

Stock Exchange and Press Release



STOREBRAND ASA: Results for the 2nd quarter 2023

- Cash equivalent earnings of NOK 777m in the quarter and NOK 1,550m year to date
- Combined ratio of 96% in the quarter impacted by claims inflation, increased claims frequency in motor and disability
- Solvency II ratio 196%, increase of 17 percentage points from last quarter
- Share buyback of NOK 1bn approved for H2 2023, tranche of NOK 500m starts today

During the last quarter interest rates in Norway and Sweden have increase to levels we have not seen for decades, driven by persistent high inflation. These factors have improved asset under management and earnings, but also led to increased cost and claims.

Several companies have chosen Storebrand as their pension provider within occupational pension and the bank continues to gain market shares within the retail market. The solvency position remains strong. This shows that Storebrand manages well in turbulent times, says CEO Odd Arild Grefstad.

Continued growth in savings segment

Total assets under management (AUM) reached an all-time high and amounted to NOK 1,143bn. This is an increase of 3% or NOK 32bn compared to the previous quarter, of which NOK 10bn came from a net inflow of capital in the quarter. In addition, earned but not booked performance related income continues to increase and amounts to NOK 132m year to date.

Lending volume within retail banking amounted to NOK 72 bn in the second quarter, corresponding to an increase of 16% year on year. In combination with strong interest margins and improving cost-ratios, Storebrand Bank delivers a solid return and maintains its position as one of the fastest growing retail banks in the Norwegian market.

Negative result impact from high claims

Written premiums in insurance have grown 18% overall compared to the second quarter last year, amounting to NOK 8.3bn. Storebrand continues to gain market shares within Norwegian retail P&C. As of the second quarter, the market share amounted to 6.5 percent compared to 6.2 percent a year earlier.

The first quarter's combined ratio reached 96%, above the targeted combined ratio of 90-92%. The weak combined ratio is driven mainly by the P&C and Group Life segments. In P&C, the claims ratio deteriorated due to high frequency in motor claims and claims inflation. In Group Life, the weak development is due to a challenging disability trend. Price increases have been implemented, and further price adjustments will be made where necessary.

Capital situation and an additional Share buyback

The solvency ratio was 196% at the end of the second quarter, an increase of 17 percentage points from the previous quarter. Strong results, increased interest rates and higher volatility adjustment (VA) are the main drives for the strengthened position. The solvency ratio continues to be well above the threshold for overcapitalisation of 175%.

Storebrand has gotten approval from the Financial Supervisory Authority (FSA) to do share buybacks of NOK 1bn (divided into two tranches) to be carried out during second half of 2023. The first tranche amounting to a maximum of NOK 500m is initiated today (14 July 2023).

Capital Markets Day

Storebrand will host a virtual capital markets day 14 December 2023, at 09:00 – 12:00 CET. Presentation will be held by Storebrand's executive management with a focus on the company's growth strategy and ambitions. More information and a formal invitation will follow.

Key Figures in the Quarter:

(Q2-2022 in brackets)

- Solvency Ratio 196% (195%)
- Cash EPS NOK 3.98 (NOK 3.33)
- Equity NOK 28,902m (NOK 28,968m) restated under IFRS 17
- Assets under management NOK 1,143bn (NOK 1,008bn)

Activities Related to the 2nd Quarter 2023

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

10:00 CET: Live analyst conference in English. A webcast will be available at storebrand.no/ir. The presentation will be available on demand afterwards. Link to webcast Analysts who would like to ask questions at the end of the presentation must register for and participate in the MS Teams Webinar.

Lysaker, 14. July 2023

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