



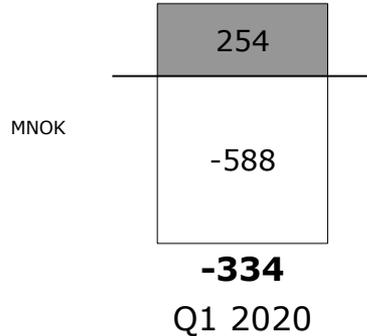
Storebrand Q1 2020

30 April 2020

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights Q1 2020

Group result¹



- Financial items and risk result life
- Operating profit



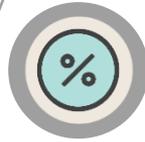
19% Unit Linked premium growth²



14% AuM growth Asset Management²



Disability insurance reserves strengthening



172% Solvency margin³

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



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



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



3. Operations are running close to normal



Storebrand

We're in this together with the rest of society

Update on Dividend, AGM and CMD in light of COVID-19



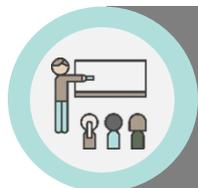
Dividend

- The Board withdraws the proposed dividend to the AGM.
- Pronounced expectation from regulator that dividends are suspended.
- Going forward, the Board reaffirms its commitment to return capital to shareholders in accordance with dividend policy.



Annual General Meeting

Annual General Meeting to be held 17 June 2020.



Capital Markets Day

The Capital Markets Day, scheduled for 9 June 2020 in London, will be postponed to Q4 2020.

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

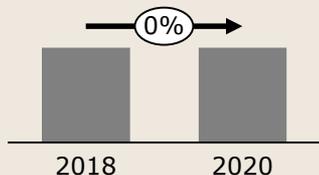
D

Bolt-on M&A

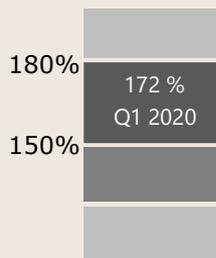
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework



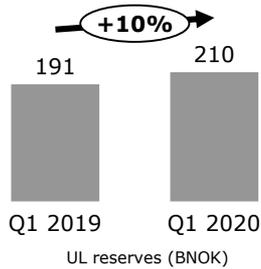
C. Increased return



Manage for capital release and **increased dividend pay-out ratio**

Strong growth y/y despite Q1 market turmoil

Unit Linked

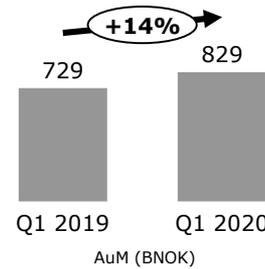


Reserve growth in local currency:

- 5% growth in Norway
- 1% growth in Sweden

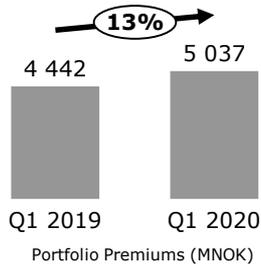
...despite market turmoil

Asset management



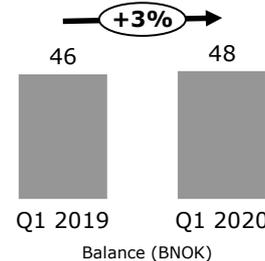
- Growing alternatives with successful €500mn closing of Cubera IX
- Positive currency effect

Insurance



- Strong growth in P&C and Health insurance

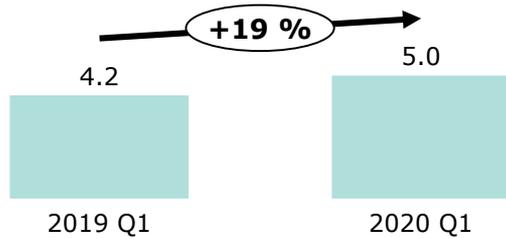
Retail loans



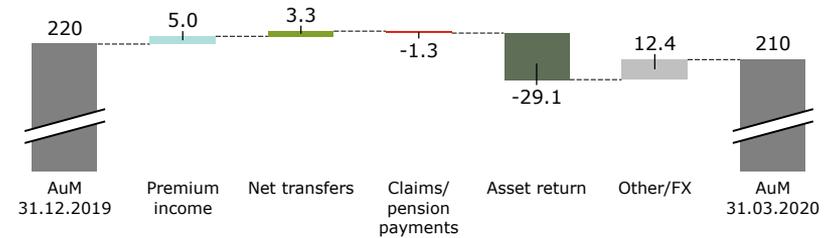
- Stable net interest margin
- Stable volume

Premium and net flow development in pension savings

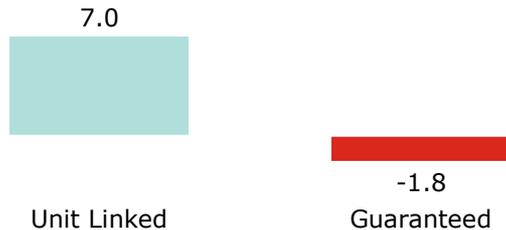
Quarterly premium income, Unit Linked (NOK bn)



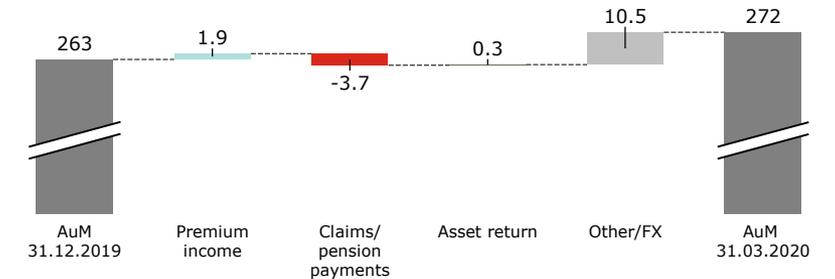
Unit Linked flow (NOK bn)



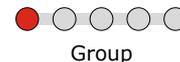
Net flow (NOK bn)



Guaranteed flow (NOK bn)

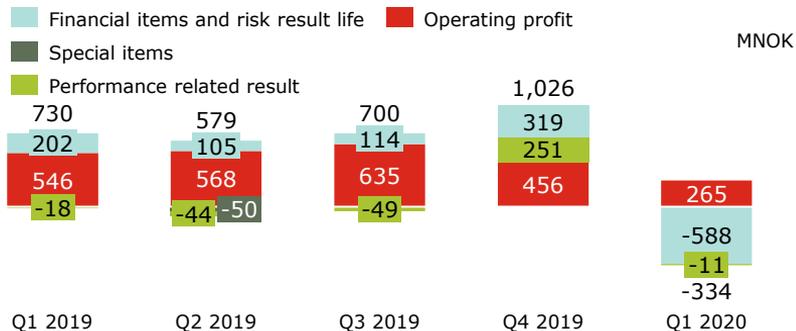


Key figures

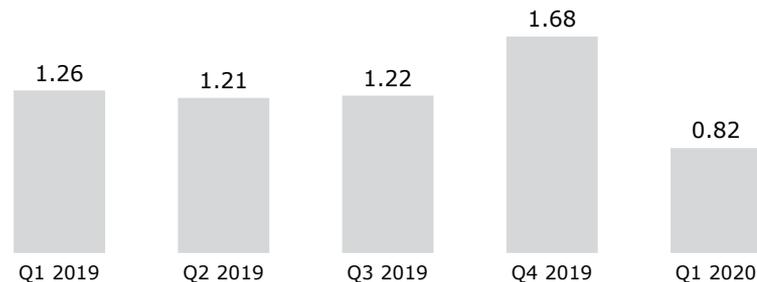


Group

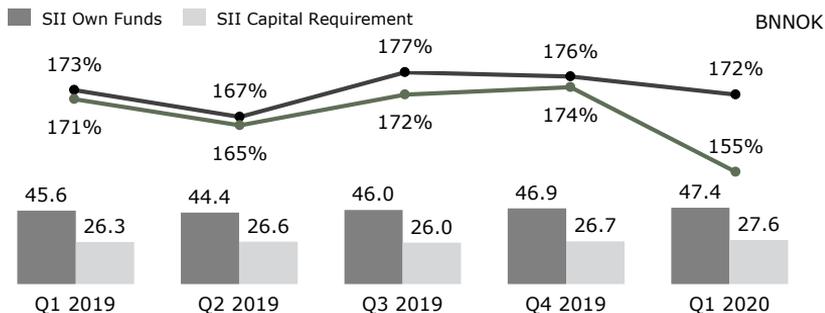
Result development¹



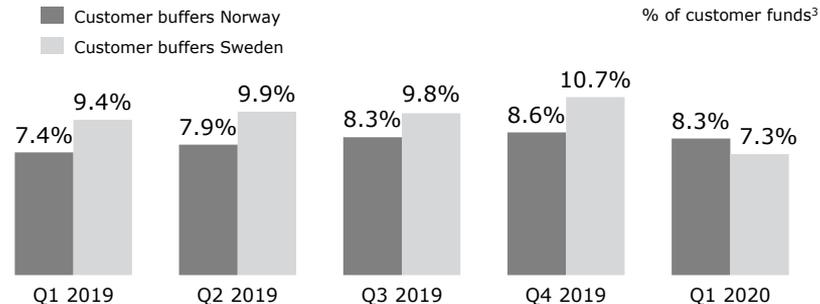
Earnings per share²



SII Own funds and SCR⁴



Customer buffers development



¹ Result before amortisation and tax, adjusted for performance related result.

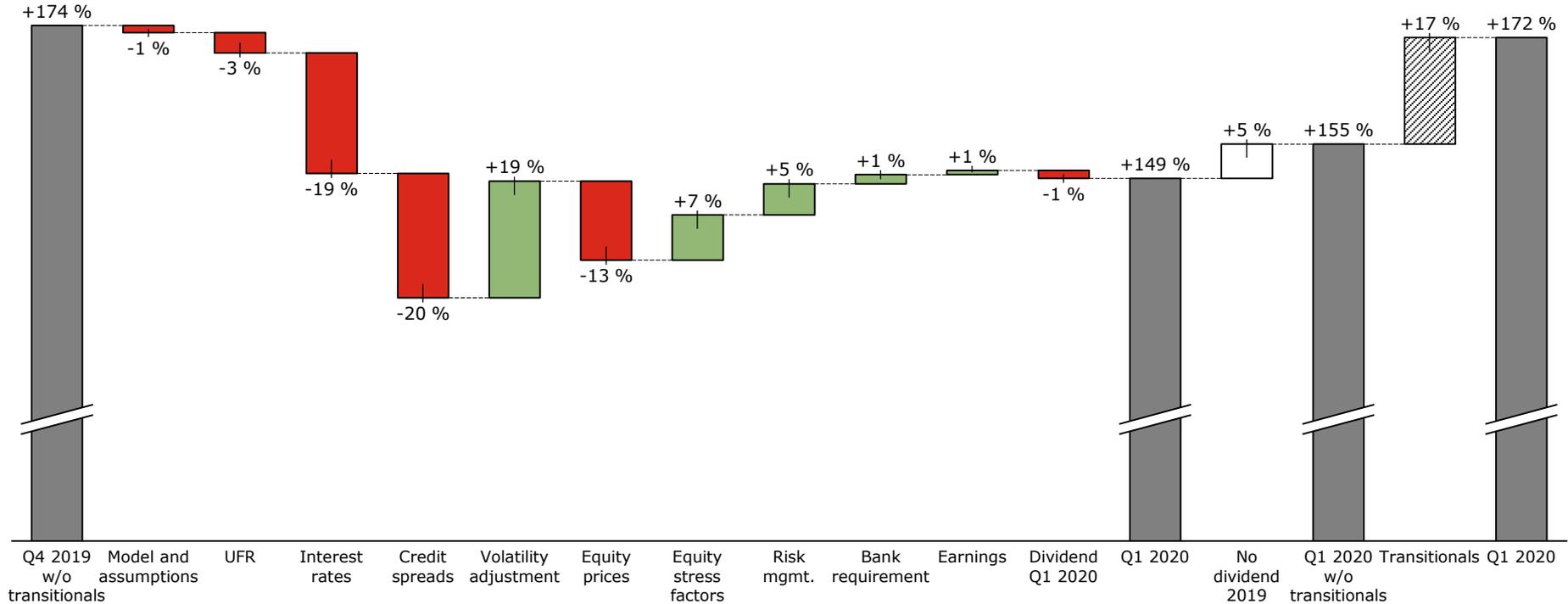
² Earnings per share after tax adjusted for amortisation of intangible assets.

³ Excluding customer buffers Benco. Surplus values of HTM bonds cost excluded.

⁴ Includes transitional capital.

Movement from Q4 2019 to Q1 2020

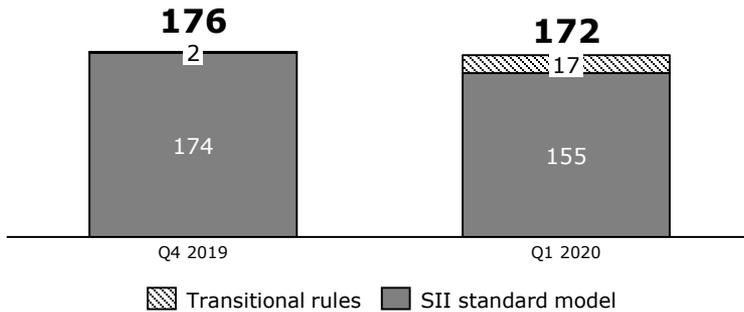
Storebrand Group Solvency Ratio



SII position Storebrand Group



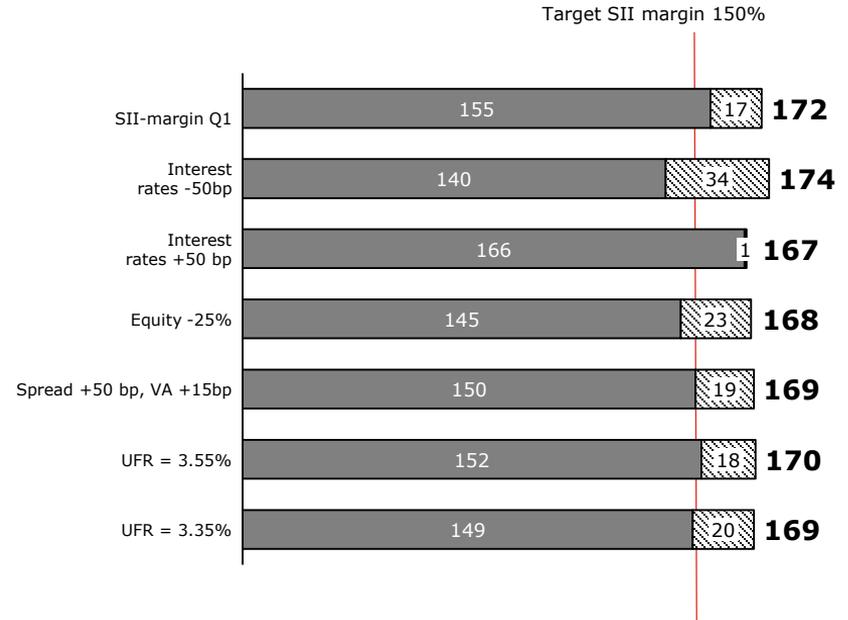
Solvency position(%)¹



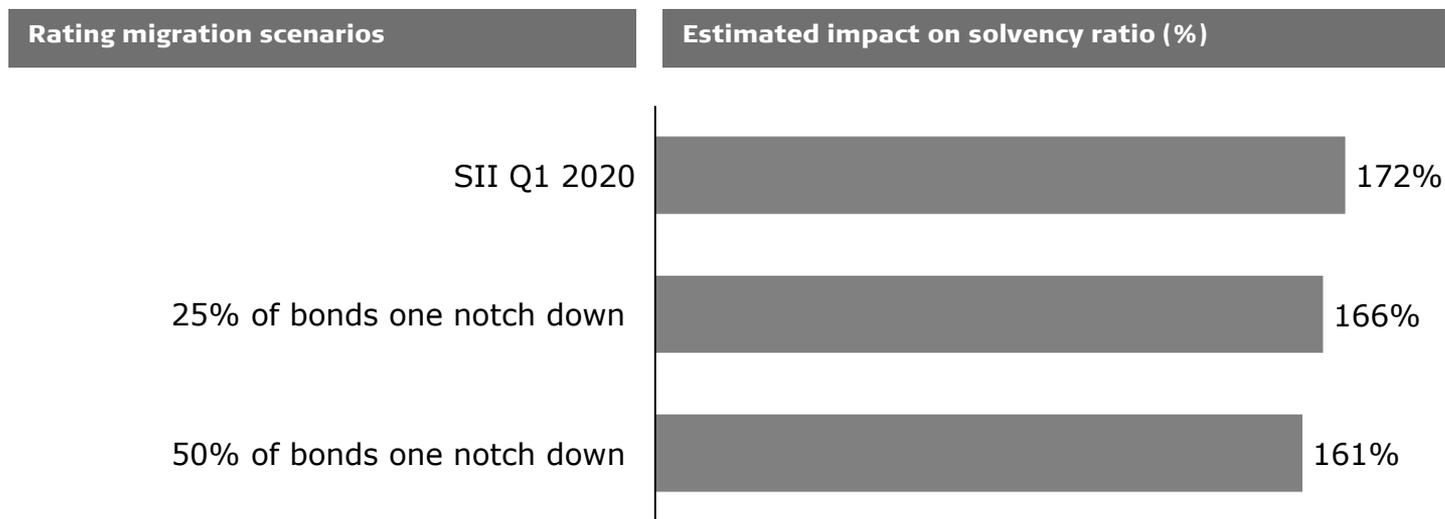
Key takeaways

- Lower interest rates, mostly offset by transitional rules
- Increased credit spreads, mostly offset by increased VA
- Fall in equity prices, offset by reduced exposure and equity stress factors

Estimated sensitivities



Rating migration would have limited impact because of high asset quality and relatively low credit duration



Storebrand Group



Profit¹

NOK million	Q1		Full year
	2020	2019	2019
Fee and administration income	1 349	1 215	5 308
Insurance result	-71	245	1 005
Operational cost	-1 024	-929	-4 015
Operating profit	254	531	2 298
Financial items and risk result life	-588	202	739
Profit before amortisation	-334	733	3 037
Amortisation and write-downs of intangible assets	-119	-99	-444
Profit before tax	-453	634	2 593
Tax	717	-139	-511
Profit after tax	264	494	2 082

Storebrand Group



Profit¹

NOK million	Q1		Full year
	2020	2019	2019
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Profit per line of business

NOK million	Q1		Full year
	2020	2019	2019
Savings - non-guaranteed	276	290	1 364
Insurance	-268	103	439
Guaranteed pension	95	249	1 029
Other profit	-437	91	205
Profit before amortisation	-334	733	3 037

Storebrand Group



Profit¹

NOK million	Q1		Full year
	2020	2019	2019
Fee and administration income	1 349	1 215	5 308
Insurance result	-71	245	1 005
Operational cost	-1 024	-929	-4 015
Operating profit	254	531	2 298

Operating profit adjusted for performance related income and costs²

NOK million	Q1		Full year
	2020	2019	2019
Booked performance related OPEX	-11	-18	-
Adjusted operating profit	265	549	-

NOK million	Q1		Full year
	2020	2019	2019
<i>Performance income earned not booked</i>	59	66	-
<i>Operating profit including income earned not booked</i>	313	597	-

¹ The result includes special items. Please see storebrand.com/ir for a complete overview.

² Performance related costs refer to performance bonuses and kick-backs in funds with performance fees that are booked on a quarterly basis. The corresponding income is not booked until the end of the year. The numbers will vary with performance development through the year.

Savings (non-guaranteed)

Profit

NOK million	Q1		Full year
	2020	2019	2019
Fee and administration income	1 043	896	3 996
Operational cost	-669	-615	-2 621
Operating profit	375	281	1 375
Financial items and risk result life	-98	9	-11
Profit before amortisation	276	290	1 364

Profit per product line

NOK million	Q1		Full year
	2020	2019	2019
Unit linked Norway	69	85	275
Unit linked Sweden	79	65	291
Asset management	102	73	526
Retail banking	27	67	272
Profit before amortisation	276	290	1 364

Savings (non-guaranteed)



Profit

NOK million	Q1		Full year
	2020	2019	2019
Fee and administration income	1 043	896	3 996
Operational cost	-669	-615	-2 621
Operating profit	375	281	1 375

Operating profit adjusted for performance related income and costs¹

NOK million	Q1		Full year
	2020	2019	2019
Booked performance related OPEX	-11	-18	-
Adjusted operating profit	386	299	-

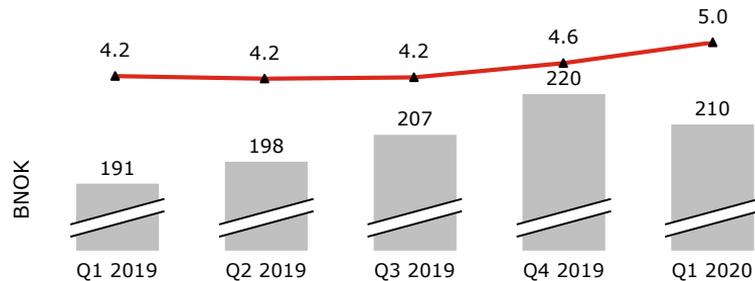
NOK million	Q1		Full year
	2020	2019	2019
<i>Performance income earned not booked</i>	59	66	-
<i>Operating profit including income earned not booked</i>	434	347	-

Savings (non-guaranteed)

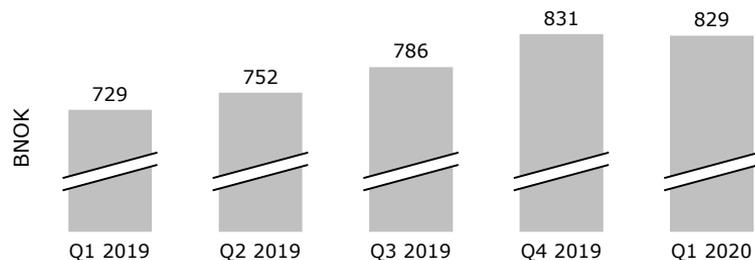
- strong growth



Reserves and premiums Unit Linked



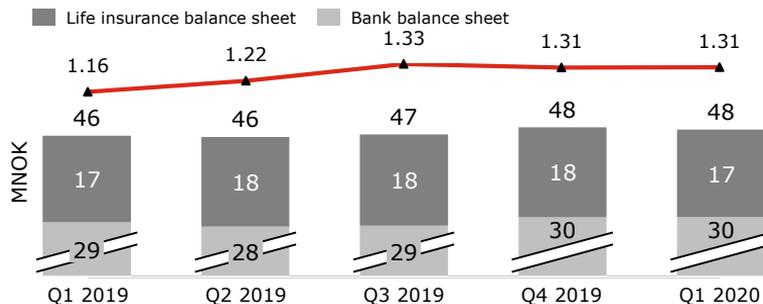
Assets under management



Comments¹

- 19% growth in UL premiums
- 10% growth in UL reserves
- 14% growth in assets under management
- Stable interest margin in the bank

Retail bank balance and net interest margin (%)



Profit

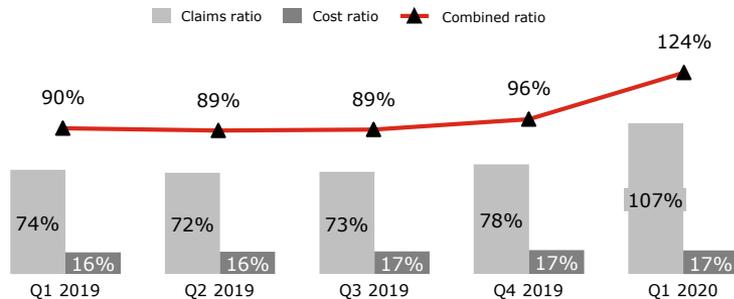
NOK million	Q1		Full year
	2020	2019	2019
Insurance premiums f.o.a.	1 019	948	3 909
Claims f.o.a.	-1 090	-703	-2 904
Operational cost	-175	-150	-648
Operating profit	-246	95	357
Financial result	-22	8	83
Profit before amortisation	-268	103	439

Profit per product line

NOK million	Q1		Full year
	2020	2019	2019
P&C & Individual life	1	85	335
Health & Group life	-263	-20	-41
Pension related disability insurance Nordic	-6	38	145
Profit before amortisation	-268	103	439

Insurance – reserve strengthening

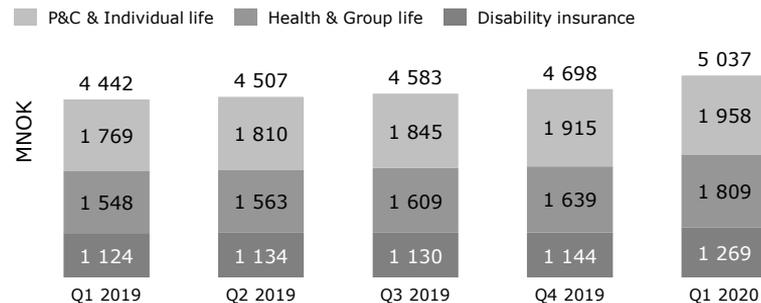
Combined ratio



Comments Combined ratio and results

- 124% combined ratio 2019 due to reserve strengthening for contracts with disability coverage
- Good cost control with stable 17% cost ratio

Portfolio premiums



Comments premiums and growth

- Strong growth within Health insurance and P&C

Guaranteed pension

Profit

NOK million	Q1		Full year
	2020	2019	2019
Fee and administration income	349	361	1 475
Operational cost	-202	-186	-819
Operating profit	147	174	657
Risk result life & pensions	-26	61	215
Net profit sharing	-26	13	157
Profit before amortisation	95	249	1 029

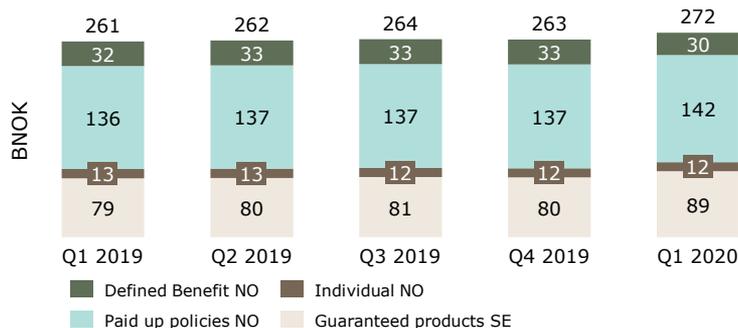
Profit per product line

NOK million	Q1		Full year
	2020	2019	2019
Defined benefit (fee based)	-8	76	287
Paid-up policies, Norway	82	109	409
Individual life and pension, Norway	-3	2	21
Guaranteed products, Sweden	24	62	312
Profit before amortisation	95	249	1 029

Guaranteed pension - robust buffer situation



Reserves guaranteed products



Comments

- Result dampened by disability reserve strengthening
- Last large Norwegian DB contract converted to Hybrid plan, increases Paid up policies
- Overall reserve growth due to SEKNOK FX-effect
- Strong buffer capital despite market turmoil in Q1

Buffer capital

NOK million	Q1 2020	Q4 2019	Change
Market value adjustment reserve	5 279	5 500	- 221
Excess value of bonds at amortised cost	6 719	4 697	+ 2 022
Additional statutory reserve	8 699	9 023	- 324
Conditional bonuses Sweden	6 774	7 802	- 1 027
Total	27 471	27 022	+ 449

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



Other¹



Profit

NOK million	Q1		Full year
	2020	2019	2019
Fee and administration income	13	14	51
Operational cost	-35	-33	-143
Operating profit	-22	-19	-91
Financial items and risk result life	-416	111	296
Profit before amortisation	-437	91	205

Profit per product line

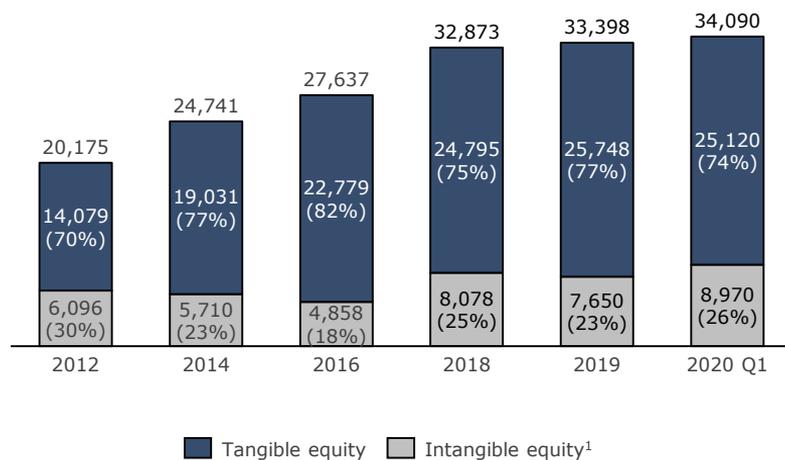
NOK million	Q1		Full year
	2020	2019	2019
BenCo	-21	8	33
Holding company costs and net financial results in company portfolios	-417	83	173
Profit before amortisation	-437	91	205

Appendix

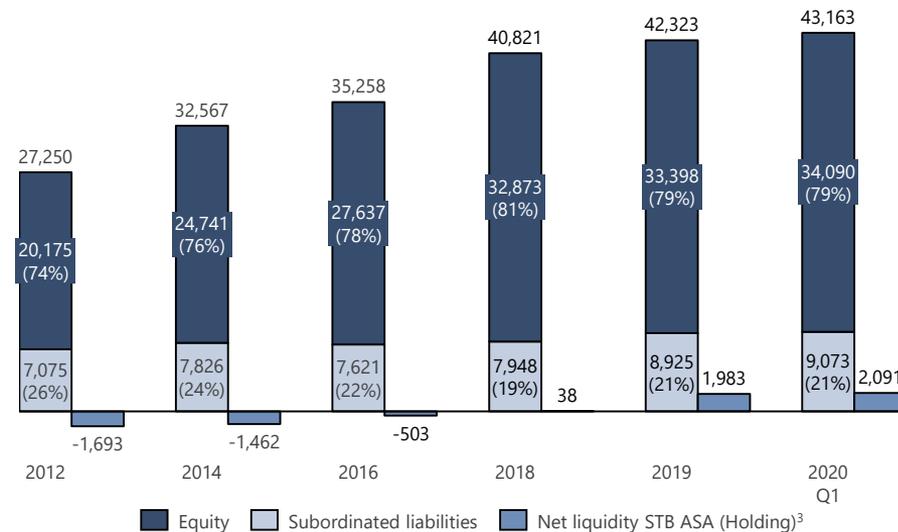
1. Group Liquidity
2. Term structure Debt
3. Asset allocation shareholder exposed assets

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.

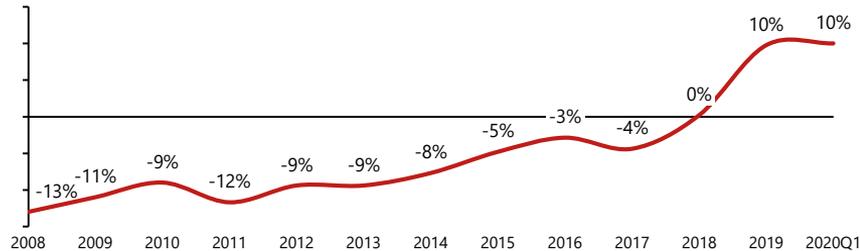
² Specification of subordinated liabilities:

- 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

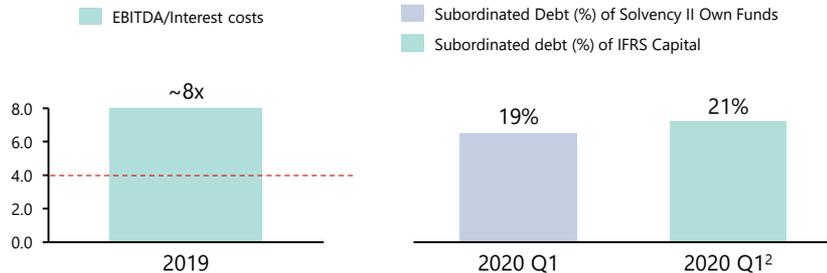
³ (Senior debt – liquidity portfolio) in holding company shown in separate column as it is not part of group capital.

Strong liquidity and low leverage

Net liquidity ratio Storebrand ASA (holding)

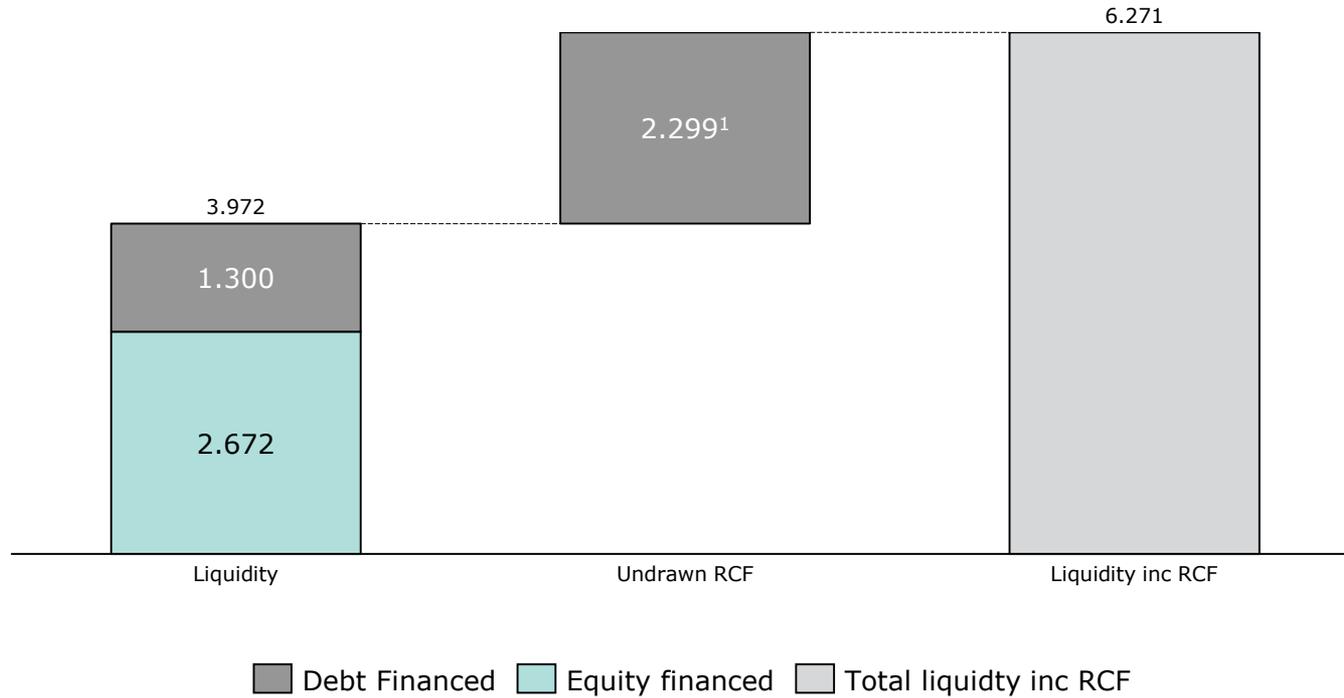


Interest charge coverage Storebrand group¹



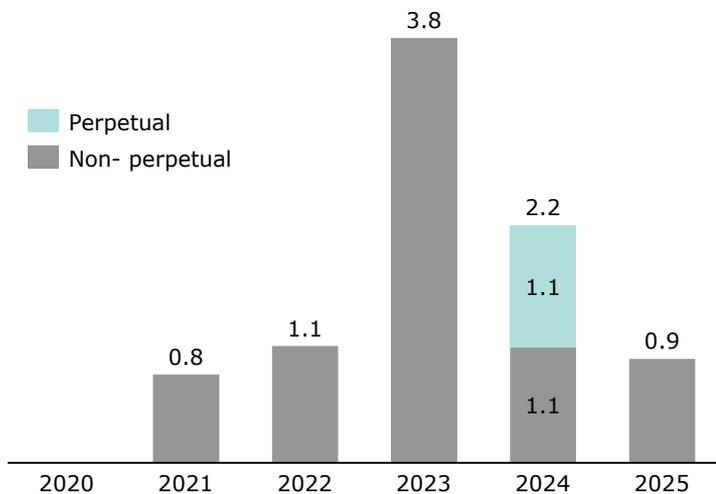
- Proceeds from subsidiaries have been used to pay dividends, reduce debt in the holding company and increase the liquidity buffer
- Holding company net liquidity ratio of 10% (net debt ratio of -10%)
- Refinancing of debt at lower credit spreads, both in the holding company and life insurance company, have reduced the overall interest expenses for the group
- Fixed charge coverage ratio ~ 8x

Group Liquidity NOK bn

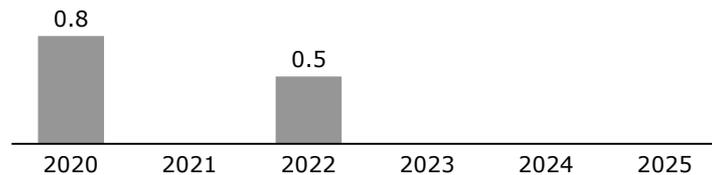


Term structure debt

Term structure sub-debt Storebrand Livsforsikring¹ (bn NOK)



Term structure senior debt Storebrand ASA (bn NOK)



Asset allocation shareholder exposed assets (1/2)

– Asset classes

	Guaranteed Pension ¹		Other: Company Portfolios			Insurance
	Norway	Sweden	Storebrand Livsforsikring AS	SPP	Storebrand ASA	
Investment portfolio exposure						
Equity	4 %	9 %	0 %	0 %	0 %	3 %
Fixed income M2M	12 %	74 %	59 %	96 %	97 %	25 %
Fixed income at amortised cost	63 %	0 %	38 %	0 %	0 %	57 %
Real estate	11 %	12 %	0 %	0 %	0 %	6 %
Cash	8 %	2 %	3 %	5 %	3 %	8 %
Others	2 %	2 %	1 %	0 %	0 %	1 %
Fixed income portfolio M2M						
Government & Government guaranteed	21 %	31 %	7 %	61 %	9 %	12 %
Covered bonds	6 %	22 %	22 %	11 %	31 %	22 %
Corporate	54 %	27 %	71 %	29 %	60 %	56 %
o/w Financial/Banks	31 %	16 %	44 %	14 %	49 %	41 %
o/w RE & Utils	5 %	9 %	14 %	12 %	11 %	9 %
o/w Energy (Oil & Gas)	1 %	0 %	0 %	0 %	0 %	0 %
o/w Other	16 %	2 %	13 %	2 %	1 %	7 %
Mortgages / Loans	0 %	11 %	0 %	0 %	0 %	0 %
ABS, MBS etc	19 %	10 %	0 %	0 %	0 %	10 %
Other fixed income M2M	0 %	0 %	0 %	0 %	0 %	0 %
Fixed income portfolio at amortised cost						
Government & Government guaranteed	26 %		35 %			20 %
Covered bonds	15 %		39 %			4 %
Corporate	39 %		27 %			36 %
o/w Financial/Banks	27 %		24 %			24 %
o/w RE & Utils	4 %		1 %			3 %
o/w Energy (Oil & Gas)	1 %		0 %			1 %
o/w Corporates only	7 %		1 %			8 %
Mortgages / Loans	14 %		0 %			35 %
ABS, MBS etc	5 %		0 %			6 %
Other fixed income at amortised cost	0 %		0 %			0 %

Asset allocation shareholder exposed assets (2/2)

– Fixed income portfolio ratings and duration

	Guaranteed Pension ¹		Other: Company Portfolios			Insurance
	Norway	Sweden	Storebrand Livsforsikring AS	SPP	Storebrand ASA	
Total bond split by rating						
AAA	32 %	48 %	34 %	37 %	25 %	24 %
AA	23 %	21 %	17 %	37 %	17 %	21 %
A	24 %	12 %	16 %	9 %	33 %	29 %
BBB	18 %	14 %	14 %	15 %	7 %	20 %
Non-Investment grade	0 %	1 %	0 %	0 %	0 %	0 %
Not rated*	2 %	4 %	20 %	2 %	18 %	6 %
M2M bond split by rating						
AAA	31 %		20 %			26 %
AA	7 %		11 %			14 %
A	22 %		17 %			31 %
BBB	29 %		18 %			13 %
Non-Investment grade	1 %		0 %			0 %
Not rated*	11 %		33 %			15 %
Amortised cost bond split by rating						
AAA	33 %		54 %			22 %
AA	26 %		25 %			25 %
A	25 %		14 %			28 %
BBB	16 %		8 %			25 %
Non-Investment grade	0 %		0 %			0 %
Not rated	0 %		0 %			0 %

Ratings based on S&P & Moodys
 * Mainly Norwegian savings banks

Q&A

*Please use the provided form in the webcast
or follow the operator's instructions to ask questions in the conference call*



Group CEO
Odd Arild Grefstad



Group CFO
Lars Aa. Løddesøl



Head of Strategy & Finance
Kjetil R. Krøkje



Head of IR
Daniel Sundahl



Investor Relations contacts

Lars Aa. Løddesøl
Kjetil R. Krøkje
Daniel Sundahl

Group CFO
Group Head of Finance, Strategy and M&A
Head of Investor Relations and Rating

lars.loddesol@storebrand.no
kjetil.r.krokje@storebrand.no
daniel.sundahl@storebrand.no

+47 9348 0151
+47 9341 2155
+47 9136 1899

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.