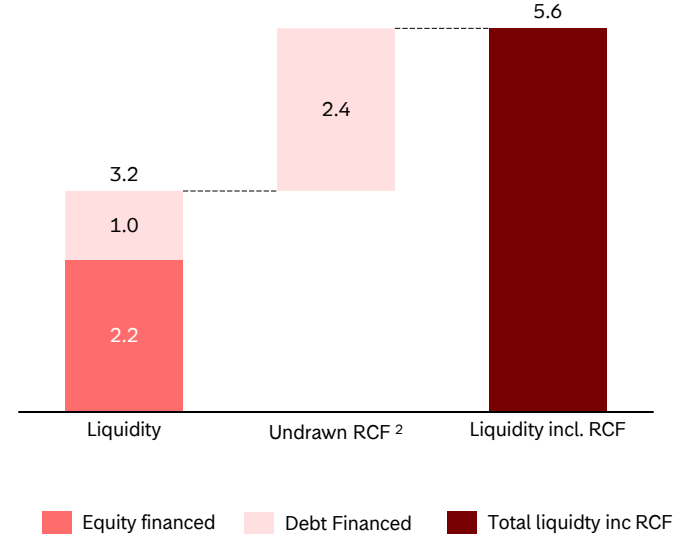


# Solid capital position with low leverage and strong liquidity gives financial flexibility

Group capital (NOK billion) and leverage ratio <sup>1</sup>



Liquidity position Storebrand ASA Q4 (NOK billion)

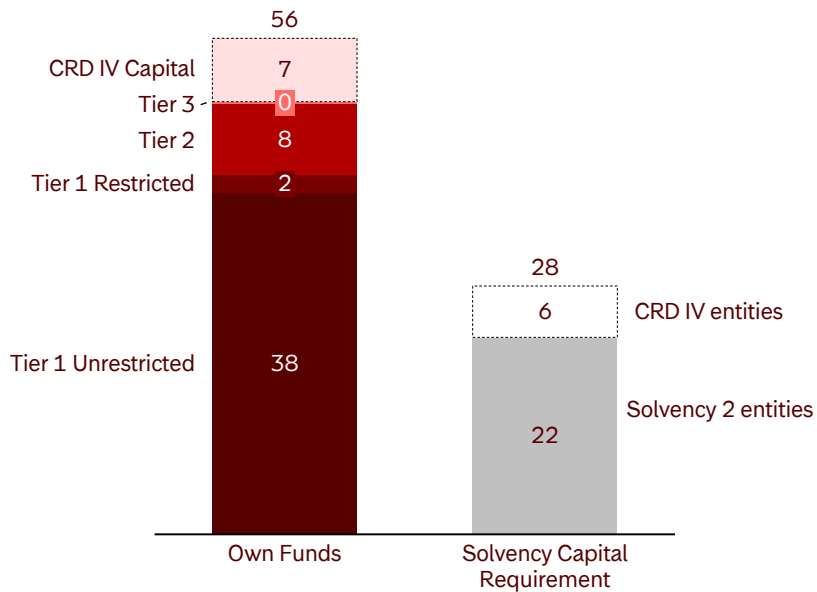


1. Intangible equity before 2022 and CSM with new accounting rules  
 2. The undrawn revolving credit facility (RCF) is a Euro facility and the conversion to NOK is based on the exchange rate per 31.12.2024



# Solvency 2 capital base Q4 2024

## SCR and own funds (NOK bn)



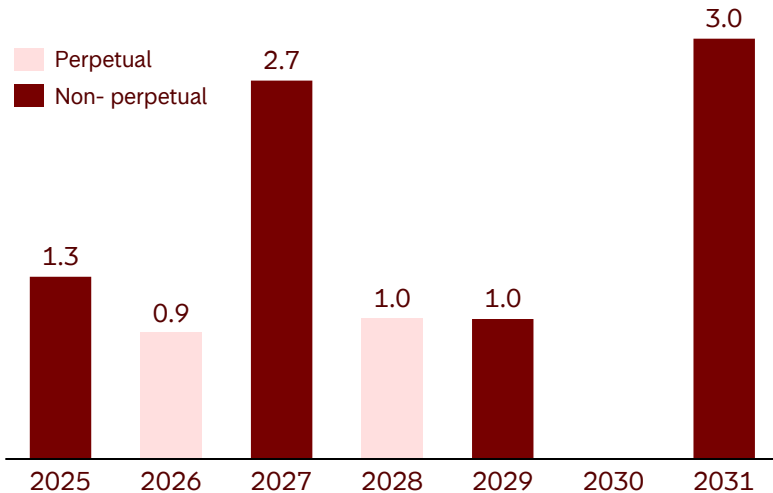
## Own funds % (excluding CRD IV subsidiaries)

	Regulatory limit	OF % of SCR	OF % of total
Tier 3	≤ 15% SCR	1%	0%
Tier 2	≤ 50% SCR Σ T2+T3	36%	17%
Tier 1 Restricted	≤ 20% T1	9%	4%
Tier 1 Unrestricted	≥ 50% SCR Σ All T1	173%	79%
		<b>219%<sup>1</sup></b>	<b>100%</b>



# Term structure debt (to ordinary call date)

Term structure sub-debt Storebrand Livsforsikring (bn NOK)<sup>1</sup>



Term structure senior debt Storebrand ASA (bn NOK)<sup>2</sup>



1. Total EUR 300 million, SEK 4,200 million and NOK 3,750 million.  
2. Storebrand ASA also has available an undrawn revolving credit facility (RCF) maturing in December 2031





# BBB+ rating for Storebrand ASA and A rating for Storebrand Livsforsikring AS from S&P Global

...reflecting business and capital improvement during the past years

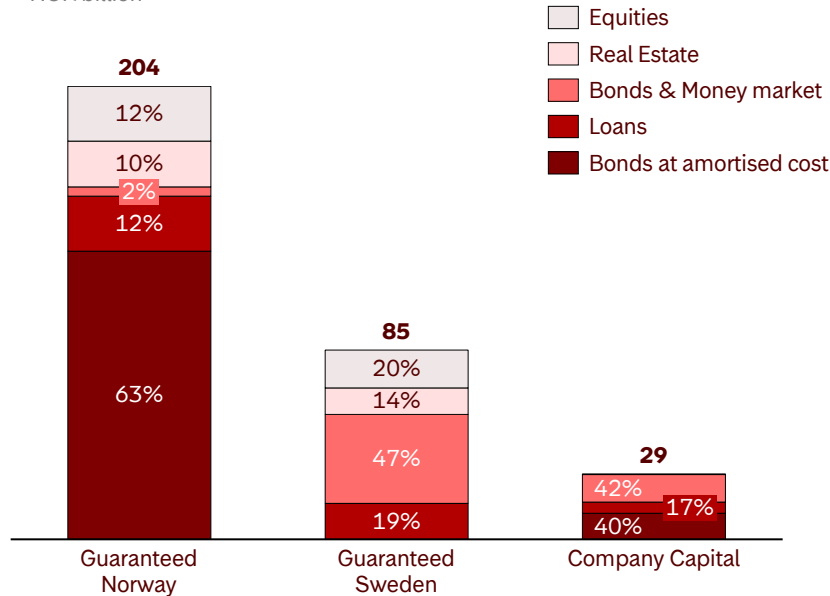
Rating and underlying rationale	Comments
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); background-color: #800000; color: white; padding: 10px; font-weight: bold; font-size: 1.2em;">Rating</div> <div style="margin-left: 20px;"> <div style="background-color: #f8d7da; padding: 5px; margin-bottom: 5px;">Storebrand Livsforsikring AS</div> <div style="background-color: #800000; color: white; padding: 20px; text-align: center; margin-bottom: 5px;"> <b>A</b>                      (stable outlook)                 </div> <hr style="border: 0.5px solid #800000;"/> <div style="background-color: #f8d7da; padding: 5px; margin-bottom: 5px;">Storebrand ASA Issuer Credit Rating</div> <div style="background-color: #800000; color: white; padding: 20px; text-align: center;"> <b>BBB+</b>                      (stable outlook)                 </div> </div> </div>	<ul style="list-style-type: none"> <li>• S&amp;P Global has assigned an "A" rating with a stable outlook to Storebrand Livsforsikring AS reflecting:                     <ul style="list-style-type: none"> <li>• Improved and sustainable capital adequacy.</li> <li>• Solid results and improved earnings generation capacity, benefitting from a diversified business and earnings mix.</li> <li>• Proven progress in shifting to capital-light products.</li> <li>• Storebrand can absorb financial market turbulence, such as that caused by the COVID-19 pandemic.</li> </ul> </li>   <li>• Storebrand ASA, the holding company, is rated BBB+; two notches below the main operating company Storebrand Liv reflecting S&amp;P's view of structural subordination of creditors versus the policyholders of insurance subsidiaries.</li> </ul> <p><i>"The stable outlook reflects our expectation that, over the next two years, Storebrand will maintain an excess of capital over our 99.8% confidence level in our capital model. We expect that the group will balance ambitious plans for share buybacks with robust earnings over 2024-2026".<sup>1</sup></i></p>



# High quality assets, with fixed income as the backbone, provide secure returns for guaranteed pensions and company capital

## Invested assets <sup>1</sup> on Storebrand's balance sheet

NOK billion



## Bonds at amortised cost

Average rating

AA-

Book yield

>3%

## Bonds and Money Market

Average rating

AA

## Equities

85%

Global

15%  
Local Index (OMX & OBX)

## Real estate

Prime


Location & Quality

## Loans

>80%

Asset Backed





Group  
results  
Q4 2024

1. Storebrand overview and strategy
2. Capital and solvency
- 3. Group results Q4 2024**
4. Appendix

# Good progress during 2024, strong value creation for customers and shareholders

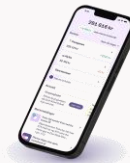
Delivered  
**NOK ~84bn in returns**  
to our customers

Supported customers in  
**~200 thousand**  
insurance related cases

## *Value accretive M&A and divestments*



## *Leading player within sustainability, digital and people - selected highlights*

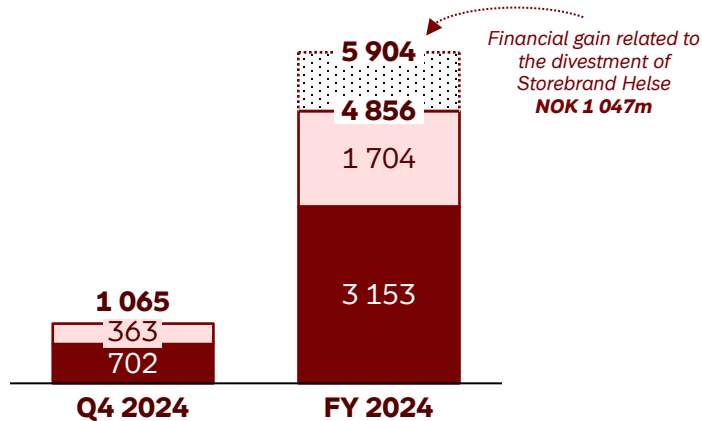


# Highlights for Q4 and the full year 2024

## Continued successful growth execution and solid dividend increase

### Group result <sup>1</sup>

MNOK



- Sales gain from divestment
- Financial items and risk result life
- Operating profit



NOK 1 469bn in assets under management



21% growth in unit linked reserves<sup>2</sup>



19% growth in portfolio premiums<sup>2</sup>



200% Solvency ratio

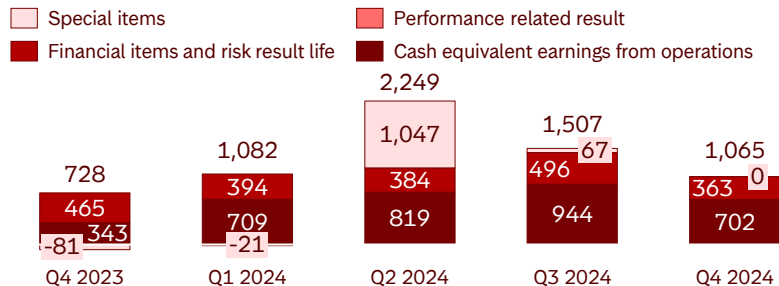


NOK 4.7 dividend per share, share buybacks approval in place for NOK 1.5bn in 2025

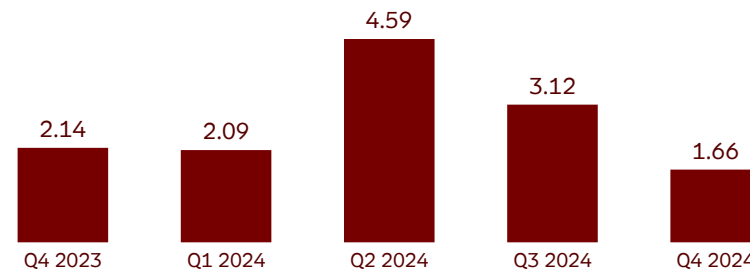
# Key Figures

## Improved financial result and a solid solvency position

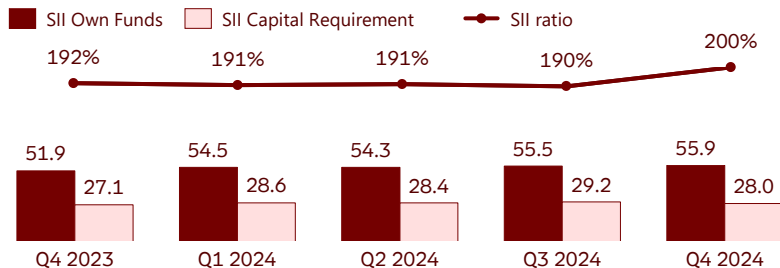
### Result development <sup>1</sup>



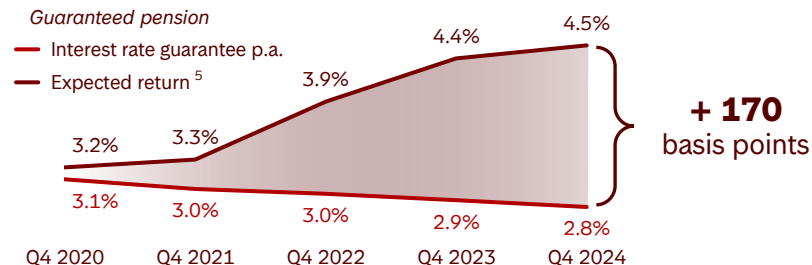
### Earnings per share <sup>2</sup>



### SII Own funds <sup>3</sup> and SCR



### Expected return above guaranteed interest rate, Norway <sup>4</sup>



1. Result before amortisation and tax.

2. Earnings per share after tax adjusted for amortisation of intangible assets.

3. Own Funds including transitional capital.

4. Average of Defined benefit, Paid up and Individual in Norway

5. Expected return is calculated based on current asset allocation using normal risk premiums for the next 12 months

# Storebrand Group | Profit

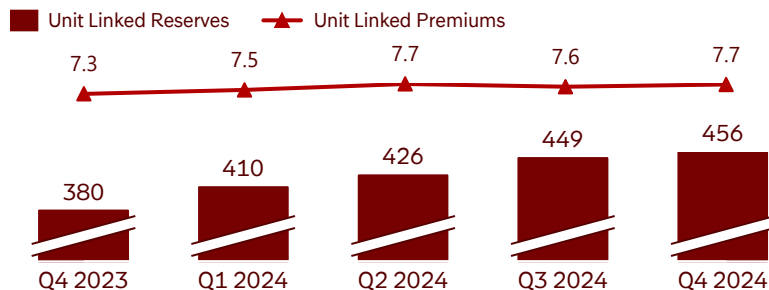
Strong income growth & financial result, improving insurance results

Profit <sup>1</sup> NOK million	Q4		Full year	
	2024	2023	2024	2023
Fee and administration income	1 908	1 739	7 585	6 782
Insurance result	394	64	1 640	1 122
Operational cost	-1 600	-1 542	-6 072	-5 787
<b>Cash equivalent earnings from operations</b>	<b>702</b>	<b>262</b>	<b>3 153</b>	<b>2 117</b>
Financial items and risk result life	363	465	2 751	1 362
<b>Cash equivalent earnings before amortisation</b>	<b>1 065</b>	<b>728</b>	<b>5 904</b>	<b>3 480</b>
Amortisation and write-downs of intangible assets	-77	-114	-295	-379
<b>Cash equivalent earnings before tax</b>	<b>988</b>	<b>614</b>	<b>5 609</b>	<b>3 101</b>
Tax	-353	19	-854	116
<b>Cash equivalent earnings after tax</b>	<b>635</b>	<b>633</b>	<b>4 754</b>	<b>3 217</b>

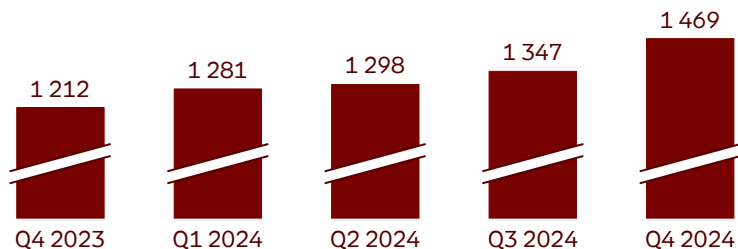
# Savings (non-guaranteed)

## Key figures

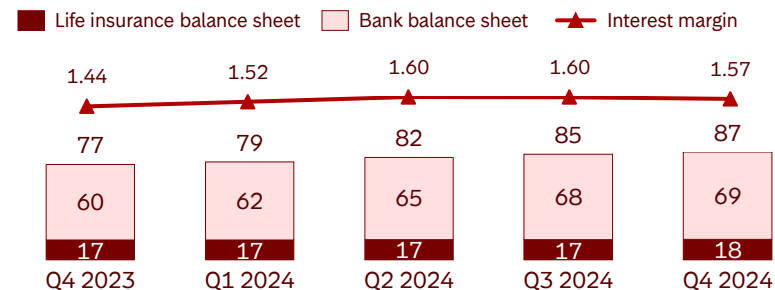
### Reserves and premiums Unit Linked



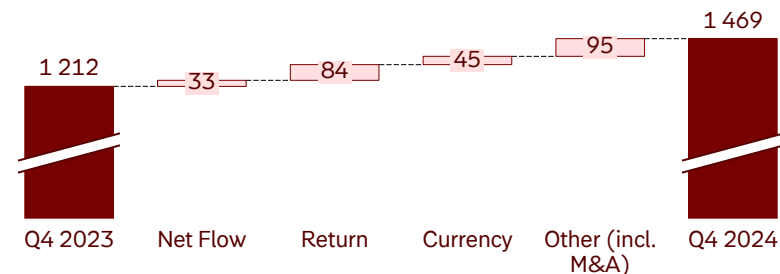
### Assets under management



### Retail bank balance and net interest margin (%)



### Movement in asset under management <sup>1</sup>

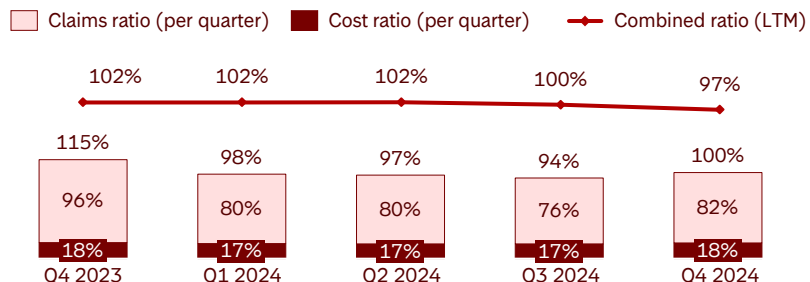




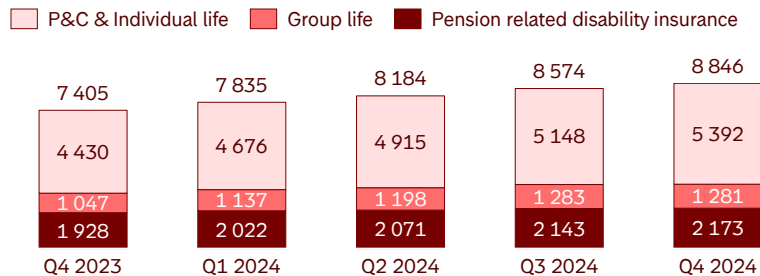
# Insurance

## Key figures

### Combined ratio



### Portfolio premiums



### Key takeaways combined ratio and results

- P&C and Group life results negatively affected by NOK ~100 million caused by run-off losses and large losses above normalised level
- Measures implemented are expected to bring profitability back to the 90-92% targeted combined ratio for the full year of 2025

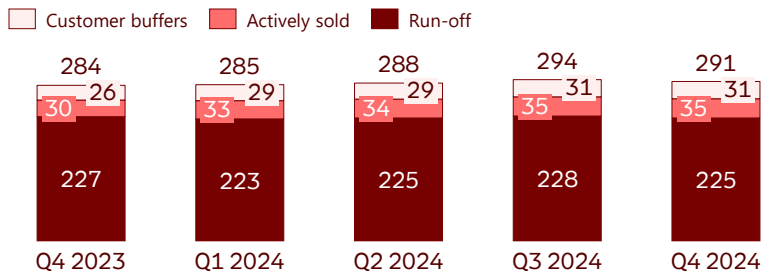
### Key takeaways premiums and growth

- 20% overall growth in premiums f.o.a. compared to the corresponding period last year
- 6.9% market share in Norwegian retail P&C compared to 6.6% in the same quarter last year <sup>1</sup>

# Guaranteed pension

## Key figures

### Reserves guaranteed products



### Buffer capital <sup>1</sup>

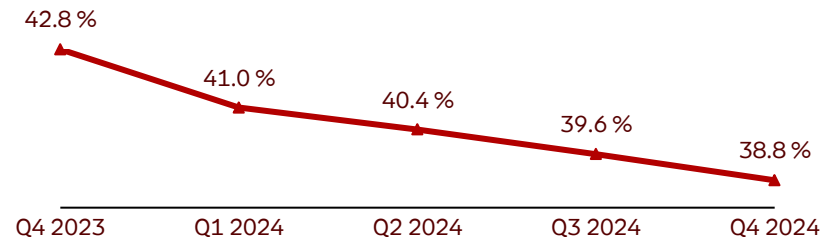
NOK million	Q4 2024	Q3 2024	Change
Buffer fund	14 128	14 209	- 81
Market value adjustment reserve**	0	53	- 53
Excess value of bonds at amortised cost	-13 211	-10 411	- 2 800
Additional statutory reserve	0	0	+ 0
Conditional bonuses SPP	16 855	16 700	+ 155
<b>Total</b>	<b>17 773</b>	<b>20 551</b>	<b>- 2 779</b>

1. The term Buffer capital in this table is not consistent with the definition of buffer capital made in the IFRS accounting.  
 2. Includes Public Occupational Pensions buffer fund.  
 \*\* Historical numbers were previously reported including Public Occupational Pensions buffer fund

### Key Takeaways

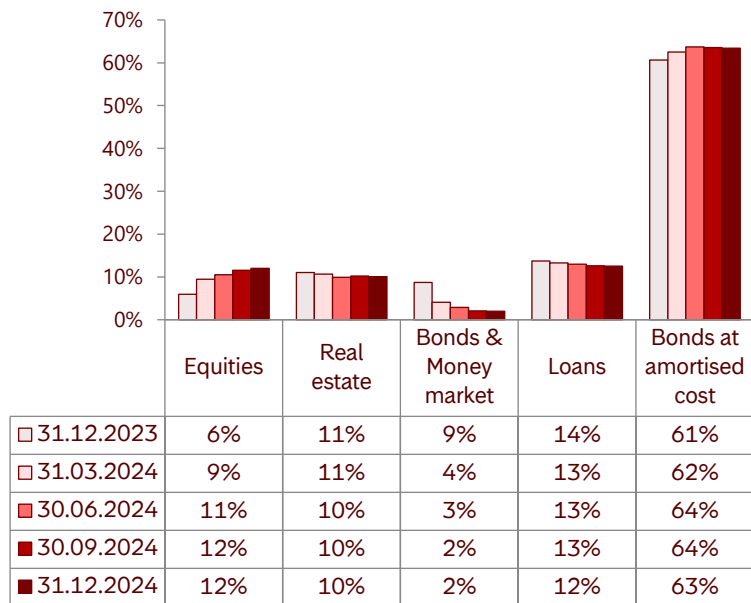
- Profit sharing above expectations, Sweden particularly strong
- There was limited number of tenders within public occupational pensions in 2024, however Storebrand won more than NOK 4.5bn which will be transferred in 2025

### Guaranteed reserves in % of total reserves

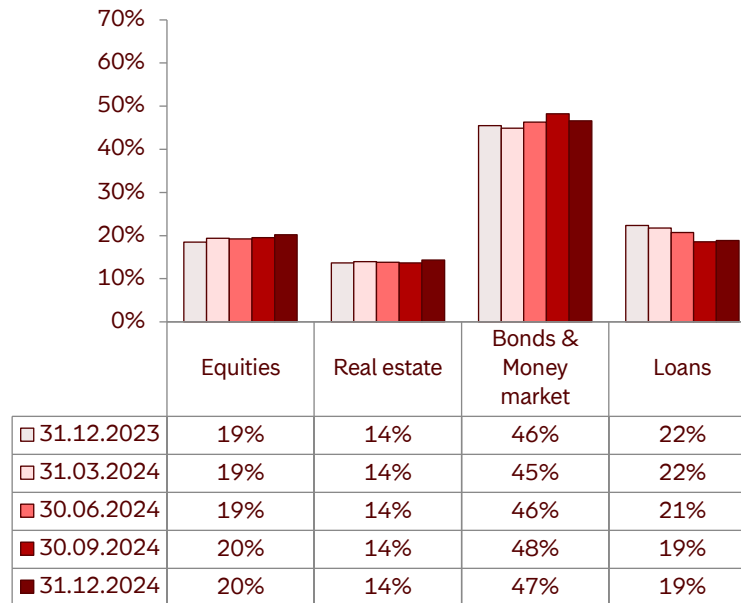


# Asset allocation – Guaranteed products

## Storebrand Livsforsikring AS (Norway)



## SPP (Sweden)



# For further information



## Contact us

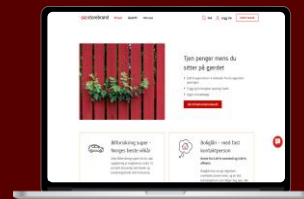
**Lars Aa Løddesøl** lars.loddesol@storebrand.no  
Group CFO +47 9348 0151

**Kjetil R. Krøkje** kjetil.r.krokje@storebrand.no  
Group Head of  
Finance & Strategy +47 9341 2155

**Johannes Narum** johannes.narum@storebrand.no  
Head of Investor  
Relations +47 9933 3569



## Information



[Investor relations website](#)

[Financial reports and information](#)

Follow us:



# Appendix

1. Storebrand overview and strategy
2. Capital and solvency
3. Group results Q2 2024
- 4. Appendix**

# Storebrand Group | Profit

## Profit by line of business

Profit <sup>1</sup> NOK million	Q4		Full year	
	2024	2023	2024	2023
Fee and administration income	1 908	1 739	7 585	6 782
Insurance result	394	64	1 640	1 122
Operational cost	-1 600	-1 542	-6 072	-5 787
<b>Cash equivalent earnings from operations</b>	<b>702</b>	<b>262</b>	<b>3 153</b>	<b>2 117</b>
Financial items and risk result life	363	465	2 751	1 362
<b>Cash equivalent earnings before amortisation</b>	<b>1 065</b>	<b>728</b>	<b>5 904</b>	<b>3 480</b>

Profit per line of business NOK million	Q4		Full year	
	2024	2023	2024	2023
Savings - non-guaranteed	610	399	2 592	1 862
Insurance	106	-193	546	27
Guaranteed pension	285	433	1 226	1 326
Other profit	64	88	1 539	265
<b>Cash equivalent earnings before amortisation</b>	<b>1 065</b>	<b>728</b>	<b>5 904</b>	<b>3 480</b>

# Other <sup>1</sup>

Lower financial result due to negative mark to market effects in the fourth quarter, positive development for the full year

Profit NOK million	Q4		Full year	
	2024	2023	2024	2023
Fee and administration income	8	1	23	18
Operational cost	-59	-109	-271	-411
Cash equivalent earnings from operations	-51	-108	-248	-393
Financial result	115	196	1 788	658
<b>Cash equivalent earnings before amortisation</b>	<b>64</b>	<b>88</b>	<b>1 539</b>	<b>265</b>

# Risk factors

Investing in bonds involves inherent risks. Prior to making an investment decision, prospective investors should carefully consider, among other things, the main risk factors – non exhaustive list below.

A prospective investor should carefully consider all the risks related to the Issuer and should consult his or her own expert advisors as to the suitability of an investment in securities of the Issuer. An investment in securities of the Issuer entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Issuer and its prospects before deciding to invest, including but not limited to the cost structure for both the Issuer and the investors, as well as the investors' current and future tax position.

The below risk factors are outlined considering and assessing the negative impact and probability. It applies for all the risk factors that if materialized it will have an adverse effect to the Issuer and the Group that may reduce the revenue and profitability, which could ultimately result in an insolvency situation.

Storebrand Livsforsikring's income and performance are dependent on external factors that are associated with uncertainty. The most important external risk factors are the developments in the financial markets and changes in life expectancy in the Norwegian and Swedish populations.

## **Market risk**

Market risk means changes in the value of assets as a result of unexpected volatility or changes in prices on the financial markets. The most significant market risks for Storebrand are interest rate risk, equity risk, credit risk, property risk and exchange rate risk. Capital management is an essential part of the Issuers operations.

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

The Issuer has guaranteed a minimum annual return in the customer portfolios with a guarantee. Failure to achieve an investment return sufficient to cover the guaranteed return could have a material adverse effect on the Issuer's financial position. This segment comprises private and public collective occupational and individual pension schemes with guaranteed benefits and profit sharing.

It includes insurance that pays out compensation in the event of disability or to survivors in the event of death when the insurance is linked to a guaranteed retirement pension.

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of measures to reduce risk depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the return guarantee. If the investment return is not sufficient to meet the guaranteed interest rate, the shortfall may be met by using customer buffers built up from previous years' surpluses. Customer buffers primarily consist of unrealised gains and additional statutory reserves in Norway (one year's interest rate guarantee) and conditional bonus in Sweden. Storebrand must cover any deviations between return and interest rate guarantee if the return is lower than the interest rate guarantee and the difference cannot be covered by customer buffers or the return will be negative.

The market risk in unit linked insurance is at the customers' risk, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based largely on the size of the reserves, while the costs tend to be fixed. Lower than expected returns in the financial market will therefore have a negative effect on Storebrand's future income and profit. The most significant market risks in this segment are equity risk and currency risk. This segment comprises collective occupational pensions (defined contribution pensions, hybrid pensions and paid-up policies with investment choice) and individual pensions without guaranteed returns or guaranteed benefits.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants' view of the credit quality of the Issuer as well as established and available credit lines.





# Risk factors

The company portfolios consists of capital in excess of what is needed to cover customer obligations. The market risk in the company portfolios has a direct impact on the profit. Storebrand Livsforsikring aims to take low market risk for the company portfolios, and most of the assets are invested in short and medium-term fixed income securities with low credit risk. In addition, the ownership of daughter companies and other strategic investments are in the company portfolios.

Declines in the equity markets and other financial markets (e.g. exchange rates) may reduce unrealised gains or increase unrealised losses in the Issuer's various investment portfolios and reduce or eliminate the excess solvency margin of the Issuer and its insurance subsidiaries. Such declines could also lead to a mismatch between the liabilities to policyholders and the value of the underlying assets notionally backing those liabilities for financial management purposes and this can be exacerbated by market volatility. Although the Issuer seeks to minimise the adverse effects of periods of economic downturn and market volatility by diversifying its investments, there can be no assurance that this strategy will be successful. Investment returns are also susceptible to changes in general economic conditions, including changes that impact the general creditworthiness of the issuers of debt securities and equity securities held in the business' portfolios.

## Interest rate risk

For guaranteed customer portfolios, the risk is affected by changes in interest rates. Falling interest rates are positive for the investment return in the short term due to price appreciation for Bonds, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee. For Storebrand interest rate risk also refers to the risk that the value of the insurance liability develops differently to that of the assets as a result of changes in interest rates. Paid-up policies have a particularly high risk in a low interest rate scenario, because there are very limited opportunities for changing the price or terms. In Norway, the effect of changes in interest rates is mitigated by a large allocation to bonds at amortized cost portfolios. In Sweden, the interest rate risk is managed by matching the duration of the assets to the insurance liabilities.

Interest rate risk is in a special position because changes in interest rates also affect the fair value of the insurance liability for the solvency calculation. Since pension disbursements may be many years into the future, the insurance liability is particularly sensitive to changes in interest rates. In the Norwegian business, greater interest rate sensitivity from the investments will entail increased risk that the return is below the guaranteed level. A close to perfectly matched portfolio in Sweden means limited impact from changes in interest rates.

A consequence of higher inflation may be rising interest rates. Higher interest rates strengthen Storebrand Livsforsikring's balance sheet and improves the ability to fulfil guaranteed pension liabilities in the long run, which also strengthens the solvency ratio and reduces solvency risk. However, the immediate short-term impact may be mark-to market losses on fixed income investments and insufficient investment returns to fulfil the annual guarantee in a single year.

## Equity risk

Equity risk is the risk of losses due to changes in share prices. Storebrand Livsforsikring invests in equities to increase expected return in the customer portfolio. The equity portfolio is diversified geographically and by industry with 90 percent in MSCI world and 10 percent in local Index (OMX & OBX).

In portfolios with a guarantee, equity risk could severely affect the ability to achieve an investment return sufficient to cover the annual guaranteed return. In unit linked insurance changes in value of the equity portfolio will affect Storebrand's future income and profit.

Equity risk is 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.

# Risk factors

## Credit risk/ counterparty risk

The Issuer has credit risk/ counterparty risk in relation to third parties. Storebrand investment returns are susceptible to changes that impact the general creditworthiness of the issuers of the debt securities held in its investment portfolios.

Storebrand is also exposed to risk of losses as a result of counterparties not fulfilling their debt obligations. This risk also includes losses on lending and losses related to the failure of counterparties to fulfil their financial derivative contracts. The Issuer's life insurance and other insurance businesses also have exposure to reinsurers through reinsurance arrangements.

## Property risk

The Issuer invests in real estate, mainly in Norway. Its subsidiary SPP Pension & Försäkring AB (SPP) also have investments in real estate in Sweden. Property investments are subject to various risks. Rents and values are affected by changes in general economic conditions (such as interest rates and inflation activity), changing supply within a particular area and attractiveness of real estate relative to other investment choices. The value of the real estate portfolio may also fluctuate as a result of external factors, such as changes in general political conditions, potentially adverse tax consequences, changing environmental standards and higher accounting and control expenses. The geographical concentration of the real estate may make the Issuer vulnerable to changes in economic and other conditions in Norway and Sweden respectively.

## Exchange rate risk

Foreign exchange risk primarily arises as a result of investments in international securities, including as a result of ownership in SPP. In the consolidated financial statements, the value of assets and results from the Swedish operations are affected by changes in the value of the Swedish krona.

## Settlement risk

Settlement risk is the risk that the settlement of bonds does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the Bonds.

# Risk factors

## Insurance risk

Insurance risk (underwriting risk) is the risk of higher than expected claims and/or unfavourable changes in the value of an insurance liability due to the actual development differing from what was expected when premiums or provisions were calculated. Longevity risk is the greatest insurance risk for Storebrand Livsforsikring. Other risks include the risk of disability, customer lapses and expense developments.

### Longevity risk

Longevity risk is the risk of erroneously estimating life expectancy and future pension payments. Historical developments have shown that an increasing number of people attain retirement age and live longer as pensioners than was previously the case. There is a great deal of uncertainty surrounding future mortality development. Customers with traditional pension products in both Norway and Sweden can normally claim a guaranteed level of annual pension for the remainder of their lives. If the average life expectancy increases more than what has been assumed in the calculation of premiums and reserves, Storebrand Livsforsikring must cover the difference. Storebrand Livsforsikring also offers insurance that provides payment to surviving dependents 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.

### Disability risk

Storebrand Livsforsikring provides disability insurance, mainly in the form of group insurance for companies. Disability coverage can be linked to both traditional guaranteed pension products and defined contribution pensions. The risk is associated with more people than expected becoming disabled or fewer disabled people than expected returning to work. There is also still uncertainty regarding the effect Covid-19 will have on the insurance risk in Storebrand Livsforsikring especially high uncertainty regarding "long Covid".

### Expense risk

The amount of future obligations is assessed on actuarial principles by reference to assumptions with regard to the development of interest rates, mortality rates, persistency rates (being the extent to which policies remain in force and are not for any reason surrendered or transferred prior to maturity) and future levels of expenses. These assumptions may turn out to be incorrect. Changes in actuarial assumptions used by the Issuer may lead to changes in the level of capital required to be maintained. Although the Issuer monitors its actual experience against the actuarial assumptions it uses and applies the outcome to refine its long-term assumptions, actual amounts may vary from estimates, particularly when those payments do not occur until well into the future.

The Issuer maintains reserves for its guaranteed life insurance business to cover its estimated ultimate liabilities. Changes in guaranteed minimum annual return impact the discounted, booked value of reserves, and hence shareholders' equity. Guaranteed minimum annual returns may not change in line with market yields and may result in sudden changes in the reported amounts even if there was no corresponding change in investment yields and the value of assets. Any insufficiencies in loss reserves for future claims and any change in reserves required as a result of changes in interest rates, mortality assumptions or other factors could adversely affect the extent to which new business may be written and may adversely affect the results of operations or financial condition of the Issuer.

The Issuers' business is subject to emerging insurance risks. By their nature, these risks are evolving, uncertain and difficult to quantify. A weakening of the Norwegian economy that leads to higher unemployment may lead to higher disability levels, which can result in increased claims.

# Risk factors

## Business risk

General deterioration in major economics throughout the world would reduce the level of demand for the products and services of the Issuer. It may lead to reduced savings rates from corporates in defined contribution occupational pension schemes down to the mandatory minimum of 2% of salary. It may also lead to lower demand for insurance solutions from both corporates and individuals. Lower savings rates and reduced insurance premiums will lead to lower income to the Issuer.

The issuer's success depends on the ability to maintain its customer base. If the Issuer underperforms its competitors or relevant benchmarks, there may be a material adverse effect on the Issuer's business results due to existing customers moving mandates to other asset managers, and to an inability to sell new products to existing or new customers.

Competition in the Norwegian and the Swedish market for pension and insurance could have a negative effect on the Issuer's business. The Issuer may face competitors that have greater financial and technological resources, or offer a broader range of products. The Issuer believes competition will continue to intensify across all products it intends to offer, in response to consumer demand, technological advances, the impact of consolidation, regulatory actions and other factors.

Storebrand Livsforsikring is dependent on the "Storebrand" brand and is thus dependent on all Storebrand ASA Group companies to maintain the strong reputation of that brand. Storebrand Livsforsikring is particularly vulnerable to adverse market perception as it operates in a regulated industry where it must display a high level of integrity and maintain the trust and the confidence of its customers.

## Climate risk

Storebrand Livsforsikring is exposed to climate risk linked to business operations, investments, and insurance obligations. Both physical climate changes and the transition to low emission have effect. In the short and medium term, the transition risk is the greatest. A quick transition to a low emission society can hurt the Norwegian economy in general, and the fossil fuel industry especially. This can lead to higher disability rates and lower interest rates, which increases insurance liabilities.

For investments, the effect of climate risk is hard to separate from other events which affects the financial markets development, but physical climate changes can in general cause lower economic growth and returns in the long term.

## Operational risk

Operational risk is the risk of financial loss, impaired reputation or sanctions because of violations of internal or external regulations due to ineffective, inadequate or failing internal processes or systems, human error or external events.

Key customer service, administration, IT and back-office functions are provided by third party providers. The Issuer is reliant in part on the continued performance and security of these providers, including in respect of data protection and other compliance issues and the security of these providers' IT and other systems. Storebrand's IT platform is characterised by complexity and integration between different specialist systems and joint systems. The operation of the IT systems has largely been outsourced to different service providers. Should these providers suffer service failure or defaults, the Issuer's results of operations could be materially affected.

# Risk factors

The Issuer is highly reliant on computer systems for its business operations. The Issuer is also dependent on its ability to adapt its computer systems to new products and business needs. Technical implementation can be extensive and complicated. Storebrand is facing a major technological shift with the transition to cloud-based infrastructure. Risks increase in connection with the actual transformation, and the consequence of errors can be greater when services are provided online. At the same time, cloud-based services and infrastructure reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure.

Operationally, it is the exposure to Cybercrime that is the greatest risk. The threat picture is primarily characterized by external actors with financial gain as the main motive. There is a risk of Storebrand becoming a victim of ransomware. A ransomware attack is where an attacker can get access inside the digital infrastructure, e.g. by hacking, and encrypt all files and leave them inaccessible for the users. To unlock the files, the attacker demands a ransom payment. Another increasing high risk is associated with the exploitation of the supply chains. A supply chain attack is where a threat actor infiltrates a computer system or network via a partner or supplier who has legitimate access.

Storebrand's strategy for mitigating cyber risks is through people, processes and technology. Storebrand has a framework and methodology for secure development, forums for change and patch management, as well as for assessing procurement and outsourcing. Storebrand regularly audits vendors and suppliers and does offensive security testing. As a consequence of increased geopolitical uncertainty, Storebrand has been on heightened alert with increased monitoring of suppliers and value chains, cyber risk, and antimony laundering.

The Issuer manages its capital allocation, risk management, remuneration principles, internal audit, group accounting, investor relations and legal and tax issues according to the principles set by Storebrand ASA Group and by the Issuer. The systems and processes are designed to ensure that the operational risks associated with the activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect the Issuer's financial performance and business activities and may, in certain scenarios, adversely impact the Issuer's ability to meet its obligations in respect of the Bonds.

## Legal and regulatory risk

The Issuer is subject to government regulation primarily in Norway and Sweden, but also in other jurisdictions in which it conducts business. Regulatory agencies have broad jurisdiction over many aspects of these businesses, including, but not limited to, solvency margin, premium rates, marketing and selling practices, advertising, licensing of agents, policy forms, terms of business and permitted investments.

Failure to comply with regulatory requirements including minimum capital requirements could lead to intervention by the applicable regulator which could, among other measures, require the Issuer to take steps for the security of policyholders with a view to restoring regulatory capital to acceptable levels. Changes to the Solvency II Directive may affect the financial position of the Issuer and/or the Storebrand ASA Group. The European Insurance and Occupational Pension Authority (EIOPA) presented final proposals for changes in the Solvency II standard model to the Commission in December 2020. The European Commission presented proposals for changes in the Solvency II standard model in September 2021 (Solvency II Review). The Commission's proposals differ significantly compared to earlier proposals from The European Insurance and Occupational Pension Authority (EIOPA). The Solvency II Review directive entered into force in the EU on 28 January 2025 and the directive shall be implemented in the member states by 29 January 2027 and take effect on 30 January 2027. The Solvency II Review directive is marked as EEA-relevant and is expected to be included in the EEA-Agreement and implemented in Norway.

A significant regulatory action against the Issuer could have a material adverse effect on the business of the Issuer, its results of operations and/or financial condition. In addition, financial services laws, regulations and policies currently affecting the Issuer may change at any time, thus having a material adverse effect on the Issuer's business. Furthermore, the Issuer will not always be able to predict the impact of future Norwegian, Swedish or other relevant overseas legislation or regulation, or changes in the interpretation or operation of existing legislation or regulation on its business, results of operations and/or financial condition. Further changes to Norwegian, Swedish or other relevant applicable overseas financial services legislation or regulations may be enacted and such changes could have a material adverse effect on the Issuer's business, results of operations and/or financial condition and may result in increased costs to the Issuer due to it being required to set up additional compliance controls or due to the direct costs of compliance.



# Risk factors

Changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Issuer operates may adversely affect the Issuer's product range, distribution channels, capital requirements and, consequently, reported results and financing requirements, and may result in increased costs to the Issuer due to it being required to set up additional compliance controls or due to the direct costs of compliance. These changes include possible changes in government pension requirements and policies, the regulation of selling practices and solvency or other capital-related requirements.

The Norwegian Ministry of Finance (the Ministry of Finance) set as a condition for its approval of the Issuer's acquisition of SPP in 2007 that Storebrand ASA, by the end of 2009, had to file an application to maintain the group structure where Storebrand Holding AB is directly owned by the Issuer. Storebrand ASA sent an application to maintain the group structure in December 2009, but no confirmation has been received from the Norwegian Ministry of Finance. The company does not necessarily expect any further response from the ministry. A change in the group structure imposed by the Norwegian authorities may have a material adverse effect on the financial condition of the Issuer.

## Accounting and taxation

Changes in accounting standards, or in the interpretation of IFRS and other valuation methodologies, both specifically in relation to insurance and more generally, could have a negative impact on the financial position of the Issuer.

The Issuer prepares its consolidated financial statements in accordance with IFRS. Changes in accounting standards, or the interpretation of IFRS can be difficult to anticipate and may materially affect how the Issuer records and reports its financial results, which could in turn have a negative effect on the Issuer's financial results, distributable reserves and net asset. IFRS 17 applies to Storebrand ASA Group and Storebrand Livsforsikring Group. The mark-to-market accounting may lead to more volatility in the results of the Storebrand Livsforsikring Group going forward compared to historical results. IFRS 17 will not apply to the statutory financial statements of Storebrand Livsforsikring AS.

Changes in taxation law or the interpretation of taxation law may impact the Issuer and the decisions of policyholders. Norwegian and Swedish taxation laws have a variety of effects on the Issuer's businesses and taxation of policyholders. In general, changes to, or in the interpretation of, existing Norwegian and Swedish tax laws, amendments to existing tax rates, or the introduction of new tax legislation in Norway or Sweden may adversely impact the business, results of operations and financial condition of the Issuer and the savings decisions of the policyholders. Furthermore, changes to specific Norwegian or Swedish legislation that governs the taxation of life insurance companies and the pension savings of individuals might adversely affect the Issuer's business. To the extent that corporate tax rules change, this could have both a prospective and retrospective impact on the Issuer, both of which could be material.

The effect of future changes in tax legislation on specific products may have a material adverse effect on the financial condition of the relevant long-term fund of the Issuer and may lead policyholders to attempt to seek redress where they allege that a product fails to meet the reasonable expectations of the policyholder. The design of long-term insurance products is predicated on tax legislation existent at that time. However, future changes in tax legislation or the interpretation of the legislation may, when applied to these products, have a material adverse effect on the financial condition of the relevant long-term fund of the Issuer in which the business was written and, therefore, have a negative impact on policyholder returns. Long-term product design, including new business, will take into account risks, benefits, charges, expenses, investment return (including bonuses) and taxation, among other things. A policyholder or group of policyholders may seek legal redress where the product fails to meet the reasonable expectations of the policyholder or policyholders. It is possible that an adverse outcome in some matters could have a material adverse effect on the Issuer's business, results of operations and/or financial condition arising from the penalties imposed, together with the costs of defending any action.



# Risk factors

## Liquidity risk

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

For Storebrand Livsforsikring, insurance liabilities are long-term, and the cash flows are generally known long before they fall due. In addition, sufficient liquidity is required to be able to handle payments in daily business operations as well as for derivative contracts. The Issuer's ability to make payments on and to refinance its debt, and to fund working capital and capital expenditures, will depend on future operating performance and ability to generate sufficient cash, including cash from the sale of investment assets. This, in turn, depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Issuer's control. If the Issuer's future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund liquidity needs, the Issuer may be obliged to reduce or delay its business activities and capital expenditures, sell assets, obtain additional debt or equity capital, or restructure or refinance all or a portion of its debt on or before maturity.

The Issuer is restricted by law from issuing debt that does not count as regulatory capital. The availability of additional financing will depend on a variety of external economic and financial market factors. Furthermore, access to funds may be impaired if regulatory authorities or rating agencies take negative actions against the Issuer. There can be no certainty that internal sources of liquidity will be sufficient and, in such case, that it would be able successfully to obtain the requisite financing on commercially reasonable terms, or at all.



# Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds. An investment in the Bonds entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of its investment. In case of a bankruptcy, the bondholder risk losing its entire investment, and an eventually settlement will not take place until the bankruptcy proceedings have been completed.

In each category below the Issuer sets out the most material risks with respect to investing in the bonds.

## **Structural subordination**

### *The Issuer's obligations under the Bonds are subordinated*

The claims of Bondholders against the Issuer in respect of payments of principal and interest on the Bonds will, in the event of the liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration, be subordinated in right of payment to the claims of all Senior Creditors of the Issuer. "Senior Creditors" means all creditors of the Issuer who are policyholders or other unsubordinated creditors of the Issuer. There is a real risk that an investor in the Bonds will lose all or some of his investment should the Issuer become insolvent.

As the Bonds constitute Perpetual Restricted Tier 1 Own Funds instruments, the risk of losing the invested money in whole or in part is higher since this capital class is more subordinated and will bear losses prior to senior debt.

### *The Bonds being Perpetual Restricted Tier 1 Own Funds instruments*

Due to the status of each of the Bonds as Perpetual Restricted Tier 1 Own Funds instruments being unsecured and subordinated debt obligations of the Issuer, in connection with a Bankruptcy Event of the Issuer, the Bonds will rank: a) pari passu without any preference among the Bonds; b) pari passu with all outstanding Parity Obligations; c) in priority to payments to creditors in respect of Junior Obligations; and d) junior in right of payment to any present or future claims of (i) policyholders of the Issuer, (ii) any other unsubordinated creditors of the Issuer, and (iii) subordinated creditors of the Issuer other than the present and future claims of creditors that rank or are expressed to rank pari passu with or junior to the Bonds. Junior Obligations means (i) the Issuer's share capital, or (ii) any other obligations of the Issuer ranking or expressed to rank junior to the Bonds.

Upon a Trigger Event occurring, following a Write Down of the Tier 1 Bonds (which may occur on one or more occasions) which is not followed by a Discretionary Reinstatement (in part or in full to the Initial Principal Amount), Bondholders will have a reduced claim to the extent that the Outstanding Principal Amount is less than the Initial Principal Amount) in the event of the liquidation or bankruptcy of the Issuer.

In case of a Bankruptcy Event, payments to investors in subordinated debt will depend on funds left after payments are made to unsubordinated creditors. This may result in a loss for the bondholder. From the status of the Bonds, it also follows that under certain conditions, interest payments under the Bonds may be optionally or mandatorily cancelled as described below.

### *The Bonds are subject to optional redemption by the Issuer*

The Bonds are perpetual with no fixed maturity date or fixed redemption date. The Bonds are subordinated and unsecured and the Issuer has no obligation to redeem or prepay the Bonds. The Bondholders have no right to call for the Bonds redemption or otherwise request prepayment or redemption of the principal amount of the Bonds, except upon actual bankruptcy or liquidation of the Issuer. The Issuer may at its discretion redeem the Bonds on the first call date in February 2030 (the "First Call Date"), on any Business Day in the Interest Period after the First Call Date and on any Interest Payment Date thereafter. The Issuer may furthermore redeem the Bonds at any time upon the occurrence of a Capital Disqualification Event, a Rating Agency Event or a Taxation Event. The right of the Issuer to redeem the Bonds is conditional upon (i) no Capital Requirement Breach having occurred or is likely to occur as a result of a redemption, (ii) prior consent of the Issuer Supervisor and (iii) the provisions of clause 3.9 in the Bond Terms (as applicable), redeem all (but not only some) of the outstanding Bonds at the Redemption Price, without premium or penalty. The optional redemption feature of the Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem the Bonds, their market value generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. It shall also be noted that the Issuer may choose not to redeem the Bonds at the First Call Date or at any other time thereafter until Maturity Date, and that the Issuer Supervisor may prevent the Issuer to redeem the Bonds at Maturity Date (ordinary or conditional). As a consequence of the foregoing, there is a risk that the Bonds are not redeemed by the Issuer at the Maturity Date and that the Bondholders as a result do not receive payment of the principal amount of the Bonds (as expected).





# Risk factors

*Under certain conditions, interest payments under the Bonds may be optionally or mandatorily deferred*

Cancellation of payments: (a) Payment of interest may be cancelled, at any time and for an unlimited period, in whole or in part, at the option of the Issuer in its sole discretion. (b) Payment of interest will be mandatorily cancelled to the extent so required by the Applicable Regulations, including the applicable criteria for Restricted Tier 1 Instruments. (c) In the event that the Issuer and/or the Issuer Group is in non-compliance with the Solvency Capital Requirement or the payment of interest would lead to such non-compliance, interest may only be paid if all of the following conditions are met: (i) the Issuer Supervisor has exceptionally waived the cancellation of such interest payment; (ii) the interest payment does not further weaken the solvency position of the Issuer and/or the Issuer Group; and (iii) the Minimum Capital Requirement is complied with after the interest payment is made.

Following any cancellation of interest, the right of Bondholders to receive accrued interest in respect of any such interest accrued but unpaid to that date will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of interest accrued at subsequent Interest Payment Dates are made, and such unpaid interest will not be deemed to have accrued or be earned for any purpose. Any cancellation of interest (whether pursuant to paragraph (a), (b) or (c) above) will not constitute an event of default nor entitle Bondholders to accelerate the Bonds or petition for insolvency or liquidation of the Issuer. Any cancellation of interest will not have any restrictions on the Issuer's activities, or on its ability to make distributions in favour of other capital instruments in its capital structure. The Issuer may use the cancelled payments without restriction to meet its obligations as they fall due. The Issuer has no obligation to replace cancelled interest payments with other forms of distribution, and the Issuer has no obligation to pay interest on the Bonds even if distributions have been made in favour of other Own-fund Items. Any actual or anticipated cancellation or of interest payments is likely to have an adverse effect on the market price of the Bonds.

*Under certain conditions, amounts of principal and corresponding interest may be reduced*

Under Norwegian legislation, the Issuer's subordinated capital (which would include principal and corresponding interest thereon in respect of the Bonds) may, in certain circumstances, be cancelled, in whole or in part. Such wholly or partly cancellation may lead to a reduction of the denomination of each Bond in the CSD in order to achieve a pro rata reduction between the Bondholders, and pro rata drawing between the Bonds. A cancellation may be reinstated at the sole discretion of the Issuer. To the extent that only part of the outstanding principal amount of the Bonds has been cancelled as provided above, interest will continue to accrue in accordance with the Bond Terms on the then remaining outstanding principal amount of the Bonds.

*There are no events of default under the Bonds*

The Bond Terms do not provide for events of default allowing acceleration of the Bonds if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Bonds, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Bondholders for recovery of amounts owing in respect of any payment of principal or interest on the Bonds will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

## **Regulatory risk**

*Changes to the Solvency II Directive*

The Issuer and the Issuer Group is subject to the Solvency II Directive. Changes to this directive, or changes to the way in which the Issuer Supervisor interprets and applies these requirements to the Issuer and/or Issuer Group, may lead to further unexpected changes in relation to the calculation of the Solvency Capital Requirement, Minimum Capital Requirement and/or Own-Fund Items to cover the Solvency Capital Requirement or Minimum Capital Requirement, and such changes may make the applicable regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II subsequent to the date of this presentation and/or subsequent changes to such rules and other variables may individually or in aggregate negatively affect the calculation of the Solvency Capital Requirement and/or Minimum Capital Requirement and thus increase the risk of deferral of interest payments, suspension of redemption (or, alternatively, trigger a Capital Disqualification Event and subsequent redemption of the Bond Issue by the Issuer). Additionally, the Issuer may be required to raise further capital pursuant to applicable law or regulation or the official interpretation thereof in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement. Changes to Solvency II requirements may also increase the likelihood of a Capital Disqualification Event and subsequent early redemption of the Bond Issue by the Issuer.

A Capital Disqualification Event may occur as a result of any replacement of, or change to (or change to the interpretation of), the Applicable Regulations after the Issue Date. Such event may lead to the whole or a part of the Bonds no longer being qualified as Tier 1 Capital for the purpose of the Issuer and/or the Issuer Group. Upon a Capital Disqualification Event, the bonds could be redeemed by the issuer at a price that could be lower than the market value at the time of redemption.



# Risk factors

## Changes in ranking and terms

*No limitation on issuing further debt and guarantees*

There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations. Such issuance of further debt may reduce the amount recoverable by the Bondholders upon insolvency or winding-up of the Issuer or may increase the likelihood that payments of the principal amount or interest under the Bonds will be mandatorily deferred or may, in the case of interest payments, be deferred at the option of the Issuer.

## Market risks related to the Bonds

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*Spread risk - Changes in market spread and interest rates*

The Bonds will bear interest at a floating rate and/or fixed rate which will be based on two components, namely the 3-months NIBOR and the Margin for bonds with floating rate / mid-swap rate + the Margin for fixed rate bonds. Since the Margin is fixed at the time of issuance of the transaction Bondholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the 3-month NIBOR / prevailing mid-swap rate for the remaining tenor to the Call Date as a compensation for the risks inherent in the Bonds (market spread). The market spread typically changes on a daily basis. As the market spread changes, the price of the Bonds changes in the opposite direction. A decrease in the market spread has a positive impact on the price of the Bonds; an increase in the market spread has a negative impact on the price of the Bond. However, the price of the Bonds with a floating interest rate is subject to changes in the market spread, changes in the 3-months NIBOR or both. For fixed rate bonds the price of the bond will change with the movements in the interest swap rate market, and changes in the investors' Margin (credit spread) requirement for the remaining period to the Call Date. Bondholders should be aware that movements in the market spread can adversely affect the price of the Bonds and can lead to losses for the Bondholders, and for fixed rate bonds the underlying swap rate may increase this volatility and risk. In addition, Bondholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread respectively) declines, and if Bondholders want to invest such proceeds in comparable transactions, Bondholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

Rates and indices which are deemed to be "benchmarks", such as NIBOR, are subject of ongoing national, international and other regulatory guidance and proposals for reform, with further changes anticipated. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Bond Issue.

*Credit risk - The market value of the Bonds could decrease if the creditworthiness of the Issuer deteriorates.*

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer, the market value of the Bonds will be materially and adversely affected. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change. If any of these risks occurs, third parties would only be willing to purchase Bonds for a lower price than before the materialisation of the aforementioned risk. Under these circumstances, the market value of the Bonds will decrease.

*Credit ratings may not reflect all risks*

The Bonds are expected to be rated by S&P. S&P is established in the European Economic Area (EEA) and registered under Regulation (EC) No 1060/2009, as amended (the CRA Regulation) and are, as of the date hereof, included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time. Both the Issuer rating and the Bonds' rating may increase or decrease over time, hence the value of the Bonds may increase or decrease following any rating change(s). Changes in the rating may be caused by the rating agency's evaluation of the Issuer, the business the Issuer operates within and/or the agency's rating methodology. Any change of rating agency may also impact the rating of both the Issuer and the Bonds.

# Risk factors

**In respect of issuance with a specific use of proceeds, such as a 'Green Bond', the application of the net proceeds of such Notes might not meet investor expectations or be (or remain) suitable for the investment criteria of an investor**

Issuance described as "Green Bonds", will be the Issuer's intention to apply an amount equal to the net proceeds from an offer of those Notes specifically for Eligible Green Assets (as defined in "Use of Proceeds" below) in accordance with the Issuer's Green Bond Framework (as defined below) as further described in "Use of Proceeds"

Prospective investors should consult with their legal and other advisers before making an investment in any such Notes and must determine for themselves the relevance of the information for the purpose of any investment by such investor in such Green Bonds (together with any other investigation such investor deems necessary, including a review of the then applicable Issuer's Green Bond Framework). In particular, no assurance is given by the Issuer, the Dealers or any other person that the use of such net proceeds (or an amount equal thereto) in accordance with the Issuer's Green Bond Framework will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations

No assurance or representation is given by the Issuer or any Dealer as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green Bonds and in particular whether any Eligible Green Assets fulfils any environmental, sustainability, social and/or other criteria.

For the avoidance of doubt, any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part in the Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green Bonds. Any such report, assessment, opinion or certification is only current as of the date that report, assessment, opinion or certification was issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.



# Important information

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally.

The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.