

Stock and press release



Storebrand ASA: Results for the 3rd quarter 2023

Improved results despite turbulent times

- Cash equivalent earnings [1] of NOK 983m, operating profit of NOK 605m
- Solvency II ratio of 204%
- NOK 1 131bn assets under management – net inflow of NOK 42 billion this year
- Reduced insurance result due to increased weather-related claims

"There have been many reasons to be concerned in 2023. War, extreme weather events and high inflation influences society with great force – also affecting Storebrand and our customers. Despite this, we continue to deliver solid results. We gain trust from an increasing number of customers who rely on us for their pension, insurance, savings and loan needs. Particularly I would like to highlight the savings area, which has grown by 14% so far this year", says CEO Odd Arild Grefstad.

"As for the whole Norwegian insurance industry, our insurance result was also affected by extreme weather "Hans" and other weather-related claims. We have been present for the customers helping those affected, and our employees have done a tremendous job," he adds.

Profit growth driven by strong financial results

Cash equivalent earnings ended at NOK 983 million in the quarter, compared to NOK 672 million last year. Defined contribution pensions, asset management and banking contributed positively to the underlying operations. The quarter was also impacted by a strong financial result.

Total assets under management (AUM) have increased to record-high levels this year, ending at NOK 1 131 billion in the quarter. This is an increase of NOK 130 billion compared to one year ago. Soft financial markets led to a slight decline for the quarter in isolation. Net inflow was NOK 15 billion in the quarter and amounts to NOK 42 billion so far this year.

In addition, earned but not booked performance-related income continued the positive development and now amounts to NOK 219 million so far this year. The performance-related income will be booked at the end of the fourth quarter.

The financial result was NOK 378 million in the third quarter, compared to NOK -38 million in the corresponding period last year. Continued rising interest rates contribute to higher returns in the company portfolio, in parallel with good risk results and increased profit sharing in Sweden.

Extreme weather and increased claims

The extreme weather "Hans" and torrential rain in the Oslo region in August contributed to a weaker insurance result year on year. In the quarter, insurance profit ended at NOK 100 million, compared to NOK 211 million in the same quarter last year. Weather events had a negative effect on the result in the quarter of approximately NOK 60 million. High inflation has further weakened insurance results.

The combined ratio ended at 99% in the quarter and stands at 97% year-to-date. A number of measures are being implemented to ensure that the ambition to deliver on the 90-92% targeted combined ratio is maintained.

During the last year Storebrand's market share in the non-life insurance retail market in Norway has grown from 6.2% to 6.5%.

Solvency development

The solvency margin was 204% at the end of the third quarter, an increase of 8 percentage points from the previous quarter and a total of 30 percentage points from the same quarter last year. The solvency margin is still well above the targeted level.

Solid results and active risk management are the main drivers behind the strong development. Conversely, the solvency margin was adversely affected by weak equity markets and write-downs in the real estate portfolio. The real estate portfolio was written down by 6% in Norway. However, the write-downs increase the ongoing returns on the portfolios.

Share buyback program

In September, Storebrand's Board of Directors initiated a new tranche of NOK 500 million in the share buy-back programme. As previously communicated, the Board intends to continue with share buy-backs when the solvency ratio exceeds 175%. The ambition is to return NOK 10 billion in excess capital to shareholders by the end of 2030.

Divestment of Storebrand Helseforsikring AS

Storebrand has entered into an agreement with ERGO International AG to sell its 50% stake in Storebrand Helseforsikring AS. The transaction is expected to take place during the first quarter of 2024. The transaction is expected to have a positive impact of approximately NOK 1.1 billion on Storebrand's group results and increase the solvency margin by 4 percentage points.

Capital Markets Day

Storebrand will host a virtual capital markets day on December 13, 2023. The presentation will provide an update on the company's strategy and financial targets. In addition, the implications of higher interest rates on the company's earnings, capital generation and solvency position will be explained in more detail. Investors, analysts and media are welcome to follow the presentation digitally. Registration is open on storebrand.no/ir.

Key Figures in the Quarter (Q3 2022 in brackets)

- Solvency Ratio 204% (174%)
- Cash EPS NOK 1.73 (NOK 1.14)
- Equity NOK 28,940m (NOK 29,061m)
- Assets under management NOK 1,131bn (NOK 1,001bn)

Activities related to the 3rd quarter 2023

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

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

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This information is pursuant to the EU Market Abuse Regulation and subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.

[1] Cash equivalent earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting

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 1,131 billion. The Group is headquarter at Lysaker outside of Oslo, Norway. Storebrand (STB) is listed on Oslo Stock Exchange. Visit us on www.storebrand.no