

Storebrand ASA: Q4 Interim Result 2018 - Strong full-year result, strengthened solidity and increased dividend

- **Group result of NOK 3 158m in 2018, NOK 563m for the 4th quarter**
- **Solvency II 173%**
- **Dividend of NOK 3.0 per share**

- 2018 was a solid year for Storebrand with strong underlying growth and cost control. The 4th quarter result is negatively impacted by weak financial markets and non-recurring items. Storebrand strengthened its solidity further in the 4th quarter. It is pleasing to see that Storebrand reaffirms its position as the market leader for pension savings throughout the year, says CEO Odd Arild Grefstad.

Continued growth, despite weak financial markets in the fourth quarter

The operating profit for the 4th quarter is NOK 551m and NOK 2 516m for the full year 2018. The operating profit has increased by 4% compared to 2017 and by 14% when adjusting for SKAGEN and currency effects. Income grew by 5% in 2018 compared to the previous year.

Weak financial markets have a negative impact on the 4th quarter result and reduce total AUM to NOK 707bn. After the resurgence in the financial markets since New Year, much of this decline has already been regained.

Strengthened solidity

The Solvency II margin is calculated to 173% at the end of the 4th quarter, including transitional rules. Without transitional rules, the solvency margin is 172%, up from 155% at the end of 2017. Risk management, as well as volatility reducing factors in the solvency regulation, compensate for the negative market impact on the solvency margin. Transitional effects from new tax legislation increase the solvency margin by approximately 6 percentage points.

Dividend of NOK 3.0 per share

The Board of Directors proposes a dividend of NOK 3.0 per share for 2018. This amounts to an increase of the ordinary dividend of 43% compared to 2017 and a pay-out ratio of 68%, adjusted for the transitional effects from new tax legislation.

Strategic transactions strengthen the business

During the 4th quarter Storebrand announced the sale of Nordben, which has been delivering international pension schemes to the Nordic industry. The company has been closed for new business in recent years and has a closed portfolio of NOK 6 bn.

Earlier this week, Storebrand announced the acquisition of Cubera Private Equity. The group is building a strong Nordic private equity provider with the largest team of investment professionals in the region.

The transaction strengthens Storebrand's offering to institutional asset management clients and makes Storebrand a natural partner for international clients seeking investments in the Nordics. Storebrand is today the only provider in Norway to include private equity and real estate in its defined contribution portfolios. This has provided customers within defined contribution pensions the best investment return in the market.

The acquisition is in line with the strategy Storebrand communicated at its capital markets day – to look for bolt-on acquisitions that complement our current business and create growth, as well as turning the business towards non-guaranteed savings products.

The investor and analyst presentation Wednesday 13 February 2019 at 10:00 CET will be webcasted at Storebrand.com/ir. Questions addressed to ir@storebrand.no will be answered during the Q&A session if time permits.

An analyst conference call will be arranged at 14:00 CET. To attend the conference call we kindly ask participants to dial in 10 minutes in advance by calling +44 (0) 20 3003 2666 for international participants or 21 56 33 18 from Norway. Passcode is Storebrand.

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Storebrand's ambition is to be the best provider of saving for pensions. Storebrand will deliver sustainable solutions adapted to the customer's individual situation, so that each person receives a better pension in a more sustainable world. Storebrand has about 40.000 corporate customers and 2 million individual customers, and has its headquarter at Lysaker outside of Oslo, Norway. Storebrand manages more than NOK 700bn and is Norway's largest private asset manager. We work hard to fulfil our vision: Recommended by our customers. Storebrand (STB) is listed on Oslo Stock Exchange.

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