



Company Presentation

Storebrand ASA: Compelling combination of self-funded savings growth and capital return from maturing guaranteed back-book

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Transaction overview



Investment highlights



Group

- Pension market leader in Norway and strong contender in Sweden
- Increasing quality earnings and robust solvency
- Main operating entities of group rated A-(stable)
- Holding company rated BBB



Issue rationale

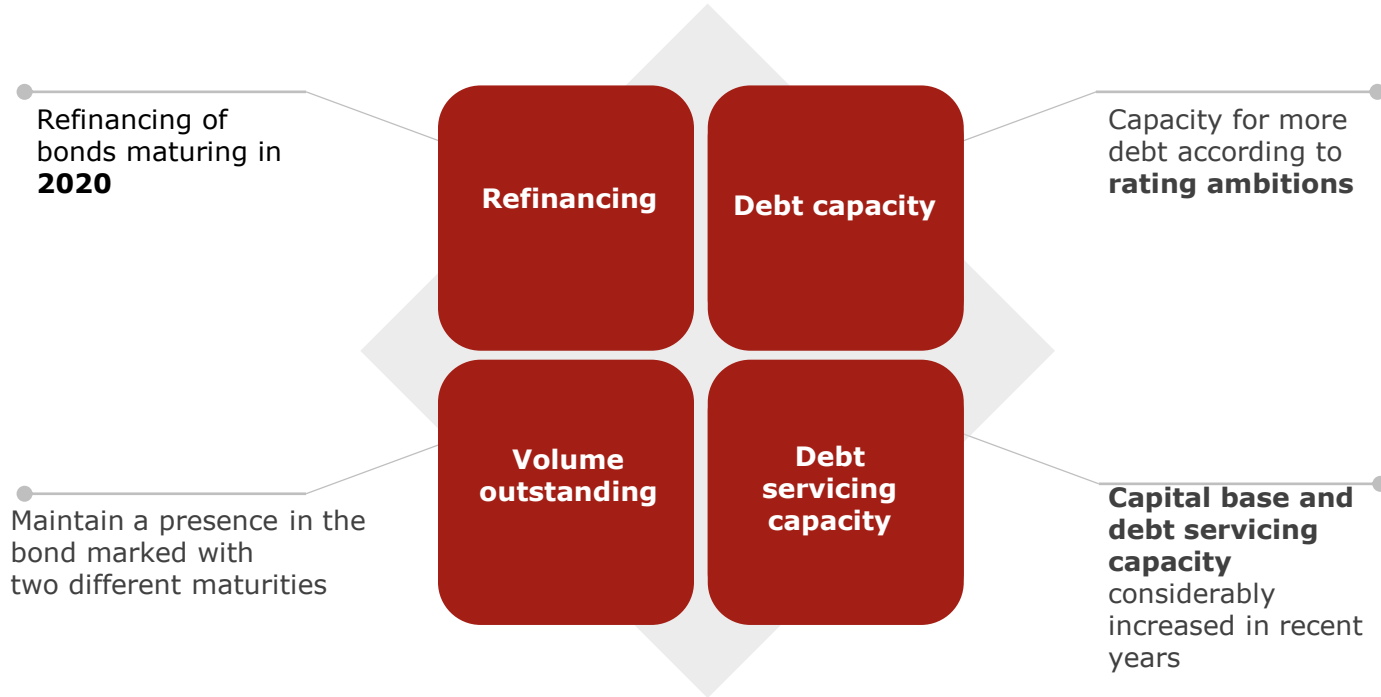
- Long track record as a reliable borrower
- Refinancing and increased flexibility
- Capital base and debt servicing capacity considerably increased in recent years



Key features of the offering

- bond issue (Senior unsecured Capital)
- Expected tenor of up to 5 years

Background for new issue



Storebrand group – overview and strategy





Key Takeaways

- Resilient through Covid-19 period
- Well positioned for continued growth in Swedish and Norwegian occupational pensions
- Digitisation and partnerships provide scalable growth in Norwegian retail market
- Leading Nordic asset manager with a modern platform enabling continued growth

Storebrand | Response to COVID19



1. Keep employees safe



2. Respond and allocate resources to customers' needs



7. Open to new opportunities partnerships and M&A



6. Keep growing the core



Storebrand

We're in this together with the rest of society



3. Operations are running close to normal

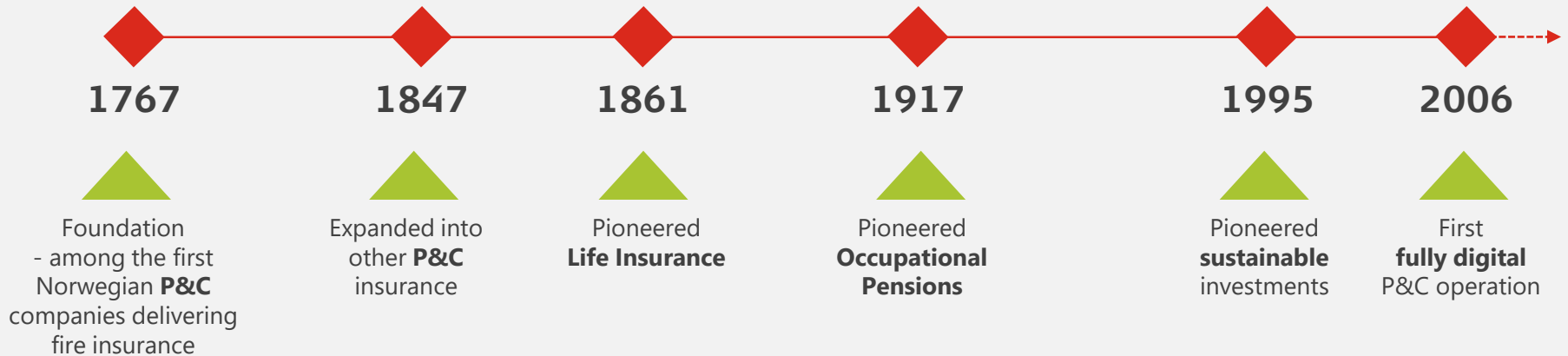


5. High degree of uncertainty. Scenario planning for business and capital



4. Strong financial starting point robust solvency and liquidity, no need for refinancing

250 years of pioneering in the Nordic financial industry





Storebrand - An Integrated Financial Service Group

Insurance

- Health, P&C and group life insurance
- NOK 5.2bn in portfolio premiums

Asset Management

- NOK 880bn in AuM of which 41% external clients
- 100% of investments subject to sustainability screening

Pension & Savings

- 40k corporate customers
- 2m individual customers
- NOK ~509bn of reserves of which 46% Unit Linked

Retail Bank

- Internet Bank
- NOK 47bn of net lending



- Capital synergies
- Customer synergies
- Cost synergies
- Data synergies

Our strategy: A compelling combination of self-funding growth and capital return from maturing guaranteed back-book

1

Build a world class Savings business - supported by Insurance

A

Leading position Occupational Pension

B

Uniquely positioned in growing retail savings market

C

Asset manager with strong competitive position and clear growth opportunities

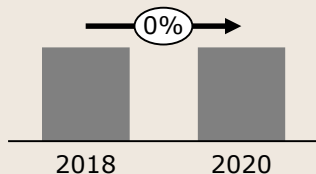
D

Bolt-on M&A

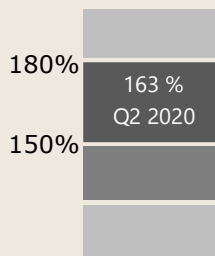
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework



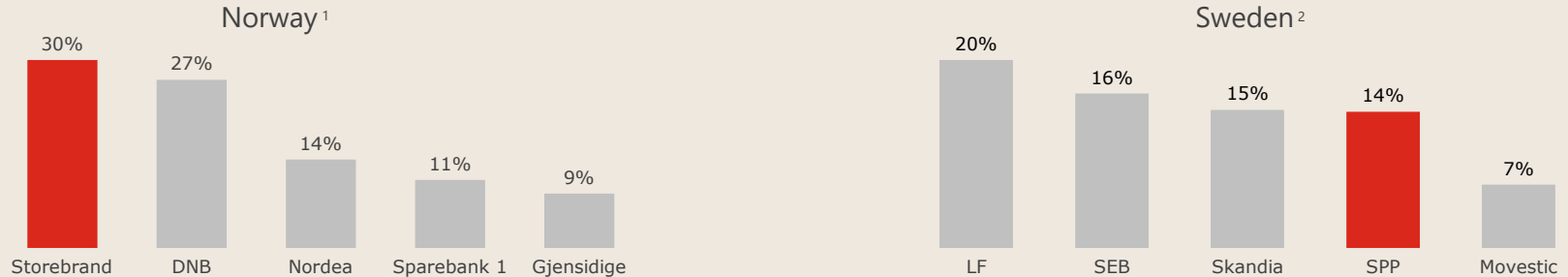
C. Increased return



Manage for capital release and **increasing dividends**

Leading position in Norway and strong contender in Sweden

Market share occupational pensions (Defined Contribution)



Clear value proposition



- ✓ **Best customer satisfaction**
with all time high score for large Norwegian corporates



- ✓ **Best customer service**
in Sweden

World leader in corporate sustainability



World's most sustainable insurance company 2020

¹ Finance Norway. Gross premiums defined contribution with and without investment choice, Q1 2020.

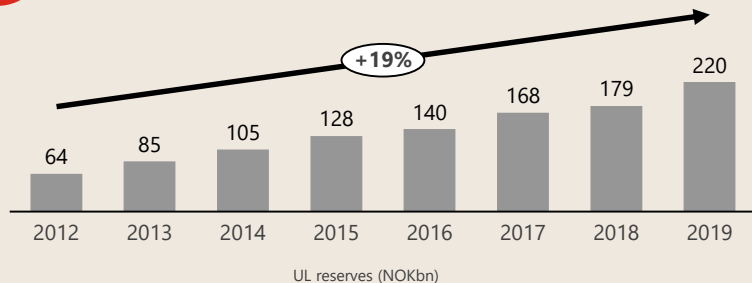
² Insurance Sweden. Segment Non-unionised pensions labelled 'Other occupational pensions' (written premiums) Q1 2020.

³ The Global 100 index, as presented during the World Economic Forum in Davos by the Canadian financial magazine Corporate Knights in January 2020.

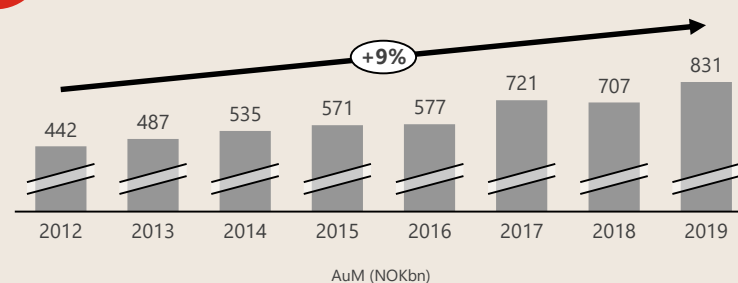
Growth in Savings and Insurance



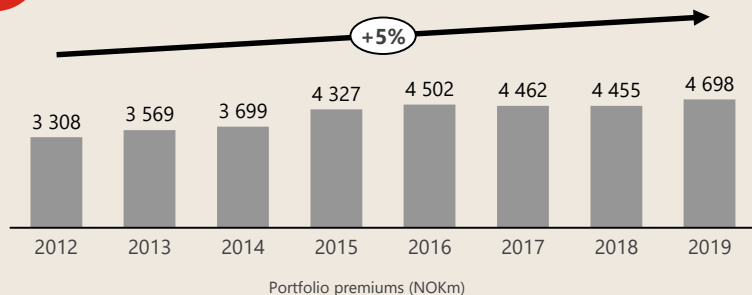
Unit Linked



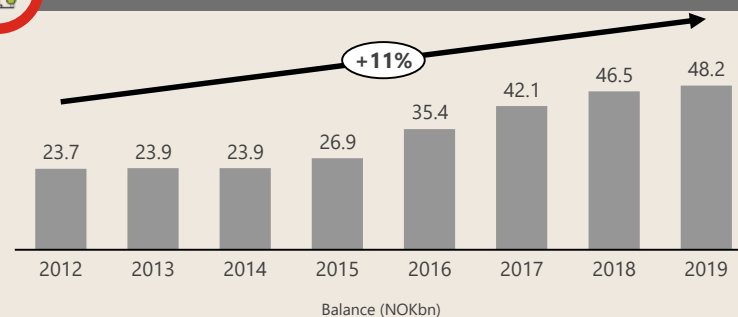
Asset management



Insurance

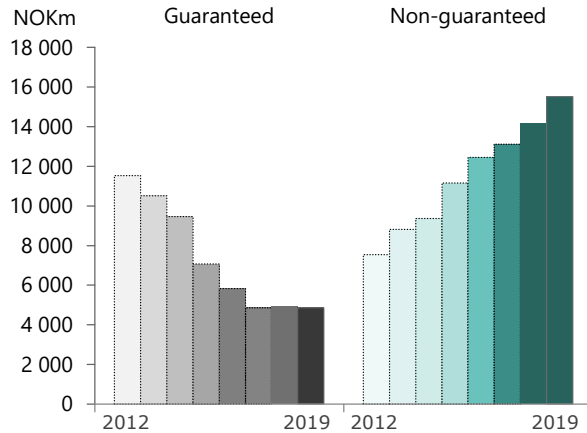


Retail bank

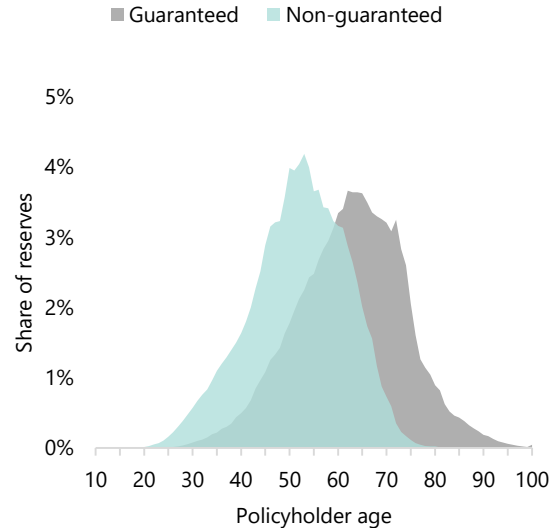


Continued shift from Guaranteed to Non-guaranteed pension

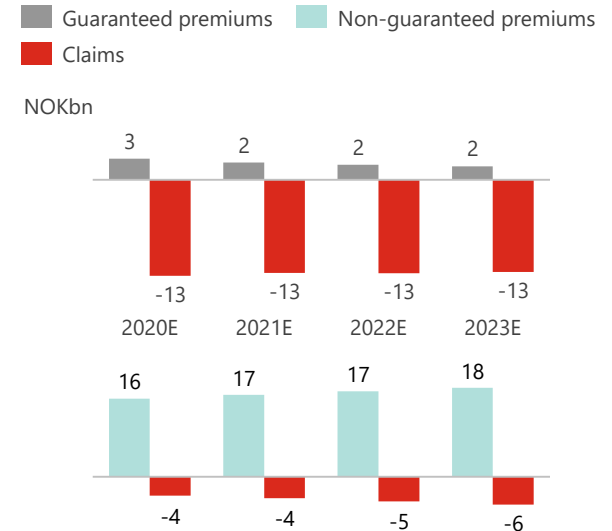
Historic premium income¹



Current share of reserves²

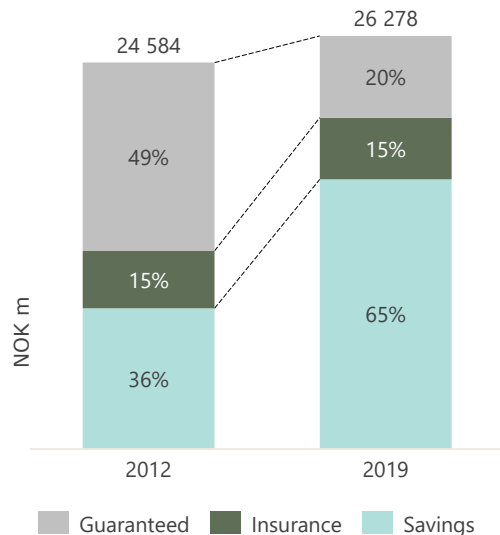


Expected flow of reserves³

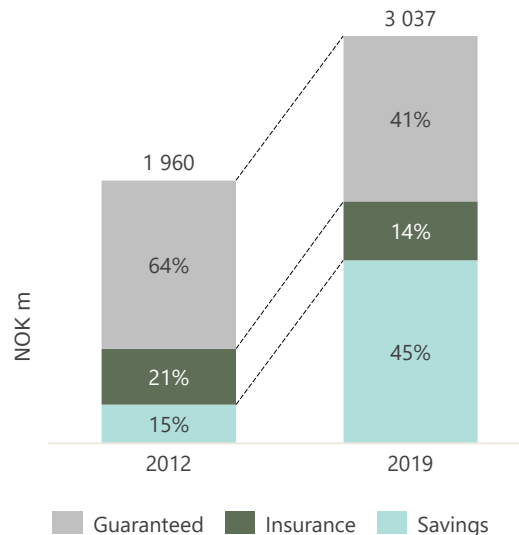


Successful transition from Guaranteed to non-guaranteed Savings

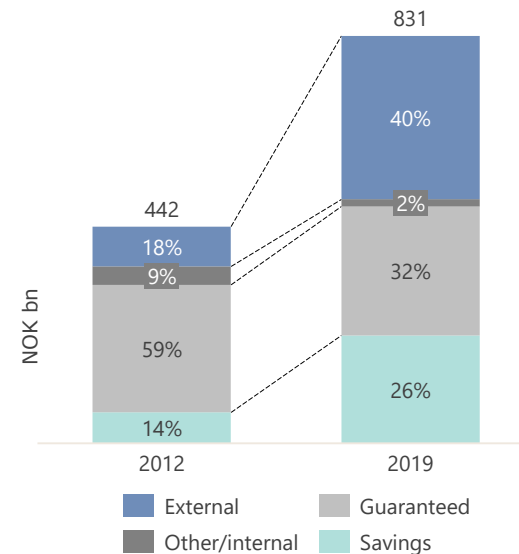
Premiums Storebrand¹



Profit Storebrand²



Shift in total Storebrand AUM³



Capital and solvency



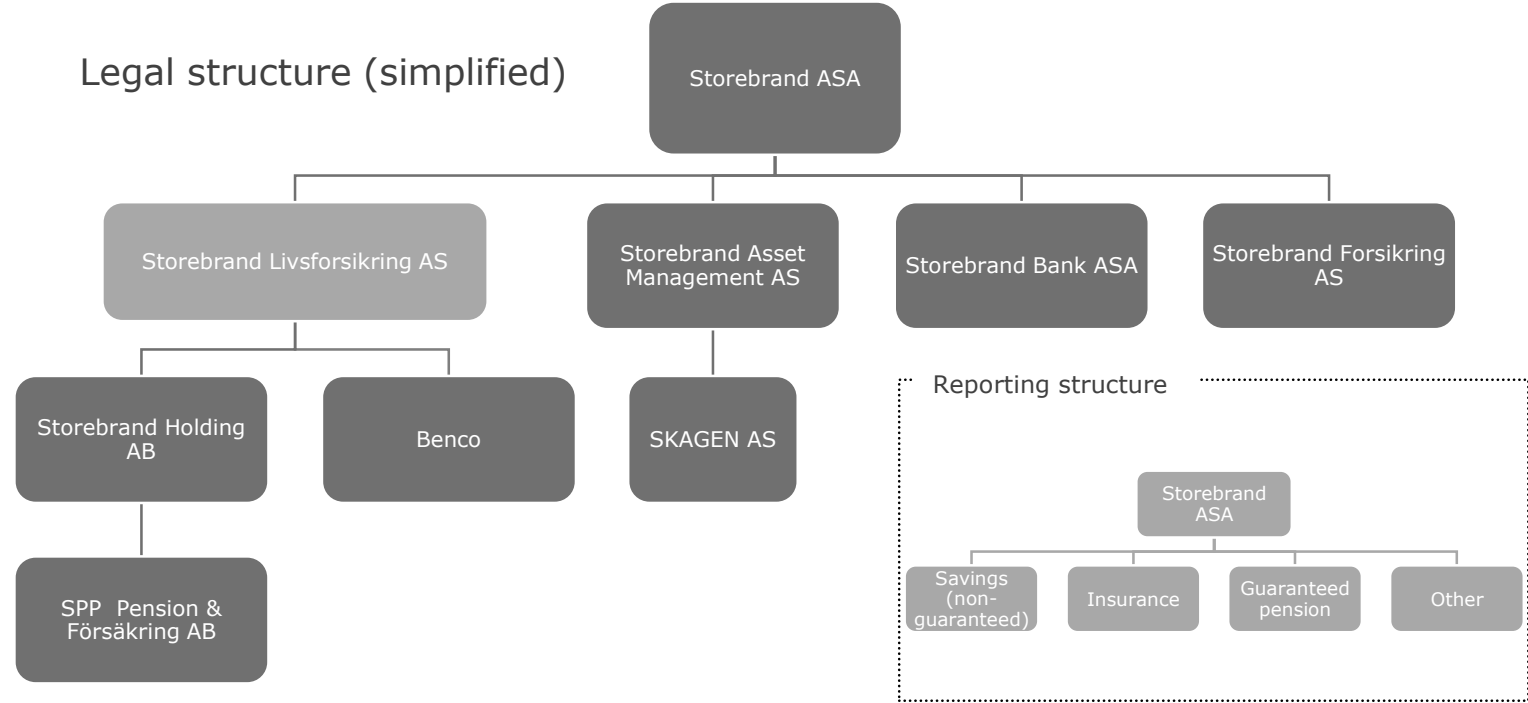


Key Takeaways

- High quality capital base
- Capital requirements reflect well diversified set of risks
- Guaranteed products will release capital over time
- Non-guaranteed business generates capital in excess of capital requirement

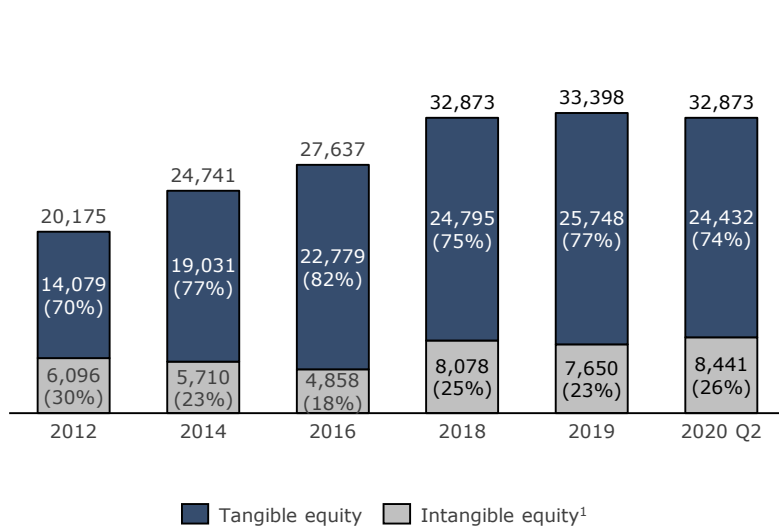
Storebrand Group Structure

Diversified cash flow to holding company Storebrand ASA

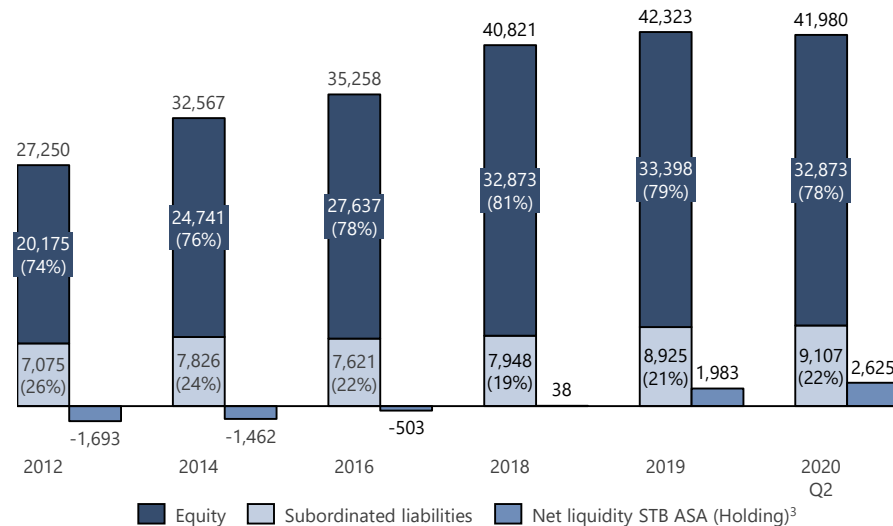


Strong Group IFRS equity and capital structure – reduced financial leverage

Group equity (NOK bn)



Group capital structure²



¹ 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.

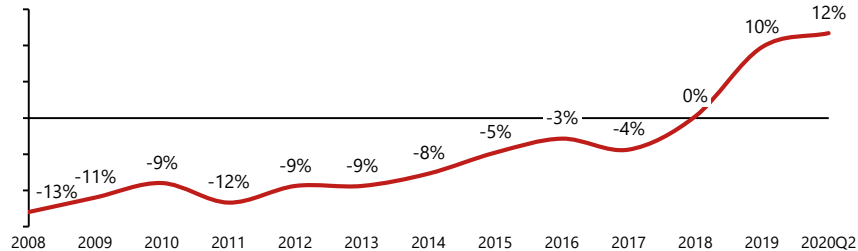
² Specification of subordinated liabilities:

- Hybrid tier 1 capital, Storebrand Bank ASA and Storebrand Livsforsikring AS
- Perpetual subordinated loan capital, Storebrand Livsforsikring AS
- Dated subordinated loan capital, Storebrand Bank ASA and Storebrand Livsforsikring AS

³ (Senior debt – liquidity portfolio) in holding company shown in separate column as it is not part of group capital.

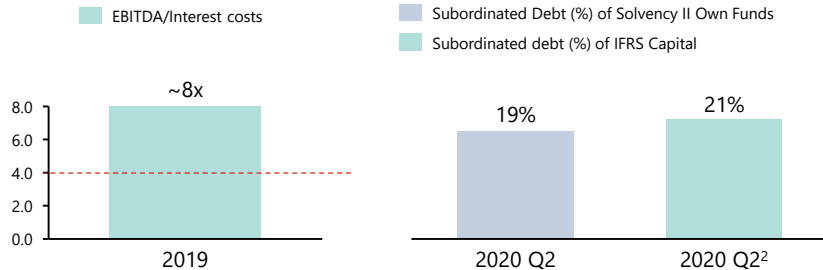
Strong liquidity and low leverage

Net liquidity ratio Storebrand ASA (holding)



- Proceeds from subsidiaries have been used to pay dividends, reduce debt in the holding company and increase the liquidity buffer
- Holding company net liquidity ratio of 12% (net debt ratio of -12%)
- Fixed charge coverage ratio ~ 8x

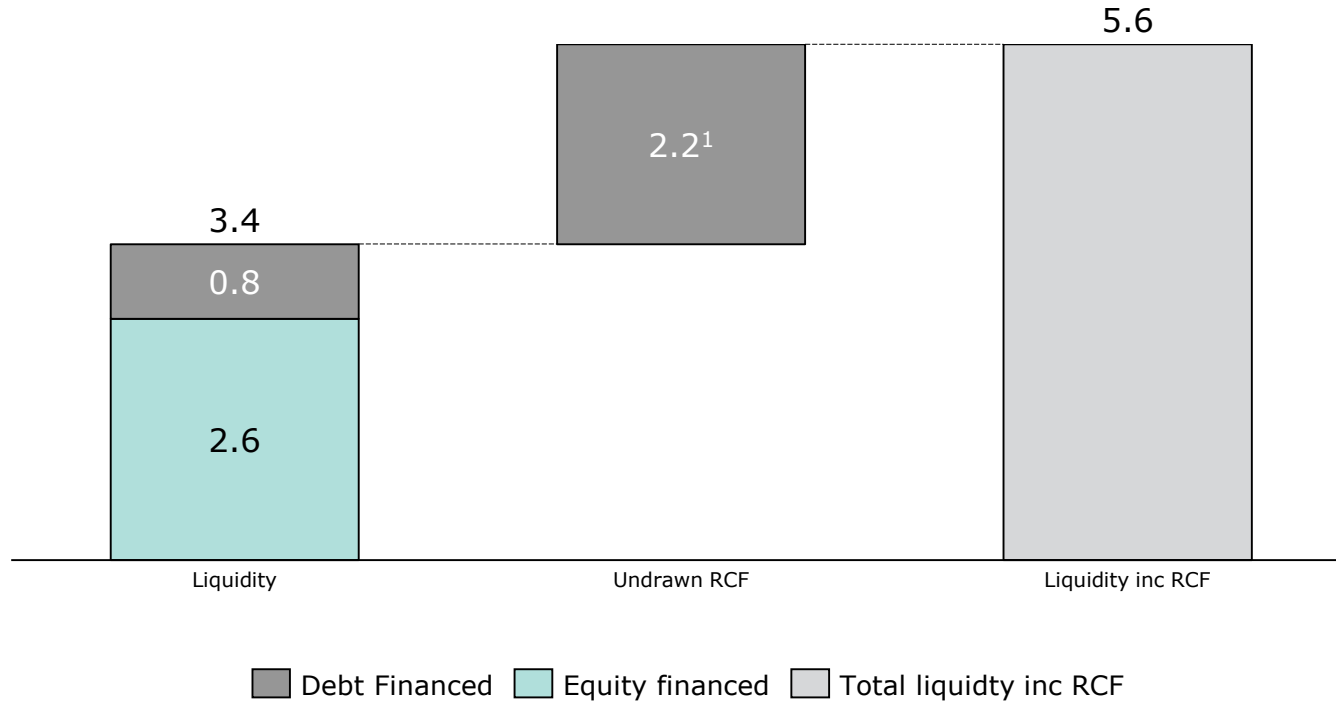
Interest charge coverage Storebrand group¹



¹ EBITDA STB Group ex Bank. Interest rate costs Storebrand Livsforsikring and ASA.

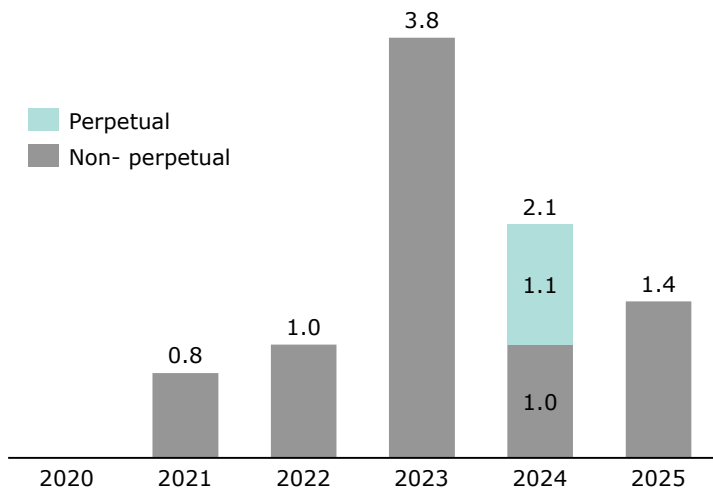
² Q2 2020. Subordinated debt divided on IFRS Equity + Subordinated debt Storebrand Group.

Group Liquidity NOK bn

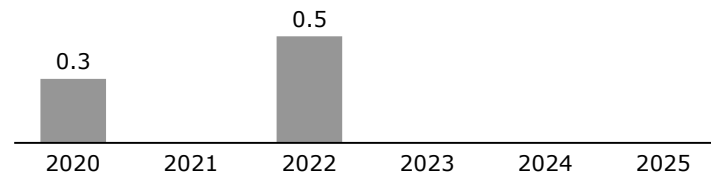


Term structure debt

Term structure sub-debt Storebrand Livsforsikring¹ (bn NOK)



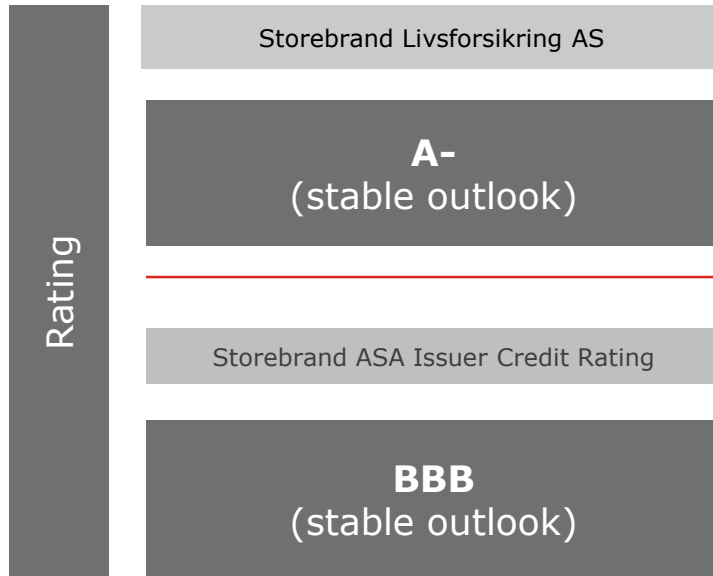
Term structure senior debt Storebrand ASA (bn NOK)



BBB rating for Storebrand ASA and A- rating for Storebrand Livsforsikring AS from S&P Global

...reflecting business and capital improvement during the past years

Rating and underlying rationale



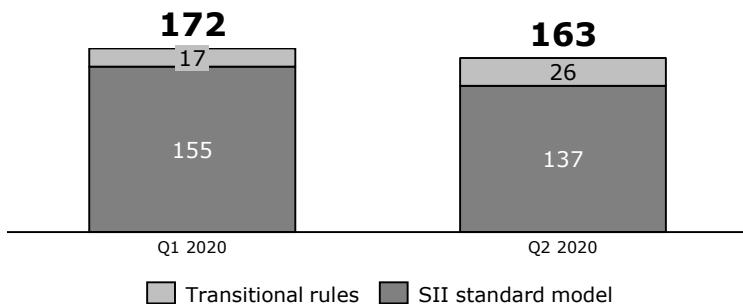
Key Comments

- S&P Global has assigned an "A-" rating with a stable outlook to Storebrand Livsforsikring AS reflecting:
 - Improved and sustainable capital adequacy.
 - Solid results and improved earnings generation capacity, benefitting from a diversified business and earnings mix.
 - Proven progress in shifting to capital-light products.
 - Storebrand can absorb financial market turbulence, such as that caused by the COVID-19 pandemic.
- Storebrand ASA, the holding company, is rated BBB; two notches below the main operating company Storebrand Liv reflecting S&P's view of structural subordination of creditors versus the policyholders of insurance subsidiaries.

"We expect Storebrand will maintain capitalization in the 'AA' range according to our capital model over the next two-to-three years. This is supported by our assumption of net income of at least Norwegian krone 2 billion annually over this period, fueled by the group's continued shift to capital-light products, on-going growth in the unit-linked segment, and solid income streams from the asset management business. We also assume an annual dividend payout ratio of about 50%-65%.¹"

SII position Storebrand Group

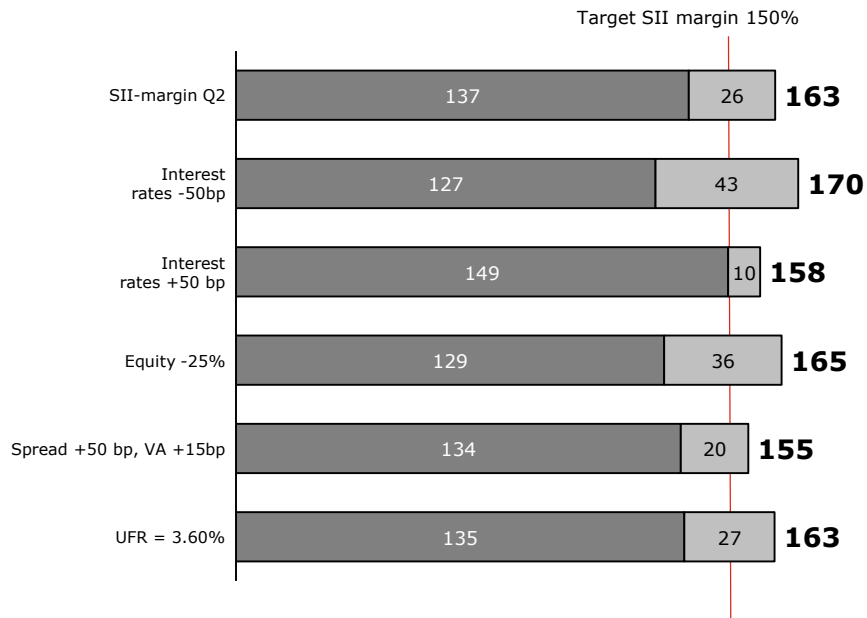
Solvency position(%)¹



Key takeaways

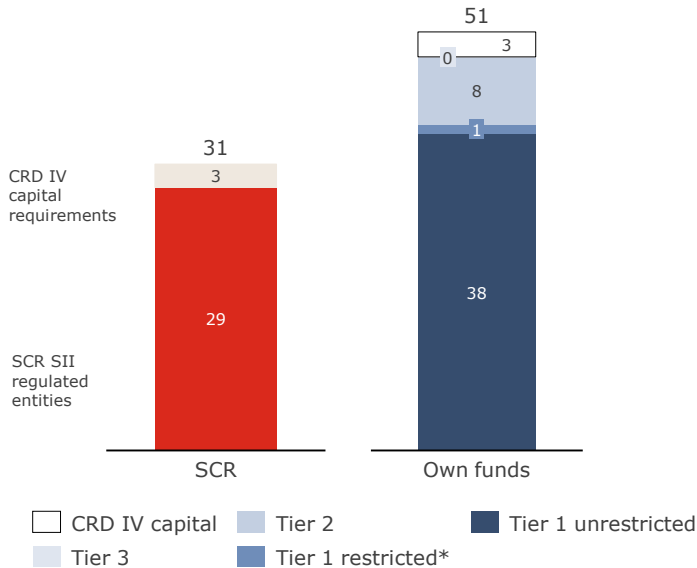
- Q2 solvency development influenced by decreased VA and increased equity stress level
- YTD solvency position weakened by decreased interest rates and adverse development in equities and credit markets

Estimated sensitivities



High quality capital base under Solvency II

SCR and own funds (NOK bn)



Own funds in % of SCR (excluding CRD IV subsidiaries)

| | Regulatory limit | OF % of SCR | OF % of total |
|---------------------|-----------------------|-------------|---------------|
| Tier 3 | ≤ 15% SCR | 1% | 1% |
| Tier 2 | ≤ 50% SCR ∑ T2+T3 | 26% | 16% |
| Tier 1 Restricted | ≤ 20% T1 | 4% | 2% |
| Tier 1 Unrestricted | ≥ 50% SCR ∑ All T1 | 123% | 76% |

Group results Q2 2020



Storebrand Group

Profit¹

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|---|------------|------------|---------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Fee and administration income | 1 301 | 1 235 | 2 649 | 2 450 | 5 308 |
| Insurance result | 255 | 269 | 184 | 514 | 1 005 |
| Operational cost | -975 | -1 030 | -1 999 | -1 960 | -4 015 |
| Operating profit | 580 | 474 | 834 | 1 005 | 2 298 |
| Financial items and risk result life | 228 | 105 | -360 | 307 | 739 |
| Profit before amortisation | 808 | 578 | 474 | 1 311 | 3 037 |
| Amortisation and write-downs of intangible assets | -124 | -114 | -243 | -213 | -444 |
| Profit before tax | 684 | 464 | 231 | 1 098 | 2 593 |
| Tax | -231 | -13 | 486 | -153 | -511 |
| Profit after tax | 453 | 451 | 717 | 945 | 2 082 |

Storebrand Group

Profit¹

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|--------------------------------------|------------|------------|---------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
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| Financial items and risk result life | 228 | 105 | -360 | 307 | 739 |
| Profit before amortisation | 808 | 578 | 474 | 1 311 | 3 037 |

Profit per line of business

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|-----------------------------------|------------|------------|---------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Savings - non-guaranteed | 396 | 224 | 672 | 514 | 1 364 |
| Insurance | 124 | 139 | -144 | 242 | 439 |
| Guaranteed pension | -8 | 211 | 86 | 460 | 1 029 |
| Other profit | 296 | 5 | -141 | 96 | 205 |
| Profit before amortisation | 808 | 578 | 474 | 1 311 | 3 037 |

Savings (non-guaranteed)

Profit

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|--------------------------------------|------------|------------|---------------|------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Fee and administration income | 974 | 911 | 2 017 | 1 807 | 3 996 |
| Operational cost | -600 | -672 | -1 269 | -1 287 | -2 621 |
| Operating profit | 374 | 239 | 748 | 521 | 1 375 |
| Financial items and risk result life | 22 | -16 | -76 | -7 | -11 |
| Profit before amortisation | 396 | 224 | 672 | 514 | 1 364 |

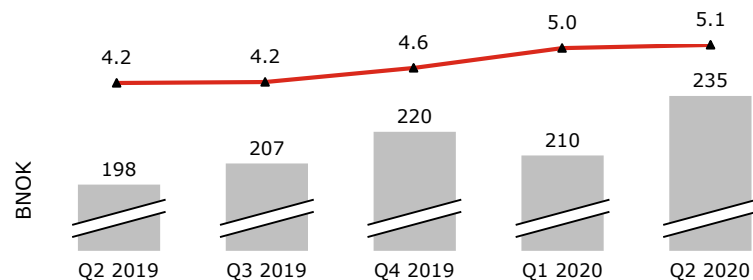
Profit per product line

| NOK million | 2020 | 2019 | 2020 | 2019 | 2019 |
|-----------------------------------|------------|------------|------------|------------|--------------|
| Unit linked Norway | 126 | 60 | 195 | 145 | 275 |
| Unit linked Sweden | 81 | 57 | 160 | 122 | 291 |
| Asset management | 133 | 44 | 235 | 117 | 526 |
| Retail banking | 55 | 63 | 82 | 130 | 272 |
| Profit before amortisation | 396 | 224 | 672 | 514 | 1 364 |

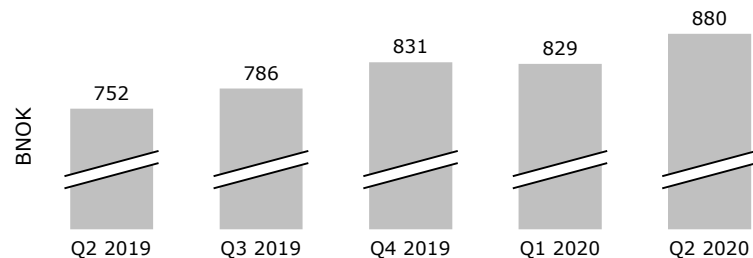
Savings (non-guaranteed)

-Strong premium and reserve growth

Reserves and premiums Unit Linked



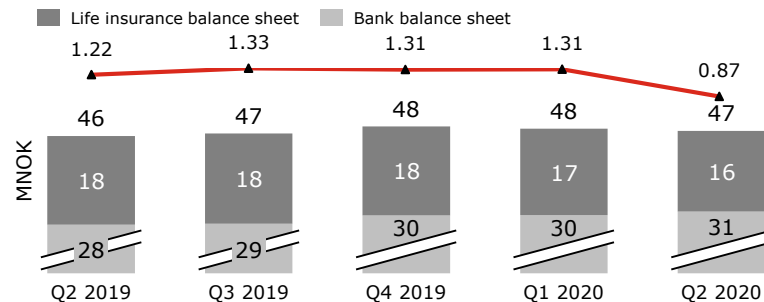
Assets under management



Comments¹

- 23% growth in Unit Linked premiums. Continued growth despite furloughs in Q2.
- 18% growth in Unit Linked reserves.
- NOK +4.6bn net transfers in SPP in Q2 from consolidation of smaller pension funds.
- Net interest margin decline in the Bank from accelerated implementation of lower lending rates.

Retail bank balance and net interest margin (%)



Insurance

Profit

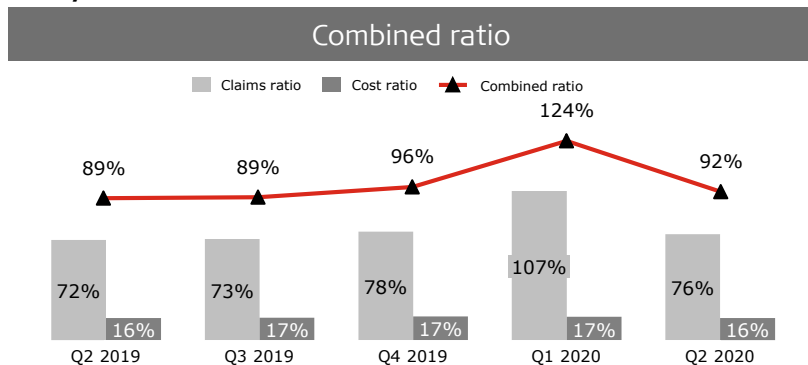
| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|-----------------------------------|------------|------------|---------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Insurance premiums f.o.a. | 1 070 | 965 | 2 090 | 1 913 | 3 909 |
| Claims f.o.a. | -816 | -696 | -1 906 | -1 399 | -2 904 |
| Operational cost | -175 | -159 | -350 | -309 | -648 |
| Operating profit | 80 | 111 | -166 | 205 | 357 |
| Financial result | 44 | 28 | 22 | 36 | 83 |
| Profit before amortisation | 124 | 139 | -144 | 242 | 439 |

Profit per product line

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|---|------------|------------|---------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| P&C & Individual life | 58 | 108 | 59 | 193 | 335 |
| Health & Group life | 31 | -9 | -232 | -29 | -41 |
| Pension related disability insurance Nordic | 35 | 40 | 29 | 77 | 145 |
| Profit before amortisation | 124 | 139 | -144 | 242 | 439 |

Insurance

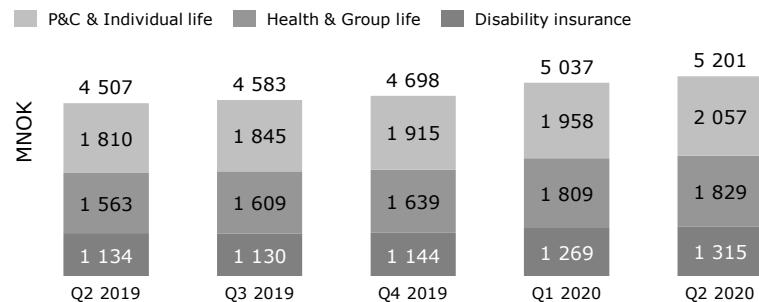
- C/R back on track



Comments Combined ratio and results

- 92% combined ratio in line with target (90-92%).
- Continued strong cost control.

Portfolio premiums



Comments premiums and growth¹

- 14% growth in P&C & Individual life.
- 17% growth in Health & Group life.
- 16% growth in Disability insurance.
- Growth is attributed to both underlying volume growth and price increases.

Guaranteed pension

Profit

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|-----------------------------------|------------|------------|---------------|------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Fee and administration income | 360 | 364 | 710 | 724 | 1 475 |
| Operational cost | -214 | -209 | -416 | -395 | -819 |
| Operating profit | 147 | 155 | 294 | 329 | 657 |
| Risk result life & pensions | 50 | 52 | 24 | 113 | 215 |
| Net profit sharing | -205 | 4 | -231 | 18 | 157 |
| Profit before amortisation | -8 | 211 | 86 | 460 | 1 029 |

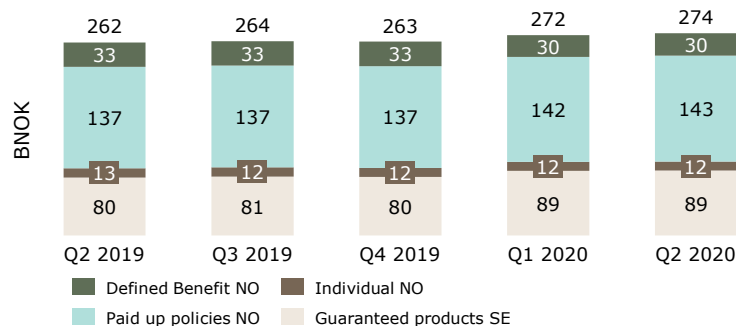
Profit per product line

| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|-------------------------------------|-----------|------------|---------------|------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Defined benefit (fee based) | 26 | 56 | 17 | 132 | 287 |
| Paid-up policies, Norway | 81 | 105 | 163 | 214 | 409 |
| Individual life and pension, Norway | 8 | 7 | 5 | 9 | 21 |
| Guaranteed products, Sweden | -123 | 43 | -99 | 105 | 312 |
| Profit before amortisation | -8 | 211 | 86 | 460 | 1 029 |

Guaranteed pension

- Strong buffer capital

Reserves guaranteed products



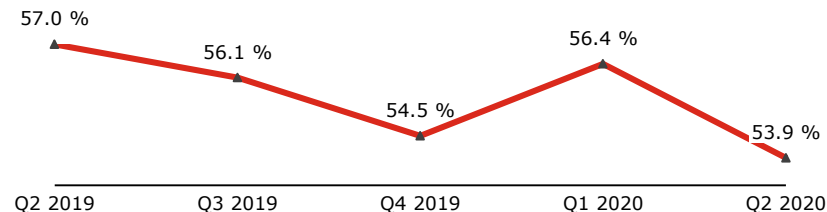
Buffer capital

| NOK million | Q2 2020 | Q1 2020 | Change |
|---|---------------|---------------|----------------|
| Market value adjustment reserve | 7 403 | 5 279 | + 2 124 |
| Excess value of bonds at amortised cost | 9 414 | 6 719 | + 2 695 |
| Additional statutory reserve | 8 653 | 8 699 | - 45 |
| Conditional bonuses Sweden | 7 614 | 6 774 | + 839 |
| Total | 33 084 | 27 471 | + 5 613 |

Comments

- Asset returns increase overall level of reserves in the quarter and the level of buffer capital.
- Guaranteed reserves as a share of total reserves continues to decline.
- No material impact of COVID-19 related furloughs on conversion of Defined Benefit contracts to Paid up policies.

Guaranteed reserves in % of total reserves



Other¹

Profit

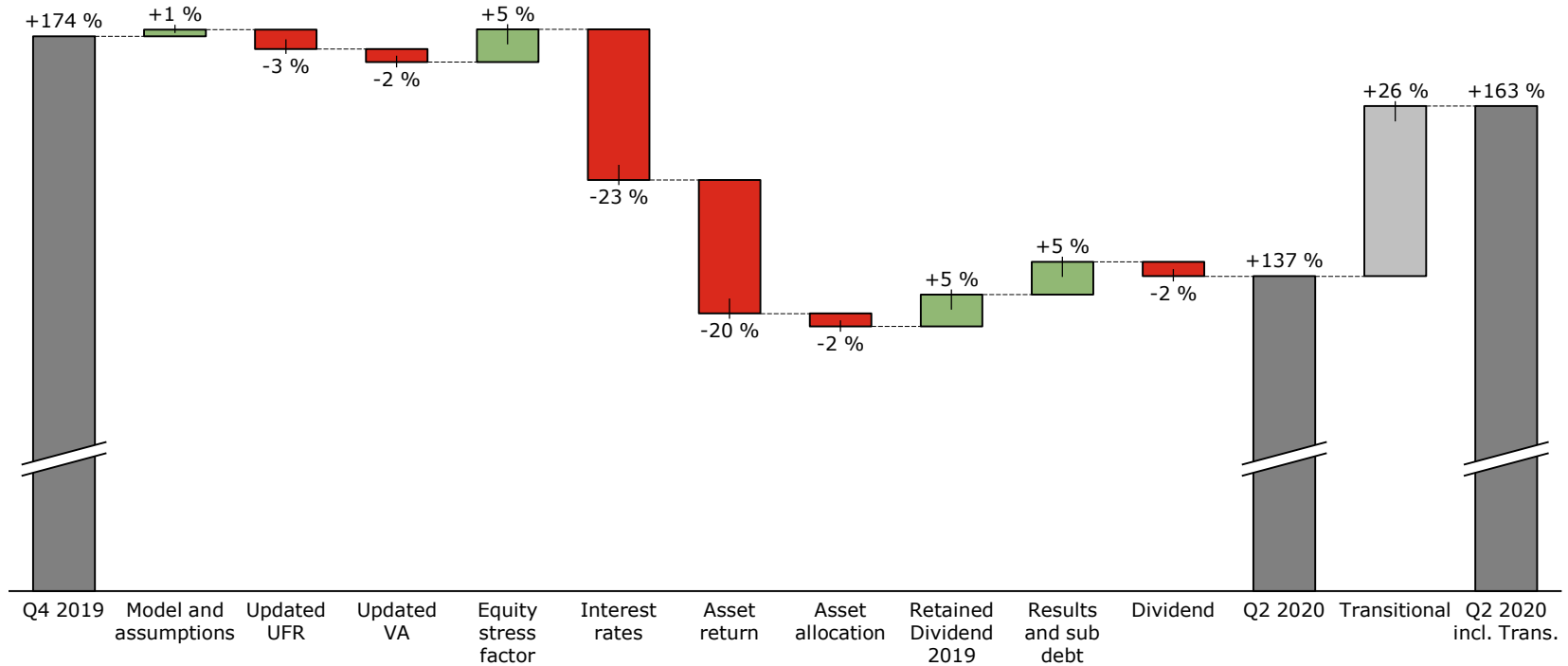
| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|--------------------------------------|------------|------------|---------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Fee and administration income | 19 | 14 | 32 | 28 | 51 |
| Operational cost | -39 | -45 | -75 | -78 | -143 |
| Operating profit | -21 | -31 | -42 | -50 | -91 |
| Financial items and risk result life | 317 | 36 | -98 | 146 | 296 |
| Profit before amortisation | 296 | 5 | -141 | 96 | 205 |

Profit per product line

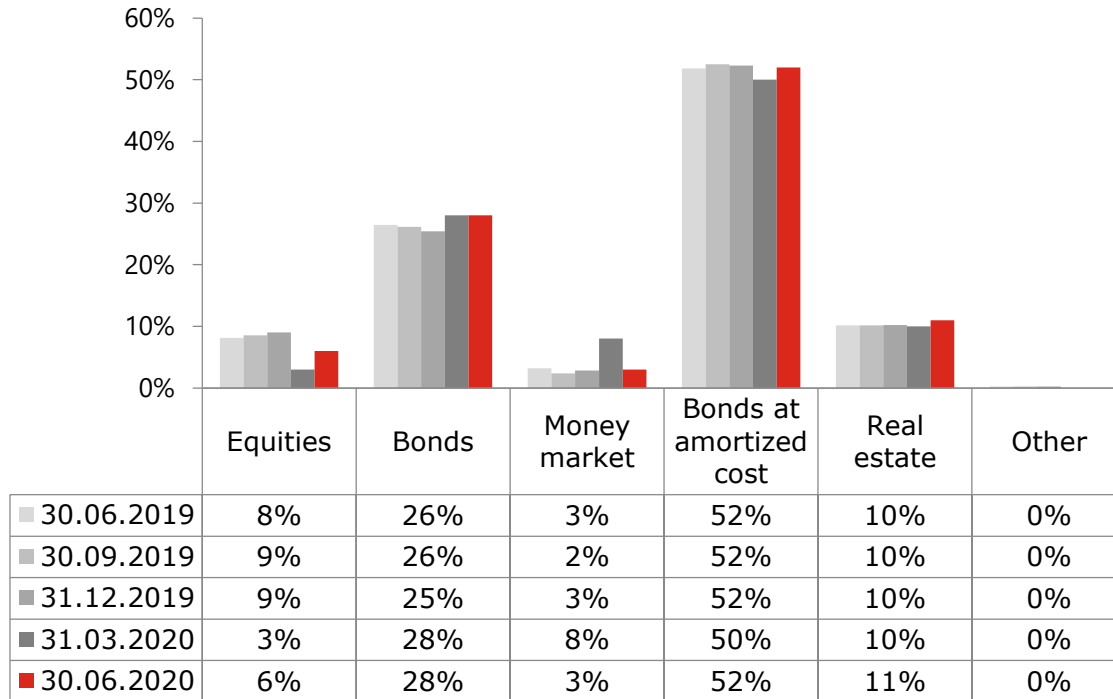
| NOK million | Q2 | | 01.01 - 30.06 | | Full year |
|---|------------|----------|---------------|-----------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Euroben | 35 | -11 | 14 | -3 | 33 |
| Holding company costs and net financial results in company portfolios | 261 | 16 | -155 | 100 | 173 |
| Profit before amortisation | 296 | 5 | -141 | 96 | 205 |

Movement from Q4 2019 to Q2 2020

Storebrand ASA

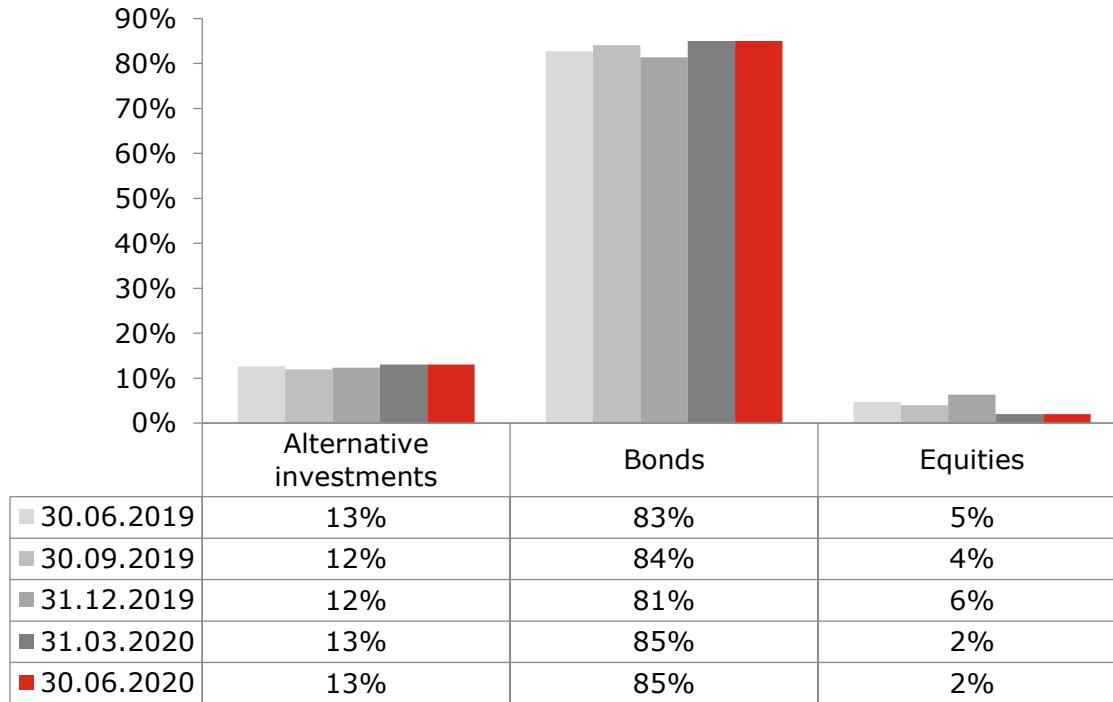


Storebrand Life Insurance asset allocation



Note: The graph shows the asset allocation for all products with an interest rate guarantee in Storebrand Life Insurance Norwegian operations. Category bonds includes loans on life insurance balance sheet.

SPP asset allocation



Note: The graph shows the asset allocation for all products with an interest rate guarantee in SPP.



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Our Vision

Recommended by our customers

This document contains Alternative Performance Measures as defined by the European Securities and Market Authority (ESMA). An overview of APMs used in financial reporting is available on storebrand.com/ir.