

Storebrand

Q2 2024

12 July 2024

Odd Arild Grefstad – CEO

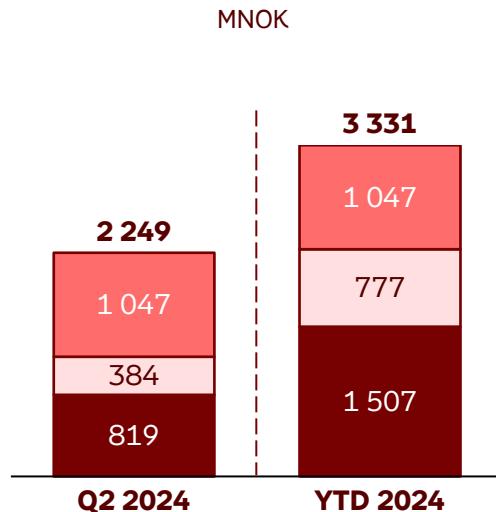
Lars Aa. Løddesøl – CFO



Highlights Q2 2024

Strong operating result driven by continued growth and cost control, financial result boosted by sales gain

Group result ¹



- Financial gain from Storebrand Health Insurance divestment
- Financial items and risk result life
- Operating profit



14% AuM growth²; NOK **1 298**bn per Q2'24



19% growth in unit linked reserves²



16% growth in insurance premiums²



191% Solvency ratio
Internal model application submitted in Q2

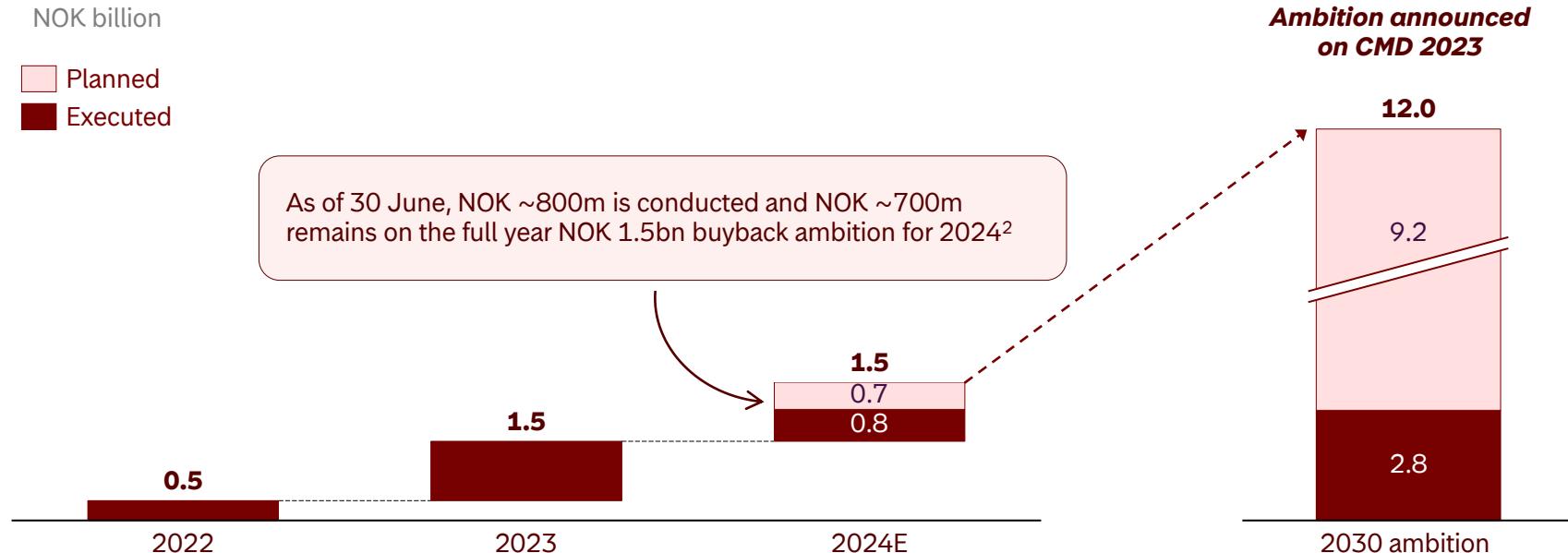


Ongoing NOK **1,1bn** share buyback program



Completed NOK 0.4bn in share buybacks in Q2, NOK 0.7bn to be bought back during Q3 and Q4¹

Overview of executed and planned share buybacks



Sustainable Nordic Savings and Insurance Group

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

A
Leading Provider
Occupational Pensions
Norway & Sweden

B
Nordic Powerhouse in Asset Management

C
Growing Challenger in Norwegian Retail Market

Strategic enablers
Unlocking growth

D

People First

Leadership in Sustainability

Digital Frontrunner

Capital Management
For shareholder returns

Growing ordinary dividends from earnings

~1.5bn¹ annual buybacks
NOK ~12bn by YE2030

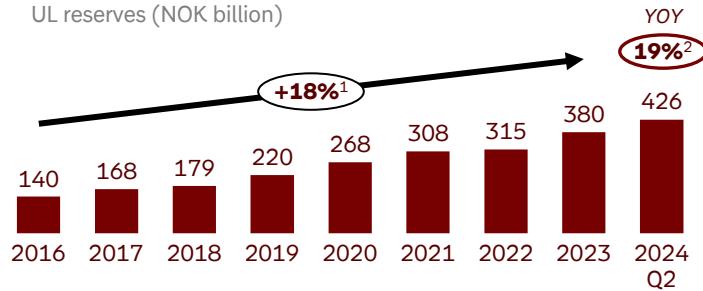
Additional capital generation



Double digit growth continues across the Group

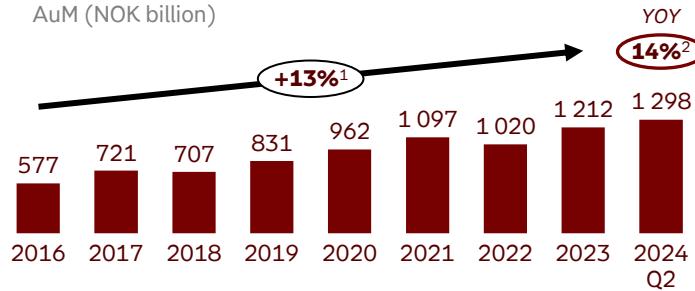
Unit linked (defined contribution) pensions

UL reserves (NOK billion)



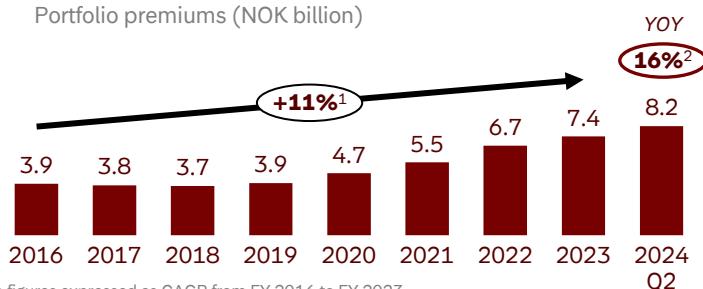
Asset management

AuM (NOK billion)



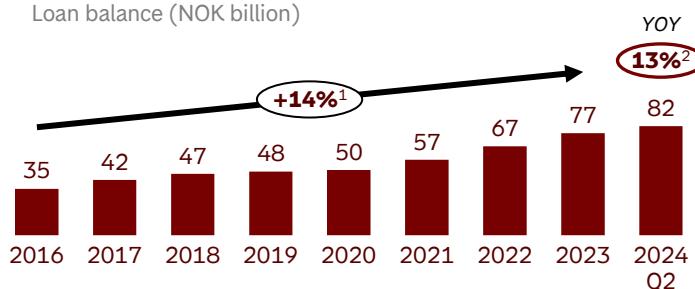
Insurance ³

Portfolio premiums (NOK billion)



Retail bank

Loan balance (NOK billion)



1. Growth figures expressed as CAGR from FY 2016 to FY 2023

2. Growth figures expressed as year-over-year growth from Q2 2023 to Q2 2024

3. Excluding all written premiums in Storebrand Helseforsikring AS



Second quarter business update

Sustainability



Recognised as one of the world's most sustainable companies by

TIME & **statista**

Internal Model



*Submitted application for
Partial Internal Solvency Model*

Public Pensions



*ESA expected to initiate infringement
proceedings in the public procurement
case*

Two acquisitions announced and divestment of health business concluded during the second quarter

Acquisition of AIP Management



- Increased ownership in Danish infrastructure fund manager AIP Management from 10% to 60%
- Total commitments from investors EUR 8bn

Investment in corporate headquarter



- Gross property value of NOK ~1.7 billion
- Positive P&L-effect compared to renting other available office buildings in the Oslo region

Divestment of Storebrand Health Insurance concluded



- The financial gain from the divestment of the 50% ownership in Storebrand Health Insurance was booked in the 2nd quarter

AIP Management is a well-established Danish infrastructure fund manager with AUM of NOK ~90bn

Background

AIP was originally founded in 2012, and became an independent fund manager in 2018, with offices today in Copenhagen (Headquarter), London, Madrid, and New York

Total commitments from investors of EUR 8 billion (NOK 90 billion)

Specialises in energy and infrastructure investments that facilitate the energy transition in Europe and North America

STB acquired a 10% stake in 2020 and has now entered into an agreement¹ to acquire an additional 50% to reach an ownership of 60%

Purchase price consideration is DKK 215 million for 50% of the shares in AIP, the final consideration can be adjusted subject to successful future fund raising

NOK ~90 bn

Committed capital

28

Investments

90

Employees



1. Subject to regulatory approvals, closing expected in H2 2024
Photo of Cross London Trains ("XLT") by Govia Thameslink Railway

AIP operates in a market with attractive business characteristics and strong growth prospects

Infrastructure market with attractive return characteristics

Infrastructure consists of the physical assets required for economies and societies to function, such as railroads, wind and solar farms, and telecom. Infrastructure investors provide the capital necessary to repair and build new infrastructure.



Stable returns



Low market correlation



Sticky capital / long duration

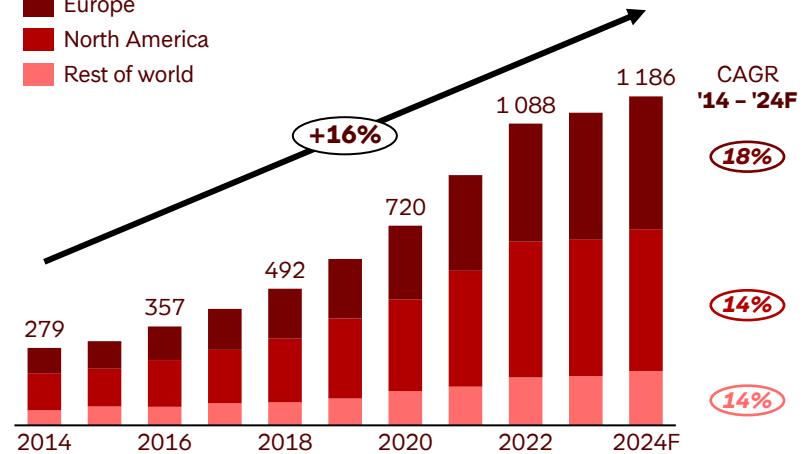


Sustainable Investment



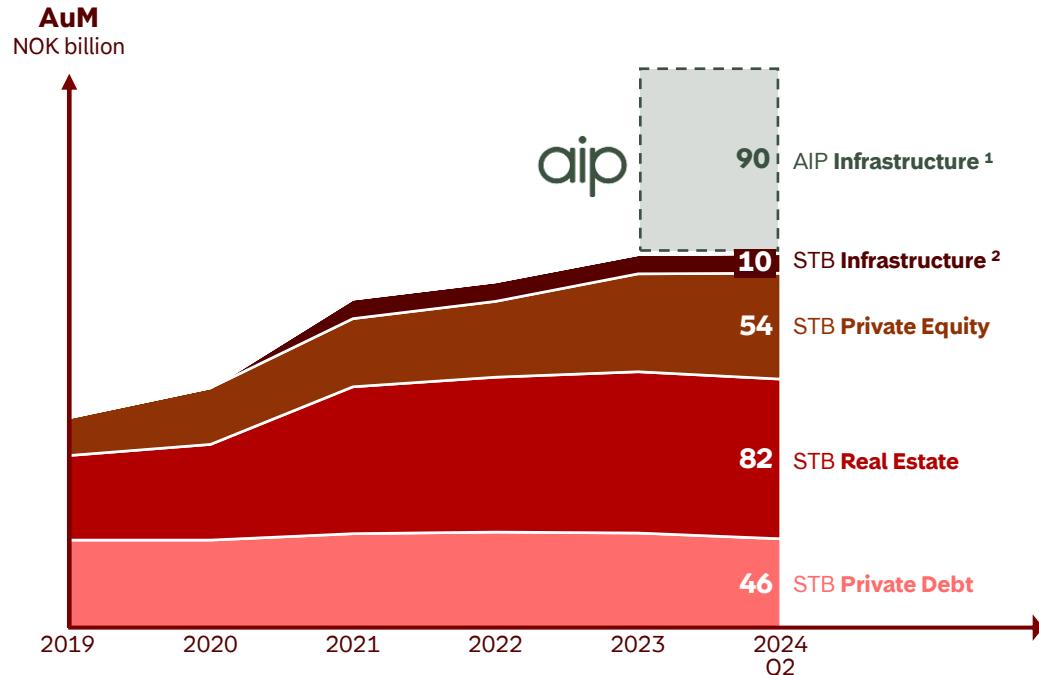
Global Infrastructure AuM ¹ (\$bn)

■ Europe
■ North America
■ Rest of world



The investment gap between what the world needs and what governments can be expected to spend based on current trends between now and 2040 is \$15T²

Expanding Storebrand Asset Management's Alternatives offering



AIP will strengthen Storebrand's offering within Alternatives; Infrastructure, Private Equity, Real Estate, and Private Debt. -Building a Nordic powerhouse in asset management.



The acquisition will increase AuM within

- Storebrand Infrastructure by ~10x
- Storebrand Alternatives by ~50%
- Storebrand Group to almost NOK ~1,400bn



The acquisition provides an opportunity to realise strong earnings growth by further growing and commercialising AIP together with a strong management team and existing owners



Active ownership contributes to more green and sustainable infrastructure projects

Corporate headquarter acquisition closed in June



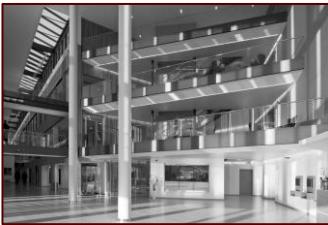
NOK **1.695** billion
Gross property value



Positive P&L-effect compared to renting other available office buildings in the Oslo region



Storebrand's existing lease at Lysaker expires in 2027



DEAL STRUCTURE

- The transaction was completed on June 21, 2024, through a newly established alternative investment fund (AIF) managed by Storebrand Asset Management (SAM).
- The gross property value was NOK 1.695 billion. After agreed customary purchase price adjustments approximately NOK 1.62 billion was paid for the shares in Lysaker Park Eiendom AS.
- Transaction was financed with NOK 0.7 billion in equity contribution from SAM (mainly funded by senior debt issued from Storebrand ASA) and NOK 1.0 billion senior secured bonds issued by the AIF.

Key Figures

Strong improvement in operating and financial result, solid solvency position

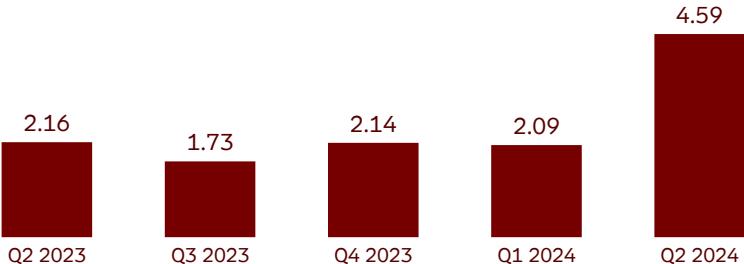
Result development ¹

- Special items
- Financial items and risk result life
- Cash equivalent earnings from operations

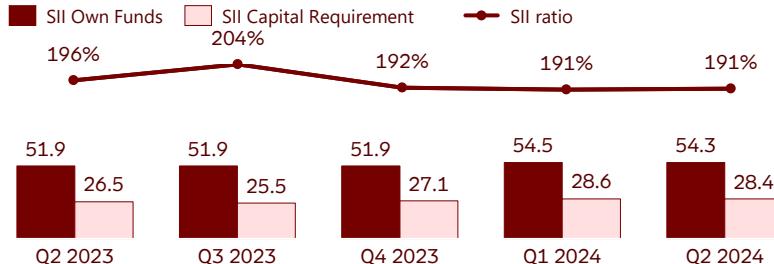


Earnings per share ^{2, 6}

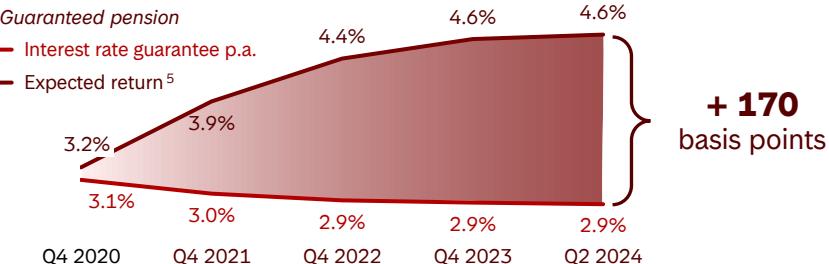
4.59



SII Own funds ³ and SCR



Expected return above guaranteed interest rate, Norway ⁴



1. Cash result before amortisation and tax.

2. Earnings per share after tax adjusted for amortisation of intangible assets.

3. Own Funds including transitional capital.

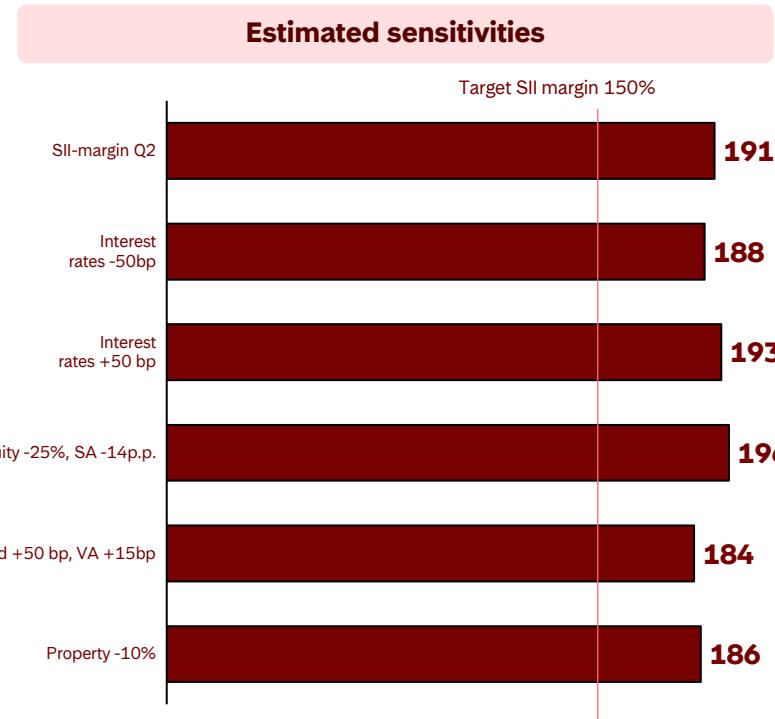
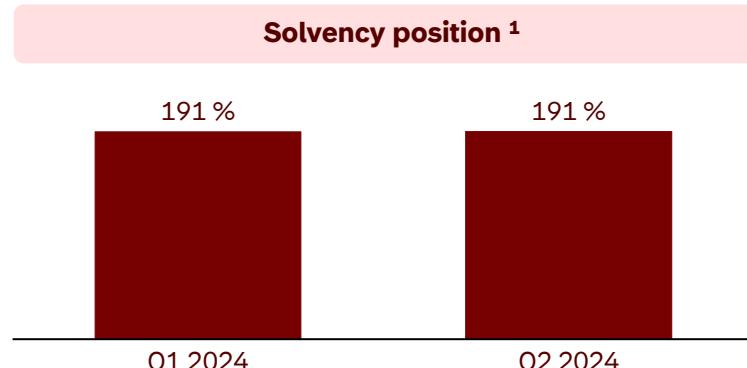
4. Average of Defined benefit, Paid up and Individual in Norway

5. Expected return is calculated based on current asset allocation using normal risk premiums for the next 12 months

6. Numbers for 2023 not adjusted for changed periodisation for performance-based income

Solvency position and sensitivities Q2 2024

Storebrand Group



Storebrand Group | Profit

Strong improvement in operating result driven by growth and cost control, financial result positively affected by income recognition from the divestment of Storebrand Heath Insurance

Profit ¹ NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	1 888	1 670	3 706	3 275	6 782
Insurance result	396	382	763	739	1 122
Operational cost	-1 465	-1 460	-2 962	-2 851	-5 787
Cash equivalent earnings from operations	819	592	1 507	1 163	2 117
Financial items and risk result life	1 431	264	1 824	519	1 362
Cash equivalent earnings before amortisation	2 249	856	3 331	1 682	3 480
Amortisation and write-downs of intangible assets	-72	-56	-145	-119	-379
Cash equivalent earnings before tax	2 177	800	3 186	1 563	3 101
Tax	-213	222	-360	292	116
Cash equivalent earnings after tax	1 964	1 021	2 826	1 855	3 217

Storebrand Group | Profit

Profit by line of business

Profit ¹ NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
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Profit per line of business NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Savings - non-guaranteed	630	475	1 197	889	1 862
Insurance	118	63	225	120	27
Guaranteed pension	306	293	595	578	1 326
Other profit	1 195	25	1 313	95	265
Cash equivalent earnings before amortisation	2 249	856	3 331	1 682	3 480

Savings (non-guaranteed)

Strong earnings development driven by growth and cost control

Profit NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	1 567	1 349	3 061	2 636	5 443
Operational cost	-923	-898	-1 870	-1 759	-3 582
Cash equivalent earnings from operations	644	451	1 191	877	1 861
Financial result	-13	24	7	12	1
Cash equivalent earnings before amortisation	630	475	1 197	889	1 862

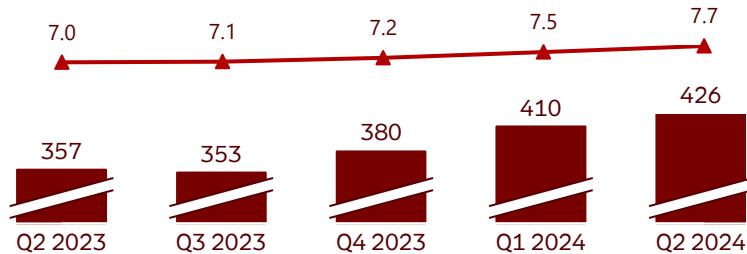
Profit per product line NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Unit linked Norway	171	101	333	238	499
Unit linked Sweden	82	55	166	119	232
Asset management	224	191	436	332	717
Retail banking	184	152	332	248	500
Kron*	-31	-25	-70	-47	-85
Cash equivalent earnings before amortisation	630	475	1 197	889	1 862

Savings (non-guaranteed)

Key figures

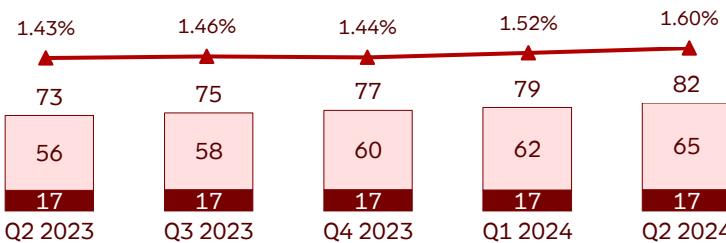
Reserves and premiums Unit Linked

Unit Linked Reserves Unit Linked Premiums



Retail bank balance and net interest margin (%)

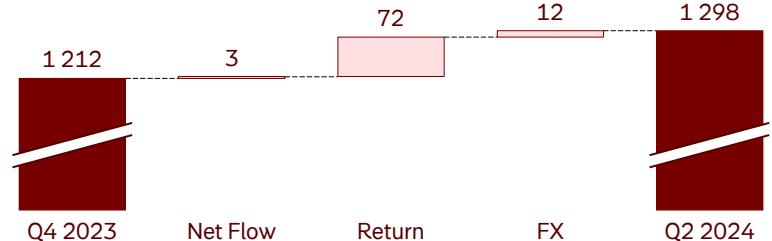
Life insurance balance sheet Bank balance sheet Interest margin



Assets under management



Movement in asset under management YTD ¹



Insurance

Moderate insurance results due to weak P&C results, disability results are improving

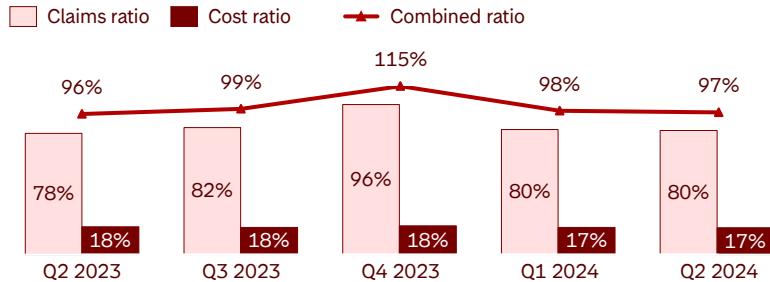
Profit NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Insurance premiums f.o.a.	1 955	1 727	3 830	3 399	6 908
Claims f.o.a.	-1 559	-1 345	-3 067	-2 660	-5 787
Operational cost	-336	-308	-663	-618	-1 251
Cash equivalent earnings from operations	60	74	100	121	-129
Financial result	58	-11	126	-1	155
Cash equivalent earnings before amortisation	118	63	225	120	27

Profit per business line NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
P&C & Individual life	9	82	50	154	182
Group life	28	-81	38	-105	-238
Pension related disability insurance Nordic	81	62	137	70	82
Cash equivalent earnings before amortisation	118	63	225	120	27

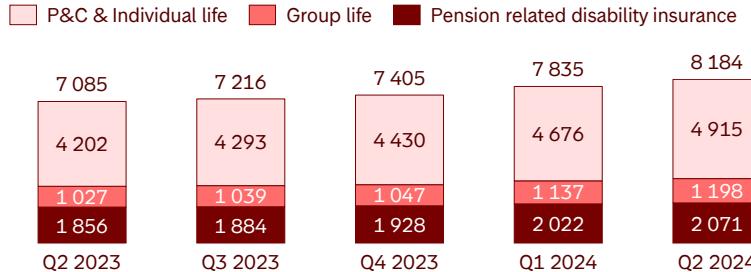
Insurance

Key figures

Reserves and premiums Unit Linked



Portfolio premiums ¹



1. Excludes portfolio premiums in Storebrand Helseforsikring AS (50% ownership sold to Ergo International 2 April 2024)
 2. Source: Finans Norge as of Q1 2024

Key takeaways combined ratio and results

- 97% overall combined ratio in the quarter, weak results in P&C driven by high claims inflation and a high level of large losses
- Progress on Group life and Pension related disability insurance
- The measures implemented are expected to bring profitability gradually back to the 90-92% targeted combined ratio in 2025

Key takeaways premiums and growth

- 16% overall growth in portfolio premiums compared to the corresponding quarter last year
- 6.9% market share in Norwegian retail P&C as of Q1'24, up from 6.5% last year²

Guaranteed pension

Continued stable result development

Profit NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	388	387	779	765	1 600
Operational cost	-211	-216	-426	-408	-822
Cash equivalent earnings from operations	177	171	352	357	778
Risk result life & pensions	10	69	54	149	296
Net profit sharing	119	53	188	72	252
Cash equivalent earnings before amortisation	306	293	595	578	1 326

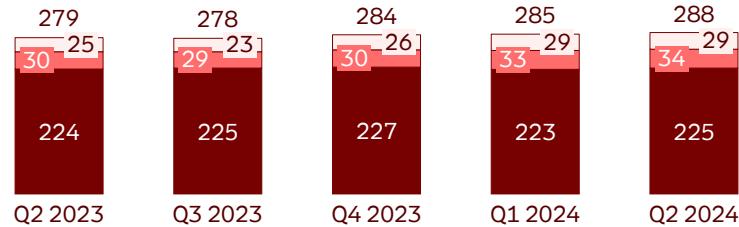
Profit per product line NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Defined benefit (private & public sector), Norway	64	58	126	117	283
Paid-up policies, Norway	98	110	198	229	453
Individual life and pension, Norway	10	8	16	12	33
Guaranteed products, Sweden	135	118	255	219	557
Cash equivalent earnings before amortisation	306	293	595	578	1 326

Guaranteed pension

Key figures

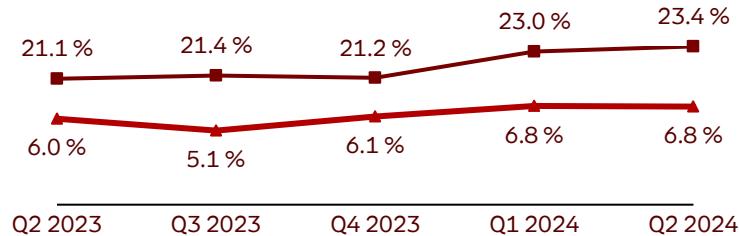
Reserves guaranteed products

Customer buffers Actively sold Run-off



Customer buffers development *

Customer buffers Norway Customer buffers Sweden



Key Takeaways

- Stable result development from operations
- Improved profit-sharing result, mainly generated by the Swedish business
- Moderate risk result, satisfactory results in the Norwegian business and weak results in the Swedish business

Guaranteed reserves in % of total reserves



Other¹

Improved operational result and strong financial result driven by the divestment of Storebrand Health Insurance

Profit NOK million	Q2		Year to date		Full year 2023
	2024	2023	2024	2023	
Fee and administration income	4	6	11	11	18
Operational cost	-66	-109	-147	-203	-411
Cash equivalent earnings from operations	-62	-104	-136	-192	-393
Financial result	1 257	129	1 450	287	658
Cash equivalent earnings before amortisation	1 195	25	1 313	95	265

Leading the way in sustainable value creation

Group **financial** ambitions

5 NOK
billion

Group profit 2025

>14%

Return on Equity

**Increasing
every year**

Dividends per share

1.5 NOK
billion
per year

Share buybacks

Group **sustainability** ambitions

**Net-zero
investments**

Group-level by 2050

**Workforce
participation**

Reduce disability

50/50

Gender balance

**Science-based
targets**

Commitment for
STB and suppliers



Q&A

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



Lars Aa. Løddesøl

Group CFO &
Executive Vice
President



Odd Arild Grefstad

Group CEO



Kjetil R. Krøkje

Group Head of
Strategy & Finance

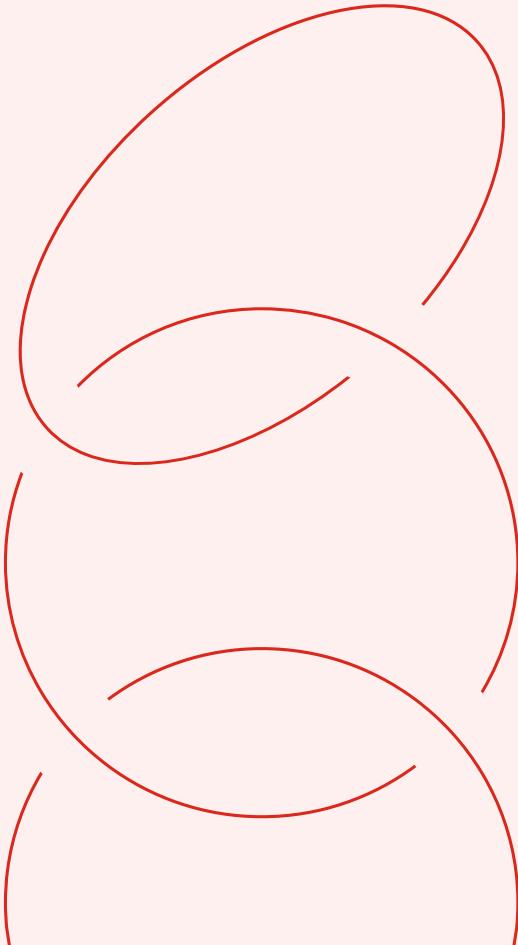


Johannes Narum

Head of
Investor Relations

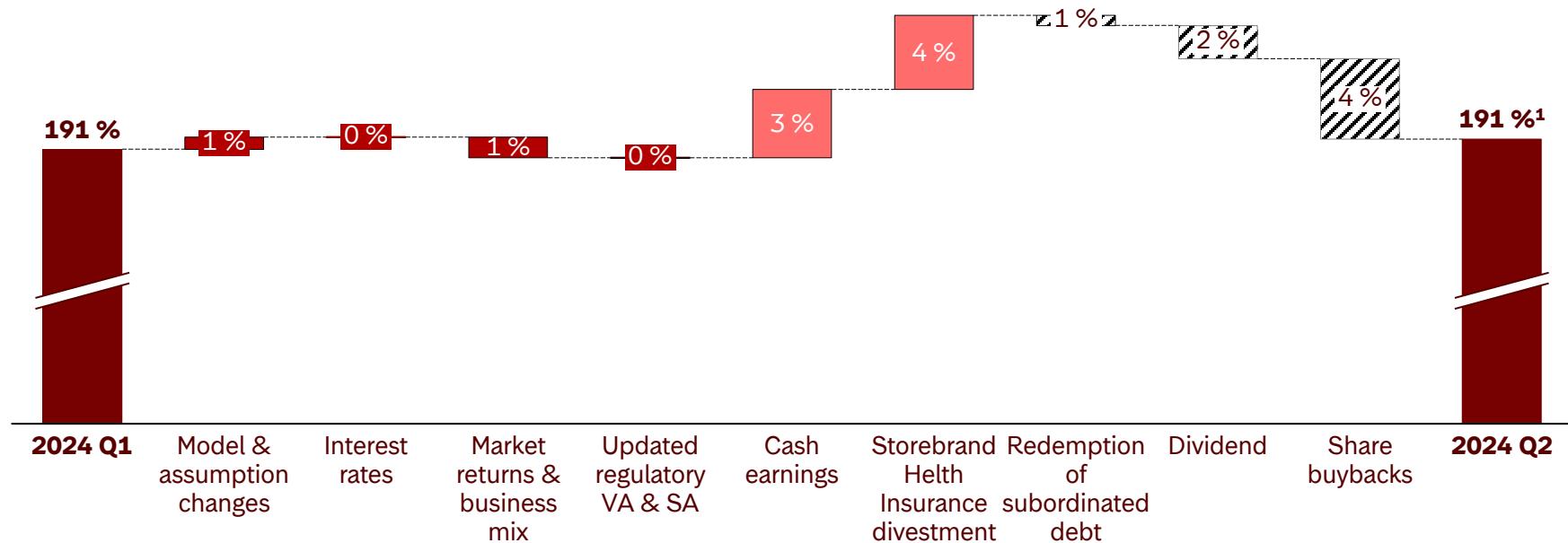


Appendix



Solvency movement from Q1 2024 to Q2 2024

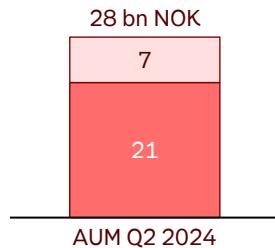
Storebrand Group



Real estate portfolio – Norway

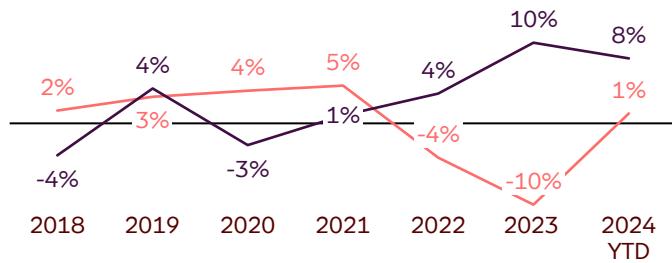
Allocation and distribution - real estate portfolio

Unit Linked Guaranteed



Fair value adjustments and change in rental income

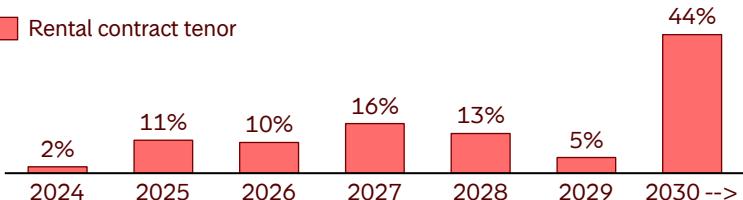
— Fair value adjustments by year — Change in rental income



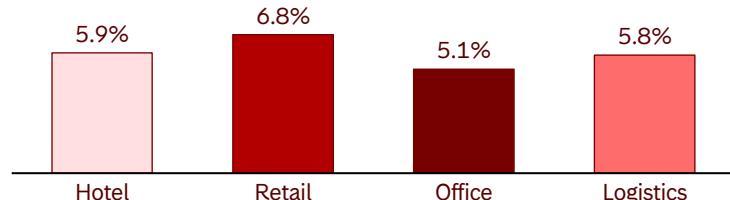
WAULT and expired rental income ¹

Weighted average unexpired lease term (WAULT): 5.6 years

Rental contract tenor

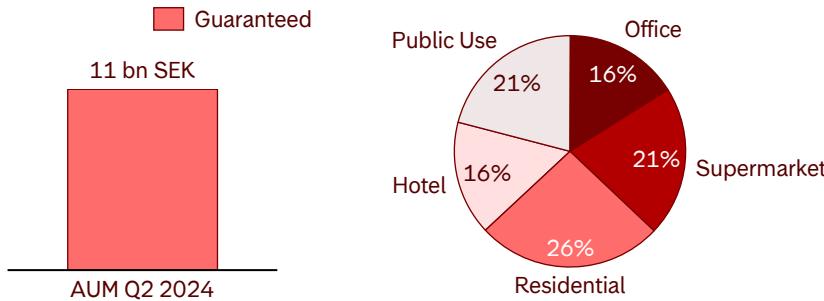


Sub-portfolio yield distribution Q2 2024 ²

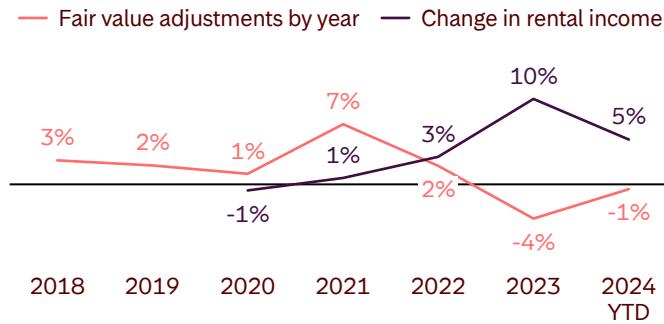


Real estate portfolio - Sweden

Allocation and distribution - real estate portfolio

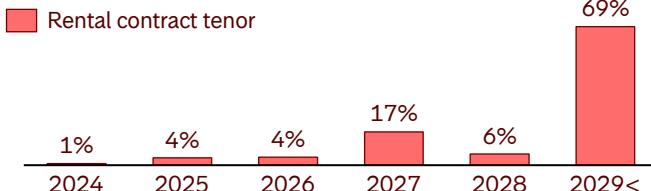


Fair value adjustments and change in rental income

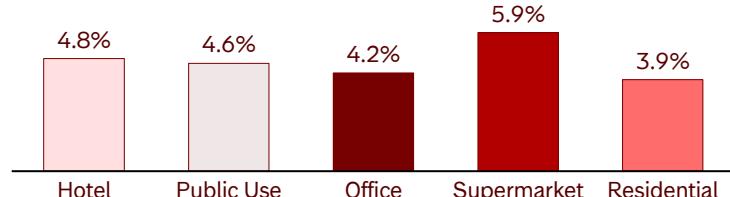


WAULT and expired rental income ¹

Weighted average unexpired lease term (WAULT): 7,1 years

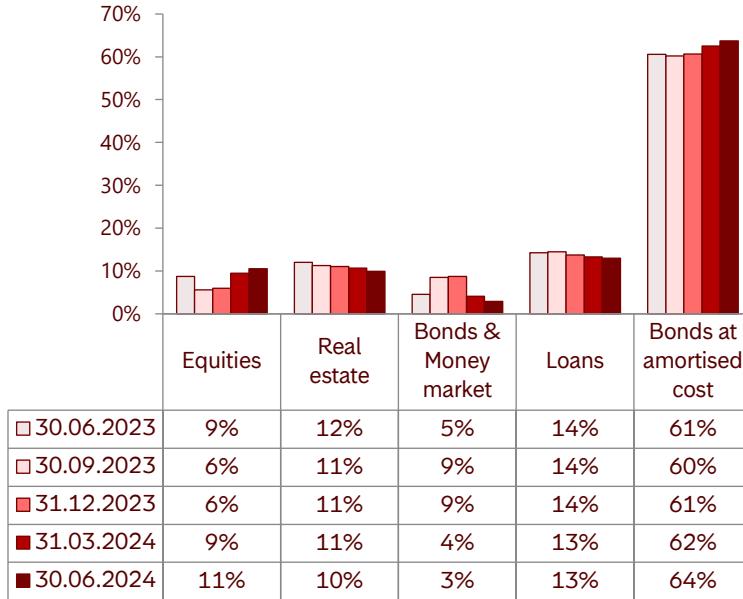


Sub-portfolio yield distribution Q2 2024 ²

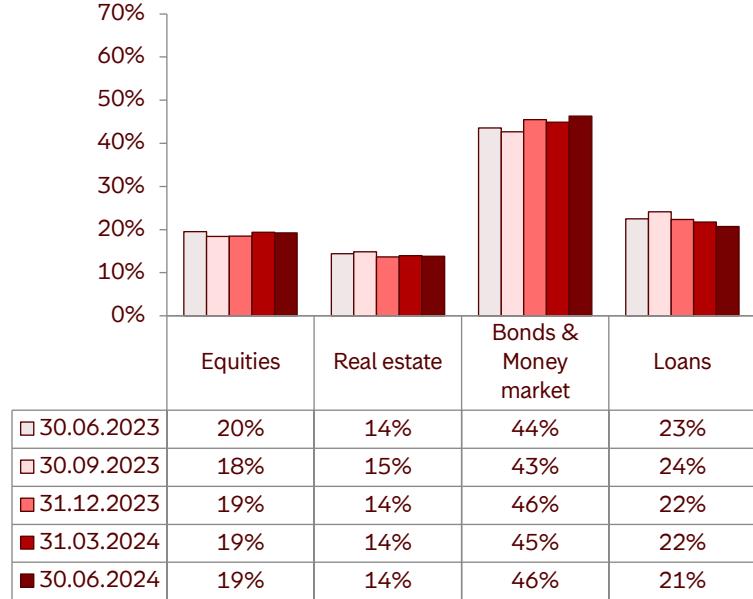


Asset allocation – Guaranteed products

Storebrand Livsforsikring AS (Norway)



SPP (Sweden)



Overview of Special items

Quarter	Special items NOKm	Comments
Q2 2023	- 64	<ul style="list-style-type: none">• NOK ~56m related to the integration cost and severance pay in Danica and Kron• NOK ~8m in write-downs of shares in smaller subsidiary
Q3 2023	- 44	<ul style="list-style-type: none">• NOK ~44m related to the integration cost and severance pay in Danica and Kron
Q4 2023	- 81	<ul style="list-style-type: none">• NOK ~55m related to the integration cost and severance pay in Danica and Kron• NOK ~10m related to liquidation of branches in Asset Management• NOK ~15m related to IT one-offs in Retail Banking
Q1 2024	- 21	<ul style="list-style-type: none">• NOK ~21m, mainly related to integration cost and severance pay in Kron
Q2 2024	1,047	<ul style="list-style-type: none">• NOK ~1,047m in financial gain in Other segment related to the divestment of shares in Storebrand Health Insurance



For further information



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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.



Thank you

Financial calendar

23 October 2024

Results Q3 2024

