

Norli Liv og Pension Livsforsikring A/S  
**Annual Report 2025**

Midtermolen 1,  
2100 Copenhagen Ø  
Reg.No.: 64 14 57 11

Reviewed and approved at the Annual General Meeting, April 30 2026

***Chairman of the Annual General Meeting***  
Gitte Dahl

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## Management review

### 5-year highlights

DKKm	2025	2024	2023	2022	2021
Premiums	1,084	1,191	1,304	1,355	1,434
Claims and benefits	-2,405	-2,217	-1,946	-1,632	-1,464
Return on investment assets	210	270	249	-1,636	-173
Total operating expenses relating to insurance	-139	-136	-135	-127	-109
Profit/loss on business ceded	-2	-6	-5	-6	-7
Change in life insurance provisions	1,206	952	805	2,484	391
Change in profit margin	183	99	-133	-320	31
<b>Technical result</b>	<b>139</b>	<b>153</b>	<b>138</b>	<b>118</b>	<b>103</b>
<b>Technical result of health and accident insurance</b>	<b>18</b>	<b>18</b>	<b>5</b>	<b>-19</b>	<b>23</b>
Investment return on shareholder equity	21	12	23	-29	-10
Other expenses	-5	0	0	0	0
<b>Profit before tax</b>	<b>173</b>	<b>183</b>	<b>167</b>	<b>70</b>	<b>116</b>
Tax	-45	-41	-39	-18	-24
<b>Net profit for the year</b>	<b>128</b>	<b>142</b>	<b>127</b>	<b>52</b>	<b>92</b>
Total provisions for insurance contracts	13,539	13,200	14,285	14,889	17,115
Total shareholder equity	459	331	459	612	554
Total assets	14,246	14,508	17,109	19,092	18,556
Rate of return related to average interest rate products	2.4	3.00	2.8	-9.5	-0.66
Expenses as percent of provisions	1.0	1.0	0.9	0.8	0.7
Expenses per policyholder	2,451	2,464	2,280	2,016	1,667
Return on equity before tax (%) *	43.7	34.6	24.7	12.3	17.2
Return on equity after tax (%) *	32.4	26.9	18.9	9.0	13.6
Bonus rate (%)	11.6	13.5	17.6	21.3	19.0
Solvency coverage ratio (%)	298	319	405	575	608

The key ratios are calculated in accordance with the provisions of the Danish Insurance Business Act, including the Danish FSA's Executive Order No. 943 of 23 June 2025 on financial reports for insurance companies including later amendments.

## Norli Liv og Pension Livsforsikring A/S 2025

### Activity

Norli Liv og Pension Livsforsikring A/S (“Norli Liv og Pension” or “the Company”) comprises life insurance, pension savings on guaranteed products and pension insurance. In addition, or in combination, market rate products are offered through external partner. The guaranteed product provides a high degree of security for policyholders.

Across Europe, life and pension insurance companies have, over the past two decades, moved away from offering customers guaranteed pension products. Instead, they now provide savings solutions in which clients themselves bear the risks associated with financial markets, longevity and administrative costs.

At Norli, we focus exclusively on traditional guaranteed pension products. As the only commercial life insurance company in Denmark, we continue to offer new policyholders a product, that includes a fully guaranteed pension benefit. In addition, we provide life and pension insurers with the opportunity to consolidate historically sold guaranteed pension products within Norli. This will free up resources across the rest of the pension sector, enabling companies to focus on developing new pension solutions instead of managing traditional products for decades to come.

Our exclusive focus on managing traditional guaranteed pension products will benefit our policyholders. All our management attention, client service capacity and digital resources are dedicated to policyholders with these specific products. This makes us true experts in these products and the particular requirements they entail. The majority of our policyholders are retired or close to retirement. Policyholders in this segment have different expectations regarding advice and service, which is why we maintain a strong focus on what we refer to as senior advisory.

### Major events

#### Transfer of life insurance portfolio from Norli Pension

On January 1 2025, the life insurance portfolio including all assets and liabilities related to the portfolio was transferred from the sister company Norli Pension to Norli Liv og Pension. The transfer was carried out as planned, with the approval of the Danish FSA following the fulfilment of the legal requirements. The portfolio is now managed within Norli Liv og Pension’s administration systems.

#### Nordisk Pensionservice A/S

As of 1 November, Norli Liv og Pension has outsourced part of the administrative tasks to the sister company Nordisk Pensionservice A/S. Nordisk Pensionservice A/S performs administrative tasks for the Norli Group in accordance with a

management agreement. The administrative tasks include pension administration, financial management, and portfolio management. As part of the outsourcing to Nordisk Pensionservice A/S, 72 employees have been transferred from Norli Liv og Pension.

#### Rate on policyholders’ savings for 2026

In December 2025, Norli Liv og Pension announced that the Company would continue to offer an attractive rate on policyholders’ savings in the coming year. For 2026, the rate on policyholders’ savings has been set at 2% for new policyholders.

### Financial results

The total profit before tax amounted to DKK 173 million in 2025, against DKK 183 million in 2024. The profit for the year is overall satisfactory. The health and accident insurance contributed positively to the result, and more than expected driven due to a strong underwriting result net of reinsurance and a solid investment performance.

The expense and risk result was DKK 43 million for 2025, compared to DKK 36 million for 2024, due to strong risk performance and a positive contribution from the expense result. The expense and risk result for 2025 was satisfactory.

The buffers have decreased to 12% from 14% at the start of the year. The reduction is mainly attributable to the acquisition of the sister company Norli Pension Livsforsikring A/S, which had limited bonus potential at the time of acquisition. Norli Liv og Pension remains committed to providing an attractive long-term deposit rate on policyholder savings. To achieve this, the deposit rate for 2026 has been set at 2.0%.

Investment assets amounted to DKK 13,5 billion in 2025 and remained stable compared to 2024.

Profit before tax for the year amounts to DKK 173 million compared to an expected result communicated in Outlook for 2025 in the annual report 2024 amounting to DKK 194 million due to a lower contribution from the interest rate result than expected.

#### Pension contributions

Total premium income for the year was DKK 1,084 million, compared to DKK 1,191 million in 2024. The decline was driven by a -13,6% drop in regular premiums due to the termination of a larger company pension scheme in 2025. The single premiums remained stable from 2024 to 2025.

#### Insurance benefits

Total insurance benefits paid amounted to DKK 2,405 million, compared to DKK 2,217 million in 2024. The increase is due to the take-over of Norli Pension. While benefits increased slightly more than expected in 2025, they were naturally impacted by the same factors as the top line.

The risk result, which expresses the difference between risk premiums and claims expenses, was DKK 32 million, against

DKK 41 million in 2024. The risk result is, despite the reduction, still assessed as satisfactory.

**Expenses**

Acquisition costs and administrative expenses totalled DKK 139 million in 2025, remaining stable compared to DKK 136 million in 2024. The cost level is influenced by Norli Liv og Pension’s ambition to create synergies as a consolidator of guaranteed life insurance pensions. At the end of 2024, the company agreed to take over the portfolio of its sister company. From 2025 onwards, the portfolio is also managed within Norli Liv og Pension’s administration systems, generating ongoing synergies that will benefit both customers and shareholders.

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK 10 million in 2025, compared to a negative result amounting to DKK 6 million in 2024, which was affected by extraordinary expenses related to the takeover.

**Reinsurance**

Reinsurance is a part of the overall risk management strategy. The reinsurance result amounted to DKK -2 million in 2025. The outcome reflects a generally favourable claims year - particularly within the health and accident insurance business – which had a positive overall effect on financial performance.

**Investment return on assets allocated to shareholders equity**

The return on investment assets allocated to equity was positive at DKK 21 million for 2025, compared to DKK 12 million in 2024.

**Investment return allocated to policyholders**

Investment assets allocated to policyholders amounted to a total of DKK 12.4 billion on 31 December 2025 (excluding derivatives and collateral). The investment assets consisted of bonds, equities and real estate supplemented by simple derivatives. The return on investment assets for 2025 was 4.1% against a return of 5.6% in 2024.

Investment return DKKm	Investment assets	Return 2025	Return 2024
Bonds	9.754	2.7%	4.6%
Equities	806	11.6%	16.6%
Real estate	1.792	6.5%	2.5%
<b>Total</b>	<b>12.352</b>	<b>4.1%</b>	<b>5.6%</b>

The above table presents consolidated figures and excludes derivatives and collateral.

The return for the year was satisfactory. The investment return was positively affected by increases in equity markets and spreads narrowing on credit- and emerging markets bonds as

well as Danish mortgages. Equities and bonds both contributed to the positive result.

The required return for residential and office properties remained generally stable across the country throughout 2025. However, in the Greater Copenhagen area, required returns declined, which resulted in the real estate portfolio being revalued positively by DKK 47 million in 2025 in accordance with standard accounting practice. The general cash flow performance in the real estate portfolio was good with stable rental income and moderate vacancy. In previous years the real estate portfolio was written down in value due to a general increase in required return for increasing interest rates.

**Life insurance provisions**

Total life insurance provisions increased by DKK 0,3 billion to DKK 13,5 billion in 2025, attributable mainly to the takeover of the portfolio from Norli Pension A/S and decline in insurance assets due to surrenders and transferrals.

Life insurance provisions are calculated based on the market value principle, where expected cash flows are discounted using the yield curve, including a volatility adjustment, as published by EIOPA. As of December 31, 2025, the 10-year point on the yield-discount curve stood at 3.0%, up from 2.4% on January 1, 2025.

*Profit margin*

The profit margin declined by DKK 186 million in 2025, from DKK 696 million on December 31, 2024, to DKK 510 million on December 31, 2025, primarily due to the anticipated decrease in earnings from decline in insurance assets.

*Bonus rate*

The total bonus rate has been reduced to 11.6% on 31 December 2025 from 13.5% on 31 December 2024.

New policies were placed in interest rate group B until 1 April 2025. From 1 April 2025, Norli Liv og Pension increased the technical interest for new customers, who were consequently placed in interest group A, which had a bonus rate of 13.6 % on 31 December 2025.

**Events after the reporting period**

No events have occurred between 31 December 2025 and the date of the signing of this financial statement that, in the opinion of the management, will materially affect Norli Liv og Pension’s financial position.

However, the executive management changed effective 1st of February and now consist solely of Peter Trågårdh Christensen as CEO.

**Recognition and measurement uncertainty**

The most significant estimates are related to the calculation of fair values of unlisted financial instruments and the measurement of liabilities under insurance contracts.

Management believes that the level of uncertainty in the financial reporting for 2025 is acceptable. For a more detailed

description of recognition and measurement uncertainties, see note 29.

## Capitalisation

Norli Liv og Pension A/S' total capital for solvency coverage purposes amounted to DKK 984 million, consisting of equity and profit margin net of the risk margin.

The capital position is increased compared to year end 2024 due to an increase in shareholder equity.

Norli Liv og Pension A/S applies the Solvency II standard formula to determine the Company's Solvency Capital Requirement. Consistent with the industry regulations set forth by the Danish Financial Supervisory Authority (FSA), the solvency requirement is computed employing a simulated provisioning model. The solvency capital requirement for Norli Liv og Pension A/S was DKK 330 million at 31 December 2025 (DKK 263 million at 31 December 2024), hence the solvency coverage ratio amount to 298% (319% at 31 December 2024).

The level of the solvency capital requirement is relatively low, which is due to the high loss absorbing buffers in Norli Liv og Pension, which had a bonus rate of 11.6%.

Solvency II legislation provides the option of including the loss-absorbing effect of a potential deferred tax asset in the calculation of the capital requirement. Norli Liv og Pension has decided to make use of this option for purposes of calculating the Company's capital requirement.

## Financial reporting and risk processes

The primary responsibility for Norli Liv og Pension's risk management and control organisation in relation to the financial reporting process rests with the Board of Directors and the Executive Management, including compliance with applicable legislation and other financial reporting regulations.

The Board of Directors annual schedule ensures that the Board of Directors reviews, at least once a year:

- Policies and guidelines
- Organisation
- Plans and budgets
- Governance and compliance

The Board of Directors are responsible for establishing and approving strategies, general policies and guidelines and thereby the main procedures and controls related to the financial reporting process. The audit and risk committee supports the Board of Directors in this work. The Management Board are responsible for the management of the Company according to the given policies and guidelines.

### Internal Control system

The internal audit function reports to the Executive Management and works in accordance with the yearly audit plan. The function can report directly to the Board of Directors on own initiative or on request of the board. The internal audit performs sample audits of business procedures and internal controls in critical audit areas.

The Company has employed a Compliance Officer in accordance with the legal requirements. The compliance function performs reviews on all major activities in the Company to ensure fulfilment of legal obligations.

### Risk assessment

The annual schedule of the Board of Directors ensures that the Board of Directors and the Executive Management at least once a year perform an overall assessment of risks in relation to the financial reporting process. In this connection, the Board of Directors assesses the Company's organisation with respect to:

- Risk measurement and risk management
- Financial reporting and budget organisation
- Internal control
- Rules on powers of procurement
- Segregation of functions or compensatory measures
- IT organisation and IT security

As part of the risk assessment, the Board of Directors considers the risk of fraud on an annual basis. This work includes:

- A discussion of management's potential incentive/motive for committing fraudulent financial reporting or other types of fraud
- A discussion of management reporting with a view to preventing/identifying and responding to fraudulent financial reporting

The audit and risk committee supports the Board of Directors in these assessments.

Sensitivity analysis prepared according to financial regulation is published in "Rapport om solvens og finansiel situation" on the Company web page [www.norli.dk](http://www.norli.dk)

### Financial reporting and risks

Day-to-day risk management is performed within risk limits set by the Executive Management and approved by the Board of Directors.

The finance function is responsible for preparing the Company's annual and interim financial statements. The key financial reporting contributor is the actuarial function, which is responsible for calculating technical provisions, and the funds administration function which delivers reconciled statuses for the Company's financial assets and liabilities.

For a more detailed review of the risks facing the Company, see note 28, Risk management, and note 29, Significant accounting estimates, assumptions, and uncertainties.

## Investments

### Development in Financial Markets

Financial asset returns were generally strong in 2025, supported by continued global growth, optimism around artificial intelligence, and further monetary policy easing by major central banks. European equities performed well, with

the Euro Stoxx 600 up 21 percent, supported by fiscal stimulus and increased defence spending. The S&P 500 rose by 18 percent, however strong US asset performance in local currency terms was partly offset in EUR terms by a nearly 12 percent depreciation of the USD.

One asset class that stood out in 2025 was precious metals. Gold and silver recorded annual gains of 65 and 148 percent, respectively. These were their strongest annual gains since 1979, driven by a combination of significant weakening of the USD, geopolitical uncertainty, concerns about long-term inflation and high public debt levels, as well as central banks diversifying their reserve holdings.

Long-dated European government bonds were among the few asset classes that recorded negative returns, reflecting a significant increase in long-term European interest rates. Financial markets were also characterized by pronounced volatility episodes and sharp shifts in sentiment, driven primarily by trade policy uncertainty, fiscal concerns and geopolitical developments.

The year began with strong risk appetite, underpinned by better-than-expected US economic data. Following the German federal election in February, the new German government proposed a reform of the constitutional debt brake to enable higher defence spending, alongside a EUR 500bn infrastructure fund. In parallel, the European Commission announced that member states could substantially increase defence spending without breaching EU fiscal rules. These initiatives triggered a sharp rise in long-term European interest rates, and in the aftermath of the German announcements, the 10-year German government bond yield recorded its largest single-day increase of approximately 30 basis points since German reunification in 1990.

In the beginning of 2025 the new US administration announced a series of tariff measures, culminating in the so-called "Liberation Day" announcements in early April. These measures triggered one of the sharpest short-term corrections in global equity markets since World War II, with the S&P 500 index falling more than 1 in two days. Market conditions stabilised later in the quarter following a temporary pause in tariff implementation and continued signs of resilience in US economic data.

During the summer, concerns about the global growth outlook intensified as US labour market data weakened, reinforcing expectations of monetary easing. This resulted in the Federal Reserve delivering a total of 75 basis points of rate cuts between September and December, supporting bond prices and risk assets more broadly. At the same time, geopolitical tensions in the Middle East briefly led to a sharp spike in oil prices as Israel and US launched air strikes against Iran's nuclear facilities. However, these effects proved short-lived as tensions de-escalated.

In the final quarter of the year, Japanese equities rallied sharply following the election of a new Prime Minister and the announcement of a substantial fiscal stimulus package. European bond yields rose again towards year-end amid

speculation that the European Central Bank's next policy move could be a rate hike in 2026.

## Returns on Investment Assets

All asset classes in the Company's investment portfolio delivered positive and solid returns. However, the interest rate hedging used to manage the interest rate risk in the life insurance provisions delivered a significant negative return due to the pronounced increase in long-term European interest rates. The negative return was further amplified by a decline in implied volatility, which negatively affected the return on interest rate options. Nevertheless, the options' role within the hedging portfolio also includes reducing duration during periods of rising interest rates, which proved particularly beneficial in 2025.

Returns on the Company's investment assets were overall satisfactory when measured against their respective benchmarks. Mandates for investment grade and high yield bonds as well as Emerging Market Debt performed broadly in line with benchmarks. Short-term mortgage bonds outperformed their benchmark, while long-term mortgage bonds recorded a modest underperformance. This was primarily due to a higher allocation to low-coupon callable mortgages, which resulted in increased sensitivity to rising long-term interest rates. Equity investments showed a slight underperformance relative to benchmark, reflecting an overweight position in Danish equities, which was partly offset by an overweight in European financials that performed particularly well in 2025. Alternative credit performed in line with expectations, whereas directly owned real estate delivered a significant outperformance compared with benchmark, partly driven by positive valuation adjustments.

## Investment Policy

The management of the investment portfolio and the overall asset allocation of Norli Pension are governed by policies issued by the Board of Directors.

The primary aim of the investment activities is to ensure an attractive return towards its policyholders while at the same time satisfying its obligations of a guaranteed return.

In addition, the Board of Directors of Norli Pension has issued a policy for responsible investments to ensure that the Company takes environmental, social and governance aspects into account in connection with its investment activities. External and internal asset managers are instructed to comply and report according to policy company guidelines. The guidelines are embedded in relevant investment processes e.g. due diligence processes for alternative investments and onboarding processes for external asset managers.

## Investment strategy

The objective of the Company's investment strategy is for the investment portfolio to achieve an attractive risk-adjusted return by investing in a diversified portfolio of assets while

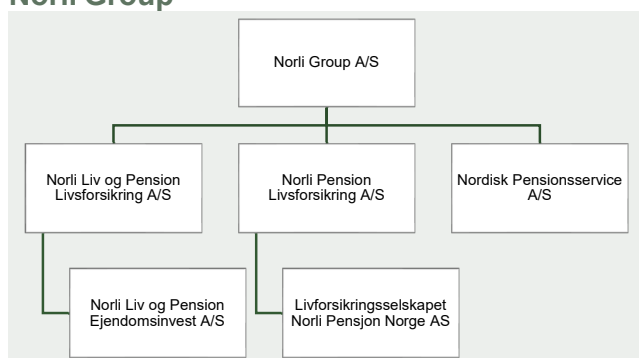
considering the available risk capacity of the Company's policyholders. Interest rate hedging is applied to ensure that life insurance provisions are hedged against interest rate fluctuations. The investment portfolio is invested in high-quality bonds with low credit risk, credit assets, equities and real estate while the interest rate risk is managed through the use of interest rate derivatives.

## Organisation

Norli Group A/S is the sole owner of Norli Liv og Pension A/S.

Norli Liv og Pension Ejendomsinvest A/S is a 100% owned subsidiary of Norli Liv og Pension A/S and deals with investment in and management of real estate.

### Norli Group



## Outsourcing

Effective from 2025, Norli Liv og Pension outsourced its pension administration, financial management, and related services to its sister company, Nordisk Pensjonsservice.

Norli Liv og Pension has further outsourced part of business processes including investment and fund management (JP Morgan, Nykredit and Clearwater), IT infrastructure (Netic) and the Internal Audit function (AdviseSense). Fokus Asset Management manages the real estate activities on behalf of Norli Liv og Pension and Norli Liv og Pension Ejendomsinvest. The outsourcing is to ensure a cost efficient and flexible administration of the company.

Other business processes are managed internally.

Since the acquisition in March 2022, Norli Liv og Pension share key employees with other group companies.

## Management and employees

At the end of 2025, Norli Liv og Pension has 25 full time employees and 4 part time employees. Besides this, Norli Liv og Pension has 9 split employees. The decrease in the number of employees is due to the transfer of employees to Nordisk Pensjonsservice A/S in Q4 2025.

Norli Liv og Pension has approved a bonus program and a remuneration policy. The bonus program applies to certain key persons and the executive management. The bonus program is compliant with market standards.

The remuneration policy is established by the Board of Directors and afterwards approved by the Annual General Meeting. The remuneration policy applies to the Board of Directors, to the management, to employees in control functions and to employees with significant influence on the risk profile of Norli Liv og Pension. For executive management, remuneration may amount to up to 50% of base salary, including pension contributions. For significant risk takers, the remuneration may amount to up to 100% of the base salary, including pension contributions. It also applies that at least 50% of the variable pay must consist of subordinated debt. For the management the payment of 40% of variable pay must be deferred according to law for significant risk takers the duration of the postponement is three years. However, if the variable pay of a significant risk exceeds a certain amount, 60% of the variable pay must be deferred according to law.

## Gender composition

The gender composition of the Board of Directors causes a representation of 33% of the underrepresented gender. Given the number of board members (3), the representation cannot become more equal, and the gender composition is therefore also in line with company policy, which have been approved by the Board of Directors in June 2024.

At the end of 2025 the executive management consist of two members of same gender. The executive management as of 1<sup>st</sup> of February 2026 consists of one person. If additional members of the executive management are to be elected, the Company will prefer to ensure an equal gender composition.

On a side note, as of 1<sup>st</sup> of February 2026 the two top management levels (the Board of Directors and the Executive Management) when seen together, has a gender composition of 50/50.

**Gender compositions**

<b>Members of Board of Directors</b>	<b>2025</b>	<b>2024</b>
Members in total	3	3
Underrepresented gender in percentage	33%	33%
Gender target in percentage	40%	40%
Expected time for target realization	Target met due to circumstances	Target met due to circumstances
<b>Executive Management</b>	<b>2025</b>	<b>2024</b>
Persons in total	2	2
Underrepresented gender in percentage	0%	0%
Gender target in percentage	40%	40%
Expected time for target realization	Within 5 years	Within 5 years
<b>Non-executive Management</b>	<b>2025</b>	<b>2024</b>
Persons in total	4	9
Underrepresented gender in percentage	25%	44,4%
Gender target in percentage	40%	40%
Expected time for target realization	Within 5 years	Within 5 years

Norli Liv og Pension is committed to fostering an inclusive workplace culture that promotes equal opportunities for both genders. Norli Liv og Pension strives to achieve a more even gender balance across all levels of management, with a goal to increase the representation of the underrepresented gender.

**Board of Directors**

In compliance with Danish legislation, Norli Liv og Pension has a two-tier management system with a Board of Directors and an executive management. The responsibilities and duties of the Board of Directors and the executive management are defined in the rules of procedure of the Board of Directors.

The Board of Directors conducts an annual overall assessment of its collective qualifications and working procedures. The evaluation is chaired by the Chair of the Board.

**Composition and organisation of the board of directors**

During 2025 the Board of Directors consisted of Vivian Lund, Nina Christensen and Henrik Gade Jepsen. Vivian Lund is appointed chairman of the Board of Directors.

All members of the Board of Directors are elected annually by the Annual General Meeting, and all Board members meet the statutory independence requirements.

Presentation of the members of the Board of Directors and the Management is provided in the section listing directorships below.

The Board of Directors has considered the qualifications and skills necessary for the Board of Directors in relation to the

business plan of Norli Liv og Pension, and the assessment is that the Board of Directors meets these qualifications and skills.

In 2025 the Board of Directors has held 12 board meetings. 4 of these meetings were ordinary meetings, the remaining meetings were extraordinary meetings due to extraordinary circumstances, for example potential new investments etc.

**Audit and Risk committee**

The Audit and Risk Committee consists of all members of the Board of Directors. During the full year of 2025 Nina Christensen has been chairman of the Audit and Risk Committee.

In accordance with legislation in force (in Danish "Revisorloven"), at least one member of the audit committee must be independent of the company and must have skills within the area of accounting or auditing. The Board of Directors has appointed Nina Christensen, who is independent of the Norli Liv og Pension as the member with skills within this specific area. Nina Christensen has held several different positions with connection to life insurance business in numerous different companies. In addition, she is also engaged in several start-ups. Nina Christensen has through these positions obtained qualifications which qualifies her to submit accounts in financial companies.

The main tasks of the Audit and Risk Committee are to report to the Board of Directors the result of the audit required by law, to supervise the financial reporting process, to supervise the internal audit reporting and the risk reporting in order to ensure the effectiveness hereof in relation to the financial reporting, to ensure and supervise the independency of the auditors elected by the general meeting and to be responsible for the procedure of electing and nominating the auditors to be elected by the general meeting.

In 2025, the Audit and Risk Committee has held meetings prior to ordinary board meetings in Q1, Q2 and Q4. The agenda of the Audit and Risk Committee meetings follow the plan adopted by the Board of Directors.

During 2025 the members of the Audit and Risk Committee have attended all meetings.

**Corporate Social Responsibility**

Due to the legal requirements stated in the Executive order of financial reporting by insurance companies' (Section 147), the company reports its policies and procedures regarding CSR, climate and anti-corruption.

Norli Liv og Pension's responsibilities in respect of CSR and climate are covered by the company policy on sustainability (including CSR, responsible investment and active ownership).

The pension industry and the rest of the financial sector continue to have Anti-Money Laundering as a top priority. In accordance with the AML policy the company works to reduce financial crime in society through the continued effort to

improve the company's AML policy and processes. As a pension service provider, Norli Liv og Pension can be exploited by criminals intending to launder money or by criminals trying to use money for illicit purposes. AML risk for Norli Liv og Pension (being part of the pensions industry) is considered low in accordance with the risk assessment set out in the "National AML Risk Assessment" issued in 2022 by the Danish Financial Intelligence Unit (FIU). In accordance with regulations and company policy, suspicious activities have been reported to the authorities without delay.

As to anti-corruption, the company has guidelines describing that the company does not tolerate corruption. In the current financial period, there have not been identified any corruption activities, as a result of the company's activities.

Norli Liv og Pension has a "Policy on sustainability (including CSR, responsible investment and active ownership)" that describes the approach approved by Norli Liv og Pension Board for integrating its investment principles and processes with regard to international conventions and declarations on human rights, responsible climate action, children's rights, etc.

Norli Liv og Pension will observe fundamental human rights such as the United Nations' Universal Declaration of Human Rights, which Denmark has undertaken to comply with, in all aspects of business administration, product management, client relationships and investment processes. Furthermore, Norli Liv og Pension will observe the principles in the OECD Guidelines for Multinational Enterprises, the United Nations Convention on the Rights of the Child and the United Nations Framework Convention on Climate Change (Paris Agreement).

In the current financial period, there have not been identified any human rights violations, as a result of the company's activities.

As the company does not plan to alter its activities during 2026, no incidents regarding anti-corruption and human rights violations, including labor rights, are expected.

Norli Liv og Pension is actively screening its investment assets against a list of specific industries and types of activity that the Company wants to limit its exposure to. The "Policy on sustainability (including CSR, responsible investment and active ownership)" is available to the public on the corporate website, where the company makes its disclosures under SFDR 2019/2088, Article 4(1)(b).

Norli Liv og Pension has a comprehensive risk assessment and risk management system which in addition to the quantitative risks captured in the Solvency Capital Requirement (SCR) using the Standard Formula, identifies and includes other emerging risks and risks otherwise excluded from the SCR. In this respect there has been a growing risk of future losses from the effects of climate changes.

Norli Liv og Pension is actively investigating the potential impacts on the Company. Given the business model, climate

risk is presently assessed as being non-material during the strategic planning period.

The Company assesses at least annually the degree of exposure to sustainability risk, including the impact of climate changes. The assessment focuses on the investment assets and specifically the investment categories of Equities, Government and Mortgage Bonds, Corporate Credit, Credit to Infrastructure, Real Estate Financing and Real Estate. The assessments are based primarily on the maturity of the investments and the diversification of collateral, which for all categories is considered to contribute to a low overall risk of material adverse impact on investment performance. In addition to this, the company is considering the potential impact of climate change on the assumptions underlying the liabilities.

In addition to the above, most investments are of a long-term nature and managed by external managers through investment management agreements. The Company's credit investments mainly consist of debt issued by unlisted companies with limited public information on overall sustainability. Consequently, the Company has limited ability to reduce the climate footprint of the investments. The potential benefits of estimating the marginal CO<sub>2</sub>-footprint are deemed insignificant and would be achieved at a high relative cost. The Company therefore does not estimate or disclose its CO<sub>2</sub>-footprint as otherwise proposed by the standard from Insurance & Pension Denmark on climate reporting. When the financial markets mature in terms of more readily available sustainability data, the Company will reconsider this approach.

A positive result of the approach set out in the Policy on sustainability (including CSR, responsible investment and active ownership) is that the investment portfolio has become less exposed to negative climate risk during the reporting period. It is the company assessment that this risk reduction has been achieved without any reduction in expected future investment return.

## Data Ethics policy

Due to the legal requirements stated in "Bekendtgørelse om finansielle rapporter" (Section 153), the Company reports its policy and procedures in relation to data ethics.

Norli Liv og Pension has a strong commitment in relation to protection of personal data. In this regard Norli Liv og Pension respects the principles covering the insurance industry as such.

Norli Liv og Pension has a clear intention of being able to service its policy holders via digital solutions in a responsible manner which protects the personal data of the policy holders while at the same time providing them with an effective case management. This means that the Company collects information on its policy holders to provide them with relevant and accurate advice on insurance products and in order to fulfil its regulatory requirements.

Norli Liv og Pension has strong and continuing focus on data protection, and thus Norli Liv og Pension has entered into an outsourcing agreement with Stougaard & Bech Advokater, stating that Stougaard & Bech Advokater covers the position as Data Protection Officer. By choosing this solution, the policy holders as well as other parties can have an independent assessment of the company's processing of personal data. Furthermore, the employees have the possibility to raise concerns regard company's processing of personal data. In addition to the Data Protection Officer, the company's inhouse legal counsels will also provide the employees with guidance and support in relation to data protection.

## Outlook for 2026

The pre-tax profit for 2026 is expected to amount to DKK 175-180 million, while premium payments are expected to remain stable compared to 2025.

The financial guidance is based on the current level of interest rates.

## Company information

### Board of Directors

#### Vivian Lund

	Directorships within Norli Group	Directorships outside Norli Group
<b>Chairman</b>	Norli Group A/S Norli Pension Livsforsikring A/S	Fundrock Asset Management Denmark A/S DNB Bank ASA

#### Nina Christensen

	Directorships within Norli Group	Directorships outside Norli Group
<b>Board Member</b>	Norli Group A/S Norli Pension Livsforsikring A/S	
<b>CEO</b>		Utilis Consult

#### Henrik Gade Jepsen

	Directorships within Norli Group	Directorships outside Norli Group
<b>Board Member</b>	Norli Group A/S Norli Pension Livsforsikring A/S	

### Executive Management Board

#### Peter Trägårdh Christensen

	Directorships within Norli Group	Directorships outside Norli Group
<b>Board member</b>	Norli Liv og Pension Ejendomsinvest A/S Livsforsikringsselskapet Norli Pensjon Norge AS	
<b>CEO</b>	Norli Pension Livsforsikring A/S	
<b>Executive Officer</b>	Norli Group A/S Nordisk Pensionservice A/S	

<b>Registration</b>		
Name:	Address:	Main phone:
Norli Liv og Pension Livsforsikring A/S	Midtermolen 1 DK-2100 Copenhagen Ø	+ 45 38 20 24 00
Company Registration No. (CVR):	Municipality:	e-mail:
CVR 64 14 57 11	Copenhagen	<a href="mailto:service@norli.dk">service@norli.dk</a>
		Webpage
		<a href="http://www.norli.dk">www.norli.dk</a>
<b>Board of Directors</b>		
Vivian Lund <i>Chairman</i>	Nina Christensen	Henrik Gade Jepsen
<b>Management</b>		
<b>Peter Trägårdh Christensen</b> <i>Chief Executive Officer</i>		
<b>Auditors</b>		
<b>EY Godkendt Revisionspartnerselskab</b> Dirch Passers Allé 36 2000 Frederiksberg		
<b>Shareholder</b>		
Norli Liv og Pension Livsforsikring A/S is a 100% owned subsidiary of Norli Group A/S		

## Statement by the Management Board and the Board of Directors

The Board of Directors and the Management Board have today considered and approved the annual report of Norli Liv og Pension A/S for the period 1 January to 31 December 2025.

The annual report has been prepared in accordance with the requirements of relevant law and regulations, including the Danish Insurance Business Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position

at 31 December 2025 and of the results of the company's operations for the financial year ended 31 December 2025.

In our opinion, the management's review contains a fair review of developments in the company's activities and financial position and describes the principal risks and uncertainties that may affect the group and the parent company.

We recommend the annual report for adoption at the annual general meeting.

### Management Board

Copenhagen, 24 March 2026

Peter Trägårdh Christensen  
*Chief Executive Officer*

### Board of Directors

Copenhagen, 24 March 2026

Vivian Lund  
*Chairman*

Nina Christensen

Henrik Gade Jepsen

## Independent auditor's report

### To the shareholders of Norli Liv og Pension Livsforsikring A/S

#### Opinion

We have audited the financial statements of Norli Liv og Pension Livsforsikring A/S for the financial year 1 January – 31 December 2025, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Insurance Business Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January - 31 December 2025 in accordance with the Danish Insurance Business Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark, to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

#### Appointment of auditor

We were initially appointed as auditor of Norli Liv og Pension Livsforsikring A/S on 20 April 2021 for the financial year 2021. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 5 years up until the financial year 2025.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2025. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements as a whole.

**Key audit matters**

***Measurement of provisions for insurance and investment contracts***

The Company's provisions for insurance and investment contracts amounts to a total of DKK 13,539 million at 31 December 2025, of which DKK 12,482 million is related to life insurance provisions, DKK 512 million is related to provisions for claims and DKK 510 million is related to profit margins.

The measurement of provisions for insurance and investment contracts is a key audit matter in the audit as Management exercise significant estimates and judgements in connection with:

- Choice of methods, models and data
- Determination of assumptions for the measurement of provisions for insurance and investment contracts requires Management to apply complex judgements about future events.

Reference is made to note 19 and 20 to the financial statements for a specification of provisions for insurance and investment contracts, to note 28 and 29 for Management's description of risks, uncertainties and estimates made in respect of provisions for insurance and investment contracts as well as note 30 for a description of the accounting policies.

***Measurement of unlisted investments***

The Company's unlisted investments, including real estate, amounts to DKK 3,118 million at 31 December 2025 and consists of investments measured at fair value, where significant inputs are unobservable (level 3).

The measurement of unlisted investments is a key audit matter in the audit as Management exercise significant estimates and judgements in connection with:

- Choice of methods, models and data
- Determination of assumptions for the measurement of unlisted investments including assessment of future cash flows and required rate of return.

Reference is made to note 15 to the financial statements for a specification of unlisted investments, to notes 28 and 29 for Management's description of risks, uncertainties and estimates made and to note 30 for a description of the accounting policies.

**How our audit addressed the key audit matter**

Our audit procedures performed in cooperation with our actuarial specialists included:

- Assessment of design and test of effectiveness of key controls in the processes over actuarial models, data and analysis, including the assumptions-setting processes.
- Comparison of methods and assumptions used with generally accepted actuarial standards, historical development and market practice, particularly regarding mortality rates, disability and reactivation assumptions.
- Test of accuracy and completeness of underlying data on a sample basis as well as review of actuarial calculations and models.
- Assessment and analyses of the development in provisions for insurance and investment contracts and changes to the models applied and assumptions used compared with prior year as well as the development in industry standards and market practice.

Furthermore, we assessed whether the disclosures relating to risks and uncertainties in respect of provisions made meet the relevant accounting rules.

Our audit procedures performed on management's measurement of unlisted investments include:

- Assessment of the methods and models applied based on type of investment, our industry knowledge and experience.
- Test of accuracy and completeness of underlying data on a sample basis.
- Assessment of key assumptions and testing of underlying documentation on a sample basis.

Furthermore, we assessed whether the disclosures relating to risks and uncertainties in respect of measurement of unlisted investments meet the relevant accounting rules.

### Statement on the Management's review

Management is responsible for the Management' review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Insurance Business Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where

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applicable, actions taken to eliminate threats and safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Copenhagen, 24 March 2026  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Lars Rhod Søndergaard  
State Authorised  
Public Accountant  
mne28632

# Income and comprehensive income statement

DKKt	Note	2025	2024
<b>Income statement</b>			
Gross premiums	1	1.084.324	1.190.556
Ceded insurance premiums		-14.126	-17.651
<b>Total premiums, net of reinsurance</b>		<b>1.070.198</b>	<b>1.172.905</b>
Income from group enterprises	2	101.559	87.312
Income from investment properties		4.741	5.196
Interest income and dividends, etc.	3	227.938	179.316
Value adjustments	4	36.468	181.704
Interest expenses		-4.106	-15.568
Administrative expenses related to investment activities		-54.818	-51.127
<b>Total investment return</b>		<b>311.782</b>	<b>386.833</b>
<b>Tax on pension returns</b>	5	<b>-75.451</b>	<b>-94.936</b>
Claims and benefits paid	6	-2.405.174	-2.217.216
Reinsurers' share received		6.617	7.193
<b>Total claims and benefits, net of reinsurance</b>		<b>-2.398.557</b>	<b>-2.210.023</b>
Change in life insurance provisions		1.206.279	952.372
Change in reinsurers' share		3.584	-652
<b>Total change in life insurance provisions, net of reinsurance</b>		<b>1.209.863</b>	<b>951.720</b>
<b>Change in profit margin</b>		<b>183.454</b>	<b>98.604</b>
Acquisition cost		-83.695	-80.438
Administrative expenses	7	-55.451	-55.279
Commissions paid and reinsurance cost		2.305	4.698
<b>Total insurance operating expenses, net of reinsurance</b>		<b>-136.841</b>	<b>-131.019</b>
Transferred investment return		-25.905	-21.459
<b>Technical result</b>		<b>138.543</b>	<b>152.625</b>
Technical result of health and accident insurance	8	18.434	18.506
Investment return on shareholders' equity		20.952	12.226
Other expenses	9	-5.352	0
<b>Profit before tax</b>	10	<b>172.577</b>	<b>183.357</b>
Tax	11	-44.595	-40.991
<b>Net profit for the year</b>		<b>127.982</b>	<b>142.366</b>
<b>Comprehensive income</b>			
Net profit for the year		127.982	142.366
Total comprehensive income		127.982	142.366
<b>Proposed allocation of profit/loss</b>			
Proposed dividend		0	0
Retained earnings		127.982	142.366
<b>Total comprehensive income</b>		<b>127.982</b>	<b>142.366</b>

# Balance sheet

## Assets

DKKt	Note	2025	2024
<b>Investment property</b>	12	<b>132.308</b>	<b>131.308</b>
Investment in group enterprises	13	1.630.595	1.529.036
<b>Total investments in group enterprises</b>		<b>1.630.595</b>	<b>1.529.036</b>
Equity investments		801.126	713.006
Investment funds		8.668.624	9.494.949
Bonds		2.233.168	940.885
Share in collective investments		4.276	4.617
Other loans		119	174
Deposits with credit institutions		40.000	239.000
Other financial investment assets	14	27.225	404.392
<b>Total other financial investment assets</b>		<b>11.774.538</b>	<b>11.797.023</b>
<b>Total investment assets</b>	15	<b>13.537.441</b>	<b>13.457.367</b>
Reinsurers' share of life insurance provisions		35.514	30.913
Reinsurers' share of claims provisions	16	264.711	239.933
<b>Reinsurers' share of insurance contracts</b>		<b>300.225</b>	<b>270.846</b>
Receivables from policyholders		48.695	52.903
<b>Receivables from direct insurance contracts</b>		<b>48.695</b>	<b>52.903</b>
Receivables from insurance companies		31	31
Receivables from group enterprises		300	2.501
Other receivables		30.263	25.474
<b>Total receivables</b>		<b>379.514</b>	<b>351.755</b>
Current tax assets	17	11.971	16.496
Cash and cash equivalents		117.980	175.705
Other assets		131.067	453.550
<b>Total other assets</b>		<b>261.018</b>	<b>645.751</b>
Accrued interest and rent		32.169	30.918
Other prepayments and accrued income		35.826	22.263
<b>Total prepayments and accrued income</b>		<b>67.995</b>	<b>53.181</b>
<b>Total assets</b>		<b>14.245.968</b>	<b>14.508.054</b>

# Balance sheet

## Liability and equity

DKKt	Note	2025	2024
<b>Share capital</b>		<b>10.000</b>	<b>10.000</b>
Contingency funds		100.883	100.883
Profit carried forward / Retained earnings		348.394	220.412
<b>Total reserves</b>		<b>449.277</b>	<b>321.295</b>
<b>Total shareholders equity</b>	18	<b>459.277</b>	<b>331.295</b>
Unearned premium provisions		20.889	31.982
Profit margin on non life contracts		9.312	9.436
Life insurance provisions	19	12.481.881	11.949.886
Profit margin on life insurance and investment contracts		510.105	695.686
Provisions for claims	20	512.432	507.406
Risk margin on non-life insurance contracts		4.830	5.288
<b>Total provisions for insurance and investment contracts</b>		<b>13.539.449</b>	<b>13.199.684</b>
Deferred tax	21	18.516	16.720
<b>Total provisions for liabilities</b>		<b>18.516</b>	<b>16.720</b>
Payables related to direct insurance		27.600	35.745
Payables related to reinsurance		12.598	19.312
Payables to group enterprises		8.743	30.899
Other debt	22	179.084	849.227
<b>Total debts</b>		<b>228.025</b>	<b>935.183</b>
<b>Accruals and deferred income</b>		<b>701</b>	<b>25.172</b>
<b>Total liabilities and equity</b>		<b>14.245.968</b>	<b>14.508.054</b>
Contingent liabilities	23		
Collateral security	24		
Related parties	25		
Derivative financial instruments	26		
Financial highlights	27		
Capital and risk management	28		
Significant accounting estimates, assumptions and uncertainties	29		
Accounting policies	30		

## Statement of changes in equity

<b>DKKt</b>	<b>Share capital</b>	<b>Contingency funds</b>	<b>Retained earnings</b>	<b>Proposed dividend</b>	<b>Total</b>
<b>Shareholders' equity at 1 January 2024</b>	<b>10.000</b>	<b>100.883</b>	<b>348.046</b>	<b>0</b>	<b>458.929</b>
<b>Changes in shareholders' equity 2024</b>					
Net profit for the year			142.366		142.366
<b>Comprehensive income</b>			<b>142.366</b>	<b>0</b>	<b>142.366</b>
Extraordinary dividend distributed			-270.000		-270.000
<b>Changes in shareholders' equity</b>	<b>0</b>	<b>0</b>	<b>-127.634</b>	<b>0</b>	<b>-127.634</b>
<b>Shareholders' equity at 31 December 2024</b>	<b>10.000</b>	<b>100.883</b>	<b>220.412</b>	<b>0</b>	<b>331.295</b>
<b>Shareholders' equity at 1 January 2025</b>	<b>10.000</b>	<b>100.883</b>	<b>220.412</b>	<b>0</b>	<b>331.295</b>
<b>Changes in shareholders' equity 2025:</b>					
Net profit for the year			127.982	0	127.982
<b>Comprehensive income</b>			<b>127.982</b>	<b>0</b>	<b>127.982</b>
<b>Changes in shareholders' equity</b>	<b>0</b>	<b>0</b>	<b>127.982</b>	<b>0</b>	<b>127.982</b>
<b>Shareholders' equity at 31 December 2025</b>	<b>10.000</b>	<b>100.883</b>	<b>348.394</b>	<b>0</b>	<b>459.277</b>

# Notes

DKKt	2025	2024
<b>Note 1 Gross premiums</b>		
Direct insurance	1.084.324	1.190.556
<b>Total gross premiums</b>	<b>1.084.324</b>	<b>1.190.556</b>
Regular premiums	623.938	724.474
Single premiums	460.386	466.082
<b>Total gross premiums</b>	<b>1.084.324</b>	<b>1.190.556</b>
Insurance taken out individually	451.385	408.993
Insurance taken out in connection with employment	367.735	525.089
Group life insurance	265.204	256.474
<b>Total gross premiums</b>	<b>1.084.324</b>	<b>1.190.556</b>
Number of insured, direct insurance (1,000):		
Insurance taken out individually	39.441	39.042
Insurance taken out in connection with employment	11.009	8.375
Group life insurance	58.803	55.246
All policies in Life Insurance written include a bonus arrangement. The company only writes direct Danish insurance.		
<b>Note 2 Income from group enterprises</b>		
Norli Liv og Pension Ejendomsinvest A/S	101.559	87.312
<b>Total income from group enterprises</b>	<b>101.559</b>	<b>87.312</b>
<i>The results are recognised in the following items:</i>		
Income from group enterprises	101.559	87.312
<b>Total income from group enterprises</b>	<b>101.559</b>	<b>87.312</b>
<b>Note 3 Interest income and dividend</b>		
Equity investments	66.143	49.154
Investment funds	122.203	75.028
Bonds	23.071	28.108
Deposits in credit institutions	16.518	27.023
Other investment assets	3	3
<b>Total interest income and dividend</b>	<b>227.938</b>	<b>179.316</b>
<b>Note 4 Value adjustments</b>		
Investment property	1.100	-24.784
Equity investments	67.919	77.060
Investment funds	104.289	441.416
Shares in collective investments	0	-206
Bonds	-3.481	17.285
Derivative financial instruments	-184.236	-226.773
Other investment assets	50.877	-102.295
<b>Total value adjustments</b>	<b>36.468</b>	<b>181.704</b>
<b>Note 5 Tax on pension returns</b>		
Individual tax on pension investment returns	-75.451	-63.898
Adjustment of prior-year individual tax on pension investment returns	0	-31.038
<b>Total tax on pension returns</b>	<b>-75.451</b>	<b>-94.936</b>
<b>Note 6 Claims and benefits paid</b>		
Insurance amounts on death	-96.145	-108.075
Insurance amounts on critical illness	-22.078	-22.260
Insurance amounts on disability	-7.347	-7.536
Insurance amounts on expiry	-195.370	-174.722
Pensions and annuity benefits	-388.949	-284.095
Surrender values	-1.513.638	-1.453.612
Cash bonus payments	-181.647	-166.916
<b>Total claims and benefits paid</b>	<b>-2.405.174</b>	<b>-2.217.216</b>

# Notes

DKKt	2025	2024
<b>Note 7 Administrative expenses</b>		
Staff expenses	-108.539	-88.041
Allocated staff expenses to acquisition/investment costs	80.634	65.805
Other administrative expenses	-27.546	-33.043
<b>Total administrative expenses</b>	<b>-55.451</b>	<b>-55.279</b>
<i>Staff expenses</i>		
Wages and salaries	-81.179	-66.758
Pensions	-11.500	-9.519
Other social security costs and payroll tax	-15.860	-11.763
<b>Total staff expenses</b>	<b>-108.539</b>	<b>-88.041</b>
Average number of full-time-equivalent employees during the year	87	77
<i>Remuneration to the the Board of Directors</i>		
Salary, pension and remuneration	-1.684	-1.443
<b>Total remuneration to the Board of Directors</b>	<b>-1.684</b>	<b>-1.443</b>
<i>Remuneration to the Management Board</i>		
Salary, pension and remuneration - fixed part	-6.317	-5.990
Salary, pension and remuneration - variable part	-972	-799
<b>Total remuneration to Management Board</b>	<b>-7.289</b>	<b>-6.789</b>
<i>Remuneration to significant risk takers</i>		
Salary, pension and remuneration - fixed part	-6.005	-1.868
Salary, pension and remuneration - variable part	0	0
<b>Total remuneration to significant risk takers</b>	<b>-6.005</b>	<b>-1.868</b>
Number of members of the Board of Directors	3	3
Number of members of the Management Board	2	2
Number of members of significant risk takers	4	2

The Management Board is remunerated by Norli Liv og Pension Livsforsikring A/S, and a part of the cost is allocated to the other companies within the Norli Group in accordance with the management agreement. The bonus for the 2025 financial year had not been determined at the time of preparation of the annual report.

The companies within the Norli Group are required to identify all employees whose activities have a significant impact on the risk profile of the company. From 2025 the significant risk takers are also employed by other companies within the Norli Group, and a part of the cost is allocated to the other companies within the Norli Group in accordance with the management agreement.

Information on salaries and remuneration for the Board of Directors, the Management Board, and significant risk takers can be found on the company's website ([www.norli.dk](http://www.norli.dk)).

The company is part of the Norli Group. Audit fees are disclosed at group level in Norli Group A/S annual report.

# Notes

DKKt	2025	2024
<b>Note 8 Technical result of health and accident insurance</b>		
Gross premiums	100.287	116.550
Ceded insurance premiums	-60.909	-68.582
Change in premium provisions	10.243	-666
Change in profit and risk margin	118	877
<b>Total premiums, net of reinsurance</b>	<b>49.739</b>	<b>48.179</b>
Claims paid	-85.576	-85.110
Claims paid, reinsurer's share	39.244	35.662
Change in provisions for claims	-8.456	58.235
Change in risk margin	491	345
Change in provisions for claims, reinsurer's share	24.778	-19.966
<b>Total claims, net of reinsurance</b>	<b>-29.519</b>	<b>-10.834</b>
Acquisition cost	-11.395	-13.851
Administrative expenses	-8.143	-8.634
Commissions paid and reinsurance cost	8.410	13.523
<b>Total insurance operating expenses, net of reinsurance</b>	<b>-11.128</b>	<b>-8.962</b>
<b>Technical result</b>	<b>9.092</b>	<b>28.383</b>
Total investment return	4.951	9.233
Return on and value adjustments of technical provisions	4.391	-19.110
Total investment return after return on and value adjustment on technical provisions	9.342	-9.877
<b>Technical result of health and accident insurance</b>	<b>18.434</b>	<b>18.506</b>
Run-off result, gross	-57.794	14.864
<b>Run-off result, net of reinsurance</b>	<b>-33.184</b>	<b>22.296</b>
Gross claims ratio	84,5%	22,7%
Gross expense ratio	17,7%	19,3%
Combined ratio	102,2%	42,0%
Operating ratio	102,2%	42,0%
Relative run-off gains/losses	-10,2%	6,4%
Number of claims	30	34
Claims frequency	0,5%	0,5%
Average amount of claims	878	865
<b>Note 9 Other expenses</b>		
Other expenses are related to the transfer of portfolio from Norli Pension Livsforsikring A/S		
<b>Note 10 Profit before tax</b>		
<i>Return requirements for shareholders' equity:</i>		
Return on investments allocated to equity	20.953	12.226
Result of portfolios without bonus entitlement	815	680
Profit before tax of the health and accident insurance	18.434	18.506
Interest result	72.957	93.947
Expense result	10.212	-5.501
Risk result	31.525	41.110
Forenede Gruppeliv / Group Life	23.033	22.389
Expenses related to transfer of portfolio from Norli Pension Livsforsikring A/S	-5.352	0
<b>Profit before tax</b>	<b>172.577</b>	<b>183.357</b>
In accordance with the Executive Order on the Contribution Principle and the market discipline guidelines, the Danish FSA has been notified of Norli Liv og Pension's profit policy for 2025. Norli Liv og Pension's profit for the year comprises the investment return on assets in which shareholders' equity is invested plus the result of Forenede Gruppeliv, the health and accident result, plus a risk allowance based on technical provisions from the interest rate groups and a proportion of the risk results of the risk groups and the cost results of cost groups.		
Outlay account:		
Adjustment related to the transfer of portfolio from Norli Pension	67.063	0
Writedown due to surrender	-2.029	0
Amount regarding 2025	21.163	0
<b>Total outlay account</b>	<b>86.197</b>	<b>0</b>

# Notes

DKKt	2025	2024
<b>Note 11 Tax</b>		
Estimated tax on profit for the year	-42.977	-47.331
Adjustment of prior-year current tax	177	7.937
Adjustment of deferred tax	-1.795	-1.597
<b>Total tax</b>	<b>-44.595</b>	<b>-40.991</b>

*Tax for the year consist of:*

Calculated tax on accounting profit/loss	-44.870	-47.673
Non-taxable income and non-deductible expenses	2.070	8.279
Adjustment of deferred tax (increase in tax base)	-1.795	-1.597
<b>Total tax</b>	<b>-44.595</b>	<b>-40.991</b>

*Effective tax rate:*

Current tax rate	26,0%	26,0%
Non-taxable income and non-deductible expenses	-1,2%	-4,5%
Adjustment of deferred tax (increase in tax base)	1,0%	0,9%
<b>Effective tax rate</b>	<b>25,8%</b>	<b>22,4%</b>

**Note 12 Investment property**

Fair value, beginning of year	131.308	156.220
Fair value adjustments	1.000	-24.912
<b>Fair value, end of year</b>	<b>132.308</b>	<b>131.308</b>

The valuation of investment properties is calculated on the basis of the discounted cashflow method.

*Rates of return on which the fair value of the companys' individual properties are based on:*

Weighted average rates of return for corporate properties	5,95%	5,50%
Weighted average rates of return for residential properties	6,39%	6,40%
Total weighted average rates of return for investment properties	6,18%	6,15%

**Note 13 Investment in group enterprises**

Cost, beginning of year	893.595	893.595
Cost, end of year	893.595	893.595

Revaluation and impairment, beginning of year	635.441	548.129
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Profit / loss for the year	101.559	87.312
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Revaluation and impairment, end of year	737.000	635.441
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<b>Investment in group enterprises, end of year</b>	<b>1.630.595</b>	<b>1.529.036</b>
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Holdings in group enterprises consist of:

<i>Name and domicile</i>	<i>Activity</i>	<i>Ownership</i>	<i>Result</i>	<i>Equity</i>
Norli Liv og Pension Ejendomsinvest A/S, København	Property company	100%	101.559	1.630.595

**Note 14 Other financial investment assets**

Derivatives	27.225	404.392
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<b>Other financial investment assets, end of year</b>	<b>27.225</b>	<b>404.392</b>
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# Notes

## Note 15 Total investment assets

	Market value		Return in % p.a. before pension return tax and corporation tax
	Primo	Ultimo	

### Breakdown of assets and return

DKKt	Carrying amount		Return % p.a. before tax
	1 January	31 December	
<b>1. Investment property</b>	<b>2.508.240</b>	<b>1.656.292</b>	<b>6,6%</b>
2.1 Equity investments	1.527.822	811.018	10,8%
2.2 Unlisted investments	4.617	4.276	0,9%
<b>2. Equity investment, total</b>	<b>1.532.439</b>	<b>815.294</b>	<b>10,7%</b>
3.1 Government and mortgage bonds	6.352.994	7.668.567	2,0%
3.2 Index-linked bonds	0	0	0,0%
3.3 Credit bonds and emerging market bonds	1.845.468	2.013.821	4,5%
3.4 Loans	617.562	1.350.617	4,7%
<b>3. Bonds and loans, total</b>	<b>8.816.024</b>	<b>11.033.005</b>	<b>3,0%</b>
<b>4. Equity investments in group enterprises</b>	<b>0</b>	<b>0</b>	<b>0,0%</b>
<b>5. Other financial investment assets</b>	<b>239.000</b>	<b>40.000</b>	<b>0,0%</b>
<b>6. Derivative financial instruments</b>	<b>404.392</b>	<b>27.225</b>	<b>0,0%</b>

DKKt 2025 2024

### Fair value measurement of financial instruments

#### Level 1

##### Financial assets

Equity investments	801.126	713.006
Investments funds	7.318.127	7.972.949
Bonds	2.233.167	919.674
Other assets	40.000	239.000
<b>Total financial assets</b>	<b>10.392.420</b>	<b>9.844.629</b>

#### Level 2

##### Financial assets

Bonds	0	21.211
Derivative financial instruments	27.225	404.392
<b>Total financial assets</b>	<b>27.225</b>	<b>425.602</b>

##### Financial liabilities

Derivative financial instruments	-92.065	-714.769
<b>Total financial liabilities</b>	<b>-92.065</b>	<b>-714.769</b>

#### Level 3

##### Financial assets

Investment property	132.308	131.308
Investment in group enterprises	1.630.595	1.529.036
Equity investments	1.350.498	1.522.000
Share in collective investments	4.276	4.617
Other loans	119	174
<b>Total financial assets</b>	<b>3.117.796</b>	<b>3.187.135</b>

The fair value is the price obtained in a sale of an asset or paid for transferring a liability in an arm's length transaction at the time of measurement. The fair value may be identical to the net asset value if the net asset value is calculated on the basis of underlying assets and liabilities measured at fair value. There are three levels of fair value measurement:

Level 1 is based on quoted (unadjusted) prices in active markets.

Level 2 is used where no quoted price is available but where the use of another official price is deemed to best reflect the fair value. In the case of listed securities for which the closing price does not represent fair value, valuation techniques or other observable data are used to determine fair value. Depending on the nature of the asset or liability, these may be calculations based on underlying parameters such as yields, exchange rates and volatility or with reference to transaction prices for similar instruments.

Level 3 is used for financial assets and liabilities the valuation of which cannot be based on observable data due to such data not being available or not being deemed to be usable for the determination of fair value. Instead recognised techniques, including discounted cash flows, and internal models and assumptions are used for the determination of fair value.

Transfer between the categories of the fair value hierarchy is only effected in case of changes to available data for use in measurement.

# Notes

Bonds measured at quoted prices primarily comprise Danish mortgage bonds and, to a lesser extent, Danish government bonds and corporate bonds. These bonds are attributed to level 1 if a quoted price is identified within 1-3 trading days before the date of calculation (depending on the type of bond). Bonds which are not traded are attributed to level 2. Equity investments mainly comprise listed shares and equity futures measured at quoted prices. For unlisted shares where no observable input is immediately available, the measurement is based on an estimate which builds on information from the companies' financial statements, experience from transactions involving shares in the companies in question as well as input from qualified third parties. The shares are included in level 3.

Other assets comprises positive values of derivative financial instruments at DKK 27,2 million.

Derivative financial instruments mainly comprise interest rate swaps, which are measured by way of calculation of the net present value of expected future cash flows discounted on the basis of obtainable interest rate points, interpolation between interest rate points and exchange rates. Listed futures and options are measured on the basis of obtainable prices. Unlisted options are measured on the basis of obtainable volatilities, prices of underlying assets and exercise prices using Black-Scholes. Forward exchange transactions are measured on the basis of obtainable forward premiums and exchange rates.

Other liabilities comprises negative values of derivative financial instruments at DKK -92,1 million.

Derivative financial instruments are valued on the basis of listed prices from an active market and using generally accepted valuation models with observable data, including yield curves, volatilities and equity indices.

The fair value of investment properties is calculated according to the discounted cashflow method on the basis of market-based rental income and operating expenses for a 10 year budget period plus terminal year relative to the required rate of return of the individual properties. The valuation takes into account the type, location, state of repair, vacancy rate, etc. of the property

DKKt	2025	2024
<b>Development in level 3 financial instruments</b>		
<i>Loans and advances</i>		
Carrying amount, beginning of year	174	174
Disposals during the year	-55	0
Carrying amount, end of year	119	174
Value adjustments recognised in the income statement	0	0
<i>Share in collective investments</i>		
Carrying amount, beginning of year	4.617	4.823
Additions during the year	0	0
Distributed dividend	0	-652
Unrealised value adjustments	-341	446
Carrying amount, end of year	4.276	4.617
Value adjustments recognised in the income statement	-341	1.098
<i>Investment funds</i>		
Carrying amount, beginning of year	1.522.000	1.452.142
Additions during the year	856.133	126.230
Disposals during the year	-869.244	0
Distributed dividend	-196.927	-67.494
Unrealised value adjustments	38.537	11.122
Carrying amount, end of year	1.350.498	1.522.000
Value adjustments recognised in the income statement	-235.464	-78.616
<i>Investment in group enterprises</i>		
Carrying amount, beginning of year	1.529.036	1.441.724
Unrealised value adjustments	101.559	87.312
Carrying amount, end of year	1.630.595	1.529.036
Value adjustments recognised in the income statement	101.559	87.312
<i>Investment property</i>		
Carrying amount, beginning of year	131.308	156.220
Unrealised value adjustments	1.000	-24.912
Carrying amount, end of year	132.308	131.308
Value adjustments recognised in the income statement	1.000	-24.912

# Notes

DKKt	2025	2024
<b>Note 16 Reinsurers' share of claims provisions</b>		
Regarding health and accident insurance	264.711	239.933
<b>Reinsurers' share of claims provisions, end of year</b>	<b>264.711</b>	<b>239.933</b>
<b>Note 17 Current tax assets and liabilities</b>		
Current tax assets and liabilities, beginning of year	16.496	-21.598
Prior year tax adjustment	177	7.937
Tax paid/received in respect of prior years	-1.725	38.488
Tax paid during the year	40.000	39.000
Estimated tax on profit/loss for the year	-42.977	-47.331
<b>Current tax assets and liabilities, end of year</b>	<b>11.971</b>	<b>16.496</b>
<b>Note 18 Shareholders equity</b>		
<b>Share capital</b>		
Share capital, beginning of year	10.000	10.000
Share capital, end of year	10.000	10.000
The share capital is made up of A-shares: - 10,000 shares of DKKt 10		
<b>Reserves</b>		
Contingency fund 1 (untaxed)	28.594	28.594
Contingency fund 2 (untaxed)	72.289	72.289
Contingency fund, end of year	100.883	100.883
In accordance with the company's articles of association, the contingency funds must be used for the benefit of the insured.		
<b>Profit carried forward / Retained earnings</b>		
Profit carried forward, beginning of year	220.412	348.046
Net profit for the year	127.982	142.366
Extraordinary dividend distributed	0	-270.000
Profit carried forward / Retained earnings, end of year	348.394	220.412
<b>Shareholders equity, end of year</b>	<b>459.277</b>	<b>331.295</b>
<b>Capital base</b>		
Shareholders equity end of year	459.277	331.295
Adjustment between Solvency II and accounting balance sheet	524.922	506.182
Capital base, end of year	984.199	837.477

# Notes

DKKt	2025	2024
<b>Note 19 Life insurance provisions</b>		
Provisions, beginning of year	11.949.886	12.894.276
Profit margin, beginning of year	695.686	797.264
<b>Total provisions for insurance contracts, beginning of year</b>	<b>12.645.572</b>	<b>13.691.540</b>
Collective bonus potential, beginning of year	-64.650	-136.947
Accumulated value adjustment, beginning of year	117.419	-5.902
<b>Retrospective provisions, beginning of year</b>	<b>12.698.341</b>	<b>13.548.692</b>
Adjustments, beginning of year	-1.348	5.416
Adjustments related to the transfer of portfolio from Norli Pension	1.564.512	0
Gross premiums	1.084.324	1.190.556
Addition of return	234.164	275.355
Resetting of negative bonus	141.288	29.210
Change in negative bonus	-62.892	0
Claims and benefits	-2.405.174	-2.217.216
Expense supplement after addition of expense bonus	-89.057	-70.678
Risk gain after addition of risk bonus	-26.475	-48.891
Other changes	-22.626	-14.102
<b>Retrospective provisions, end of year</b>	<b>13.115.057</b>	<b>12.698.341</b>
Accumulated value adjustment, end of year	551.933	479.011
Applied profit margin, financed from individual bonus potential	-5.342	0
Applied individual bonus potential, end of year	-108.731	-118.859
Accumulated pension return tax adjustment, end of year	-610.346	-477.571
Collective bonus potential, end of year	49.415	64.650
<b>Total provisions for insurance contracts, end of year</b>	<b>12.991.986</b>	<b>12.645.571</b>
Profit margin, end of year	-510.105	-695.686
<b>Life insurance provisions, end of year</b>	<b>12.481.881</b>	<b>11.949.886</b>

Norli Liv og Pension A/S writes average rate products with guaranteed benefits and option of surrender. The company's insurances are distributed on seven portfolios. Five interest contribution groups are dependent on the guaranteed benefits provided in different periods. In addition, there is a closed portfolio of old life annuities without bonus entitlement (written on basis U74 and basis L66) and a portfolio of health and personal accident insurances.

Life insurance provisions by sub-portfolio	2025					
	Guaranteed provisions	Individual bonus potential	Collective bonus potential	Total provisions	Return (%)	Bonus ratios (%)
Interest rate Group B	6.959.602	1.268.101	3.244	8.230.947	3,2%	14,1%
Interest rate Group A	923.913	179.390	0	1.103.303	0,5%	13,9%
Interest rate Group 0	323.460	19.552	6.605	349.616	0,0%	7,0%
Interest rate Group 1	227.237	0	6.884	234.120	3,3%	3,4%
Interest rate Group 2	295.222	0	4.200	299.422	0,3%	1,4%
Interest rate Group 3	526.483	0	7.116	533.599	0,0%	2,4%
Interest rate Group L66/U74	20.418	0	0	20.418	0,0%	0,0%
Interest rate Group NP0	18.357	0	0	18.357	1,2%	0,0%
Interest rate Group NP1	108.424	0	0	108.424	-2,2%	0,0%
Interest rate Group NP2	143.497	0	0	143.497	-0,1%	0,0%
Interest rate Group NP3	198.056	0	0	198.056	0,0%	0,0%
Interest rate Group NP4	320.300	0	0	320.300	0,4%	0,0%
Interest rate Group NP5	3.928	0	0	3.928	1,5%	0,0%
Interest rate Group NPB	654.156	0	0	654.156	-4,1%	0,0%
Forenede Gruppeliv/Group Life	182.130	51.990	21.367	255.486	0,0%	0,0%
Plusliv	8.252	0	0	8.252	0,0%	0,0%
<b>Life insurance provisions, end of year</b>	<b>10.913.433</b>	<b>1.519.033</b>	<b>49.415</b>	<b>12.481.881</b>	<b>2,1%</b>	<b>11,6%</b>

# Notes

2024

Life insurance provisions by sub-portfolio	Guaranteed provisions	Individual bonus potential	Collective bonus potential	Total provisions	Return (%)	Bonus ratios (%)
Interest rate Group B	7.373.248	1.438.806	11.119	8.823.173	2,72	14,97
Interest rate Group A	1.099.799	190.777	3.804	1.294.380	1,76	12,81
Interest rate Group 0	459.688	14.206	21.762	495.656	3,28	6,98
Interest rate Group 1	296.806	1.162	9.174	307.142	2,29	3,86
Interest rate Group 2	347.105	1.339	2.443	350.887	3,84	1,15
Interest rate Group 3	645.034	2.473	16.349	663.856	5,07	5,10
Interest rate Group L66/U74	14.792	0	0	14.792	-	-
<b>Life insurance provisions, end of year</b>	<b>10.236.472</b>	<b>1.648.763</b>	<b>64.651</b>	<b>11.949.886</b>	<b>2,80</b>	<b>13,50</b>

No collective bonus potential has been accessed for the cost groups.

**DKKt** **2025** **2024**

## Expense result

Cost contribution after addition of expense bonus	143.470	122.395
Insurance operating expenses for the year, net of reinsurance	-133.258	-127.896
<b>Expense result, net of reinsurance</b>	<b>10.212</b>	<b>-5.501</b>

## Risk result:

Risk group death	666	-3.280
Risk group disability	6.128	-750
Risk group survive - L1	31.899	48.015
Risk group survive - L2	-3.259	-2.876
Risk group NPA	-2.556	0
Risk group NPB	-1.353	0
<b>Risk result after addition of risk bonus, net of reinsurance</b>	<b>31.525</b>	<b>41.110</b>

## Risk margin:

Interest rate Group B	17.476	27.853
Interest rate Group A	3.920	7.741
Interest rate Group 0	2.263	2.021
Interest rate Group 1	966	699
Interest rate Group 2	1.528	939
Interest rate Group 3	4.875	1.671
Interest rate Group L66/U74	447	424
Interest rate Group NP0	83	0
Interest rate Group NP1	826	0
Interest rate Group NP2	729	0
Interest rate Group NP3	882	0
Interest rate Group NP4	2.224	0
Interest rate Group NP5	115	0
Interest rate Group NPB	6.765	0
Forenede Gruppeliv / Group Life	871	0
<b>Total risk margin</b>	<b>43.971</b>	<b>41.348</b>

## Profit margin:

Interest rate Group B	351.195	460.436
Interest rate Group A	91.117	144.408
Interest rate Group 0	23.564	36.672
Interest rate Group 1	8.999	11.708
Interest rate Group 2	13.378	16.197
Interest rate Group 3	21.852	26.265
<b>Total profit margin</b>	<b>510.105</b>	<b>695.686</b>

## Note 20 Provisions for claims

*Regarding health and accident insurance*

Provisions for claims, beginning of year	507.406	547.832
Change in provisions for claims	5.026	-40.426
<b>Provisions for claims, end of year</b>	<b>512.432</b>	<b>507.406</b>

# Notes

DKKt	2025	2024
<b>Note 21 Deferred tax liabilities</b>		
Deferred tax liabilities, beginning of year	16.720	15.123
Change for the year	1.796	1.597
<b>Deferred tax liabilities, end of year</b>	<b>18.516</b>	<b>16.720</b>

Deferred tax on real estate	18.652	16.720
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<b>Note 22 Other debt</b>		
Deposits prepaid rent	3.449	3.128
Tax on pension returns	46.118	90.576
Other taxes and VAT	1.361	2.697
Derivative financial instruments	92.065	714.769
Holiday pay obligation	2.761	5.134
Other liabilities	33.330	32.923
<b>Other debt, end of year</b>	<b>179.084</b>	<b>849.227</b>

Of the debt relating to derivative financial instruments, DKK 25 million are due more than five years after the balance sheet date. All other debts fall due within five years

<b>Note 23 Contingent liabilities</b>		
VAT adjustment liability related to investment properties	46	100
Minimum lease payments regarding company cars	1.654	1.899
Investment commitments in unlisted, alternative investments	250.621	270.678
Rental obligations	1.509	1.460
<b>Contingent liabilities, end of year</b>	<b>253.830</b>	<b>274.137</b>

Norli Liv og Pension have undertaken to participate in investing in unlisted property and credit funds in the amount of DKK 1.375 million.

Norli Liv og Pension Livsforsikring A/S is jointly and severally liable together with the other co-registered group companies for the total tax and VAT liability.

For Danish tax purposes, the company is taxed jointly with Norli Group A/S as an administration company. The company has unlimited, joint and several liability together with the other jointly taxed companies for corporate income tax payable effective from 1 March 2022 and for withholding taxes on dividends, interest and royalties. The net liability of the jointly taxed companies to 'Skattestyrelsen' is specified in the administration company's consolidated accounts. Any subsequent adjustments of income subject to joint taxation and withholding tax, etc. could cause the company's liability amounts to a larger amount.

<b>Note 24 Collateral security</b>		
<i>Carrying amounts of assets provided as collateral security for technical provisions:</i>		
Corporate bonds	2.259.137	853.447
Equity investments	2.475.103	2.234.656
Collective investment undertakings	8.668.624	9.488.458
Cash and deposits	111.546	339.993
Property plant and equipment	132.308	25.775
<b>Collateral security, end of year</b>	<b>13.646.718</b>	<b>12.942.329</b>

# Notes

## Note 25 Related parties

Norli Liv og Pension Livsforsikring A/S is a wholly owned subsidiary of Norli Group A/S, Midtermolen 1, DK-2100 Copenhagen Ø, which exercises a controlling influence on the company, and in which the company is included as a subsidiary in the consolidated financial statements.

Related parties comprise:

- (a) Norli Group A/S, Midtermolen 1, DK-2100 Copenhagen Ø
- (b) Norli Pension Livsforsikring A/S, Midtermolen 1, DK-2100 Copenhagen Ø
- (c) Norli Liv og Pension Ejendomsinvest A/S, Midtermolen 1, DK-2100 Copenhagen Ø
- (d) Nordisk Pensionservice A/S, Midtermolen 1, DK-2100 Copenhagen Ø
- (e) Livsforsikringsselskapet Norli Pensjon Norge AS, Hieronymus Heyerdahls Gate 1, NO - 0160 Oslo
- (f) Members of the Management Bord and Board of Directors

Related parties also include related family members of the Management Board, Board of Directors and key employees as well as companies in which these persons have significant interests.

The Nordic Group maintains cross-cutting functions that solve joint administrative tasks for the group's companies. The consideration paid for this administrative function is fixed on an arm's length basis or, where there is no specific market, on a cost-recovery basis.

DKKt	2025	2024
<b>Financial relations, Norli Group A/S</b>		
Administration fee (income)	4.674	5.126
Administration costs	6.277	1.529
Interest	274	801
Receivables end of year	0	593
Payables end of year	4.077	275
<b>Financial relations, Norli Pension Livsforsikring A/S</b>		
Administration fee (income)	3.253	2.841
Administration costs	0	11.791
Receivables end of year	0	1.608
Payables end of year	311	6.023
<b>Financial relations, Norli Liv og Pension Ejendomsinvest A/S</b>		
Administration fee (income)	1.200	1.200
Rent	4.437	4.485
Administration expenses	0	0
Receivables end of year	300	300
Payables end of year	0	0
<b>Financial relations, Nordisk Pensionservice A/S</b>		
Administration fee (income)	12.347	0
Administration expenses	23.570	0
Receivables end of year	0	0
Payables end of year	4.355	0

In addition, no significant intra-group transactions have been carried out.

## Note 26 Derivative financial instruments

Financial derivatives are applied to manage FX-, interest rate and equity risk. Cash collateral is exchanged to settle any market value exposures with derivative counterparts or central clearing counterparts. Net collateral margin posted in favour of Norli Liv amounted to DKK 120 million at 31 December 2025, and DKK 73 million at 31 December 2024.

Financial contracts are recognized at fair value.

DKKm	2025		
	Expiration	Principal	Market value
Interest rate swaps	2026-2045	6.512	-2
Swaptions	2026-2029	12.137	-62
Forward exchange transactions	2026	312	0
<b>Derivative financial instruments, end of year</b>			<b>-64</b>
DKKm	2024		
	Expiration	Principal	Market value
Interest rate swaps	2025-2054	25.618	-288
Swaptions	2025-2029	1.685	-24
Forward exchange transactions	2025	903	-4
<b>Derivative financial instruments, end of year</b>			<b>-316</b>

# Notes

## Note 27 Financial highlights

DKKm	2025	2024	2023	2022	2021
Premiums	1.084	1.191	1.304	1.355	1.434
Claims and benefits	-2.405	-2.217	-1.946	-1.632	-1.464
Return on investment	210	270	249	-1.636	-173
Total operating expenses relating to insurance	-139	-136	-135	-127	-109
Profit/loss on business ceded	-2	-6	-5	-6	-7
Change in life insurance provisions	1.206	952	805	2.484	391
Change in profit margin	183	99	-133	-320	31
<b>Technical result</b>	<b>139</b>	<b>153</b>	<b>139</b>	<b>118</b>	<b>103</b>
<b>Technical result of health and accident insurance</b>	<b>18</b>	<b>19</b>	<b>5</b>	<b>-19</b>	<b>23</b>
<b>Investment return on equity</b>	<b>21</b>	<b>12</b>	<b>23</b>	<b>-29</b>	<b>-10</b>
Other expenses	-5	0	0	0	0
<b>Profit before tax</b>	<b>173</b>	<b>183</b>	<b>167</b>	<b>70</b>	<b>116</b>
Tax	-45	-41	-39	-18	-24
<b>Net profit for the year</b>	<b>128</b>	<b>142</b>	<b>128</b>	<b>52</b>	<b>92</b>
Total provisions for insurance contracts	13.539	13.200	14.285	14.889	17.115
Total shareholder equity	459	331	459	612	554
Total assets	14.246	14.508	17.109	19.092	18.556
Rate of return related to average interest rate products	2,4	3,0	2,8	-9,5	-0,6
Expenses as percent of provisions	1,0	1,0	0,9	0,8	0,7
Expenses per policyholder	2.451	2.464	2.280	2.016	1.667
Return on equity before tax (%) *)	43,7	34,6	24,7	12,3	17,2
Return on equity after tax (%) *)	32,4	26,9	18,9	9,0	13,6
Bonus rate (%)	11,6	13,5	17,6	21,3	19,0
Solvency coverage ratio (%)	298	319	405	575	608

The key ratios are calculated in accordance with the provisions of the Danish Insurance Act, including the Danish FSA's Executive Order No. 943 of 26 June 2025 on financial reports for insurance companies including later amendments.

## Note 28 Risk Management

### Objectives

The objective of risk management in Norli Liv og Pension is to ensure that the risks assumed at any given time are identified, measured, reported and managed, that they are in accordance with the written policies and guidelines and accordingly within the boundaries for the risk profile as defined in the overall risk strategy.

The Company will seek to maximize the risk adjusted returns for both shareholders and policyholders while policyholders will assume most risks where possible – in particular investment risks - and shareholders will bear residual risk.

The risk profile is managed with a specific target to maintain comfortable buffers relative to regulatory and economic minimum requirements throughout the strategic planning period.

### Risk management system

The risk management framework of the company complies with the rules set forth in EU Solvency II regulation (EU directive and delegated regulation) as well as Danish prudential regulation.

The risk management system is a part of the group risk management framework for Norli Group.

The Board have approved a range of policies and guidelines that govern the risk management practices and risk exposure for all the areas of risk in the company. The most relevant policies under the umbrella of the overall Risk Management Policy covers the following areas: investments, asset valuations, insurance risks and valuation, outsourcing, ORSA, capital planning, operational risk, credit risk and non-financial credit. The policies covering the System of Control in the company are: Internal Controls, Internal Audit and Compliance. Based on the business model and risk strategy of the company the Board have determined business and financial targets for underwriting, solvency, insurance and investment risks for the planning period.

In accordance with prudential regulation the Board have appointed an Audit and Risk subcommittee that oversee accounting practices, risk identification, internal controls, effectiveness of risk management systems, Own Risk and Solvency Assessment (ORSA) processes, capital planning, annual audit, auditor's independence, related party transactions etc. in accordance with the yearly planning.

At the management level the Company has set up two further risk management committee's - Financial Risk Committee (FRK) and Risk and Compliance Committee (RCK) that will report to the Audit and Risk Sub-Committee.

The FRK will monitor the Company's capital resources, assets, insurance liabilities, liquidity and solvency. Based on current financial markets FRK will make investment proposals in accordance with the investment strategy and policy and hedge any unwanted financial risks. FRK will monitor the performance of all financial assets with a particular focus on

the performance and valuation of assets that are not traded in public markets such as properties and loans.

The RCK will monitor operational risks, incidents, IT risk, legal risks, reputational risks, all outsourced processes, and execution of the internal audit plan. Work between key personal is coordinated as part of the RCK process.

The risk management system is designed to comply with legislation, industry standards, and sound business practices such as separation of functions, four-eyes principle, and valuation at arms-length principle. Finally, the risk management model is proportional and effective in line with the principles set out in the policy for internal controls.

### Group risk committee's and risk function



### Risk areas

The Company is exposed to various types of risk in support of the long-term business model and objectives. The content and size of risks encountered in the various business areas differ considerably.

### Life insurance risks

Biometric risks consist of mortality, longevity, disability and catastrophe risk. Further insurance risks also include expense risk and policyholder behaviour risk (option risk related to the extent of surrenders and re-writing to paid-up policies). The insurance risks: longevity, mortality and disability risks, cover the situation where policyholder mortality or disability changes significantly for a period or permanently, resulting in wrong assessment of future developments in mortality and disability risks.

Option risks arise when surrender and premium cessation assumptions in provisions at market value deviate from actual developments and must be adjusted, or in situations where the company experiences mass surrenders in a short period of time.

Expense risk is the risk that provisions related to future expenses differ from actual expenses and must be revised. Expenses are related to variations in the costs related to honouring insurance or reinsurance contracts.

Revision risk is the risk that disability benefits awarded are revised resulting in higher pay out than anticipated.

#### Health insurance risks

Health and accident insurance is affected by legislative amendments and changed legal practice as well as by social inflation. Social inflation means that claims expenses increase due to developments in social and socio-economic factors. Such factors arise due to trends in society and will tend to increase the number of insurance-covered claims and average claims expenses.

#### Reinsurance

An insurance company can protect itself against losses by taking out reinsurance, often with major international reinsurers that have a high credit rating. Reinsurance cover can be designed in different ways, depending on which losses the insurance company wishes to cover.

The purpose of Norli Liv og Pension's reinsurance programme is to ensure that a single loss event or a random accumulation of large claims does not lead to unacceptable loss of capital and to reduce fluctuations in technical results. The reinsurance programme provides extensive and broad coverage and reduces the overall risks.

#### Financial risks

The company is exposed to the risks of impairments to the value of financial assets due to fluctuations in prices in financial markets. The risks arise both for assets and liabilities and for derivative financial instruments (derivatives), for which only the positive or negative market value of the derivative appears in the balance sheet.

The management of these risks are intended to ensure a high return without putting the total capital of the company at risk of significant impairment due to financial market developments or financial difficulties of individual issuers.

#### Interest rate risks

Interest rate risk is the risk of incurring a loss on an interest rate exposure because of an increase or decline in interest rates. The investment assets are predominantly invested in interest-bearing assets, most of which are Danish mortgage bonds with a high credit rating, while a smaller part is placed in credit bonds and emerging market government bonds. The insurance liability cash flows are discounted using a yield curve provided by the EU insurance regulator EIOPA. The interest rate risk on assets and liabilities is monitored and adjusted on an ongoing basis, and derivatives are used to adjust the overall interest rate risk on assets. A mismatch of duration between liability cashflows and investment cashflows will lead to a net interest rate risk.

#### Currency risks

Currency exchange risk primarily arises from the portfolio of investment assets. The Company pursues a hedging strategy for non-euro currency exposures in major international currencies.

#### Spread risks

The Company is exposed to the volatility of credit spreads and the subsequent risk of impairments to the market value of credit spread related investments like mortgage bonds or government bonds. The Company has imposed limits on the allowed exposure to credit spread risks.

#### Concentration risks

Concentration risk is the risk arising when the company's exposures are concentrated, for instance, on few lines or on few large individual exposures. Norli has determined procedures for the monitoring and mitigation of concentration risks.

#### Liquidity risks

Liquidity risk arises due to differences in the timing of ingoing and outgoing payments. Such differences may arise because of unexpected events or may be a deliberate strategy. The objective of liquidity risk management is to ensure that liquidity always is sufficient to support operations and comply with regulatory requirements. Should the Company's liquidity come under substantial pressure, liquidity may be procured within a short period of time by selling assets.

#### Equity risks

The company is exposed to risk on changes in the market valuation of listed equities. The equity portfolio consists of European equities and Danish Large Cap equities. The company has very limited exposure to Private Equity or Venture Capital Markets. From time-to-time equity risk has been reduced using equity derivatives.

#### Real estate risks

The company has a portfolio of directly owned real estate as well as number of funds invested in real estate. Overall, the holdings are in high quality assets, but with a certain concentration risk towards office buildings on Midtermolen in Copenhagen.

#### Counterparty risks

Counterparty risk arises when a counterparty in a financial agreement, e.g. reinsurance contracts or financial contracts, fails to meet its obligations. Counterparty risk related to reinsurance is the uncertainty associated with the situation that one or more of the Company's reinsurers go into insolvent liquidation, resulting in a full or partial loss of receivables and in new coverage of the business having to be purchased. To minimise the risk related to each reinsurer, reinsurers must be rated according to a certain credit quality level. Deviations from this rating must be approved by the Board of Directors. Counterparty risk arising from derivative transactions is mitigated through the use of central clearing in London Clearing House for the larger part of the Company's transactions. Counterparty risk arising from bilateral derivative trades is mitigated by posting collateral or by depositing cash funds in a bank account. Placement limits contain restrictions as to the companies' maximum receivable from specific credit institutions. The Company limits counterparty risks in connection with derivative agreements by entering into margin agreements and netting with the counterparties.

## Operational risks

Operational risk is the risk of incurring a financial loss due to inexpedient or faulty internal procedures, human or system errors or because of external events, including legal risks.

### Procedures

The Company has several control procedures in the form of work routines, business procedures and reconciliation processes, performed locally and centrally throughout the organisation. Most of these activities are carried out by the Company's outsourcing partners. The scope of control measures is assessed against the expenses they involve. Security measures are assessed relative to potential threats and their assessed probability of occurrence as well as the potential business consequences, should such threats materialise. ITC risks are managed as part of the operational risk management framework in line with regulatory requirements.

In 2025 the company has outsourced most business processes to an administration provider in the Norli Group. Governance and management of these processes are subject to standard outsourcing requirements with contracts, schedules with deliveries, reporting and follow up. The company expects the impact for operational risks to be limited as the business processes remain largely unchanged on a group level.

With a view to reducing risks relative to the GDPR rules, the Company has procedures to accommodate requests for access to and erasure of data etc. and to handle and report personal data breaches to the Danish Data Protection Agency. The Company has appointed a data protection officer overseeing GDPR compliance.

## Other risks

### Compliance risks

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, loss of customers or reputational damage to which the company is exposed due to non-compliance with applicable legislation, market standards or internal rules (policies, business procedures etc.). The Company has determined methods and procedures to identify, assess and mitigate the compliance risks.

### AML Risk

Anti-Money Laundering and Counter Terrorist Finance (AML/CTF) is an important risk. AML risk is assessed as being low for the life insurance and labour market pensions industry. The Company has extensive risk assessment and procedures to mitigate the risk. The Company also has a whistleblower program operated by an independent external legal partner.

### Strategic risks

Strategic risks arise due to inexpedient business decisions, insufficient implementation of business initiatives or slow response to the challenges facing the Company.

## Note 29 Significant accounting estimates, assumptions and uncertainties

The preparation of the financial statements involves the use of accounting estimates. Such estimates are made by the company's management in accordance with the accounting policies and on the basis of historical experience and assumptions, which management considers prudent and realistic but which are inherently uncertain and unpredictable. The financial statements have been prepared using the going concern basis of accounting and in accordance with applicable rules.

The most significant estimates are applied in the valuation of provisions for Insurance and investment contracts. In addition, significant estimates made by management are related to the calculation of fair values of properties and unlisted financial instruments.

This note should be read in conjunction with note 30, which contains information about the determination of fair value.

### Financial instruments

Significant estimates are not used for the valuation of financial instruments where the valuation is based on prices quoted in an active market or on generally accepted valuation models employing observable market data.

Valuations of financial instruments that are only to a limited extent based on observable market data are subject to estimates. This applies for example to unlisted shares for which an active market does not exist. For securities that are not listed on a stock exchange, or for which no price is quoted that reflects the fair value of the instrument, the fair value is determined using a model calculation.

The valuation models include the discounting of the instrument cash flow using an appropriate market rate.

The valuation of unlisted shares is based on information from the companies' financial statements, experience from transactions involving shares in the companies in question as well as input from qualified third parties.

### Provisions for insurance and investment contracts

Provisions for insurance and investment contracts are measured based on a number of actuarial calculations, applying, among other things, assumptions about a number of variables. The liabilities are furthermore affected by the discount rate.

Norli is focused on hedging the guaranteed benefits provided, applying derivative financial instruments to ensure that interest rate exposures on assets and liabilities are more or less aligned. Changes in the value of investment assets resulting from changes in interest rates are therefore partly offset by corresponding changes in the value of the technical provisions and the individual and collective bonus potentials. If, over time, the return generated is lower than the discount

rate applied, the bonus potentials will be affected initially, and shareholders' equity may be affected subsequently.

### Real estate

In connection with the valuation of properties, a fair value is calculated on the basis of market-based rental income and operating expenses for a 10 year budget period plus terminal year relative to the required rate of return of the individual properties. The valuation takes into account the type, location, state of repair, vacancy rate, etc. of the property.



## Note 30 Accounting policies

### General

The financial statements have been prepared in accordance with the provisions of the Danish Insurance Business Act, including the Executive Order on Financial Reporting for insurance companies and multi-employer occupational pension funds.

The accounting policies used in the preparation of the financial statement are consistent with the accounting policies used for the financial statements of Norli Liv og Pension Livsforsikring A/S 2024.

Norli Liv og Pension is a 100% owned subsidiary of Norli Group A/S and is included in the consolidated financial statements for Norli Group A/S. Group accounts are therefore not prepared for Norli Liv og Pension.

The annual financial statements are presented in Danish kroner (DKK), which is the primary currency of the company's activities and the functional currency. All other currencies are deemed to be foreign currencies. Assets and liabilities denominated in foreign currency are recognised at the rates of exchange prevailing at the balance sheet date. Income and expenses denominated in foreign currency are recognised at the rates of exchange prevailing at the transaction date. Exchange gains and losses are recognised in the income statement.

### Reclassification of private equity

As a result of an identified error in the classification of the Company's holding of investments in private credit, a correction has been made to the comparative figures for 2024. In total, DKK 442 million has been reclassified from Equity Investments to Investment Funds to ensure consistency with the current presentation. The correction does not affect the profit for the year or equity.

### General recognition and measurement policies

Income is recognised in the income statement as earned in the financial year and costs are recognised by the amounts attributable to the financial year. Value adjustments of financial assets and liabilities are recognised in the income statement unless otherwise described in the accounting policies. Amounts recognised in other comprehensive income are adjusted for the tax effect.

Assets are recognised in the balance sheet when, due to a previous event, it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when, due to a previous event, it is probable that future economic benefits will flow from the company and the value of the liability can be reliably measured.

Otherwise, assets and liabilities are recognised and measured as described for each individual item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report and which confirm or invalidate conditions existing at the balance sheet date.

Financial instruments are measured at fair value on initial recognition at the settlement date. Changes to the value of the asset acquired or sold during the period from the transaction date to the settlement date are included as derivative financial instruments. If the acquired item is measured at cost or amortised cost after initial recognition, any value changes during the period from the transaction date to the settlement date are not recognised.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective rate of interest to maturity. Amortised cost is stated as original cost less any principal payments and plus or minus the accumulated amortisation of any difference between cost and the nominal amount. This method allocates capital gains and losses over the term to maturity.

Financial assets and liabilities are classified on the basis of the business model and the contractual cash flows related to the financial assets and liabilities.

Financial assets are measured subsequent to initial recognition at amortised cost if they are held in order to collect the contractual cash flows and if the contractual cash flows are solely payments of interest and principal on the principal amount outstanding.

Financial assets are generally measured according to the time of initial recognition at fair value through other comprehensive income if the financial assets are held in a mixed business model in which some financial assets are held to collect the contractual cash flows and other financial assets are sold and if the contractual cash flows are solely payments of interest and principal on the principal amount outstanding. However, the relevant financial assets form part of a risk management system and an investment strategy based on fair values and on that basis form part of Norli's internal management reporting. Against this background, Norli assesses that the financial assets do not satisfy the criteria of a business model relating to the measurement categories amortised cost and fair value through other comprehensive income. The relevant financial assets are instead measured at fair value through profit or loss.

If financial assets do not satisfy the above-mentioned business model criteria or if the contractual cash flows are not solely payments of interest and principal on the principal amount outstanding, the financial assets will subsequent to initial recognition be measured at fair value through profit or loss.

Below is a description of the accounting policies applied to financial assets and liabilities as well as other items.

### Tax

All Danish companies in the Norli Group are jointly taxed.

Tax includes tax for the year, comprising income tax payable for the year, movements in deferred tax and prior-year adjustments. Changes in deferred tax resulting from changes in tax rates are also recognised in this item.

Current tax assets and liabilities are recognised in the balance sheet at the amount that can be calculated on the basis of the

expected taxable income for the year adjusted for prior years' tax losses carried forward.

Deferred tax is recognised according to the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax regulations and tax rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Deferred tax assets, including the tax base of tax losses carried forward, are measured at the amount at which they are expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities. At each balance sheet date, it is reassessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

## Income statement

### General

In accordance with the accrual basis of accounting, income and expenses concerning the financial year are recognised in the income statement irrespective of the time of payment. The accrual basis of accounting also forms the basis of recognition of technical results. In accounts broken down by line of business and on claims processing costs, insurance operating expenses (acquisition costs and administrative expenses) and administrative expenses related to investment activities, the allocation of non-directly attributable expenses is based on estimated time spent or estimated cost charge.

### Premium income

Regular and single premiums on insurance contracts are included in the income statement at the due dates. Reinsurance premiums paid are deducted from premiums received.

### Claims expenses

Claims and benefits comprise benefits due during the year, amounts paid for repurchases and bonus amounts paid in cash, including deduction of reinsurance share.

### Investment return

Income from investment property includes the operating profit on investment property net of related administrative expenses.

Income from group enterprises comprises the Company's share of the group enterprises profit or loss after tax, including value adjustments.

Interest income and dividends, etc. includes dividends received and interest earned during the financial year. The item also includes interest-like fees and commissions that are an integral part of the effective rate of interest on financial assets measured at amortised cost.

Value adjustments comprise all realised and unrealised gains and losses on investment assets, except for value adjustment of group enterprises. Brokerage and commission relating to

the purchase and sale of securities are recognised under market value adjustments.

Interest expenses comprises interest and interest-like expenses concerning debt and liabilities.

In connection with investment activities, the item administrative expenses comprises amounts associated with the management of investment assets.

### Tax on pension investment returns

Tax on pension investment returns includes paid PAL (pension yield tax). Receivable negative PAL are recognised in life insurance provisions affecting the Change in life insurance provisions.

### Profit/loss from business ceded

For reinsurance contracts containing a combination of financial terms and traditional terms with transfer of risk, the risk premium is recognised on an accruals basis under premium income. The accrual is based on the value of the contracts at the end of the year. Realised losses relating to these contracts are included in claims after adjustment for movements in financial deposits.

Reinsurance premiums ceded and reinsurers' share received are accrued and recognised in the income statement according to the same principles as those applied for the corresponding items under the gross business.

### Insurance operating expenses

The part of the insurance operation expenses that can be ascribed to acquisition and renewal of the insurance portfolio is recognised under acquisition costs. Acquisition costs are generally charged to the income statement when the insurance takes effect.

Administrative expenses comprise expenses related to managing the company's activities. Administrative expenses are accrued to match the financial year.

Insurance operating expenses are regulated for commissions from reinsurers.

### Health and accident insurance

Premiums, net of reinsurance are included in the income statement as they fall due. Premiums, calculated net of discounts not related to claims and the like and insurance premiums ceded, are accrued.

Claims, net of reinsurance comprise claims paid for the year, adjusted for changes in outstanding claims provisions including gains and losses on prior-year provisions (run-off result) and change in risk margin. Furthermore, claims include expenses for assessment of claims, expenses for damage control and an estimate of the expected administrative and claims handling expenses on the insurance contracts written by the undertaking. Adjustment is also made for change in risk margin.

Total gross claims are calculated net of reinsurance.

For the health and accident business, the profit margin is determined independently of the life insurance business and

on the basis of the contract periods of the health and accident business. For the health and accident business, there is no expectation of future earnings in the contract periods, and the profit margin is therefore nil. If the contracts are deemed to become loss-making within the guaranteed contract periods, provision is made for such losses.

#### **Other expenses**

Other expenses include costs that cannot be attributed to the company's insurance portfolio or investment assets.

## **Balance sheet**

### **Assets**

#### **Investment properties**

Investment properties are measured at a fair value calculated in accordance with the guidelines issued by the Danish Financial Supervisory Authority.

The fair value is calculated on the basis of the discounted cash flow method, which involves a valuation of each individual property on the basis of the individual period's net cash flow in a 10 year budget period as well as the terminal value, where the expected and normalized long term earnings are determined and a rate of return.

The rate of return is determined based on current market conditions for the type of property taking into account the state of repair, location, use, leases, etc.

The calculated value corresponds to the fair value.

Adjustments of the value of investment properties are recognised in the income statement in the financial year when the change occurred.

#### **Investments in group enterprises**

Investments in group enterprises are measured according to the equity method.

#### **Other financial investment assets**

Investment assets comprise financial assets measured at fair value. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

Investment assets are measured at fair value on initial and subsequent recognition. The determination of fair value and the classification of value adjustments of financial instruments in the financial statements depend on whether the fair value can be reliably measured. Generally, the company's financial instruments form part of the trading book, however, not unlisted shares and parts of the portfolio of mortgage deeds designated at fair value.

Listed financial assets are measured at fair value based on the closing price at the balance sheet date, or, in the absence of a closing price, another public price deemed to be most similar thereto.

Bonds at amortised cost comprise listed bonds intended to be held to maturity and to generate the contractual payments over the period. Bonds are measured at fair value plus transaction costs on initial recognition.

For the majority of the unlisted shares, it is assessed that the fair values can be measured sufficiently reliably using recognised valuation methods. These assets are on this basis measured at fair value, and value adjustments are taken to the income statement. For unlisted assets that are managed by external fund managers, these calculate an estimated market value based on the estimated present value of expected future cash flows.

The measurement of financial instruments at fair value is consistent with the group's internal risk management, which is based on market exposure of assets and liabilities subject to risk.

Financial assets are recognised or derecognised at the settlement date.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets are recognised in the income statement in the period in which they arise.

Securities sold under agreements to repurchase at a later date (repo transactions) remain in the balance sheet. Amounts received are included as amounts owed to the purchaser and are subject to interest at the agreed rate. Measurement of securities is unchanged, and both value adjustments and interest etc. are recognised in the income statement. Securities purchased under agreements to resell at a later date (reverse transactions) are not recognised in the balance sheet. Amounts paid are recognised as a receivable and are subject to interest at the agreed rate.

#### *Derivative financial instruments*

Derivatives are measured at fair value on initial recognition. Subsequently, derivatives are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses.

Positive and negative fair values of derivatives are recognised as 'Other financial investment assets' or 'Other liabilities', respectively.

#### **Reinsurers' share from insurance contracts**

The reinsurers' share of the technical provisions is calculated as the amounts expected to be received from reinsurance companies under the applicable reinsurance contracts.

The company regularly assesses its reinsurance assets for impairment. If there is a clear indication of impairment, the carrying amount of the asset is written down.

#### **Other receivables**

Other receivables are measured at amortised cost. On initial recognition, the portfolio is measured at fair value plus transaction costs less fees and commissions received that are directly related to the acquisition or issue of the financial instrument. On subsequent recognition, other receivables will be adjusted to amortised cost on a current basis.

An ongoing evaluation takes place to detect any objective evidence of impairment of other receivables determined at amortised cost. If there is any objective evidence of impairment, the need to write down the loan, advance or receivable is assessed.

#### **Cash in hand and balances at call**

Cash in hand and balances at call are measured at fair value on initial recognition and subsequently at amortised cost, which largely corresponds to nominal value.

#### **Prepayments**

Interest and rent receivable comprise interest and rent accrued during the year which become payable in the following financial year. Prepayments comprises expenses incurred prior to the balance sheet date but which relate to a subsequent accounting period.

## **Liabilities and equity**

#### **Contingency funds**

The contingency funds can only be used for the benefit of policyholders. Contingency fund 2 is moreover subject to the restriction that it can only be used when permission has been obtained from the Danish Financial Supervisory Authority.

#### **Dividend**

Dividends are recognised as a liability in the financial statements at the time of adoption by the shareholders at the annual general meeting. Proposed dividends in respect of the financial year are stated as a separate line item in the notes relating to shareholders' equity.

#### **Provisions for insurance contracts**

All provisions are measured at their discounted value using a maturity-dependent discount rate including volatility adjustment for the duration in question. Norli uses the yield curve published by EIOPA.

##### *Unearned premium provisions*

Unearned premium provisions relating to health and personal accident insurance are recognised according to market value principles. They are calculated as the difference between the present value of the company's liabilities in respect of health and personal accident policies and the present value of the premiums to be paid by policyholders in the future using a best estimate of insurance risk and costs incurred in managing insurance and claims processing. The market value expectations include a risk margin in accordance with the Solvency II principles. The insurance period for health and personal accident insurances is calculated until the next renewal date of the insurance. Unearned premium provisions will, however, as a minimum correspond to an accrual of the premiums collected.

The provisions are calculated based on an assumption of a lower mortality and disability than in the company's calculation basis for new contracts. The reduction is estimated based on the company's historical claims ratios on mortality and disability, respectively, and costs relative to the assumptions in the calculation basis for new contracts. The actuary

regularly assesses whether the assumptions used to determine the market value calculation basis still apply to the company's portfolio.

##### *Profit margin*

Profit margin is the expected future earnings for the insurance contracts which the company has entered into at the end of the year. The profit margin is measured as the present value of the accrued profit on profit-making contracts.

Measurement of the profit margin comprises all insurance contracts entered into. Both newly written insurance contracts and renewed insurance contracts in the Health and Personal Accident Insurance portfolio are recognised as from the beginning of the risk period.

##### *Risk margin*

The risk margin comprises the amount which the company is expected to have to pay to a third party to take over the risk that the realised future costs deviate from the estimated level stated under unearned premium and claims provisions at the end of the accounting period.

The risk margin is measured as the present value of the future cost of capital related to maintaining the solvency capital required for settlement of the company's current liabilities and risks.

The measurement is based on the company's solvency capital requirement where the provisions are calculated according to § 67 in the Danish accounting regulation. The future solvency capital requirements are approximated by the current solvency capital requirement written down proportionally by the remaining share of the expected cash flow for the unearned premium and claims provisions. The calculation of the cost of capital is based on the Cost-of-Capital rate of 6% under Solvency II. The risk margin development tracks the development in the company's solvency capital requirement.

##### *Life insurance provisions*

Life insurance provisions are measured at market value based on an expected cash flow discounted the yield curve including volatility adjustment published by EIOPA. The market value expectations include a risk margin. The risk margin comprises the amount which the company is expected to have to pay to a third party to take over the risk. A profit margin is also calculated, which represents the value of the future profit which the company is expected to be able to recognise as income from its life insurance and pension business. The actuary regularly assesses whether the assumptions used to determine the market value calculation basis still apply to the company's portfolio.

The expected future insurance benefits are estimated based on projections of mortality, surrender of insurance policies and cessation of premiums (paid-up policies). These are estimated based on the company's historical claims ratios on mortality and disability, respectively, and actual costs relative to the assumptions in the calculation basis for new contracts and actual surrenders and premium cessations.

Life insurance provisions are divided into provisions for guaranteed benefits, individual bonus potential and collective bonus potential. Life insurance provisions are calculated at

market value, based on individual calculations for each policy. Also, bonuses earned but not yet added to the individual policies are added to the provisions. For amounts exempt from tax on pension returns, a discount rate without deduction of tax on pension returns is used.

Provisions for the guaranteed benefits comprise obligations to pay benefits guaranteed to the policyholder. Provisions for guaranteed benefits are calculated as the difference between the present value of the benefits guaranteed by the insurance policy and the present value of the expected future insurance administration costs less the present value of the agreed future premiums. The provision includes an estimated amount in cover of future benefits resulting from already incurred claims and an estimated amount for claims incurred but not reported.

The individual bonus potential comprises obligations to pay a bonus in relation to both expected not yet due premiums and premiums already due. The bonus potential is calculated as the value of policyholders' savings less provisions for guaranteed benefits, including expectations in relation to surrenders and paid-up policies. Whether the bonus potential is to be strengthened is determined individually for each policy.

#### *Pension return tax*

Outstanding pension return tax (PAL) are recognised in the life insurance provisions.

#### *Outstanding claims provisions*

Provisions for claims relating to health and personal accident insurance are calculated at the present value of expected future payments. The outstanding claims provisions regarding health and personal accident insurance also include amounts to cover direct and indirect costs which are reasonably considered to be adequate in relation to settling the claims obligations. For reported claims, an individual assessment is made of the date of payment. The costs are estimated on the basis of the average duration of established claims payments and an assessment of the annual costs incurred in processing claims. The provisions for current disablement benefits are determined individually, and an assessment of the duration of the benefits is made for each policy. The provision calculated is increased by a risk margin.

#### *Liability adequacy test*

The outstanding claims provisions are calculated according to actuarial methods and with a view to avoiding runoff losses as well as run-off gains. At the calculation date, the provisions thus represent the best estimate of future claims for the current and previous claims years. The outstanding claims provisions are calculated on a monthly basis, and the level is therefore assessed to be adequate at all times.

The provision will be discounted if such discounting has a material impact on the size of the liability.

#### **Provisions**

Provisions comprise deferred tax liabilities and are measured in accordance with applicable tax legislation.

#### **Other financial liabilities**

On initial recognition, other financial liabilities are measured at fair value less transaction costs. The liabilities are subsequently measured at amortised cost.