

# Storebrand

## Q3 2024

23 October 2024

Odd Arild Grefstad – CEO

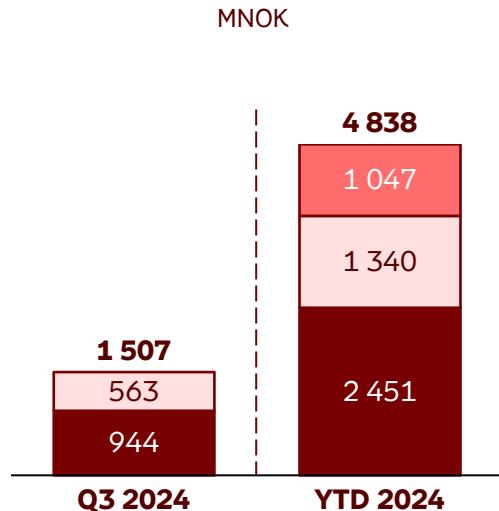
Lars Aa. Løddesøl – CFO



# Highlights Q3 2024

Record strong operating profit driven by continued double-digit growth and cost control

## Group result <sup>1</sup>



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



**19%** AuM growth<sup>2</sup>; NOK **1 347**bn per Q3'24



**27%** growth in unit linked reserves<sup>2</sup>



**19%** growth in insurance premiums<sup>2</sup>



**190%** Solvency ratio



Ongoing annual share buyback program of NOK **1,5bn**



# 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**

**~1.5bn<sup>1</sup> annual buybacks**  
NOK ~12bn by YE2030

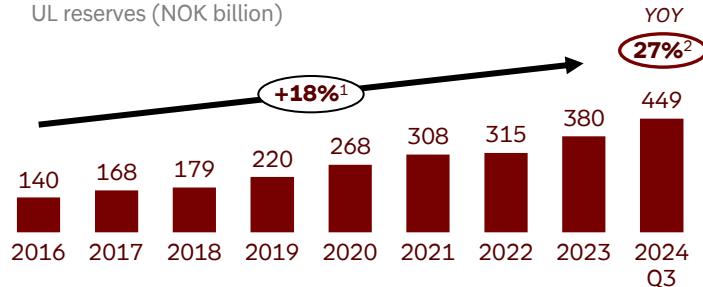
**Additional capital generation**



# Double digit growth continues across the Group

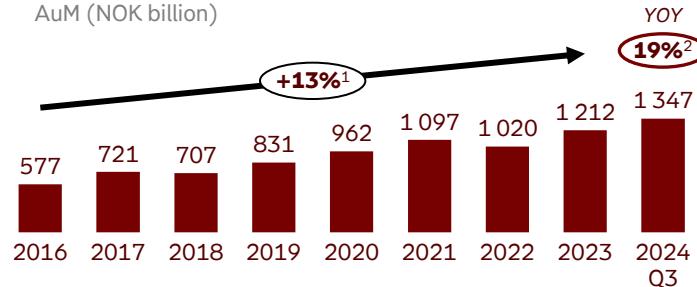
## Unit linked (defined contribution) pensions

UL reserves (NOK billion)



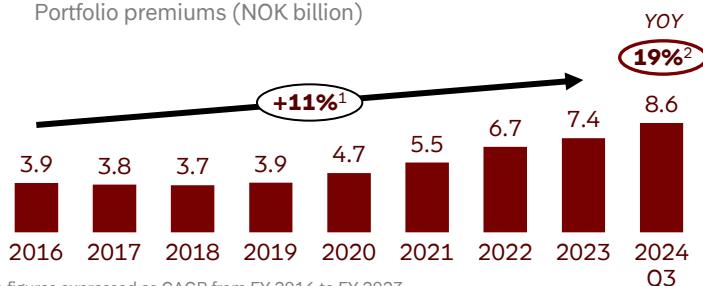
## Asset management

AuM (NOK billion)



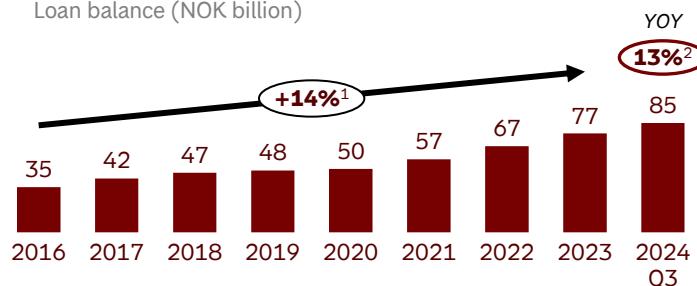
## Insurance <sup>3</sup>

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 Q3 2023 to Q3 2024

3. Excluding all written premiums in Storebrand Helseforsikring AS



# Leading Provider Occupational Pensions Norway & Sweden

## Quarterly Highlights



SPP selected as best in class within Sustainability by life insurance brokers<sup>3</sup>



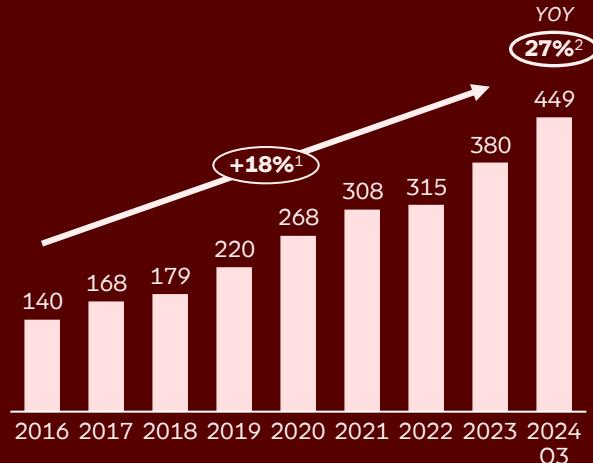
Launched new digital solution for paid-up policies with investment choice



Limited number of tenders within public sector pensions this year, waiting for a clarification on the ESA case

### Unit linked (defined contribution) pensions

UL reserves (NOK billion)



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

2. Growth figures expressed as year-over-year growth from Q3 2023 to Q3 2024

3. Based on survey conducted by Origo Group

# Nordic Powerhouse in Asset Management

## Quarterly Highlights



Operating result up by 20% since Q3 2023, stable top line margin and positive flows



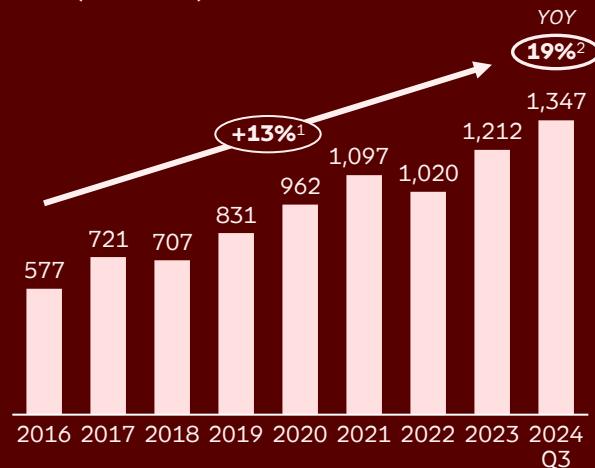
Private equity fund Cubera X closed on a hard cap of EUR 800m



Storebrand Asset Management maintained its position as #1 on sustainable investments according to Prospera

### Asset management

AuM (NOK billion)



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

2. Growth figures expressed as year-over-year growth from Q3 2023 to Q3 2024

# Growing Challenger in Norwegian Retail Market

## Quarterly Highlights



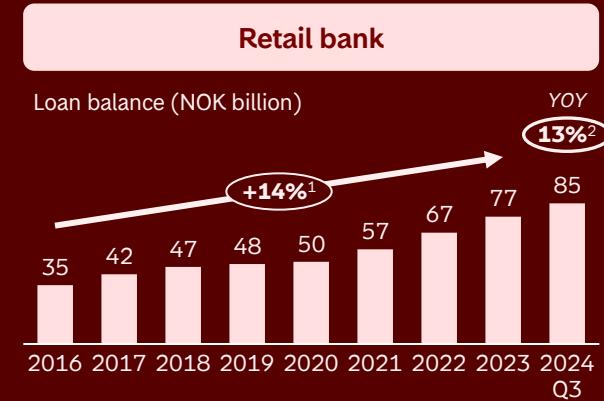
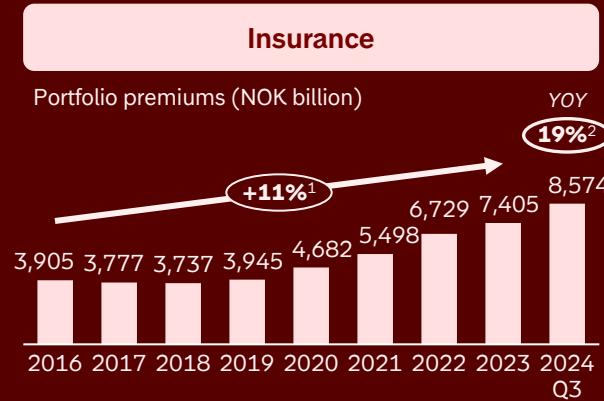
Continued growth momentum and double-digit result growth for Storebrand's retail business



Market share in retail P&C of 7.0% compared to 6.5% in the same quarter last year



Kron's AuM increased by 14% in Q3 and 72% year to date (YTD)  
Number of customers up 11% in Q3 and 44% YTD



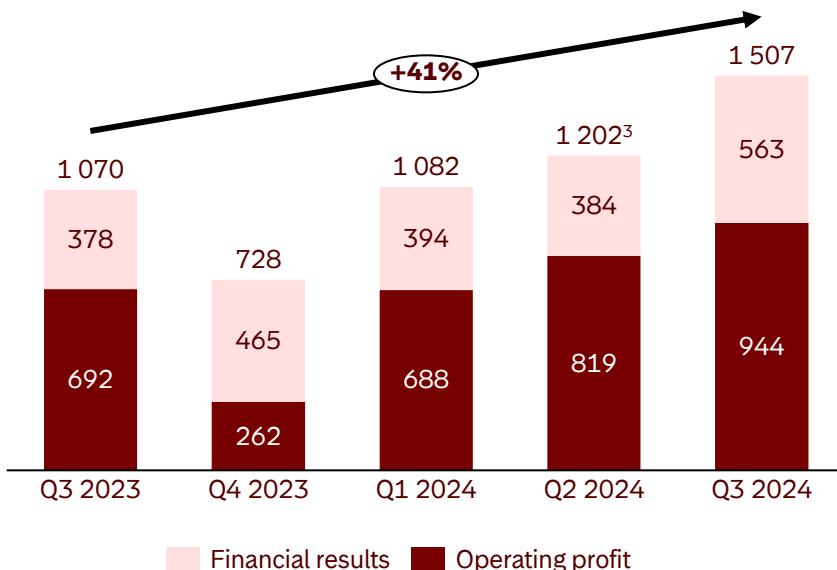
1. Growth figures expressed as CAGR from FY 2016 to FY 2023

2. Growth figures expressed as year-over-year growth from Q3 2023 to Q3 2024

3. According to the latest market data from Finance Norway

# Accelerating growth drives strong earnings momentum across the group

Group result<sup>1</sup> development by quarter



## Group result<sup>1</sup> up by 41%

- Structural growth
- Cost control
- Favourable financial market developments

## Operating profit up by 36%

- Strong volume growth
- Scalable business model
- Improved insurance results

## Financial result up by 49%

- Increased profit sharing
- Positive revaluation of shares in AIP Management
- Strong return in company portfolios

1. 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

2. Growth figures expressed as year-over-year growth from Q3 2023 to Q3 2024

3. Excluding the gain from the sale of Storebrand Health Insurance

# Key Figures

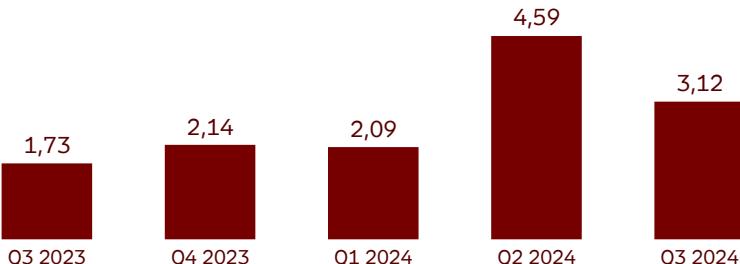
Strong improvement in operating and financial result, solid solvency position

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

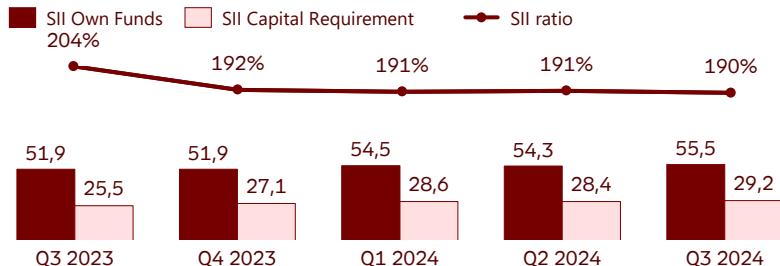
- Financial items and risk result life
- Special items
- Cash equivalent earnings from operations



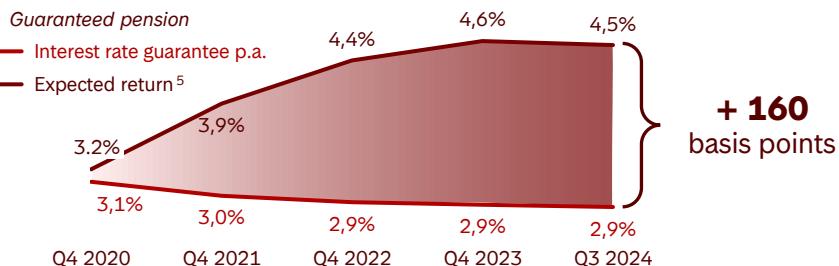
## Earnings per share <sup>2, 6</sup>



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



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



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

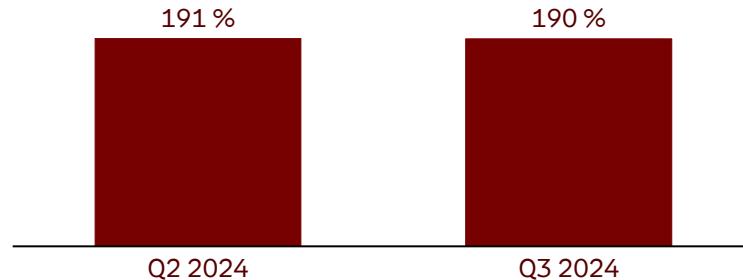
5. Expected return is calculated based on current asset allocation using normal risk premiums for the next 12 months

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

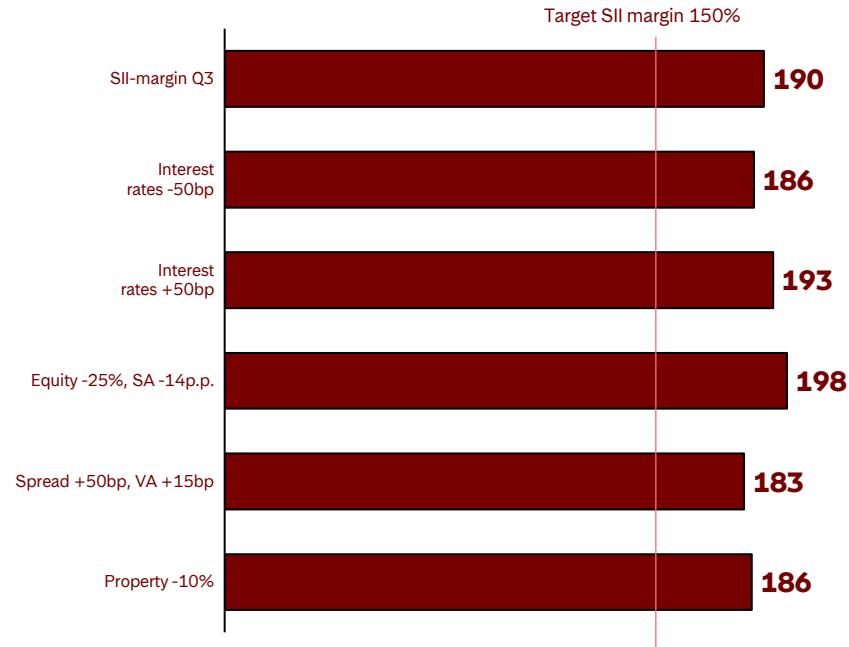
# Solvency position and sensitivities Q3 2024

## Storebrand Group

### Solvency position <sup>1</sup>



### Estimated sensitivities



### Key takeaways Q3 2024

- Strong cash earnings in addition to updated business and regulatory assumptions had a positive effect in the quarter
- Decreased interest rates, changes in asset allocation, and growth in the business had a negative effect

# Storebrand Group | Profit

Record strong operating profit amid double-digit growth, continued cost control and gradually improving insurance results

Profit <sup>1</sup> NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	1 971	1 768	5 677	5 043	6 782
Insurance result	483	318	1 246	1 057	1 122
Operational cost	-1 509	-1 394	-4 472	-4 245	-5 787
<b>Cash equivalent earnings from operations</b>	<b>944</b>	<b>692</b>	<b>2 451</b>	<b>1 855</b>	<b>2 117</b>
Financial items and risk result life	563	378	2 387	897	1 362
<b>Cash equivalent earnings before amortisation</b>	<b>1 507</b>	<b>1 070</b>	<b>4 838</b>	<b>2 752</b>	<b>3 480</b>
Amortisation and write-downs of intangible assets	-73	-146	-218	-265	-379
<b>Cash equivalent earnings before tax</b>	<b>1 434</b>	<b>924</b>	<b>4 620</b>	<b>2 487</b>	<b>3 101</b>
Tax	-141	-195	-501	97	116
<b>Cash equivalent earnings after tax</b>	<b>1 293</b>	<b>729</b>	<b>4 119</b>	<b>2 584</b>	<b>3 217</b>

# Storebrand Group | Profit

## Profit by line of business

Profit <sup>1</sup> NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
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Profit per line of business NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Savings - non-guaranteed	785	574	1 982	1 463	1 862
Insurance	214	100	440	220	27
Guaranteed pension	346	314	941	892	1 326
Other profit	162	82	1 476	178	265
<b>Cash equivalent earnings before amortisation</b>	<b>1 507</b>	<b>1 070</b>	<b>4 838</b>	<b>2 752</b>	<b>3 480</b>

# Savings (non-guaranteed)

## Strong earnings development across all business lines

Profit NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	1 660	1 420	4 721	4 056	5 443
Operational cost	-948	-852	-2 818	-2 611	-3 582
<b>Cash equivalent earnings from operations</b>	<b>712</b>	<b>568</b>	<b>1 902</b>	<b>1 445</b>	<b>1 861</b>
Financial result	73	6	80	18	1
<b>Cash equivalent earnings before amortisation</b>	<b>785</b>	<b>574</b>	<b>1 982</b>	<b>1 463</b>	<b>1 862</b>

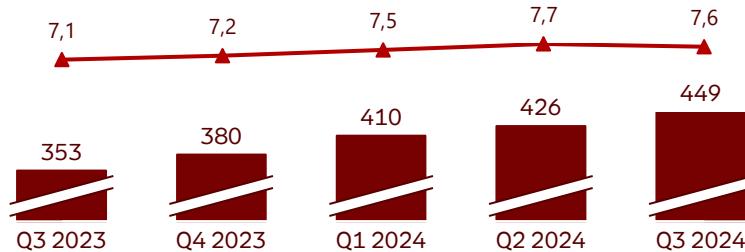
Profit per product line NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Unit linked Norway	171	137	504	375	499
Unit linked Sweden	87	69	253	188	232
Asset management	343	235	779	566	717
Retail banking	196	147	529	395	500
Kron*	-13	-14	-82	-62	-85
<b>Cash equivalent earnings before amortisation</b>	<b>785</b>	<b>574</b>	<b>1 982</b>	<b>1 463</b>	<b>1 862</b>

# Savings (non-guaranteed)

## Key figures

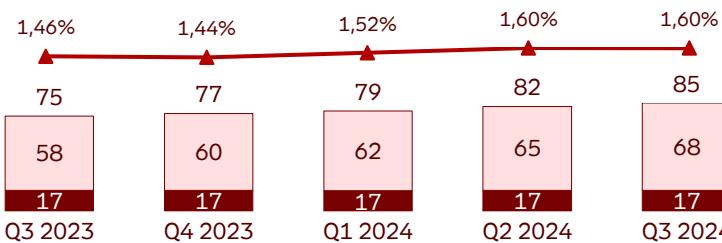
### Reserves and premiums Unit Linked

Unit Linked Reserves      Unit Linked Premiums



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

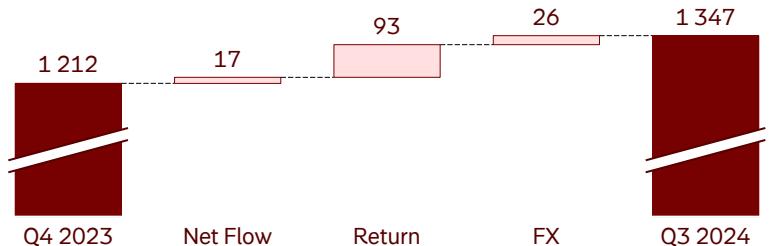
Life insurance balance sheet      Bank balance sheet      Interest margin



### Assets under management



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



# Insurance

## Gradual profitability improvement from repricing measures

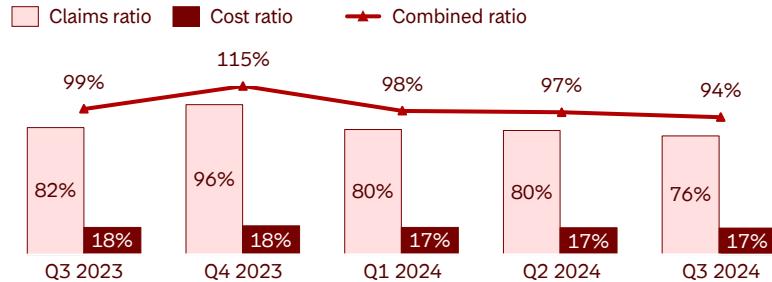
Profit NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Insurance premiums f.o.a.	2 044	1 734	5 874	5 132	6 908
Claims f.o.a.	-1 561	-1 415	-4 628	-4 075	-5 787
Operational cost	-351	-305	-1 014	-923	-1 251
<b>Cash equivalent earnings from operations</b>	<b>132</b>	<b>13</b>	<b>232</b>	<b>134</b>	<b>-129</b>
Financial result	82	86	208	85	155
<b>Cash equivalent earnings before amortisation</b>	<b>214</b>	<b>100</b>	<b>440</b>	<b>220</b>	<b>27</b>

Profit per business line NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
P&C & Individual life	118	32	168	186	182
Group life	48	4	86	-101	-238
Pension related disability insurance Nordic	48	65	186	135	82
<b>Cash equivalent earnings before amortisation</b>	<b>214</b>	<b>100</b>	<b>440</b>	<b>220</b>	<b>27</b>

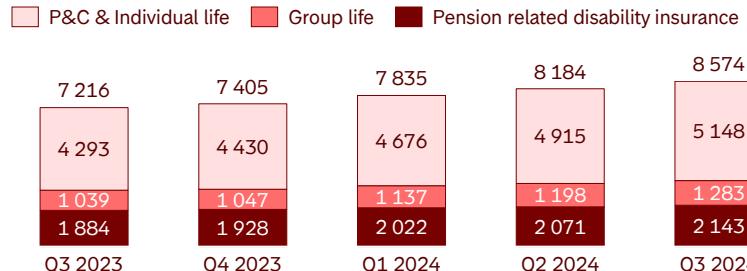
# Insurance

## Key figures

### Reserves and premiums Unit Linked



### Portfolio premiums <sup>1</sup>



1. Excludes portfolio premiums in Storebrand Helseforsikring AS (50% ownership sold to Ergo International 2 April 2024)  
 2. Source: Finans Norge as of Q2 2024

### Key takeaways combined ratio and results

- 94% overall combined ratio in the quarter, improving results in P&C despite continued high claims inflation
- Gradual profitability improvement from repricing measures
- Profitability expected to return to the 90-92% targeted combined ratio for 2025

### Key takeaways premiums and growth

- 19% overall growth in portfolio premiums compared to the corresponding quarter last year
- 7.0% market share in Norwegian retail P&C as of Q2'24, up from 6.5% last year<sup>2</sup>

# Guaranteed pension

## Increased results driven by higher profit sharing

Profit NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	385	413	1 163	1 179	1 600
Operational cost	-223	-209	-649	-617	-822
<b>Cash equivalent earnings from operations</b>	<b>162</b>	<b>204</b>	<b>514</b>	<b>561</b>	<b>778</b>
Risk result life & pensions	3	69	57	218	296
Net profit sharing	181	41	369	113	252
<b>Cash equivalent earnings before amortisation</b>	<b>346</b>	<b>314</b>	<b>941</b>	<b>892</b>	<b>1 326</b>

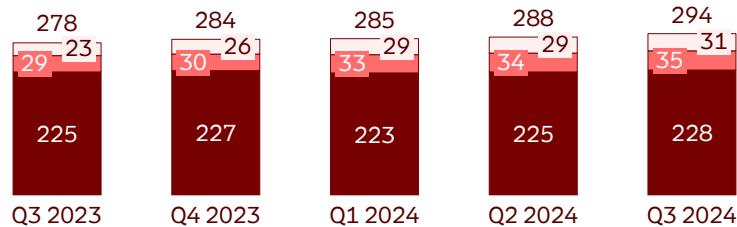
Profit per product line NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Defined benefit (private & public sector), Norway	64	80	190	198	283
Paid-up policies, Norway	78	107	276	337	453
Individual life and pension, Norway	15	10	31	23	33
Guaranteed products, Sweden	189	116	444	336	557
<b>Cash equivalent earnings before amortisation</b>	<b>346</b>	<b>314</b>	<b>941</b>	<b>892</b>	<b>1 326</b>

# Guaranteed pension

## Key figures

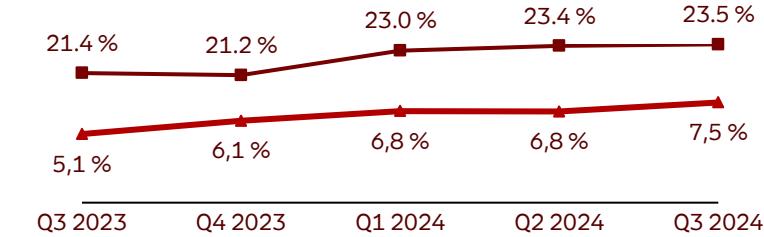
### Reserves guaranteed products

Customer buffers   Actively sold   Run-off



### Customer buffers development \*

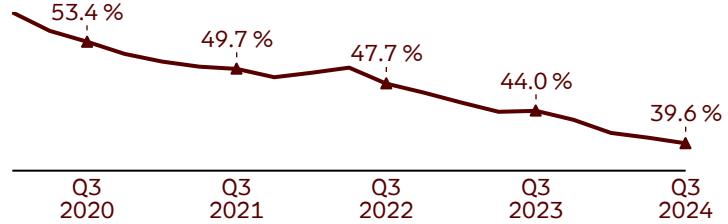
Customer buffers Norway   Customer buffers Sweden



### Key Takeaways

- Continued improvement in profit-sharing result from both Sweden and Norway
- Somewhat lower income level within paid-up policies in the quarter due to reduced fees from transferred closed corporate pension funds
- The risk result is negatively affected by a weak development within longevity and disability, but results are within normal variation

### Guaranteed reserves in % of total reserves



# Other <sup>1</sup>

## Strong financial result, neutral profit contribution from Lysaker Park

Profit NOK million	Q3		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	4	5	15	17	18
Operational cost	-65	-99	-212	-302	-411
Cash equivalent earnings from operations	-61	-93	-197	-285	-393
Financial result	223	176	1 673	463	658
<b>Cash equivalent earnings before amortisation</b>	<b>162</b>	<b>82</b>	<b>1 476</b>	<b>178</b>	<b>265</b>

# 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

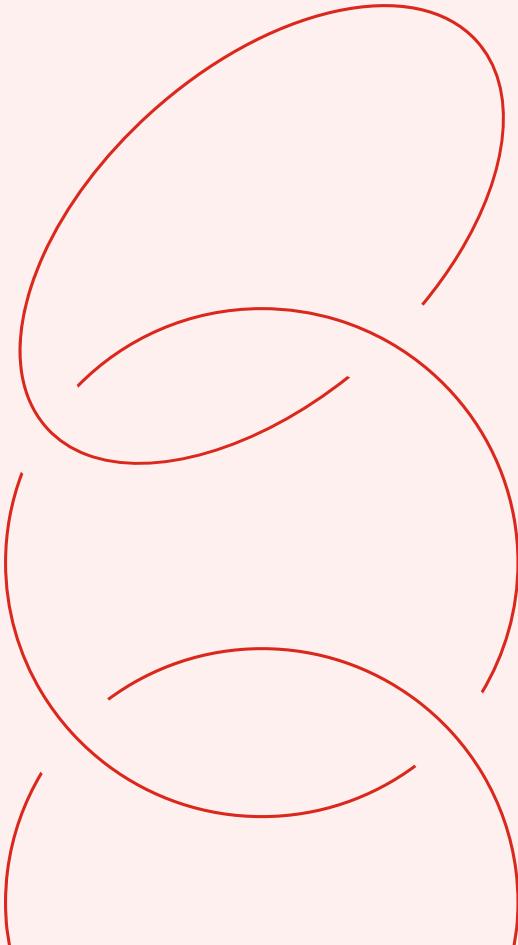


**Johannes Narum**

Head of  
Investor Relations

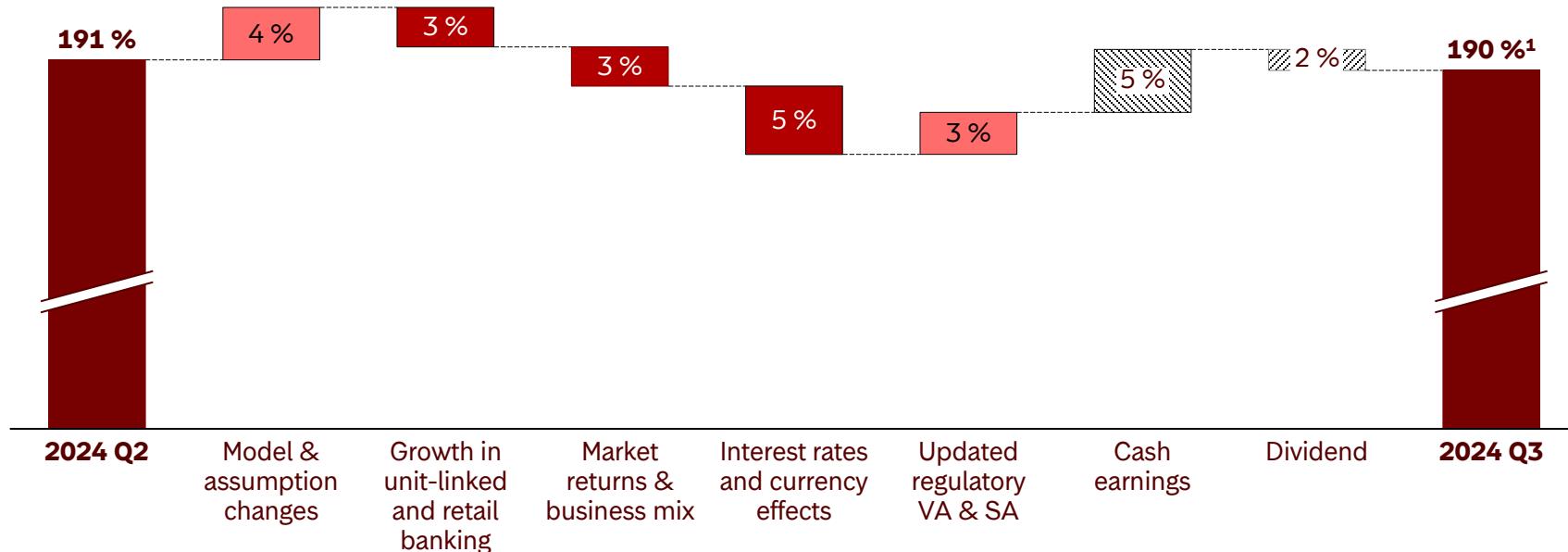


# Appendix



# Solvency movement from Q2 2024 to Q3 2024

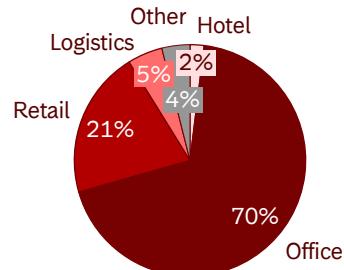
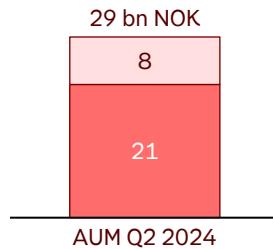
## Storebrand Group



# Real estate portfolio – Norway

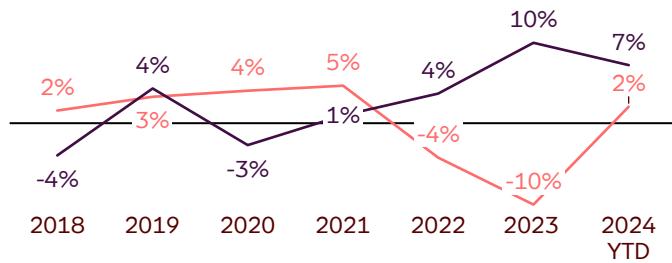
## Allocation and distribution - real estate portfolio

Unit Linked    Guaranteed



## Fair value adjustments and change in rental income

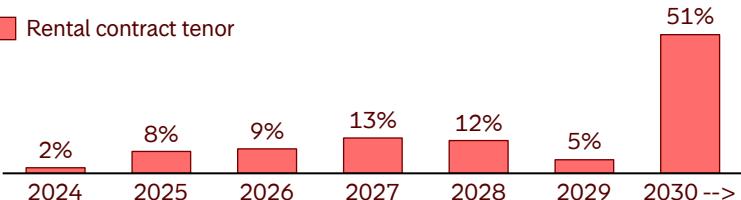
— Fair value adjustments by year    — Change in rental income



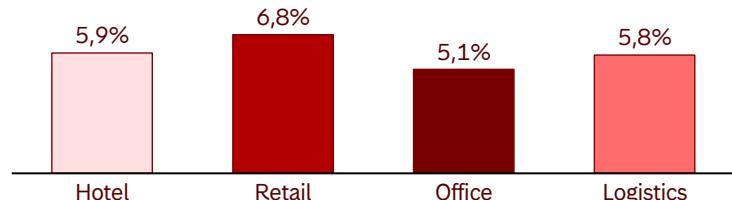
## WAULT and expired rental income <sup>1</sup>

Weighted average unexpired lease term (WAULT): 6,1 years

Rental contract tenor

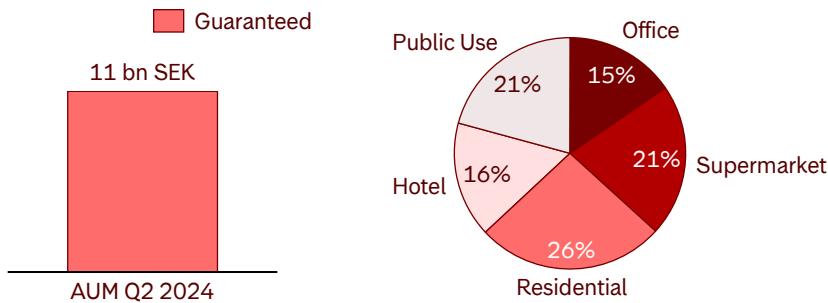


## Sub-portfolio yield distribution Q2 2024 <sup>2</sup>

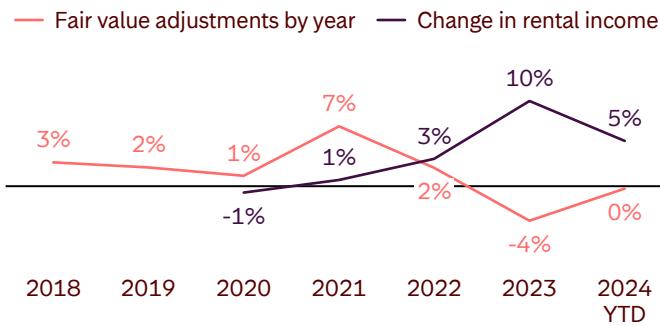


# Real estate portfolio - Sweden

## Allocation and distribution - real estate portfolio

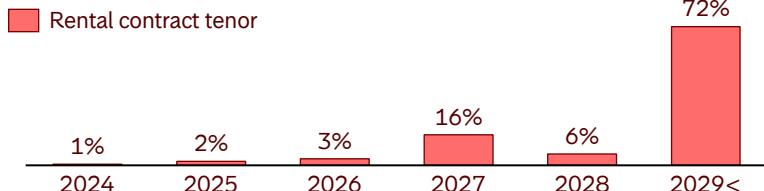


## Fair value adjustments and change in rental income

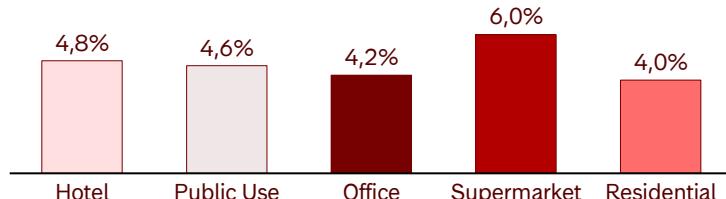


## WAULT and expired rental income <sup>1</sup>

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



## Sub-portfolio yield distribution Q3 2024 <sup>2</sup>

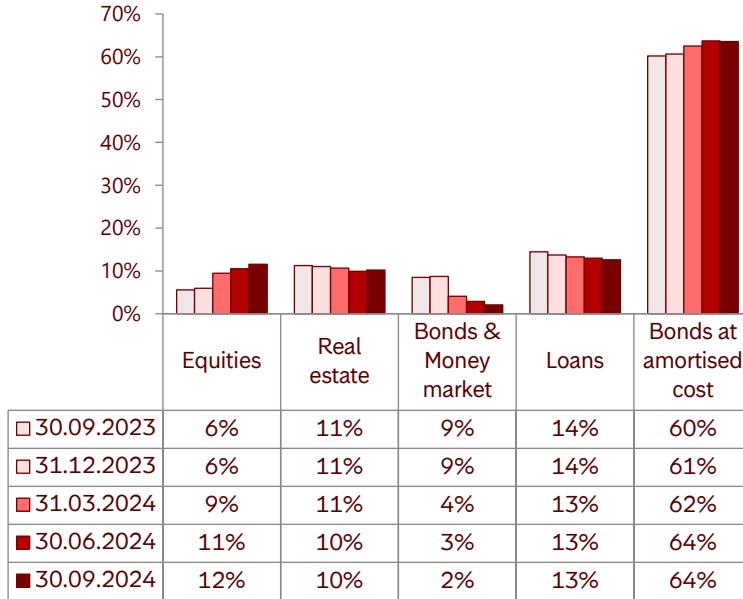


1. Vacancy rate in the portfolio: 0,1%

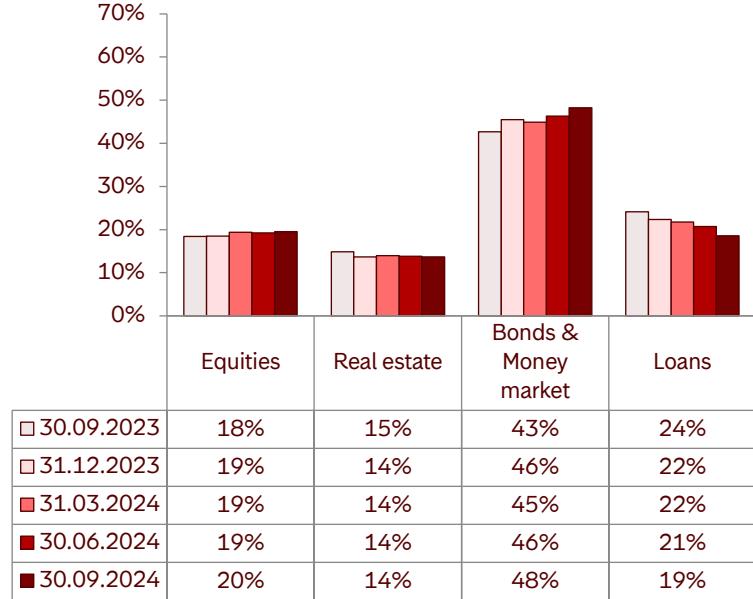
2. The graph shows exit-yield for the different categories

# Asset allocation – Guaranteed products

Storebrand Livsforsikring AS (Norway)



SPP (Sweden)



# Overview of Special items

Quarter	Special items NOKm	Comments
Q3 2023	- 44	<ul style="list-style-type: none"><li>• NOK ~44m related to the integration cost and severance pay in Danica and Kron</li></ul>
Q4 2023	- 81	<ul style="list-style-type: none"><li>• NOK ~55m related to the integration cost and severance pay in Danica and Kron</li><li>• NOK ~10m related to liquidation of branches in Asset Management</li><li>• NOK ~15m related to IT one-offs in Retail Banking</li></ul>
Q1 2024	- 21	<ul style="list-style-type: none"><li>• NOK ~21m, mainly related to integration cost and severance pay in Kron</li></ul>
Q2 2024	1,047	<ul style="list-style-type: none"><li>• NOK ~1,047m in financial gain in Other segment related to the divestment of shares in Storebrand Health Insurance</li></ul>
Q3 2024	67	<ul style="list-style-type: none"><li>• NOK ~67m in financial gain in Savings segment, Asset Management sub-segment, related to the revaluation of the initial shareholding (10%) in AIP Management</li></ul>



# 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.



# For further information



## Contact us

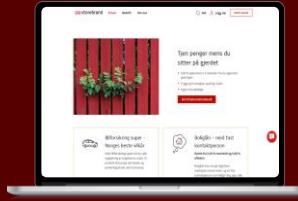
**Lars Aa Løddesøl** lars.løddesøl@storebrand.no  
Group CFO +47 9348 0151

**Kjetil R. Krøkje** kjetil.r.krokje@storebrand.no  
Group Head of Finance & Strategy +47 9341 2155

**Johannes Narum** johannes.narum@storebrand.no  
Head of Investor Relations +47 9933 3569



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# Thank you

**Storebrand Q3 2024**  
23 October 2024

