

Stock and Press Release



STOREBRAND ASA: Results for the 2nd Quarter 2022

Resilient Business Model in Turbulent Markets, Share Buybacks to Commence.

- Group profit¹ of NOK 577m, operating profit of NOK 705m
- Solvency II ratio 195%
- Start of NOK 500m share buyback program
- 14% overall growth in insurance portfolio premiums (y/y)
- Rating upgrade by S&P Global Ratings to 'A'

"By the conclusion of first half of 2022, the world is still facing geopolitical and financial turmoil. Inflation is rising and markets are volatile. The economic activity in Norway and Sweden is high and interest rates are increasing. Higher interest rates give better reinvestment rates for pension portfolios and will over time lead to higher pensions for our customers and profit sharing to our shareholders.", says CEO Odd Arild Grefstad.

"Storebrand's business model is becoming more diversified and has proven to be robust in turbulent markets, and we deliver a satisfactory operating profit of NOK 705 million. The solvency ratio is now record high at 195%, and we will shortly commence a share buyback program. Underlying growth continues to be strong across the business, led by 14% annual growth in insurance portfolio premiums and 15% in bank lending, as well as a net inflow of savings. The structural growth in Norwegian occupational pensions is reinforced by regulatory impulses, and long-term savings will become increasingly important. As of 1 July, new regulations have come into force making pension contributions mandatory regardless of hours worked, age and income level. More than 1 million employees will benefit from this, and market premiums are expected to increase.", says Grefstad.

Stable Operating Profit in Turbulent Markets

The operating profit increased to NOK 705m in the quarter, compared to NOK 686m last year, supported by a stable fee income in the Savings business and 29% growth in the insurance result.

Assets in Unit Linked and Asset Management decreased due to market movements, whilst net flows are positive. Total assets under management amounted to NOK 1,009bn, down 3% year on year. Net flows amounted to NOK 1.8bn in Unit Linked and NOK 9bn in Asset Management in the first half of the year. The Swedish family of funds, SPP Fonder, was rebranded Storebrand Fonder in the quarter, and we now offer a wide range of funds across multiple markets under the Storebrand brand identity. Storebrand Fonder has been the Swedish market leader in flows year to date with SEK 5.6bn in net inflow.

The growth within insurance was accompanied by an improvement in the overall combined ratio, which fell to 88% in the quarter, compared to 92% in the previous quarter and 91% last year. This represents a better combined ratio than Storebrand's targeted combined ratio of 90-92%. The claims ratio improved to 70% from 74%.

Negative Financial Result from Increased Credit Spreads in Company Portfolios

The 'financial items and risk result' amounted to NOK -129m in the 2nd quarter, compared to NOK 667m last year. In Q2 2021, Storebrand booked a financial gain from the divestment of AS Værdalsbruket of 546m. Wider credit spreads have led to weak investment results in the company portfolios, but the running yield and expected financial result has increased accordingly. Strong buffer capital levels and prudent risk management have secured sufficient customer returns in the guaranteed products, despite turbulent markets.

Rating upgrade to 'A'

During the 2nd quarter, S&P Global Ratings upgraded their ratings on Storebrand on ongoing profitable growth and improved financial strength. Storebrand Livsforsikring AS' rating was upgraded to 'A' from 'A-' with a stable outlook, reflecting the agency's expectation that Storebrand will continue to maintain its capital and balance sheet strength and profitable growth in diverse operations.

Solvency Ratio Development

The solvency ratio was 195% at the end of the 2nd quarter, an increase of 11 percentage points from the previous quarter. Countercyclical regulatory factors, risk management actions and Group profit contributed to improving the solvency ratio. Financial market movements, net of capital set aside for dividends for 2022 and share buybacks, contributed to reducing the solvency ratio. Countercyclical regulatory factors, risk management actions and Group profit contributed to improving the solvency ratio.

Initiation of Share Buyback Program

Based on Storebrand's reported solvency ratio of 184% in the 1st quarter, the Board of Directors announced its intention to initiate a share buyback program amounting to NOK 500m. The program has been approved by the Norwegian Financial Supervisory Authority and will commence shortly after the 2nd quarter results.

Key Figures in the Quarter:

(Q2-2021 in brackets)

- Solvency Ratio 195% (172%)
- Earnings per share, adjusted for amortisation NOK 1.16 (NOK 2.79)
- Equity NOK 37,268m (NOK 35,823m)
- Assets under management NOK 1,009bn (NOK 1,037bn)

Activities Related to the 1st Quarter 2022

07:30 CET: Release of stock exchange notification. Press release, quarterly report and analyst presentation will be available at storebrand.no/ir.

10:00 CET: Live analyst conference in English. A webcast will be available at storebrand.no/ir. The presentation will be available on demand afterwards. [Link to webcast](#). Analysts who would like to ask

questions at the end of the presentation must register for and participate in the MS Teams Webinar. [Link to registration](#)

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About Storebrand

Storebrand is a Nordic financial group, delivering increased security and financial wellness for people and companies. We offer sustainable solutions and encourage our customers to take good economic decisions for the future. Our purpose is clear: we create a brighter future.

Storebrand has about 40.000 corporate customers, 2 million individual customers and manages NOK 1 009 billion. The Group has its headquarter at Lysaker outside of Oslo, Norway. Storebrand (STB) is listed on Oslo Stock Exchange.

www.storebrand.no

¹ Earnings before amortisation and tax. www.storebrand.no/ir provides an overview of APMs used in financial reporting.