

# Stock Exchange and Press Release



## STOREBRAND ASA: Results for the 4th Quarter 2022

### Strong customer growth with a solid solvency position and improved financial result

Group profit<sup>1</sup> of NOK 841m, operating profit of NOK 624m

- Solvency II ratio 184%
- 39% profit growth in Insurance for 2022
- 23% growth in Unit Linked premiums (y/y)
- NOK 3.70 dividend per share and a NOK 500m share buyback program proposed

"During the past year, Storebrand has once again demonstrated a strong ability to navigate through market turbulence and manage risk. We have delivered competitive returns to our customers in challenging markets. And we have seen strong growth in the number of customers who choose Storebrand – both within savings and insurance where premiums have grown over 20% in 2022.

The solvency ratio is strengthened to 184%, and we deliver a Group profit of NOK 841 million in the quarter, and 2,716 million in 2022, despite the setback in financial markets. We are confident in our ability to continue to grow the business and generate solvency capital. I'm pleased to announce a proposed increase in the ordinary dividend to NOK 3.70 per share, and the Board plans to continue the share buyback program with a new tranche of NOK 500 million," says Group CEO Odd Arild Grefstad.

### Strong Growth and Stable Operating Profit

The operating profit amounted to NOK 624m in the quarter, compared to NOK 1,038m in 2021. The decline is mainly attributed to less performance fee income in 2022. Adjusted for performance related results and one-off items, the operating profit was NOK 571m in the quarter, compared to NOK 589m previous year.

Strong growth in insurance and an improved combined ratio has led to an increase in the insurance result by 52% in the 4th quarter and 37% for the full year, compared to 2021. Written premiums grew 21% in 2022. The combined ratio in the 4th quarter was impacted by seasonal claims in motor and ended at 95%, but amounted to 91% for the full year – in line with Storebrand's target of 90-92%.

Total assets under management (AUM) amounted to NOK 1,020bn, which is a decrease of 7% in 2022 compared to previous year due to weak financial market returns, but it is an increase of 2% in the 4th quarter. Total net inflow amounted to NOK 10bn in the quarter and NOK 17bn for the full

year. In Unit Linked, quarterly premiums increased by 23% to NOK 6.6bn from NOK 5.4bn. The transfer balance has materially improved in 2022, resulting in a net inflow (of premiums, claims, payments, and transfers) amounting to NOK 4.7bn in the 4th quarter and NOK 12.4bn for the full year, compared to NOK 2.8bn and NOK 5.1bn respectively in 2021.

### **Improved Financial Result in Q4**

The 'financial items and risk result' amounted to NOK 217m in 4th the quarter, which is an improvement from NOK -225m accumulated in the first three quarters of 2022. During the year, wider credit spreads have resulted in negative investment results in the company portfolios. The expected yield has increased correspondingly and financial markets have shown signs of improvement towards the end of the year. We thus expect better financial results going forward. Strong buffer capital levels at the beginning of the year and prudent risk management have secured sufficient customer returns in the guaranteed products, despite turbulent markets.

### **Solvency Ratio Development**

The solvency ratio was 184% at the end of the 4th quarter, an increase of 10 percentage points from the previous quarter. Result generation from operations and positive financial market developments strengthened the solvency ratio, but the improvement was more than offset by regulatory factors. Active risk management, including increased levels of reinsurance, reduced foreign currency exposure, and balance sheet and investment exposure optimisations, added to the solvency ratio. In addition, a reset of available additional statutory reserves to absorb stresses at the turn of the year improved the solvency ratio.

### **Dividend and share buyback**

The board proposes an ordinary dividend of NOK 3.70 per share for 2022 to the Annual General Meeting, equal to a total amount of NOK 1,718m. This represents a NOK 0.20 nominal increase compared to the previously paid dividend, corresponding to an increase of 5.7%.

Based on the reported solvency ratio of 184%, the Board intends to continue with a share buyback program with a tranche amounting to NOK 500m pending approval from the NFSA. The ambition is to return NOK 10bn of excess capital by the end of 2030, primarily in the form of share buybacks, as the run-off of the guaranteed business releases capital.

### **Capital Update**

Storebrand hosted a Capital Update presentation on 8 December 2022. The presentation mainly focused on Storebrand's capital situation and opportunities going forward in today's higher interest rate environment. The presentation and a replay can be found here.

(<https://www.storebrand.no/en/investor-relations/capital-update-2022>)

### **Key Figures in the Quarter:**

(Q4-2021 in brackets)

- Solvency Ratio 184% (178%)
- Earnings per share, adjusted for amortisation NOK 1.85 (NOK 2.25)
- Equity NOK 37,935m (NOK 37,709m)
- Assets under management NOK 1,020bn (NOK 1,097bn)

## Activities Related to the 4th Quarter 2022

07:30 CET: Release of stock exchange notification. Press release, quarterly report and analyst presentation will be available at [www.storebrand.no/ir](http://www.storebrand.no/ir).

10:00 CET: Live investor and analyst conference in English. A webcast will be available at [www.storebrand.no/en/investor-relations](http://www.storebrand.no/en/investor-relations). The presentation will be available on demand afterwards. Analysts who would like to ask questions at the end of the presentation must register for and participate in the MS Teams Webinar.

[Link to registration and webcast](#)

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## About Storebrand

*Storebrand is a Nordic financial group, delivering increased security and financial wellness for people and companies. We offer sustainable solutions and encourage our customers to take good economic decisions for the future. Our purpose is clear: we create a brighter future.*

*Storebrand has about 55.000 corporate customers, 2.2 million individual customers and manages NOK 1,020 billion. The Group has its headquarter at Lysaker outside of Oslo, Norway. Storebrand (STB) is listed on Oslo Stock Exchange.*

[www.storebrand.no/](http://www.storebrand.no/)

<sup>1</sup> Earnings before amortisation and tax. [www.storebrand.no/ir](http://www.storebrand.no/ir) provides an overview of APMs used in financial reporting

