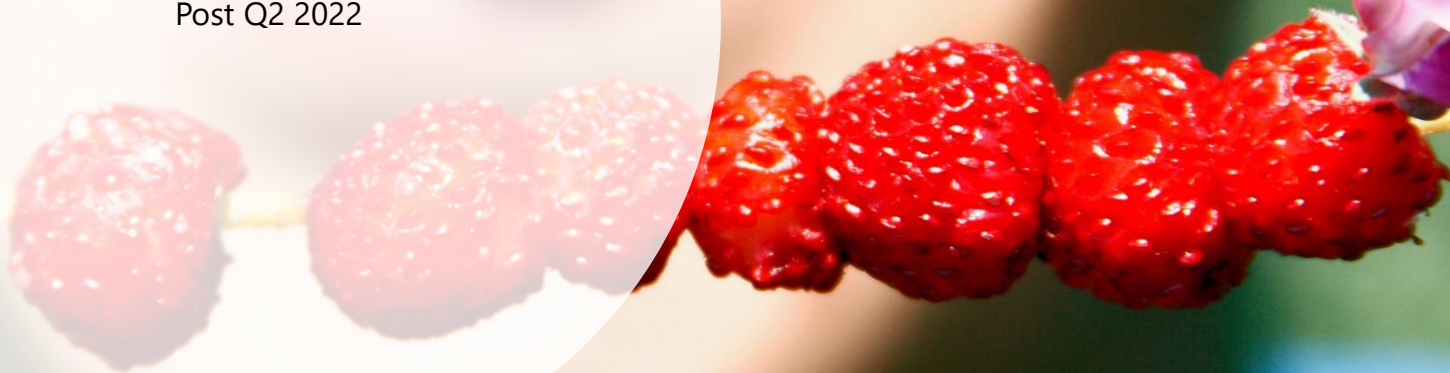


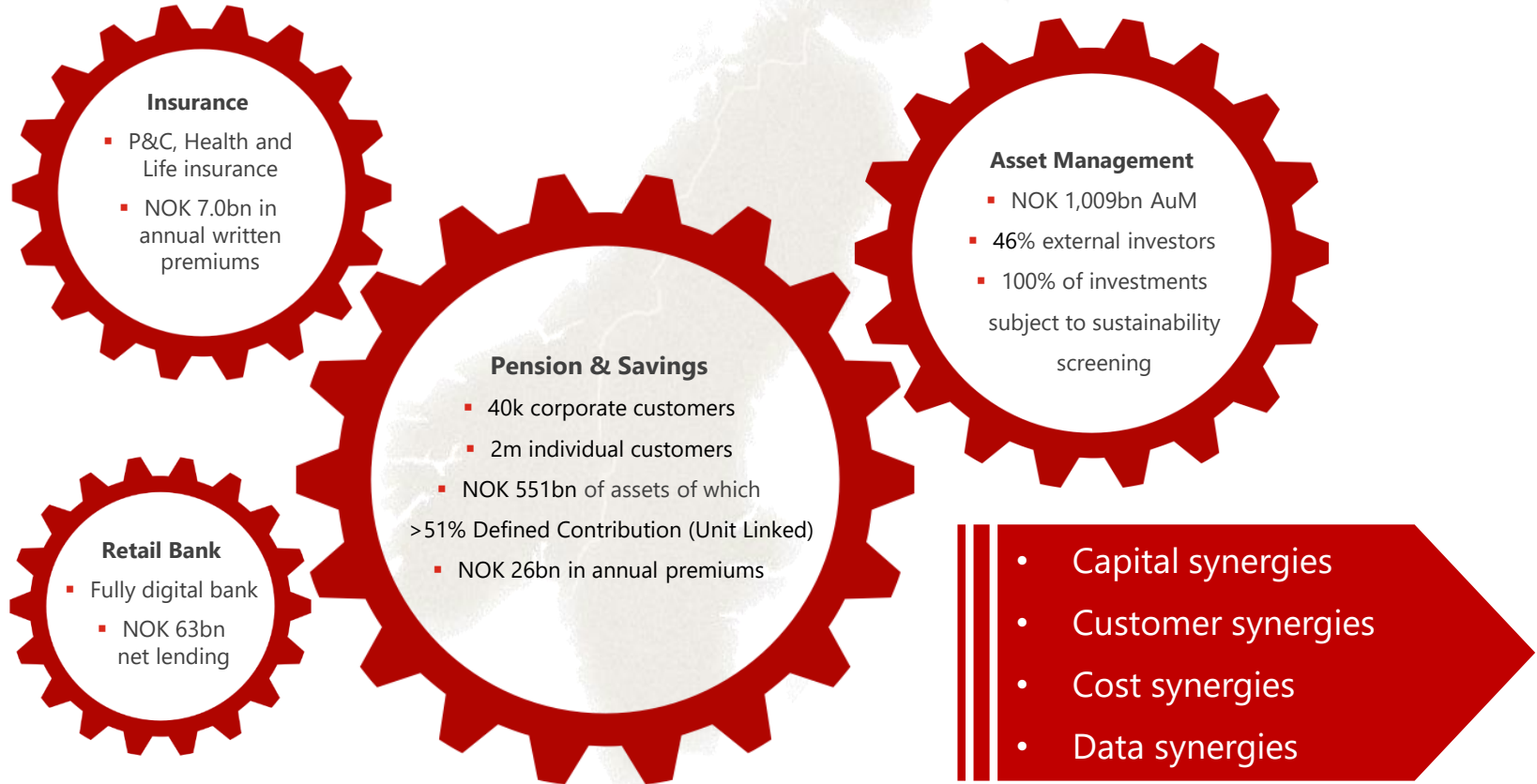
# Storebrand ASA

Investor Presentation

Post Q2 2022



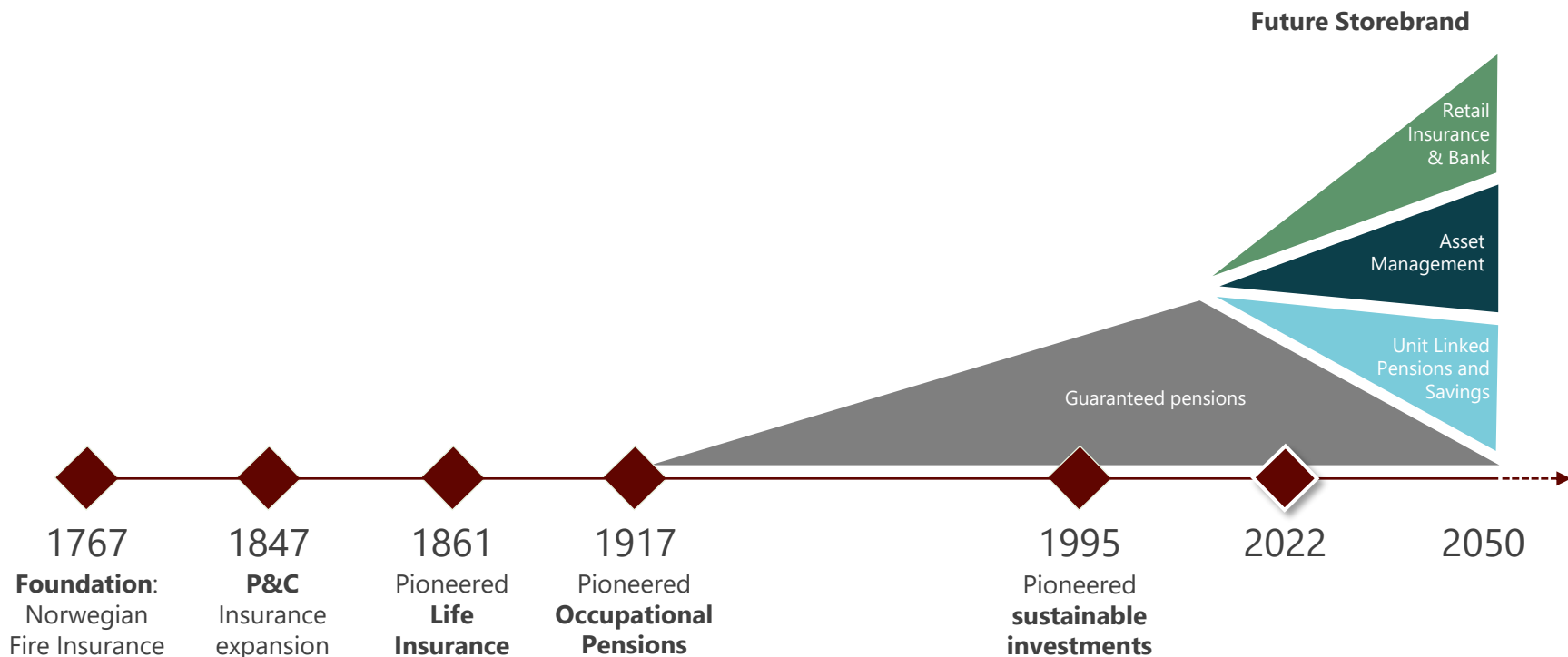
# Storebrand – A Nordic Savings and Insurance Group



# 250 years of pioneering in the Nordic financial industry

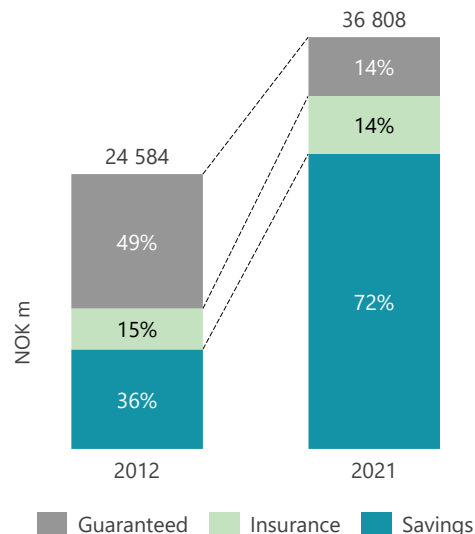
## - Future Storebrand builds on strategic strengths

ILLUSTRATIVE

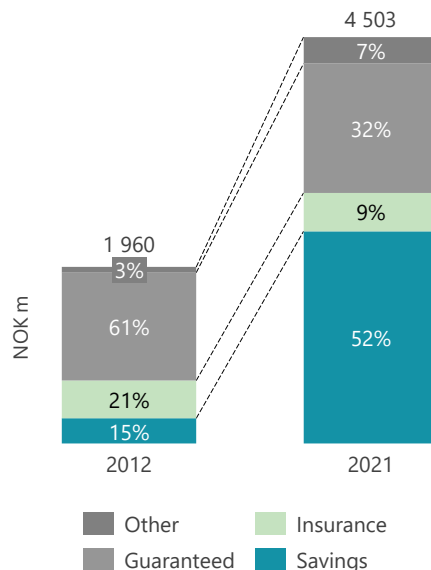


# The Group has transitioned from capital consumptive guaranteed business, to capital light savings and insurance business

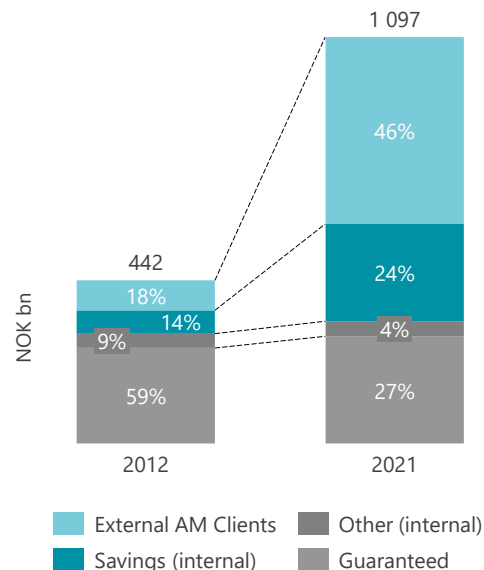
Premiums Storebrand<sup>1</sup>



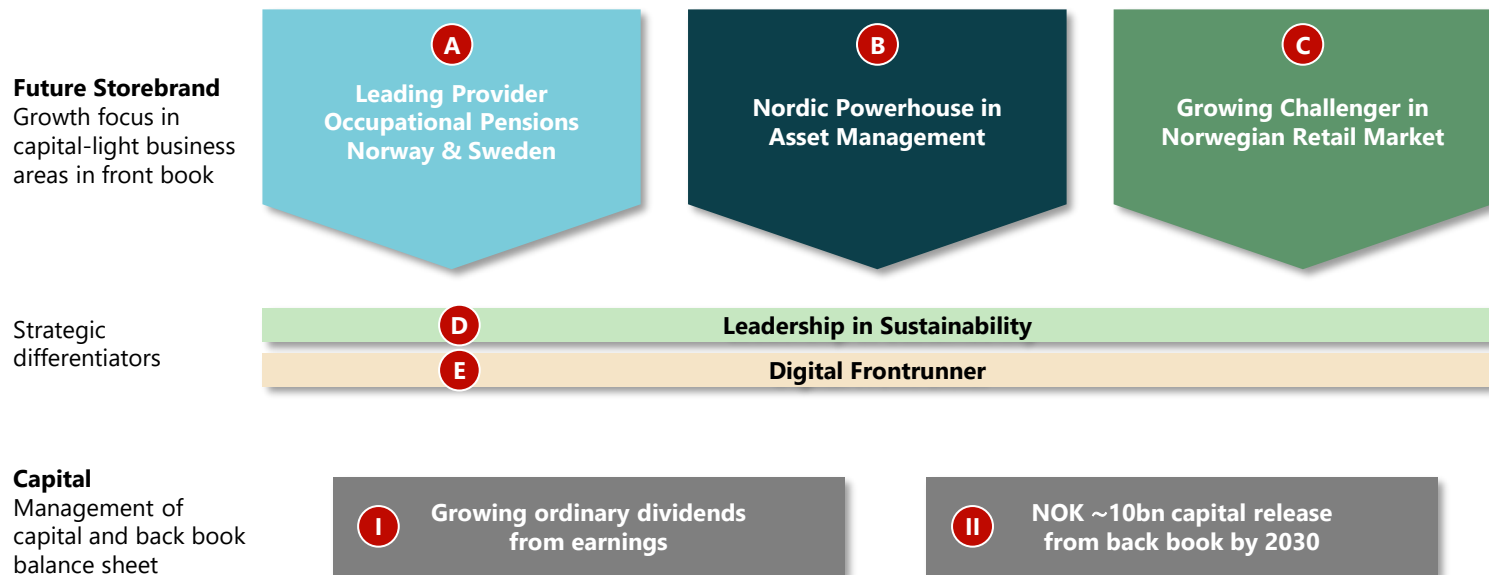
Profit Storebrand<sup>2</sup>



Shift in total Storebrand AUM<sup>3</sup>



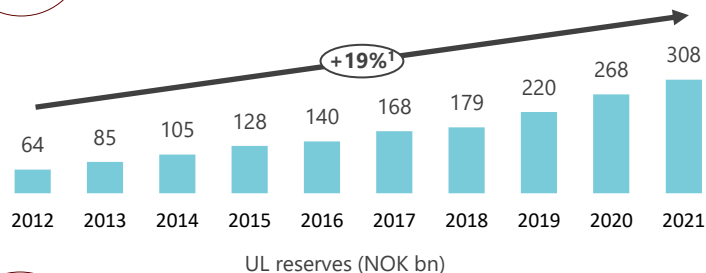
# Pursuing our Group Strategy: Leading The Way In Sustainable Value Creation to be a leading Sustainable Nordic Savings and Insurance Group



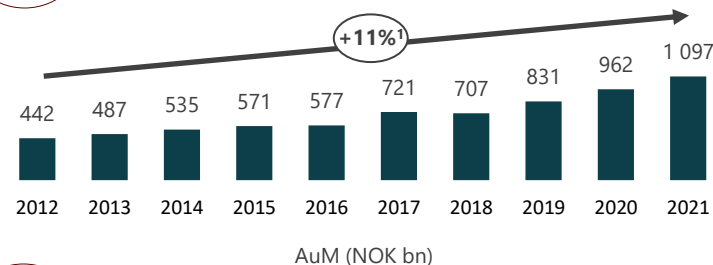
# Future Storebrand is delivering strong growth in Savings and Insurance



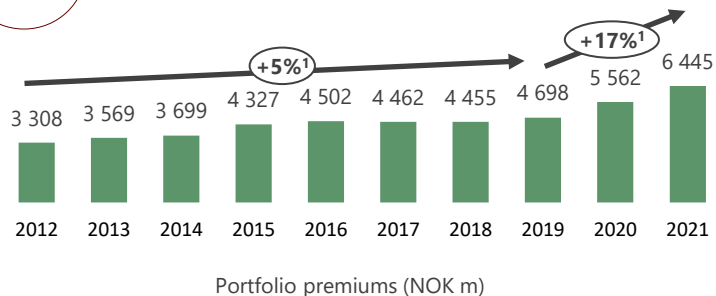
## Unit Linked (Defined Contribution) Pensions



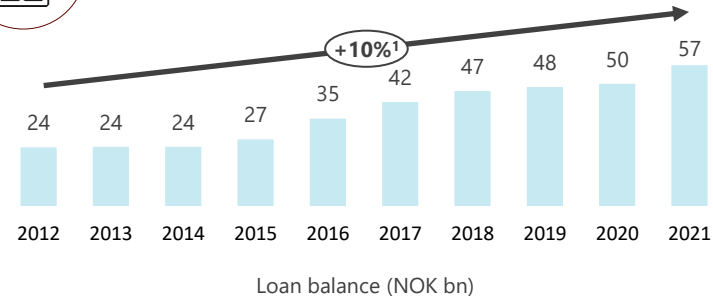
## Asset management



## Insurance



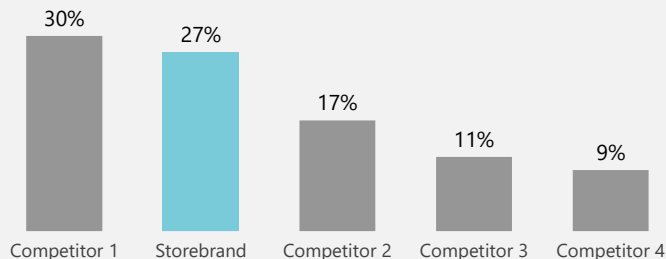
## Retail bank



# Storebrand is the market leader in DC Occupational Pensions and Asset Management, and a growing challenger in the Retail Market

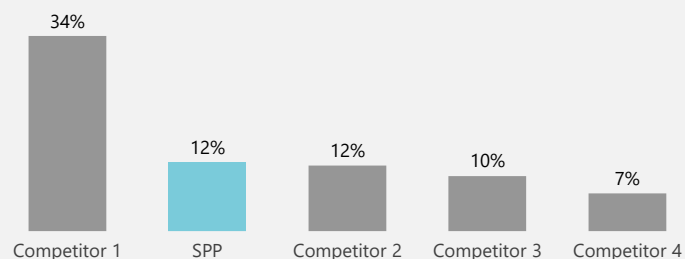
## Occupational Pensions Norway

Defined Contribution share<sup>1</sup>



## Occupational Pensions Sweden

Defined Contribution share<sup>2</sup>



## Asset Management Nordics

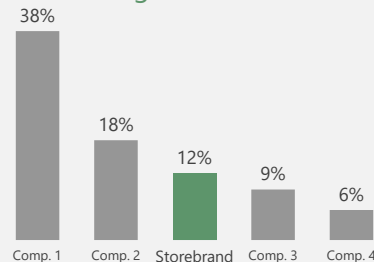
AuM Private Asset Manager Market position<sup>3</sup>

**#1**  
Norway

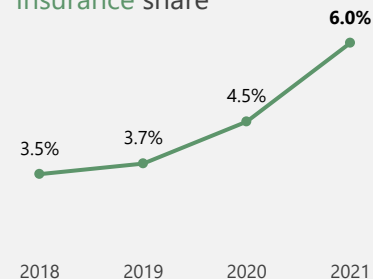
**#4**  
Nordics

## Retail Norway

Retail Savings share<sup>4</sup>



Insurance share<sup>1</sup>



<sup>1</sup> Finance Norway. Gross premiums incl. with inv. choice. Q4 2021.

<sup>2</sup> Insurance Sweden. Non-unionised 'Other occ. pensions' (premiums, net transfers) Q4 2021

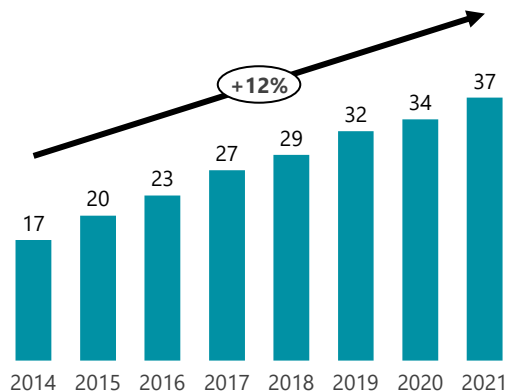
<sup>3</sup> Norwegian Fund and Asset Management Association, AMWatch Q2 2022

<sup>4</sup> Norwegian Fund and Asset Management Association (incl. Skagen) and Finance Norway Q4 2021

# Storebrand is a leading provider in a growing Defined Contribution market and a challenger in the newly opened Public Sector market

Defined Contribution market is in structural growth, with additional growth impulses on the horizon

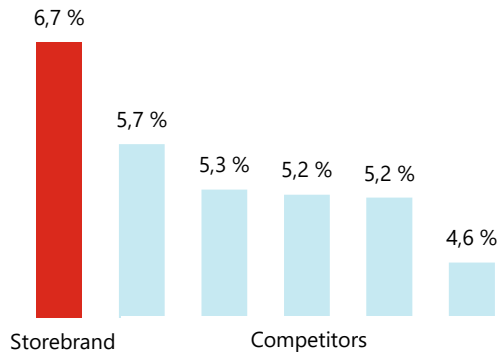
NOK bn



- Pension contributions made mandatory for part-time workers and all wage income in July 2022.
- Proposals to increase minimum savings rate from 2% to 4% in 2023.

Storebrand is a strong competitor in the Defined Contribution market, consistently delivering competitive returns

5 years annualised return as of Q2 2022  
Main pension portfolio with moderate (~50%) equity exposure



- Delivered the highest return last 12m, last 3 years and 5 years on average compared to peers.
- Also applicable for pension portfolio with high equity exposure (80-100%).

Public sector occupational pension market is slowly opening up for competition, presenting a huge growth opportunity

Storebrand estimates from 2020

MUNICIPALITIES		PUBLIC CORPORATIONS
35 BNOK	<b>ANNUAL PREMIUMS</b>	~2 BNOK
400 BNOK	<b>AUM</b>	50-60 BNOK
~10%	<b>ANNUAL GROWTH</b>	~6%

- Monopolist market today, but a reform in 2020 has effectively opened the market for competition.
- Storebrand aims to gain ~1% market share annually over the next years.
- Few tenders so far, but Storebrand has won every tender since the reform.



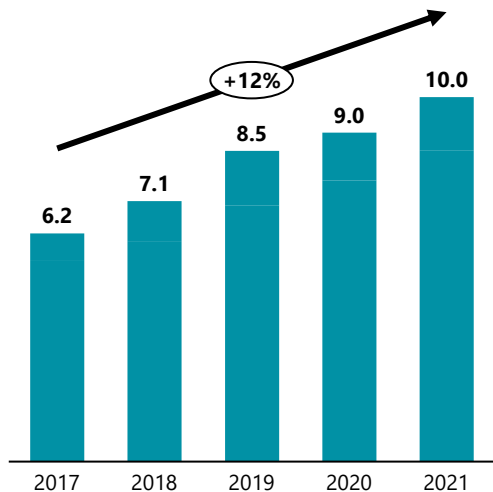
A

Leading Provider  
Occupational Pensions  
Sweden

## SPP is a digital leader in the Swedish pension market and significant result contributor to the Storebrand Group

Strong and consistent growth in core pension business

Premium income, SEK bn

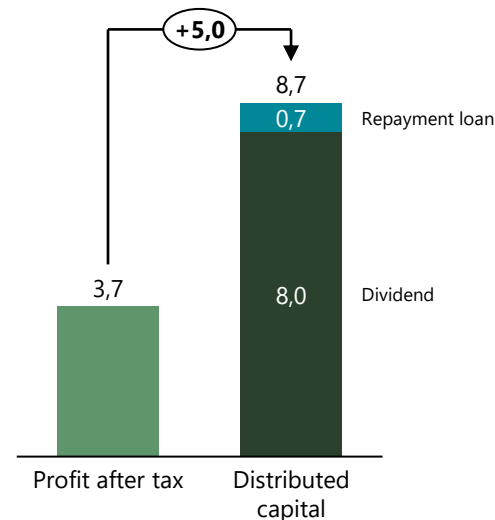


Portfolio transfers facilitated by a cutting edge digital platform, allowing for growth at minimal marginal cost



Well capitalised with a mature back book has effectively given capital release

Accumulated 2015-2021, SEK bn



**B**

Nordic Powerhouse in  
Asset Management

# A leading multi-boutique asset manager in the Nordics, recognised for our leadership in sustainable investments

**1**

## Local Nordic Partner

 **storebrand**

  
**DELPHI**  
FUNDS  
Part of Storebrand

  
**SKAGEN**  
Part of Storebrand

  
**Capital Investment**  
COPENHAGEN · LONDON

  
**Cubera**  
Part of Storebrand

- Autonomous and complementary investment strategies with strong brands and client experience.
- Full range of funds: index, alpha, alternatives
- Common operational platform: efficient, scalable and shared cloud-based for infrastructure and data.

**2**

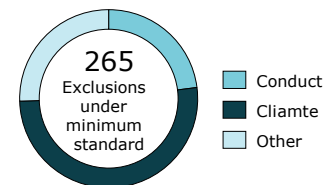
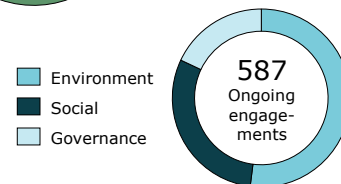
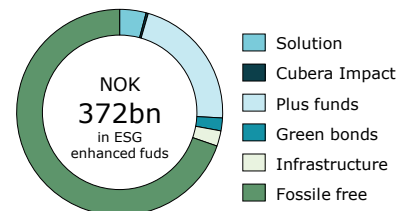
## Gateway to the Nordics



- Largest asset manager in Norway, 4<sup>th</sup> largest asset manager in the Nordics with strong presence in Sweden
- Sales offices in Denmark, Finland, UK and Germany
- Domiciles in Norway, Sweden, Ireland, Luxembourg and Guernsey

**3**

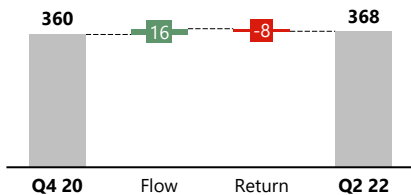
## Sustainable pioneer



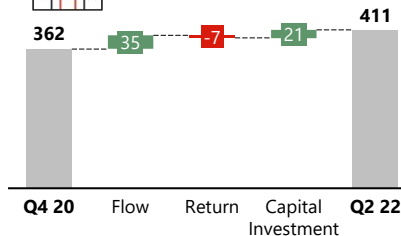
# Stable net inflow from the pensions business and an edge in the institutional market fuels assets under management



## Pension savings Norway



## Institutional Clients



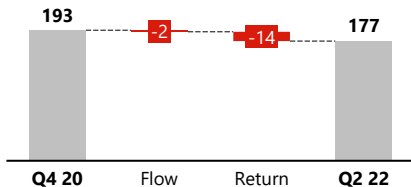
**AuM 1 009bn**

+46bn last 18m

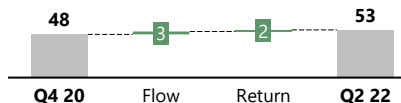
of which  
+52bn net flow  
-27bn return & fx



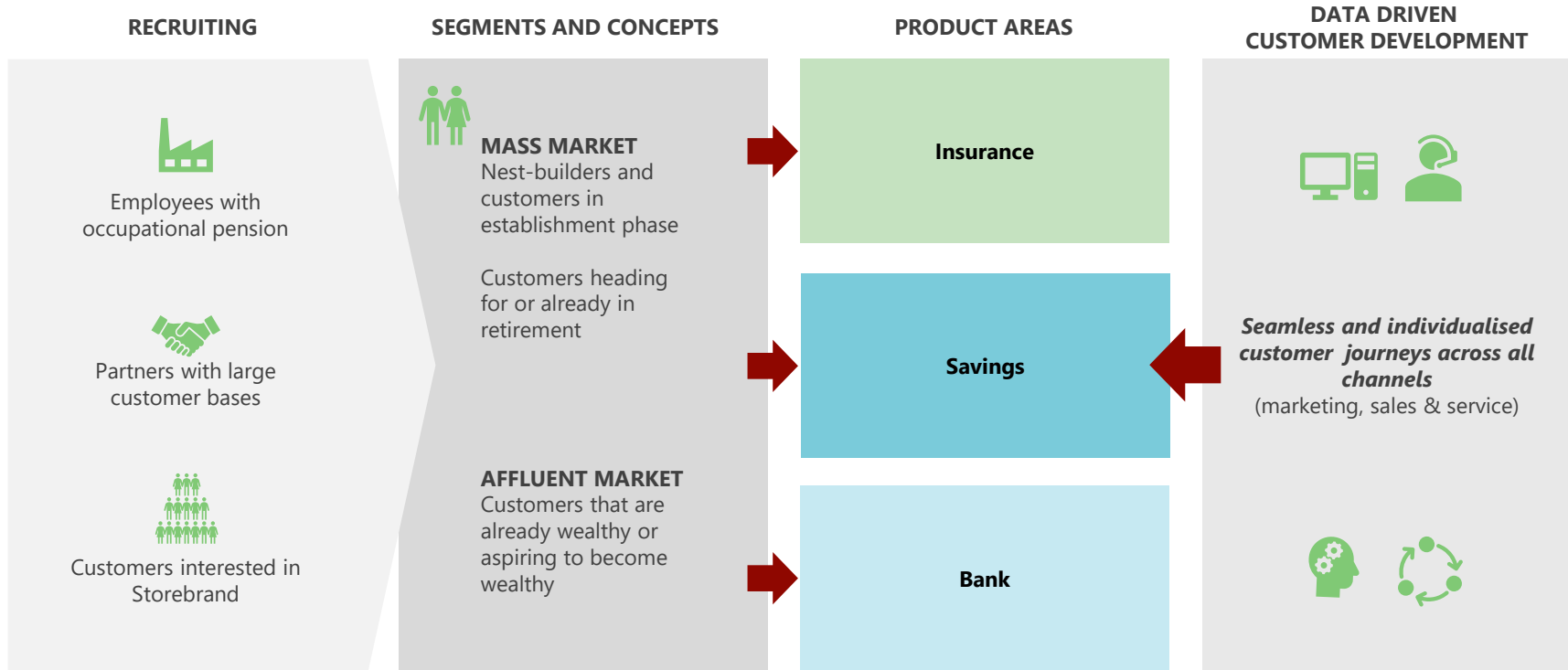
## Pension savings Sweden



## Direct Retail Savings

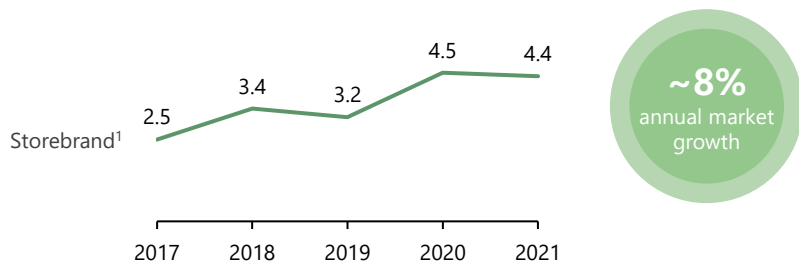


# The retail offering leverages Storebrand's large customer base and digital capabilities to drive scalable and profitable growth

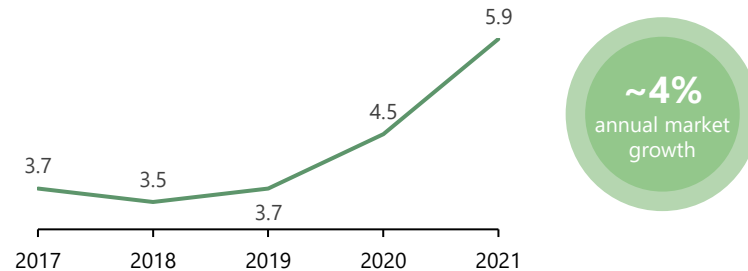


## Storebrand is gaining market share across the product portfolio and establishing itself as a challenger in a growing market

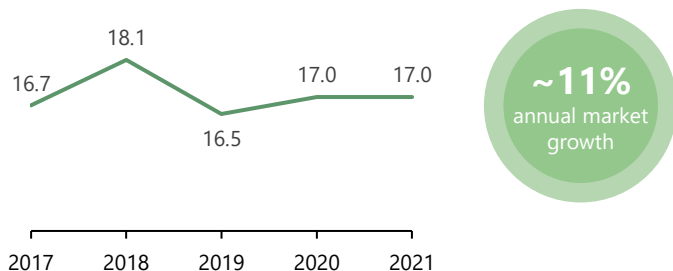
Market share mutual funds %



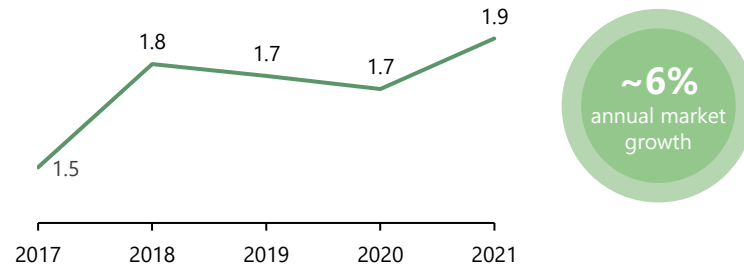
Market share P&C insurance %



Market share unit linked %



Market share mortgage loans %



# Growth has accelerated with selected add-on acquisitions that build on Group synergies



**Bolt-on acquisitions 2017-2022**

**Strategic rationale**



- M&A bolt-ons have been used actively to accelerate growth and build additional capabilities and client offering.
- Acquisitions are in line with the group strategy, exploiting synergies and strengthening the competitive advantage across the different lines of business.
- The Danica Pensjon transaction is the last addition, strengthening the capital-light business areas across Norwegian business units.
- Kron is pending regulatory approval (expected in Q4 2022) and will strengthen Storebrand's position as a challenger in the retail market for savings and investments.

# Storebrand has invested sustainably since 1995



25 years of sustainable investments



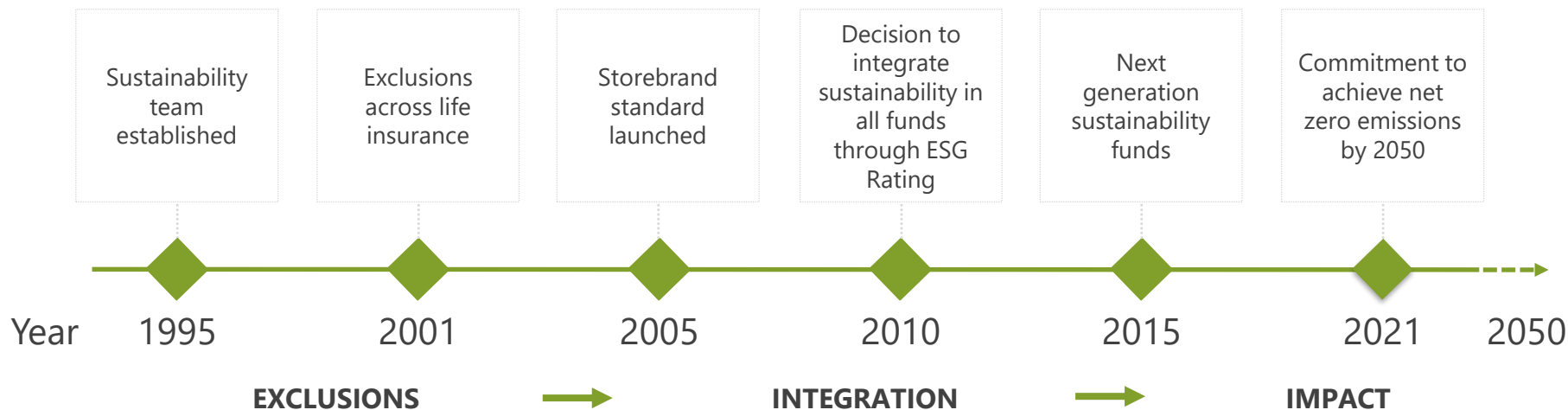
Nr. 1 insurance company globally<sup>1</sup>



Top 10% most sustainable company in the world<sup>2</sup>



Nr.1 sustainable investments in Norway and Sweden<sup>3</sup>



Storebrand has established a portfolio of sustainable saving products with an ESG-rating and exclusion requirements for all funds

# To achieve net zero emissions by 2050, Storebrand has defined intermediate targets towards 2025



## Asset class targets

**-32%** reduction in scope 1-2 GHG emissions of Storebrand's total equity, corporate bond and real estate investments by 2025<sup>1</sup>



## Solution targets

**15%** of our total investments to be invested in solutions<sup>2</sup> by 2025



## Active ownership

Special emphasis will be placed on the 20 largest emitters



## Customer engagement

Make it easy for clients to understand and contribute to a low carbon future

1) Applying 2018 as the baseline

2) This includes equity investments in solution companies, green bonds, certified green real estate and investments in green infrastructure



# Sustainability in numbers – From Storebrand's Annual Report 2021

## About us



Assets under management,  
NOK billion

**1 097**

Founding member of Net Zero  
Asset Owner Alliance

Number of customers

**More than  
2 million**



Dow Jones Sustainability Index

**Top 10%**



Corporate Knights Global 100  
(Insurance sector)

**No. 1**

## Investments



Investments in  
solutions, NOK  
billion (% of AUM)

**123 (11%)**

Real estate investments  
with green certificates

**68%**



Investments in fossil free funds, NOK  
billion (% of AUM)

**483 (44%)**

Assets under management  
screened for sustainability

**100%**

Target to reduce CO2  
emissions from our  
investments by 2025

**32 %**

**318**

Active dialogues  
related to climate and  
environmental risks  
and opportunities

**176**

Companies excluded  
due to serious climate  
and environmental  
damage

**12 (18)**

Carbon footprint in  
equity investments:  
tonnes of CO2  
equivalents per 1  
MNOK in sales revenue  
(index)

## Operations



Purchasing volume from  
environmentally certified  
suppliers

**60%**



Greenhouse gas emissions from  
own operation (total) scope 1-3

**320 tco2e**



Target to have carbon  
neutral suppliers by 2025

**100 %**



Share of insurance  
premiums from electric cars

**22%**

## People



Number of employees in  
Storebrand ASA

**1 914**



Female Board of Directors at  
Storebrand ASA

**50%**



Women at management level 1-4:  
share of women (target)

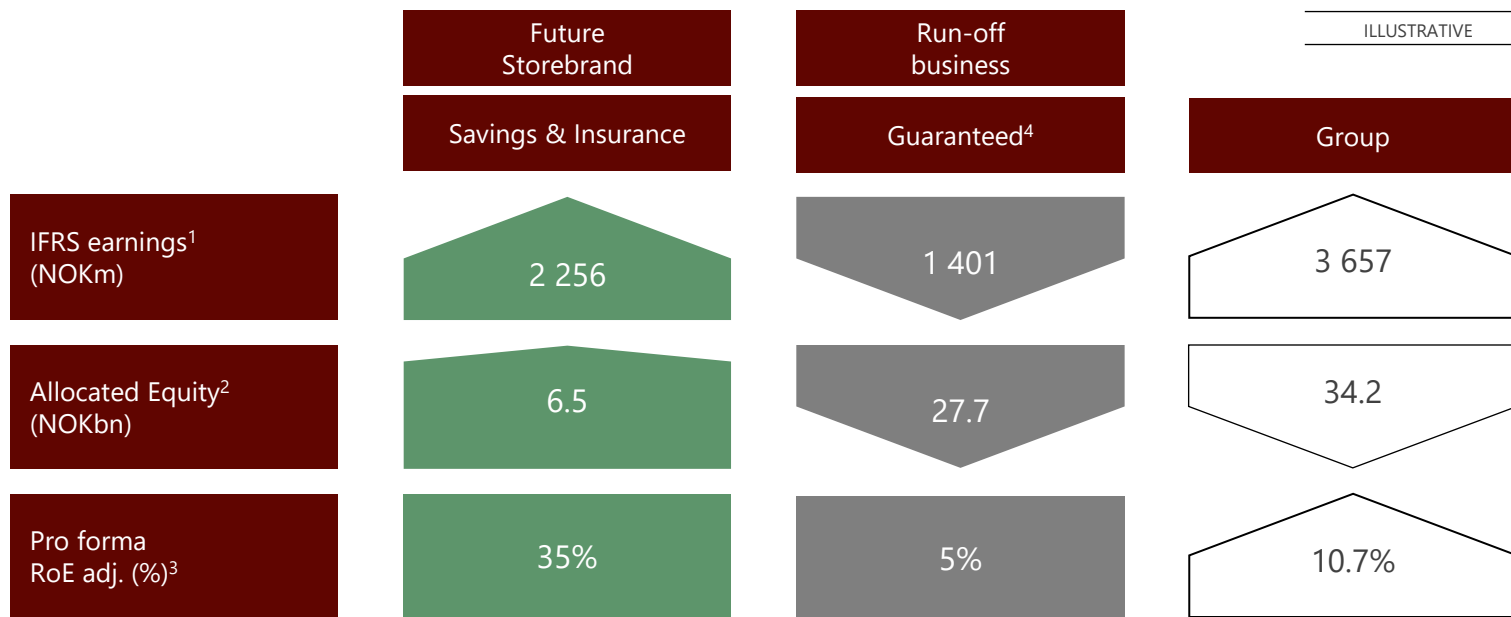
**39% (50%)**



Avg. number of employees that  
have completed e-learning courses  
on ethics, privacy, anti-corruption  
and AML, in 2021.

**85%**

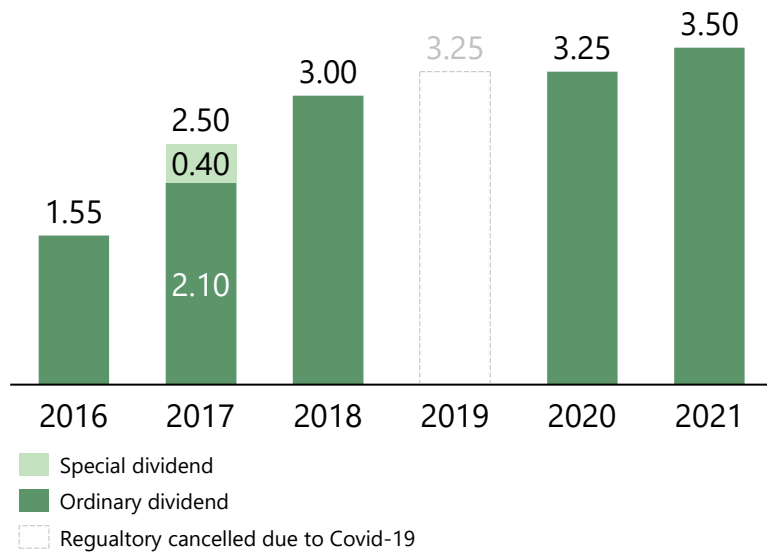
# Storebrand is a blend of growing high ROE future business delivering dividends, and low ROE run-off business releasing capital



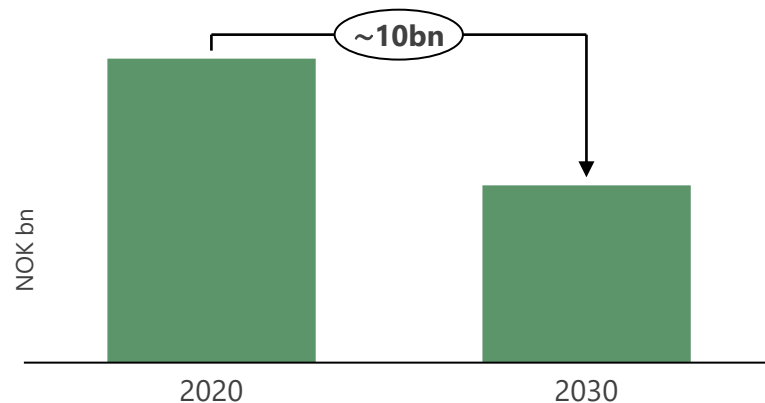
The RoE is calculated as annual profit, after tax and before amortisation of intangible assets, divided on a pro-forma distribution of the IFRS equity less hybrid capital per line of business (opening balance). The capital is allocated based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The segments Savings and Insurance are calibrated at 150% of the capital requirement (before own funds contribution), while the remainder of the capital is allocated to the Guaranteed segment and including the Other segment.

# Shareholder returns: Growing ordinary dividends from our growth business and capital release from our run-off business

## I Growing ordinary dividends from earnings






## II NOK ~10bn capital release from back book by 2030



- NOK 500m share buyback program initiated on 18 July 2022

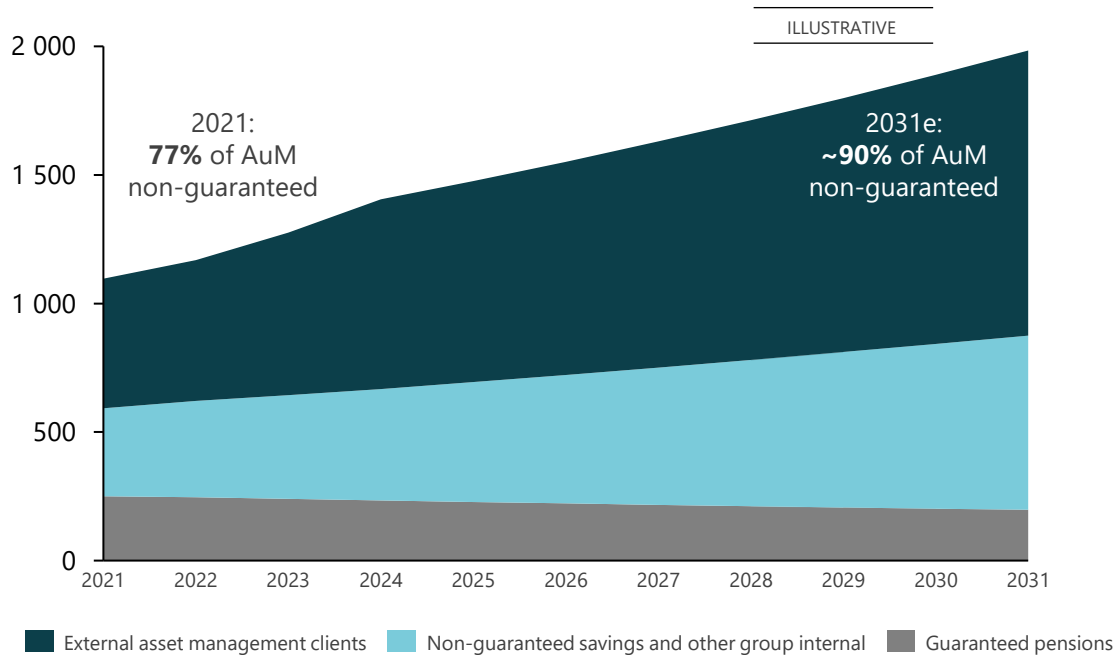
## Financial targets are maintained for a robust balance sheet, a profitable business, and reaffirming commitment to growing dividends

	Target	Actual 2021
 Solvency 2 margin Storebrand Group <sup>1</sup>	> 150%	175%
 Dividend pay-out ratio <sup>2</sup>	> 50% & nominal growth	52% NOK 3.50 +0.25 y/y
 Return on equity <sup>3</sup>	> 10%	10.7%
'Future Storebrand' <sup>4</sup>		35%
'Back book' <sup>5</sup>		5%

# Capital & Investments

# The transformational journey towards an asset management based and capital light business continues

Forecast assets under management in Storebrand Group (NOKbn)

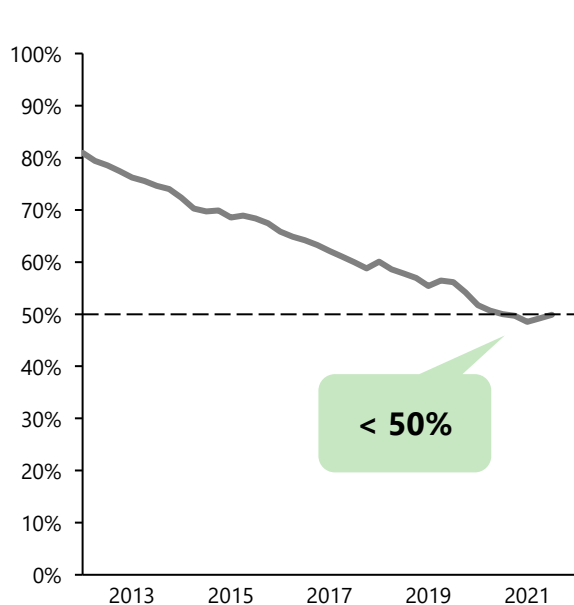


Implications

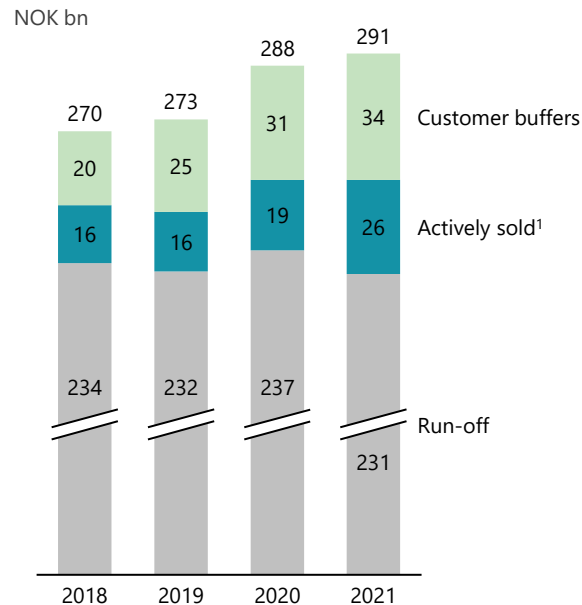
- Guaranteed pensions in run-off reduces capital consumption
- AuM growth from external asset management clients and non-guaranteed savings → increased fee and adm. income and reduced sensitivity to financial markets
- Growing free cash flow and dividend capacity

# The mature back book of guaranteed pensions is in run-off

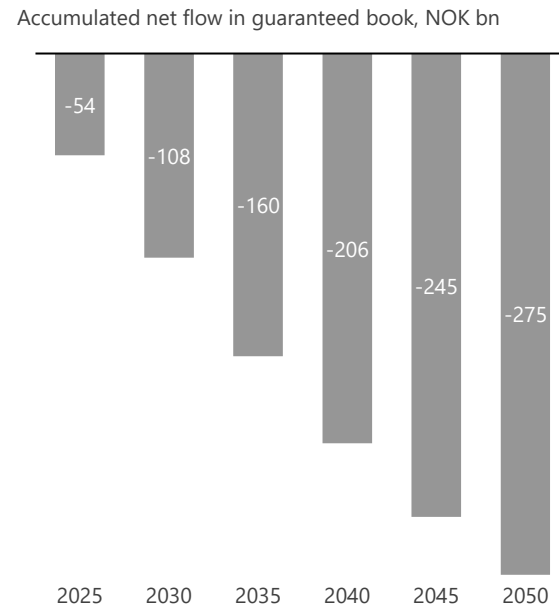
Guaranteed pension reserves have declined as a share of total pensions balance sheet



Guaranteed reserves have declined, buffers have grown from strong returns

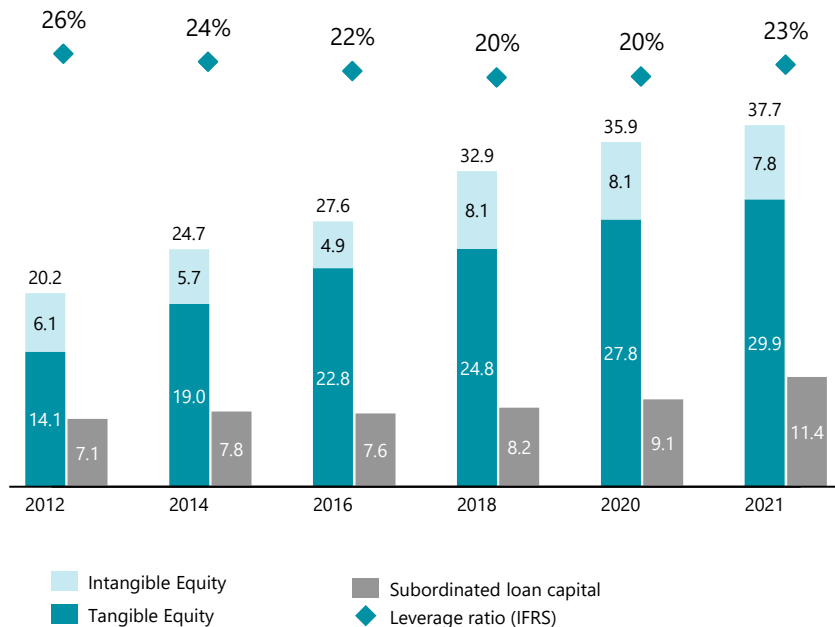


The run-off of the guaranteed book will continue as pensions are being paid out

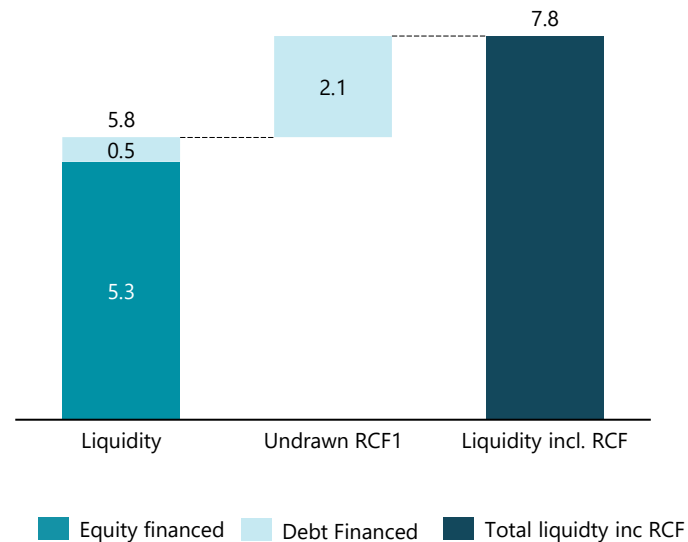


# Solid capital position with low leverage and strong liquidity gives financial flexibility

Group capital (NOK billion) and leverage ratio



Liquidity position Storebrand ASA (Q2 2022, NOK billion)

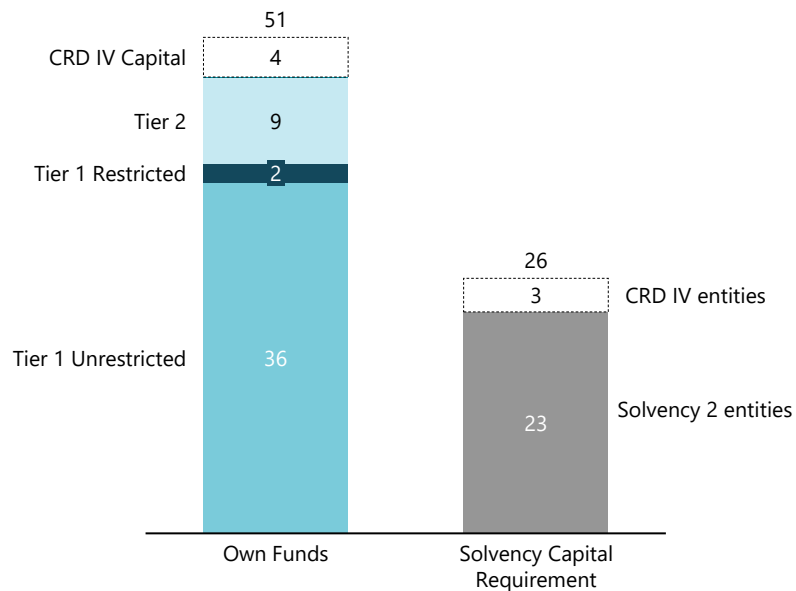


<sup>1</sup> Intangible equity: Brand names, IT systems, customer lists and Value of business-in-force (VIF), and goodwill. VIF and goodwill mainly from acquisition of SPP.  
<sup>2</sup> The undrawn revolving credit facility (RCF) is a Euro facility and the conversion to NOK is based on the exchange rate per 30.06.2022.



# Solvency 2 capital base Q2 2022

SCR and own funds (NOK bn)



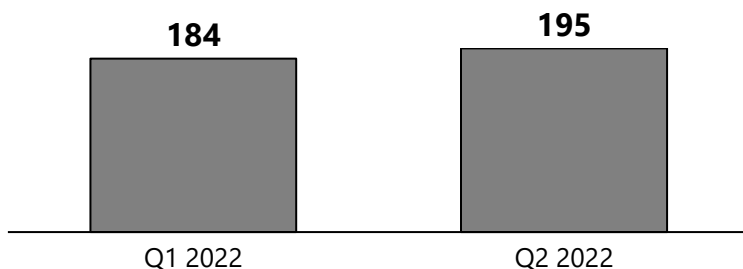
Own funds % (excluding CRD IV subsidiaries)

	Regulatory limit	OF % of SCR	OF % of total
Tier 3	≤ 15% SCR	0%	0%
Tier 2	≤ 50% SCR ∑ T2+T3	39%	19%
Tier 1 Restricted	≤ 20% T1	8%	4%
Tier 1 Unrestricted	≥ 50% SCR ∑ All T1	159%	77%
		<b>180%<sup>1</sup></b>	<b>100%</b>

# Solvency position and estimated solvency sensitivities

Storebrand Group

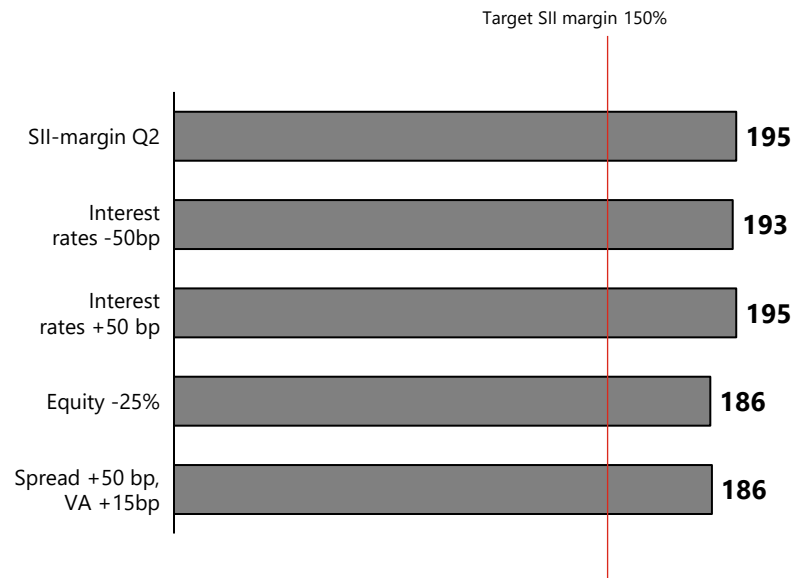
## Solvency position(%)<sup>1</sup>



## Key takeaways

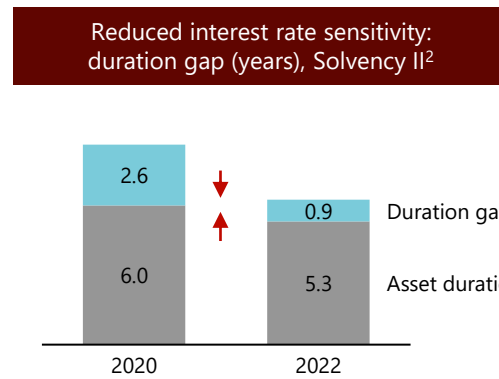
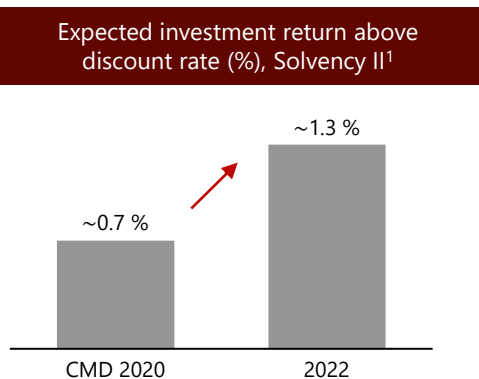
- Increased volatility adjustment and reduced symmetrical adjustment lifts the solvency position
- Closing of Danica transaction expected to reduce solvency ratio ~5pp in Q3 2022

## Estimated sensitivities

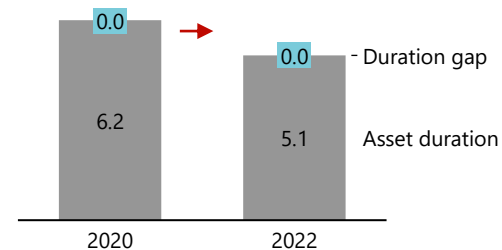
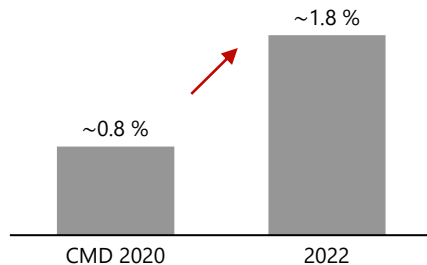


# More robust capital position with increased capital generation and reduced interest rate sensitivity

## GUARANTEED NORWAY



## GUARANTEED SWEDEN



<sup>1</sup> Expected return based on current asset allocation with risk premia. Discount rate for liabilities based on Solvency 2 curve, hence including UFR and VA.

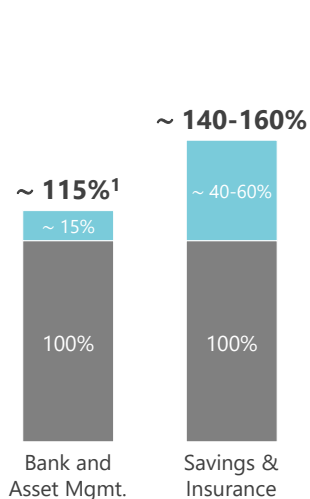
<sup>2</sup> Liability duration measured for Solvency 2 Best Estimate Liability, hence including future discretionary benefits and based on Solvency 2 curve with UFR and VA.

# Target solvency ratios - more low risk and less volatile business means less need for solvency buffer in the future

■ SCR ■ Buffer over SCR

## 'Future Storebrand'

Low volatility business with less market risk. Lower solvency target needed.



## 'Run-off business'

Interest rate sensitive business in run-off. Needs higher solvency target and to be backed by more capital.



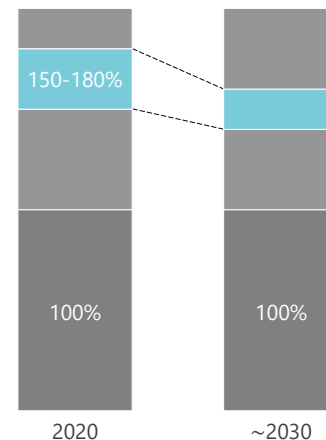
## Solvency 2 Group

Today's solvency buffer calibrated to 150-180% of the SCR based on today's business composition.

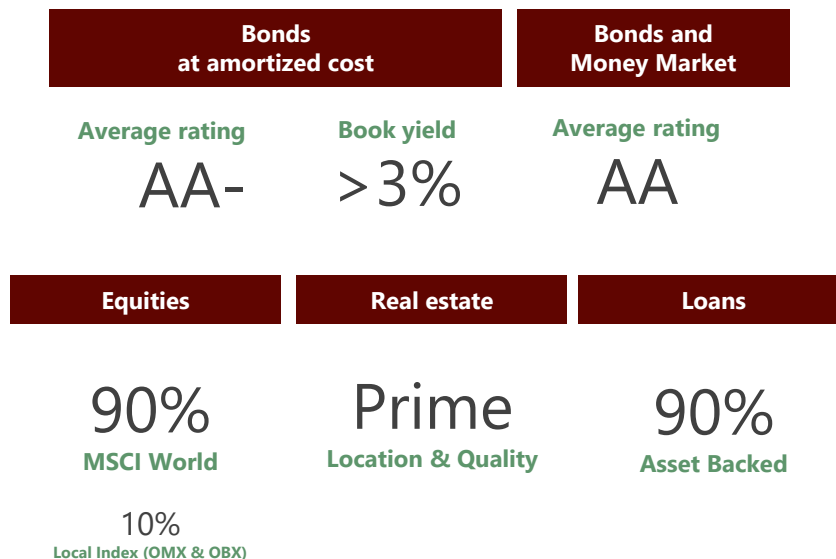
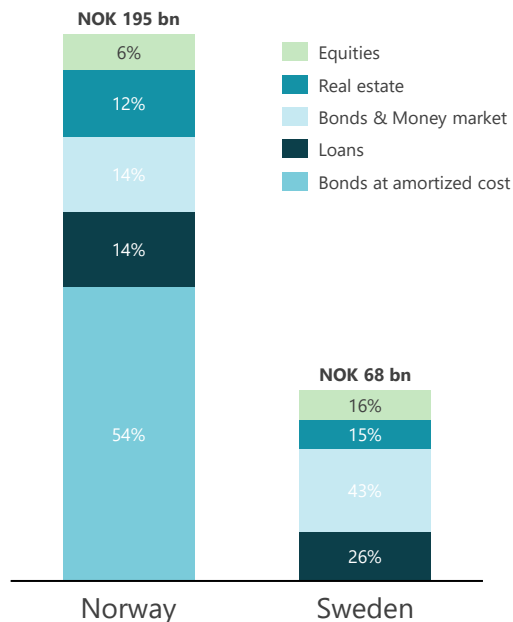


## Future Solvency 2 target range

Future target solvency level should be reduced as risk in the business reduces with run-off of guaranteed business.



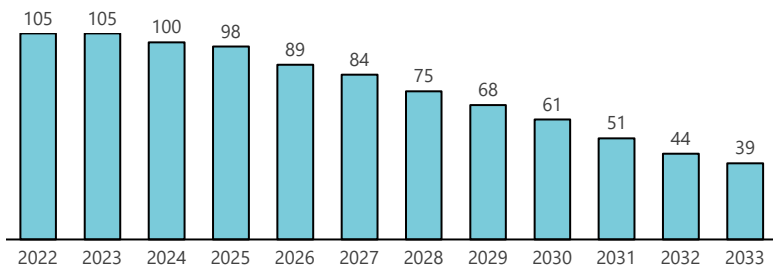
# High quality assets with fixed income as the backbone provide secure returns for guaranteed pensions



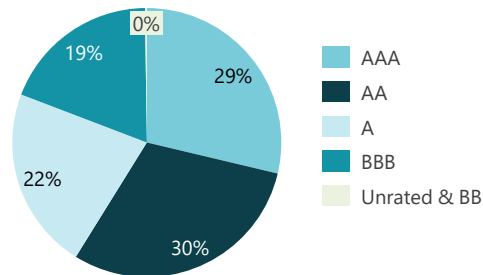
# High Quality Fixed Income

## - Characteristics of Bonds at Amortised Cost<sup>1</sup>

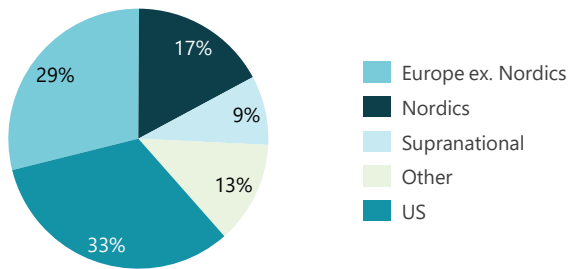
Book value – no reinvestment (NOK bn)



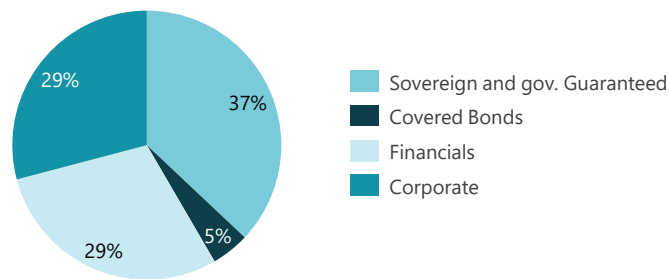
Rating distribution (%)



Geographical distribution (%)



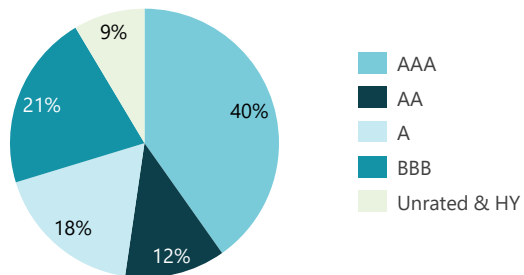
Sector distribution (%)



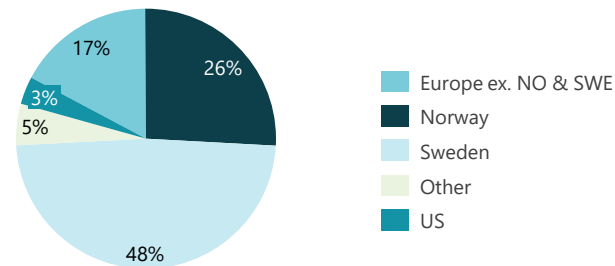
# High Quality Fixed Income

- Characteristics of Mark to Market Fixed Income<sup>1</sup>

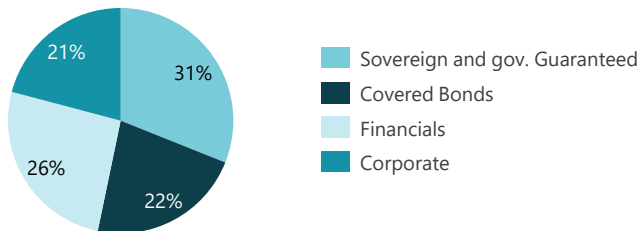
Rating distribution (%)



Geographical distribution (%)



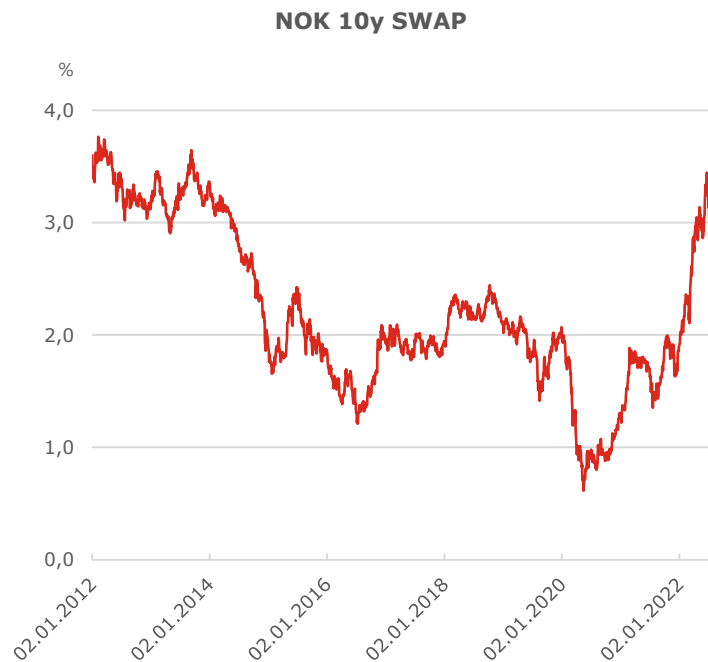
Sector distribution (%)



# Q2 2022 results



# Resilient business model in a rising rate and inflationary environment



**+1.37%**

Increase in NOK 10y swap rate H1 2022

**6.3%**

Inflation Norway<sup>2</sup>

**+1.81%**

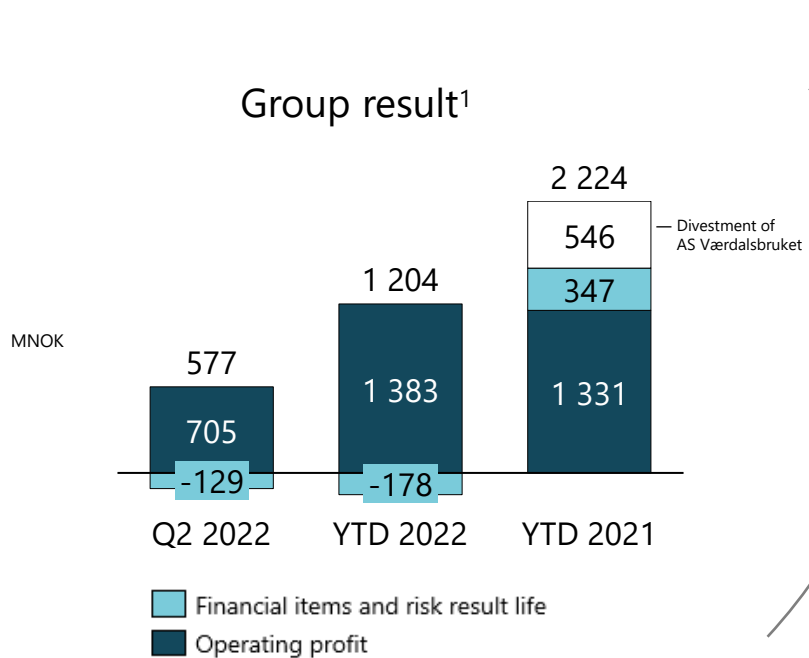
Increase in SEK 10y swap rate H1 2022

**7.3%**

Inflation Sweden<sup>3</sup>

# Highlights Q2 2022

Strengthened solvency position and stable operating result in a year with turbulent financial markets



14% growth in insurance<sup>2</sup>



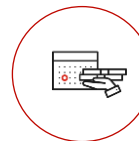
Danica acquisition completed



'A' rating upgrade by S&P



195% Solvency ratio

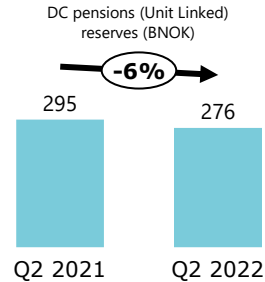


NOK 500m share buyback program starting

# Volume growth in Q2 2022 paused by weak financial markets

A

## Leading Provider Occupational Pensions Norway & Sweden



### Unit Linked

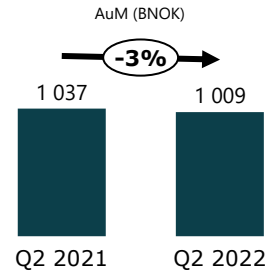
- Premiums stable at NOK 5.3bn in the quarter.
- Net inflow in the quarter 1.6bn.
- AUM reduced by 6% in the quarter from asset returns and FX.
- Stable fee margins.

### New legislation increases mandatory saving in Norway

- Savings expected to increase with ~NOK 800m annually.

B

## Nordic Powerhouse in Asset Management

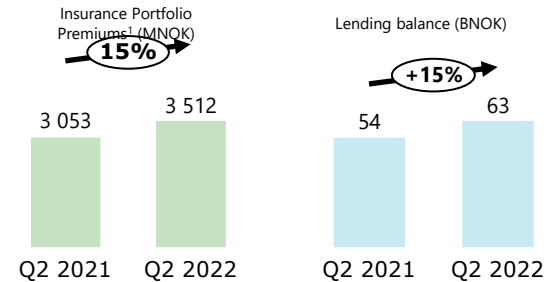


### Asset management

- Net flows of NOK 9bn YTD, negative NOK 2bn in the quarter due to dividend and acquisition payments from company portfolios.
- Positive flow in higher margin products.
- SPP Fonder rebranded to Storebrand Fonder – Swedish market leader in net inflows YTD<sup>2</sup> with SEK 5.1bn.
- AUM reduced by 3% in the quarter from asset returns and FX.

C

## Growing Challenger in Norwegian Retail Market



### Insurance (retail)

- 15% growth in P&C & Individual Life with 85% combined ratio.

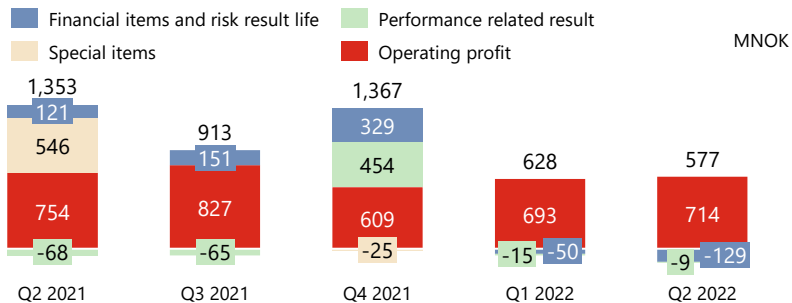
### Bank

- 15% growth in lending volume.
- 17% growth in fee income.

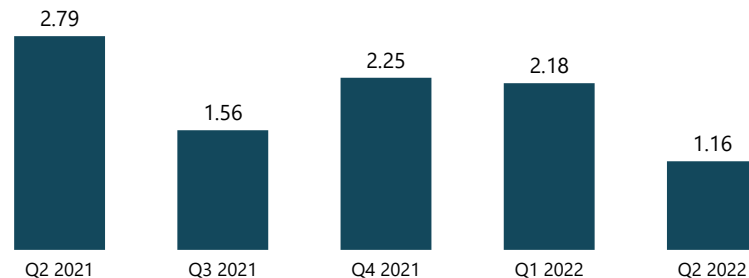
# Key Figures

Strengthened solvency position, stable operating result and strong buffer capital levels

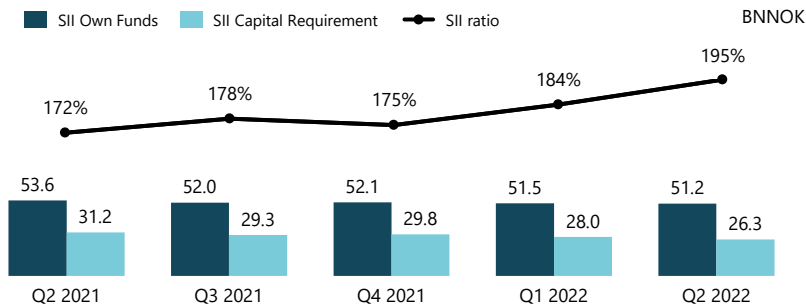
## Result development<sup>1</sup>



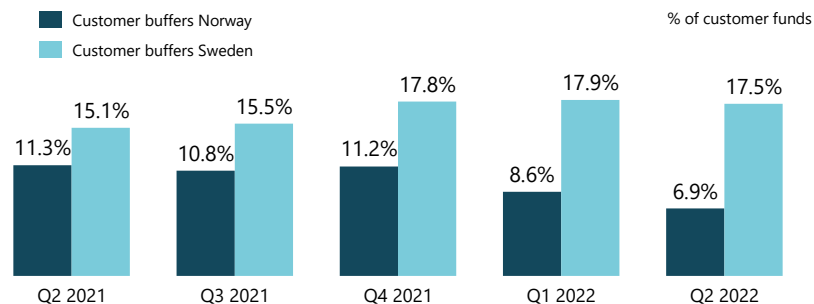
## Earnings per share<sup>2</sup>



## SII Own funds<sup>4</sup> and SCR



## Customer buffers development<sup>3</sup>



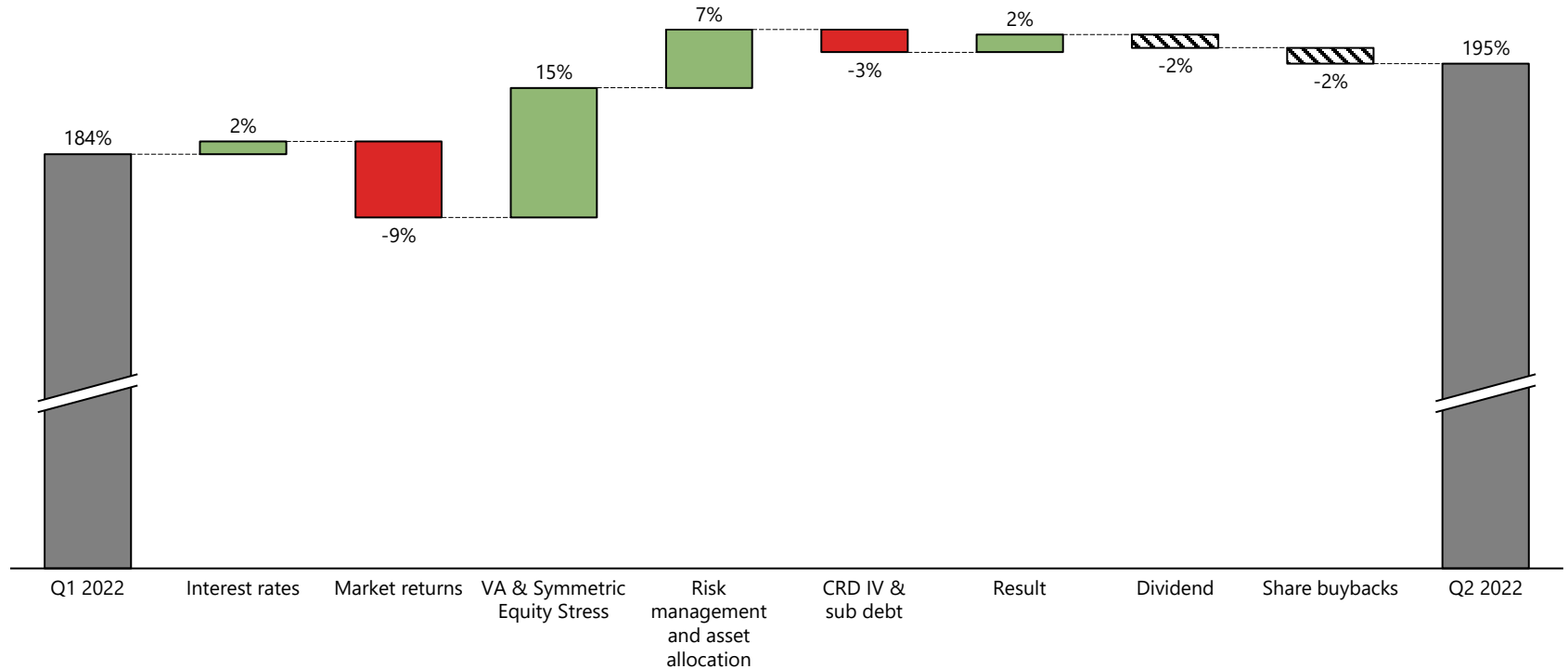
<sup>1</sup> Result before amortisation and tax.

<sup>2</sup> Earnings per share after tax adjusted for amortisation of intangible assets.

<sup>3</sup> Excluding excess values of HTM bonds.

# Solvency movement from Q1 to Q2 2022

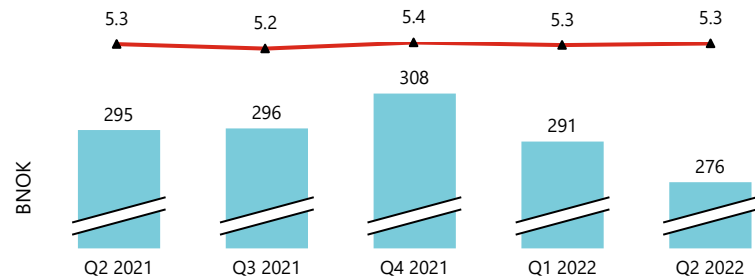
Storebrand Group



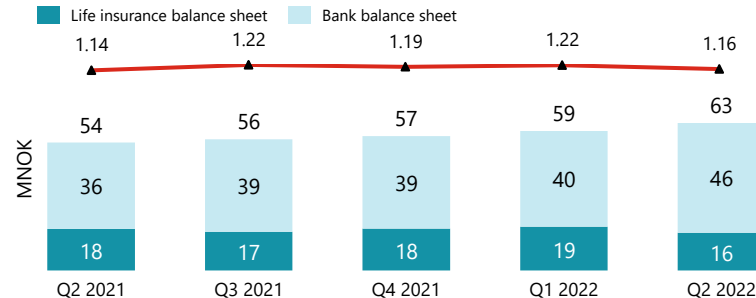
# Savings (non-guaranteed)

Key figures

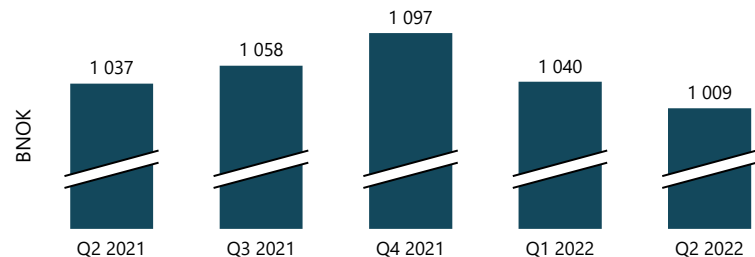
## Reserves and premiums Unit Linked



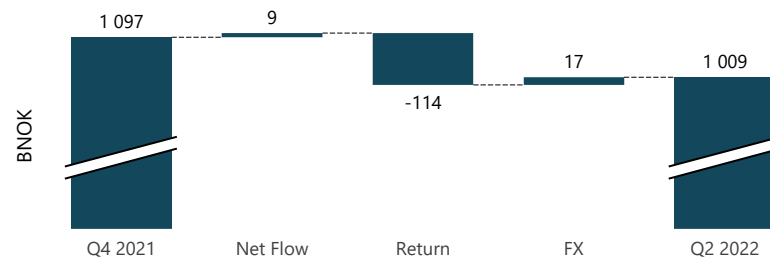
## Retail bank balance and net interest margin (%)



## Assets under management



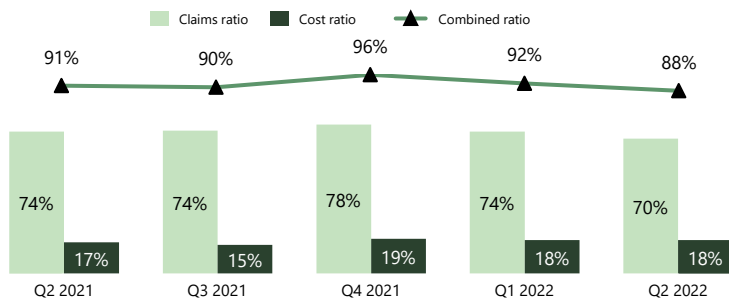
## Movement in asset under management YTD<sup>1</sup>



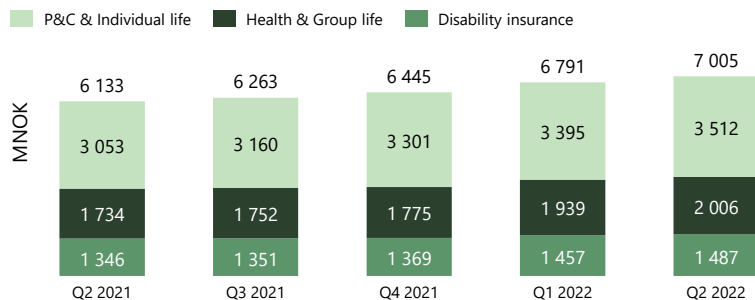
# Insurance

## Key figures

### Combined ratio



### Portfolio premiums



### Key Takeaways Combined Ratio and Results

- 88% overall combined ratio (target 90-92%)
- Improved claims ratio

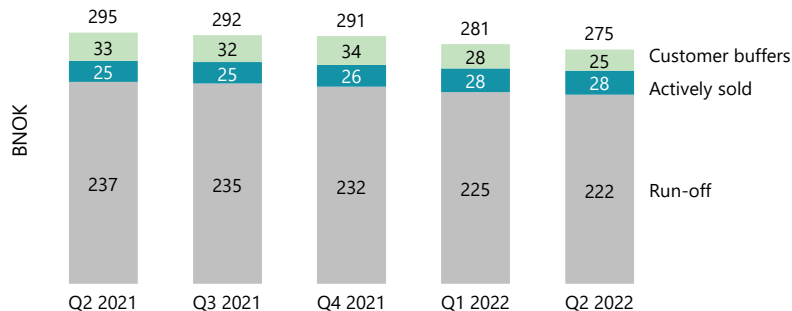
### Key Takeaways Premiums and Growth<sup>1</sup>

- 14% overall portfolio premium growth
- 15% growth in P&C & Individual Life
- Growth due to both price increases and new sales

# Guaranteed pension

## Key figures

### Reserves guaranteed products



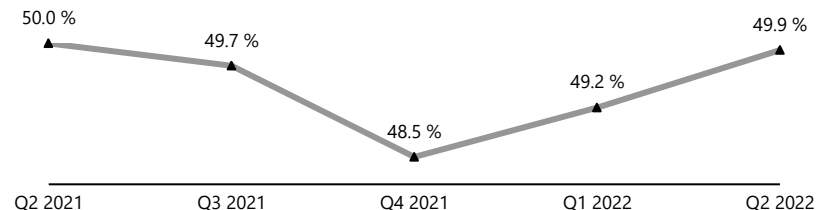
### Buffer capital\*

NOK million	Q2 2022	Q1 2022	Change
Market value adjustment reserve**	2 027	3 938	- 1 911
Excess value of bonds at amortised cost	-9 613	-4 781	- 4 832
Additional statutory reserve	10 470	11 745	- 1 275
Conditional bonuses SPP	12 006	12 804	- 798
<b>Total</b>	<b>14 891</b>	<b>23 706</b>	<b>- 8 816</b>

### Key Takeaways

- Continued run-off of guaranteed reserves.
- Temporary increase in guaranteed reserves as % of total due to fall in Unit Linked reserves under turbulent financial markets.
- Higher interest rates give attractive reinvestment levels.
- Customers buffers reduced due to rising interest rates and market turbulence.

### Guaranteed reserves in % of total reserves







*Leading the way in  
sustainable value creation*

## Investor Relations contacts

**Lars Aa Løddesøl**      [lars.loddesol@storebrand.no](mailto:lars.loddesol@storebrand.no)  
Group CFO                      +47 9348 0151

**Kjetil R. Krøkje**              [kjetil.r.krokje@storebrand.no](mailto:kjetil.r.krokje@storebrand.no)  
Group Head of                      +47 9341 2155  
Finance & Strategy

**Daniel Sundahl**              [daniel.sundahl@storebrand.no](mailto:daniel.sundahl@storebrand.no)  
Group Head of                      +47 9136 1899  
IR & Rating

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