

Storebrand 4Q 2017

7 Feb 2018

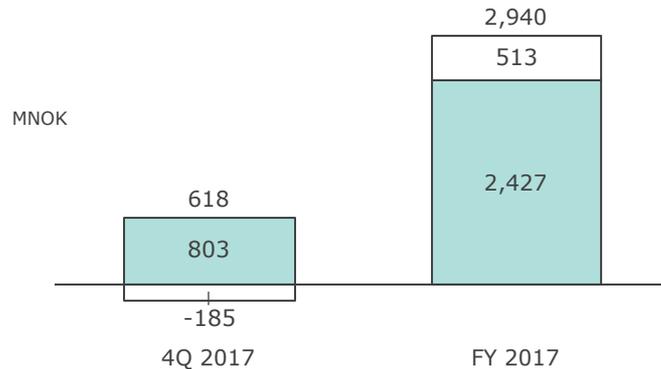
Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Storebrand celebrated 250 years in 2017



Highlights 2017

Group result¹



□ Financial items and risk result life
■ Operating profit



20% Unit Linked growth²



25% AuM growth Asset Management²



172% Solvency II ratio³



2 major acquisitions



SILVER



NOK 2.5 dividend and new dividend policy

¹ Result before amortisation and write-downs.
² Growth figures are from YTD 2016 to YTD 2017.
³ Including transitional rules.

Our strategy

1

Manage the guaranteed balance sheet

>150% SII margin

- **Cost reductions** through automation and outsourcing
- Manage for future **capital release** and increased **dividend capacity**

2

Continued growth in Savings and Insurance

Capital-light and profitable growth

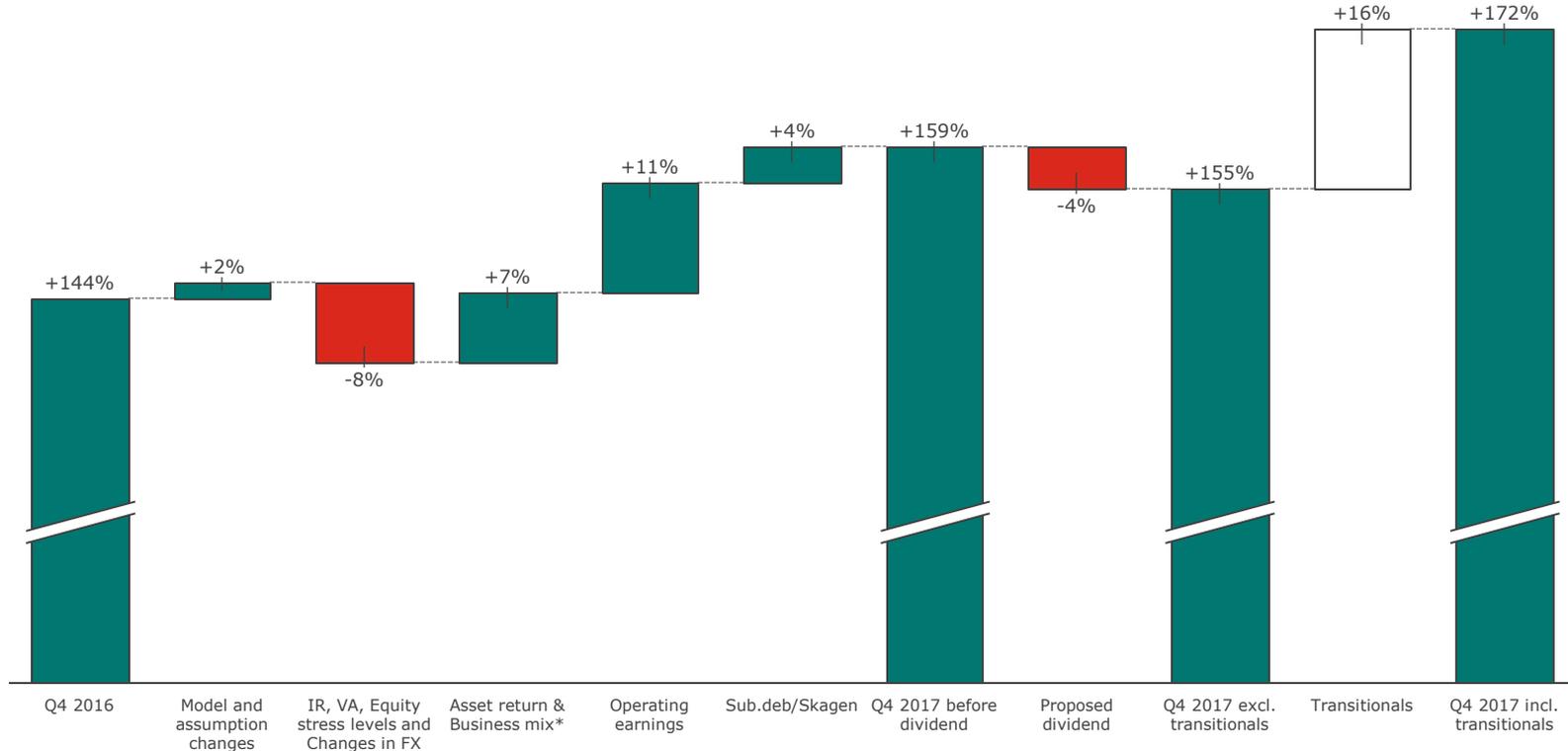
- Market leading **asset gatherer** with strong Insurance offering
- Continued retail growth with **low capital requirements**

Lower capital requirements and higher quality of earnings

We work hard to reach our vision:

Recommended by our customers

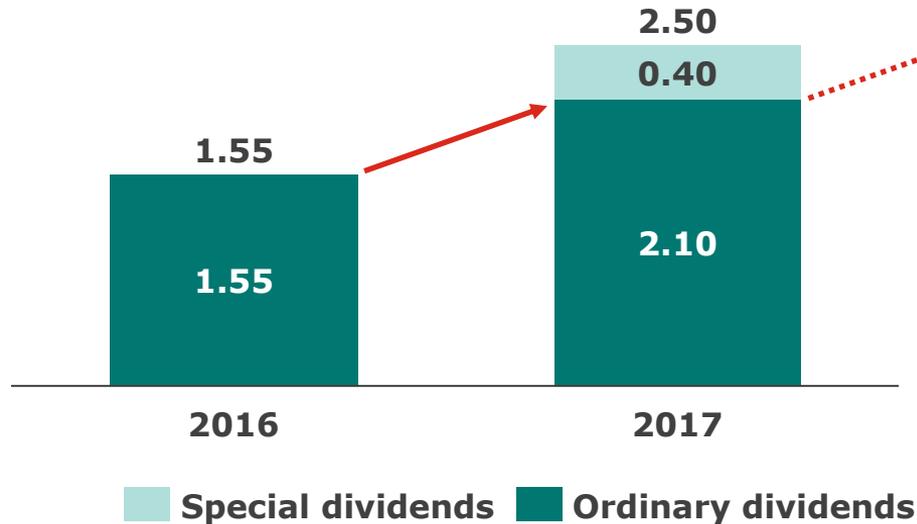
Strong capital generation and robust balance sheet



* Includes the acquisition of Skagen

Proposed dividend 2017

Dividend per share



- Cash dividend of 40% of profit after tax (adj for amortization)
- NOK 2.10 per share in ordinary dividend and a NOK 0.40 in special dividend is payed based on strong financial results and strong post tax results
- Dividend of NOK 1.3 billion from Storebrand Livsforsikring AS will reduce net debt, strengthen group liquidity and dividend paying capacity

New Dividend Policy

Storebrand's objective is to create attractive and competitive returns for shareholders through dividends and value creation in the business.

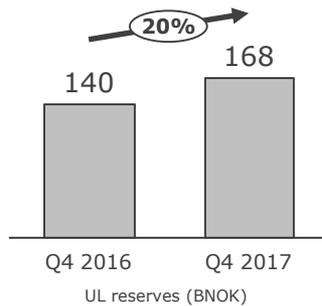
Our ambition is to pay stable and growing base dividends combined with special dividends to reflect financial markets volatility and capital release. The expected capital release will lead to increased pay out ratio over time.

New storebrand dividend policy:

Storebrand aims to pay a dividend of more than 50% of Group result after tax. The Board of Directors ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year. Ordinary dividends are subject to a sustainable solvency margin of above 150%. If the solvency margin is above 180%, the Board of Directors intends to propose special dividends or share buy backs.

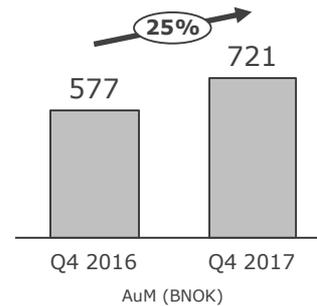
Growth in Savings continues, Insurance growth paused by changes in distribution

Unit Linked



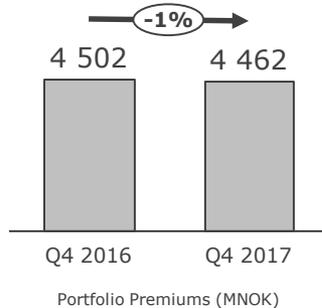
- 17% growth in Sweden
- 23% growth in Norway

Asset management



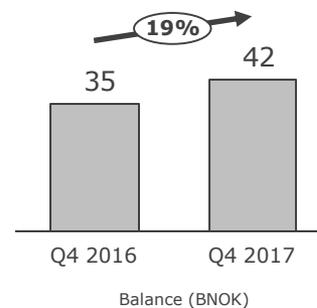
- Growth driven by non-guaranteed and external mandates
- Includes consolidation of Skagen

Insurance



- Changes in distribution and new disability product reduces growth

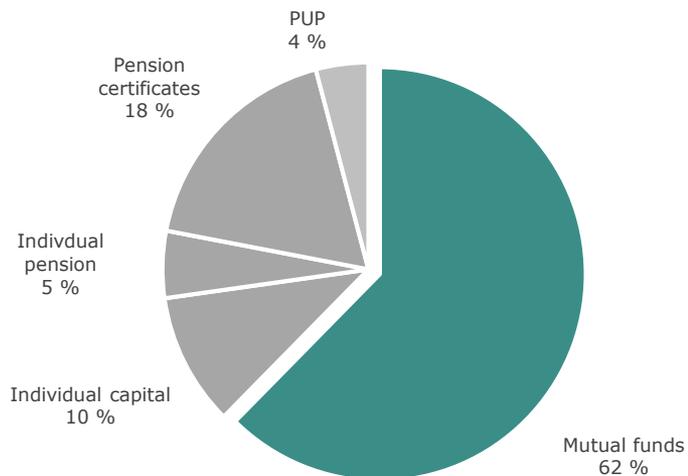
Retail loans



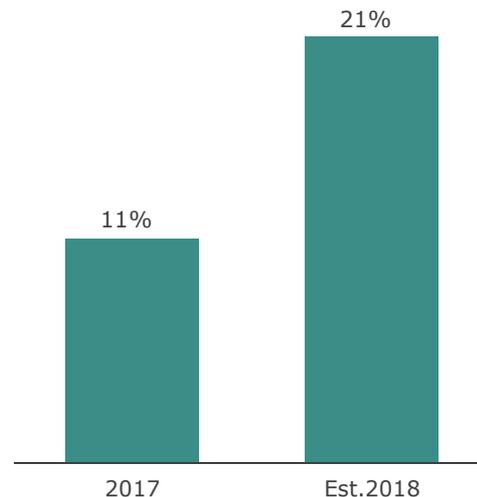
- NOK 15,2bn placed on life balance sheet as of Q4 2017

Positioned to capture growth in market for individual savings

Market for long term individual savings
NOK 380bn 2017

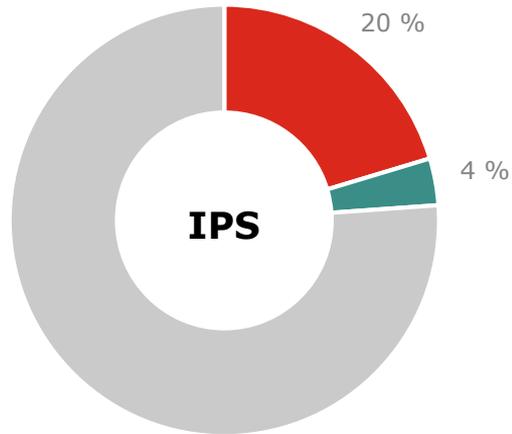


Market share pre and post SKAGEN + Silver



Strengthened market position within private savings with launch of new products IPS and ASK

Individual Pension Savings (IPS)
#1 with 24 % market share¹



■ Storebrand Life ■ Skagen ■ Others

Aksjesparekonto (ASK)
#2 with 22 % market share²



■ Storebrand AM ■ Skagen ■ Others

¹ Est. based on AUM 31.12.2017. Source: "Kjempe-suksess for ny IPS-ordning", 18.01.2018, Finans Norge and "Solgte bare halvparten så mye IP S som ventet", 03.01.2017, Finansavisen.

² Based on AUM 31.12.2017. Limited to mutual funds. Source: "Ny statistikk: 52 milliarder fondskroner på aksjesparekonto", 24.01.2017, Verdipapirfondenes forening.

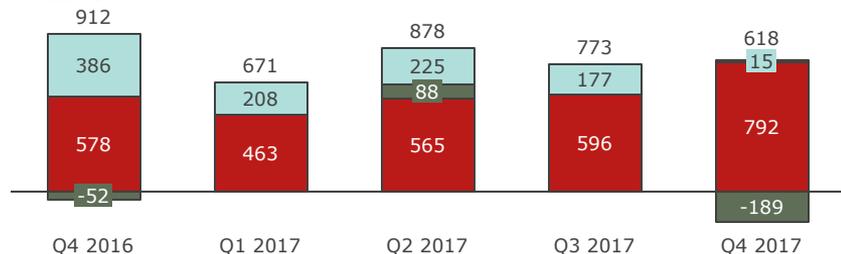
Key figures



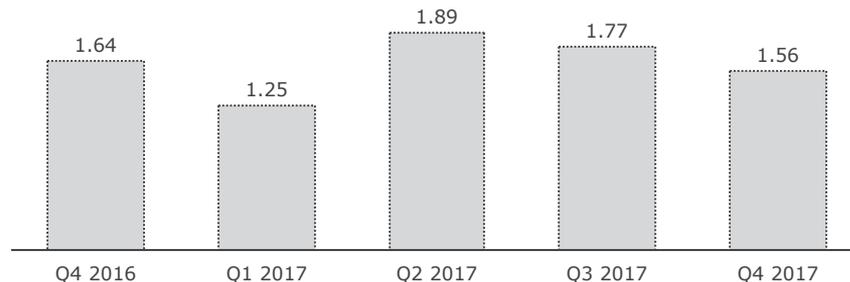
Result development¹

- Financial items and risk result life
- Special items
- Operating result

MNOK

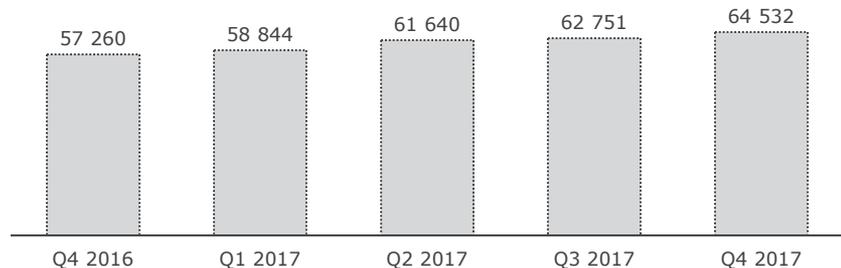


Earnings per share²



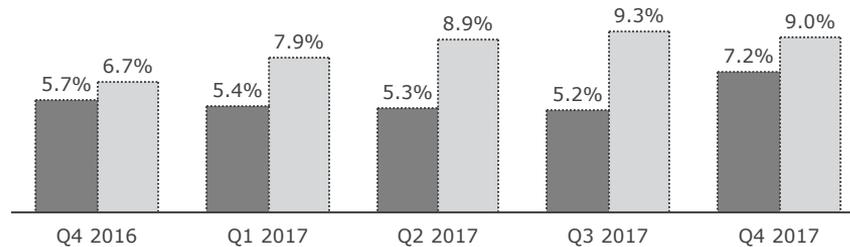
Solidity capital Storebrand Life Group

MNOK



Customer buffers development

- Customer buffers Norway⁴
 - Customer buffers Sweden
- % of customer funds³



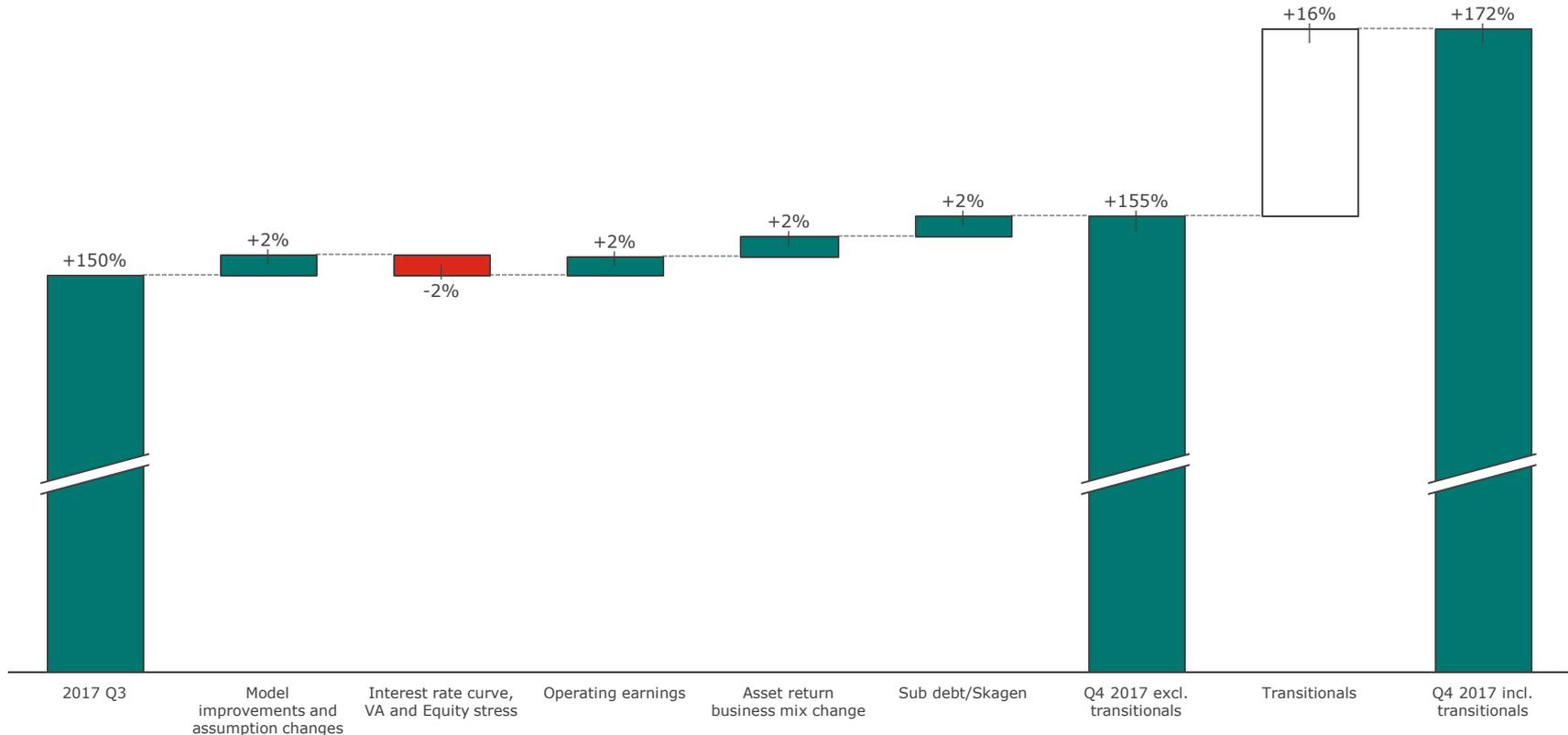
¹ Result before amortisation, write-downs.

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

³ Customer buffers in Benco not included. In addition there are unallocated investment results of NOK 4.3 billion in Norwegian guaranteed that will be allocated at year end.

⁴ Solidity capital/customer buffers does not include provisions for future longevity reserves.

Storebrand Group Solvency movement from Q3 2017 to Q4 2017



Estimated SII position Storebrand Group

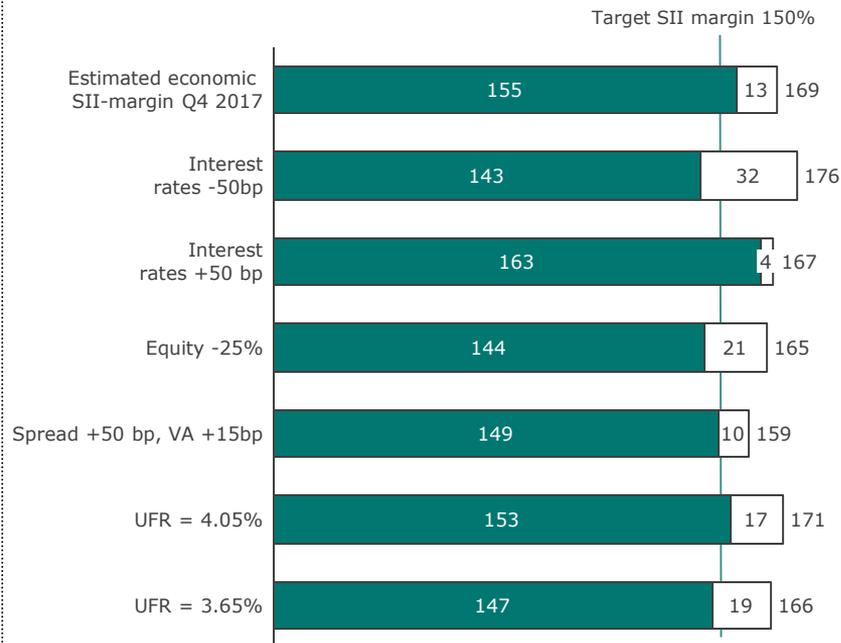
Solvency position(%)¹



Key takeaways

- Retained earnings, issuance of subordinated debt and strong investment results strengthens the Solvency ratio
- Model improvements on investment strategy and lapse, leads to increased transitional rules and increases the sensitivities to market movements

Estimated sensitivities



¹ The estimated Economic solvency position of Storebrand Group is calculated using the current Storebrand implementation of the Solvency II Standard model with the company's interpretation of the transition rules from the NFSA. 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.

Profit¹

NOK million	4Q		Full year	
	2017	2016	2017	2016
Fee and administration income	1 534	1 145	4 779	4 294
Insurance result	261	251	1 146	945
Operational cost	-992	-868	-3 498	-3 250
Operating profit	803	528	2 427	1 989
Financial items and risk result life	-185	384	513	924
Profit before amortisation	618	912	2 940	2 913
Amortisation and write-downs of intangible assets	-237	-95	-536	-406
Profit before tax	381	816	2 404	2 506
Tax	113	-140	2	-364
Profit after tax	494	676	2 405	2 143

- Affected by consolidation of Skagen (p.14)
- Cost effects (p.15)
- Swedish financial result, changed discount rate (p.22)
- Q4 Interim report (p.4)

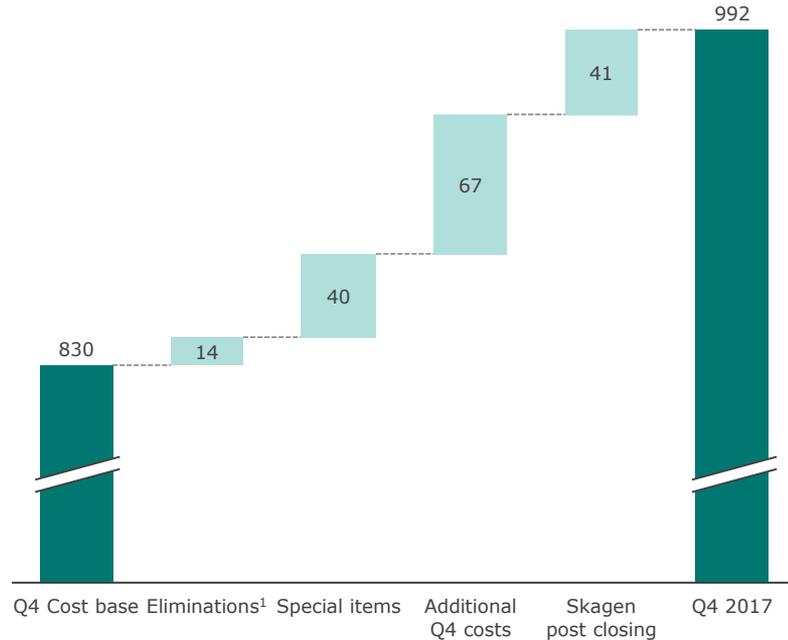
SKAGEN – Q4 effects and 2017 results

Skagen results consolidated into Storebrand Q4 2017		
NOK million	4Q 2017	Comments
Fee and administration income	294	Income December
Operational cost	-41	Cost December
Operating profit	253	
Financial items	-45	Earn out/financial result
Profit before amortisation	208	
Amortisation and write-downs of intangible assets	-136	Fees earned before closing
Result before tax	72	
Tax/Minority	-28/-18	Adj 90,95% ownership share
Profit after tax	33	

Profit 2017 – Illustrative IFRS figures ¹		2017			
NOK million	Q1	Q2	Q3	Q4	Full year
Fee and administration income	128	134	131	390	782
Operational cost	-185	-137	-64	-188	-574
Operating profit	-57	-3	67	202	209
Financial items	1	13	40	11	65
Profit before amortisation	-56	9	107	213	274

¹ Not audited

Normalised Quarterly Operational Cost



Comments

Special items

- Transaction fees for Skagen and Silver
- Restructuring costs SPP

Additional Q4 operational costs, not expected to be repeated in 2018

- Costs associated with the launch of new savings products
- Refurbishing of head office in order to reduce rental cost
- Div. items of non recurring nature

Skagen operational costs post closing

¹ A change has been made to align elimination principles in the Group, this has led to an increase in costs and income of NOK 14m (7m) in the quarter and NOK 58m (59m) for the full year. The change has no impact on results. For more information, see www.storebrand.no/ir for overview of special effects related to costs and eliminations.

Profit

NOK million	4Q		Full year	
	2017	2016	2017	2016
Fee and administration income	1 534	1 145	4 779	4 294
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Profit per line of business

NOK million	4Q		Full year	
	2017	2016	2017	2016
Savings - non-guaranteed	639	321	1 511	1 063
Insurance	32	143	608	575
Guaranteed pension	31	492	766	870
Other profit	-84	-45	55	405
Profit before amortisation	618	912	2 940	2 913

Savings (non-guaranteed)

- continued growth



Profit

NOK million	4Q		Full year	
	2017	2016	2017	2016
Fee and administration income	1 192	744	3 402	2 758
Operational cost	-557	-426	-1 899	-1 700
Operating profit	635	319	1 503	1 058
Financial items and risk result life	4	3	8	5
Profit before amortisation	639	321	1 511	1 063

Profit per product line

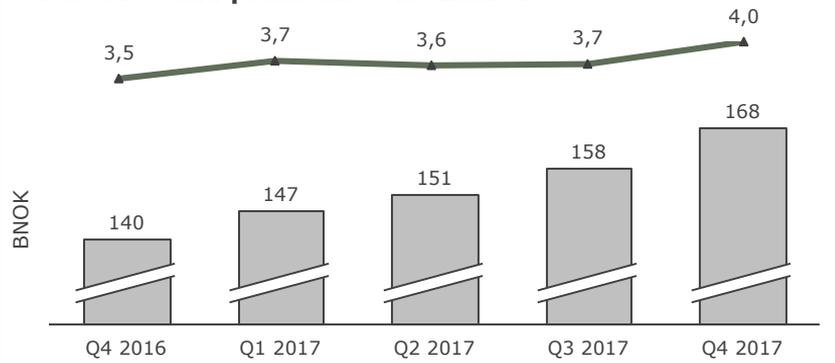
NOK million	4Q		Full year	
	2017	2016	2017	2016
Unit linked Norway	64	64	284	242
Unit linked Sweden	70	55	252	175
Asset Management segment	470	178	823	518
Retail banking	34	24	152	127
Profit before amortisation	639	321	1 511	1 063

Savings (non-guaranteed)

- strong growth in assets and retail lending



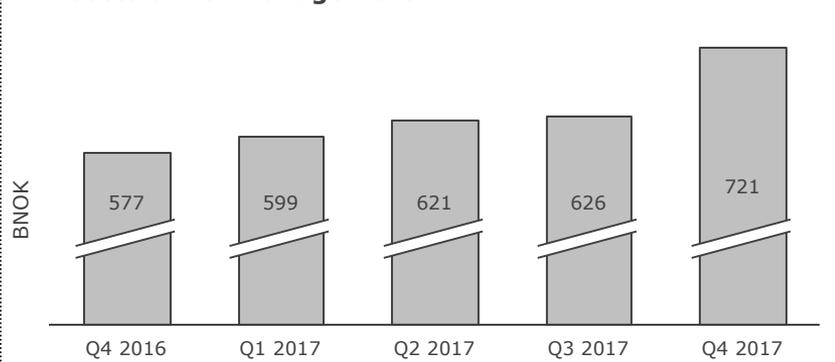
Reserves and premiums Unit Linked



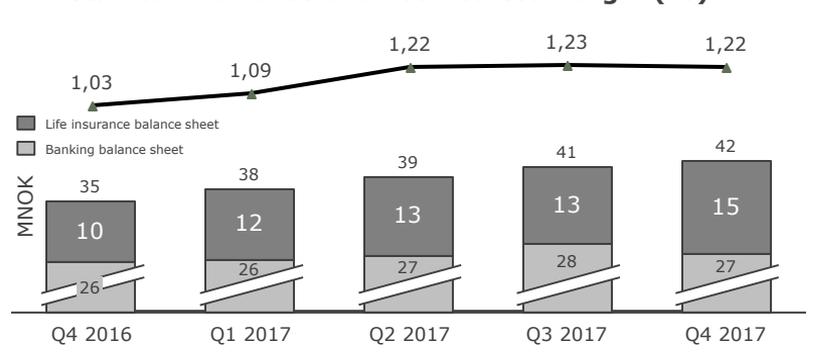
Comments

- 6% premium growth in UL premiums¹
- 19% retail lending growth²
- 25% growth in assets under management²

Assets under management



Retail bank balance and net interest margin (%)



¹ Excluding transfers. Growth from YTD 2016 to YTD 2017.

² Growth figures from YTD 2016 to YTD 2017.

³ Includes consolidation of Skagen. Growth figures from YTD 2016 to YTD 2017.

Profit

NOK million	4Q		Full year	
	2017	2016	2017	2016
Insurance premiums f.o.a.	968	957	3 872	3 828
Claims f.o.a.	-707	-706	-2 726	-2 883
Operational cost	-193	-168	-711	-602
Operating profit	68	83	435	342
Financial result	-36	60	173	233
Profit before amortisation	32	143	608	575

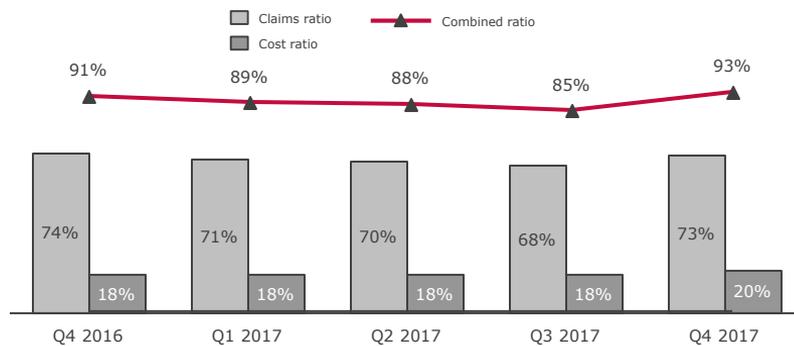
Profit per product line

NOK million	4Q		Full year	
	2017	2016	2017	2016
P&C & Individual life	38	48	285	293
Health & Group life	-21	52	242	149
Pension related disability insurance Nordic	15	42	81	133
Profit before amortisation	32	143	608	575

Insurance

- Implemented measures to reduce costs

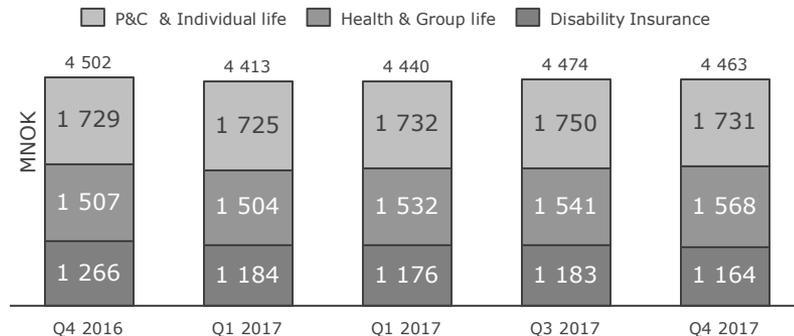
Combined ratio



Comments Combined ratio and results

- Combined Ratio 93%
- Reduced premiums due to on-going shift to more cost-effective distribution and new disability product

Portfolio premiums



Comments premiums and growth¹

- Flat premium development within P&C & Individual life
- 4% premium growth within Health & Group life
- -8% premium decline in Pension related disability Nordic

Guaranteed pension

- NOK 200m provision in anticipation of a regulatory reduction of the ultimate forward rate in SPP



Profit

NOK million	4Q		Full year	
	2017	2016	2017	2016
Fee and administration income	376	376	1 483	1 566
Operational cost	-240	-260	-889	-981
Operating profit	136	116	595	585
Risk result life & pensions	18	-13	67	-37
Net profit sharing and loan losses	-123	389	104	322
Profit before amortisation	31	492	766	870

Profit per product line

NOK million	4Q		Full year	
	2017	2016	2017	2016
Defined benefit (fee based)	75	62	297	340
Paid-up policies, Norway	29	12	122	46
Individual life and pension, Norway	43	141	79	147
Guaranteed products, Sweden	-116	277	267	336
Profit before amortisation	31	492	766	870

Guaranteed pension

- reserves in long term decline and robust buffer situation



Reserves guaranteed products



Comments

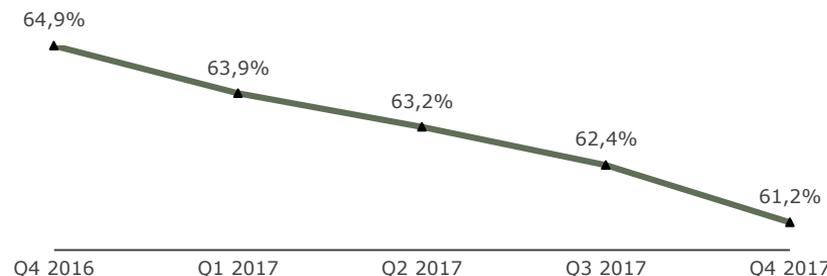
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
- NOK 200m provision in anticipation of a regulatory reduction of the ultimate forward rate in SPP

Buffer capital

NOK million	2017	2016	Change
	4Q	4Q	
Market value adjustment reserve	3 707	2 684	1 024
Excess value of bonds at amortised cost	8 531	8 785	-253
Additional statutory reserve	8 254	6 794	1 461
Conditional bonuses Sweden	7 042	5 663	1 379
Total	27 535	23 924	3 610

1) The term Buffer capital in this table is not consistent with the definition of buffer capital made in the IFRS accounting

Guaranteed reserves in % of total reserves



Profit

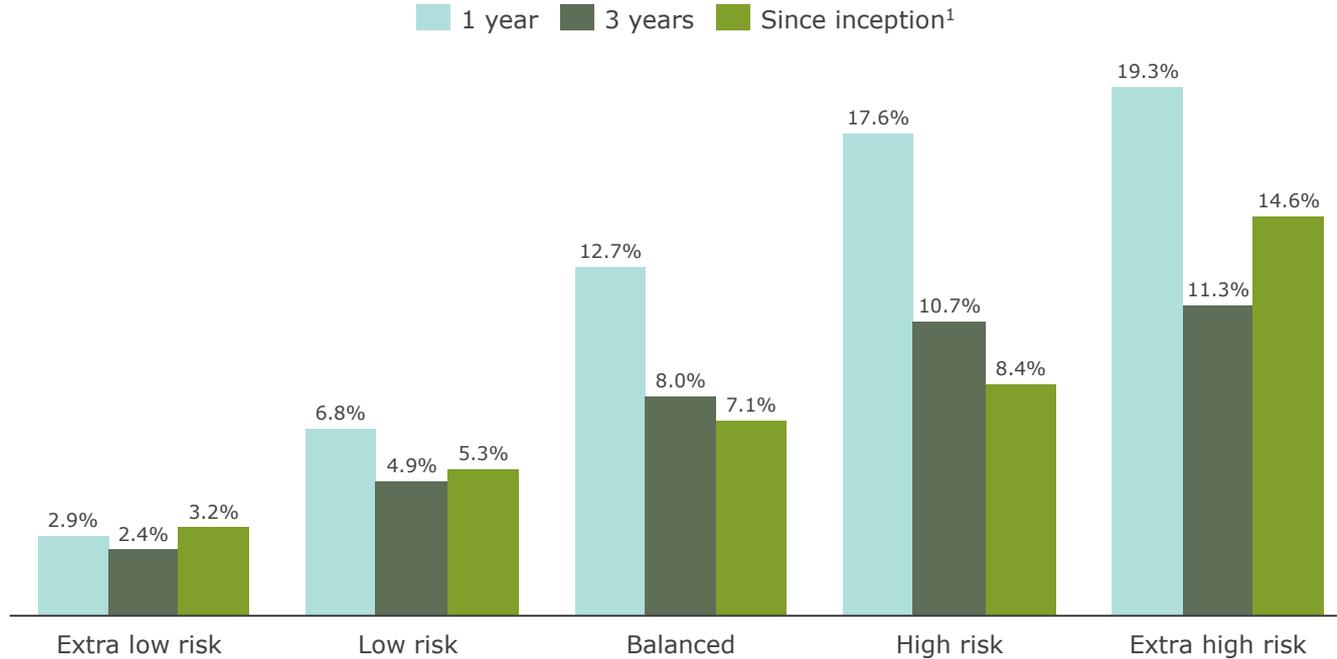
NOK million	4Q		Full year	
	2017	2016	2017	2016
Fee and administration income	20	43	83	145
Operational cost	-56	-33	-188	-141
Operating profit	-36	10	-105	4
Financial items and risk result life	-48	-54	161	401
Profit before amortisation	-84	-45	55	405

Profit per product line

NOK million	4Q		Full year	
	2017	2016	2017	2016
Corporate Banking	5	6	42	76
BenCo	3	1	21	44
Holding company costs and net financial results in company portfolios	-93	-52	-8	285
Profit before amortisation	-84	-45	55	405

Appendix

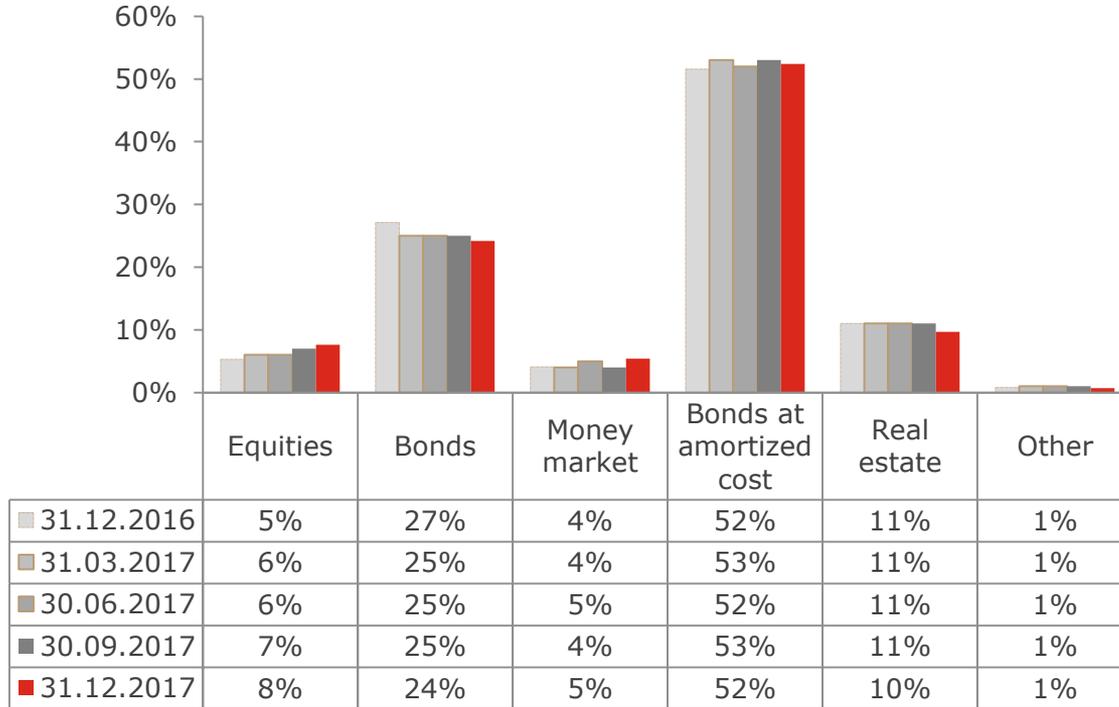
Defined Contribution Returns - Standard Profiles Norway



Gross annualised returns as of 31.12.2017.

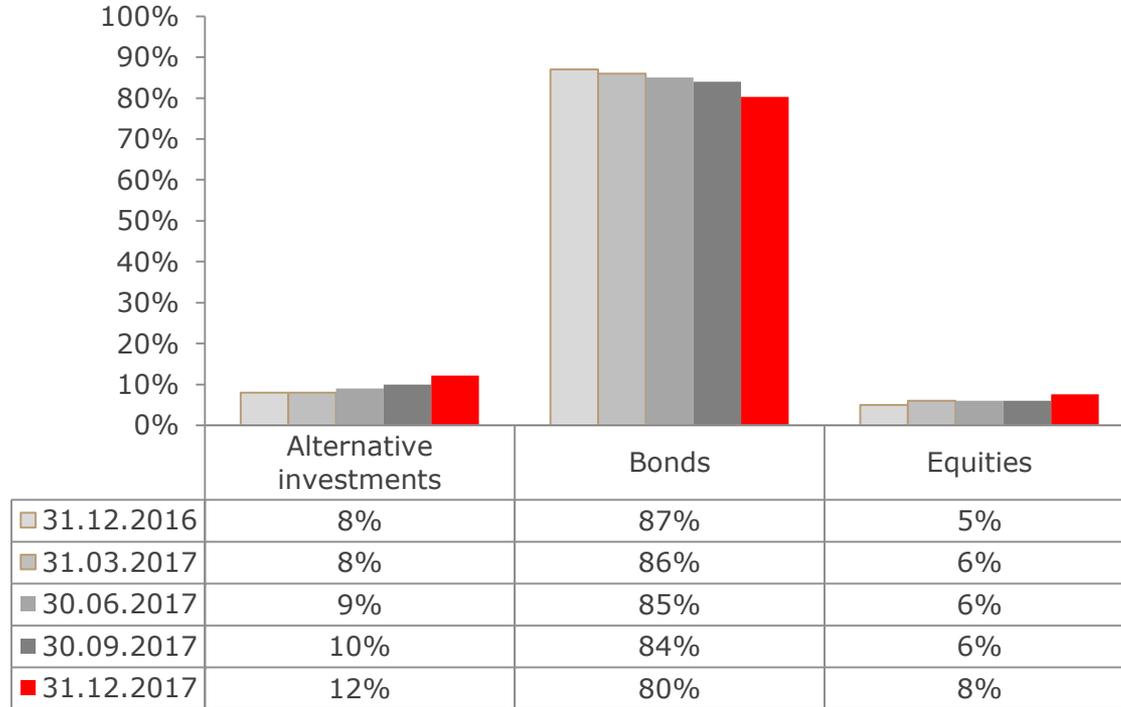
¹ Low, Balanced and High risk profiles established in march 2004. Extra Low and High risk established in December 2011.

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.



Investor Relations contacts

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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.