



# Storebrand Q2 2024

12 July 2024

Odd Arild Grefstad – CEO

Lars Aa. Løddesøl – CFO

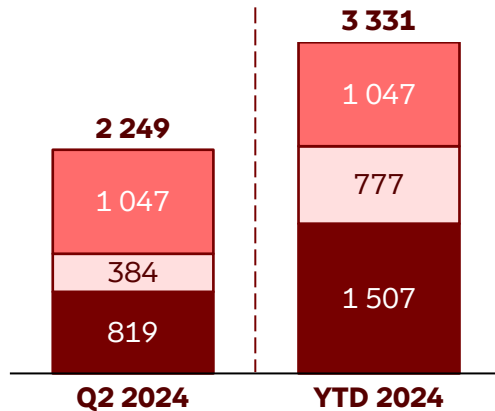


# Highlights Q2 2024

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

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

MNOK



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



**14%** AuM growth<sup>2</sup>; NOK **1 298**bn per Q2'24



**19%** growth in unit linked reserves<sup>2</sup>



**16%** growth in insurance premiums<sup>2</sup>



**191%** Solvency ratio  
*Internal model application submitted in Q2*



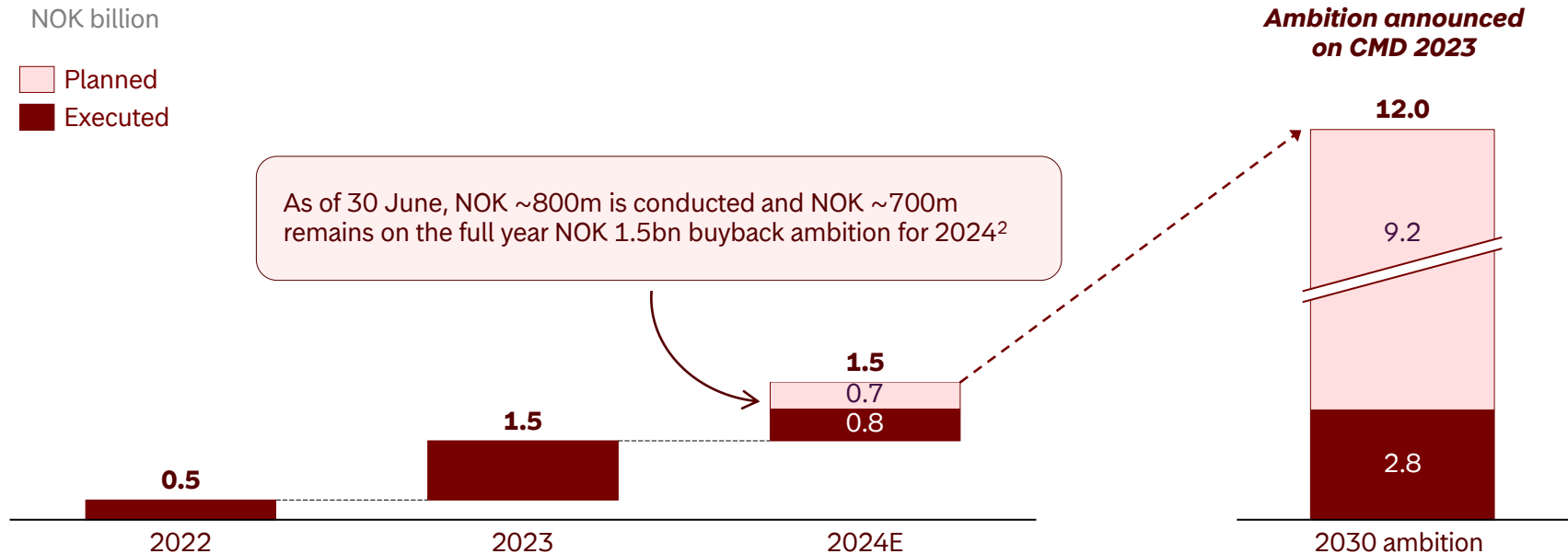
Ongoing NOK **1,1**bn share buyback program

# Completed NOK 0.4bn in share buybacks in Q2, NOK 0.7bn to be bought back during Q3 and Q4<sup>1</sup>

## Overview of executed and planned share buybacks

NOK billion

Planned  
Executed



# 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**

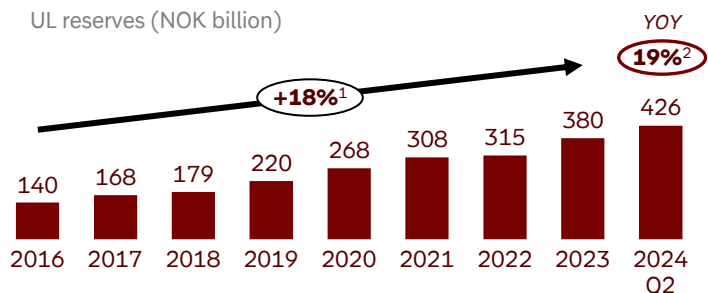
**~1.5bn<sup>1</sup> annual buybacks**  
*NOK ~12bn by YE2030*

**Additional  
capital generation**

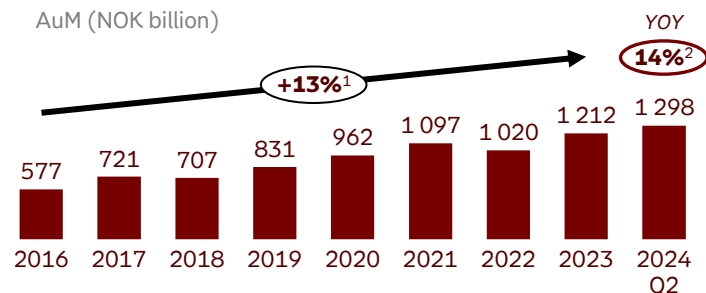


# Double digit growth continues across the Group

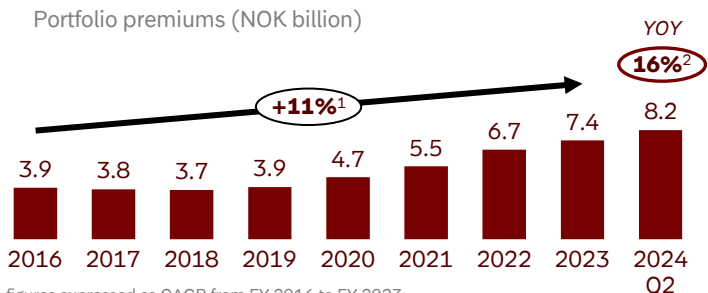
## Unit linked (defined contribution) pensions



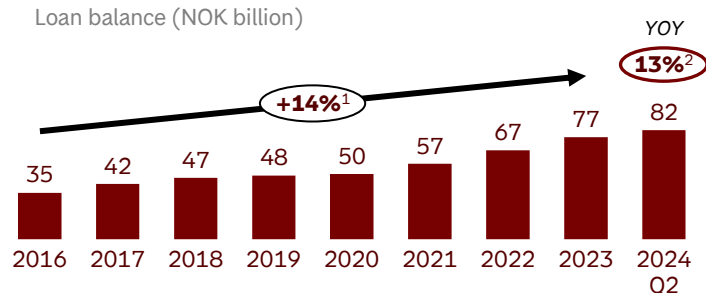
## Asset management



## Insurance<sup>3</sup>



## Retail bank



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

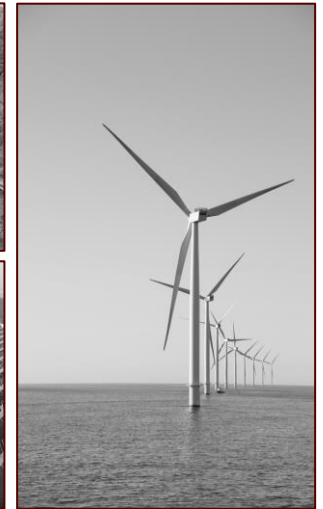
AIP was originally founded in 2012, and became an independent fund manager in 2018, with offices today in Copenhagen (Headquarter), London, Madrid, and New York

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 agreement<sup>1</sup> 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**

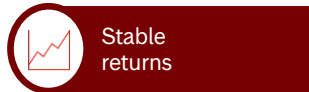
Employees



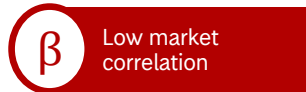
# AIP operates in a market with attractive business characteristics and strong growth prospects

## Infrastructure market with attractive return characteristics

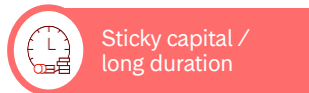
Infrastructure consists of the physical assets required for economies and societies to function, such as railroads, wind and solar farms, and telecom. Infrastructure investors provide the capital necessary to repair and build new infrastructure.



Stable returns



Low market correlation



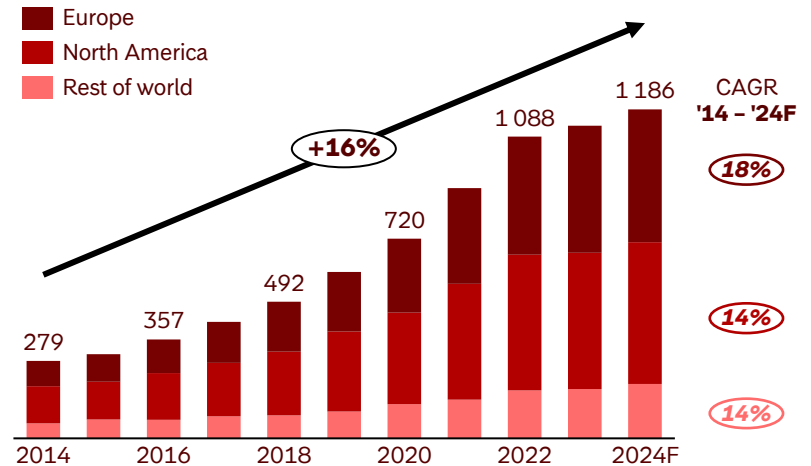
Sticky capital / long duration



Sustainable Investment

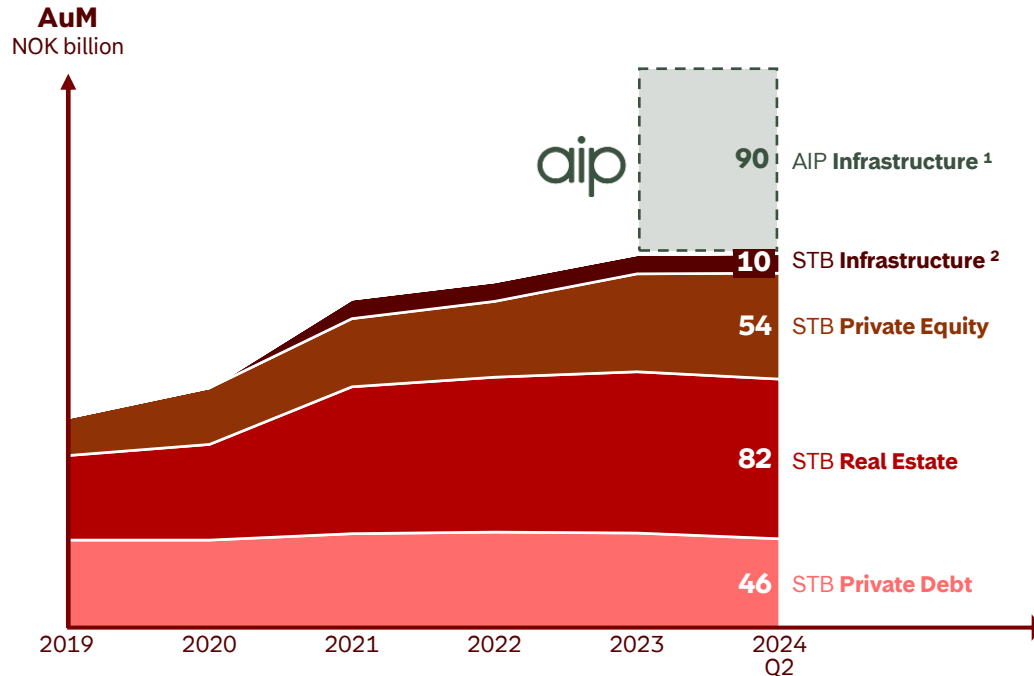


## Global Infrastructure AuM <sup>1</sup> (\$bn)



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 **\$15T**<sup>2</sup>

# 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

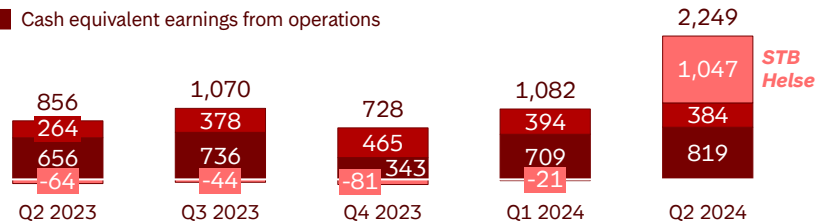
- The transaction was completed on June 21, 2024, through a newly established alternative investment fund (AIF) managed by Storebrand Asset Management (SAM).
- The gross property value was NOK 1.695 billion. After agreed customary purchase price adjustments approximately NOK 1.62 billion was paid for 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

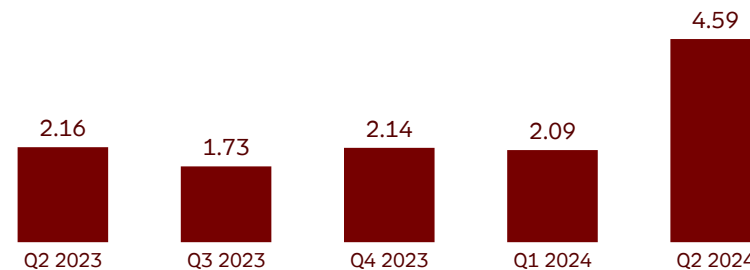
## Strong improvement in operating and financial result, solid solvency position

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

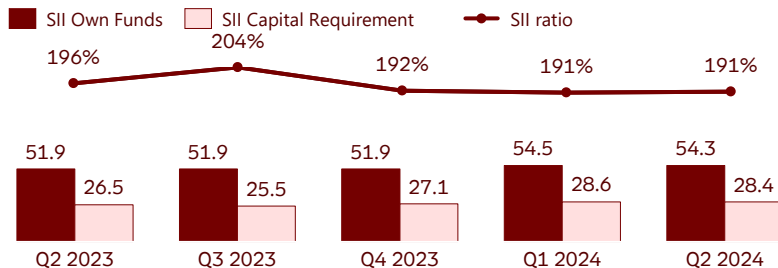
- Special items
- Financial items and risk result life
- Cash equivalent earnings from operations



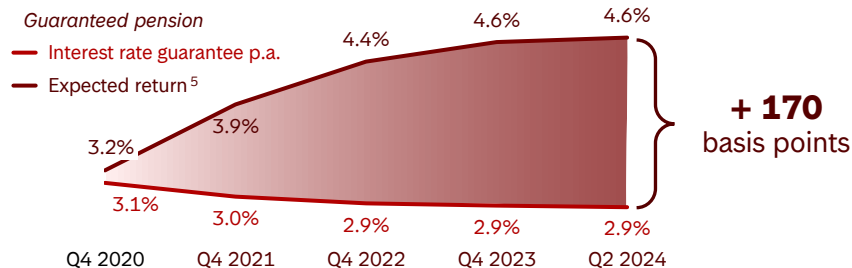
### Earnings per share <sup>2, 6</sup>



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



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



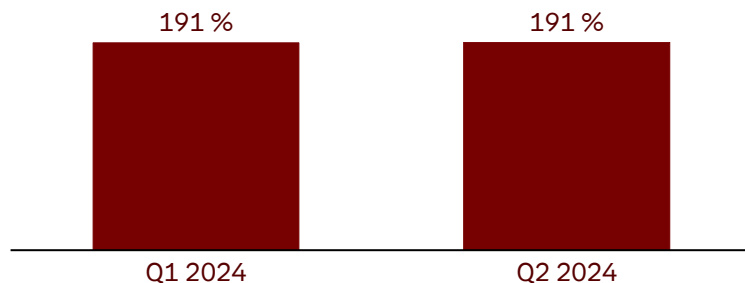
1. Cash result before amortisation and tax.  
 2. Earnings per share after tax adjusted for amortisation of intangible assets.  
 3. Own Funds including transitional capital.

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 Q2 2024

## Storebrand Group

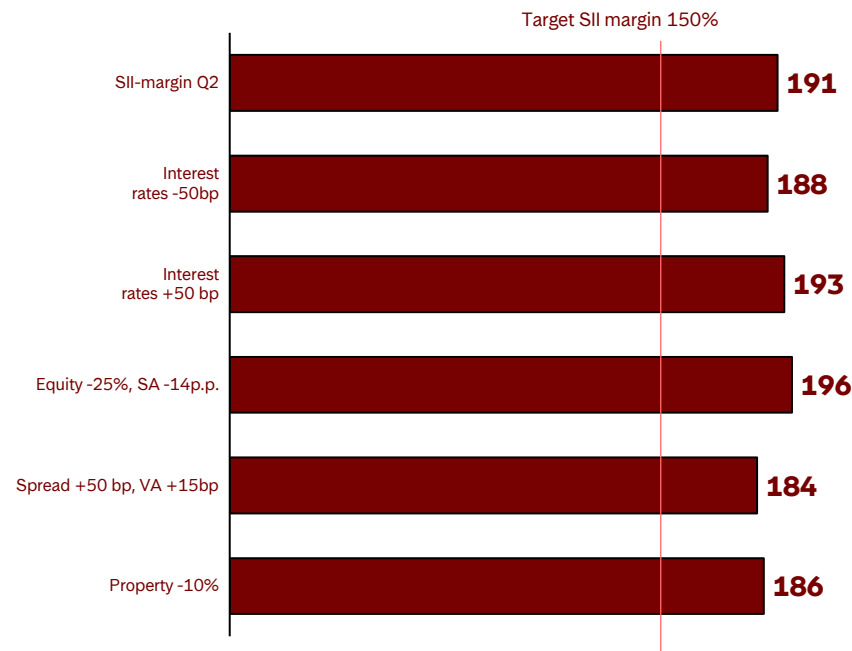
### Solvency position <sup>1</sup>



### Key takeaways Q2 2024

- The positive effect from the Storebrand Helseforsikring divestment was fully offset by the initiated NOK 1.1bn buyback program which is fully reflected in the reported solvency

### Estimated sensitivities



# 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 <sup>1</sup> 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
<b>Cash equivalent earnings from operations</b>	<b>819</b>	<b>592</b>	<b>1 507</b>	<b>1 163</b>	<b>2 117</b>
Financial items and risk result life	1 431	264	1 824	519	1 362
<b>Cash equivalent earnings before amortisation</b>	<b>2 249</b>	<b>856</b>	<b>3 331</b>	<b>1 682</b>	<b>3 480</b>
Amortisation and write-downs of intangible assets	-72	-56	-145	-119	-379
<b>Cash equivalent earnings before tax</b>	<b>2 177</b>	<b>800</b>	<b>3 186</b>	<b>1 563</b>	<b>3 101</b>
Tax	-213	222	-360	292	116
<b>Cash equivalent earnings after tax</b>	<b>1 964</b>	<b>1 021</b>	<b>2 826</b>	<b>1 855</b>	<b>3 217</b>

# Storebrand Group | Profit

## Profit by line of business

Profit <sup>1</sup> 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
<b>Cash equivalent earnings before amortisation</b>	<b>2 249</b>	<b>856</b>	<b>3 331</b>	<b>1 682</b>	<b>3 480</b>

# 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
<b>Cash equivalent earnings from operations</b>	<b>644</b>	<b>451</b>	<b>1 191</b>	<b>877</b>	<b>1 861</b>
Financial result	-13	24	7	12	1
<b>Cash equivalent earnings before amortisation</b>	<b>630</b>	<b>475</b>	<b>1 197</b>	<b>889</b>	<b>1 862</b>

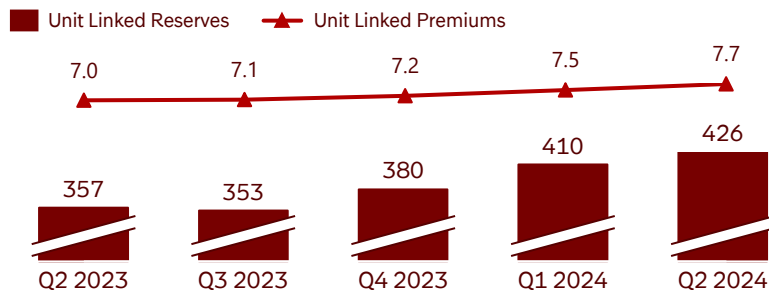
Profit per product line NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Unit linked Norway	171	101	333	238	499
Unit linked Sweden	82	55	166	119	232
Asset management	224	191	436	332	717
Retail banking	184	152	332	248	500
Kron*	-31	-25	-70	-47	-85
<b>Cash equivalent earnings before amortisation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



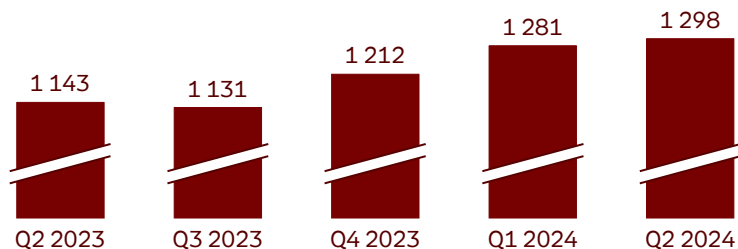
# Savings (non-guaranteed)

## Key figures

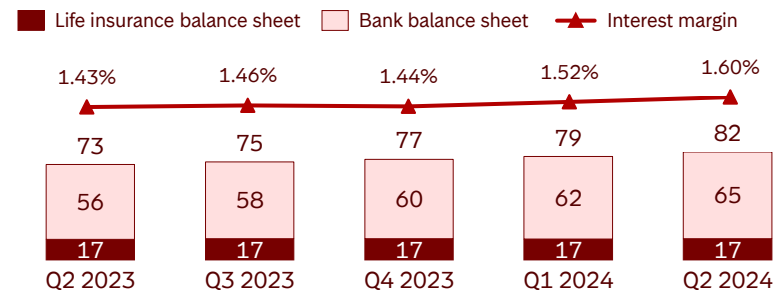
### Reserves and premiums Unit Linked



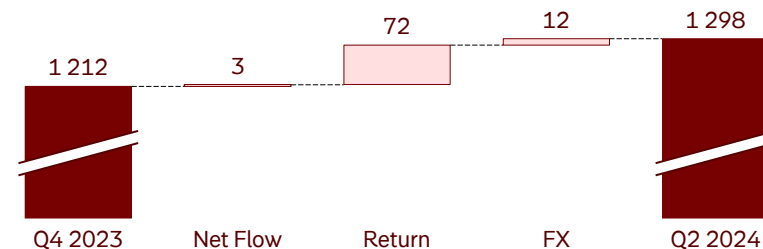
### Assets under management



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



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



# Insurance

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

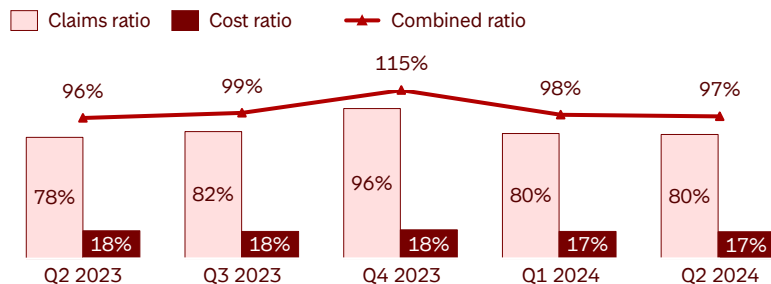
Profit NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Insurance premiums f.o.a.	1 955	1 727	3 830	3 399	6 908
Claims f.o.a.	-1 559	-1 345	-3 067	-2 660	-5 787
Operational cost	-336	-308	-663	-618	-1 251
<b>Cash equivalent earnings from operations</b>	<b>60</b>	<b>74</b>	<b>100</b>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

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
<b>Cash equivalent earnings before amortisation</b>	<b>118</b>	<b>63</b>	<b>225</b>	<b>120</b>	<b>27</b>

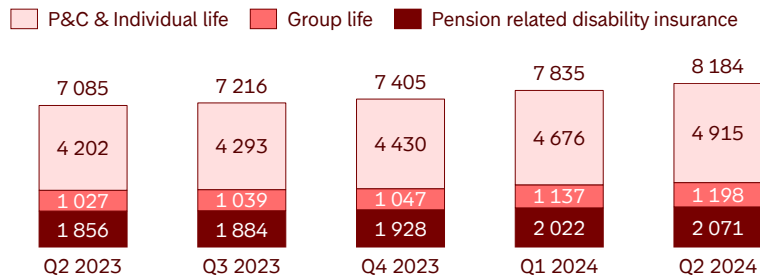
# Insurance

## Key figures

### Reserves and premiums Unit Linked



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



### 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 year<sup>2</sup>

# Guaranteed pension

## Continued stable result development

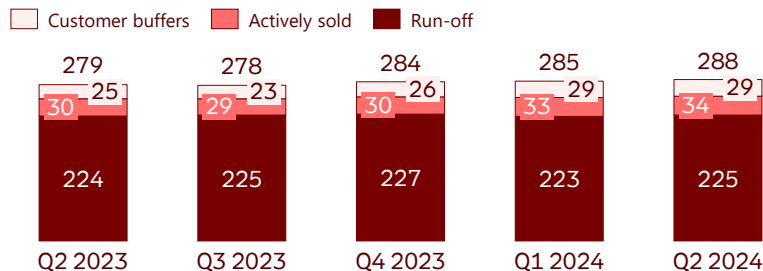
Profit NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	2023
Fee and administration income	388	387	779	765	1 600
Operational cost	-211	-216	-426	-408	-822
<b>Cash equivalent earnings from operations</b>	<b>177</b>	<b>171</b>	<b>352</b>	<b>357</b>	<b>778</b>
Risk result life & pensions	10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

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
<b>Cash equivalent earnings before amortisation</b>	<b>306</b>	<b>293</b>	<b>595</b>	<b>578</b>	<b>1 326</b>

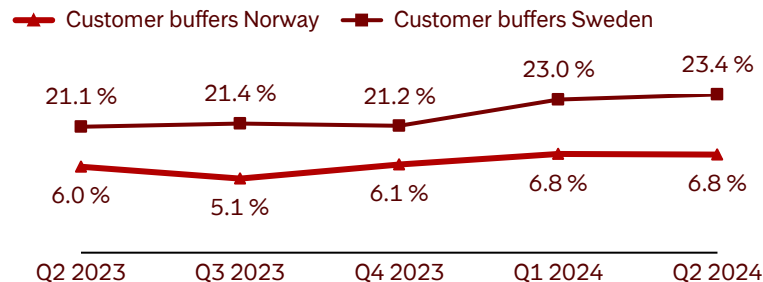
# Guaranteed pension

## Key figures

### Reserves guaranteed products



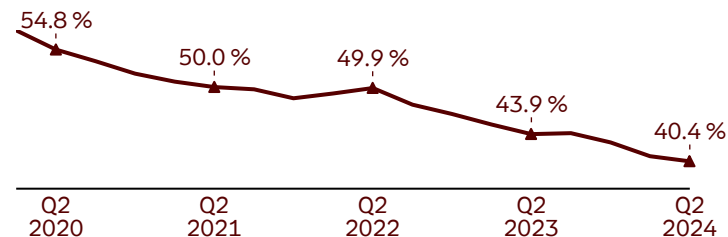
### Customer buffers development \*



### 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



# Other <sup>1</sup>

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

Profit NOK million	Q2		Year to date		Full year
	2024	2023	2024	2023	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
<b>Cash equivalent earnings before amortisation</b>	<b>1 195</b>	<b>25</b>	<b>1 313</b>	<b>95</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



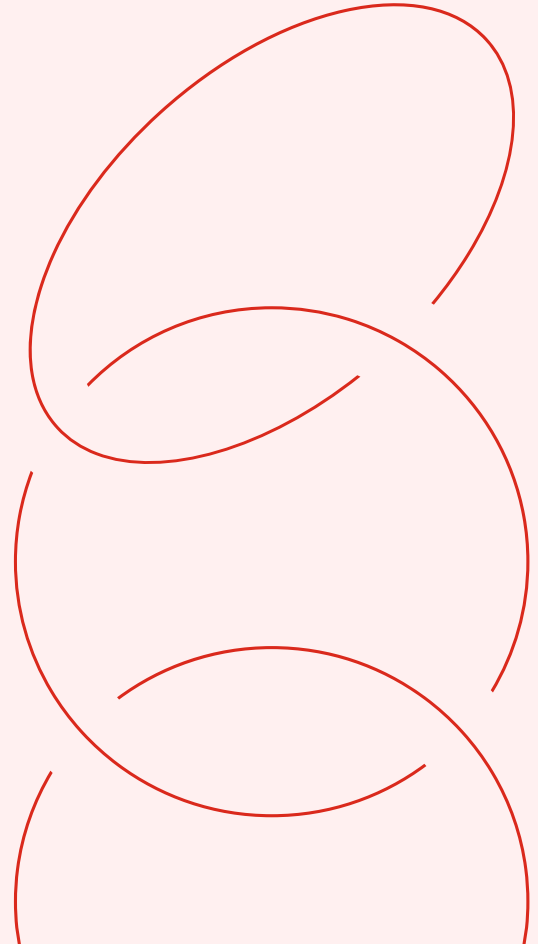
**Johannes Narum**

Head of  
Investor Relations



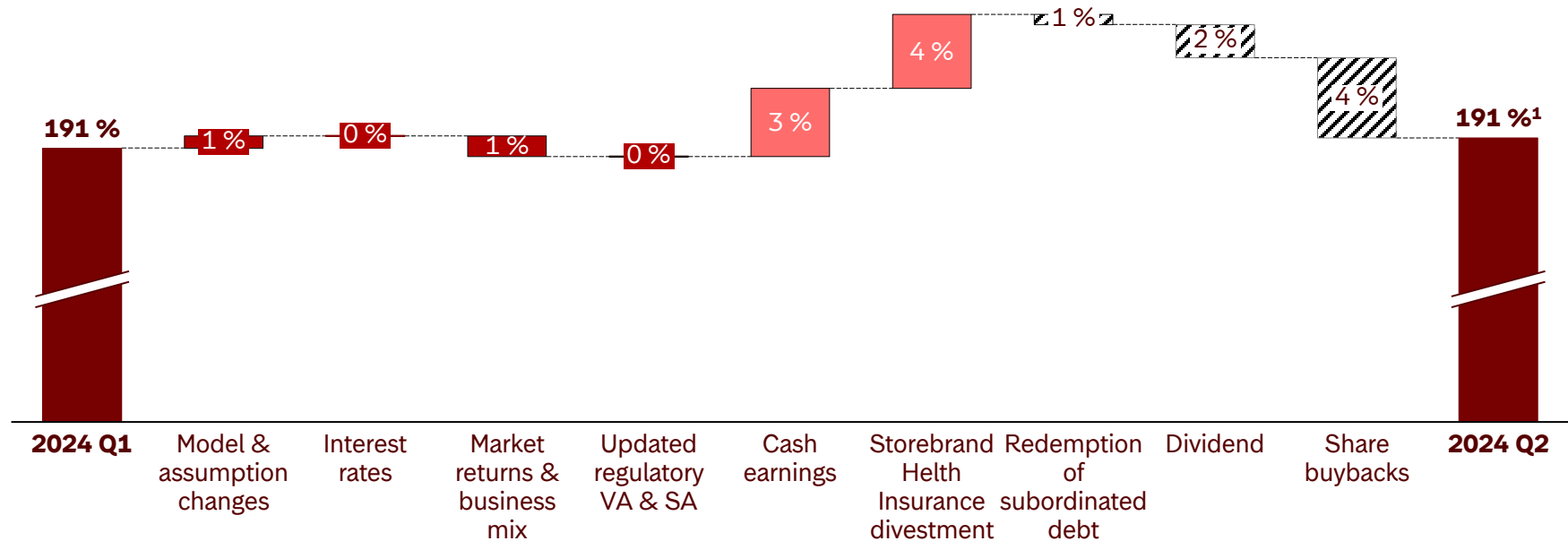


# Appendix



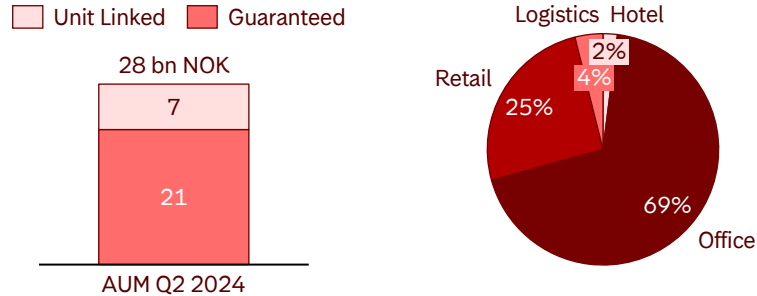
# Solvency movement from Q1 2024 to Q2 2024

## Storebrand Group

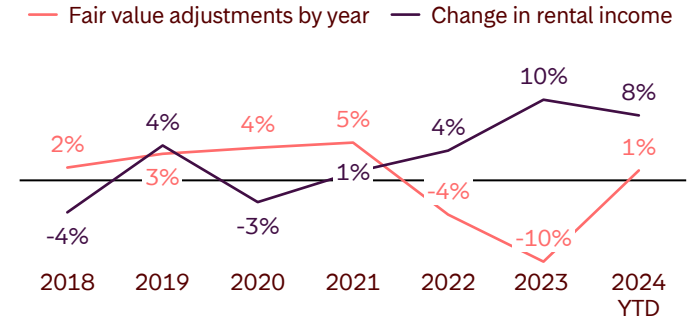


# Real estate portfolio – Norway

## Allocation and distribution - real estate portfolio

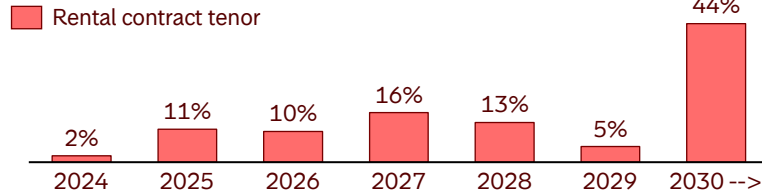


## Fair value adjustments and change in rental income

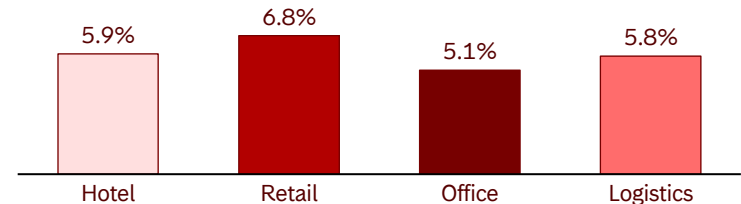


## WALT and expired rental income <sup>1</sup>

Weighted average unexpired lease term (WALT): 5,6 years

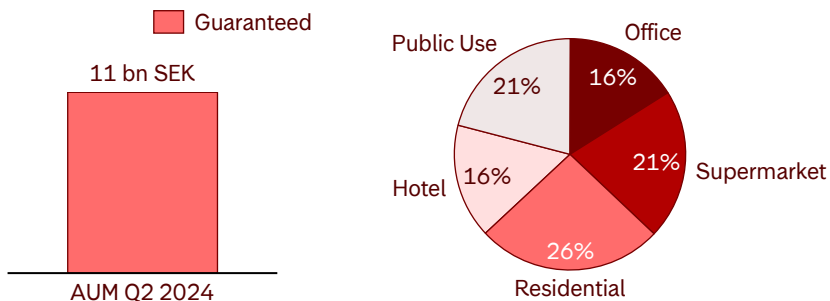


## Sub-portfolio yield distribution Q2 2024 <sup>2</sup>

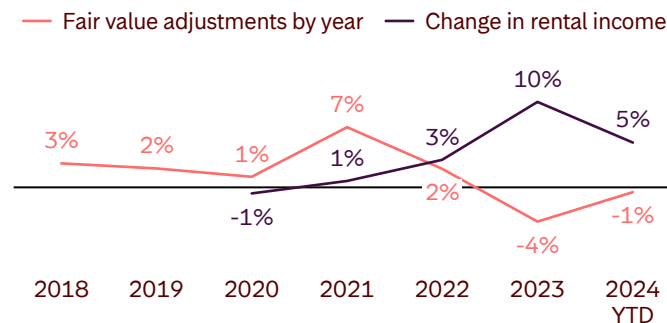


# Real estate portfolio - Sweden

## Allocation and distribution - real estate portfolio

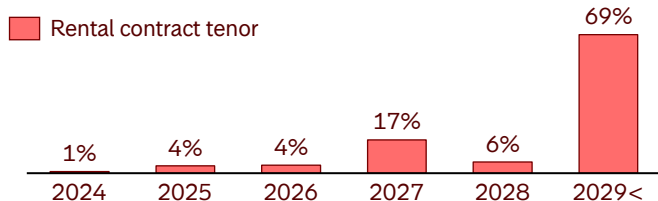


## Fair value adjustments and change in rental income

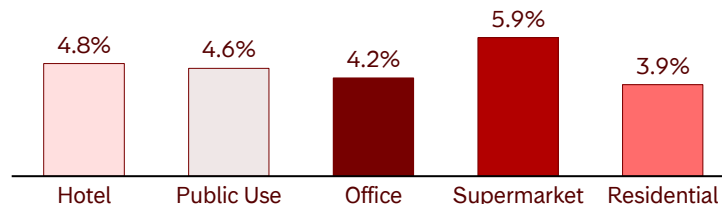


## WALUT and expired rental income <sup>1</sup>

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

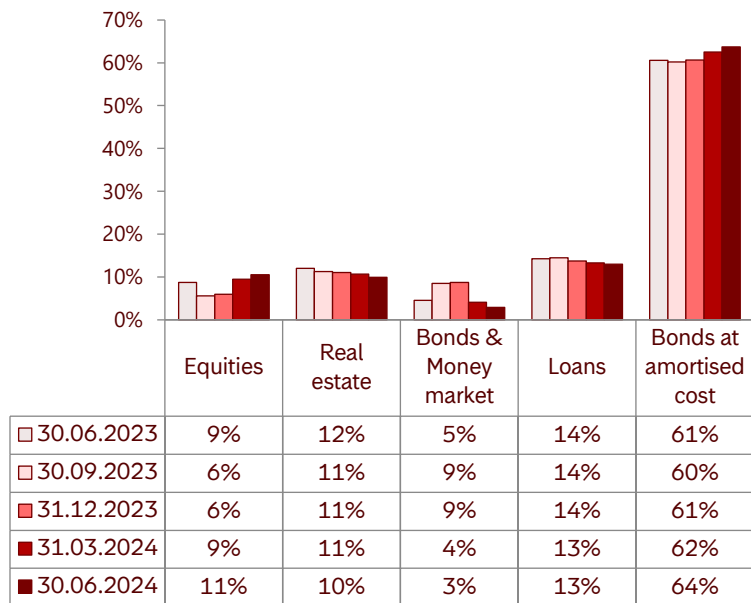


## Sub-portfolio yield distribution Q2 2024 <sup>2</sup>

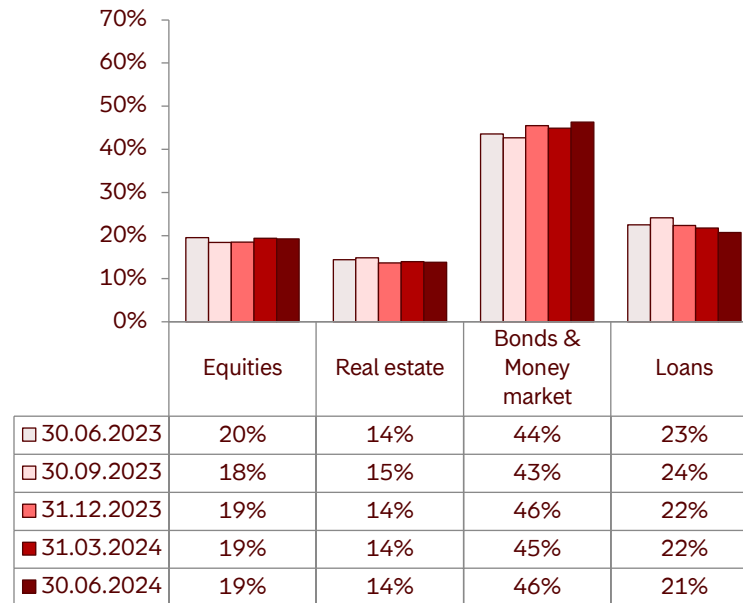


# Asset allocation – Guaranteed products

## Storebrand Livsforsikring AS (Norway)



## SPP (Sweden)



# Overview of Special items

Quarter	Special items NOKm	Comments
Q2 2023	- 64	<ul style="list-style-type: none"><li>• NOK ~56m related to the integration cost and severance pay in Danica and Kron</li><li>• NOK ~8m in write-downs of shares in smaller subsidiary</li></ul>
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>

# For further information



## Contact us

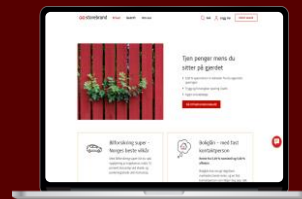
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The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.



# Thank you

**Financial calendar**

23 October 2024

Results Q3 2024

