



# Storebrand Q4 2023

7 February 2024

Odd Arild Grefstad – CEO

Lars Aa. Løddesøl – CFO



# 2023 marks a year of value creation for customers and shareholders

Provide financial freedom and security to our customers



Supported customers in **~150 thousand insurance related cases**



Delivered **NOK ~100bn in returns** to our customers

Value accretive M&A and divestments



Helseforsikring

**Kron.**

Leading player within sustainability



New ambitious targets (Capital Markets Day)

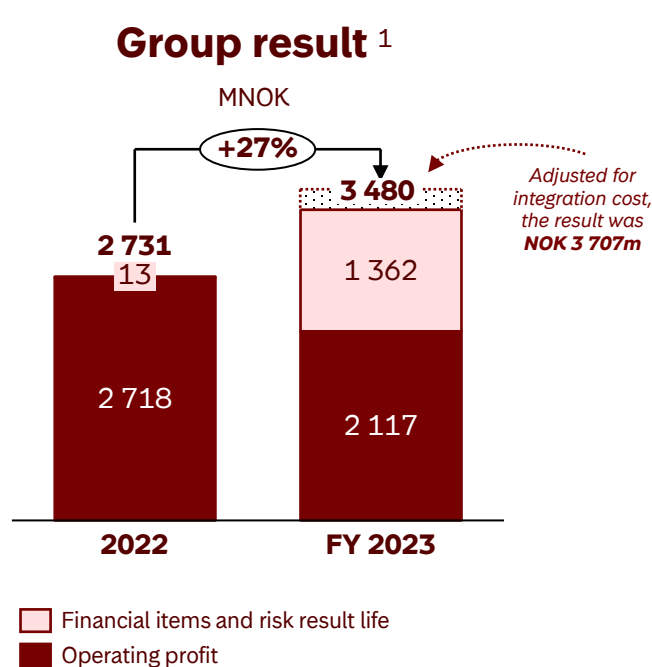
**5** NOK billion

Group profit 2025



# Highlights Q4 2023

## Solid uplift in dividends, continued successful growth execution but weak insurance results



**NOK 1 212bn** in assets under management supported by strong positive net flow



**20% growth** in unit linked reserves<sup>2</sup>



**12% growth** in insurance premiums<sup>2</sup>



**192%** Solvency ratio

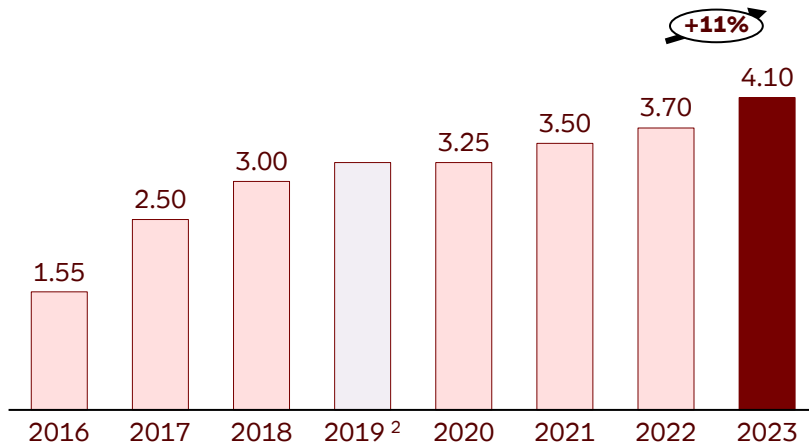


**NOK 4,1** dividend per share,  
buyback tranche of **NOK 400m** initiated today

# Step up in dividend to NOK 4.10 per share, increase of ~11% from last year

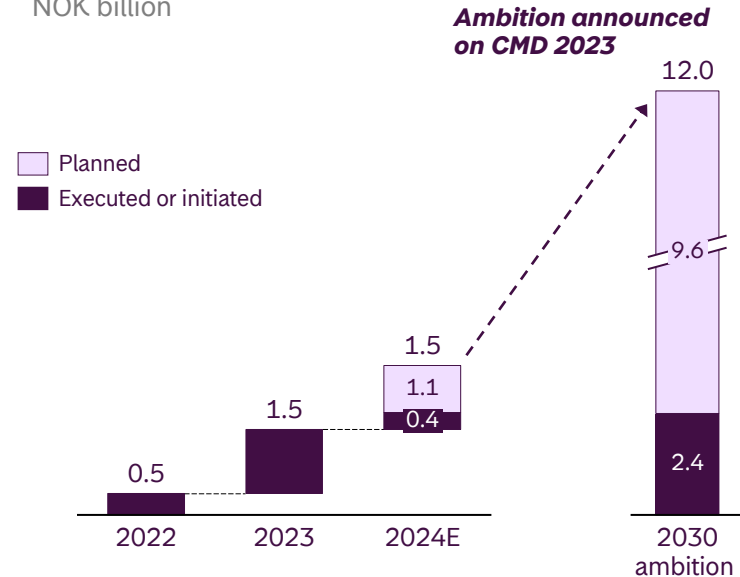
## Dividends per share <sup>1</sup>

NOK per share



## Share buybacks

NOK billion



# 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*

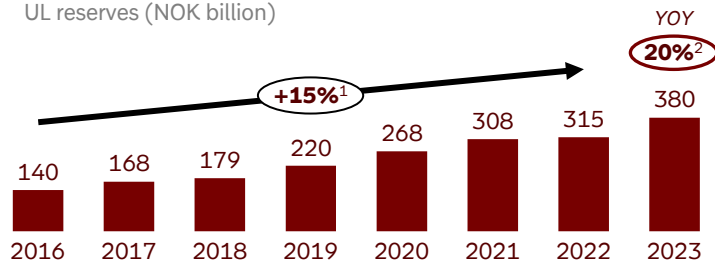
**Additional  
capital generation**



# Double digit growth continues across the Group

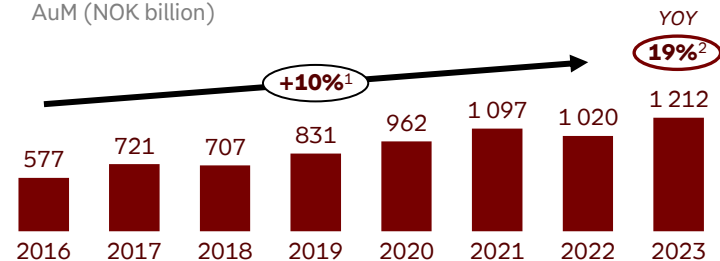
## Unit linked (defined contribution) pensions

UL reserves (NOK billion)



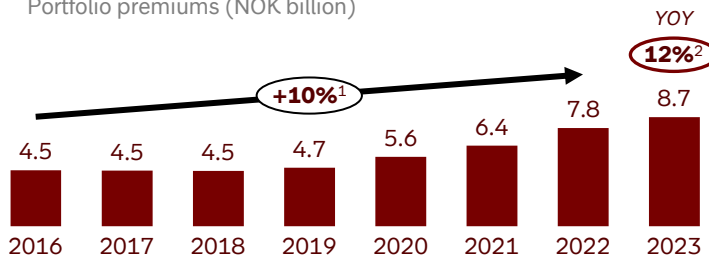
## Asset management

AuM (NOK billion)



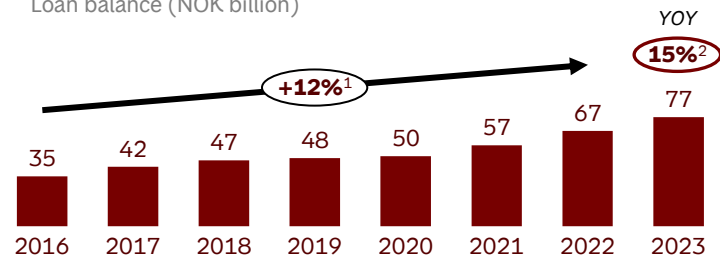
## Insurance <sup>3</sup>

Portfolio premiums (NOK billion)



## Retail bank

Loan balance (NOK billion)



1. Growth figures expressed as CAGR from FY 2016 to FY 2022

2. Growth figures expressed as year-over-year growth from Q4 2022 to Q4 2023

3. Include all written premiums in Storebrand Helseforsikring AS (divestment pending regulatory approval).

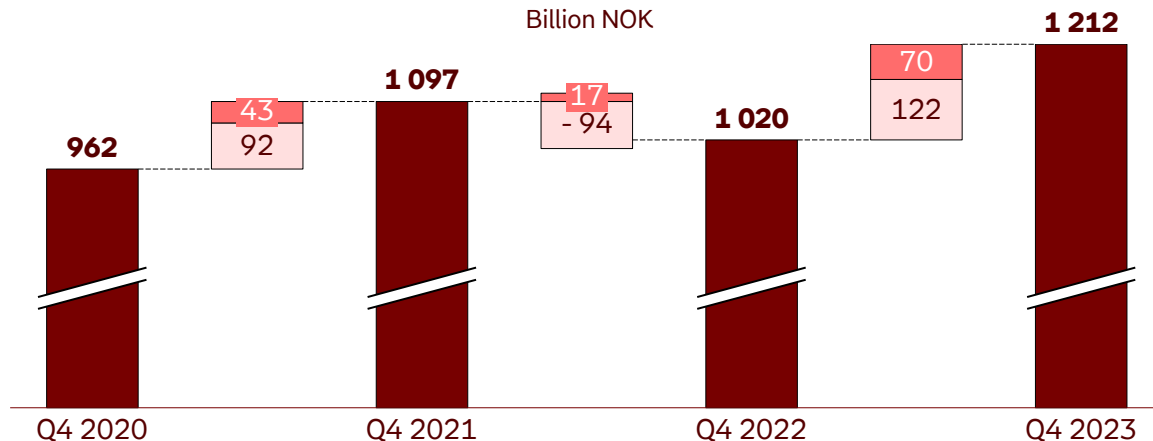


# Strong and consistent net flow in Asset Management, best performance among Nordic players in 2023<sup>1</sup>

Net flow Return & Currency

## Net flows 2020-2023

Billion NOK



Share of external funds **43%**

**46%**

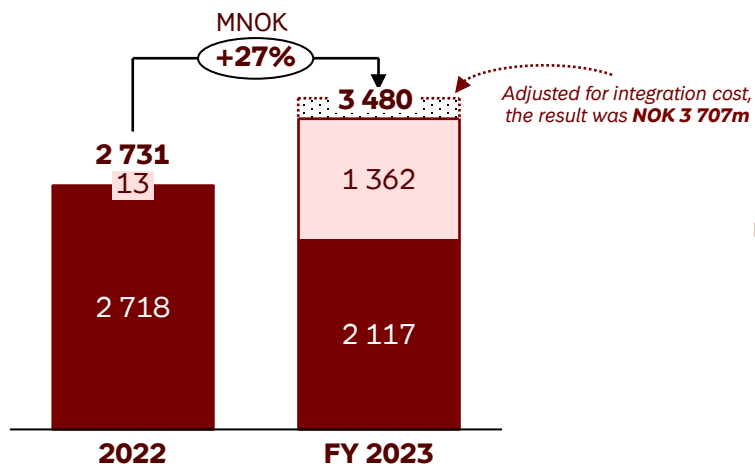
**46%**

**49%**



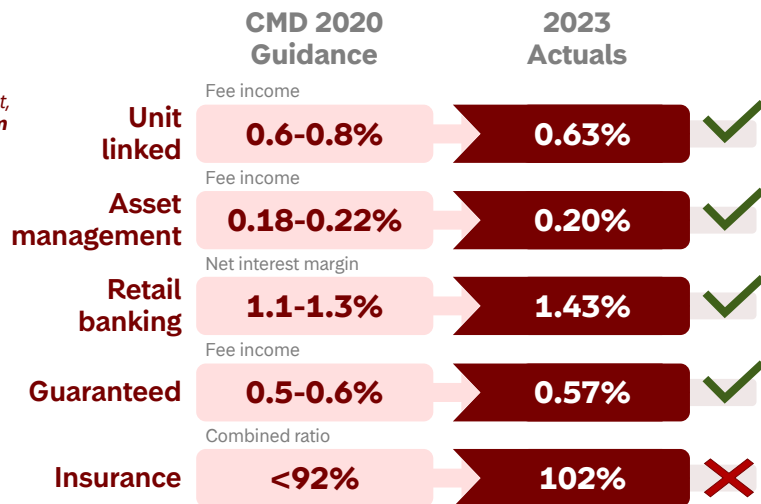
# Group result increased 27% year on year, despite weak results in Insurance

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



■ Financial items and risk result life  
■ Operating profit

## Satisfactory margin development except Insurance



Combined ratio miss of 10 p.p. implies lost profits of **NOK ~700m** given actual 2023 premiums





# Mitigating actions to improve insurance results towards the 90-92% combined ratio target by 2025

## Claims development



Challenging weather (e.g. torrential rain) and increased frequency



Persistently high inflation and unfavourable currency movements



Persistently high disability levels



Results are negatively impacted by reserve strengthening

## Mitigating actions



Repricing



Risk selection



Terms and conditions



Cost program claims handling

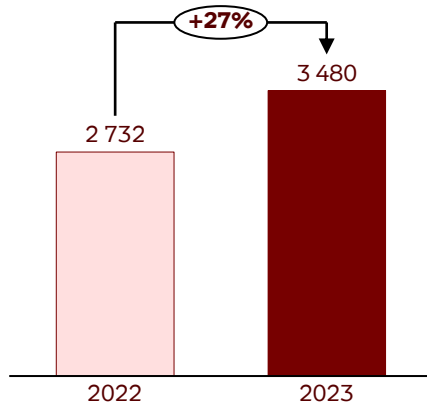


Preventive disability measures (e.g. VEL and ReStart)

# Strong development in earnings per share<sup>1</sup>, 32% increase year on year driven by earnings growth and buybacks

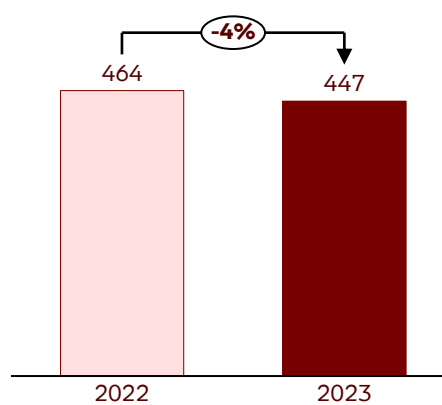
## Group result<sup>2</sup>

Result before tax and amortisation (NOK million)



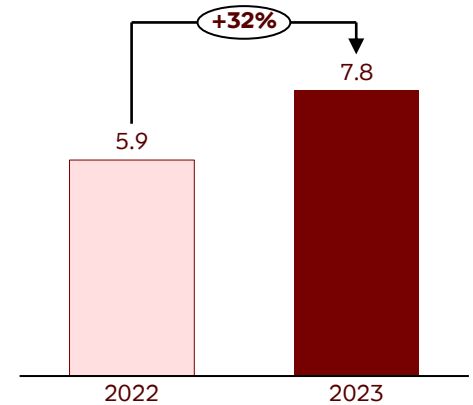
## Share buybacks effect

Shares outstanding adjusted for own shares (million, closing balance)



## Group result<sup>2</sup> per share

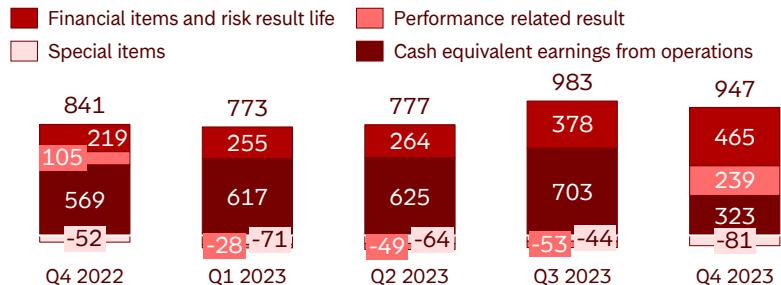
Result before tax and amortisation (NOK per share)



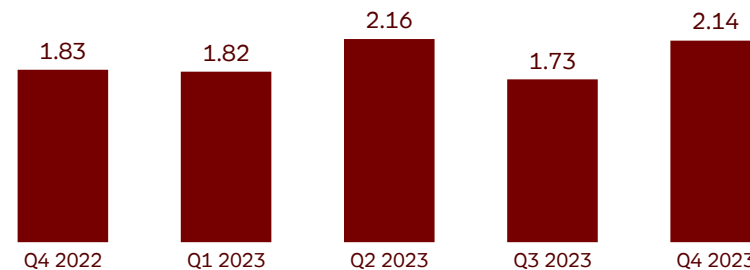
# Key Figures

## Improved financial result and a solid solvency position

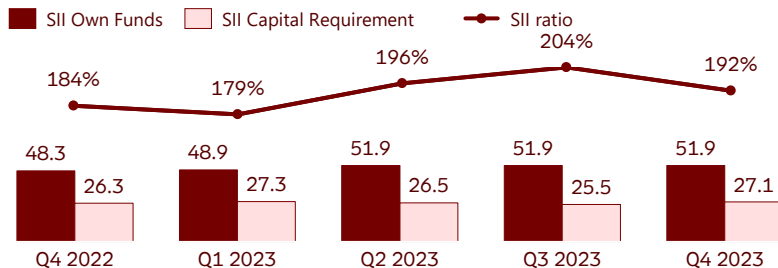
### Result development <sup>1</sup>



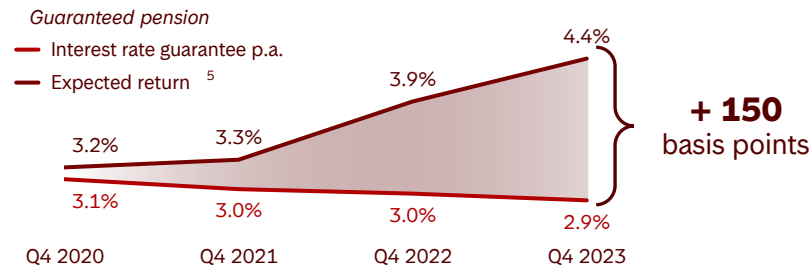
### Earnings per share <sup>2</sup>



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



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



1. Result before amortisation and tax.

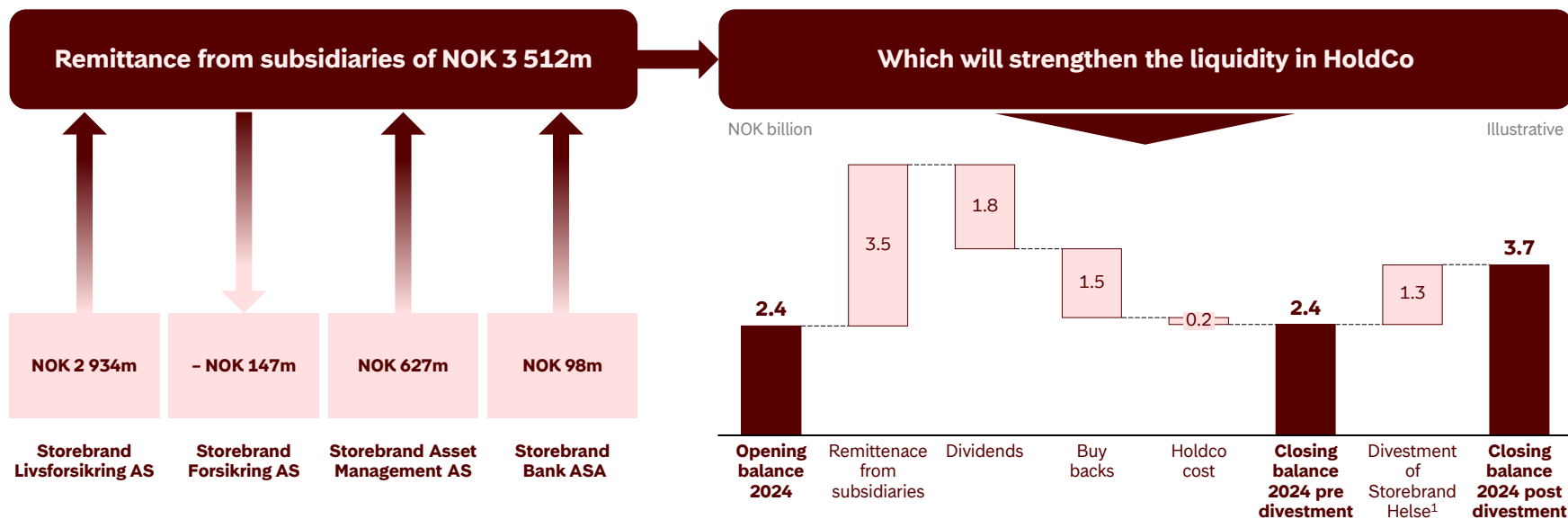
2. Earnings per share after tax adjusted for amortisation of intangible assets.

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

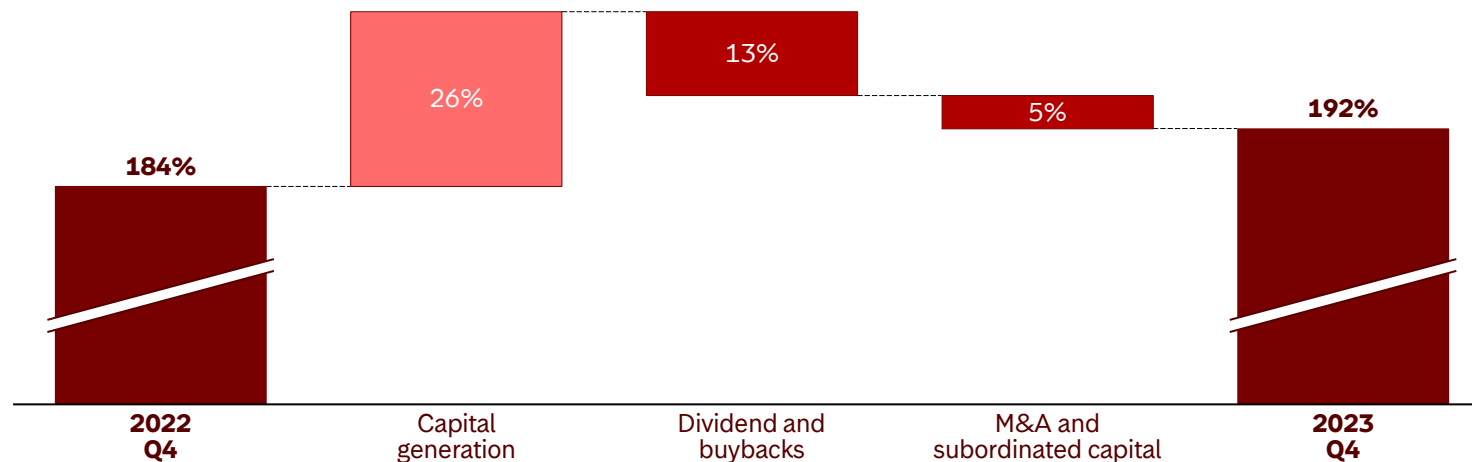
# Cash remittance of more than 100% of profit after tax



# High capital generation lifts solvency from 184% at the start of the year to 192% at year end

Solvency II development 2023

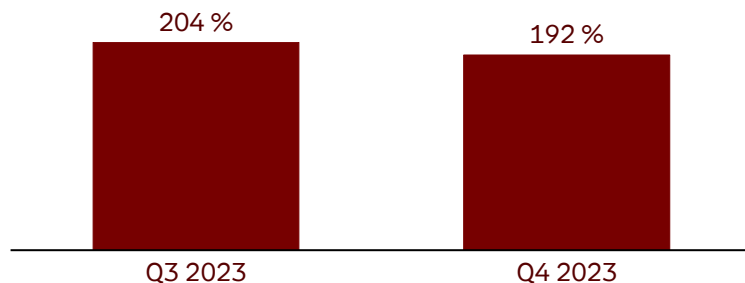
ILLUSTRATIVE



# Solvency position and sensitivities Q4 2023

## Storebrand Group

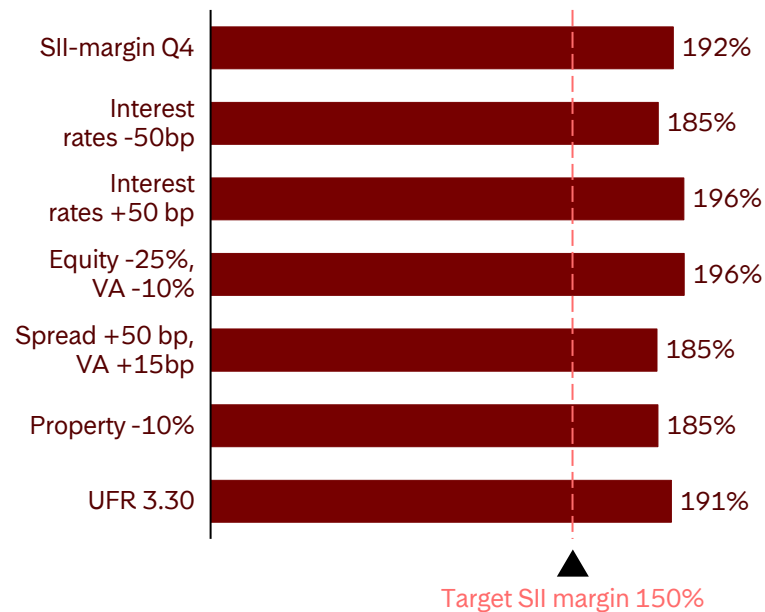
### Solvency position <sup>1</sup>



### Key takeaways Q4 2023

- Substantial decrease in interest rates
- Adverse changes in regulatory assumptions
- Increase in the CRD IV capital requirement for the bank

### Estimated sensitivities



<sup>1</sup>. The estimated Economic solvency position of Storebrand Group is calculated using the current Storebrand implementation of the Solvency II Standard model. Output is sensitive to changes in financial markets, development of reserves, changes in assumptions and improvements of the calculation framework in the economic capital model as well as changes in the Solvency II legislation and national interpretation of transition rules.

# Storebrand Group | Profit

Strong income growth & financial result, but weak insurance results

Profit <sup>1</sup> NOK million	Q4		Full year	
	2023	2022	2023	2022
Fee and administration income	1 959	1 641	6 782	6 062
Insurance result	64	390	1 122	1 664
Operational cost	-1 542	-1 410	-5 787	-5 008
<b>Cash equivalent earnings from operations</b>	<b>481</b>	<b>621</b>	<b>2 117</b>	<b>2 718</b>
Financial items and risk result life	465	219	1 362	13
<b>Cash equivalent earnings before amortisation</b>	<b>947</b>	<b>841</b>	<b>3 480</b>	<b>2 732</b>
Amortisation and write-downs of intangible assets	-114	-62	-379	-202
<b>Cash equivalent earnings before tax</b>	<b>833</b>	<b>778</b>	<b>3 101</b>	<b>2 530</b>
Tax	19	12	116	225
<b>Cash equivalent earnings after tax</b>	<b>853</b>	<b>790</b>	<b>3 217</b>	<b>2 754</b>

# Storebrand Group | Profit

## Profit by line of business

Profit <sup>1</sup> NOK million	Q4		Full year	
	2023	2022	2023	2022
Fee and administration income	1 959	1 641	6 782	6 062
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Profit per line of business NOK million	Q4		Full year	
	2023	2022	2023	2022
Savings - non-guaranteed	619	456	1 862	1 653
Insurance	-193	92	27	596
Guaranteed pension	433	270	1 326	903
Other profit	88	23	265	-420
<b>Cash equivalent earnings before amortisation</b>	<b>947</b>	<b>841</b>	<b>3 480</b>	<b>2 732</b>



# Savings (non-guaranteed)

## Continued growth and satisfactory result development

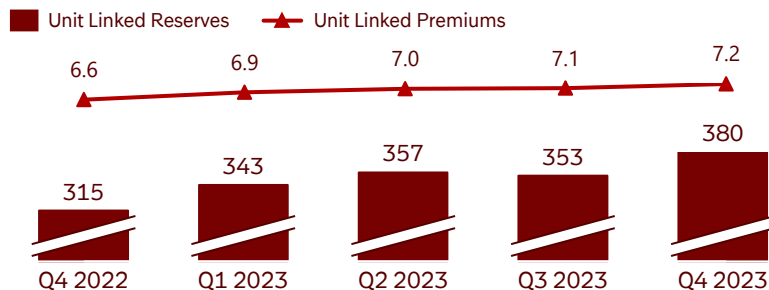
Profit NOK million	Q4		Full year	
	2023	2022	2023	2022
Fee and administration income	1 607	1 293	5 443	4 733
Operational cost	-972	-848	-3 582	-3 031
<b>Cash equivalent earnings from operations</b>	<b>635</b>	<b>445</b>	<b>1 861</b>	<b>1 701</b>
Financial result	-16	11	1	-49
<b>Cash equivalent earnings before amortisation</b>	<b>619</b>	<b>456</b>	<b>1 862</b>	<b>1 653</b>

Profit per product line NOK million	Q4		Full year	
	2023	2022	2023	2022
Unit linked Norway	124	92	499	383
Unit linked Sweden	44	69	232	322
Asset management	370	208	717	667
Retail banking	104	87	500	281
Kron*	-23		-85	
<b>Cash equivalent earnings before amortisation</b>	<b>619</b>	<b>456</b>	<b>1 862</b>	<b>1 653</b>

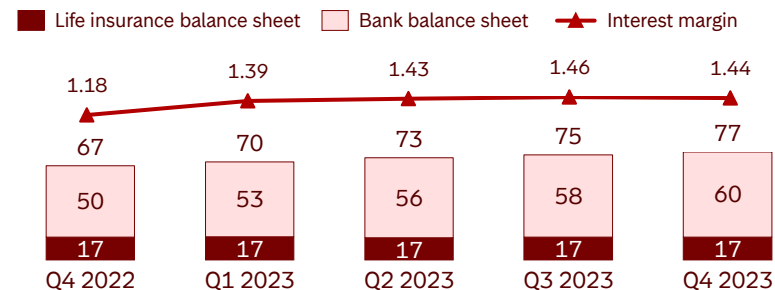
# Savings (non-guaranteed)

## Positive UL and AuM development (high net flow)

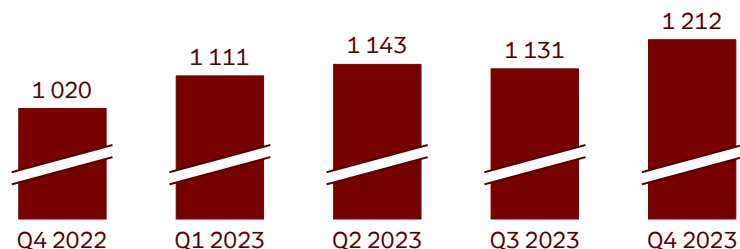
### Reserves and premiums Unit Linked



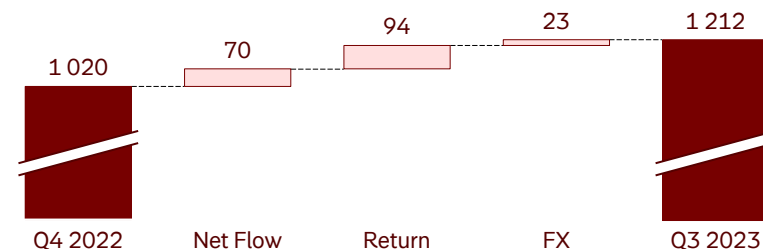
### Retail bank balance and net interest margin (%)



### Assets under management



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



# Insurance

## Weak insurance results driven by challenging weather and high disability

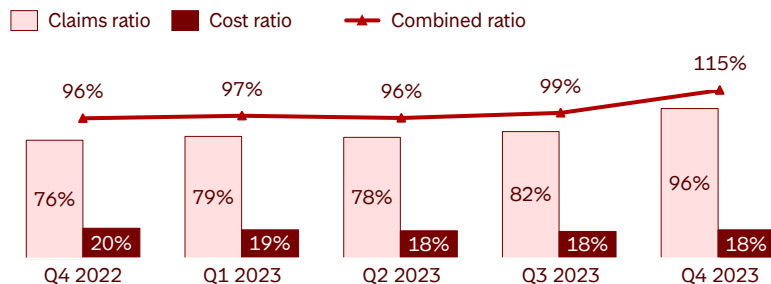
Profit NOK million	Q4		Full year	
	2023	2022	2023	2022
Insurance premiums f.o.a.	1 776	1 630	6 908	6 088
Claims f.o.a.	-1 712	-1 240	-5 787	-4 424
Operational cost	-328	-318	-1 251	-1 112
<b>Cash equivalent earnings from operations</b>	<b>-263</b>	<b>72</b>	<b>-129</b>	<b>552</b>
Financial result	70	20	155	43
<b>Cash equivalent earnings before amortisation</b>	<b>-193</b>	<b>92</b>	<b>27</b>	<b>596</b>

Profit per business line NOK million	Q4		Full year	
	2023	2022	2023	2022
P&C & Individual life	-4	68	182	387
Health & Group life	-137	-17	-238	8
Pension related disability insurance Nordic	-52	41	82	201
<b>Cash equivalent earnings before amortisation</b>	<b>-193</b>	<b>92</b>	<b>27</b>	<b>596</b>

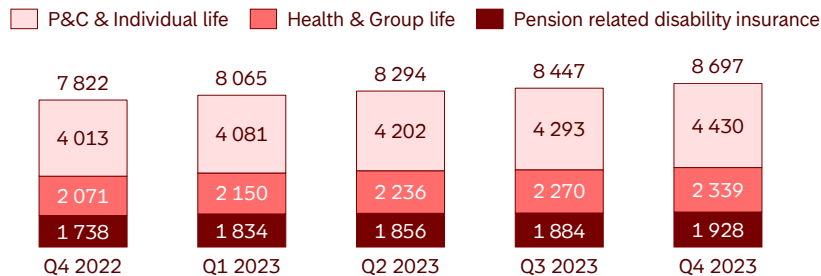
# Insurance

## Key figures

### Reserves and premiums Unit Linked



### Portfolio premiums



### Key takeaways combined ratio and results

- 115% overall combined ratio in the quarter, driven by challenging weather and persistently high disability
- Strengthening of reserves for Group life and Pension related disability is the main driver both in the quarter and for the full year
- Measures implemented are expected to bring profitability gradually back to the 90-92% targeted combined ratio by 2025

### Key takeaways premiums and growth

- 9% overall growth in premiums f.o.a. compared to the corresponding period last year
- 6.6% market share in Norwegian retail P&C compared to 6.2% in the same quarter last year <sup>1</sup>

# Guaranteed pension

Strong growth in profits driven by increased financial results and solid operational performance

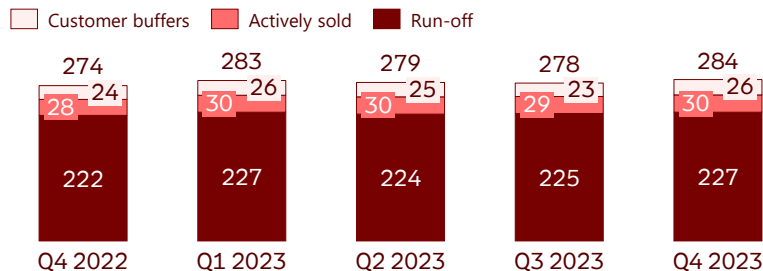
Profit NOK million	Q4		Full year	
	2023	2022	2023	2022
Fee and administration income	422	413	1 600	1 597
Operational cost	-205	-233	-822	-850
<b>Cash equivalent earnings from operations</b>	<b>217</b>	<b>180</b>	<b>778</b>	<b>747</b>
Risk result life & pensions	77	53	296	262
Net profit sharing	139	38	252	-106
<b>Cash equivalent earnings before amortisation</b>	<b>433</b>	<b>270</b>	<b>1 326</b>	<b>903</b>

Profit per product line NOK million	Q4		Full year	
	2023	2022	2023	2022
Defined benefit (private & public sector), Norway	85	37	283	244
Paid-up policies, Norway	116	137	453	502
Individual life and pension, Norway	10	13	33	33
Guaranteed products, Sweden	221	83	557	124
<b>Cash equivalent earnings before amortisation</b>	<b>433</b>	<b>270</b>	<b>1 326</b>	<b>903</b>

# Guaranteed pension

## Key figures

### Reserves guaranteed products



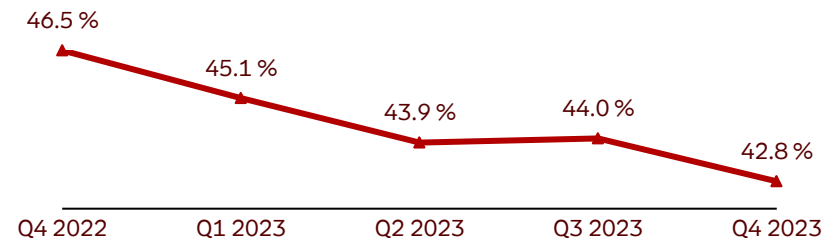
### Buffer capital <sup>1</sup>

NOK million	Q4 2023	Q3 2023	Change
Market value adjustment reserve**	4 482	2 565	+ 1 916
Excess value of bonds at amortised cost	-10 559	-17 086	+ 6 526
Additional statutory reserve	6 919	6 997	- 77
Conditional bonuses SPP	15 039	13 880	+ 1 159
<b>Total</b>	<b>15 881</b>	<b>6 357</b>	<b>+ 9 524</b>

### Key Takeaways

- Increased result from operations
- Continued strong risk result
- Strong profit-sharing result in Swedish business
- 3.1 bn Public Occupational Pension assets won in 4Q, to be booked in 1H

### Guaranteed reserves in % of total reserves



# Other <sup>1</sup>

## Financial result improving from a higher interest rate level

Profit NOK million	Q4		Full year	
	2023	2022	2023	2022
Fee and administration income	1	2	18	17
Operational cost	-109	-77	-411	-299
<b>Cash equivalent earnings from operations</b>	<b>-108</b>	<b>-75</b>	<b>-393</b>	<b>-282</b>
Financial result	196	98	658	-138
<b>Cash equivalent earnings before amortisation</b>	<b>88</b>	<b>23</b>	<b>265</b>	<b>-420</b>

# Higher return on equity as the backbook is transforming into a financial asset

	Future Storebrand	Run-off Business	Total
	Savings & Insurance	Guaranteed <sup>2</sup>	Group
<b>Cash result <sup>1</sup></b> (NOK million)	1 938	1 632	3 570
<b>IFRS shareholder equity</b> (NOK billion)	6.2	21.3	27.5
<b>Return on IFRS shareholder equity<sup>3</sup></b> (%)	31%	8%	13%

1. Last 12 months as of Q4 2023 Profit after tax adj. for amortisation (i.e. cash result).

2. Includes the result and capital in the "Other" reporting segment.

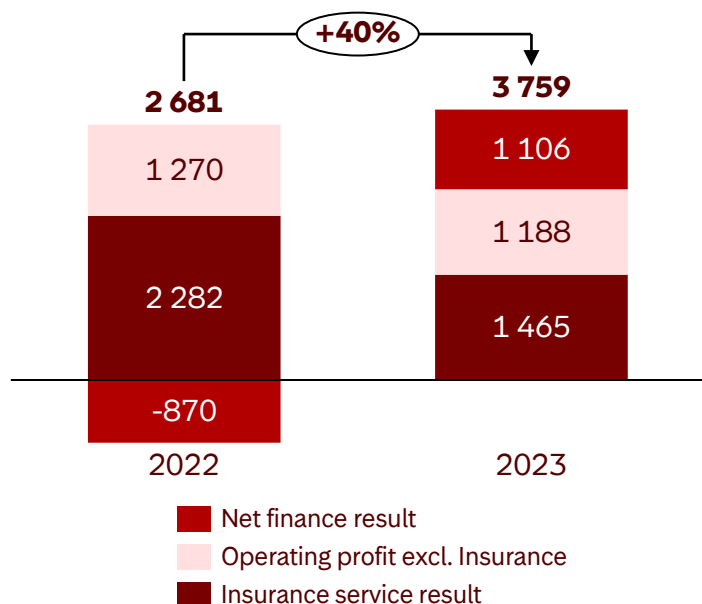
3. The RoE is calculated based on LTM profit after tax and before amortisation of intangible assets (i.e. cash result including tax gain), divided on a pro forma allocation of IFRS shareholder equity excluding hybrid capital.





# 2023 concludes the first year of IFRS 17 reporting

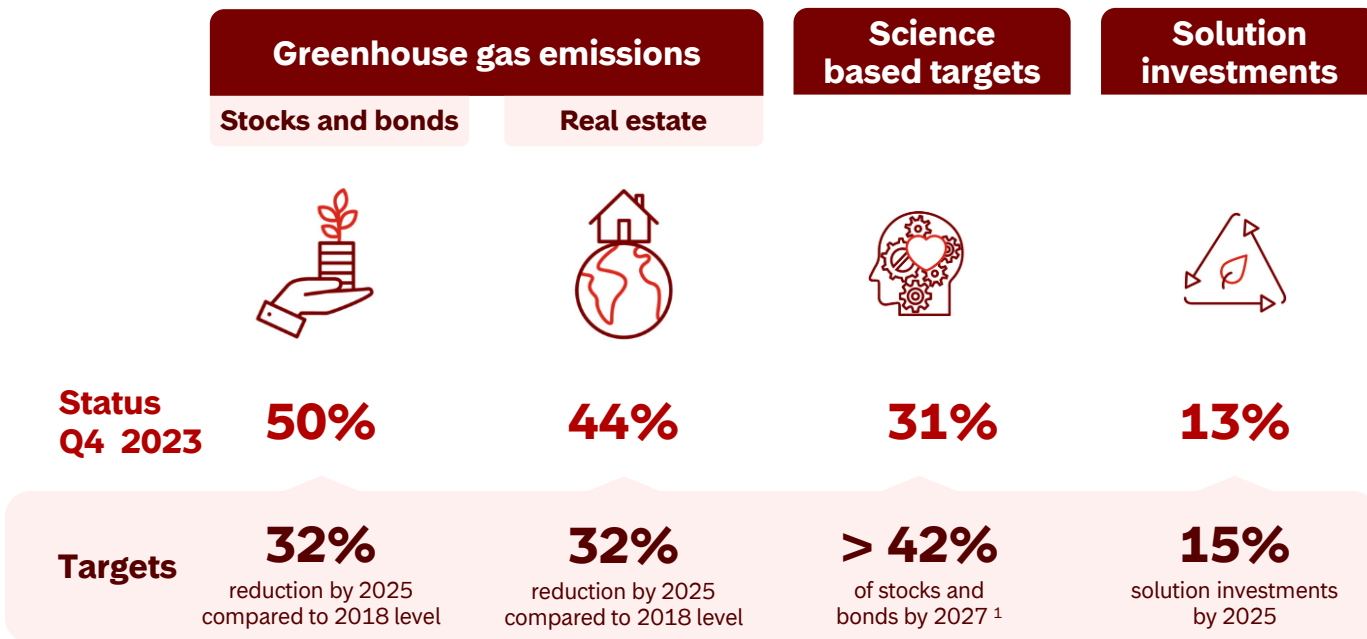
## IFRS result before amortisation and tax



## Comments

- Group's profit before amortisation and tax was NOK 3 759m in 2023, compared to NOK 2 681m in 2022<sup>2</sup>
  - Higher volatility is expected on a general basis under IFRS 17 due to measurement models applied
- Insurance service result was NOK 1 465m in 2023 (NOK 2 282m)
  - The reduction is mainly driven by high disability levels, challenging weather conditions and increased loss component due to reduced interest rates
- Net finance result was NOK 1 106m in 2023, compared to NOK -870m in 2022
  - Improved financial result due to higher interest rate levels

# On track to reach sustainability targets



## Other highlights



Developing products & services that aim to reduce growth in disability benefit dependent population



**NOK 13bn** of green bonds issued and allocated since 2021 <sup>2</sup>



**47%** of total AuM invested in fossil free assets

# We maintain focus on the longer term despite short term challenges in Insurance

## 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

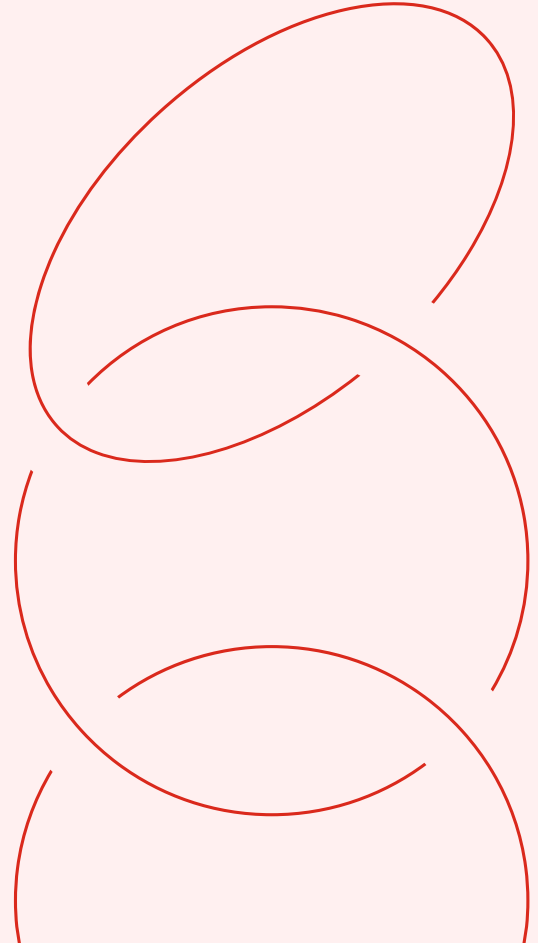


**Johannes Narum**

Head of  
Investor Relations

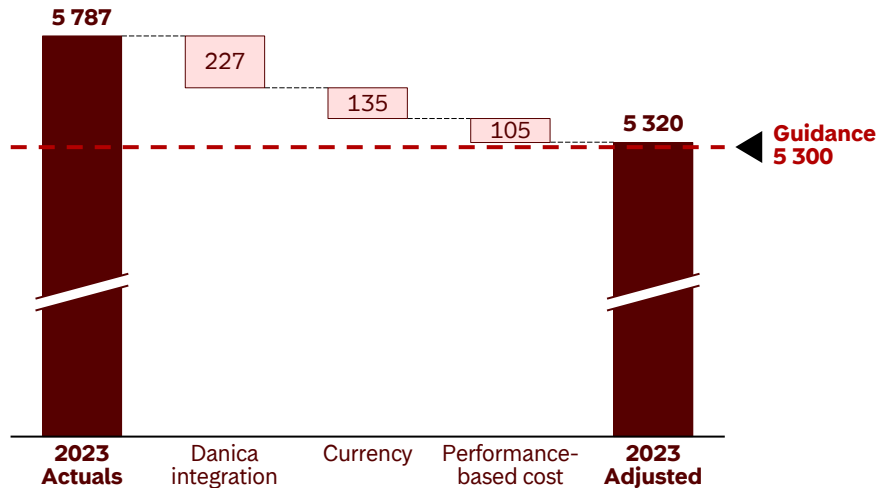


# Appendix

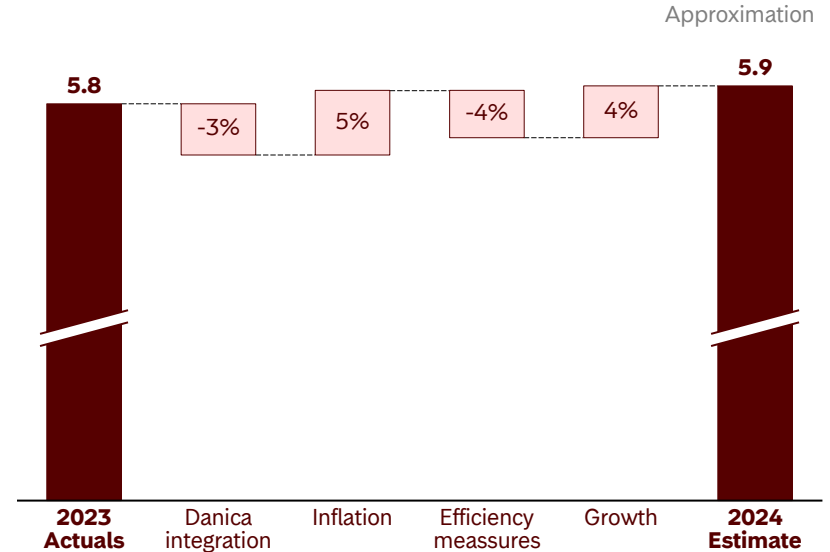


# Underlying operational cost development in line with previous guiding, NOK 5.9bn expected for 2024

Operational cost development in line with NOK 5.3bn guiding for full year 2023

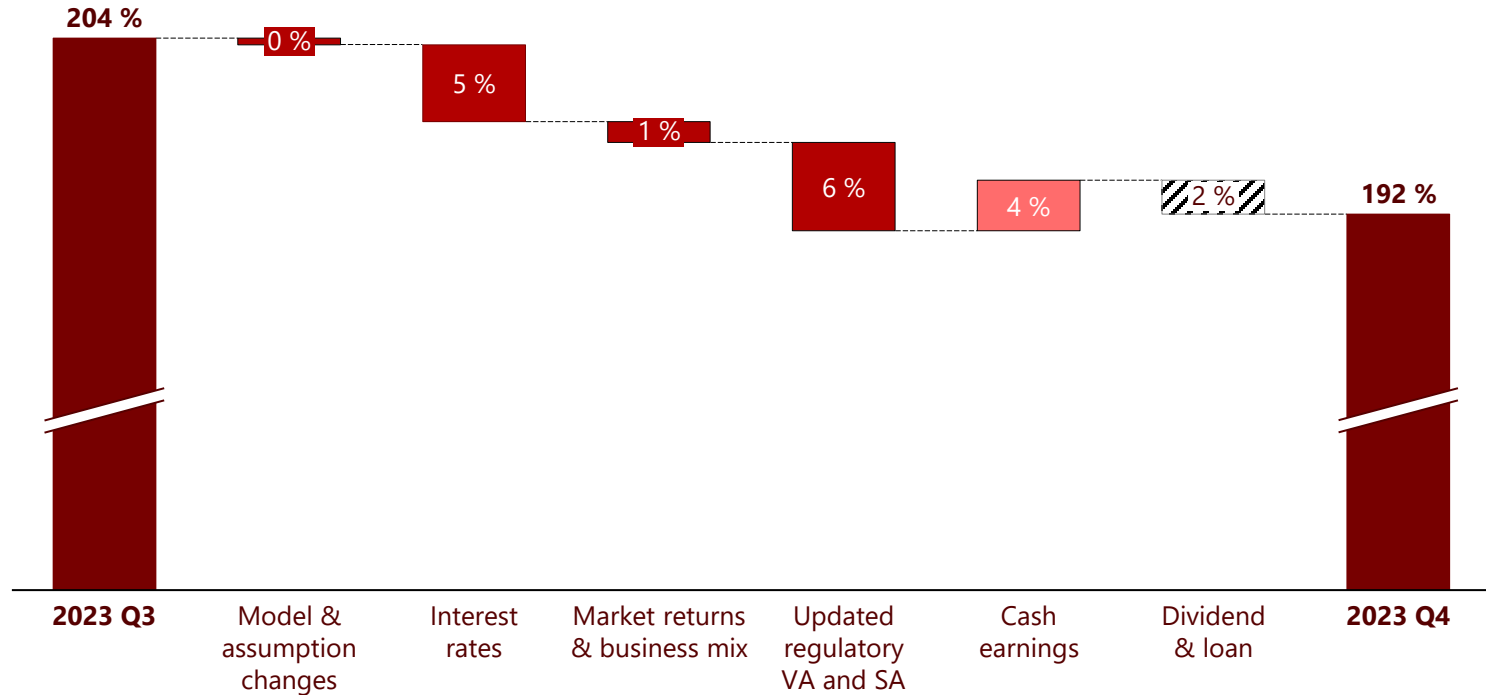


Operational cost guiding of NOK 5.9bn for 2024 announced on the CMD in December reiterated



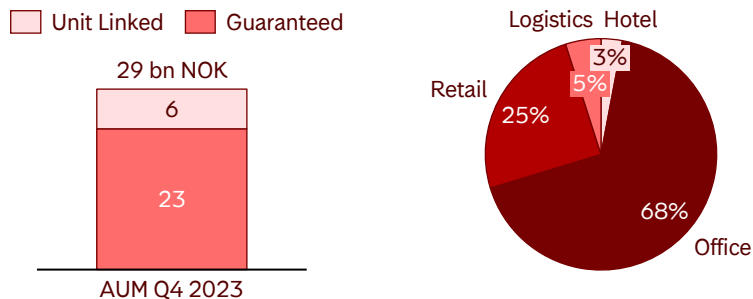
# Solvency movement from Q3 2023 to Q4 2023

## Storebrand Group

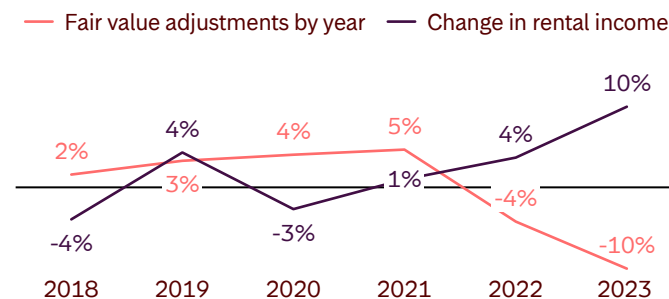


# Real estate portfolio – Norway <sup>1</sup>

## Allocation and distribution - real estate portfolio

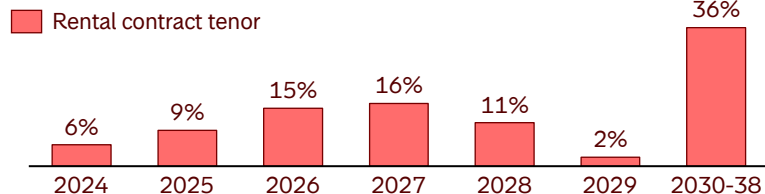


## Fair value adjustments and change in rental income

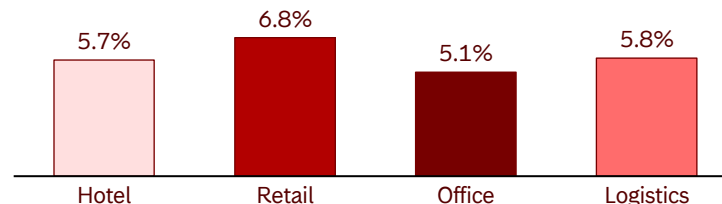


## WAULT and expired rental income

Weighted average unexpired lease term (WAULT): 5,5 years



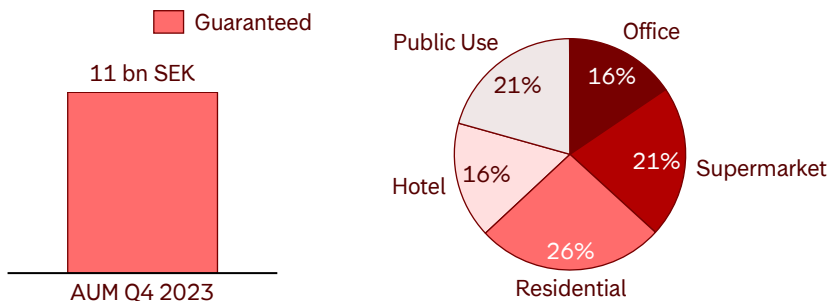
## Sub-portfolio yield distribution Q4 2023 <sup>2</sup>



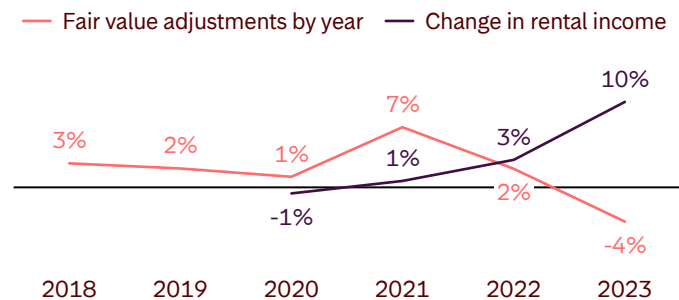


# Real estate portfolio - Sweden

## Allocation and distribution - real estate portfolio

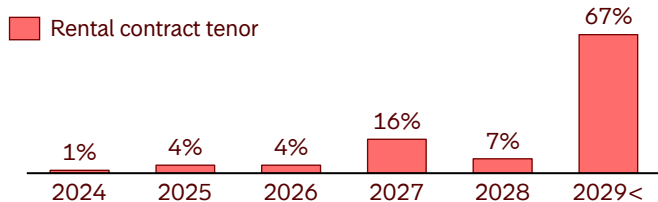


## Fair value adjustments and change in rental income

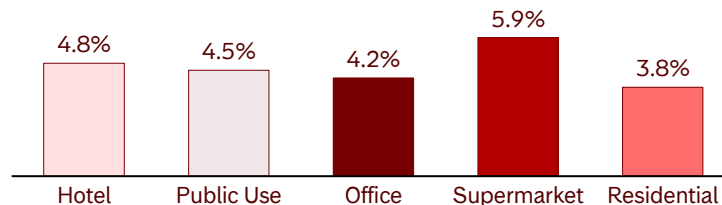


## WAULT and expired rental income

Weighted average unexpired lease term (WAULT): 7,3 years

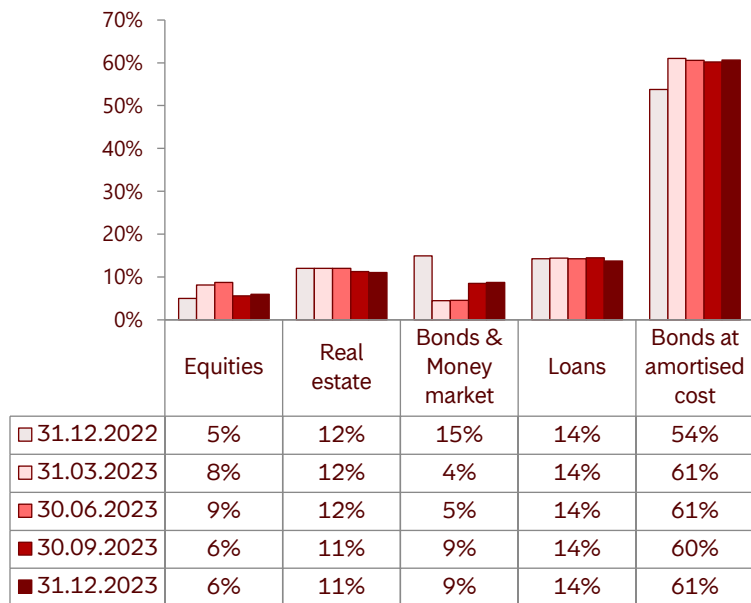


## Sub-portfolio yield distribution Q4 2023<sup>2</sup>

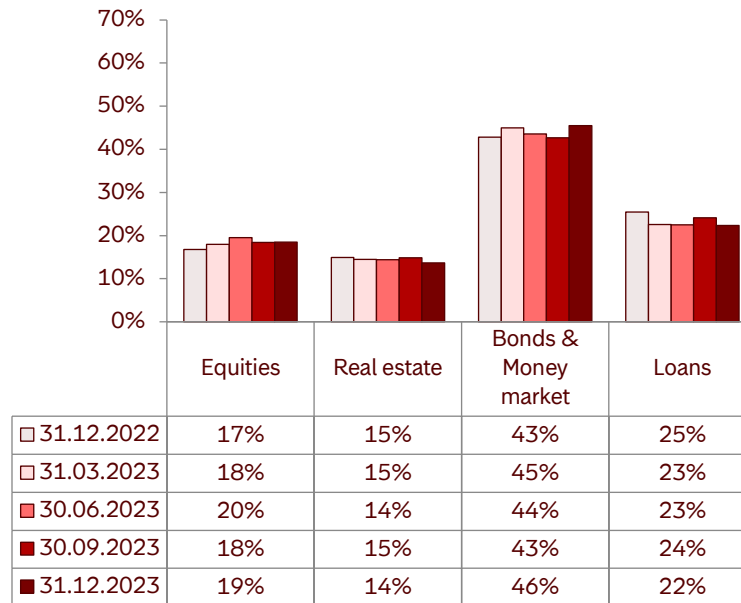


# Asset allocation – Guaranteed products

## Storebrand Livsforsikring AS (Norway)



## SPP (Sweden)



# For further information



## Contact us

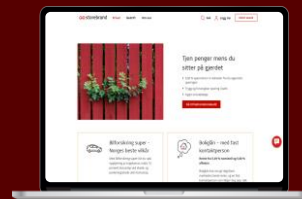
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This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the 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.

# Thank you

## Financial calendar

14 Mars 2024	Annual Report 2023
4 April 2024	Annual General Meeting
24 April 2024	Results Q1 2024
12 July 2024	Results Q2 2024
23 October 2024	Results Q3 2024