

Storebrand 1Q 2016

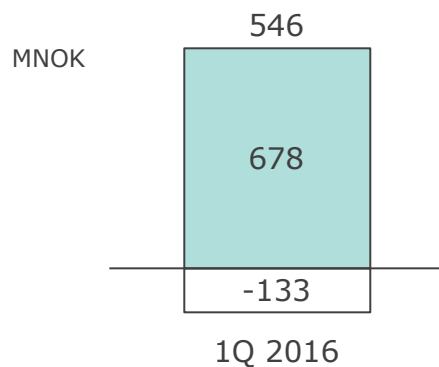
27 April 2016

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO



Highlights 1Q 2016

Group result¹



- Result before profit sharing and loan losses
- Net profit sharing and loan losses

- *1,8 % growth in fee and admin income²*



29% Unit Linked premium growth³



8% Insurance written premium growth³



18% Retail Bank lending growth³



175% Estimated Solvency II ratio⁴

¹ Result before amortisation, write-downs and longevity provision.

² Adjusted for business in run off (corporate banking and public sector) and FX. Q/Q.

³ Growth figures are from Q1 2015 to Q1 2016.

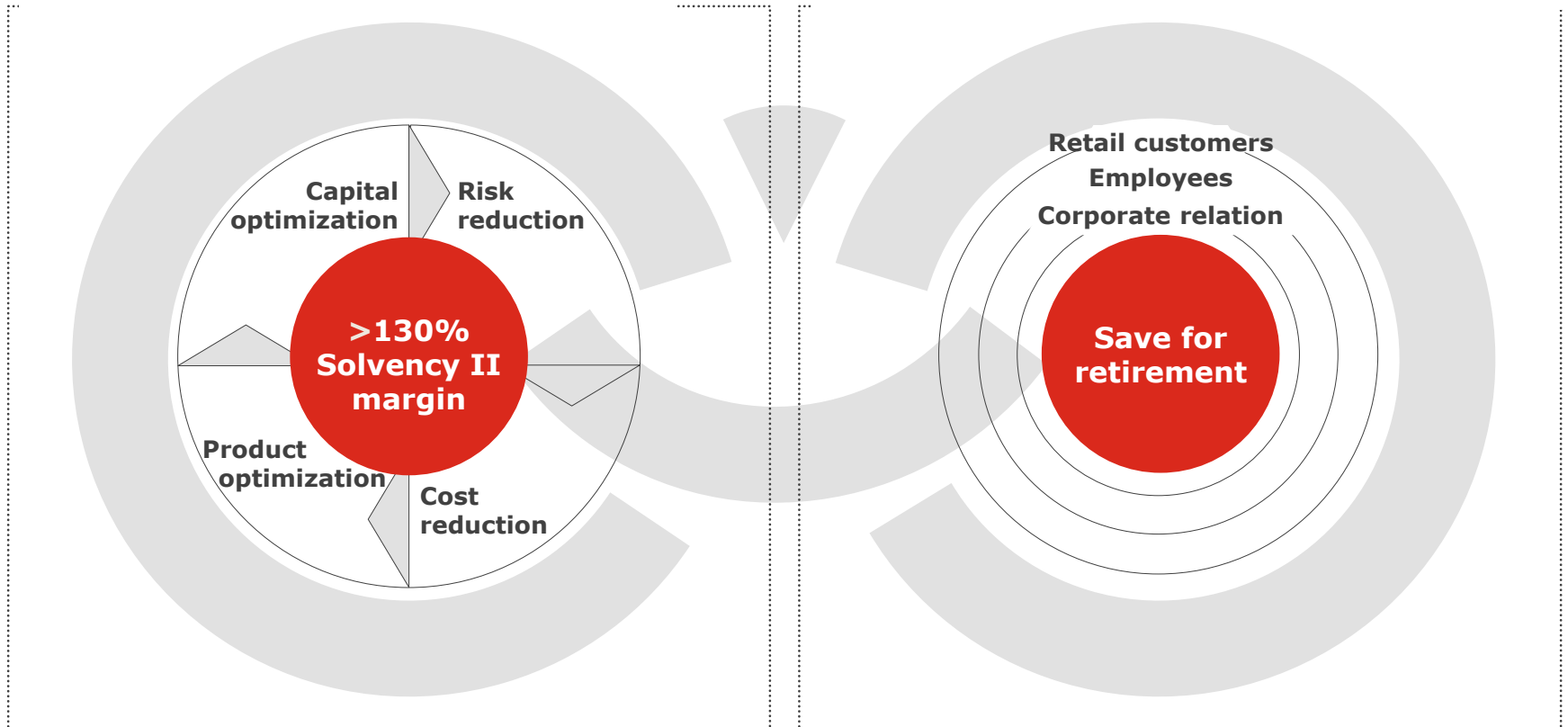
⁴ Including transitional rules. Estimated Solvency II ratio excluding transitional rules is 117 %.

Transformation of the business model continues

Dual strategy reiterated and reinforced

Manage the guaranteed balance sheet

Continued growth in savings and insurance



We work hard to reach our vision:

Recommended by our customers

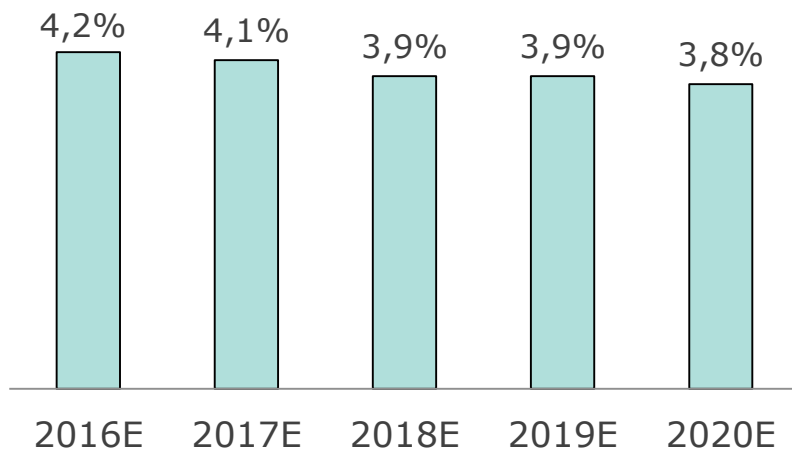
Paid up policies book is the main challenge in a low interest scenario and under SII...



...But still manageable both short and long term

Expected return paid up polices without use of buffers 2016-2020¹

...including reinvestment due and expected issuance of new paid up polices



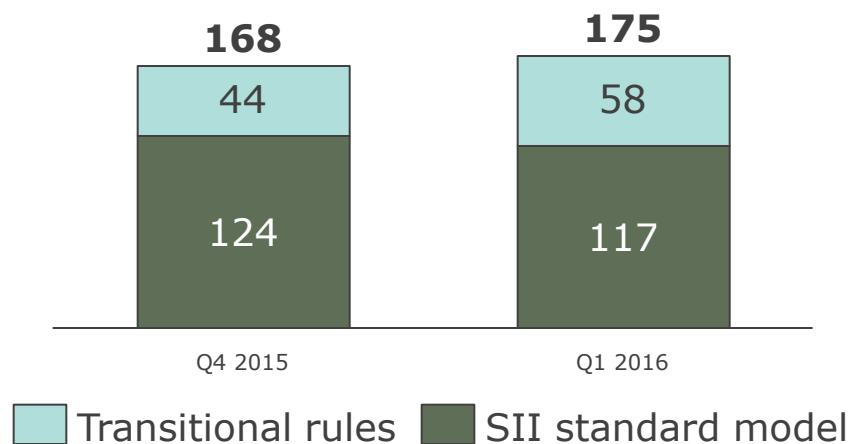
- **Q1 2016:** Built NOK 3bn in new A rated HTM investments at 3.2% yield and 14 years average life
- **2016-2020:** Longevity reserve strengthening and interest rate guarantee to be covered by expected return, buffers and planned company contribution²
- **2020-2025:** Prolonged low interest rate environment will have limited impact on results²

¹ Expected return paid up polices, including reinvestment and issuance of new paid up polices, without the use of buffers. Illustration is based on normal risk premiums and interest rate level as of March 31, 2016.

² Based on current interest rates and point estimate based on normal risk premiums. Market shocks could lead to higher use of buffers and reduced results .

Estimated SII position Storebrand Group

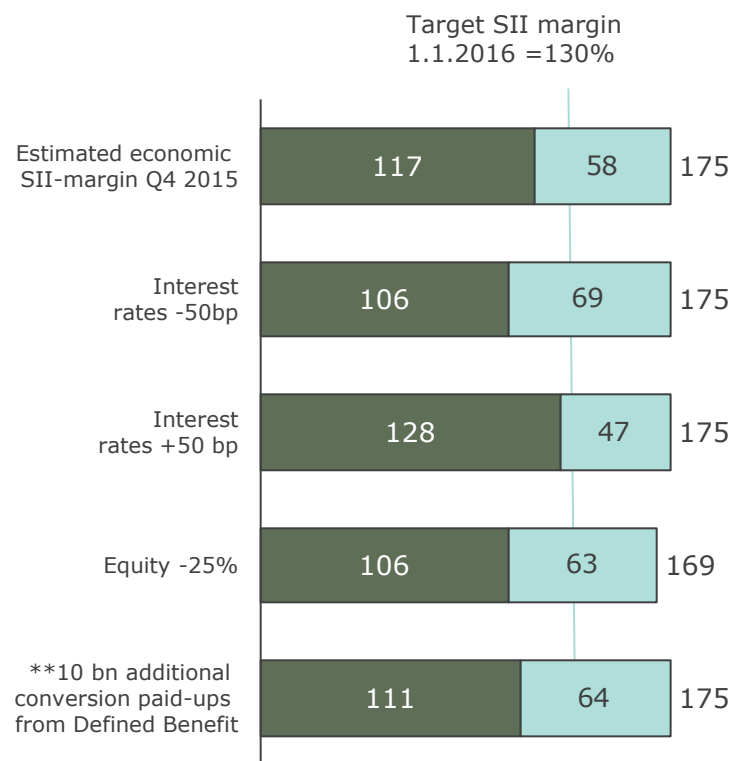
Economic Solvency position(%)¹



Key takeaways

- Negative effect from reduced interest rates partly offset by risk reducing measures
- Improvement in underlying SII ratio from portfolio de-risking, asset allocation and results generation

Estimated Sensitivities²

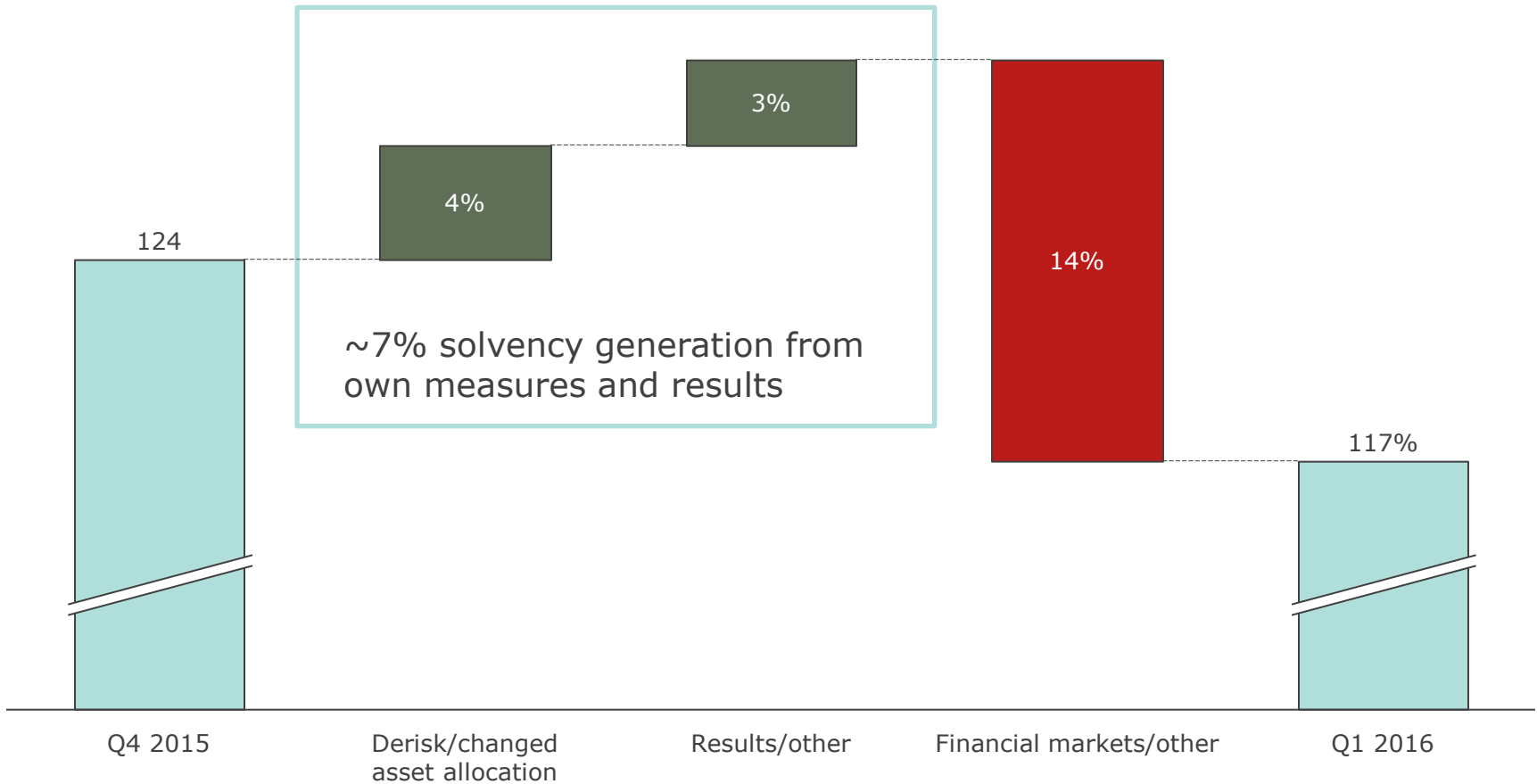


** In addition to NOK 7 bn included in the projection for the rest of 2016.

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.

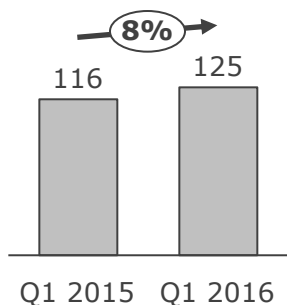
Solvency II movement from Q4 2015 to Q1 2016

Solid solvency generation in the quarter¹



Growth in Savings and Insurance continues

Unit Linked

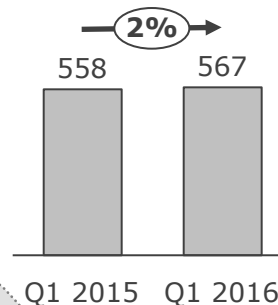


Q1 2015 Q1 2016

UL reserves (BNOK)

- 29% premium growth Q1 2016
- Weak financial markets dampens growth

Asset management

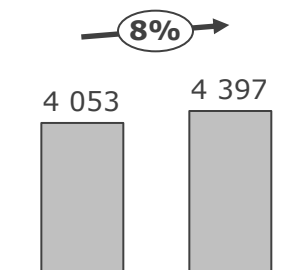


Q1 2015 Q1 2016

AuM (BNOK)

- Gathering assets from life company and strong sales
- Weak financial markets dampens growth

Insurance

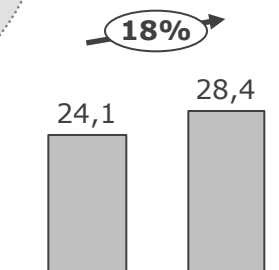


Q1 2015 Q1 2016

Written Premiums (MNOK)

- Premium growth from Akademikerne
- Cross sales to pension customers

Retail loans



Q1 2015 Q1 2016

Balance (BNOK)

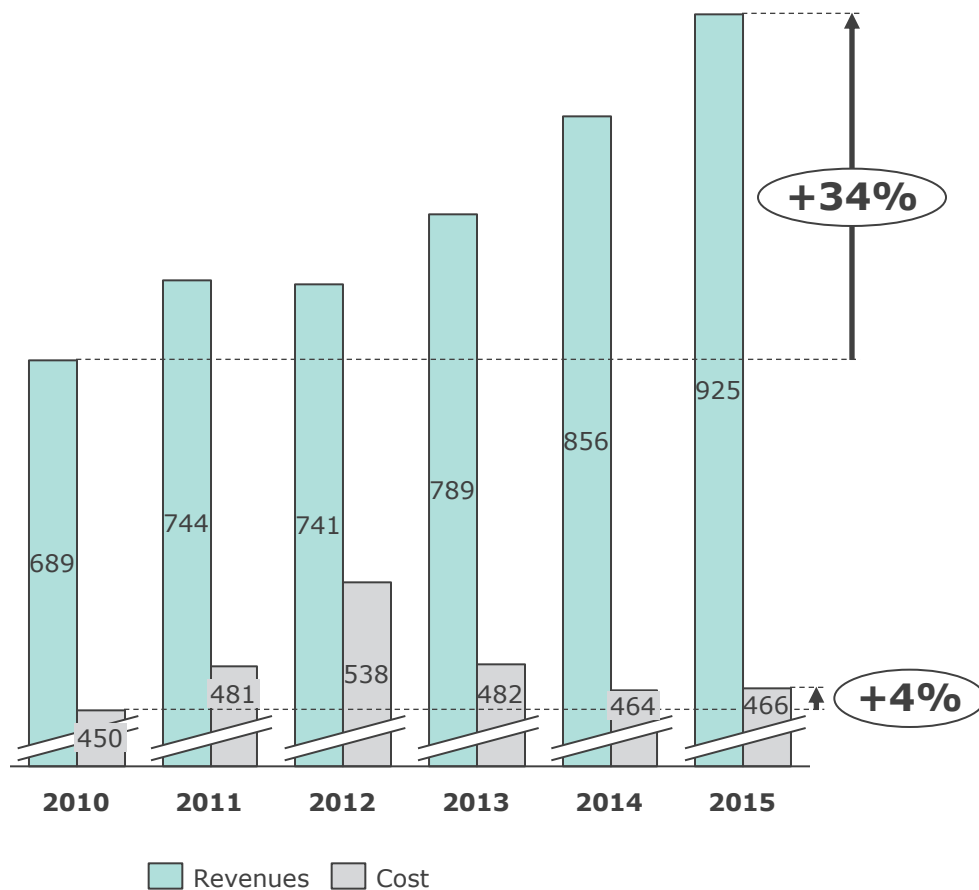
- Competitive interest rates
- New products add growth

Save for retirement

Strong development in Storebrand Asset Management in the quarter



Revenues and costs development (MNOK)¹



Comments

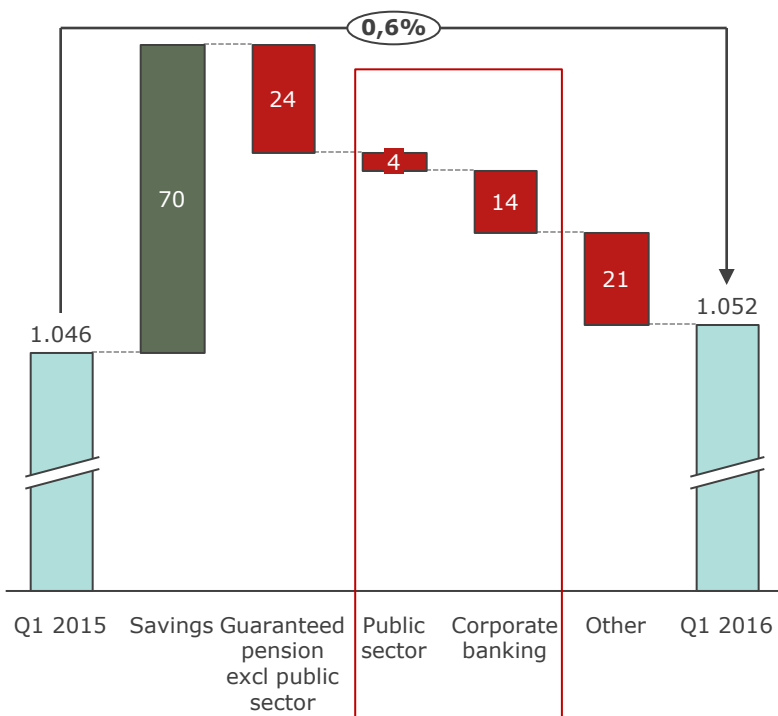
- Turnaround in 2012 with substantial cost reductions and new growth strategy
- Profits increased by 256 MNOK (127%) since 2012
- Larger share of high margin external assets
- Platform for further growth on near-zero marginal cost on existing business
- World leading position in sustainable investments

Fee and administration income shifts from Guaranteed to Savings

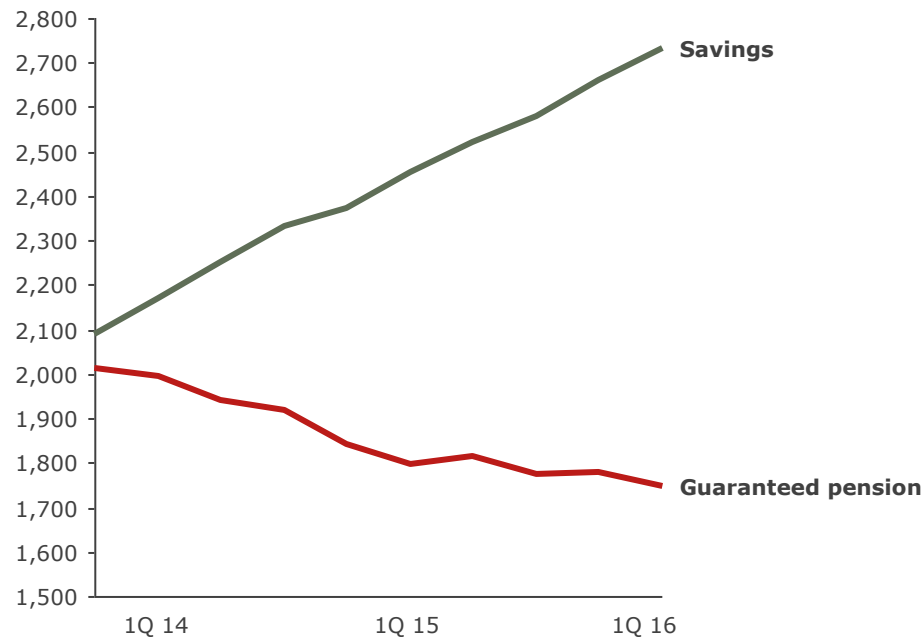


Income growth of 1.8% adjusted for business in run-off¹

Storebrand Group income development
1Q 2016 compared to 1Q 2015 (NOK mill.)

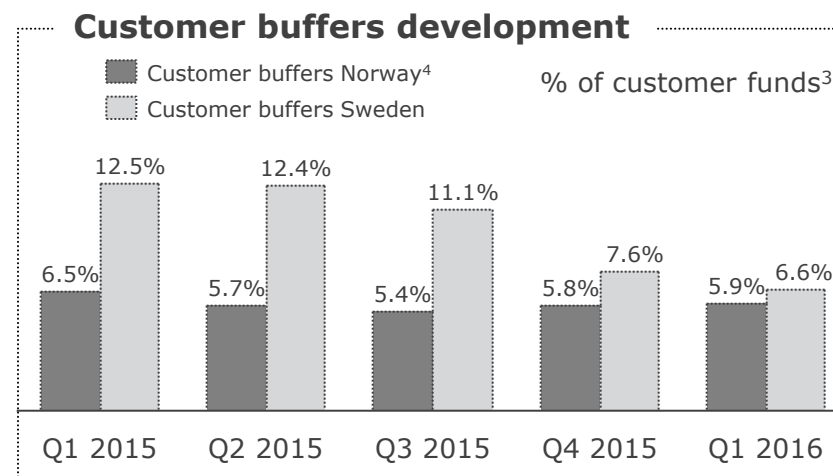
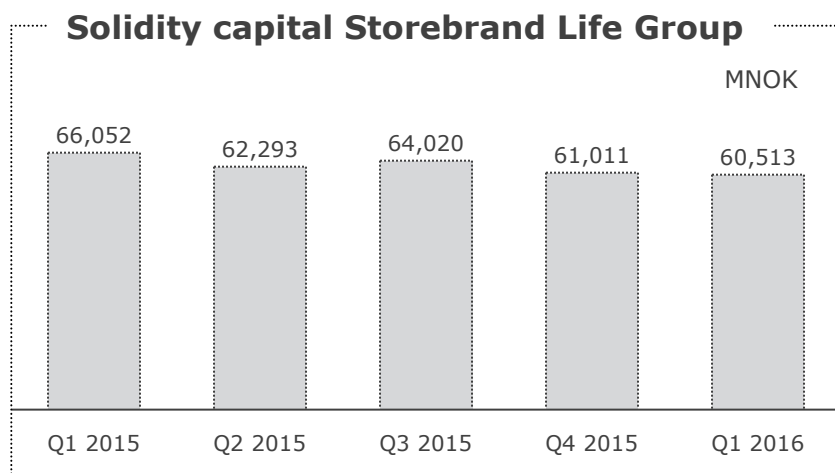
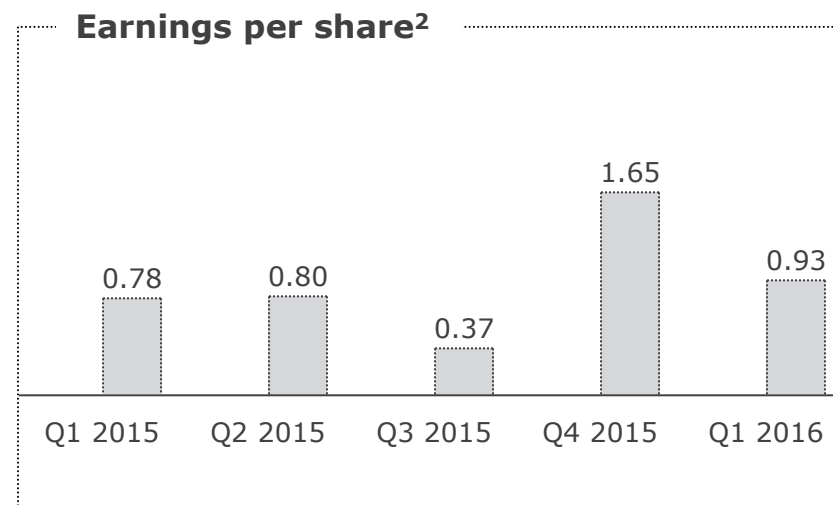
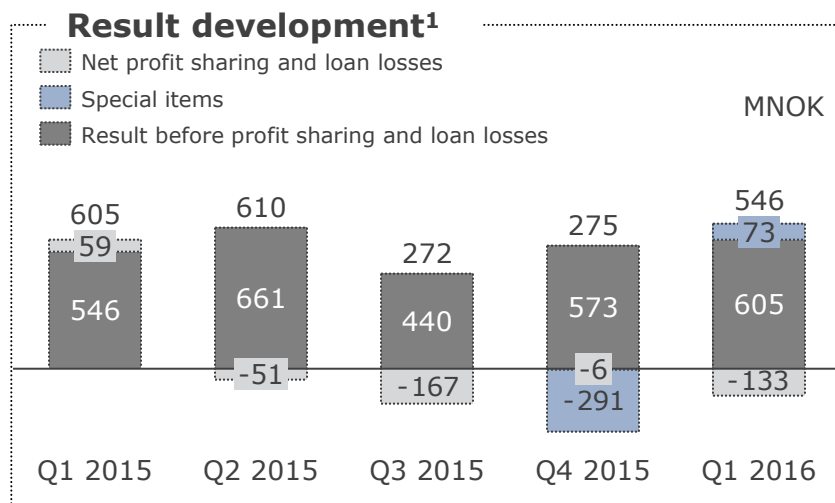


Fee- and admin income 12 months rolling
Savings and Guaranteed pension (NOK mill.)



¹ Adjusted for business in run off (corporate banking and public sector) and FX

Key figures



¹ Result before amortisation, write-downs and longevity provisions

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

³ Customer buffers in Benco of NOK 2.9 bn not included

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

Storebrand Group

Profit

NOK million	1Q		Full year
	2016	2015	2015
Fee and administration income	1 052	1 046	4 317
Risk result life & pensions	24	9	80
Insurance premiums f.o.a.	947	867	3 642
Claims f.o.a.	-728	-652	-2 822
Operational cost	-803	-803	-3 268
Financial result	187	79	244
Result before profit sharing and loan losses	678	546	2 193
Net profit sharing and loan losses	-133	59	-431
Result before amortisation and longevity	546	605	1 762
Provision longevity	-	-154	-1 764
Amortisation and write-downs of intangible assets	-115	-105	-437
Result before tax	430	346	-438
Tax	-120	-87	1 821
Sold/liquidated business	-	-0	-0
Profit after tax	311	258	1 382

Storebrand Group

Profit

NOK million	1Q		Full year
	2016	2015	2015
Fee and administration income	1 052	1 046	4 317
Risk result life & pensions	24	9	80
Insurance premiums f.o.a.	947	867	3 642
Claims f.o.a.	-728	-652	-2 822
Operational cost	-803	-803	-3 268
Financial result	187	79	244
Result before profit sharing and loan losses	678	546	2 193
Net profit sharing and loan losses	-133	59	-431
Result before amortisation and longevity	546	605	1 762

Profit per line of business

NOK million	1Q		Full year
	2016	2015	2015
Savings - non-guaranteed	279	218	1 020
Insurance	122	159	488
Guaranteed pension	15	236	329
Other result	130	-8	-75
Result before amortisation and longevity	546	605	1 762

Savings (non-guaranteed)

- strong underlying results growth



Profit

NOK million	1Q		Full year 2015
	2016	2015	
Fee and administration income	697	628	2 662
Risk result life & pensions	-2	-4	-3
Operational cost	-412	-408	-1 638
Financial result	0	0	0
Result before profit sharing and loan losses	283	216	1 022
Net profit sharing and loan losses	-4	2	-1
Provision longevity	-	-	-
Result before amortisation	279	218	1 020

Profit per product line

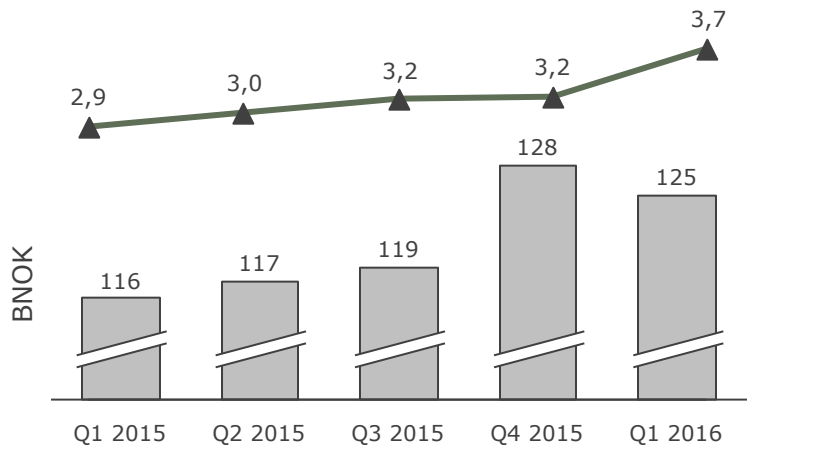
NOK million	1Q		Full year 2015
	2016	2015	
Unit linked Norway	84	53	201
Unit linked Sweden	27	24	139
Asset Management segment	130	89	485
Retail banking	38	52	195
Result before amortisation	279	218	1 020

¹ Includes restructuring costs of -28 NOK mill. in full year 2015 numbers.

Savings (non-guaranteed) - strong growth in UL premiums



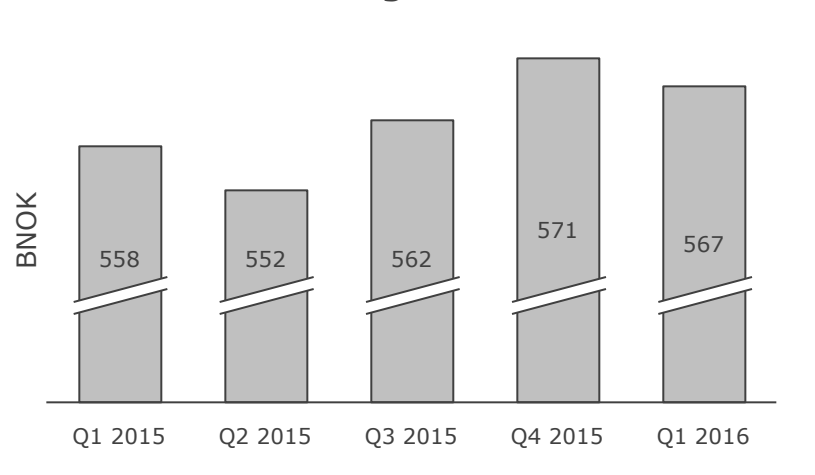
Reserves and premiums Unit Linked



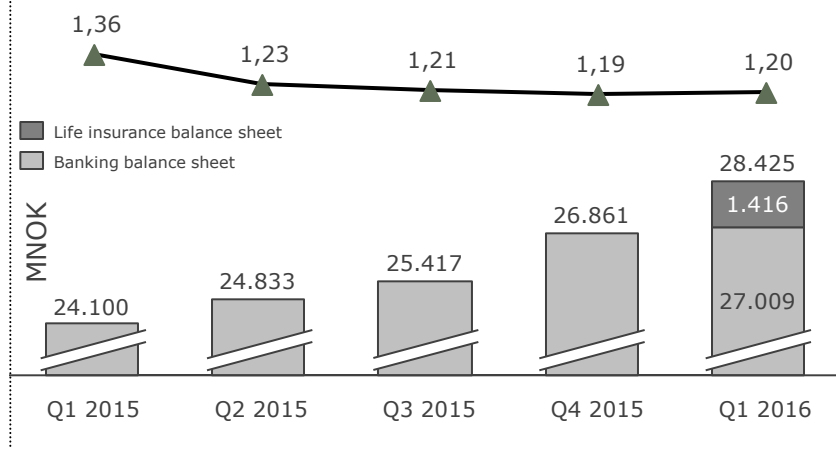
Comments¹

- 29% premium growth in UL premiums²
- 9% top line growth in Savings³
- 18% retail lending growth

Assets Under Management



Retail bank balance and Net Interest margin (%)



¹ Growth figures show development from 1Q 2015 to 1Q 2016.

² Excluding transfers.

³ Adjusted for FX.

Insurance

- results affected by increased disability rate



Insurance

Profit

NOK million	1Q		Full year
	2016	2015	2015
Insurance premiums f.o.a.	947	867	3 642
Claims f.o.a. ¹⁾	-728	-652	-2 822
Operational cost ²⁾	-144	-128	-538
Financial result	47	72	206
Result before amortisation	122	159	488

Profit per product line

NOK million	1Q		Full year
	2016	2015	2015
P&C & Individual life ¹⁾	106	78	327
Health & Group life ²⁾	39	19	165
Pension related disability insurance Nordic ³⁾	-23	62	-3
Result before amortisation	122	159	488

¹ Includes disability reserve strengthening of NOK 100 mill. in full year 2015 numbers.

² Includes restructuring costs of -15 NOK mill. in full year 2015 numbers.

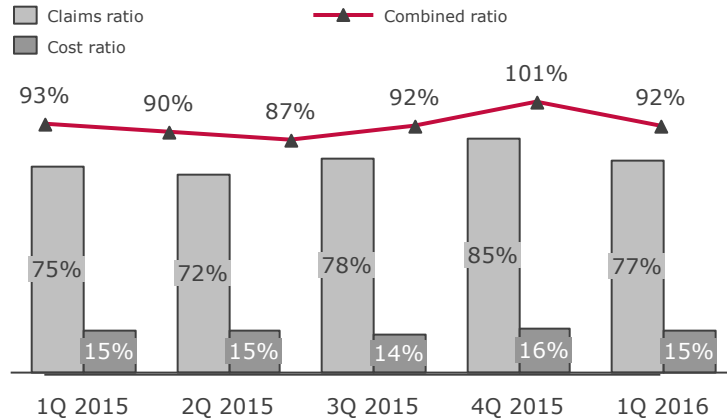
³ Individual life and disability, property and casualty insurance

⁴ Group life, workers comp and 50% of result in Storebrand Health insurance

⁵ DC disability risk result Norwegian line of business and disability risk result from SPP

Insurance - reduced growth

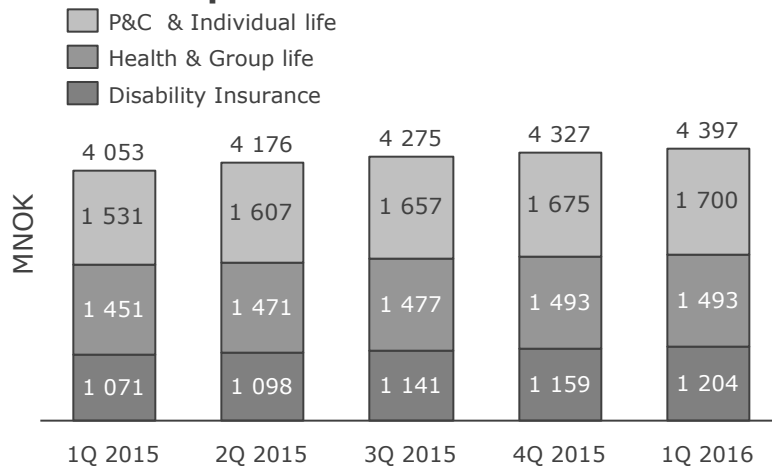
Combined ratio



Comments Combined ratio and results

- Combined Ratio 92%
- Results negatively affected by increased disability rate

Portfolio premiums



Comments premiums and growth¹

- 11% premium growth within P&C & Individual life
- 3% premium growth within Health & Group life
- 12% premium growth in Pension related disability Nordic

¹ Growth figures show development from 1Q 2015 to 1Q 2016.

Guaranteed pension

- results affected by weak financial markets



Profit

NOK million	1Q		Full year
	2016	2015	2015
Fee and administration income	404	432	1 777
Risk result life & pensions	4	16	89
Operational cost ¹	-271	-277	-1 156
Financial result	-	-	-
Result before profit sharing and loan losses	137	171	711
Net profit sharing and loan losses ²	-122	64	-382
Result before amortisation and longevity	15	236	329
Provision longevity	-	-154	-1 764

Profit per product line

NOK million	1Q		Full year
	2016	2015	2015
Defined benefit (fee based)	89	134	512
Paid-up policies, Norway	-6	4	1
Individual life and pension, Norway	2	-	45
Guaranteed products, Sweden	-70	98	-230
Result before amortisation and longevity	15	236	329

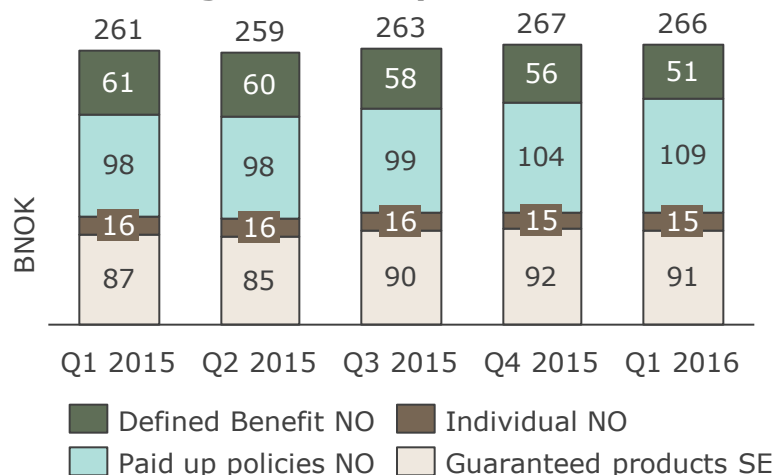
¹ Operational cost includes negative effect of restructuring costs of -43 NOK mill. in full year 2015 numbers.

² Net profit sharing and loan losses includes negative effects from changed interest rate curve and other assumption changes of -265 NOK mill. in 2015.

Guaranteed pension - conversion to DC schemes continues



Reserves guaranteed products



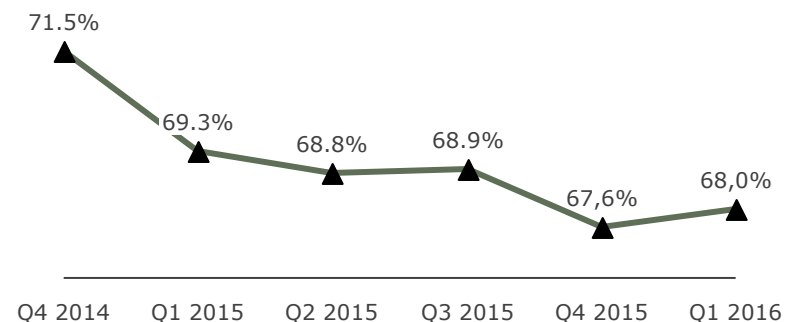
Comments

- Weak equity markets and lower interest rates negatively affect SPP financial result
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions

Buffer capital

NOK million	2016	2015	4Q Change
	1Q	4Q	
Market value adjustment reserve	4 713	4 520	193
Excess value of bonds at amortised cost	12 004	10 581	1 424
Additional statutory reserve	5 090	5 160	-70
Provisions for new mortality tables	4 008	4 872	-864
Unallocated results	964	382	582
Provisions for new mortality tables, shareholders direct contribution	-	988	-988
Conditional bonuses Sweden	5 622	6 457	-835
Total	32 401	32 959	-558

Guaranteed reserves in % of total reserves¹



Profit

NOK million	1Q		Full year
	2016	2015	2015
Fee and administration income	17	45	129
Risk result life & pensions	22	-4	-6
Operational cost	-42	-48	-188
Financial result	140	7	38
Result before profit sharing and loan losses	137	0	-27
Net profit sharing and loan losses	-7	-8	-48
Result before amortisation	130	-8	-75

Profit per product line

NOK million	1Q		Full year
	2016	2015	2015
Corporate Banking	-13	-8	-84
BenCo	30	14	34
Holding company costs and net financial results in company portfolios	113	-14	-26
Result before amortisation	130	-8	-75

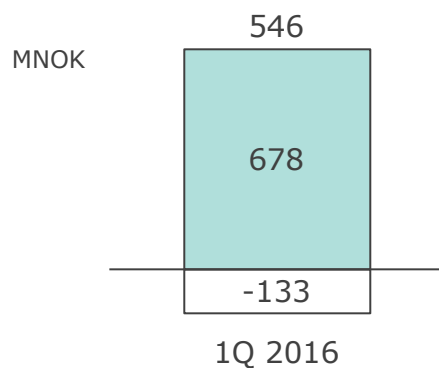
¹ Excluding eliminations. For more information on eliminations, see Supplementary Information.

² Operational cost includes negative effect from restructuring costs of -12 NOK mill. in full year 2015 numbers.

³ Financial result includes minority share of result from real estate sale of 171 NOK mill. in full year 2015 numbers.

Highlights 1Q 2016

Group result¹



- Result before profit sharing and loan losses
- Net profit sharing and loan losses

- *1,8 % growth in fee and admin income²*



29% Unit Linked premium growth³



8% Insurance written premium growth³



18% Retail Bank lending growth³



175% Estimated Solvency II ratio⁴

¹ Result before amortisation, write-downs and longevity provision.

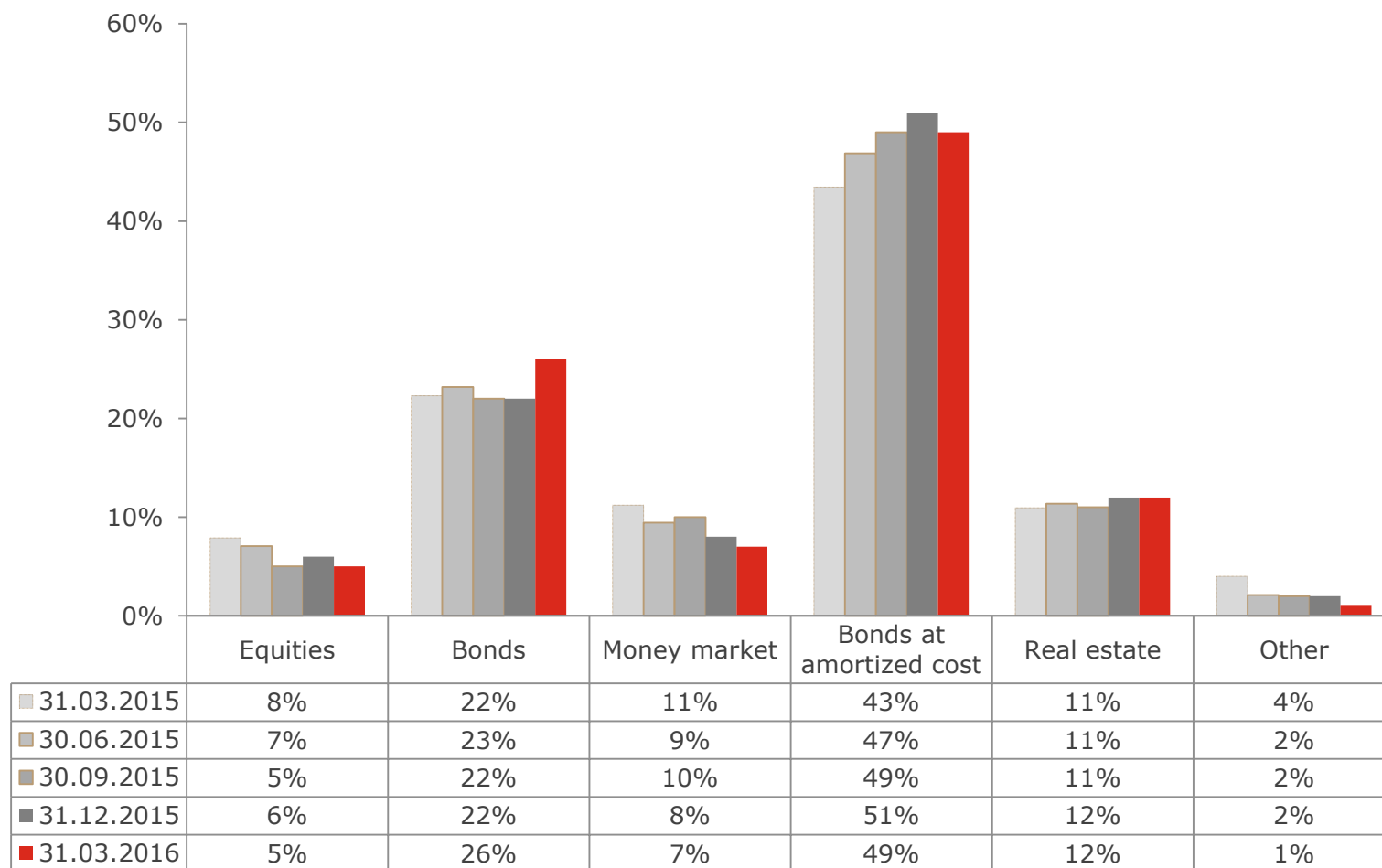
² Adjusted for business in run off (corporate banking and public sector) and FX. Q/Q.

³ Growth figures are from Q1 2015 to Q1 2016.

⁴ Including transitional rules. Estimated Solvency II ratio excluding transitional rules is 117 %.

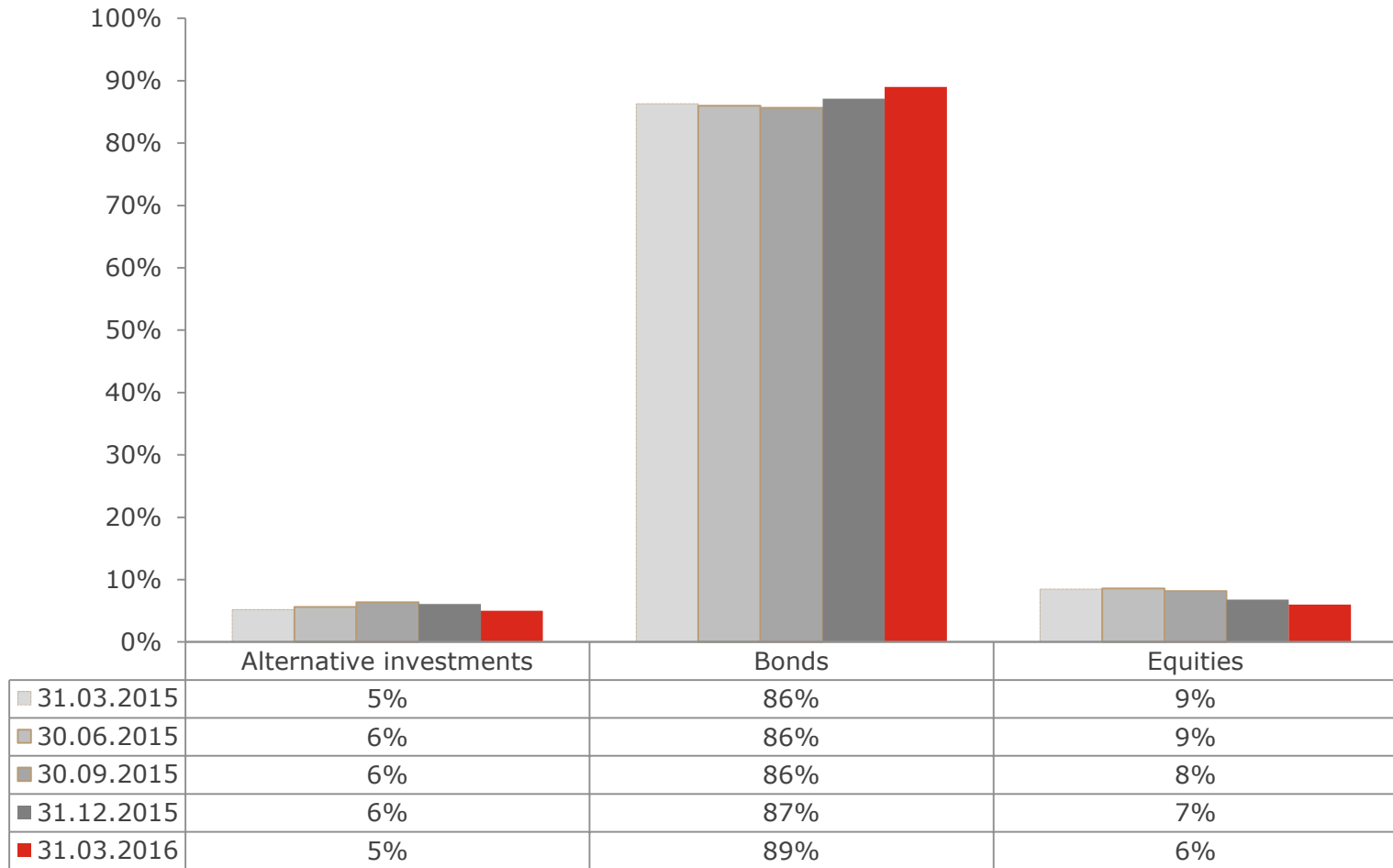
Appendix

Storebrand Life Insurance asset allocation



¹ The graph shows the asset allocation for all products with an interest rate guarantee in Storebrand Life Insurance Norwegian operations.

SPP asset allocation



¹ The graph shows the asset allocation for all products with an interest rate guarantee in SPP.



Investor Relations contacts

Lars Aa Løddesøl	Group CFO	lars.loddesol@storebrand.no	+47 9348 0151
Sigbjørn Birkeland	Finance Director	sigbjorn.birkeland@storebrand.no	+47 9348 0893
Kjetil R. Krøkje	Head of IR	kjetil.r.krokje@storebrand.no	+47 9341 2155

Our Vision

Recommended by our customers