

# Annual report 2023

FORMUE

# Expanded despite challenging times



2023 was a surprisingly good year in the financial markets. At the start of the year, pessimism and fears of recession prevailed, but the end of the year performance outcome was much stronger. The market was driven by US technology giants, expectations of peak interest rates and falling energy prices. The development stood in stark contrast to a world view characterized by uncertainty and conflicts. The concern is that financial markets are too positive for the time ahead.

In troubled times, many seek advice. Rising costs both in businesses and privately, and greater attention to tax, especially in Norway but also in Sweden and Denmark, mean that more people need to make a good financial plan for the family. We are also in the middle of the big wave of generational transfers and the shift to more sustainability-driven investment preferences. All topics are naturally included in our advisory services, and it is important for us to be a good discussion partner for customers so that they feel safe on the way forward.

The financial industry has matured in recent years, but innovation has been relatively limited for most. I think that in the future we will see a greater divergence between players who fail to innovate and those who see the possibilities in new technology. I am pleased that Formue has long invested significantly in technology to develop both the customer experience and the quality of what we do. We are continuously working on this.

Good results are built over time, not overnight. In uncertain times, it is extra important to think long-term and stick to the plan. That is the advice to our customers, and it also applies to Formue. Through 2023, we have continued to expand our business in both Norway and Sweden. In the spring of 2023, we also opened our first office in Denmark to be able to offer independent advice to Danish customers, who did not have a similar locally available comprehensive offer such as ours previously.

In Formue we see the importance of continuous improvement. We can make things easier. Easier to become a customer and easier for customers to benefit from all the expertise in Formue. The goal is to get even closer to the customers with relevant issues, so that we can provide targeted advice on what the individual needs to a greater extent. It is also exciting that more and more customers have preferences when it comes to their investments. We will continue to work on this in 2024.

Finally, I would like to thank you for all the constructive feedback in the past year. They mean that we are constantly motivated to improve. We hope the financial markets continue to cooperate in 2024.

Best regards  
**Alexander Heiberg**  
 Acting CEO

## Strong financial markets

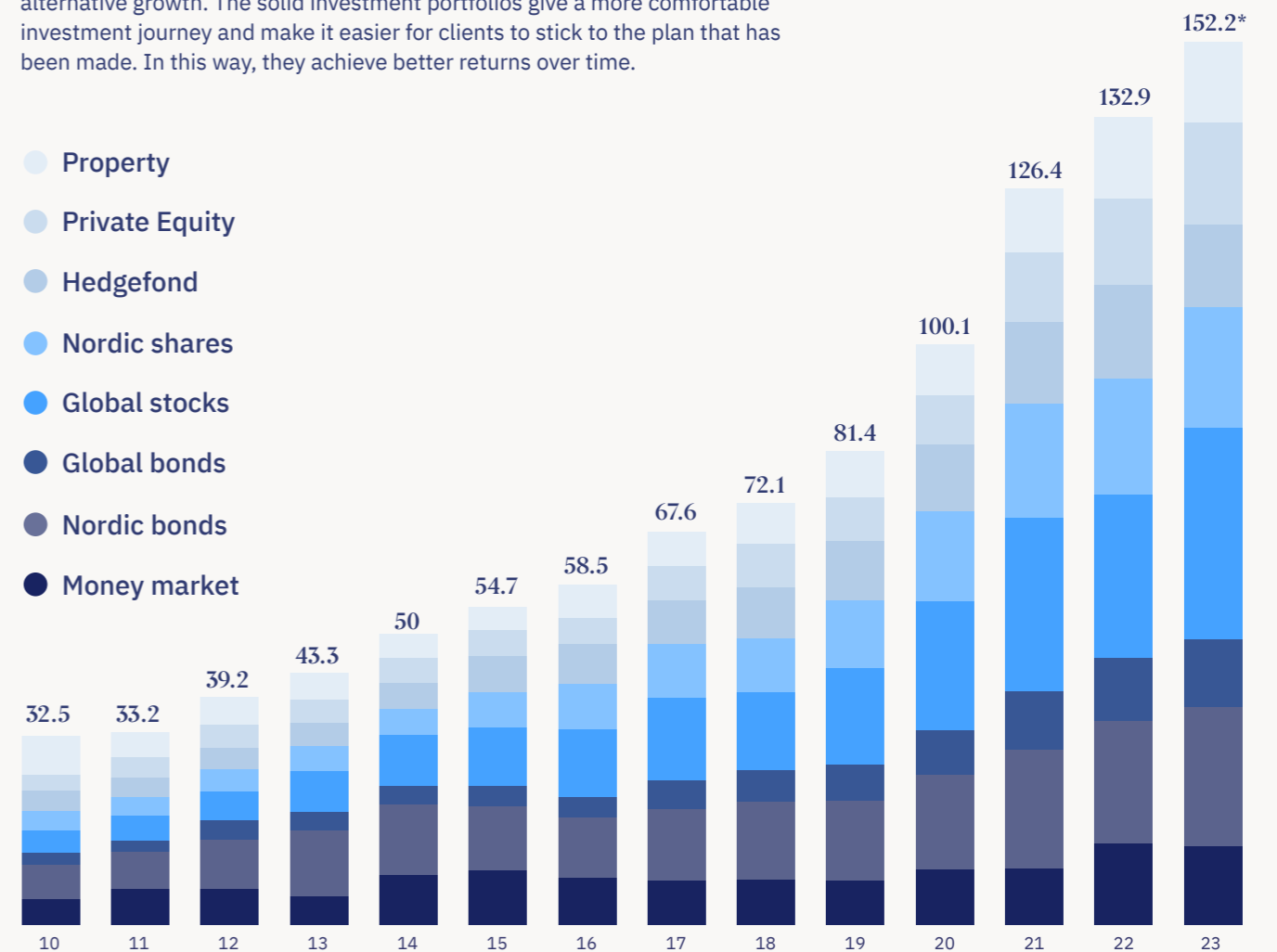
After the market fall in 2022, customers experienced a strong return in 2023. A record number of new customers provided a positive addition of new business and assets under management. Existing customers had a total net capital outflow due to increased property tax and a reduced net capital flow from operating businesses.

Operating costs increased from NOK 682.6 million in 2022 to NOK 762.8 million in 2023. A significant part of the increase is due to the start-up in Denmark with the establishment of a complete service offering, as well as strengthening of the Norwegian and Swedish operations through the recruitment of several new advisers, and thus increased labor costs. In addition, we continued to invest significantly in improvements to the customer experience through smart technology, in addition to upgrading data security.

## The development in the capital we have under advisory and management

We build tailor-made investment portfolios adapted to each client's situation, risk profile and the goals they have with their wealth. The investment portfolios include over one hundred funds that fulfil various functions divided into three modules: stability, market growth and alternative growth. The solid investment portfolios give a more comfortable investment journey and make it easier for clients to stick to the plan that has been made. In this way, they achieve better returns over time.

- Property
- Private Equity
- Hedgefond
- Nordic shares
- Global stocks
- Global bonds
- Nordic bonds
- Money market



\*Numbers in NOK billion

**132.9**  
 NOK bn in capital under consultancy and management

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**+6.0**  
 NOK bn in new capital

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**+13.3**  
 NOK bn in client returns

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**152.2**  
 NOK bn in capital under consultancy management at 31 Dec 2023

# A strengthened customer experience

## A technology platform rigged for the future



**MARIUS JAHREN**  
Head of Technology & Insight

Through smart use of technology, we have further improved the customer experience. In order for our technical customer platforms, such as Formue’s app, to be experienced in as user-friendly a manner as possible, all parts of our technology platform are continuously developed. 2023 was a particularly eventful year in which we underwent a full modernization of our operating platform. In order to meet the customer’s ever-increasing demands for digitized services, we have launched several forward-looking initiatives, particularly related to the data platform, which stores and processes data, and the use of artificial intelligence. The processes ensure an efficient, modern, and scalable platform that both supports Formue’s ambitions and will continue to deliver increased value to our customers.

## Beyond asset management



**ERIK MALMQVIST**  
Regional Manager South

In Sweden, we are on a journey that has only just begun. Our creative approach, in which we map out the overall picture of the customers financial life already in the first meeting, is highly valued. In our experience this quickly creates trust and respect. This overview means that we can give qualified advice early in the process and present a solid offer with tailor-made solutions for each individual customer. Asset management is the engine of our business, but we are considerably broader than that.



**CHRISTIAN HANSEN**  
Managing director Denmark

## All in one place?

“Yes” is our answer to this question we often hear from affluent families in Denmark.

In the Danish market, it is a novelty for families seeking asset management to find comprehensive assistance in a single location, addressing complex inquiries ranging from generational transition to legal, tax, and accounting matters. The positive experience of having an adviser who aligns with the family’s interests and provides advice that benefits both the present and the future is highly appreciated. Additionally, they value our transparent pricing model and our ability to simplify matters in a complex world.



## Important Milestone for Security at Formue



**DAYNE SKOLMEN**  
Chief Information Security Officer at Formue



Cybercriminals continuously develop their attack methods. To ensure the safety of our customers’ data and personal information, we place great emphasis on staying ahead of new cyber threats and vulnerabilities. A crucial step in reducing security risks was obtaining ISO27001 certification, an internationally recognized standard for information security management. This required two thorough external audits of our security processes and controls, distinguishing Formue as a reliable partner dedicated to maintaining the highest standards of information security.

## Increased Diversity in the Boardroom



**MARLENE NØRGAARD CAROLUS**  
Board member in Formue AS & Associate partner Formue DK

To meet the needs of the future, we must understand who the future customers are. We know that there are fundamental differences in how different people perceive and navigate the world – not just in terms of gender, but also with age and cultural background. Therefore, it is important to consider these differences to avoid one-sided thinking and a tendency to become entrenched in the same opinions and attitudes, especially at a leadership level and in the boardroom. By launching regional board portals in collaboration with business associations in Norway, Formue contributes to greater diversity by enabling companies to access more external board members, younger candidates, individuals with international experience, and increase the proportion of women.



**HELENA VON DER ESCH**  
Senior Family Advisor

## Unique Education Program for Family Business Owners

Society has changed rapidly, and many owners are facing the greatest changes in the history of their family businesses. They must question whether they are the right owners going forward. The Formue Responsible Ownership Program aims to assist current and future owners in Scandinavia to better prepare for the ownership responsibilities and leadership that await them. This research-based program emphasizes key traits for successful family businesses, such as long-term vision and adaptability. It is a collaboration with the Center for Entrepreneurship and Ownership at Jönköping International Business School.

# Assisting customers with sustainability advice and expert opinions



**PHILIP MITCHELL**  
Senior Sustainability Advisor

In a world where climate change and social conditions are becoming increasingly prominent, many of our customers face a double challenge: to contribute to a more sustainable society while maintaining and strengthening their competitiveness. Norwegian and European authorities' increased attention to sustainable practices is pushing companies to act quickly. In 2023, our Nordic Center for Sustainability and Ownership (NSOC) assisted more than 40 customers with discussions and advice. Eight companies, responsible for over 100,000 tonnes of CO2 in annual emissions, received "expert opinions" with advice on sustainability.

To be a credible sustainability advisor it is essential for us to take the measures we can in order to contribute to the green shift. We are at the forefront when it comes to adapting the company to new regulations and reporting sustainability targets and have reported in accordance with the Norwegian Openness Act (a careful examination of the supply chain) for the first time. In addition, we have delivered sustainability information in accordance with the EU's CSRD regulation two years ahead of schedule.

Our customers have different preferences, and our task as advisers is to deliver services that are in line



with the customers' needs. The most complex area of sustainability inclusion is still investment; gathering data, avoiding greenwashing, helping customers communicate their preferences and creating actual change. In 2023, Formue's first report came under the EU regulations SFDR (Sustainable Financial Disclosure Reporting), and we started reporting on climate risk in the portfolios (via TCFD, Taskforce for Climate-related Financial Disclosures). We continue to develop new tools to help our customers understand sustainable options and make better choices for themselves, their investments and possibly the company.

At the beginning of 2024, Formue's short-term emissions reduction target was approved by the Science Based Targets Initiative (SBTi). This means that we have gained a credible direction to reduce CO2 both in operational operations and on the investment side, towards our long-term commitment to net zero.

## Collaboration with Henie Onstad

### Per Barclay: Soft Sweet Vortex

In 2023, Formue supported the critically acclaimed exhibition "Per Barclay: Soft Sweet Vortex" at the Henie Onstad Art Center, which attracted 30,000 visitors. Curated by Ana María Bresciani, the exhibition showcased 40 artworks from 1979 to the present, including the new photo series of the "oil room" at the old Deichman Library in Oslo. In the oil room photographs, Barclay filled carefully selected spaces with oil, water, milk, or even blood to create reflections of the room. The selection of works in the exhibition, from national and international collections, aimed to demonstrate how specific motifs and models by Barclay have been repeated and expanded over time through various materials and formats.

As part of our collaboration, we had the opportunity to offer some truly special experiences. Several of our clients and art enthusiast colleagues enjoyed an exclusive guided tour of the exhibition, led by Per Barclay himself. The exhibition generated significant engagement and interest, leading some of our clients to include works by Per Barclay in their private collections. We believe that art has the power to spark conversations, provoke thoughts, and foster creativity.



**KATINKA TRAASETH**  
Head of Art Department

Formue offers art advisory services to provide our clients with insight into the art scene. We host exclusive events and provide opportunities to meet current artists, key players, and other art enthusiasts.

# Updated Investment Model



**HENRIK B. LANGUM**  
Project Manager Investment Operations

Formue's investment philosophy is built on broad diversification of our clients' financial assets. We believe that leveraging multiple sources of returns with varying correlations provides the best customer experience as a financial investor. The allocation of capital across different assets is determined by rules designed to achieve the best overall outcome in terms of expected returns and expected risk. As advisers, we strive to stay ahead of the curve to create the best conditions for resilient portfolios.

In 2023, I was the project manager for a new investment model, where we conducted a thorough review of how capital is allocated across different assets based on recent research. At the same time, we included several investment solutions within bonds and equities aimed at reducing management costs and providing more market-oriented exposure (meaning they closely track the market or sector they are invested in). We also recommended increasing the proportion of portfolios invested in global markets. With even more improvements on the horizon, we have strengthened the foundation for delivering strong results in client portfolios going forward.

## Important highlights

- We opened our first office in Denmark.
- Euromoney named us "the best private banker" in Sweden.
- In Norway, we have initiated board portals in several regions in collaboration with local business associations.
- We have hosted around 130 large and small events and webinars in Norway, and around 40 in Sweden.
- The recipient-list for the weekly article from the Norwegian Chief Strategist, Christian Lie, has increased to 13,500 recipients.
- Formue has been ISO 27001 certified for its information security management.
- Formue's climate goals have been approved by SBTi.

**1**  
Formue  
Private Banking  
2025  
Norway

**Norway's most satisfied customers**

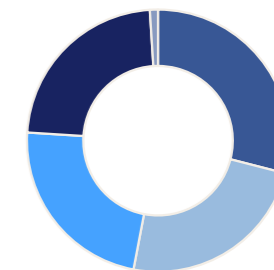
Thank you for your trust! Formue is awarded the price "Best Private Banker" for the eighth consecutive year.

KANTAR | PROSPERA

### Key company figures

NOK mill., IFRS

	2023	2022
Revenues	1063	1004
Operating profit (EBIT)	59	116
After-tax profit	31	102
Total assets	863	851
Equity ratio	43%	44%



### Formue's ownership structure

- 29% Management and employees
- 24% Ringgården
- 23% IK Investment Partners
- 23% ICG
- 1% Others

**418**  
employees  
As at 31 Dec 2023

- > 8% increase in no. of employees in 2023
- > 42% share of women
- > 40% share of female managers
- > 2,5% sickness absence rate

Since 2006, Formue's trainee program has had a total of 43 candidates from high school and bachelor's degree programs.



You shall feel confident that you can live the life you desire no matter what.



You shall preserve and develop what you have created for the future, and for your heirs.



You shall have the liberty to pursue your dreams.