

# Stock Exchange and Press Release



## STOREBRAND ASA: Results for the 1st Quarter 2023

- Cash equivalent earnings<sup>1</sup> of NOK 757m and IFRS profit before amortisation and tax of NOK 1,157m in the quarter
- Solvency II ratio 179%
- All-time high assets under management amounting to NOK 1,111bn, up 9% in the quarter supported by NOK 18bn net inflow

Storebrand continues to deliver very strong growth in all business areas – occupational pensions, asset management, and in the Norwegian retail market – despite another quarter with market turbulence where inflation remains high and central banks continue to raise rates. I'm proud to see that we have reached an all-time high level of asset under management of NOK 1.111 bn supported by NOK 18bn in positive net inflow in the quarter. Underlying growth in the business continues, with 18% growth in both retail banking and Defined Contribution pension assets, and 19% growth in written insurance premiums.

The solvency ratio remains solid at 179% in the first quarter, which is above the threshold for overcapitalisation. Storebrand will apply for additional share buybacks after the current tranche of 500 million has been completed," says Odd-Arild Grefstad, CEO of Storebrand ASA.

### Negative result impact from increased disability trend

Storebrand Group's Cash equivalent earnings from operations amounted to NOK 518m (NOK 636m) in the quarter. The decline is primarily explained by weakened insurance results due to seasonally high claims and increased disability.

"The share of the Norwegian workforce now living on disability benefits from the state has risen to almost 11%. This is a trend we have observed over the past years amongst our customers as well. This increase highlights the pressing need for businesses, government, and society at large to collaborate on developing comprehensive strategies that not only ensure accessibility and inclusivity for all individuals, but also prioritise preventive measures to curb this growing trend – for a healthier and more sustainable future," says Odd Arild Grefstad.

### Underlying growth continues to be strong

Total assets under management (AUM) reached an all-time high level and amounted to NOK 1,111bn. This is an increase of 9% or NOK 92bn compared to the previous quarter, of which NOK 18bn came from a strong net inflow of capital in the first quarter. Quarterly Unit linked premiums grew 30% to NOK 6.9bn compared to the same quarter last year, of which NOK 11 percentage points are attributed to Danica which was acquired in July 2022.

Written premiums in insurance have grown 19% overall compared to the first quarter last year, amounting to NOK 8.1bn. Storebrand is one of the fastest growing companies within Norwegian retail P&C. As of the first quarter, the market share amounted to 6.4 percent compared to 6.0 percent a year earlier. The first quarter's combined ratio reached 97%, impacted by seasonal claims in motor and high disability claims. However, when measured over the last 12 months the combined ratio has been at the targeted level of 92%.

### **Capital situation and Share buyback**

The solvency ratio was 179% at the end of the first quarter, a decrease of 5 percentage points from the previous quarter. Capital creation in the period was offset by increased equity allocation and a higher symmetric equity stress adjustment (SA), as well as lower interest rates, and capital return to shareholders. The solvency ratio continues to be above the threshold for overcapitalisation of 175%.

A share buyback program amounting to NOK 500m was initiated after the presentation of the full year 2022 accounts. The program has been temporarily paused in connection with the Annual General Meeting (AGM) of Storebrand ASA. Storebrand will continue the program when a renewed approval has been received from the FSA, based on the authorization granted by the AGM.

### **Changes in IFRS**

From the first of January 2023, the new IFRS 17 accounting standard came into force replacing IFRS 4. The implementation of IFRS 17 has significant impact on the accounting for insurance contracts in the Storebrand Group. In parallel with the new standard, Storebrand continues to report its alternative income statement based on statutory accounts as before, but has decided to rename some of the result lines. As of now, the alternative performance measure (APM) for profit will be called "Cash equivalent earnings".

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

(Q1-2022 in brackets)

- Solvency Ratio 179% (184%)
- Cash EPS NOK 1.82 (NOK 2.17)
- Equity NOK 30,266m (NOK 30,298m) restated under IFRS 17
- Assets under management NOK 1,111bn (NOK 1,039bn)

### **Activities Related to the 1st Quarter 2023**

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

10:00 CEST: Live analyst conference in English. A webcast will be available at [storebrand.no/ir](https://storebrand.no/ir). 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 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 1,111 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> Cash equivalent earnings before amortisation and tax. [www.storebrand.no/ir](http://www.storebrand.no/ir) provides an overview of APMs used in financial reporting