

# Storebrand Q3 2023

25 October 2023

Odd Arild Grefstad – CEO  
Lars Aa. Løddesøl – CFO

# Guiding our customers through challenging times



In a challenging time for many people, we contribute by giving customers **greater financial freedom and security**



We seek to deliver **value beyond return**, cultivating financial value, a thriving society and a healthy planet



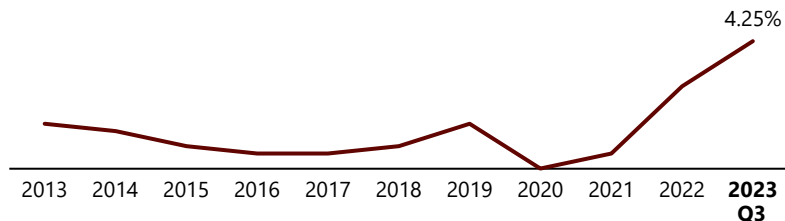
**~30 000 phone calls** regarding P&C related topics during Q3, including claims due to the storm 'Hans' and torrential rain in Oslo



With **increasing disability** in Norway, we actively participate and seek to be a part of the solution through both reactivation- and preventive measures

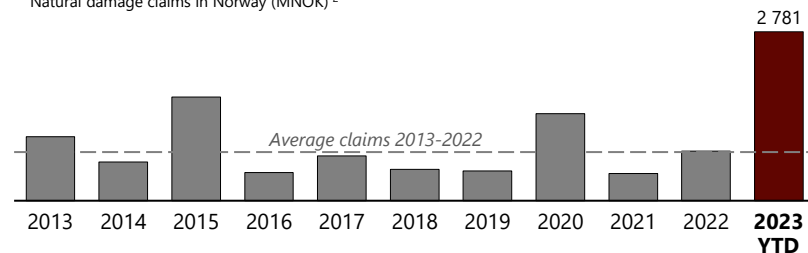
## Norwegian policy rate development

Norwegian policy rate at end of period <sup>1</sup>



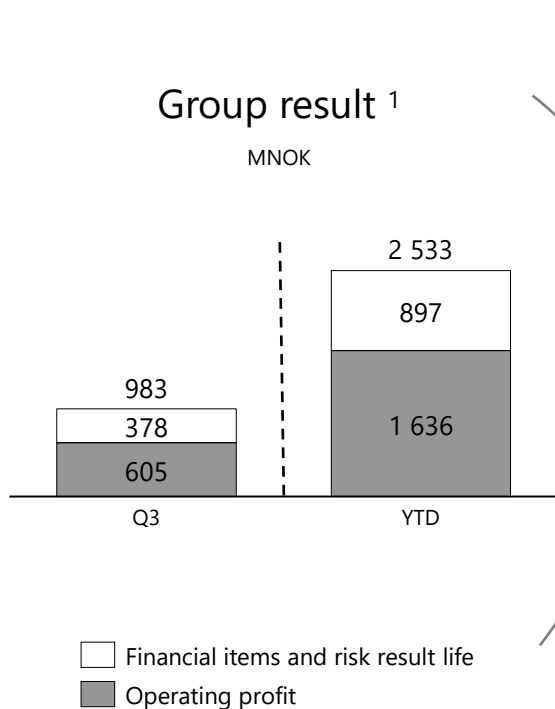
## Development of natural damage claims in Norway

Natural damage claims in Norway (MNOK) <sup>2</sup>



# Highlights Q3 2023

## Record-high solvency and strong Group results



14% growth in Saving's fee and admin income <sup>2</sup>



Positive flow of NOK 42bn YTD, NOK 1 131bn in AUM



204% solvency ratio, up from 196% last quarter



New NOK 500m share buy back tranche initiated on September 22<sup>nd</sup>, well under way to deliver NOK 1,5bn for the full year



Divestment of 50% ownership in Storebrand Helseforsikring  
Estimated impact of NOK 1,1bn on Group results in Q1 '24

# Pursuing our Group Strategy: Leading The Way In Sustainable Value Creation to be a leading Sustainable Nordic Savings and Insurance Group

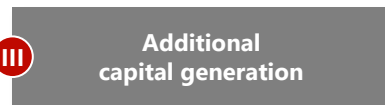
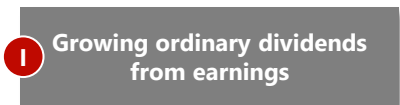
**Future Storebrand**  
Growth focus in capital-light business areas in front book



Strategic differentiators



**Capital Management**

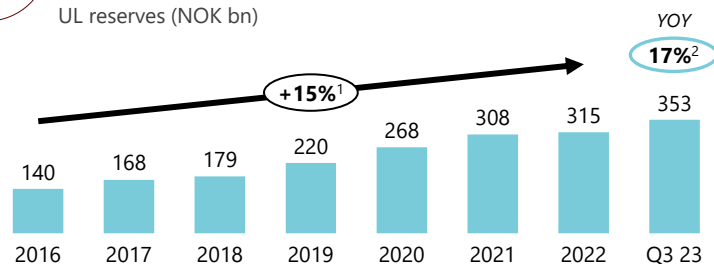


# Double-digit growth, financial markets reduce AUM growth



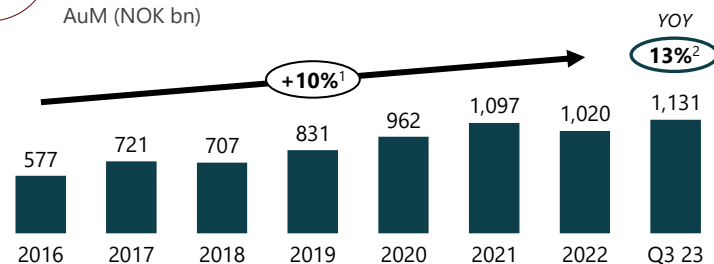
## Unit Linked (Defined Contribution) Pensions

UL reserves (NOK bn)



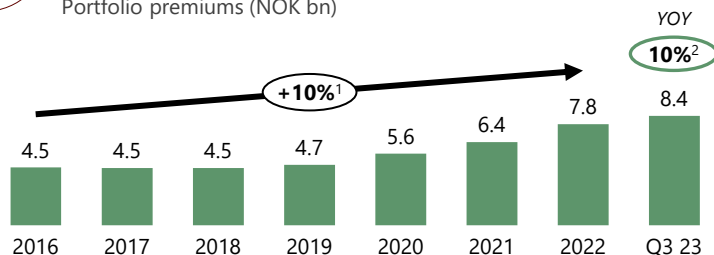
## Asset management

AuM (NOK bn)



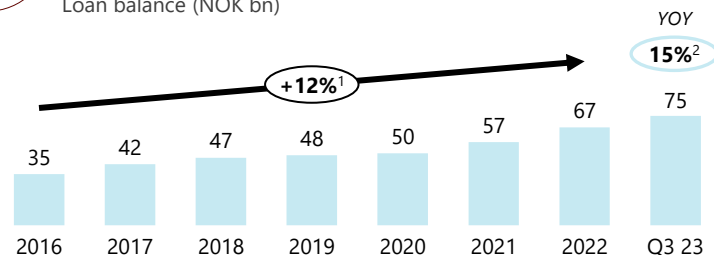
## Insurance

Portfolio premiums (NOK bn)



## Retail bank

Loan balance (NOK bn)



<sup>1</sup> Growth figures expressed as CAGR from FY 2016 to FY 2022

<sup>2</sup> Growth figures expressed as year-over-year growth from Q3 2022 to Q3 2023

# Continued focus on employee development to enable commercial growth and customer satisfaction

## Continued focus on employee satisfaction and growth



Employee satisfaction of 8,4/10, 0,5 percentage points above industry average. <sup>1</sup>



Average sick leave percentage so far this year  
2,7% in Norway  
2,0 % in Sweden



Democratization of AI is in focus. Encouraging all employees to utilize AI powered tools to increase personal productivity

## Changes in the executive management



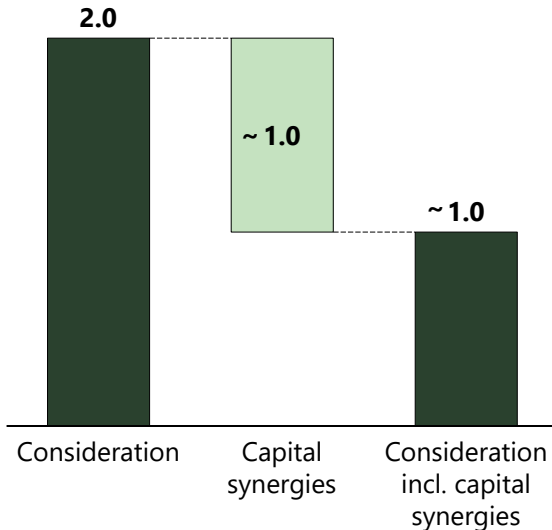
Camilla Leikvoll is appointed  
Executive Vice President Retail Market

*Will enter the role from 1<sup>st</sup> of November*

# Danica acquisition exemplifies the scalability and execution ability in our pension business

## Realised strong capital synergies

NOKbn



## Expected strong returns going forward

Profit before tax and amortization <sup>1</sup>

**~ NOK 250m**  
*Next 12 months*

## Key highlights

- Positive synergy effect from capital release due to diversification effects
- The integration of Danica is going according to plan
- Positive effects from harmonisation of IT-systems

<sup>1</sup> Excluding integration costs

# Divestment of 50% ownership in Storebrand Helseforsikring AS

## Deal rationale

*"We have had a successful history of developing SBH together with ERGO for many years. After a strategic review we believe that it is in the company's best interest to be further developed under the ownership of one owner.*

*We are therefore pleased to have reached an agreement with our long-term partner ERGO, that enables us to continue as a distributor of health insurance in the Norwegian and Swedish market."*

**Odd Arild Grefstad, CEO Storebrand Group**

## Positive financial impact on Storebrand group result in 1<sup>st</sup> quarter 2024

Estimated impact on Storebrand's Group results:

NOK **~1.1** billion

Expected to be booked in Q1 2024

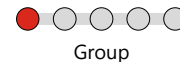
**+ ~4%**

Solvency ratio effect expected in Q1 2024

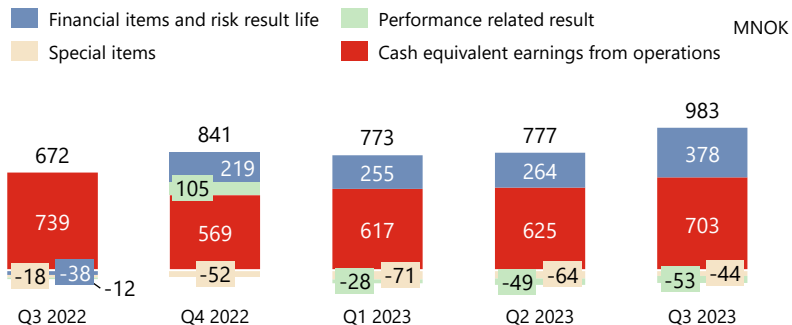


# Key Figures

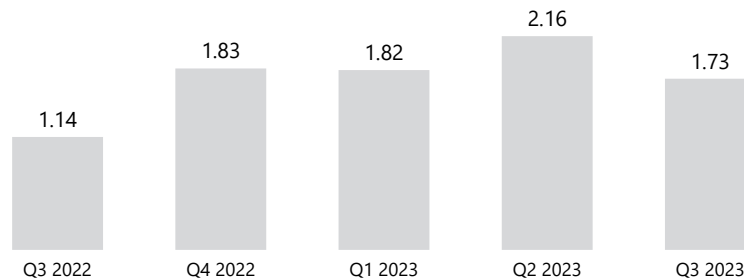
Improved financial result and a solid solvency position



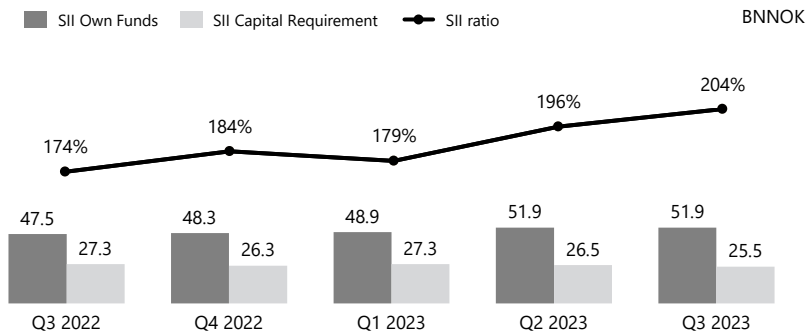
## Result development<sup>1</sup>



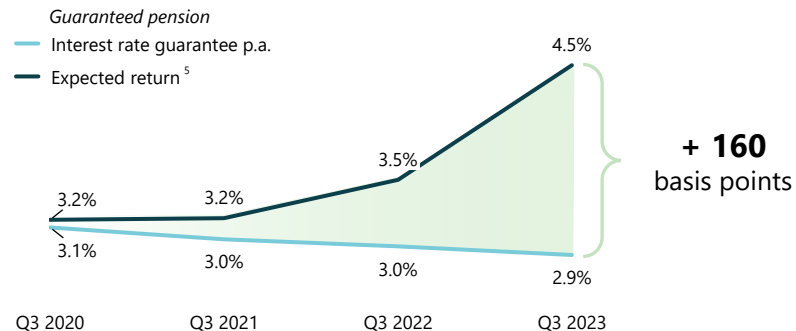
## Earnings per share<sup>2</sup>



## SII Own funds<sup>3</sup> and SCR



## Expected return above guaranteed interest rate, Norway<sup>4</sup>



<sup>1</sup> Result before amortisation and tax.

<sup>2</sup> Earnings per share after tax adjusted for amortisation of intangible assets.

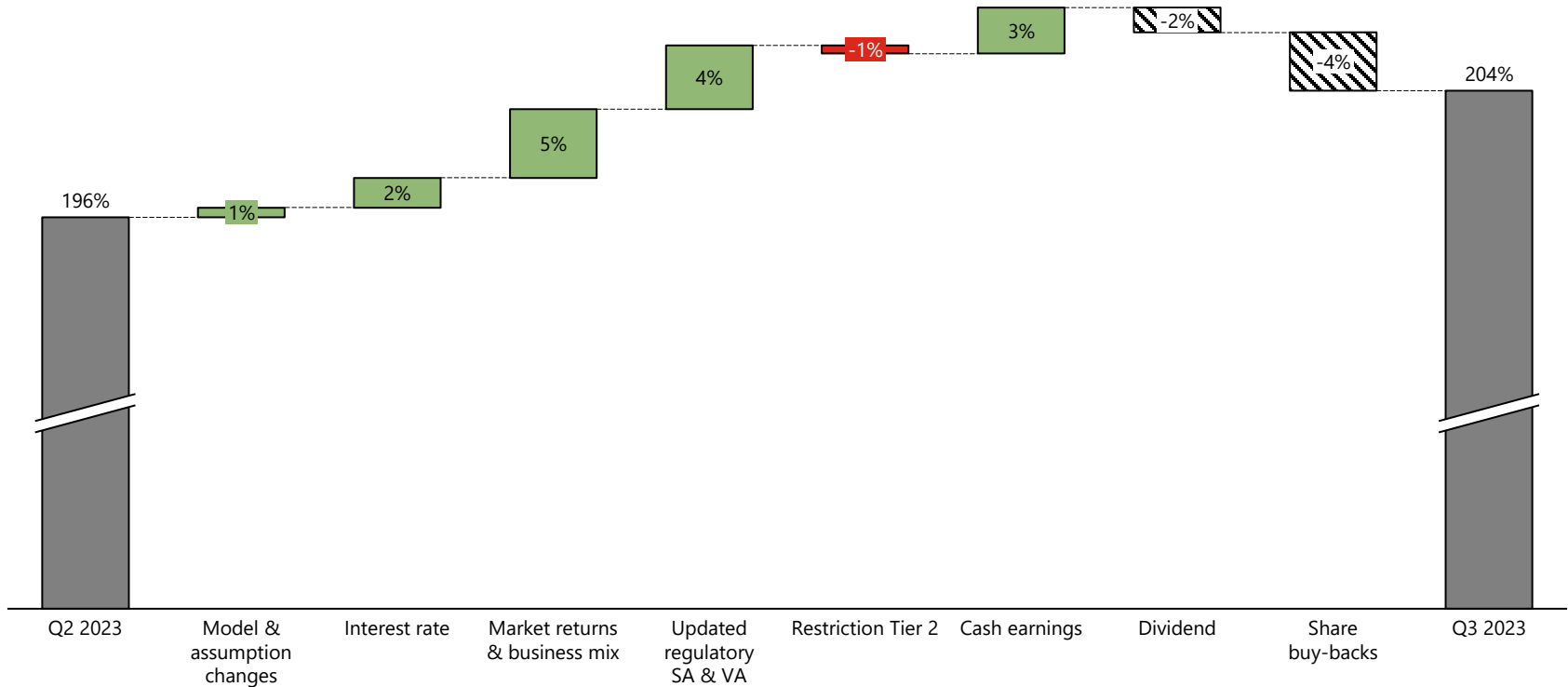
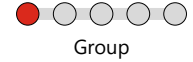
<sup>3</sup> Own Funds including transitional capital.

<sup>4</sup> Average of Defined benefit, Paid up and Individual in Norway

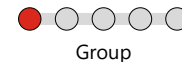
<sup>5</sup> Expected return is calculated based on current asset allocation using normal risk premiums for the next 12 months

# Solvency movement from Q2 2023 to Q3 2023

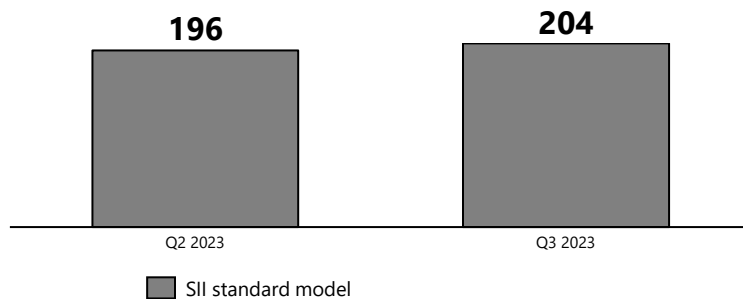
Storebrand Group



# SII position Storebrand Group



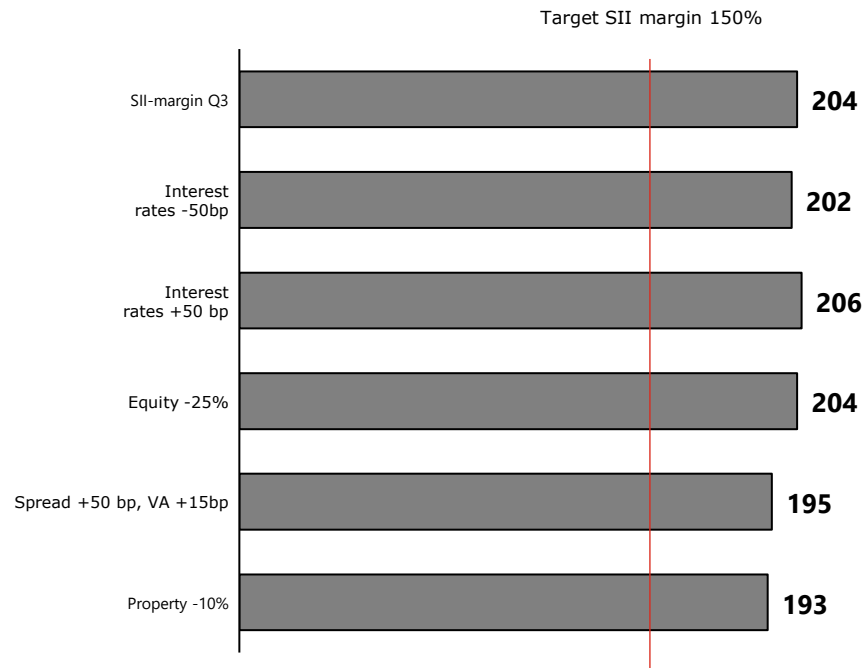
## Solvency position (%)<sup>1</sup>



## Key takeaways

- Reduced equity exposure is the main explanation behind the strengthening
- Increased interest rates, reduced symmetrical adjustment (SA) and the post tax result also contributed positively
- Write-downs in the real estate portfolio and soft equity markets impacted the solvency ratio negatively

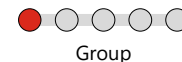
## Estimated sensitivities



<sup>1</sup> The estimated Economic solvency position of Storebrand Group is calculated using the current Storebrand implementation of the Solvency II Standard model. Output is sensitive to changes in financial markets, development of reserves, changes in assumptions and improvements of the calculation framework in the economic capital model as well as changes in the Solvency II legislation and national interpretation of transition rules.

# Storebrand Group

Strong financial result and satisfactory results from operations given extraordinary quarter in Insurance



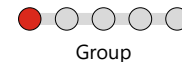
Profit<sup>1</sup>

NOK million	Q3		YTD	
	2023	2022	2023	2022
Fee and administration income	1 681	1 507	4 824	4 421
Insurance result	318	475	1 057	1 274
Operational cost	-1 394	-1 272	-4 245	-3 598
<b>Cash equivalent earnings from operations</b>	<b>605</b>	<b>710</b>	<b>1 636</b>	<b>2 097</b>
Financial items and risk result life	378	-38	897	-206
<b>Cash equivalent earnings before amortisation</b>	<b>983</b>	<b>672</b>	<b>2 533</b>	<b>1 891</b>
Amortisation and write-downs of intangible assets	-146	-61	-265	-140
<b>Cash equivalent earnings before tax</b>	<b>837</b>	<b>611</b>	<b>2 268</b>	<b>1 751</b>
Tax	-195	-136	97	213
<b>Cash equivalent earnings after tax</b>	<b>642</b>	<b>475</b>	<b>2 365</b>	<b>1 964</b>

<sup>1</sup> The result may include special items. Please see [storebrand.com/ir](https://storebrand.com/ir) for a complete overview.

# Storebrand Group

## Profit by line of business



### Profit<sup>1</sup>

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### Profit per line of business

NOK million	Q3		YTD	
	2023	2022	2023	2022
Savings - non-guaranteed	487	401	1 243	1 197
Insurance	100	211	220	504
Guaranteed pension	314	148	892	633
Other profit	82	-89	178	-443
<b>Cash equivalent earnings before amortisation</b>	<b>983</b>	<b>672</b>	<b>2 533</b>	<b>1 891</b>

<sup>1</sup> The result may include special items. Please see [storebrand.com/ir](https://storebrand.com/ir) for a complete overview.

# Savings (non-guaranteed)

Continued growth and strong result development across the board



## Profit

NOK million	Q3		YTD	
	2023	2022	2023	2022
Fee and administration income	1 333	1 174	3 836	3 440
Operational cost	-852	-763	-2 611	-2 183
<b>Cash equivalent earnings from operations</b>	<b>481</b>	<b>410</b>	<b>1 226</b>	<b>1 256</b>
Financial result	6	-9	18	-60
<b>Cash equivalent earnings before amortisation</b>	<b>487</b>	<b>401</b>	<b>1 243</b>	<b>1 197</b>

## Profit per product line

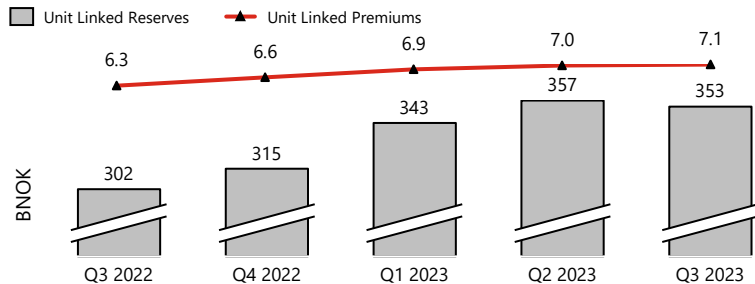
NOK million	Q3		YTD	
	2023	2022	2023	2022
Unit linked Norway	137	91	375	291
Unit linked Sweden	69	80	188	253
Asset management	148	144	347	458
Retail banking	147	85	395	194
Kron*	-14		-62	
<b>Cash equivalent earnings before amortisation</b>	<b>487</b>	<b>401</b>	<b>1 243</b>	<b>1 197</b>

# Savings (non-guaranteed)

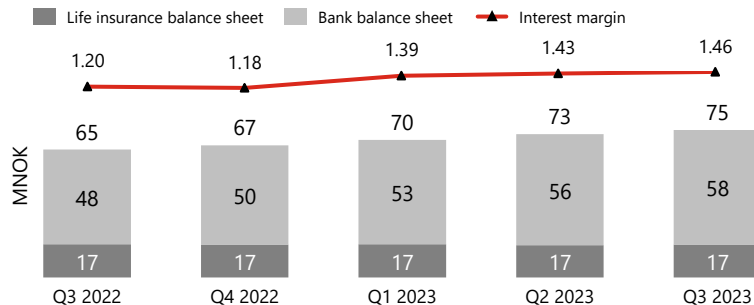
Key figures



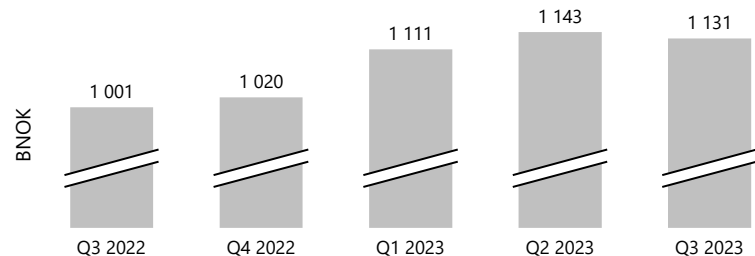
## Reserves and premiums Unit Linked



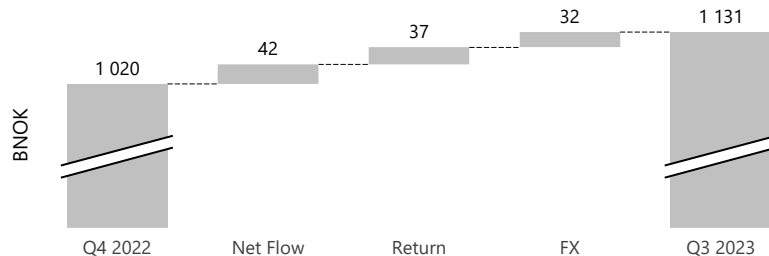
## Retail bank balance and net interest margin (%)



## Assets under management



## Movement in asset under management YTD<sup>1</sup>



<sup>1</sup> Estimated flow and return numbers

# Insurance

Weak Q3 results due to the storm "Hans" and torrential rain impacting 'P&C and Individual'



Insurance

## Profit

NOK million	Q3		YTD	
	2023	2022	2023	2022
Insurance premiums f.o.a.	1 734	1 613	5 132	4 459
Claims f.o.a.	-1 415	-1 138	-4 075	-3 185
Operational cost	-305	-284	-923	-794
<b>Cash equivalent earnings from operations</b>	<b>13</b>	<b>192</b>	<b>134</b>	<b>480</b>
Financial result	86	20	85	24
<b>Cash equivalent earnings before amortisation</b>	<b>100</b>	<b>211</b>	<b>220</b>	<b>504</b>

## Profit per product line

NOK million	Q3		YTD	
	2023	2022	2023	2022
P&C & Individual life	32	112	186	318
Health & Group life	4	17	-101	26
Pension related disability insurance Nordic	65	82	135	160
<b>Cash equivalent earnings before amortisation</b>	<b>100</b>	<b>211</b>	<b>220</b>	<b>504</b>

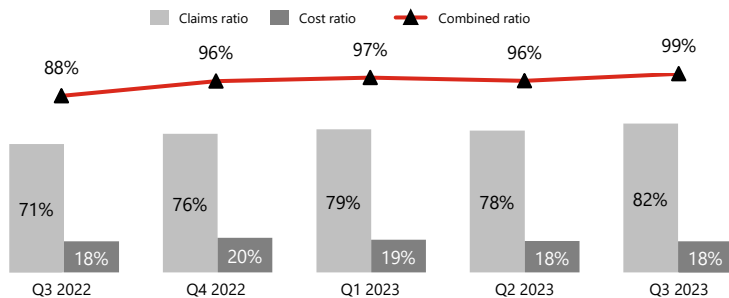


# Insurance

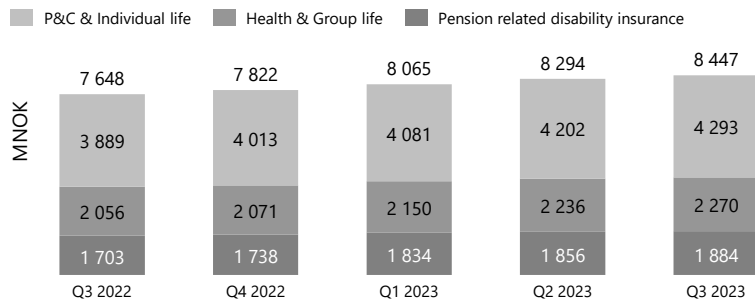
## Key figures



### Combined ratio



### Portfolio premiums



### Key Takeaways Combined Ratio and Results

- 99% overall combined ratio in the quarter
- The quarter is negatively impacted by the storm "Hans" and torrential rain in Oslo and the surrounding regions in August
- Reassurance programs dampen negative effects significantly
- Measures including repricing implemented to improve profitability

### Key Takeaways Premiums and Growth

- 7% overall growth in premiums f.o.a. compared to the corresponding period last year
- 6.5% market share in Norwegian retail P&C compared to 6.2% in the same quarter last year

# Guaranteed pension

Strong growth in profits driven by increased financial results and solid operational performance



## Profit

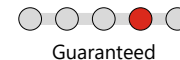
NOK million	Q3		YTD	
	2023	2022	2023	2022
Fee and administration income	413	398	1 179	1 184
Operational cost	-209	-208	-617	-617
<b>Cash equivalent earnings from operations</b>	<b>204</b>	<b>190</b>	<b>561</b>	<b>567</b>
Risk result life & pensions	69	74	218	210
Net profit sharing	41	-116	113	-143
<b>Cash equivalent earnings before amortisation</b>	<b>314</b>	<b>148</b>	<b>892</b>	<b>633</b>

## Profit per product line

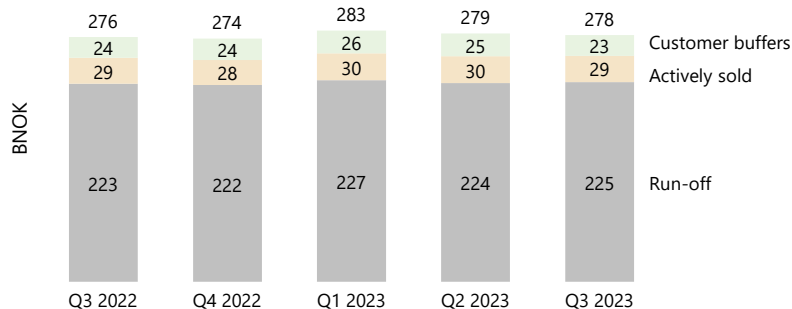
NOK million	Q3		YTD	
	2023	2022	2023	2022
Defined benefit (private & public sector), Norway	80	55	198	207
Paid-up policies, Norway	107	149	337	365
Individual life and pension, Norway	10	11	23	20
Guaranteed products, Sweden	116	-68	336	41
<b>Cash equivalent earnings before amortisation</b>	<b>314</b>	<b>148</b>	<b>892</b>	<b>633</b>

# Guaranteed pension

## Key figures



### Reserves guaranteed products



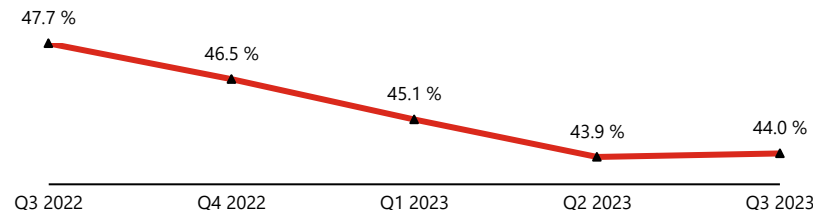
### Key Takeaways

- Stable result development from operations
- Continued strong risk result
- Improved, but moderate, profit sharing result

### Buffer capital<sup>1</sup>

NOK million	Q3 2023	Q2 2023	Change
Market value adjustment reserve <sup>2</sup>	2 565	2 687	- 122
Excess value of bonds at amortised cost	-17 086	-15 542	- 1 544
Additional statutory reserve	6 997	8 308	- 1 312
Conditional bonuses SPP	13 880	14 408	- 528
<b>Total</b>	<b>6 357</b>	<b>9 862</b>	<b>- 3 505</b>

### Guaranteed reserves in % of total reserves

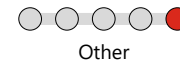


<sup>1</sup> The term Buffer capital in this table is not consistent with the definition of buffer capital made in the IFRS accounting.

<sup>2</sup> Includes Public Occupational Pensions buffer fund.

# Other <sup>1</sup>

Financial result improving from a higher interest rate level



## Profit

NOK million	Q3		YTD	
	2023	2022	2023	2022
Fee and administration income	5	6	17	15
Operational cost	-99	-87	-302	-222
<b>Cash equivalent earnings from operations</b>	<b>-93</b>	<b>-82</b>	<b>-285</b>	<b>-207</b>
Financial result	176	-7	463	-236
<b>Cash equivalent earnings before amortisation</b>	<b>82</b>	<b>-89</b>	<b>178</b>	<b>-443</b>

<sup>1</sup> Excluding eliminations. For more information on eliminations, see Supplementary Information.

# Virtual Capital Markets Day

**13 December 2023**  
**10:00-13:00 CET**

The presentation will be held by Storebrand's executive management with a focus on the company's growth strategy and ambitions.

An update on the implications from higher interest rates, the balance sheet and solvency position, and capital and cash generation will also be provided.

Registration is open at  
[storebrand.no/ir](https://storebrand.no/ir)



# Q&A

*Please join the MS Teams Webinar to participate in the Q&A session.*



Group CFO

Lars Aa. Løddesøl



Group CEO

Odd Arild Grefstad



Group Head of  
Strategy & Finance

Kjetil R. Krøkje



Head of  
Investor Relations

Johannes Narum

# Appendix

# Simplified<sup>1</sup> P&L under IFRS – Key takeaways

Profit & Loss IFRS (MNOK)	Q3		YTD	
	2023	2022 <sup>2</sup>	2023	2022 <sup>2</sup>
Income from unit linked	496	480	1 528	1 350
Income from asset management	732	650	2 113	1 998
Income from banking activities	825	379	2 127	940
Other income	66	96	263	274
<b>Operating income excl. Insurance</b>	<b>2 120</b>	<b>1 605</b>	<b>6 032</b>	<b>4 562</b>
[3] Insurance revenue	2 301	2 185	6 822	6 261
Insurance services expense	-2 162	-1 701	-5 492	-4 367
Net income from reinsurance contracts	92	-3	25	-33
[2] <b>Insurance service result</b>	<b>231</b>	<b>481</b>	<b>1 354</b>	<b>1 861</b>
<b>Operating income incl. insurance result</b>	<b>2 351</b>	<b>2 086</b>	<b>7 386</b>	<b>6 423</b>
Operating expenses	-1 239	-1 089	-3 785	-3 151
Interest expenses from banking activities	-568	-184	-1 410	-409
Other expenses	-36	-22	-137	32
<b>Total expenses</b>	<b>-1 843</b>	<b>-1 295</b>	<b>-5 333</b>	<b>-3 527</b>
<b>Operating profit</b>	<b>509</b>	<b>792</b>	<b>2 053</b>	<b>2 896</b>
<b>Net financial result<sup>1</sup></b>	<b>419</b>	<b>-293</b>	<b>648</b>	<b>-1 123</b>
[1] <b>Profit/loss before amortisation and tax</b>	<b>928</b>	<b>499</b>	<b>2 701</b>	<b>1 773</b>
Amortisation of intangible assets	-182	-92	-371	-232
Tax expenses	-172	-50	110	351
<b>Profit/loss for the period</b>	<b>574</b>	<b>357</b>	<b>2 440</b>	<b>1 892</b>

## Comments

[1] Group's profit before amortisation and tax was NOK 928m in quarter, compared to NOK 499m in 2022<sup>2</sup>

- Higher volatility is expected on a general basis under IFRS 17 due to measurement models applied

[2] Insurance service result under IFRS was NOK 231m in the 3<sup>rd</sup> quarter (NOK 481m)

- The decrease is related to mainly IFRS 17 contracts with a coverage period on less than 12 months and is driven by an increase in reported claims and inflation

[3] CSM release of NOK 459m in the quarter, CSM sensitivities shown in the appendix

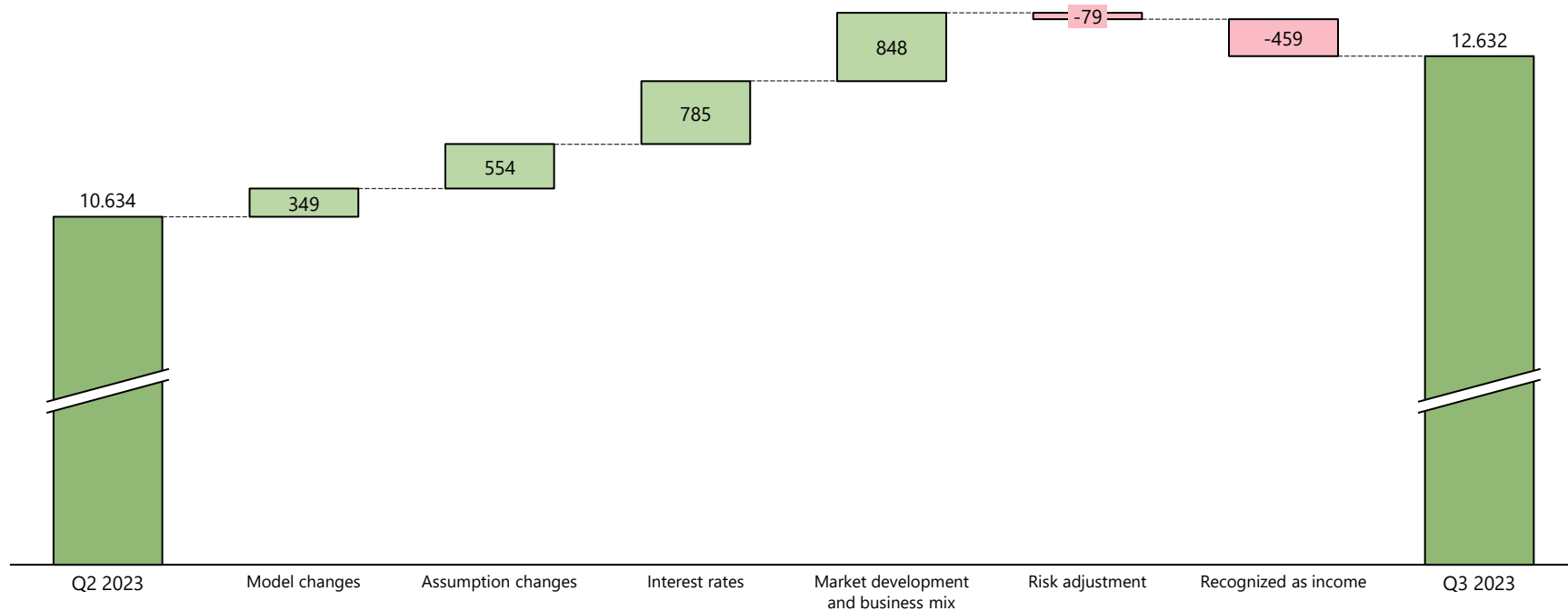
<sup>1</sup> The P&L is somewhat simplified compared to the P&L stated in the quarterly report. The simplification is related to Net financial result, as the simplified version do not show every single item.

<sup>2</sup> Reclassified numbers



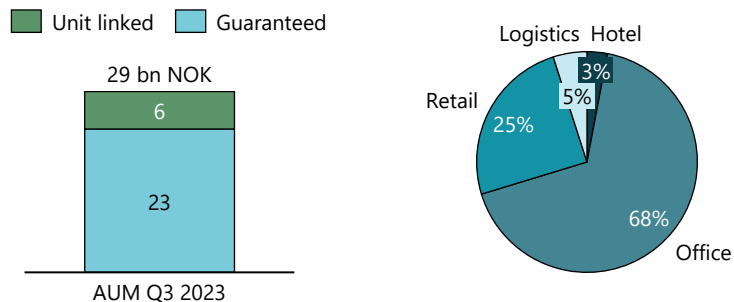
# CSM movement from Q2 2023 to Q3 2023

mill. NOK

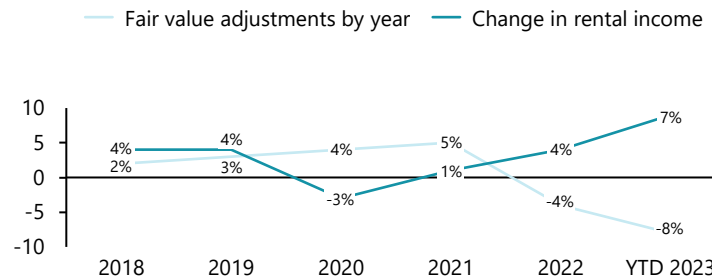


# Real estate portfolio – Norway <sup>1</sup>

## Allocation and distribution - real estate portfolio

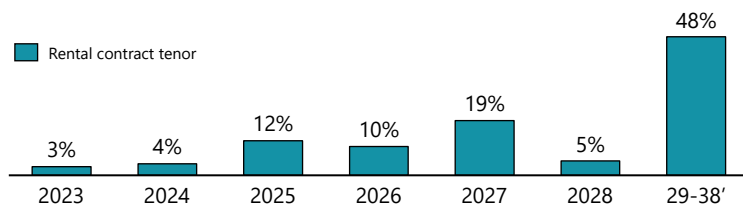


## Fair value adjustments and change in rental income by year

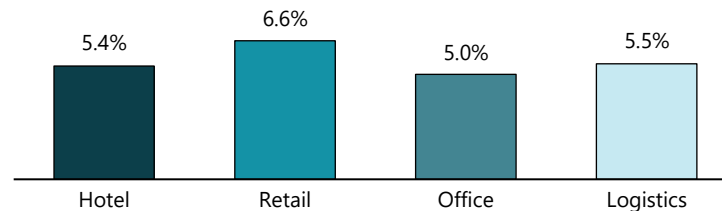


## WAULT and expired rental income

Weighted average unexpired lease term (WAULT): 5,2 years

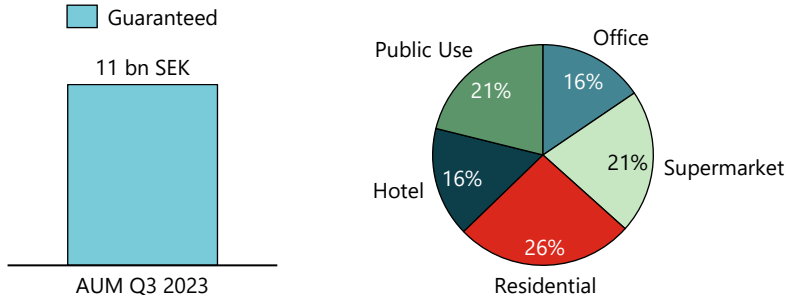


## Sub-portfolio yield distribution Q2 2023

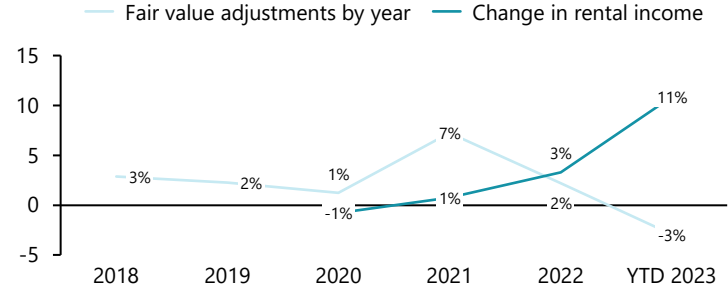


# Real estate portfolio – Sweden <sup>1</sup>

## Allocation and distribution - real estate portfolio

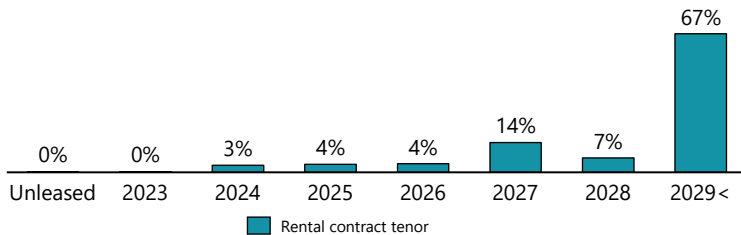


## Fair value adjustments and change in rental income by year

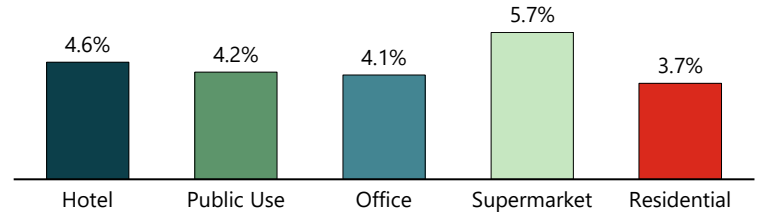


## WAULT and expired rental income

Weighted average unexpired lease term (WAULT): 7,5 years



## Sub-portfolio yield<sup>2</sup> distribution Q3 2023

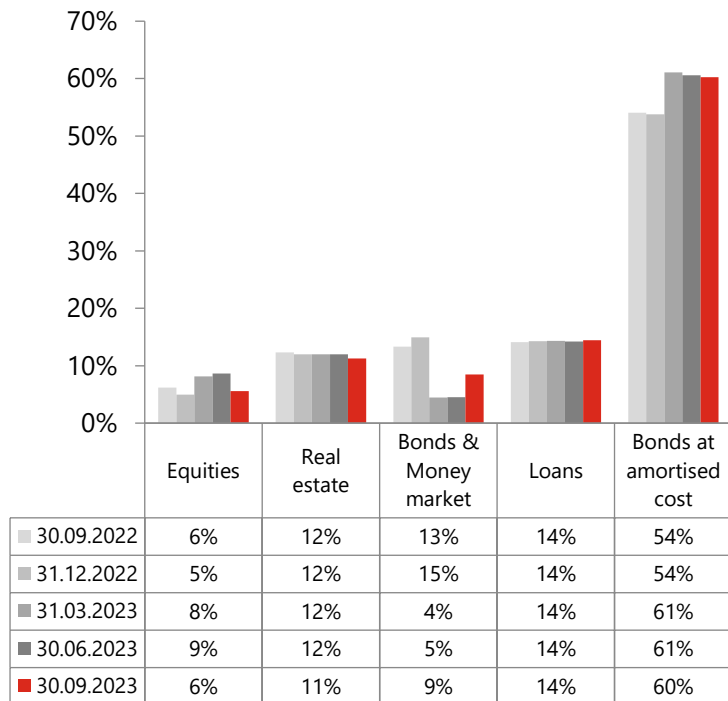


<sup>1</sup> Vacancy rate on the portfolio: 0.6%

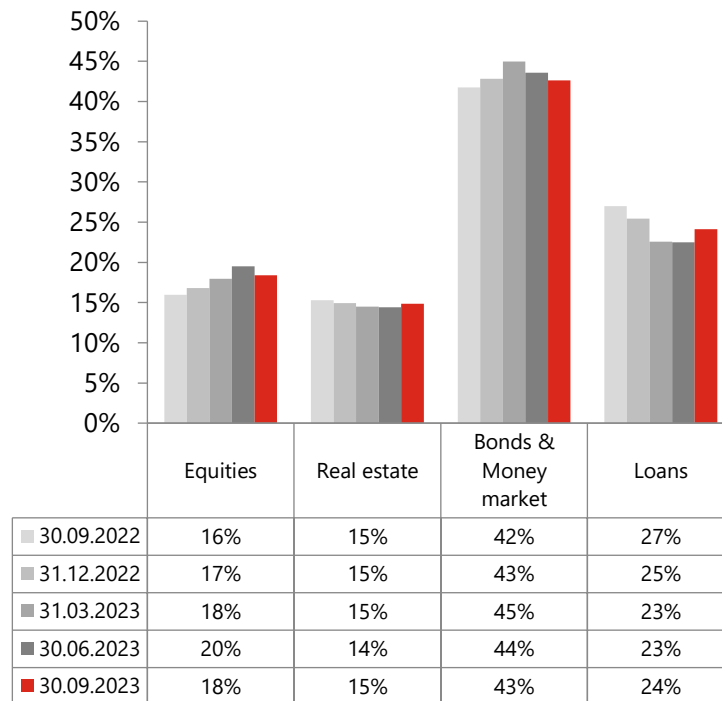
<sup>2</sup> The graph shows exit-yield for the different categories

# Asset allocation – Guaranteed products

Storebrand Livsforsikring AS (Norway)



SPP (Sweden)



Note: The graphs show the asset allocation for all products with an interest rate guaranteee.

# Important Information

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally.

The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.



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sustainable value creation*

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This document contains Alternative Performance Measures as defined by the European Securities and Market Authority (ESMA). An overview of APMs used in financial reporting is available on [storebrand.com/ir](https://www.storebrand.com/ir).