Storebrand Livsforsikring Green Tier 2

Investor presentation

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Presentation Content

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Executive Summary

Storebrand[1]

- **Pension market leader in Norway and strong contender in Sweden**, Nordic powerhouse in Asset Management and growing challenger in Norwegian retail market
- Active in structurally **strong markets with resilient economic development**
- **Digital frontrunner** with growth focus in **capital-light business** areas
- Strong growth in savings and insurance with **double digit growth** in core businesses in 2021[2]
- Outbreak of war on the European continent with increased geopolitical and economic uncertainty. As a consequence, Storebrand has been on heightened alert with increased monitoring of suppliers and value chains, cyber risk, anti-money laundering (AML) and financial market risk.

Sustainability at Storebrand

- Storebrand has worked systematically with sustainability since 1995; climate neutral operations since 2008[5] and **committment to transition investment portfolios to net-zero GHG emissions by 2050,** with intermediate 2025 targets
- Widespread **industry recognition in Sustainability**, ranked in the Dow Jones top 10% most sustainable company in the world within insurance[6] and the number one insurance company globally by Corporate Knights ranking[7]
- **Launch of new Green Bond Framework** in line with ICMA principles and verified by Sustainalytics

Capital and Solvency

- Increasing quality earnings and robust solvency
- High quality capital base
- Storebrand Livsforsikring AS Solvency margin of 218%[4], and Group Solvency margin of 184%[4] at the end of Q1 2022.
- Main operating entities of group rated **A- (stable) by S&P**
- **Interest rates on the rise** after a decade of low and stable inflation and rates.

Definitions[1]:
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
[2] As of 4Q 2021. [3] Group profit before amortisation and tax [4] Including transitional rules

[5] Compensated emissions through carbon offsets, planting trees and purchasing guarantees of origin for electricity
[6] Dow Jones Sustainability Indices, November 2020 [7] Corporate Knights ranking, January 2020

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Green Tier 2 – Indicative Key Terms

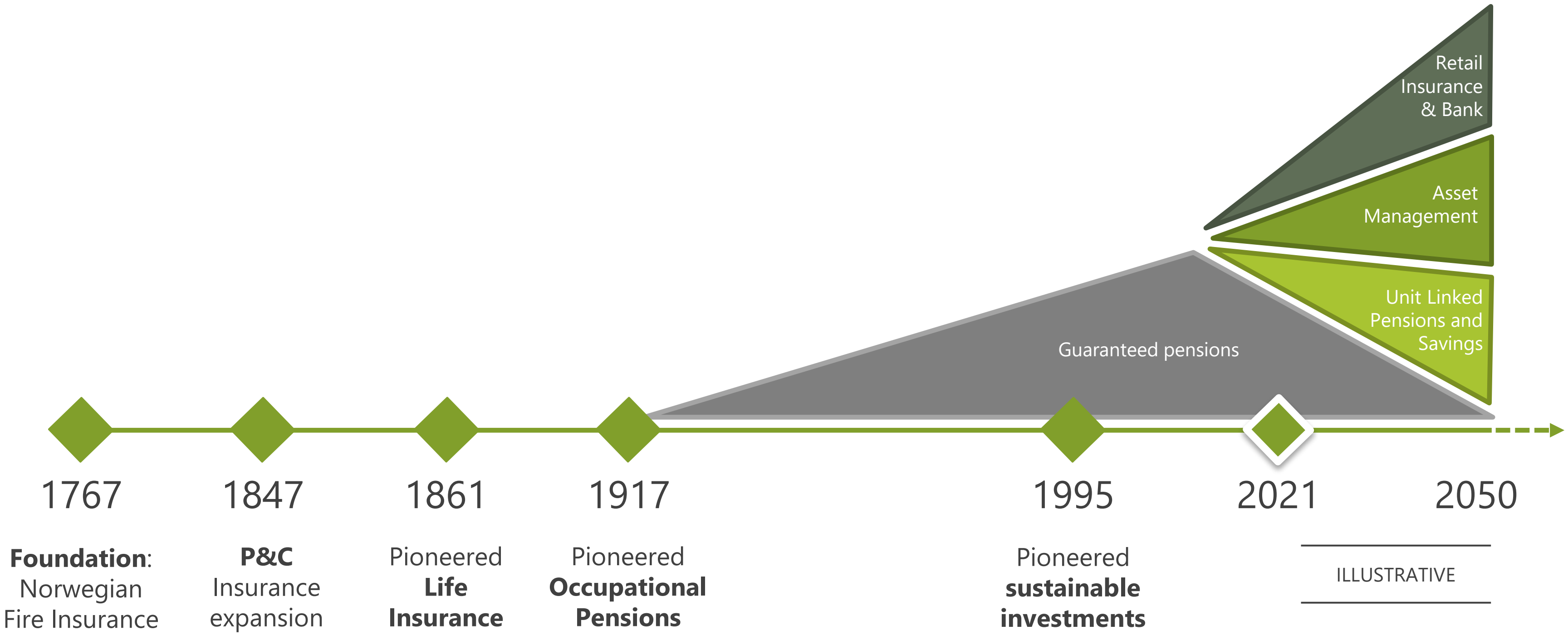
Issuer	Storebrand Livsforsikring AS
Rating (S&P):	Issuer: A- / Issue: Expected BBB
Type of Issue:	Green FRN Tier 2 Callable Bond Issue
Status:	The Bonds will constitute Tier 2 Instruments of the Issuer and/or the Issuer Group under the Applicable Regulations, and constitute direct, unsecured and subordinated debt obligations
Tenor:	30NC5
Amount & Currency:	NOK [•]
Coupon:	3mN + Margin (with 100bps step-up after 10 years), quarterly, act/360
Mandatory Deferral:	No Bonds shall be redeemed on the Maturity Date, or prior to the Maturity Date pursuant to the relevant provisions on Optional Redemption, if the date set for redemption is a Mandatory Redemption Deferral Date (any date in respect of which a Capital Requirement Breach has occurred and is continuing or would occur if the payment of the relevant redemption amount otherwise due was made on such date) and redemption shall be deferred
Mandatory Deferral of Interest:	The Issuer will on any Mandatory Interest Deferral Date by notice to the Trustee (together with a certificate signed by authorised signatories of the Issuer confirming the relevant Interest Payment Date is a Mandatory Interest Deferral Date) defer payment of all (but not only some) of the interest accrued but unpaid to that date
Optional Deferral of Interest:	The Issuer may on any Optional Interest Deferral Date (means any Interest Payment Date which is not a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date) by notice to the Trustee defer payment of all (but not only some) of the interest accrued but unpaid to that date
Event of Default:	None
Redemption at the option of the Issuer:	On [•] May 2027 and on any Interest Payment Date thereafter, subject to the preconditions to redemption, purchase, substitution and variation and regulatory Approval
Special Event Redemption:	Issuer’s option to redeem the Bonds due to a Capital Disqualification Event, Rating Agency Event, Taxation Event subject to the preconditions to redemption, purchase, substitution and variation and regulatory approval
Substitution & Variation:	Issuer’s option to substitute or vary the Notes in case of Capital Disqualification Event, Rating Agency Event or Taxation Event, subject to the preconditions to redemption, purchase, substitution and variation, and provided terms are not materially less favourable to the Noteholders
Denomination / Law / Listing:	NOK [2,000,000], minimum subscription NOK [2,000,000]/ Norwegian law / Oslo Børs listing
Purpose:	The purpose of the Bonds is to qualify as Tier 2 Instruments (basic own funds) of the Issuer and/or the Issuer Group for the purpose of the Applicable Regulations and as determined by the Issuer Supervisor. An amount equal to the net proceeds of the Bonds will be allocated by the Issuer to the financing or refinancing, in whole or in part, of Eligible Green Assets

Note: Please review the term sheet for full terms and conditions

Storebrand Overview and Strategy

- **Storebrand Overview and Strategy**
- Sustainability at Storebrand
- Storebrand Green Bond Framework
- Capital and Solvency
- Group results Q1 2022

An Integrated Financial Services Group with 250 years of pioneering in the Nordic financial industry



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Storebrand - An Integrated Financial Service Group

Insurance
- P&C, Health and Life insurance
- NOK 6.3bn in annual written premiums

Retail Bank
- Fully digital bank
- NOK 56bn net lending

Pension & Savings
- 40k corporate customers
- 2m individual customers
- NOK 588bn of reserves of which >50% Defined Contribution (Unit Linked)
- NOK 26bn in annual premiums

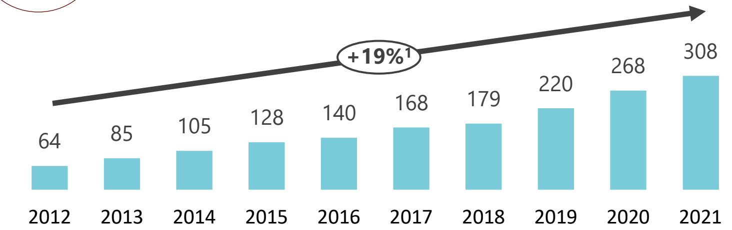
Asset Management
- NOK 1,058bn AuM
- 45% external investors
- 100% of investments subject to sustainability screening

- Capital synergies
- Customer synergies
- Cost synergies
- Data synergies

All numbers as of Q3 2021

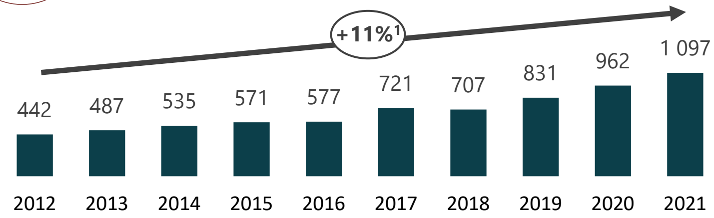
Future Storebrand is delivering strong growth in Savings and Insurance

Unit Linked



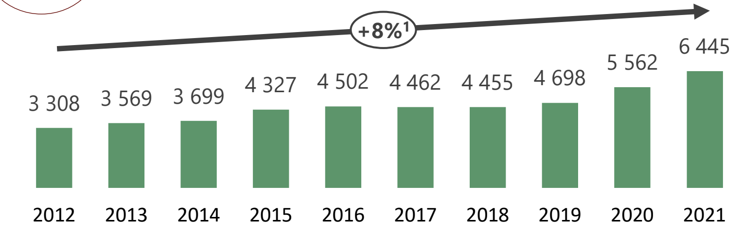
UL reserves (NOK bn)

Asset management



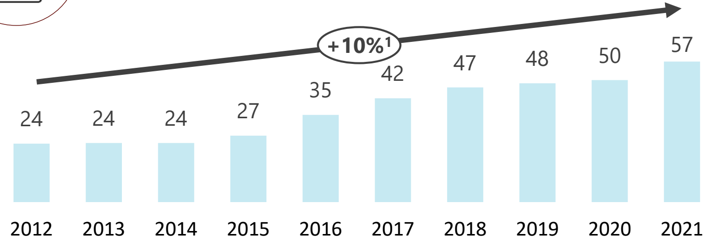
AuM (NOK bn)

Insurance



Portfolio premiums (NOK m)

Retail bank



Loan balance (NOK bn)

[1] Measures the Compound Annual Growth Rate (CAGR) for the period 2012-2021

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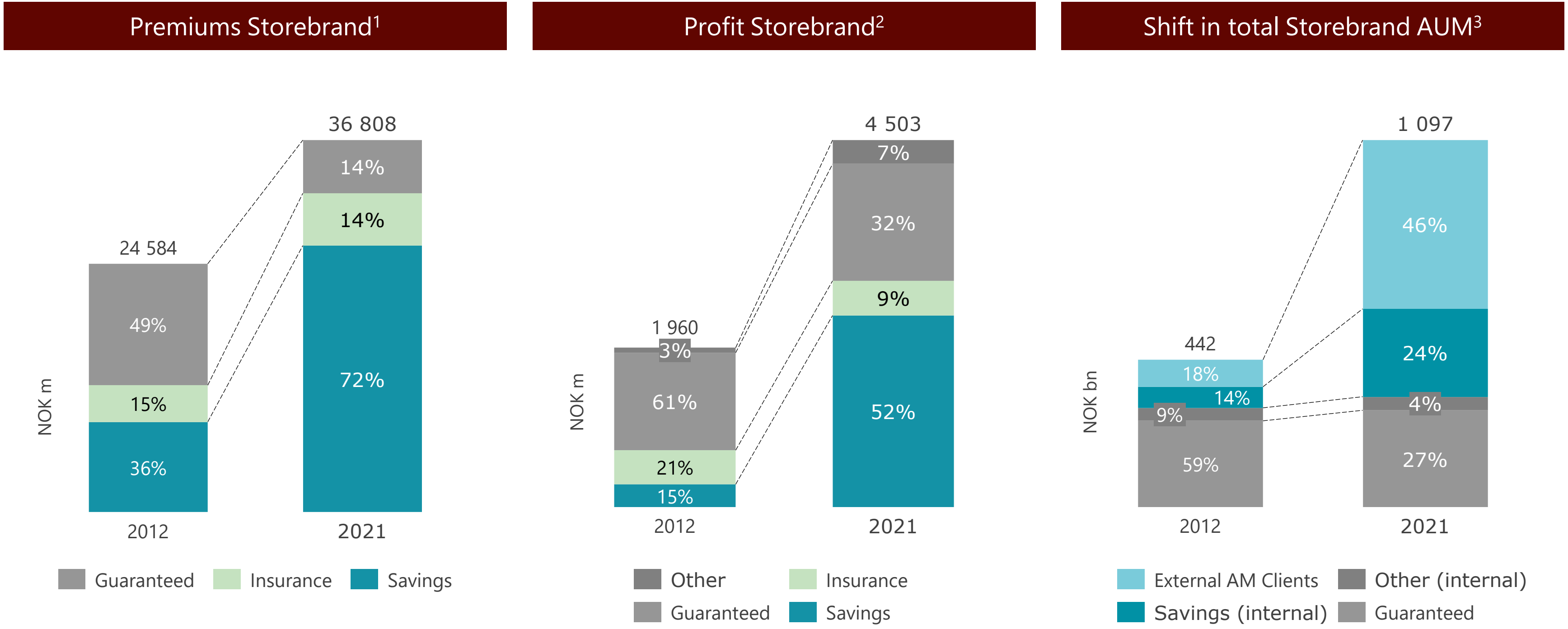
Delivered on transition from guaranteed to capital light business



[1] Pension premiums in Guaranteed and Unit Linked products, Insurance premiums f.o.a.
[2] Profit before amortisation, "Guaranteed" includes "Other" segment.
[3] Savings: Unit linked reserves, Guaranteed: Guaranteed reserves, External: External AUM in SAM, Other/internal: residual group internal AUM incl company portfolio

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Pursuing our Group Strategy: Leading The Way In Sustainable Value Creation to be a leading

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 differentiators

D Leadership in Sustainability

E Digital Frontrunner

Capital
Management of capital and back book balance sheet

I Growing ordinary dividends from earnings

II NOK ~10bn capital release from back book by 2030

Group capital management policy sets thresholds for distribution of dividends

Solvency 2 ratio

184%
Current level

- Consider share buybacks when solvency ratio is above 180% without material use of transitional capital

180%

- Ordinary dividend of >50% of Group profit after tax
- Ambition is to pay nominally growing dividends per share
- Maintain investments in growth

150%

- Reduced dividend
- Consider risk reducing measures
- More selective investment in growth

130%

- No dividend
- Risk reducing measures

Sustainability at Storebrand

- Storebrand Overview and Strategy
- **Sustainability at Storebrand**
- Storebrand Green Bond Framework
- Capital and solvency
- Group results Q1 2022

Storebrand has invested in a sustainable future since 1995

25 years of sustainable investments

Nr. 1 insurance company globally[1]

Top 10% most sustainable company in the world[2]

Nr.1 sustainable investments in Norway and Sweden[3]

Year	1995	2001	2005	2010	2015	2021	2050
	Sustainability team established	**Exclusions across life insurance**	**Storebrand standard launched**	**Decision to integrate sustainability in all funds through ESG Rating**	**Next generation sustainability funds**	**Commitment to achieve net zero emissions by 2050**	

→ **EXCLUSIONS** → **INTEGRATION** → **IMPACT**

Storebrand has established a portfolio of sustainable saving products with an ESG-rating and exclusion requirements for all funds

[1] Corporate Knights ranking, January 2022
[2] Dow Jones Sustainability Indices, November 2021
[3] KANTAR SIFI | Prospera ranking 2021 Norway/Sweden

In 2020 Storebrand launched a company wide climate strategy covering the entire value chain

In 2019, Storebrand was one of the founding members of the UN convened Net Zero Asset Owner Alliance

Committed to **transitioning investment portfolios to net-zero GHG emissions by 2050** consistent with a maximum temperature rise of 1.5°C

Focus on **emissions reductions in the real economy** and establishing intermediate **targets every five years** in line with Paris Agreement

Facilitated by

PRI Principles for Responsible Investment

UNEP FINANCE INITIATIVE

> $5t AUM committed

PensionDanmark, alecta, Allianz, storebrand, PFA, FRR, ZURICH, RAFP, Munich RE, THE CHURCH OF ENGLAND, CNP, AXA, Swiss Re, CDPQ, CalPERS, KENFO, Folksam, Nordea Life and Pension, AVIVA, Caisse des Dépôts, AMF, GENERALI, Wespath, SCOR, Danica Pension, UNJSPF, Magistre & Psykologer, DAVID ROCKEFELLER FUND, cbus, BT PENSION SCHEME

Storebrand is aiming for climate neutrality throughout the entire value chain in the climate strategy

Own Operations - Climate neutral since 2008[1]
Reduce emissions by 7,6% p.a.

Procurement[2]- Goal of climate neutral suppliers[3] by 2025 and climate neutral supply chain by 2030

Investments- Goal of net-zero GHG emissions for investments by 2050 consistent with a max. temperature rise of 1.5°C

[1] Compensated emissions through carbon offsets, planting trees and purchasing guarantees of origin for electricity
[2] Defined as suppliers who have an annual turnover from the Storebrand Group of more than 1 MNOK - this accounted for more than 90% of the total purchasing volume in 2019
[3] This can be done through the purchase of climate quotas, like Storebrand has done since 2008

To achieve net zero emissions by 2050, Storebrand has defined intermediate targets towards 2025

Asset class targets

-32% reduction in scope 1-2 GHG emissions of Storebrand's total equity, corporate bond and real estate investments by 2025[1]

Solution targets

15% of our total investments to be invested in solutions[2] by 2025

Active ownership

Special emphasis will be placed on the 20 largest emitters

Customer engagement

Make it easy for clients to understand and contribute to a low carbon future

1) Applying 2018 as the baseline

2) This includes equity investments in solution companies, green bonds, certified green real estate and investments in green infrastructure

Assets under management, NOK billion

1.097

Number of customers

More than 2 million

Corporate Knights Global 100 (Insurance sector)

No. 1

Founding member of Net Zero Asset Owner Alliance

Dow Jones Sustainability Index

Top 10%

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About us

Investments

People

Operations

Investments in solutions, NOK billion (% of AUM)

123.1 (11.2)

Real estate investments with green certificates

68%

Active dialogues related to climate and environmental risks and opportunities

318

Investments in fossil free funds, NOK billion (% of AUM)

483 (44%)

Companies excluded due to serious climate and environmental damage

176

Assets under management screened for sustainability

100%

Carbon footprint in equity investments: tonnes of CO2 equivalents per 1 MNOK in sales revenue (index)

12 (18)

Target to reduce CO2 emissions from our investments by 2025

32 %

Number of employees in Storebrand ASA

1914

Female Board of Directors at Storebrand ASA

50%

Avg. number of employees that have completed e-learning courses on ethics, privacy, anti-corruption and AML, in 2021.

85%

Women at management level 1-4: share of women (target)

39% (50%)

Engagement score all employees: Storebrand score / industry average

8.4 / 7.8

Greenhouse gas emissions from own operation (total) scope 1-3

320 tco2e

Purchasing volume from environmentally certified suppliers

60%

Target to have carbon neutral suppliers by 2025

100 %

Share of insurance premiums from electric cars

22%

Storebrand Green Bond Framework

- Storebrand Overview and Strategy
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Rationale for green bond framework

The financial services industry has an important role in the transition towards sustainable, lower-carbon economies…

- Storebrand recognizes that the financial services industry has an important role to play in the transition toward more sustainable, lower-carbon economies
- The industry can contribute both through the risk management products and services it provides, and the financial assets it manages
- Sustainable investments and financing need significant scaling up in order to reach the United Nations' Sustainable Development Goals, and the objectives of the Paris Agreement
- Our aim is to contribute to a growing market of sustainable green bonds and stimulate the market for sustainable investments and financing

… and Storebrand's ambition is to ensure that our investment portfolio and financing activities contribute positively

- Storebrand's ambition is to ensure that our investment portfolio and financing activities have a positive impact on society and the environment, while concurrently having sound financial quality
- We strongly believe that the financial sector plays a vital role in solving the SDGs
- Hence, Green Bonds issuance is a natural step to work towards our long-term sustainability targets
- Therefore, we have established a Green Bond Framework, providing investors an opportunity to support this vision

Source: Storebrand Green Bond Framework

Green bond framework overview

Updated: 2022

https://www.storebrand.no/en/investor-relations/rating-and-funding

Source: Storebrand Green Bond Framework

The Storebrand Green Bond Framework

1 Use of the Green Bond proceeds

- An amount equal to the net proceeds of any Storebrand Green Bond issuance will be used to finance and/or refinance Eligible Green Assets
- Storebrand may make allocations to Eligible Assets where acquisition of the asset has taken place within a maximum of 2 years prior to the date of issuance
- On a best efforts basis, Storebrand will attempt to allocate an amount equal to the net proceeds raised by the Green Bond issuance within 3 years of the date of issuance
- Allocations will be made in accordance with the eligibility criteria specified in the framework. The Storebrand Group Sustainable Investment Policy[1] is applicable to all Storebrand investment activities

2 Management of proceeds

- The Company has established an internal process within the Sustainability function to establish a pool of eligible assets and will track allocations
- Pending allocation, proceeds will be invested on a temporary basis in accordance with the policy described in the Green Framework

3 Project Evaluation and Selection

- 'Project Evaluation & Selection' refers to the process of determining which assets are eligible for allocation in accordance with the specifications
- To ensure that allocations are made to Eligible Green Assets as specified above, Storebrand has established a Green Bond Committee
- The Committee meet on an annual basis to review proposed allocations and ensure these are made in line with the eligible green assets
- The Group CFO have overall responsibility for approving allocations

4 Reporting

- Storebrand will provide an External Report to investors on an annual basis until full allocation and upon any material changes
- This will include (i) an Allocation Report and (ii) an Impact Report, subject to the availability of suitable information and data
- The Allocation Report will be published on Storebrands website.

Source: Storebrand Green Bond Framework
Available at https://www.storebrand.no/en/asset-management/sustainable-investments/document-library

Focus on the Use of Proceeds - Eligible Green Assets Categories[1]

Category	Sub-Category	Eligibility Criteria	Indicative metrics	SDGs alignment
Green Buildings	Acquisition of green buildings	Investments in or financing of new commercial buildings certified to either of, or a combination of, the following standards and levels: • BREEAM: Excellent or Outstanding • LEED: Gold or Platinum • Miljöbyggnad: Silver or above • Nordic Swan Ecolabel (Svanen) and/or: where the net primary energy demand of the new building is at least 10% lower than the primary energy demand resulting from the relevant NZEB[2] requirements. Investments in or financing of non-certified commercial buildings which will be certified within 2 years after purchase, to either of the following standards: • BREEAM In-Use: Very Good for buildings built before 2017 • BREEAM In-Use: Excellent or Outstanding for buildings from 2017 or later • LEED: Gold or Platinum • Miljöbyggnad: Silver or above • Nordic Swan Ecolabel (Svanen)	tCO_2e avoided, and/or energy reduction in MWh	

[1] Please find a detailed description in the complete Green Bond Framework

[2] This threshold reflects the specifications in the EU Taxonomy and is based on 'Nearly-Zero Energy Building' (NZEB) requirements, which are defined in national regulations implementing the Energy Performance of Buildings Directive, and are mandatory across EU Member States from 2021. Allocations may be made against this criterion when a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian or Swedish context.

Focus on the Use of Proceeds - Eligible Green Assets Categories[1]

Category	Sub-Category	Eligibility Criteria	Indicative metrics	SDGs alignment
Green buildings	Renovation	Investments in or financing of renovation projects that achieve a reduction in net Primary Energy Demand of at least 30% in comparison to the baseline performance of the building before the renovation, and/or the following certifications have been received or are expected to be received as a result of the investment: • BREEAM In-Use v.6: Very Good, Excellent or Outstanding • LEED: Gold or Platinum • Miljöbyggnad: Silver or above • Nordic Swan Ecolabel (Svanen)	tCO_2e avoided, and/or energy reduction in MWh	11 SUSTAINABLE CITIES AND COMMUNITIES
	Energy efficiency and renewable energy in existing buildings	Financing of expenditures relating to energy efficiency improvement in buildings including, but not limited to: geothermal heat pump installation, insulation, retrofitting, solar panel installation, and LED lighting installation, in order to reduce the primary energy demand of the building. EU taxonomy requirements for activity 7.3 or 7.6 will apply.	tCO_2e avoided, and/or energy reduction in MWh	11 SUSTAINABLE CITIES AND COMMUNITIES
Green Infrastructure	Renewable Energy	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects including the following renewable energy technologies: • Solar PV • Offshore and Onshore Wind • Hydropower[2] • Geothermal[3]	tCO_2e avoided	7 AFFORDABLE AND CLEAN ENERGY

[1] Please find a detailed description in the complete Green Bond Framework
[2] Excludes hydropower assets over 25 MW capacity or involving an impoundment dam. In the case of new construction of hydropower, only installations which have been subject to independent Environmental Impact Assessments will be eligible for allocation.
[3] Where direct emissions are less than 100gCO2e/kWh

Focus on the Use of Proceeds - Eligible Green Assets Categories[1]

Category	Sub-Category	Eligibility Criteria	Indicative metrics	SDGs alignment
Green Infrastructure	Clean Transportation	Investments relating to the development, construction, acquisition, maintenance, and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation: • For passenger transportation, the trains and passenger coaches have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode) • For passenger transportation, where carbon intensity of transportation is less than 50g CO2 e/passenger km • For freight transportation, the trains and wagons have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode) • For freight transportation when not running on electrical power, carbon intensity is less than 25g CO2 /tkm • For freight transportation, where such transportation does not involve fossil fuels Investments relating to the development, construction, acquisition, maintenance, and operation of Battery Electric Vehicle charging infrastructure.	tCO_2e avoided	11 SUSTAINABLE CITIES AND COMMUNITIES

[1] Please find a detailed description in the complete Green Bond Framework

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Green Bond Governance

To ensure that allocations are made to Eligible Green Assets as in the Green Bond Framework, Storebrand has established a Green Bond Committee

The Green Bond Committee Scope

Responsibilities

- Ensuring the proposed allocations are aligned with the relevant Storebrand policies;
- Ensuring the proposed pool of Eligible Assets is aligned with the categories as specified in the Use of Proceeds section above
- Approving any proposed changes to the pool in the event that the existing assets no longer meet the eligibility criteria
- Reviewing and approving allocation and where relevant, impact reports; and,
- Updating the Green Bond Framework as and when deemed necessary

The Green Bond Committee Composition

Representatives

- Nordic Head of Sustainability - Committee Chairman
- Group CFO
- Head of Banking
- Head of Investment Office: CIO/delegate
- Nordic Sustainability Reporting
- Group Head of Communications, Sustainability and Public Affairs
- Group Finance/delegate

The Committee will meet on an annual basis to review proposed allocations and ensure these are made in line with the eligible green assets as defined above. The Group CFO will have overall responsibility for approving allocations

Second Party Opinion by Sustainalytics

Use of Proceeds

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the Green Bond Principles 2021. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9 and 11

Project Evaluation & Selection

Storebrand's Green Bond Committee[1] is responsible for evaluating and selecting projects. Storebrand has an environmental and social risk assessment process in place that applies to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned with market practice.

Management of Proceeds

Storebrand's CFO will be responsible for the management of proceeds based on a portfolio approach and will track the allocation using existing internal processes. Storebrand intends to allocate all proceeds within three years from the date of issuance. Unallocated proceeds will be temporarily invested in cash, cash equivalents, ESG-orientated funds, or similar. Sustainalytics considers this to be in line with market practice.

Reporting

Storebrand intends to report on the allocation and impact of proceeds in a Green Bond Allocation Report, available on its website on an annual basis until full allocation. Allocation reporting will include details such as the amount of proceeds allocated per category, the proportion of refinancing, and details of unallocated proceeds. Impact reporting may include estimates of tCO2e avoided and/or energy reduction achieved. Sustainalytics views Storebrand's allocation and impact reporting as aligned with market practice

[1] The Green Bond Committee is comprised by the Group CFO, Heads of Treasury, Investment Office, Head of Banking, Nordic Head Sustainability, a representative from Nordic Sustainable Reporting, and Group Head of Communications, Sustainability and Public Affairs.
Storebrand also intends to commission a Compliance Review at minimum after the full allocation of any Green Bond with the intention of confirming that the Green Bond proceeds have been allocated in accordance with the Uses of Proceeds specified in this Framework

EUR Green Bond – Asset Allocation Figures

€300m
Raised through Storebrand's inaugural green bond issuance in March 2021

Tier 2
under Solvency II. Subordinated bond qualified as regulatory capital

80+
Investors

BBB
Standards and Poor rating

4
Green projects financed in the first round of allocations within 3 different categories; Properties, Renewable energy and Infrastructure

€237.4m
Allocated, giving a project refinancing rate of 79%. Remaining €62.5m will be allocated to eligible green projects


Foto: Schmidt / Hammer / Lassen Architects

Source: Green Bond Allocation Report 2021

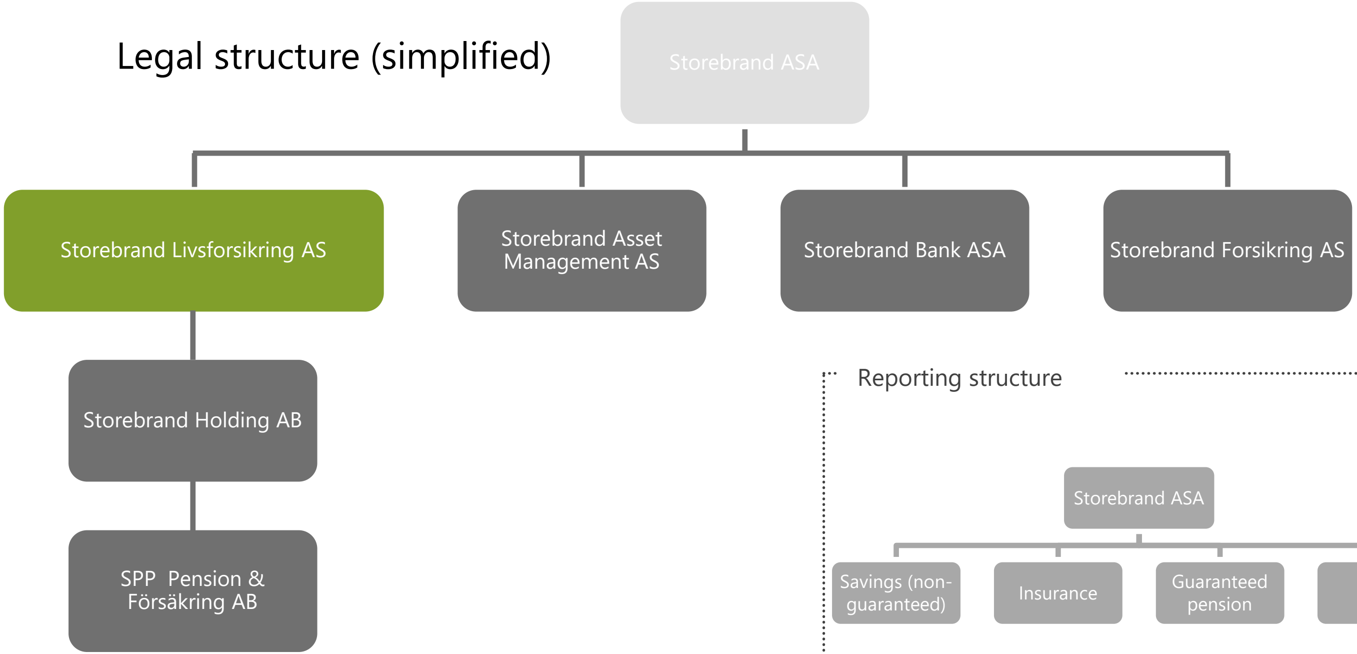
storebrand

Capital and Solvency

- Storebrand Overview and Strategy
- Sustainability at Storebrand
- Storebrand Green Bond Framework
- **Capital and Solvency**
- Group results Q1 2022

Storebrand Group Structure
Diversified cash flow to holding company Storebrand ASA

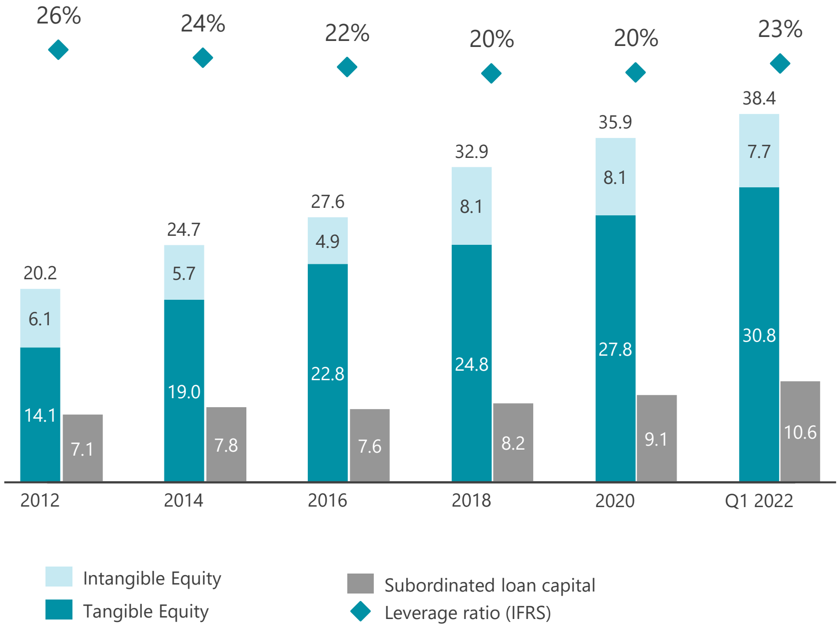
Legal structure (simplified)



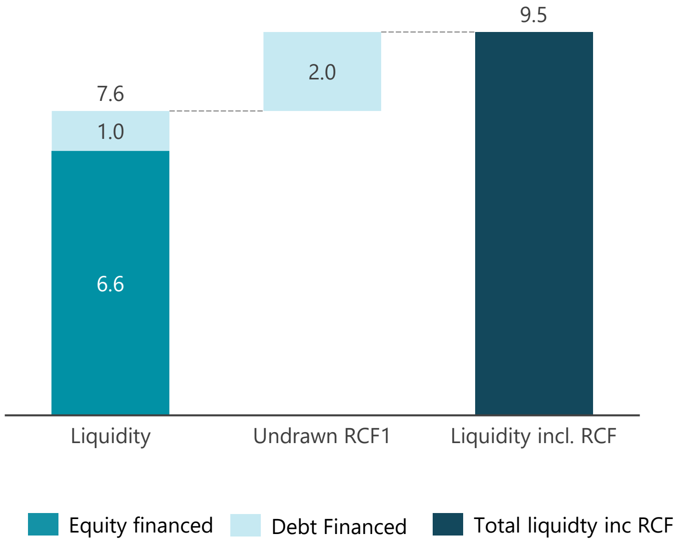
Reporting structure

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

Group capital (NOK billion) and leverage ratio



Liquidity position Storebrand ASA (NOK billion)

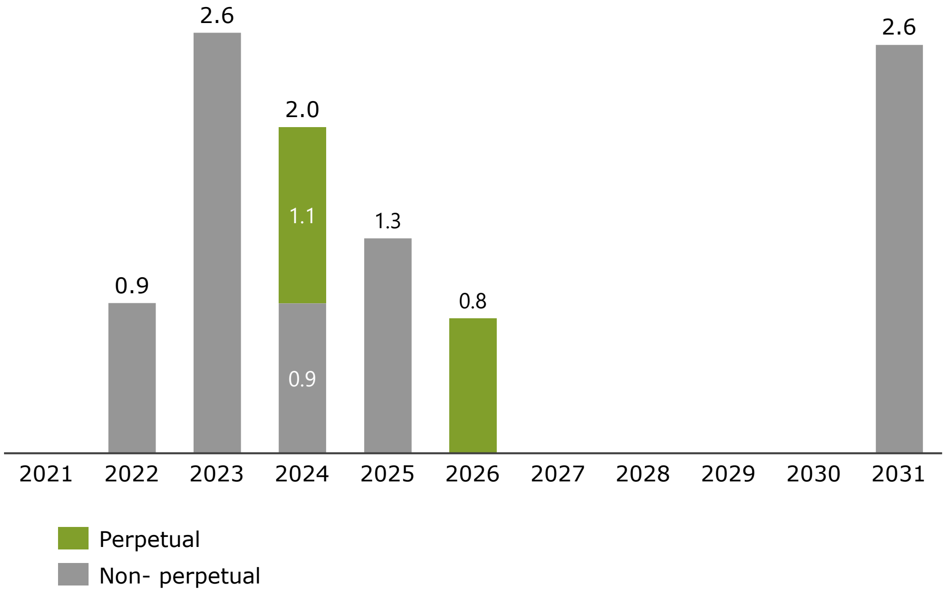


[1] Intangible equity: Brand names, IT systems, customer lists and Value of business-in-force (VIF), and goodwill. VIF and goodwill mainly from acquisition of SPP.
[2] The undrawn revolving credit facility (RCF) is a Euro facility and the conversion to NOK is based on the exchange rate per 31.12.2021.

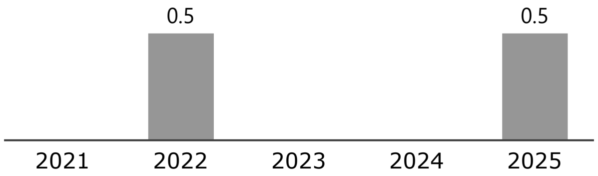
storebrand

Term structure debt

Term structure sub-debt Storebrand Livsforsikring[1] (bn NOK)



Term structure senior debt Storebrand ASA (bn NOK)

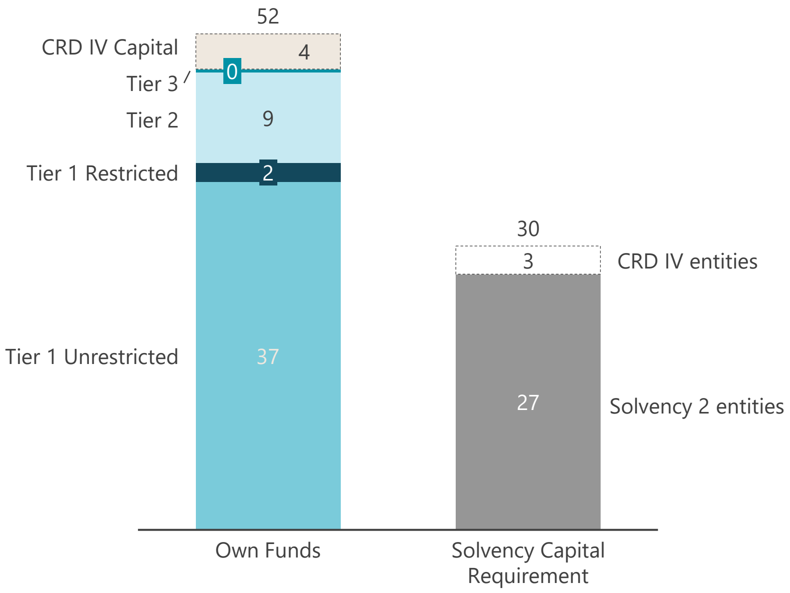


Total EUR 550 million, SEK 3,800 million and NOK 1,600 million.

storebrand

Solvency 2 capital base Q4 2021

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%	1%
Tier 2	≤ 50% SCR ∑ T2+T3	35%	20%
Tier 1 Restricted	≤ 20% T1	7%	4%
Tier 1 Unrestricted	≥ 50% SCR ∑ All T1	136%	76%
		180%[1]	**100%**

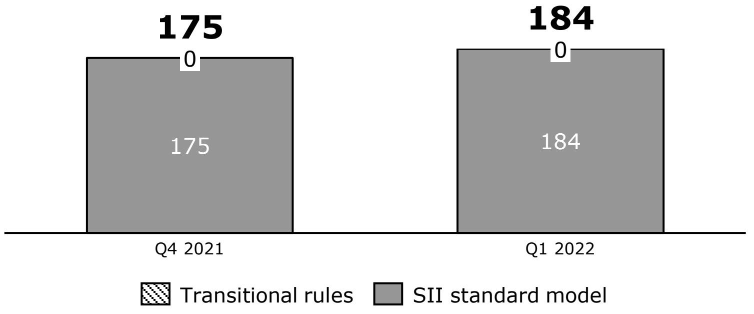
[1] Solvency margin excluding CRD IV subsidiaries.

Estimated solvency sensitivities

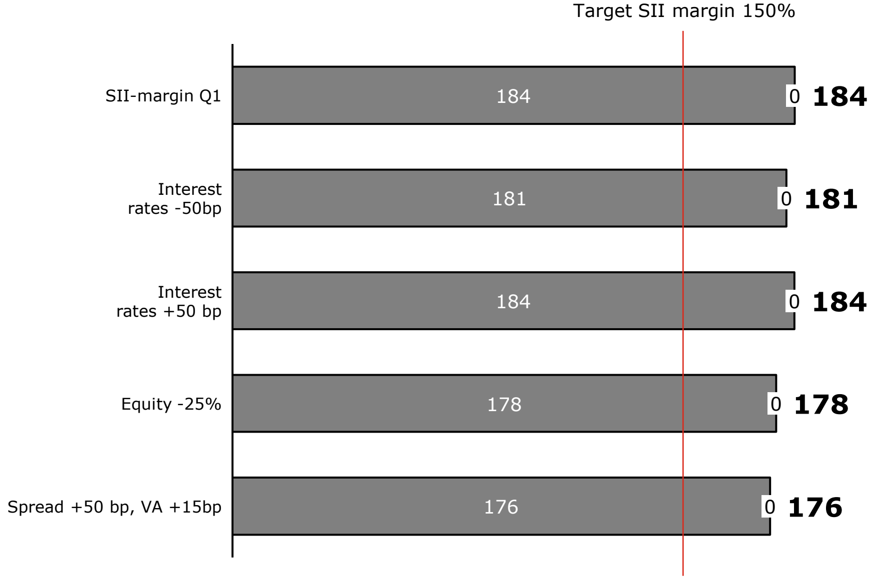
Storebrand Group

Group

Solvency position(%)[1]



Estimated sensitivities



Key takeaways

- Higher interest rates, allocation changes and profit generation improve solvency
- Market developments reduce the solvency position, but are offset by countercyclical factors including VA and symmetric equity stress

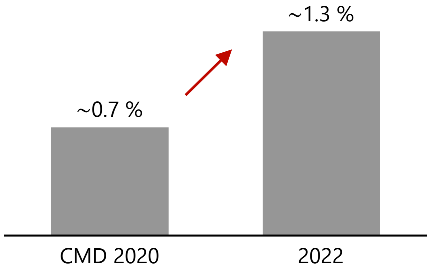
[1] The Solvency position of Storebrand Group is calculated using the current Storebrand implementation of the Solvency II Standard model. Output is sensitive to changes in financial markets, development of reserves, changes in assumptions and improvements of the calculation framework in the economic capital model as well as changes in the Solvency II legislation and national interpretations.

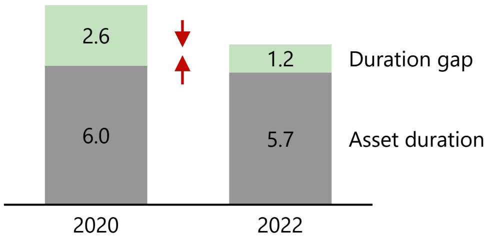
storebrand

More robust capital position with increased spreads above discount rate and reduced duration mismatch

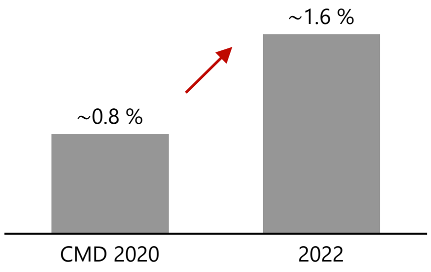
Expected investment return above discount rate (%), Solvency II[1] | **Reduced duration gap (years), Solvency II[2]**

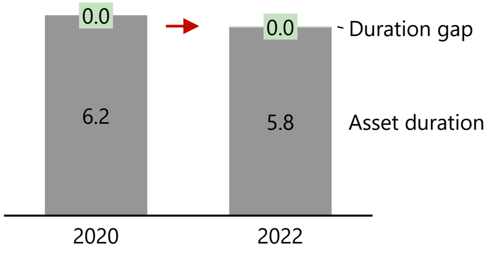
GUARANTEED NORWAY





GUARANTEED SWEDEN

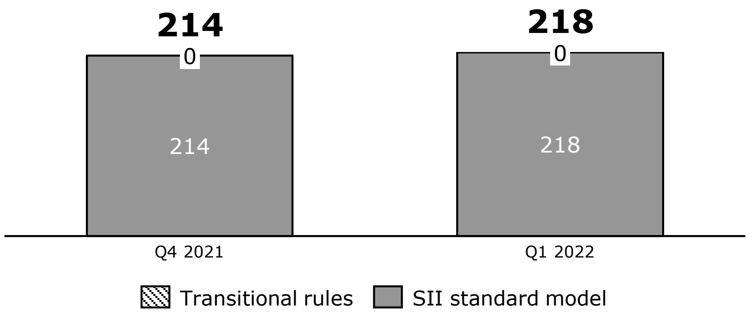




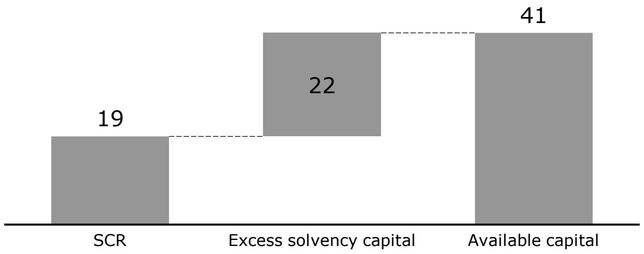
[1] Expected return based on current asset allocation with risk premia. Discount rate for liabilities based on Solvency 2 curve, hence including UFR and VA.
[2] Liability duration measured for Solvency 2 Best Estimate Liability, hence including future discretionary benefits and based on Solvency 2 curve with UFR and VA.

Solvency position Storebrand Livsforsikring AS

Solvency position(%)[1]



Solid buffer above requirement (NOK bn)



Comments

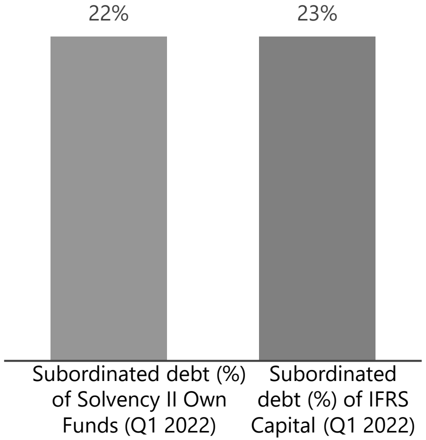
Main differences between the Storebrand Group solvency and Storebrand Livsforsikring AS solo calculation:

- SPP is treated as a strategic participations with a 22% capital charge on the own funds value[2]
- The capital requirements calculated for SPP are hence not included in Storebrand Livsforsikring solo calculation.
- Storebrand ASA and sister companies of Storebrand Livsforsikring AS are not included in the solo calculation

[1] The Solvency position of Storebrand Livsforsikring AS is calculated using the current Storebrand implementation of the Solvency II Standard model with the company's interpretation of the transition rules from the NFSA. Output is sensitive to changes in financial markets, development of reserves, changes in assumptions and improvements of the calculation framework in the economic capital model as well as changes in the Solvency II legislation and national interpretation of transition rules.
[2] Storebrand Livsforsikring AS contemplates a change in the stress from 'strategic participation' to 'equity type II' to align the solvency capital requirement of the Storebrand Group and Storebrand Livsforsikring AS.

Moderate leverage, fixed charge coverage, and rating give financial flexibility and more debt capacity

Moderate leverage[2]



Strong debt servicing capacity[2]

Solid rating

Insurance Financial Strength Rating (IFSR)

"We also anticipate that Storebrand's capitalization will remain in the 'AA' range according to our capital model" (S&P 2021)[1]

[1] November 20, 2021. S&P 'Ratings Direct Storebrand Group'
[2] Group leverage and debt servicing capacity

storebrand

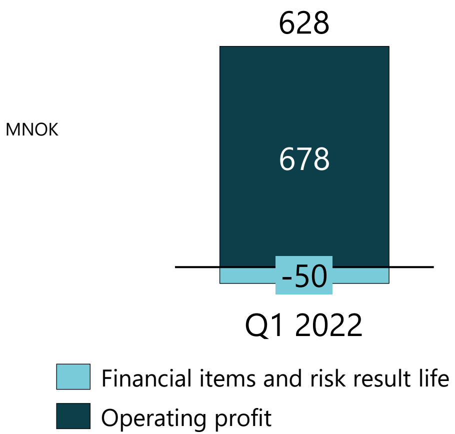
Group results Q1 2022

- Storebrand Overview and Strategy
- Sustainability at Storebrand
- Storebrand Green Bond Framework
- Capital and Solvency
- **Group results Q1 2022**

Highlights Q1 2022

Strengthened solvency position and stable operating result in a quarter with volatile financial markets

Group result[1]



1 040 bn NOK in assets under management

19% growth in insurance[2]

15% growth in retail banking[2]

184% Solvency ratio

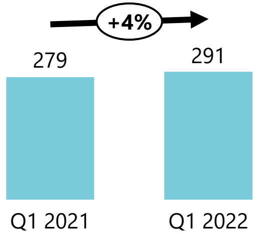
NOK 500m share buyback program to be initiated

[1] Result before amortisation and tax.
[2] Growth figures are from 2021 to 2022.

Structural growth paused by FX and weak financial markets in Q1 2022

A Leading Provider Occupational Pensions Norway & Sweden

DC pensions (Unit Linked) reserves (BNOK)

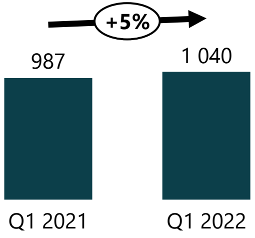


Unit Linked
- Premiums stable at NOK 5.3bn
- Net inflow
- AUM reduced by 6% from asset returns and FX.
- Stable fee margins.

Public Occupational Pensions
- NOK 4.2bn of reserves transferred to Storebrand.

B Nordic Powerhouse in Asset Management

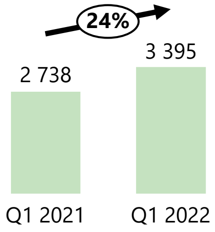
AuM (BNOK)



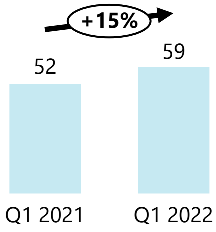
Asset management
- Net inflows of NOK 11bn.
- SPP Fonder with positive flow of SEK ca 3bn vs. a total market outflow of ca 35bn.
- Finnish branch established February 2022.
- AUM reduced by 5% from FX and asset returns.

C Growing Challenger in Norwegian Retail Market

Insurance Portfolio Premiums[1] (MNOK)



Lending balance (BNOK)



Insurance (retail)
- 24% growth y/y in P&C & Individual Life with 91% combined ratio.

Bank
- 15% growth in lending volume y/y.
- 19% growth in fee income y/y.
- Improved Net interest income margin to 1.22%.

Figures as of Q1 2022 unless otherwise specified.

[1] P&C and Individual life. Includes the new P&C insurance offering to the corporate SME market.

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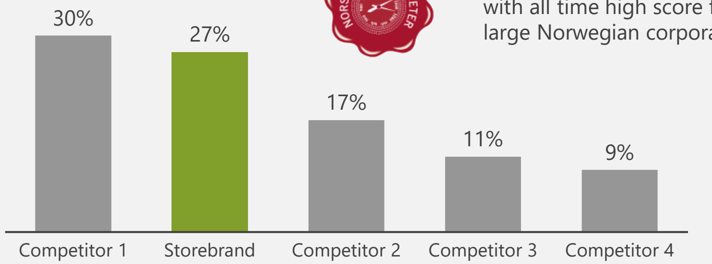
Leader in DC Occupational Pension and Asset Management, and a challenger in the Retail Market

Occupational Pensions Norway

Defined Contribution share[1]

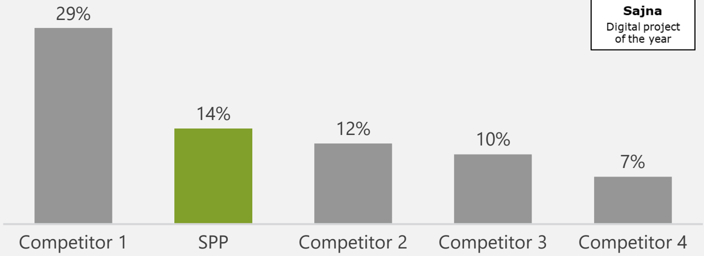
✓ **Best customer satisfaction** with all time high score for large Norwegian corporates



Occupational Pensions Sweden

Defined Contribution share[2]

✓ **Digital leader** in Sweden



Asset Management Nordics

AuM Private Asset Manager Market position[3]

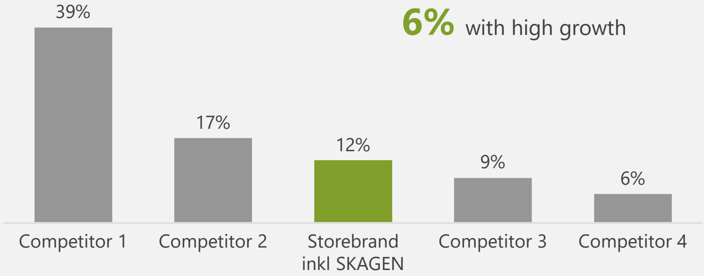
✓ **Best in responsible investments[3]** in Norway & Sweden

#1 Norway

#5 Nordics

Retail Norway

Retail Savings share[4]



Insurance share[1]

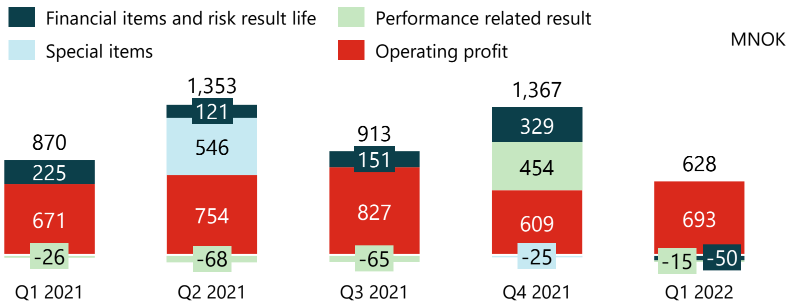
6% with high growth

[1] Finance Norway. Gross premiums incl. with inv. choice. Q2 2021, NKB Barcode Intelligence
[2] Insurance Sweden. Non-unionised 'Other occ. pensions' (premiums, net transfers) Q2 2021
[3] Norwegian Fund and Asset Management Association, Prospera (NO & SE) 2020
[4] Norwegian Fund and Asset Management Association, Finance Norway Q3 2021

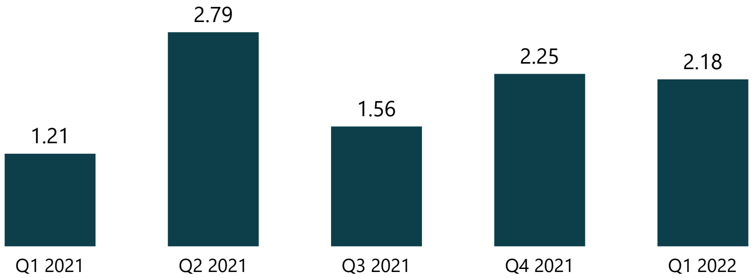
Key Figures

Strengthened solvency position, stable operating result and solid buffer capital levels

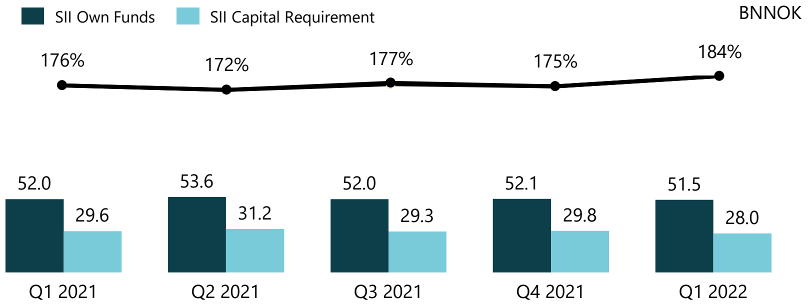
Result development[1]



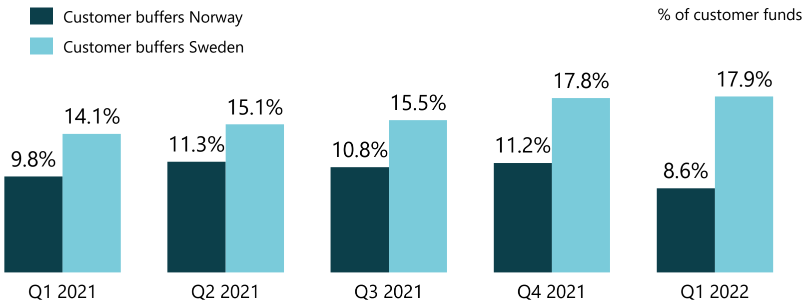
Earnings per share[2]



SII Own funds[4] and SCR



Customer buffers development[3]



[1] Result before amortisation and tax.
[2] Earnings per share after tax adjusted for amortisation of intangible assets.
[3] Excluding Excess values of HTM bonds.
[4] Own Funds including transitional capital.

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Storebrand Group

Stable operating profit

Profit[1]

NOK million	Q1 2022	Q1 2021	Full year 2021
Fee and administration income	1 457	1 482	6 607
Insurance result	365	220	1 201
Operational cost	-1 145	-1 057	-4 678
Operating profit	**678**	**645**	**3 130**
Financial items and risk result life	-50	225	1 372
Profit before amortisation	**628**	**870**	**4 503**

Profit per line of business

NOK million	Q1 2022	Q1 2021	Full year 2021
Savings - non-guaranteed	404	528	2 355
Insurance	109	55	423
Guaranteed pension	232	322	1 432
Other profit	-116	-35	293
Profit before amortisation	**628**	**870**	**4 503**

[1] The result may include special items. Please see storebrand.com/ir for a complete overview.

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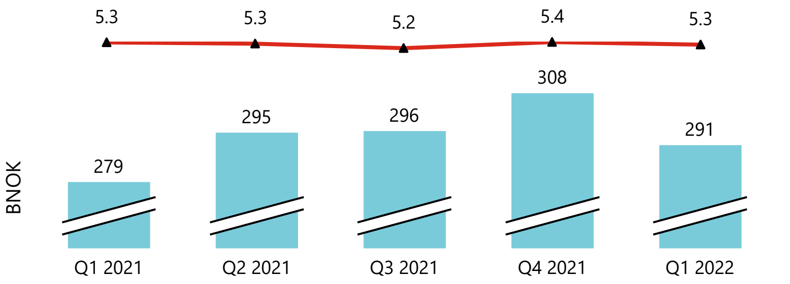
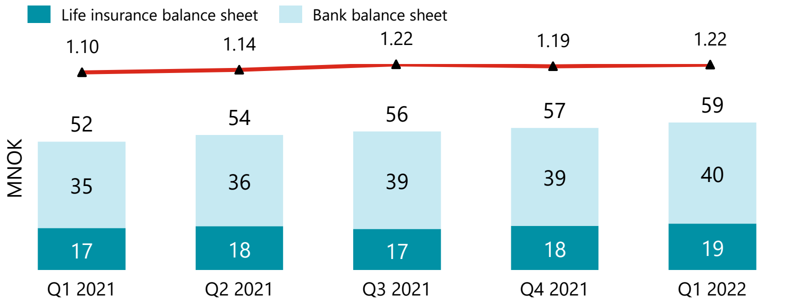
Savings (non-guaranteed)

Growth paused by FX and volatile financial markets

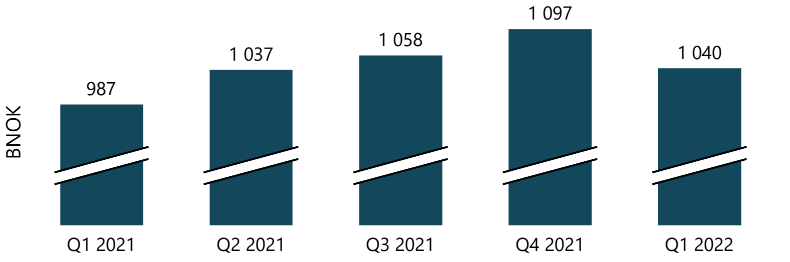
Reserves and premiums Unit Linked



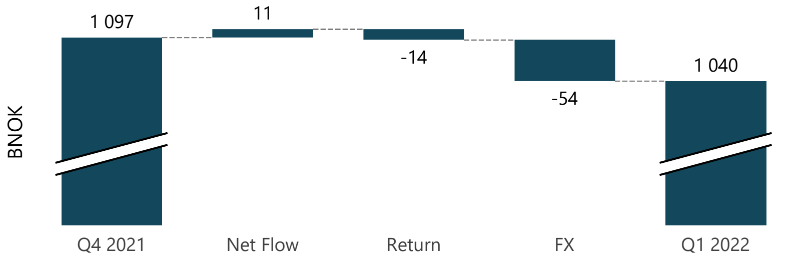
Retail bank balance and net interest margin (%)



Assets under management



Movement in asset under management YTD[1]

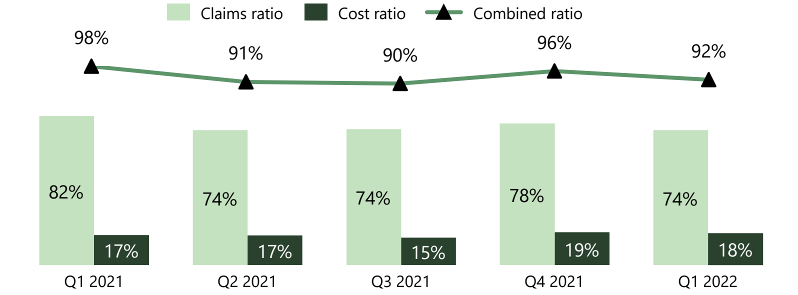


[1] Estimated flow and return numbers

Insurance

Continued growth and improved results

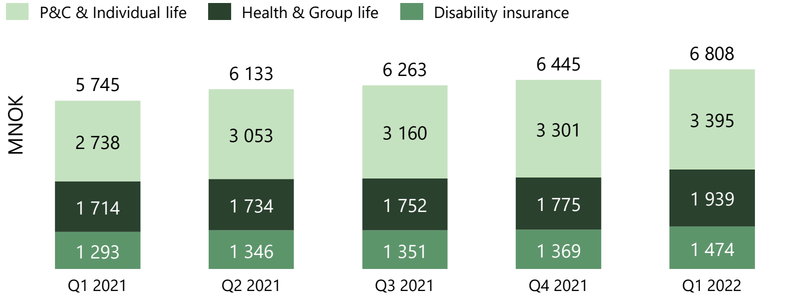
Combined ratio



Key Takeaways Combined Ratio and Results

- 92% overall combined ratio (target 90-92%), 91% in P&C & Individual life
- Improved claims ratio

Portfolio premiums



Key Takeaways Premiums and Growth[1]

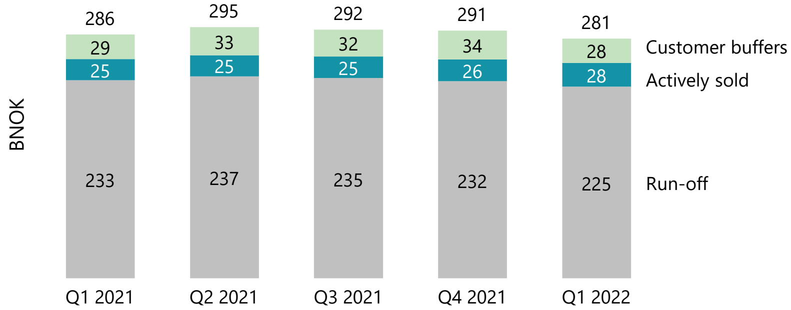
- Premium growth across all product segments
- 19% overall portfolio premium growth
- 24% growth in P&C & Individual Life
- Retail P&C market share increased from 4.5% to 6.0% in 2021

[1] Growth figures from corresponding period in 2021 to 2022.

Guaranteed pension

Stable operating profit and strong risk result

Reserves guaranteed products



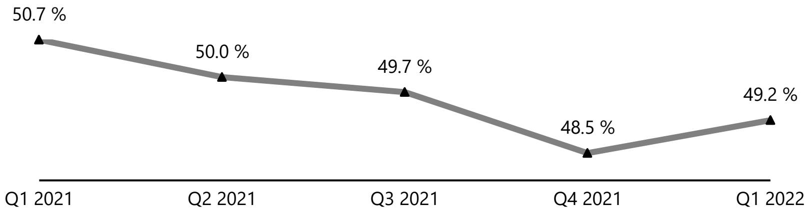
Key Takeaways

- Continued run-off of guaranteed reserves.
- Growth in public occupational pensions contribute NOK 4.2bn to reserve growth.
- Customers buffers reduced due to rising interest rates and market turbulence.

Buffer capital*

NOK million	Q1 2022	Q4 2021	Change
Market value adjustment reserve**	3 938	6 309	- 2 372
Excess value of bonds at amortised cost	-4 781	3 363	- 8 144
Additional statutory reserve	11 745	13 602	- 1 857
Conditional bonuses SPP	12 804	13 781	- 977
Total	**23 706**	**37 056**	**- 13 350**

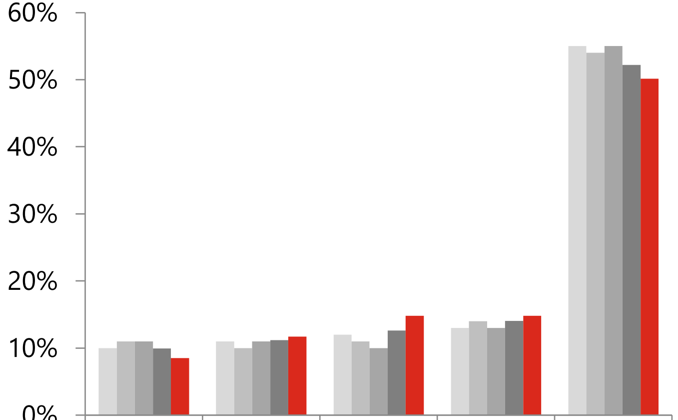
Guaranteed reserves in % of total reserves



* The term Buffer capital in this table is not consistent with the definition of buffer capital made in the IFRS accounting.
** Includes Public Occupational Pensions buffer fund.

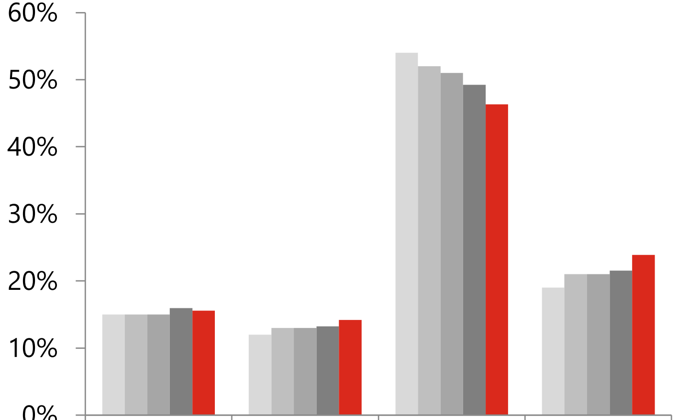
Asset allocation – Guaranteed products

Storebrand Livsforsikring AS (Norway)



	Equities	Real estate	Bonds & Money market	Loans	Bonds at amortised cost
31.03.2021	10%	11%	12%	13%	55%
30.06.2021	11%	10%	11%	14%	54%
30.09.2021	11%	11%	10%	13%	55%
31.12.2021	10%	11%	13%	14%	52%
31.03.2022	9%	12%	15%	15%	50%

SPP (Sweden)



	Equities	Real estate	Bonds & Money market	Loans
31.03.2021	15%	12%	54%	19%
30.06.2021	15%	13%	52%	21%
30.09.2021	15%	13%	51%	21%
31.12.2021	16%	13%	49%	22%
31.03.2022	16%	14%	46%	24%

Note: The graphs show the asset allocation for all products with an interest rate guarantee.

Appendix
Risk Factors

- Storebrand Overview and Strategy
- Sustainability at Storebrand
- Storebrand Green Bond Framework
- Capital and Solvency
- Group results Q1 2022
- **Appendix: Risk Factors**

Risk factors

Investing in bonds involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in the Registration Document before making an investment decision.

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. It 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. The most significant market risks for Storebrand are interest rate risk, equity risk, credit risk, property risk and exchange rate risk.

For the life insurance companies, the financial assets are invested 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: 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 costumer 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.

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 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.

Risk factors

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. Investment income may be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, repaid at maturity or are repurchased and the proceeds are reinvested at lower 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.

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. The Issuer may be unable to match long-term fixed liabilities arising from the conduct of its life insurance business with long-term assets with similar durations and cash flow characteristics. This may materially affect the Issuer's financial condition and results of operations.

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.

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.

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.

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.

Declines in the equity markets and other financial markets 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. The value of fixed-income securities may be affected by, among other things, changes in an issuer's credit rating. Where the credit rating of an issuer of a debt security drops, the value of the security may also decline. Should the credit rating of an issuer drop to a level such that regulatory guidelines prohibit the holding of such securities to back insurance liabilities, the resulting disposal may lead to a significant loss on the Issuer's investments.

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 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 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 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.

Disability risk is the risk of erroneous estimation of future illness and disability. There is uncertainty associated with the future development of disability, including disabled pensioners who have returned to the workforce. 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.

Due to future margins influencing the technical provisions, there is risk associated with profitable customers leaving the company (risk of lapse) or that expenses become higher than expected. The risk of lapse is particularly related to defined contribution pension contracts.

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.

COVID-19 is a recent example of an emerging risk which impacted the Issuer. The weakening of the Norwegian economy due to the pandemic has led to a substantial, but likely, temporary increase in unemployment. A prolonged situation with high unemployment could lead to higher disability levels, which may result in increased claims. The development of the insurance reserves is dependent on future scenarios and are currently more uncertain than normal. Storebrand strengthened its disability reserves and general COVID-19 reserves in 2020. The reserves have remained unchanged since and are deemed to be adequate. Storebrand will continue to monitor the development of Covid-19 and the effects for the economy.

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, and lead to lower realisations, increased write-downs, impairments of investments and negative fair value adjustments of assets, and may have a material adverse effect on the Issuer's business, financial position and operating results.
In the event that the Storebrand Group's asset management business does not provide satisfactory or appropriate investment returns in the future, the Issuer's customers may decide transfer to other life insurance and pension providers, and new customers may not be attracted.

If the Issuer underperforms its competitors or relevant benchmarks, there may be a material adverse effect on the Issuer's business, results of operations and/or financial conditions due to existing customers moving mandates to other managers, and to an inability to sell new products to existing or new customers.

The Issuer may face competitors that have greater financial 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. The Issuer's ability to generate an appropriate return depends significantly upon its capacity to anticipate and respond appropriately to these competitive pressures.

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, external events or failure to comply with applicable rules and regulations.

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. Risks arising from outsourcing include service failure or defaults and attempts by providers to renegotiate the terms of the arrangements, particularly where they have the negotiating power to do so. Should these providers suffer service failure or defaults, the Issuer's results of operations could be materially affected.

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. Operationally, it is the exposure to Cybercrime that is the greatest risk.

The Issuer must display a high level of integrity and have the trust and the confidence of its customers. In particular, reputational damage to the Issuer could adversely affect new business sales and margins. Negative publicity in respect of the Issuer could also potentially result in regulators subjecting the Issuer's business to closer scrutiny than would otherwise be the case, which may in turn result in higher costs, sanctions or fines.

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 Issuers financial performance and business activities and may, in certain scenarios, adversely impact the Issuer’s ability to meet its obligations in respect of the Notes.

Risk factors

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 proposal for changes in the Solvency II standard model to the Commission in December 2020. EIOPA has proposed changes in the interest rate risk module that could increase the solvency capital requirement for Norwegian and Swedish insurers. We expect final conclusions to be drawn by the Commission, the Parliament and the Council in 2022. This will be followed by work on delegated acts and guidelines. Changes are not expected to enter into force before 2025.

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. 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 that the group structure may be maintained. A change in the group structure imposed by the Norwegian authorities may have a material adverse effect on the financial condition of the Issuer.

The Issuer faces the risk of litigation and other proceedings in relation to its business. Even if the Issuer believes it has appropriately provided for the financial effects of litigation or other proceedings, the outcomes of any litigation may differ from management expectations exposing the Issuer to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Issuer's reputation may be impacted in a way which adversely affects its results of operations and financial conditions.

In addition, such proceedings relating to the Issuer's regulated businesses may expose it to increased regulatory scrutiny and oblige it to accept constraints which involve additional cost or otherwise put them at a competitive disadvantage. Whether or not these or other proceedings are commenced or are successful, the Issuer is exposed to the risk of negative publicity and press speculation which, whether with or without any foundation, could cause damage to its reputation and other damage to its business, including the risk that it will be subjected to greater regulatory scrutiny.

Risk factors

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 assets.

IFRS 17 was published in May 2017 and amended in 2020. The standard is expected to take effect from 1 January 2023. Insurance companies and insurance dominated groups are under IFRS 4 permitted to delay the implementation of IFRS 9 until 1 January 2023 matching IFRS 17. IFRS 17 replaces IFRS 4 Insurance Contracts and, unlike its predecessor, contains a complete framework for the measurement and presentation of insurance contracts. Norwegian liabilities are based on book value accounting, where liabilities are discounted by the guaranteed rate of return. IFRS 17 is based on mark-to-market accounting. This may lead to a transition effect for equity and results at the point of implementation and a changed presentation of results going forward. Based on an initial, preliminary assessment, the measurement rules in IFRS 17 are expected to have a notable effect on the Storebrand ASA Group's profit and loss and balance sheet and the presentation rules may have a material impact on the financial results of the Storebrand ASA Group. IFRS 17 is expected to apply for Storebrand ASA Group. Mark to market accounting may lead to more volatility in the results of the Storebrand Life Group and the Issuer. It is still uncertain if IFRS 17 will apply for the Issuer.

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 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 expensive financing. Adverse capital and credit market conditions may negatively affect the Issuer's ability to meet its liquidity needs, as well as its access to and the cost of capital.

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. In the event that available resources are not sufficient to satisfy the Issuer's business and operational needs, it might have to seek additional financing. 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 assurance 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. The most material risk, in the Issuer's assessment within each risk category, taking into the negative impact of such risk on the Issuer and the Bonds and the probability of its occurrence are set first.

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.

The Bonds are subject to optional redemption by the Issuer

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 16. September 2024 (the "First Call Date"), or 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. 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.

Risk factors

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

The payment obligations by the Issuer under the Bonds are conditional upon the Issuer not being in breach of Applicable Regulations at the time of payment, and still not being in breach of Applicable Regulation immediately thereafter. If no distribution or dividend or other payment (including payment in relation to redemption or repurchase) has been made on or in respect of any Junior Obligations or Parity Obligations since the date as provided for in the Bond Terms and provided such Interest Payment Date is not a Mandatory Interest Deferral Date, the Issuer shall be entitled to defer payment of interest accrued in respect of the Bonds and any such deferral shall not constitute a default in respect of the Bonds. The Issuer must defer such interest payment on any Mandatory Interest Deferral Date and any such deferral shall not constitute a default in respect of the Bonds. All deferred interest on the Bonds shall become due and payable. After the Issuer has fully paid all deferred interest on the Bonds, if the Bonds remain outstanding, future interest payments on the Bonds will be subject to further deferral as described above. Any deferral of interest payments is likely to have an adverse effect on the market price of the Bonds. In addition, as a result of the interest deferral provision of the Bonds, the market price of the Bonds may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

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. 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 is subject to the Solvency II Directive. Changes to this directive may result in the Bonds no longer being eligible to count as cover for the capital or solvency requirements for the Issuer. This would lead to a Capital Disqualification Event, where 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

The Bonds will bear interest at a floating rate which will be based on two components, namely the 3-months NIBOR and the Margin. 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 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 is subject to changes in the market spread, changes in the 3-months NIBOR or both. 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. 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).

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.

Risk factors

Credit ratings may not reflect all risks

The Bonds are, at the date of the Prospectus, 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 of this Prospectus, 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.

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Leading the way in sustainable value creation

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This document contains Alternative Performance Measures as defined by the European Securities and Market Authority (ESMA). An overview of APMs used in financial reporting is available on storebrand.com/ir.