

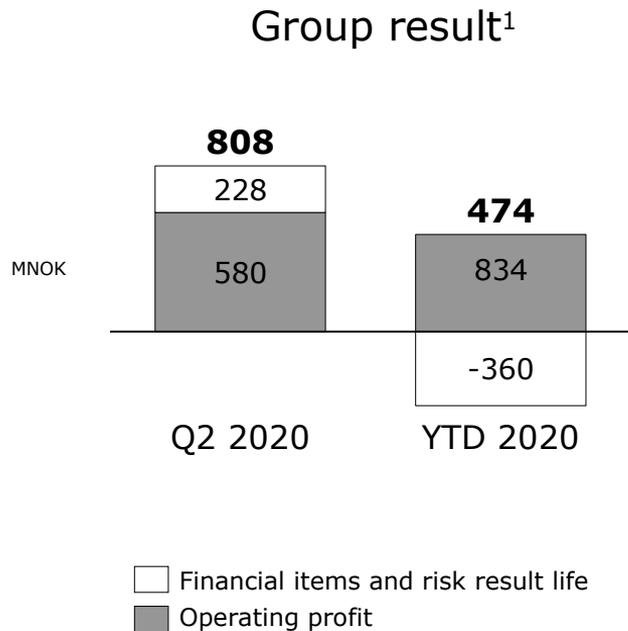


Storebrand Q2 2020

15 July 2020

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights Q2 2020



23% Unit Linked premium growth²



17% AuM growth Asset Management²



15% Insurance Portfolio Premium growth²



163% Solvency ratio³



24% Increased buffer capital⁴

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

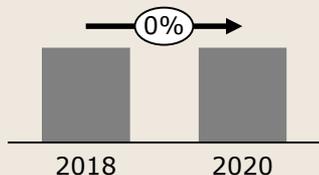
D

Bolt-on M&A

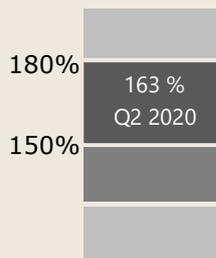
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework



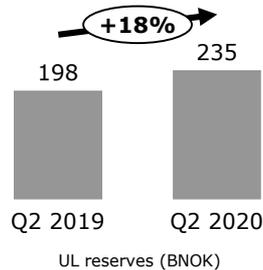
C. Increased return



Manage for capital release and **increasing dividends**

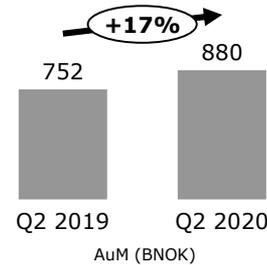
Strong growth

Unit Linked



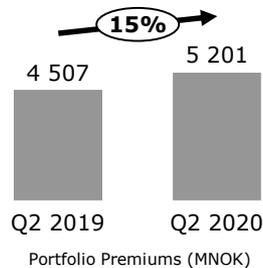
- 23% premium growth
- Strong transfer balance in Norway and Sweden, NOK +7bn net transfers YTD
- Growing market share

Asset management



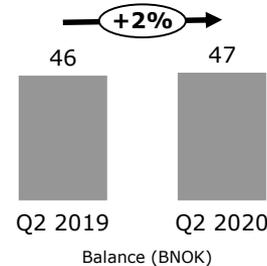
- Positive effect from financial market rebound
- Successful fossil free fund strategy in Sweden: NOK +12bn net flow in SPP Fonder in Q2

Insurance



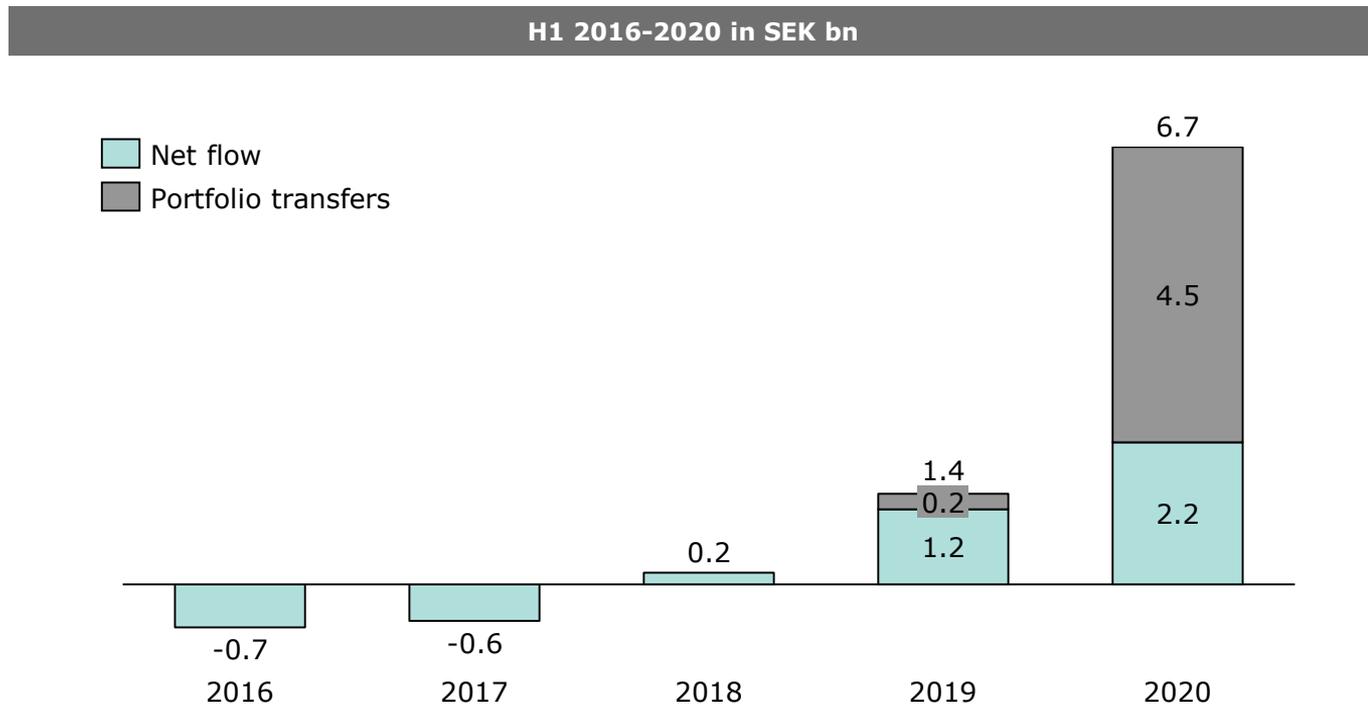
- Double digit growth across all product lines
- Combined Ratio 92% in Q2

Retail loans



- Stable loan balance
- Accelerated rate cut to mortgage clients
- Lower rates lead to lower net interest margin

Strong net flow and consolidation of smaller pension funds contribute to growth in SPP



COVID-19 has confirmed that we operate in digitally mature markets, which gives opportunities to further accelerate digital speed

Maturity indicators

41%

... increase in digital insurance sales from March 2020 to June 2020

90%

... of all retail savings agreements are sold through digital channels

98%

... of B2B customers maintain pension contracts through digital solutions

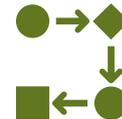
New opportunities



Digital adoption in new business areas

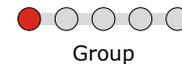


COVID-19 drives shift in customer needs

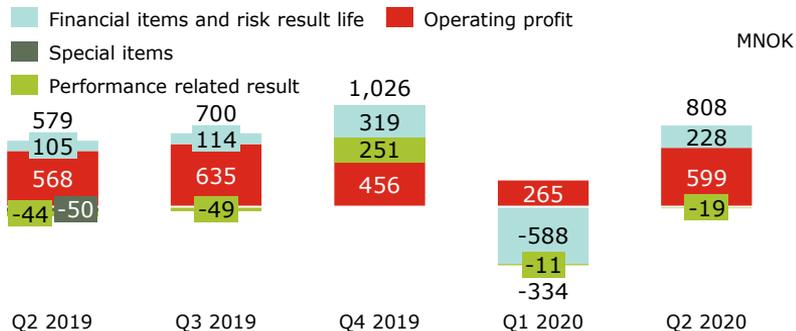


Digital as a risk mitigator

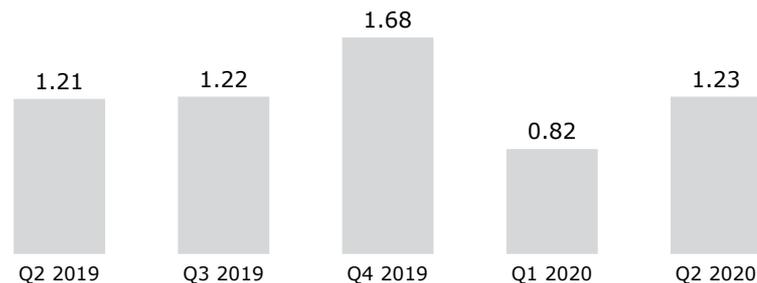
Key figures



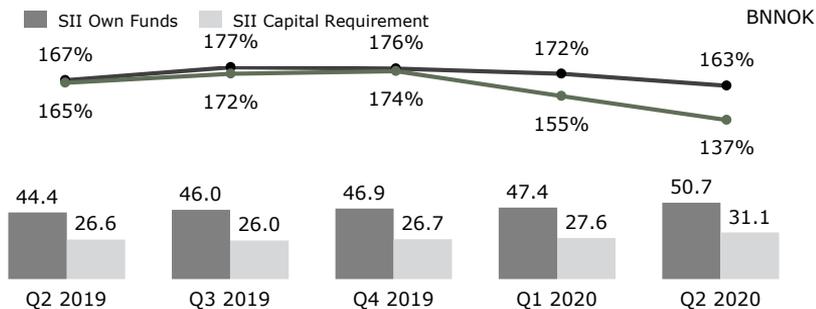
Result development¹



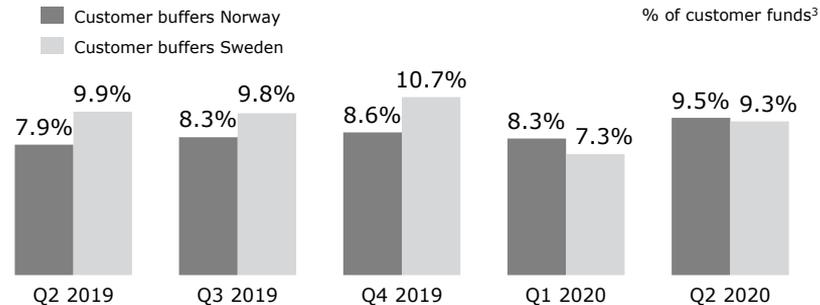
Earnings per share²



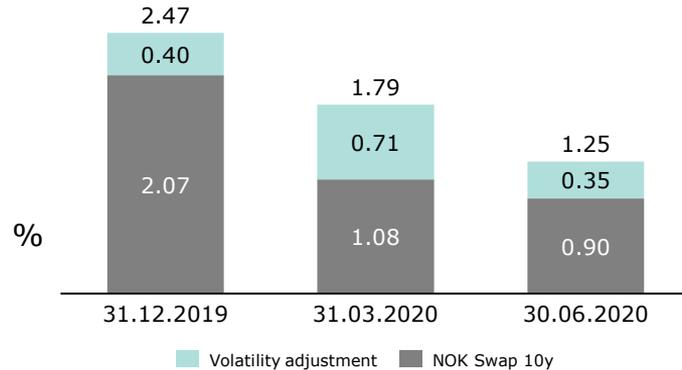
SII Own funds⁴ and SCR



Customer buffers development



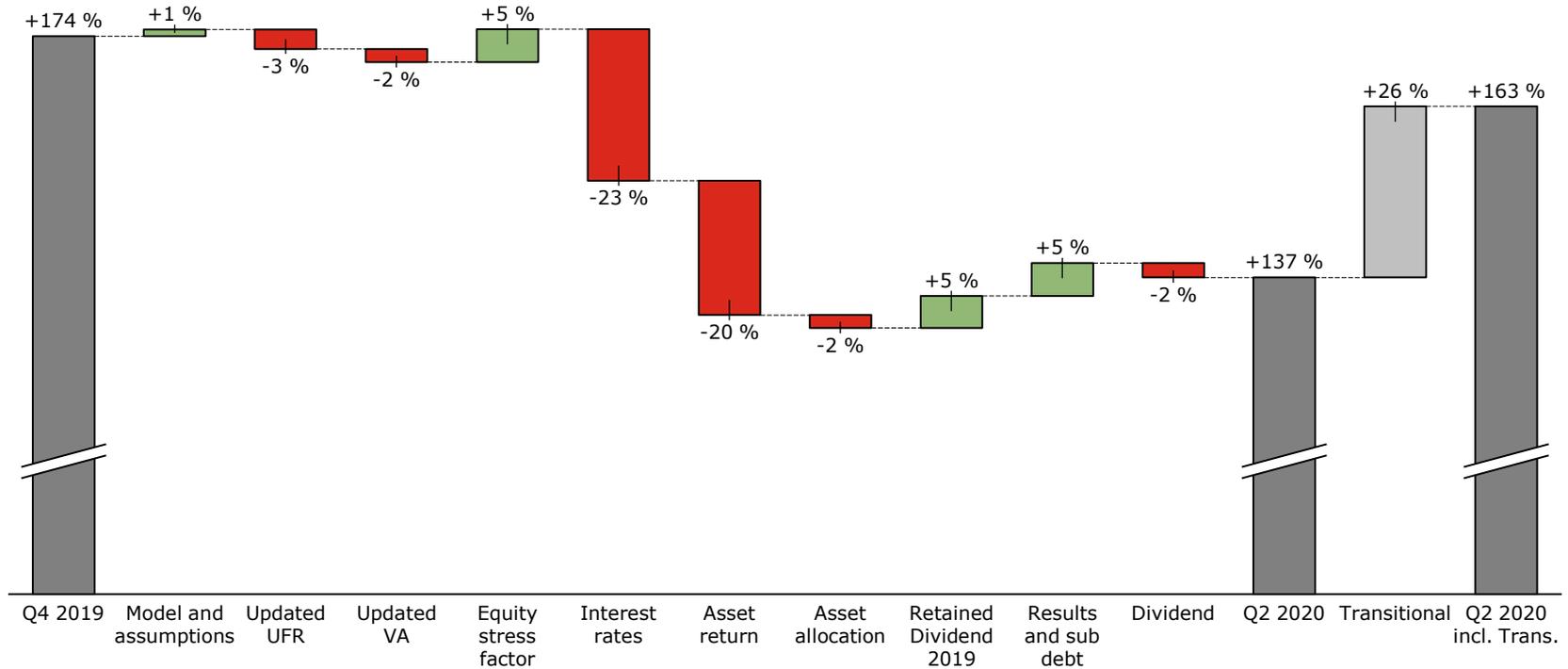
Lower interest rates affect the Solvency ratio



- Lower interest rates due to COVID-19
- Lower regulatory volatility adjustment due to lower Norwegian interest rates and reduced credit spreads
- Given the current interest rate level and normal risk premiums, Storebrand expect to have sufficient returns in the portfolios to meet the annual interest rate guarantee over the next decade, and still have more than two thirds of the customer buffers intact.

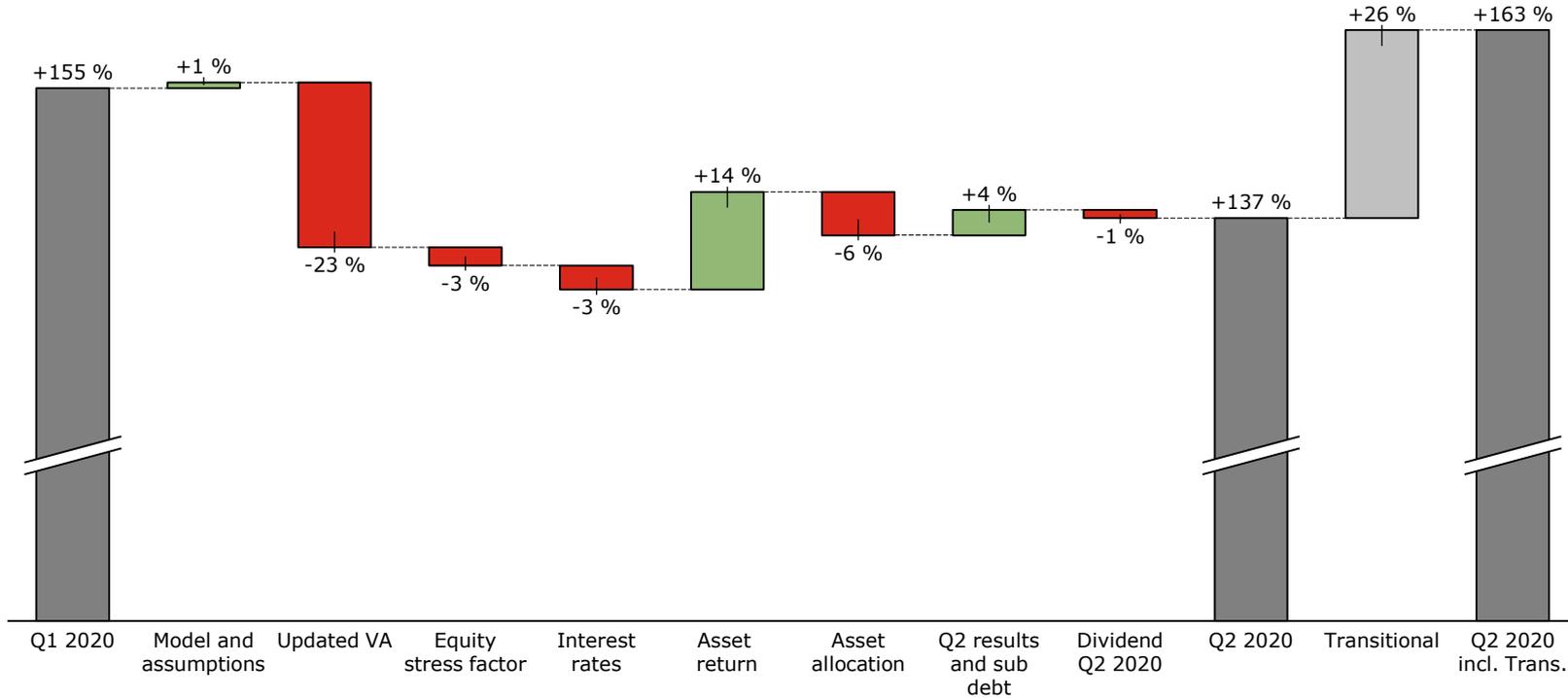
Movement from Q4 2019 to Q2 2020

Storebrand ASA



Movement from Q1 2020 to Q2 2020

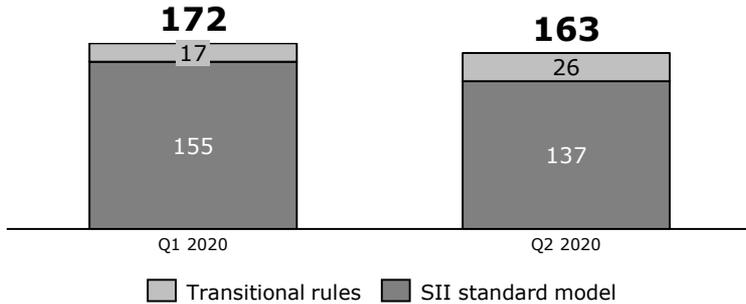
Storebrand ASA



SII position Storebrand Group



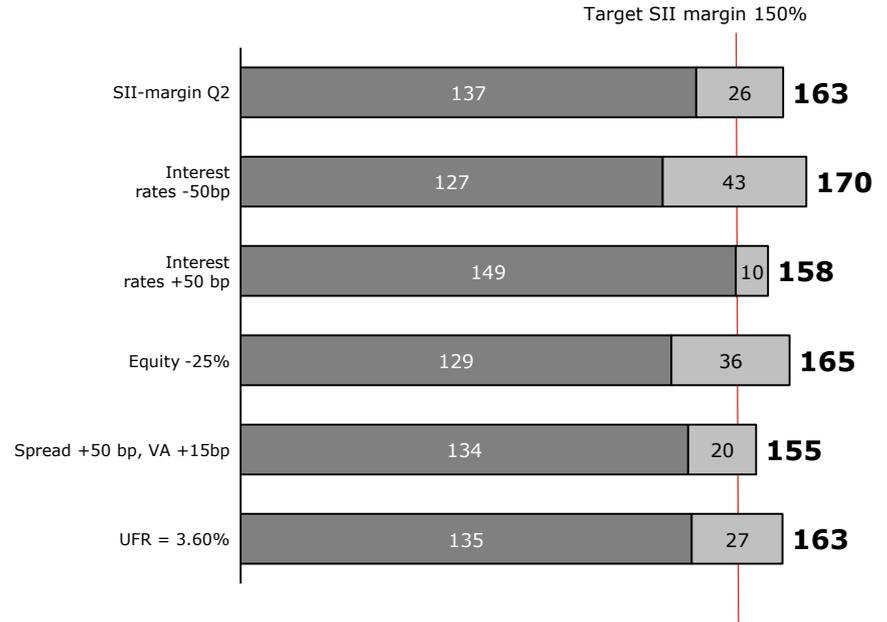
Solvency position(%)¹



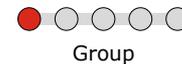
Key takeaways

- 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



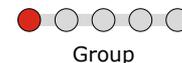
Storebrand Group



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
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Fee and administration income	1 301	1 235	2 649	2 450	5 308
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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

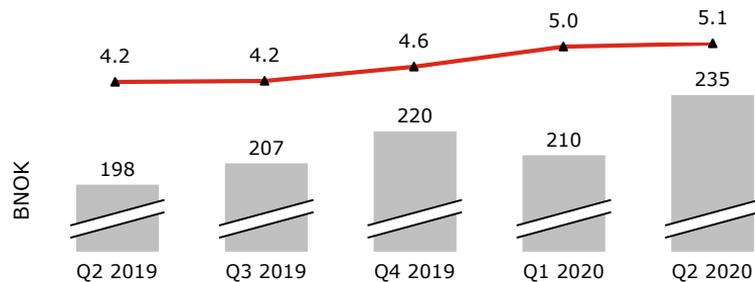
NOK million	2020	2019	2020	2019	2019
Unit linked Norway	126	60	195	145	275
Unit linked Sweden	81	57	160	122	291
Asset management	133	44	235	117	526
Retail banking	55	63	82	130	272
Profit before amortisation	396	224	672	514	1 364

Savings (non-guaranteed)

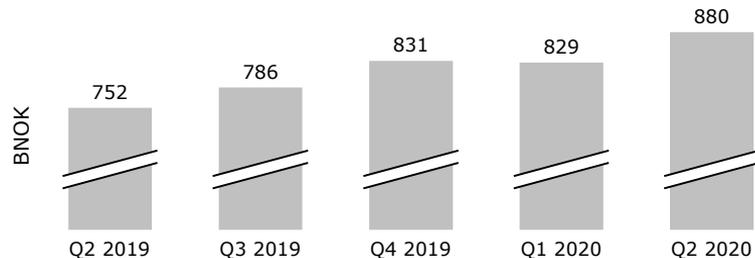
-Strong premium and reserve growth



Reserves and premiums Unit Linked



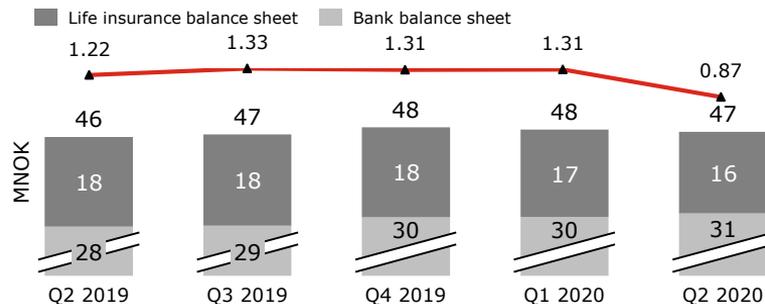
Assets under management



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 (%)



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

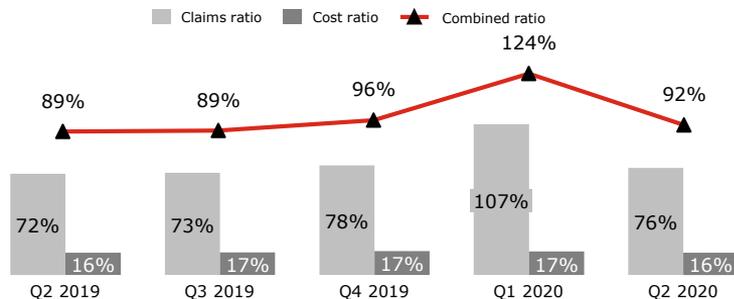
Profit per product line

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

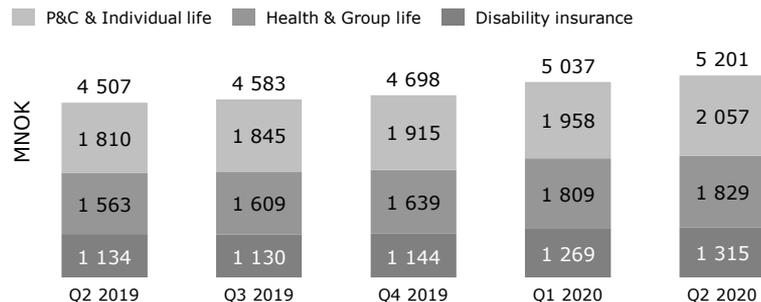
Combined ratio



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



Guaranteed

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



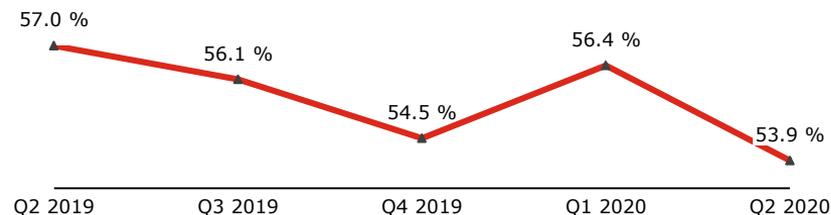
Comments

- 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.

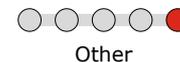
Buffer capital

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

Guaranteed reserves in % of total reserves



Other¹

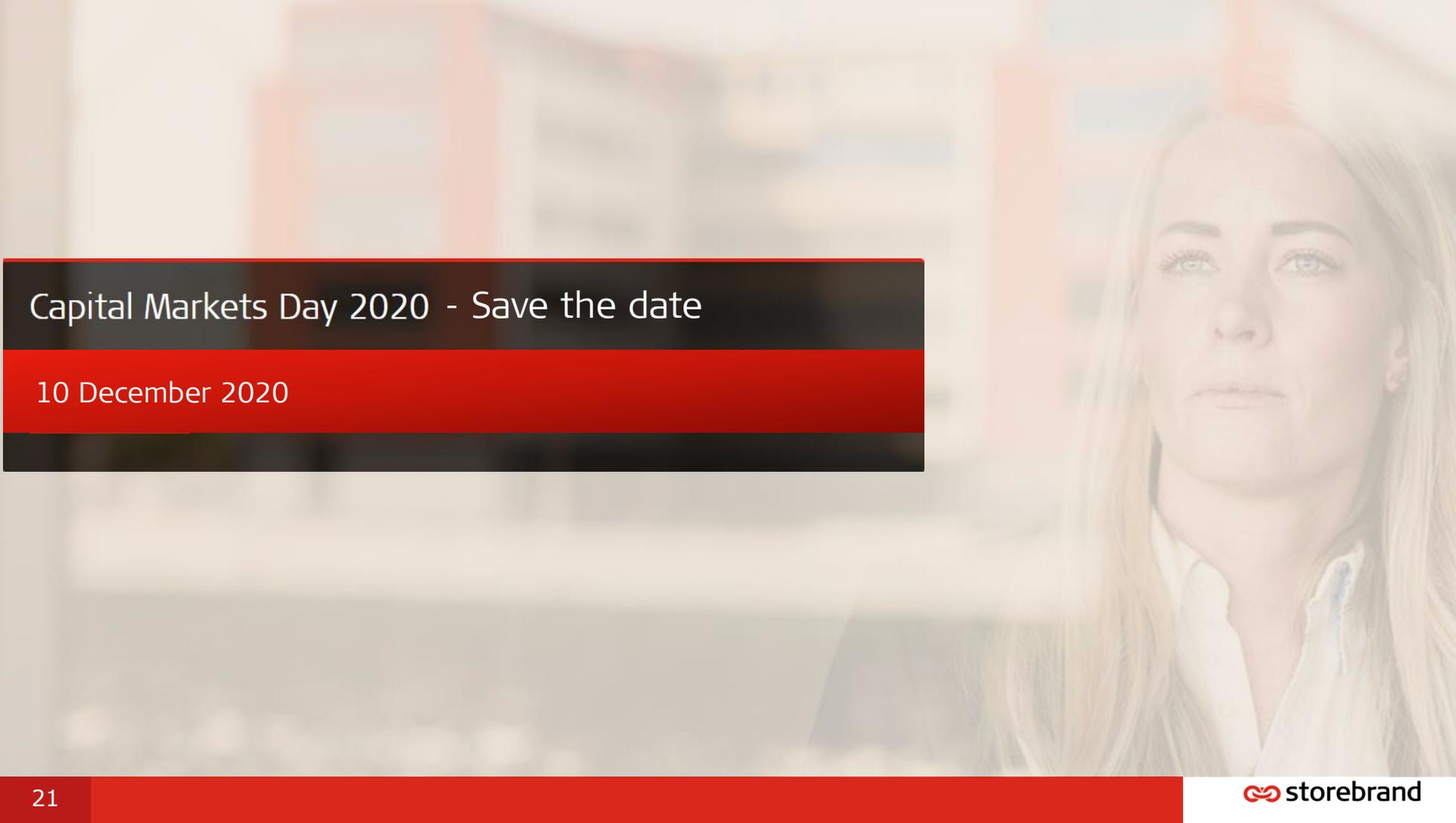


Profit

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



Capital Markets Day 2020 - Save the date

10 December 2020

Appendix

Results

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

Operating profit adjusted for performance related income and costs²

NOK million	Q2		01.01 - 30.06		Full year
	2020	2019	2020	2019	2019
Booked performance related OPEX	-19	-44	-30	-62	-
Adjusted operating profit	599	518	864	1 067	-

NOK million	Q2		01.01 - 30.06		Full year
	2020	2019	2020	2019	2019
<i>Performance income earned not booked</i>	29	100	88	166	-
<i>Operating profit including income earned not booked</i>	609	574	922	1 171	-

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	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

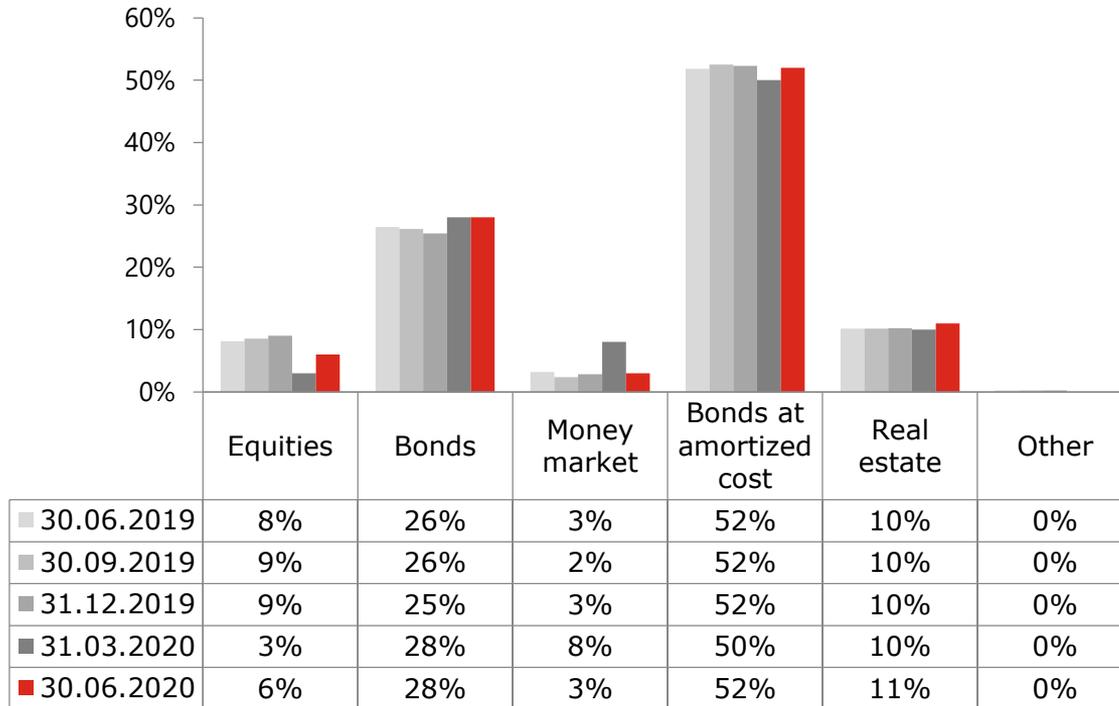
Operating profit adjusted for performance related income and costs¹

NOK million	Q2		01.01 - 30.06		Full year
	2020	2019	2020	2019	2019
Booked performance related OPEX	-19	-44	-30	-62	-
Adjusted operating profit	393	283	778	583	-

NOK million	Q2		01.01 - 30.06		Full year
	2020	2019	2020	2019	2019
<i>Performance income earned not booked</i>	29	100	88	166	-
<i>Operating profit including income earned not booked</i>	403	340	836	687	-

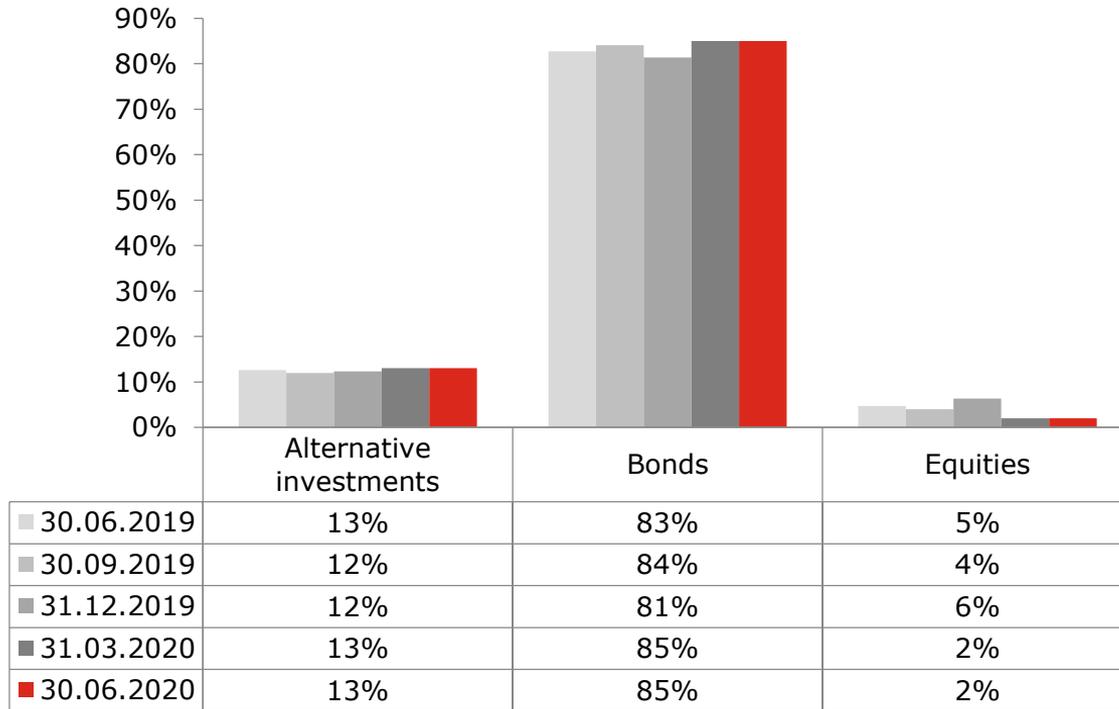
Asset allocation

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

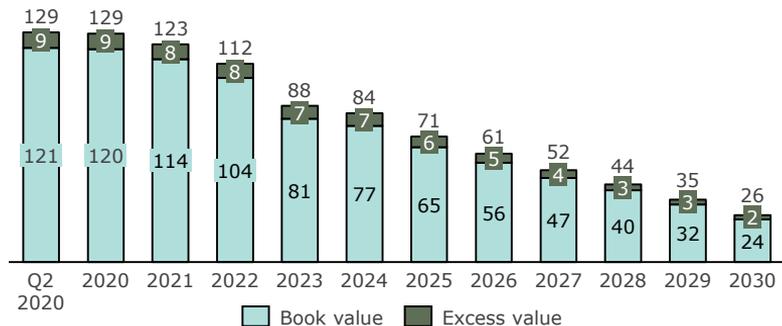


Note: The graph shows the asset allocation for all products with an interest rate guarantee in SPP.

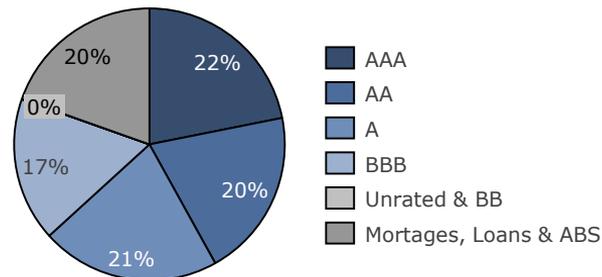
High Quality Fixed Income I

- Characteristics of Bonds at Amortised Cost¹

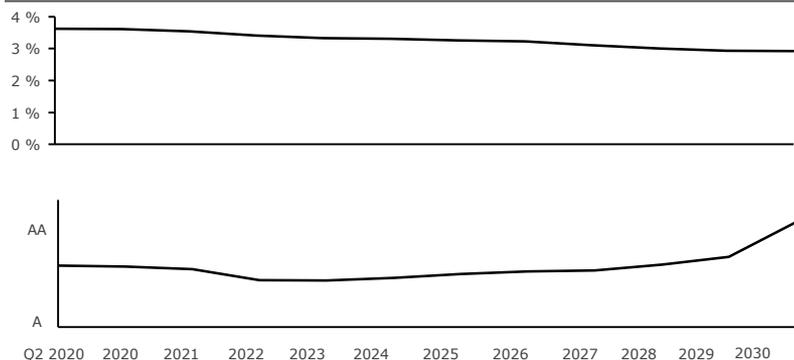
Market & book value – no reinvestment (NOKbn)



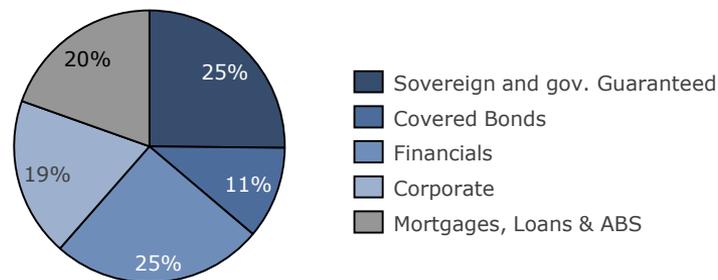
Rating distribution (%)



Yield and rating development – no reinvestment



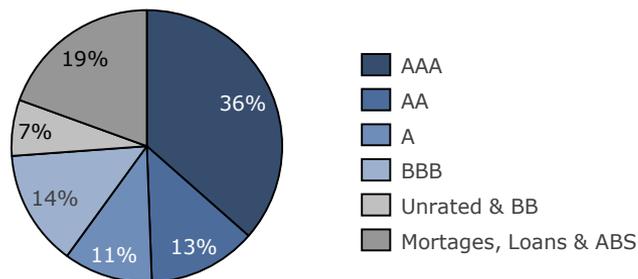
Sector distribution (%)



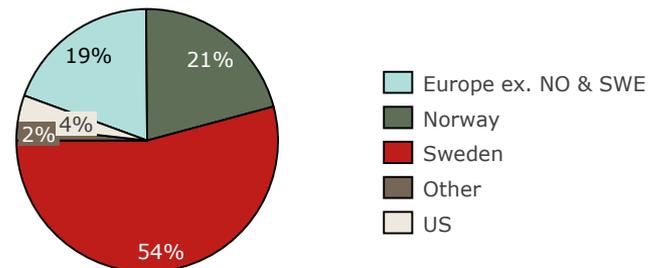
High Quality Fixed Income II

- Characteristics of Mark to Market Fixed Income¹

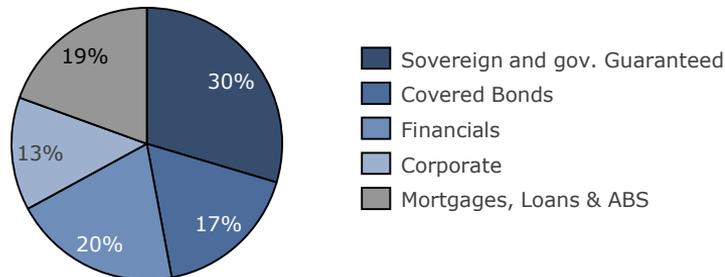
Rating distribution (%)



Geographical distribution² (%)



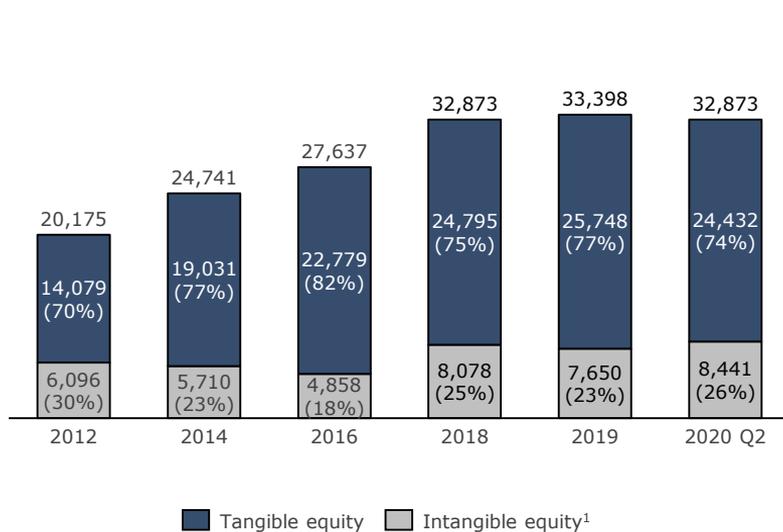
Sector distribution (%)



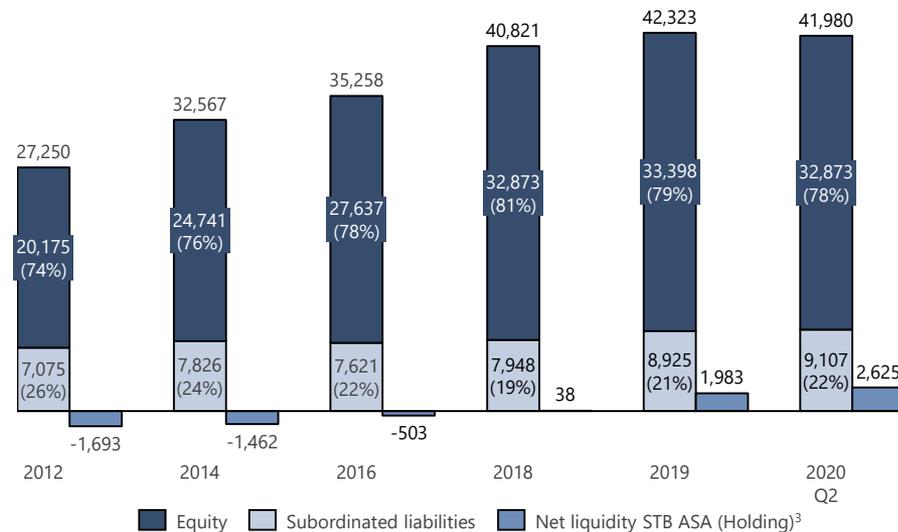
Capital and liquidity

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.

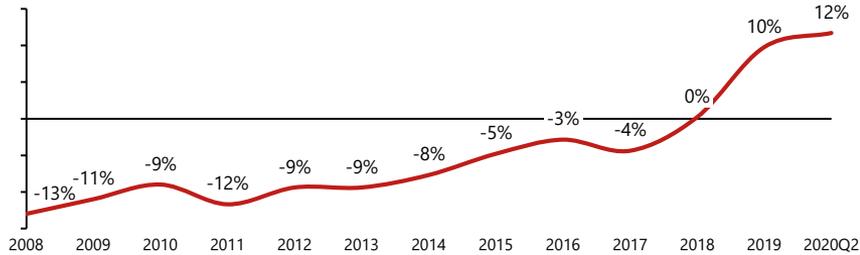
² Specification of subordinated liabilities:

- 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.

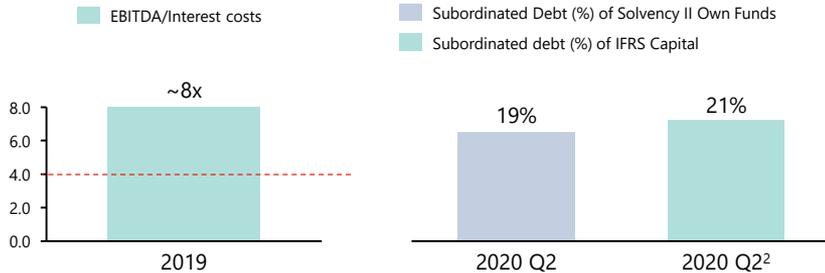
Strong liquidity and low leverage

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

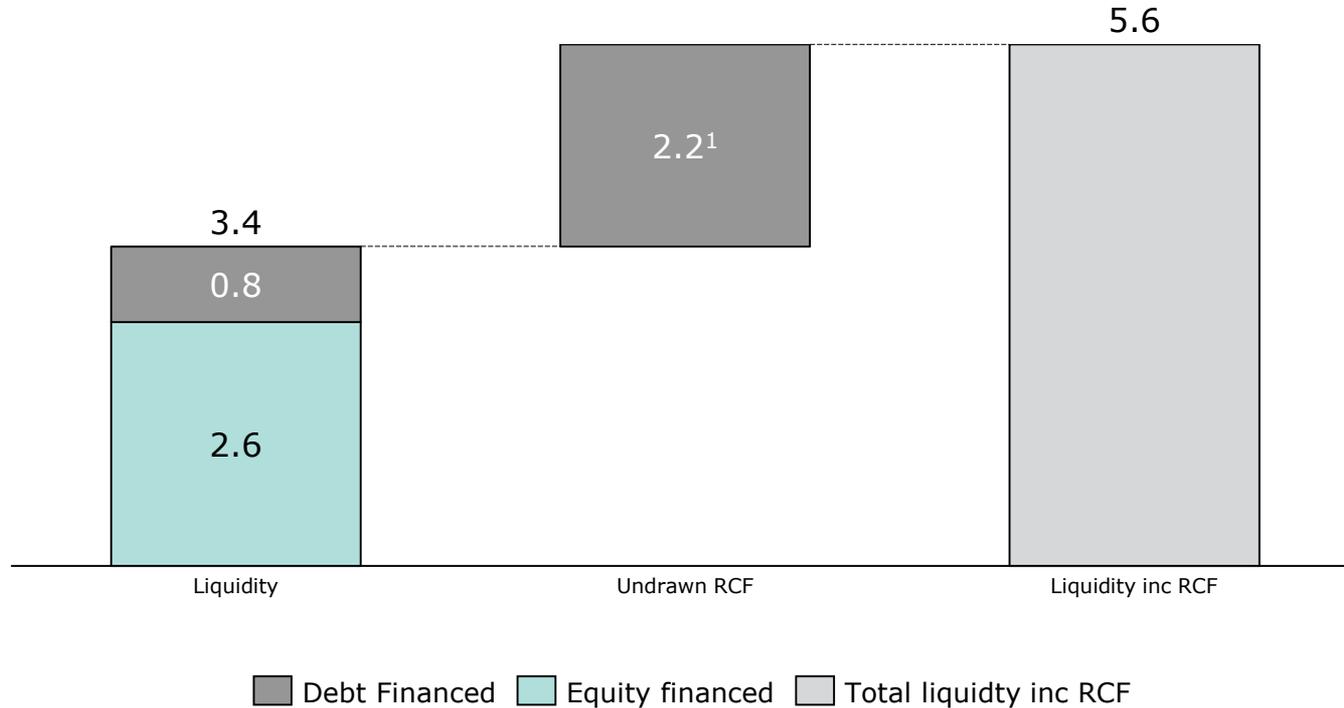
Interest charge coverage Storebrand group¹



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

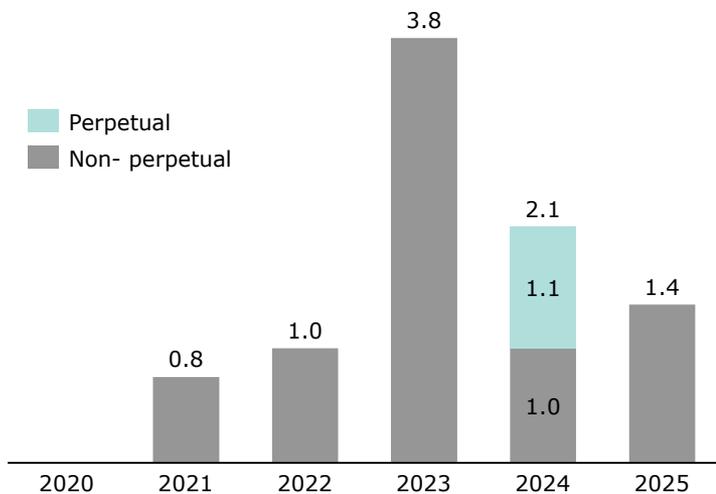
² Q2 2020. Subordinated debt divided on IFRS Equity + Subordinated debt Storebrand Group.

Group Liquidity NOK bn

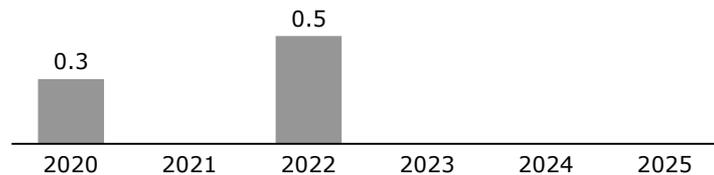


Term structure debt

Term structure sub-debt Storebrand Livsforsikring¹ (bn NOK)



Term structure senior debt Storebrand ASA (bn NOK)





Investor Relations contacts

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