

Storebrand 2Q 2017

13 Jul 2017

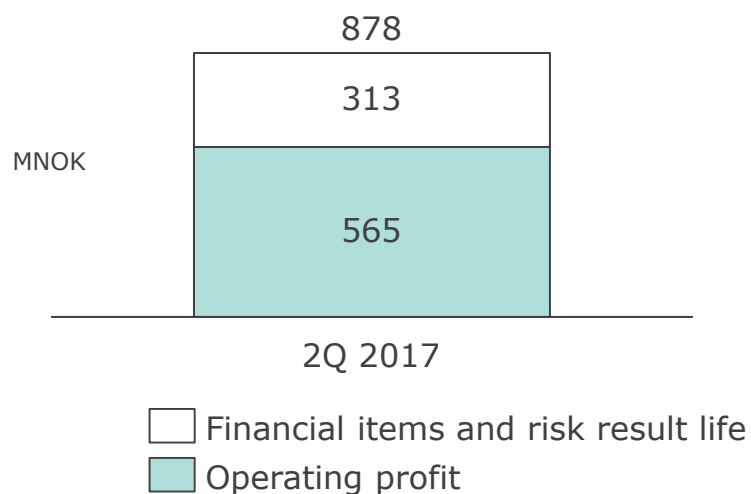
Storebrand celebrates 250 years in 2017



Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights 2Q 2017

Group result¹



18% Unit Linked growth²



9% AuM growth Asset Management²



28% Retail Bank lending growth²



163% Solvency II ratio⁴

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

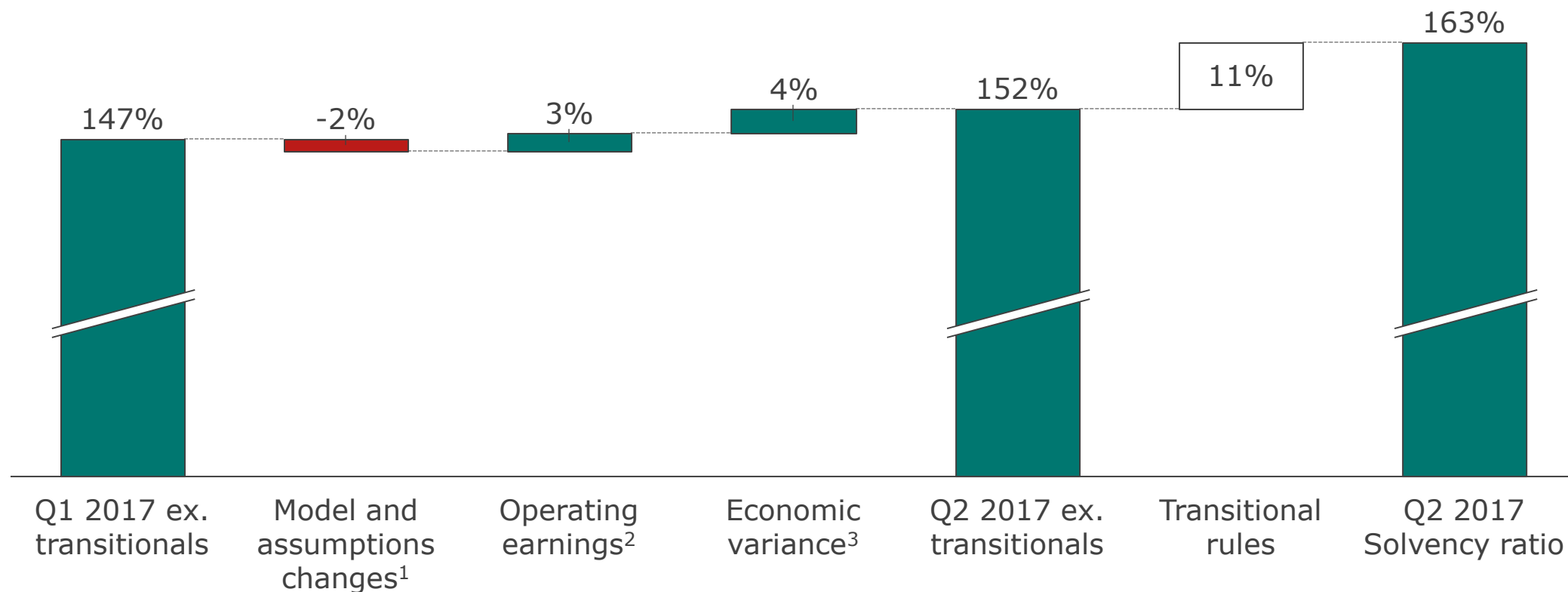
Capital-light and profitable growth

- 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

Solvency movement from Q1 2017 to Q2 2017



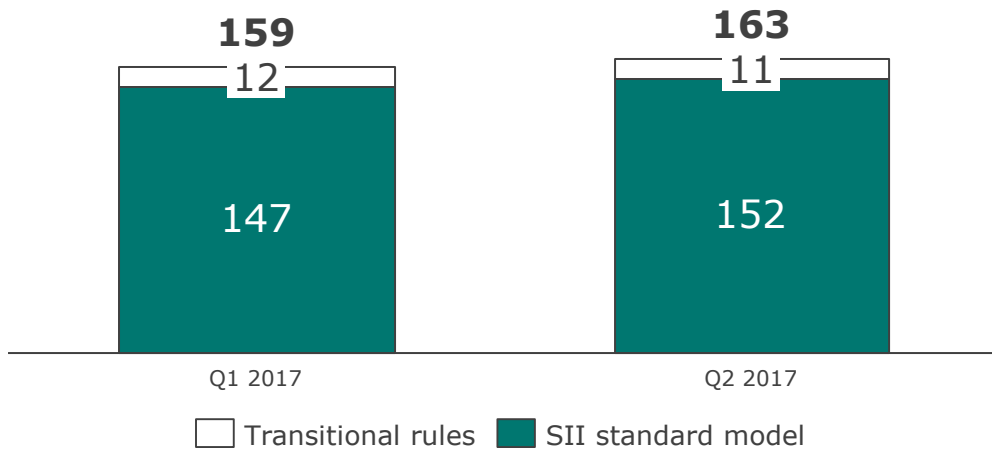
¹ Treatment of swap in stresses (+), Treatment of new paid-up policies (-), Cost allocation (-), Reduced equity stress (+)

² Operating earnings refers to increased own funds from operations (+) and expected normalised return (+), and implementation of investment strategy (+)

³ Increased interest rates (+), Investments return above normal risk premiums (+), Changes in liabilities (-), Reduced Volatility Adjustment (-)

SII position Storebrand Group

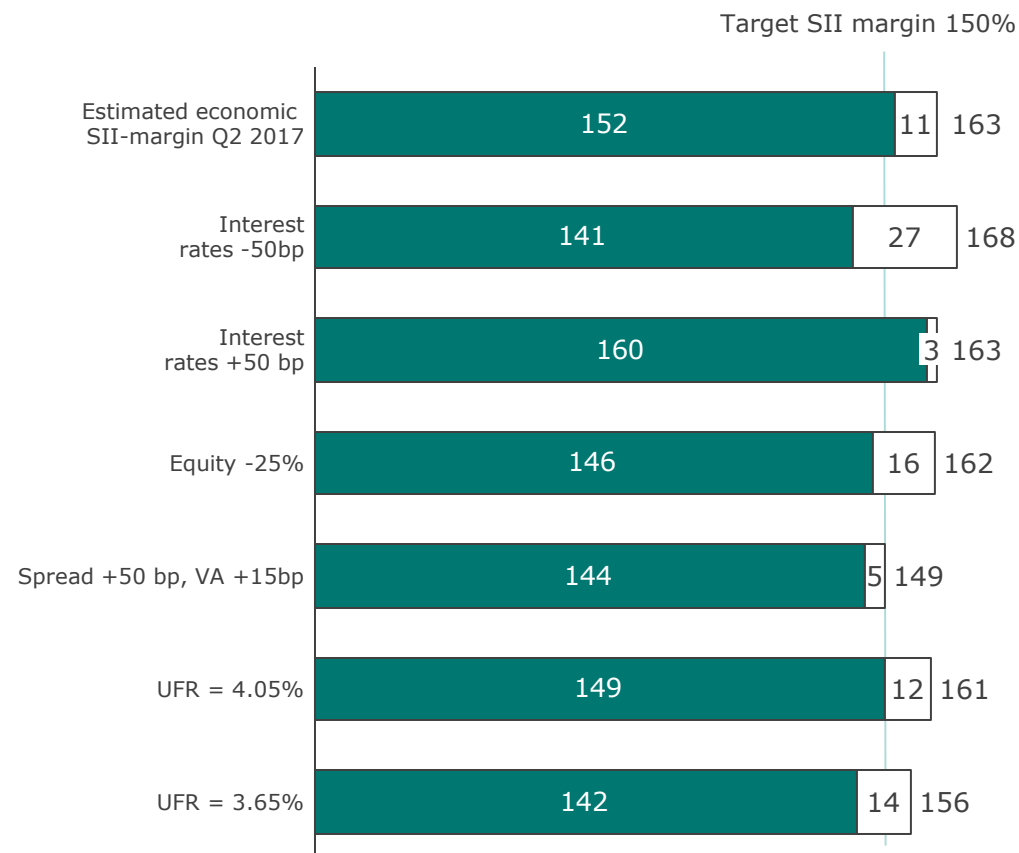
Solvency position(%)¹



Key takeaways

- Group results strengthens the Solvency ratio
- Strong asset return allow for increased buffer capital
- Increased interest rate levels in the forward rates

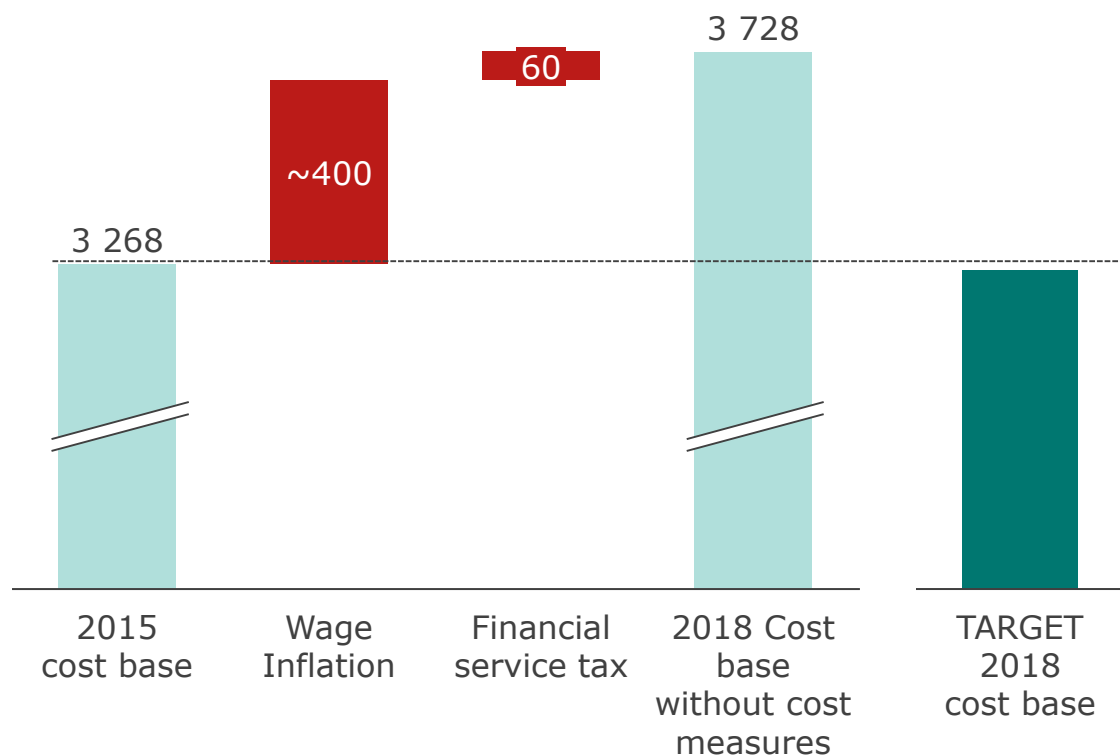
Estimated sensitivities



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.

Cost Target on Track

Target to reduce costs nominally...

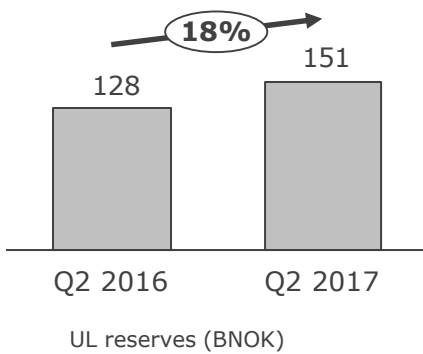


...on track despite strong business growth

- 1 New investments in fast growing business**
Increased investments in new digital growth
- 2 Financial tax in Norway**
+ NOK 60m in increased costs annually
- 3 General inflation**
Salary growth and general inflation

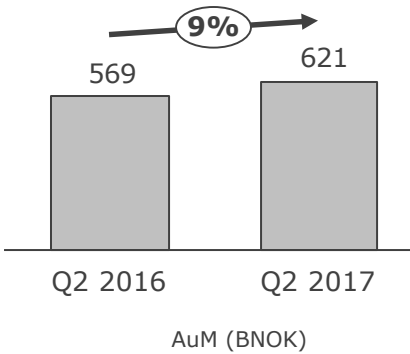
Growth in Savings continues, Insurance growth paused by changes in distribution

Unit Linked



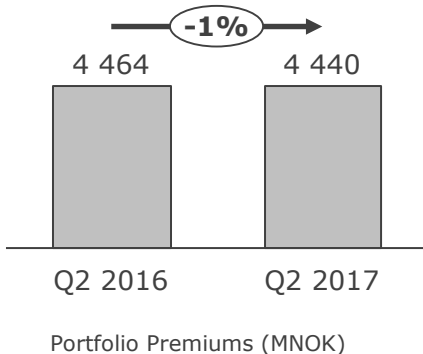
- 14% growth in Sweden
- 23% growth in Norway

Asset management



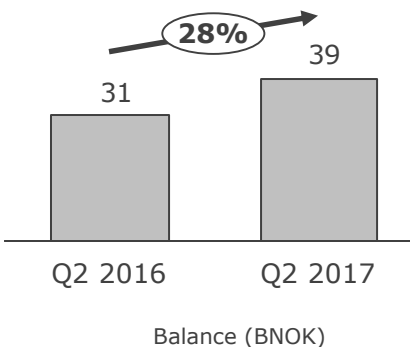
- Growth driven by non-guaranteed and external mandates

Insurance



- Changes in distribution and new disability product temporarily dampens growth
- New product launches and partnerships to boost growth

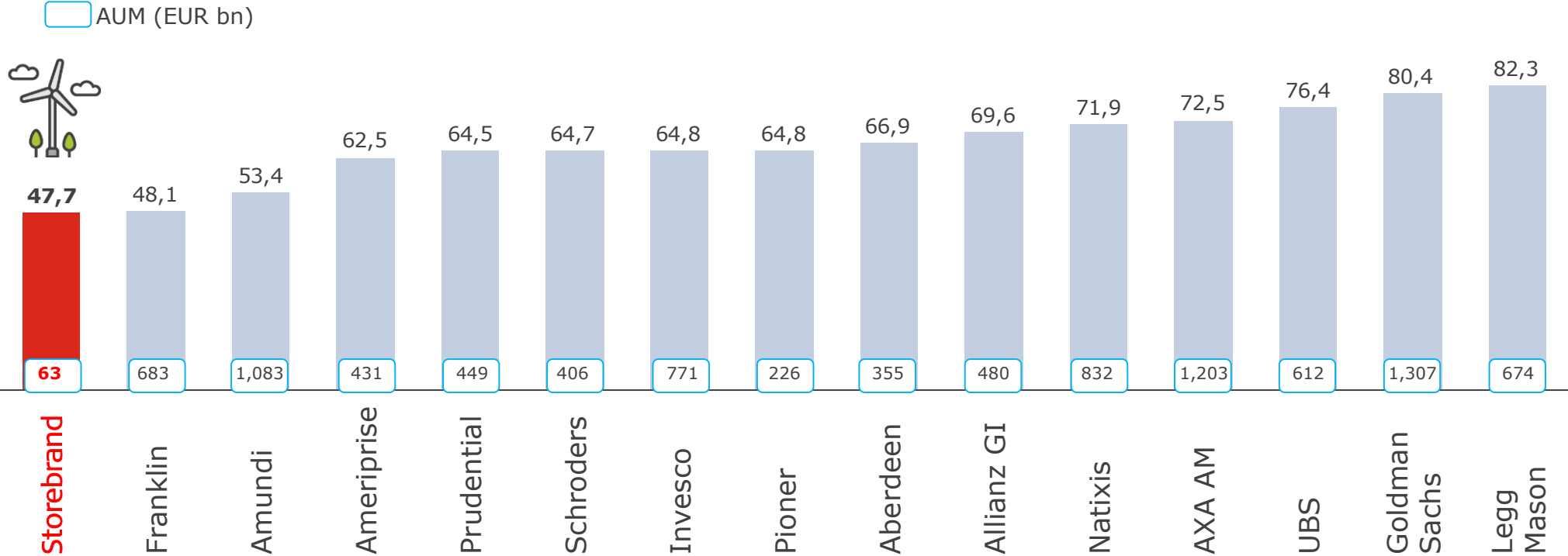
Retail loans



- NOK 13bn placed on life balance sheet as of 2Q 2017
- Margin improvement in the quarter

Sustainability focused Asset Manager with scalable cost advantage

Cost income (%) global asset managers 2016

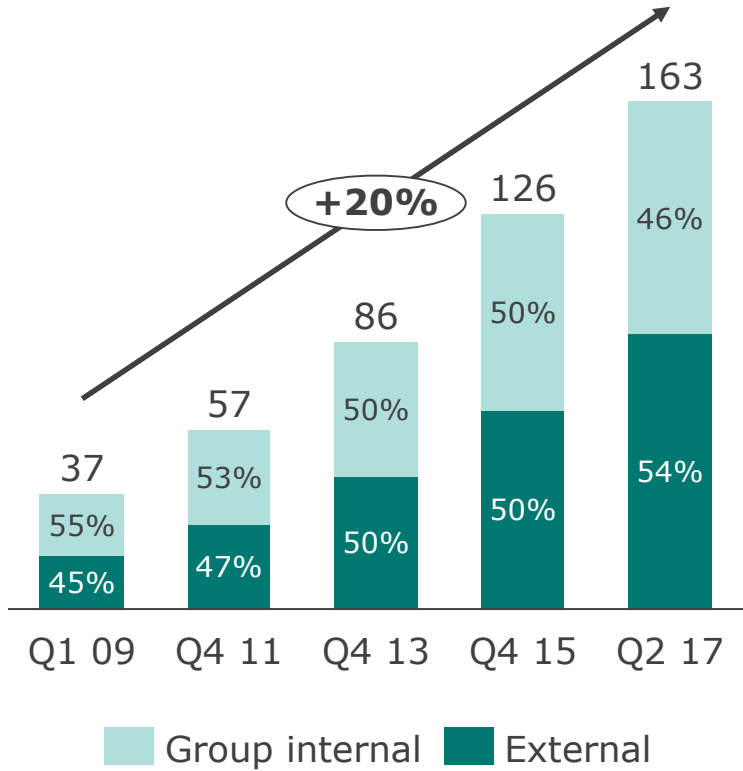


Storebrand Asset Management

Growing share of external assets, Sweden case in point

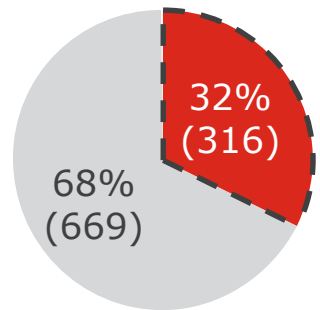
Mutual funds growth

SEK bn (SPP funds only)

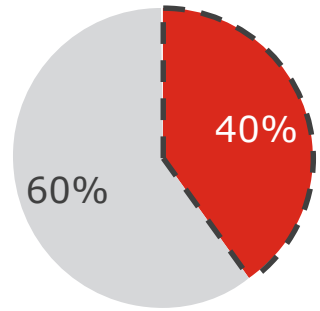


Increased share of earnings¹

Sweden AM, % revenues



Sweden AM, % AuM



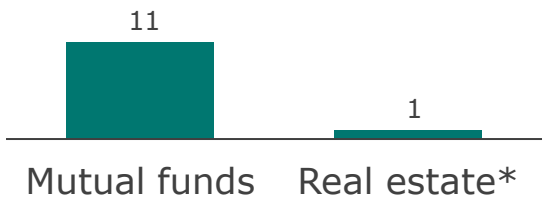
■ Sweden ■ Norway

Next step: distribution and scale

1

Strengthen distribution capacity in Sweden

Strong inflows 1H 17 (SEK bn)



2

Further leverage scalable Nordic asset mgmt. platform through a full range of building blocks in the Swedish market

- Real Estate
- Private debt
- Smart beta
- Private equity
- Low carbon
- Delphi

¹ Share of revenues in Storebrand Asset Management stemming from Sweden (all asset classes).
 * Committed external capital accumulated

Finally! Pillar III Savings introduced in Norway with sales start 1 November



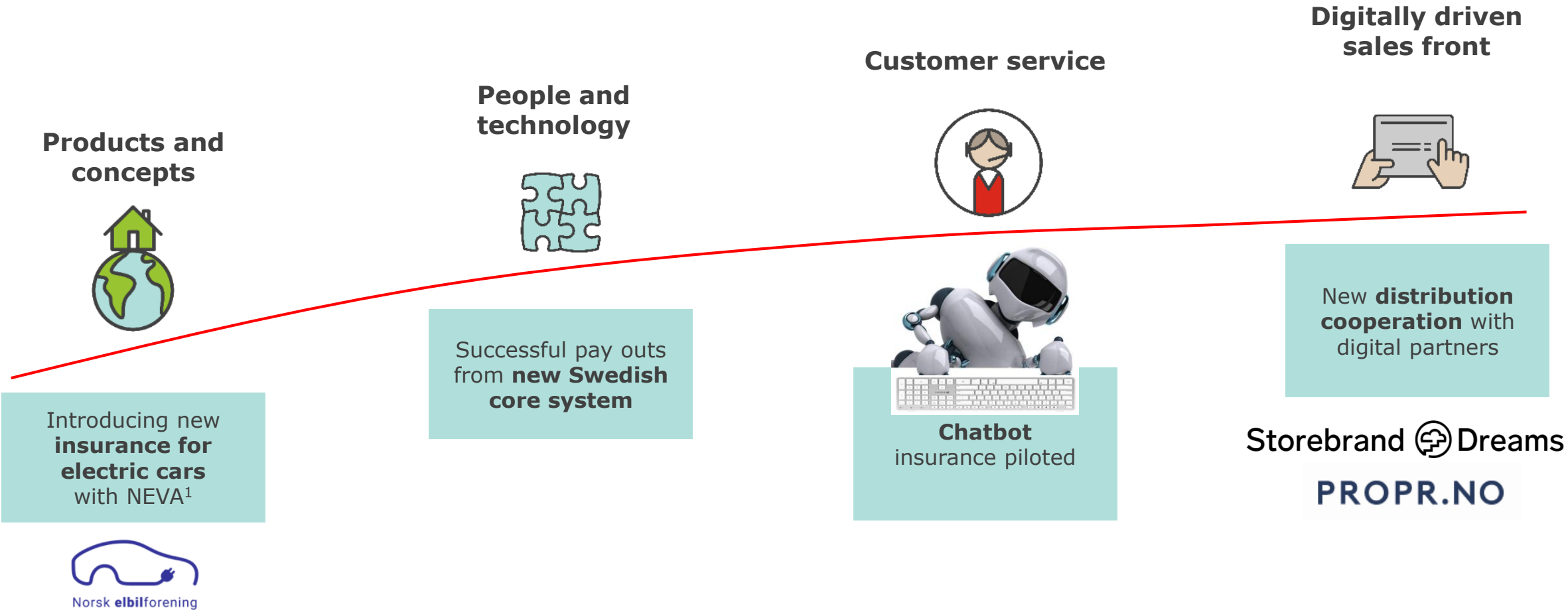
Pillar I
State pensions

Pillar II
Corporate Pensions

Pillar III
Individual Savings

- 1 Savings for pension – Locked until retirement
- 2 Individuals can save NOK 40,000 annually
- 3 Income tax deduction of 24% (2017)
- 4 No wealth tax in accumulation period
- 5 No financial gains tax in accumulation period
- 6 Taxed as ordinary income at withdrawal (24% 2017)

Innovating the customer journey



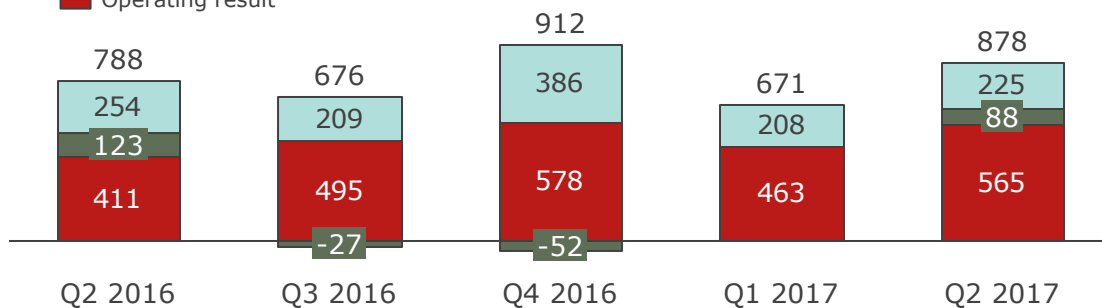
¹ The Norwegian Electric Vehicle Association

Key figures

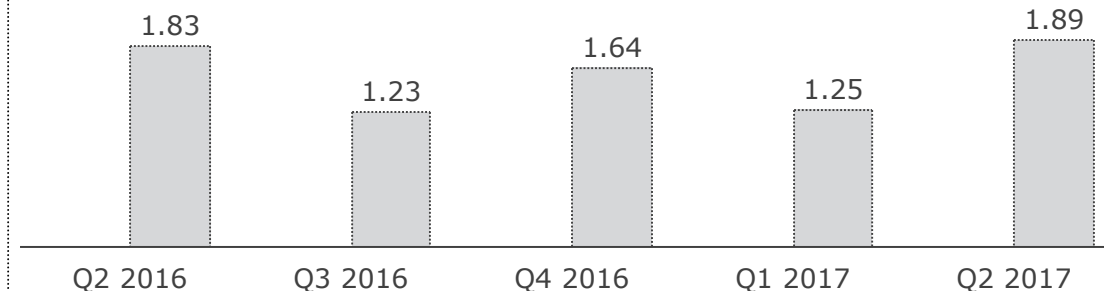
Result development¹

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

MNOK

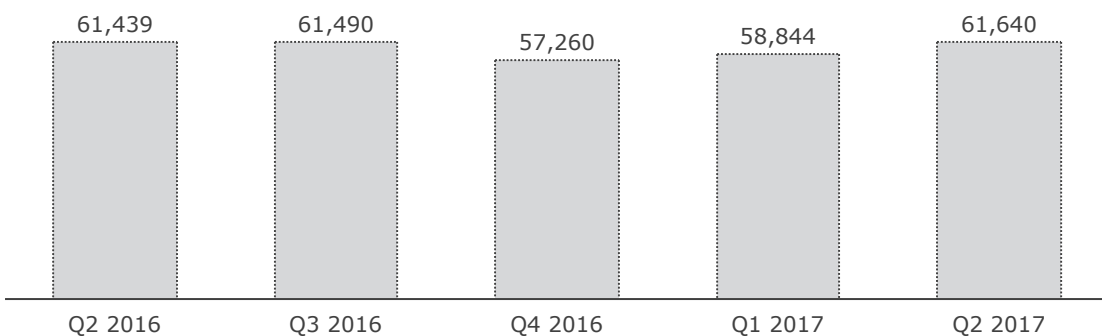


Earnings per share²



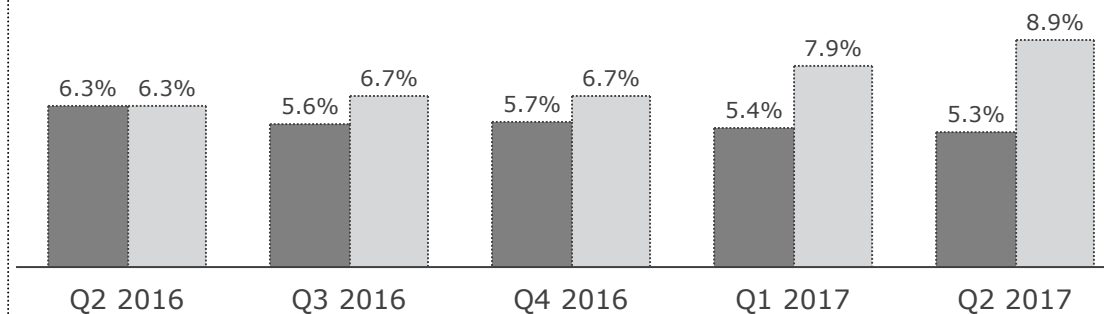
Solidity capital Storebrand Life Group

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 3.7 billion in Norwegian guaranteed that will be allocated at year end.

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

Profit¹

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Fee and administration income	1 079	1 005	2 098	2 058	4 235
Insurance result	290	237	565	455	945
Operational cost ²	-805	-707 ²	-1 636	-1 519	-3 191
Operating profit	565	535	1 028	994	1 989
Financial items and risk result life	313	254	521	331	924
Result before amortisation	878	788	1 549	1 325	2 913
Amortisation and write-downs of intangible assets	-100	-104	-198	-210	-406
Result before tax	778	684	1351	1114	2 506
Tax	-29	31	-138	-89	-364
Profit after tax	749	715	1 213	1 025	2 143

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

² Cost 2Q 2016 affected by positive effect from change in own pension scheme. Adjusted for this effect costs are nominally flat Q-O-Q.

Profit

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
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Profit per line of business

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Savings - non-guaranteed	319	234	558	506	1 063
Insurance	184	152	355	272	575
Guaranteed pension	290	237	491	252	870
Other profit	85	166	144	295	405
Profit before amortisation	878	788	1 549	1 325	2 913

Savings (non-guaranteed) - continued growth



Profit

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Fee and administration income	747	636	1447	1333	2 758
Operational cost	-438	-414	-897	-833	-1 700
Operating profit	309	222	551	500	1 058
Financial items and risk result life	10	12	8	6	5
Profit before amortisation	319	234	558	506	1 063

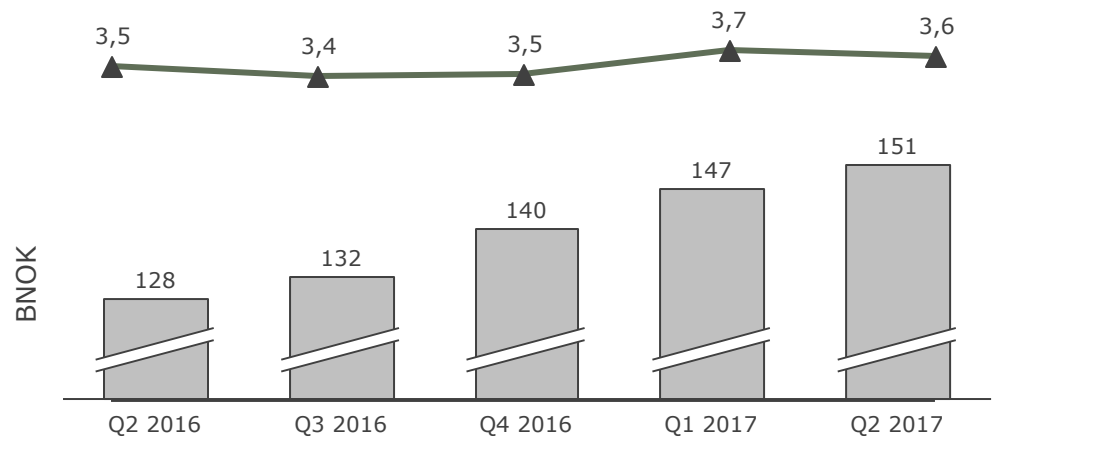
Profit per product line

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Unit linked Norway	69	38	138	122	242
Unit linked Sweden	83	49	129	77	175
Asset Management segment	123	106	221	233	518
Retail banking	45	41	71	75	127
Profit before amortisation	319	234	558	506	1 063

Savings (non-guaranteed)

- strong growth in assets and retail lending

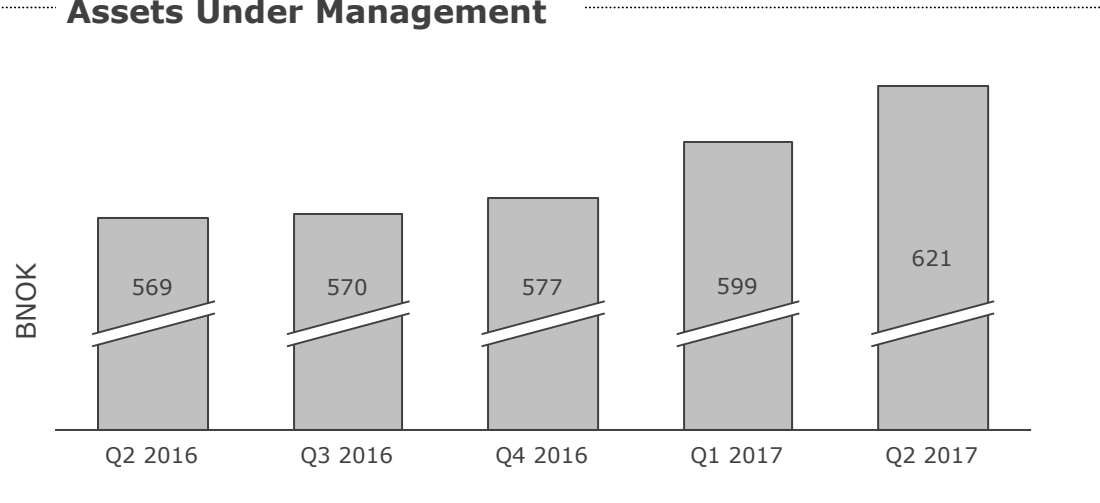
Reserves and premiums Unit Linked



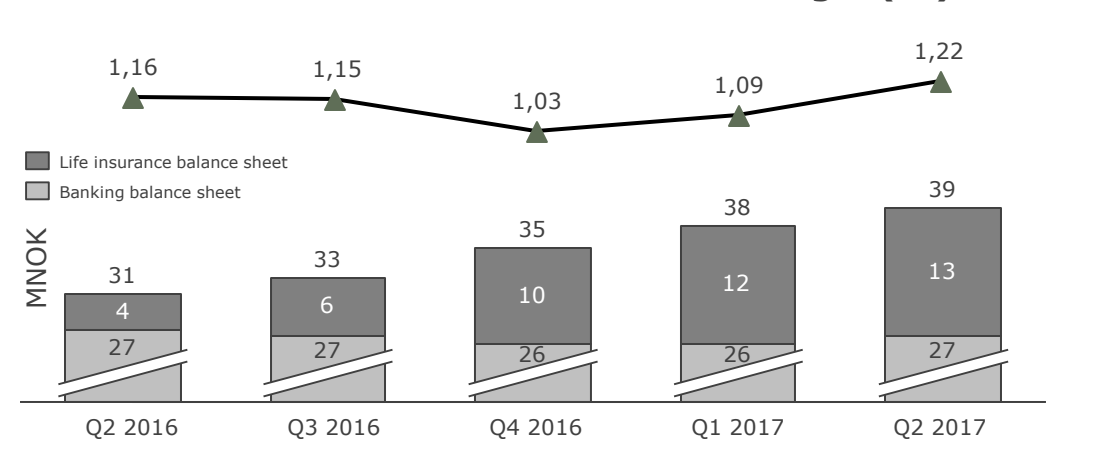
Comments

- 3% premium growth in UL premiums¹
- 28% retail lending growth²
- 9% growth asset 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.

Profit

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Insurance premiums f.o.a.	971	962	1911	1909	3 828
Claims f.o.a.	-681	-726	-1346	-1453	-2 883
Operational cost	-171	-137	-344	-283	-602
Operating profit	119	99	222	173	342
Financial result	65	52	133	99	233
Profit before amortisation	184	152	355	272	575

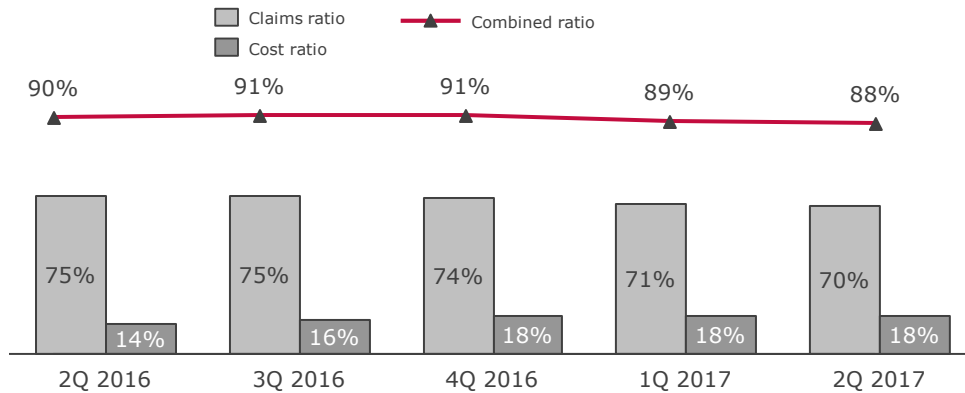
Profit per product line

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
P&C & Individual life	70	78	167	182	293
Health & Group life	81	16	146	56	149
Pension related disability insurance Nordic	32	58	42	34	133
Profit before amortisation	184	152	355	272	575

Insurance

- Lagging growth, strong combined ratio

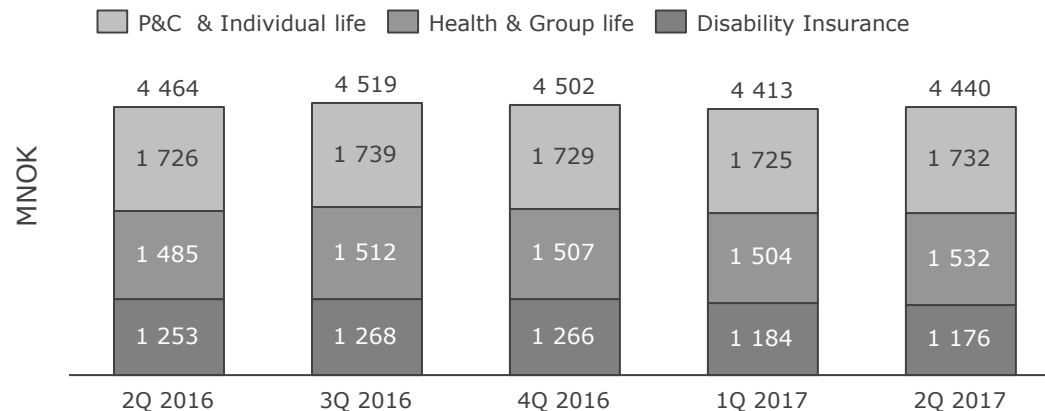
Combined ratio



Comments Combined ratio and results

- Combined Ratio 88%
- Reduced premiums due to on-going shift to more cost-effective distribution and new disability product

Portfolio premiums



Comments premiums and growth¹

- 0% premium growth within P&C & Individual life
- 3% premium growth within Health & Group life
- -6% premium growth in Pension related disability Nordic

Guaranteed pension - strong quarter but long term run off



Profit

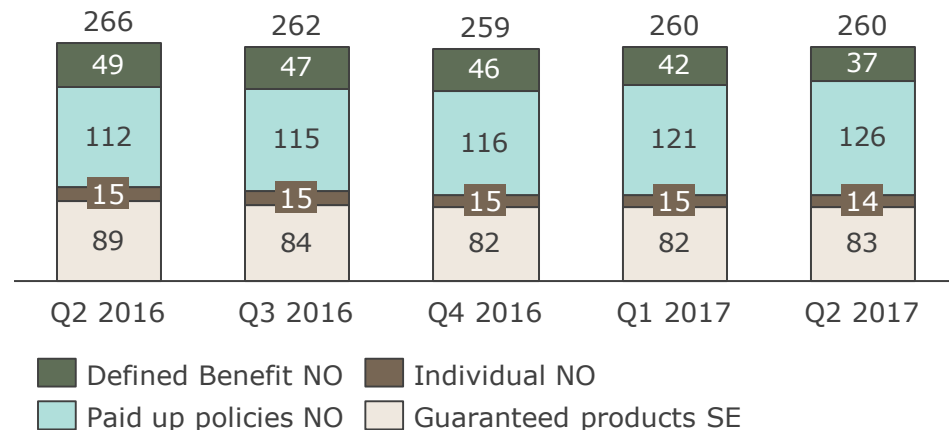
NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Fee and administration income	369	383	727	787	1 566
Operational cost	-216	-192	-437	-464	-981
Operating profit	153	191	290	323	585
Risk result life & pensions	6	-10	40	-6	-37
Net profit sharing and loan losses	131	57	161	-65	322
Profit before amortisation	290	237	491	252	870

Profit per product line

NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Defined benefit (fee based)	71	107	139	196	340
Paid-up policies, Norway	29	30	56	24	46
Individual life and pension, Norway	15	2	17	4	147
Guaranteed products, Sweden	175	98	280	28	336
Profit before amortisation	290	237	491	252	870

Guaranteed pension - reserves in decline and robust buffer situation

Reserves guaranteed products



Comments

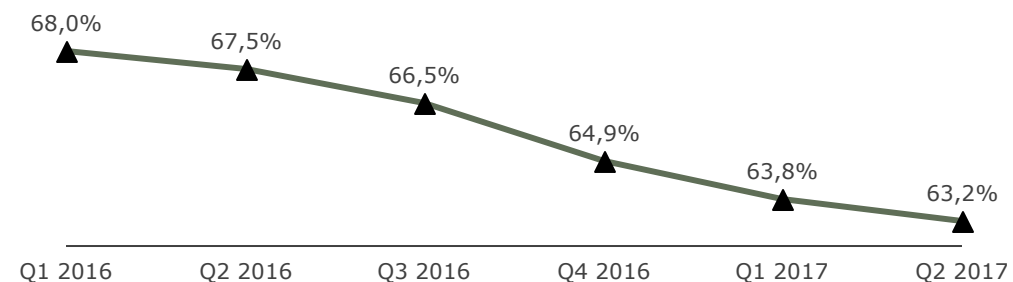
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
- Strong profit sharing results in the quarter

Buffer capital

NOK million	2017		Change
	2Q	1Q	
Market value adjustment reserve	2 158	2 321	-163
Excess value of bonds at amortised cost	8 820	8 814	6
Additional statutory reserve	6 736	6 814	-77
Conditional bonuses Sweden	6 798	6 109	689
Total	24 513	24 058	455

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	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Fee and administration income	23	53	44	70	145
Operational cost	-39	-30	-79	-72	-141
Operating profit	-16	23	-34	-2	4
Financial items and risk result life	102	143	179	298	401
Profit before amortisation	85	166	145	295	405

Profit per product line

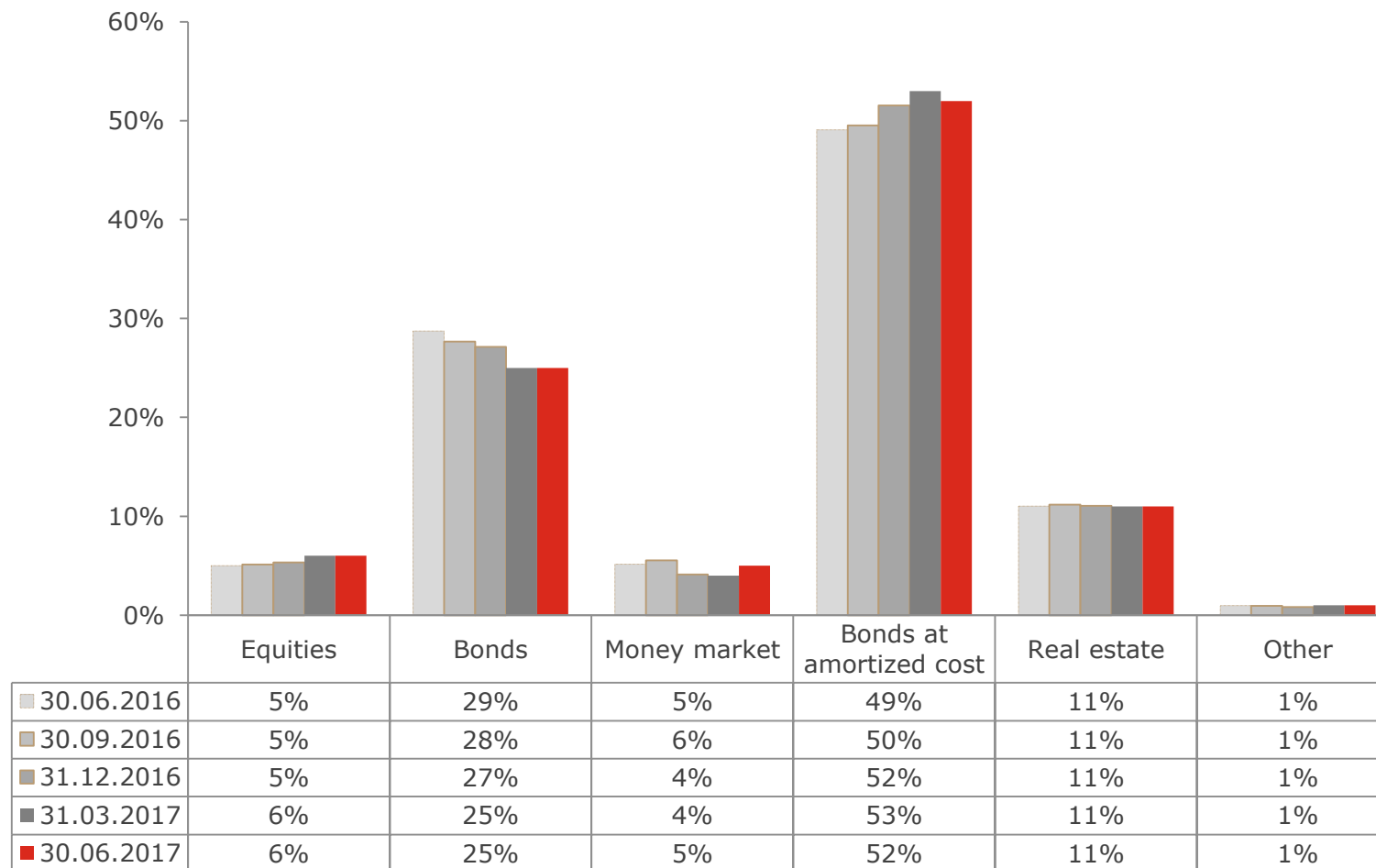
NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Corporate Banking	4	48	17	35	76
BenCo	5	6	10	36	44
Holding company costs and net financial results in company portfolios	77 ²	111	117	224	285
Profit before amortisation	85	166	144	305	405

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

² Includes NOK 88m from sale of Formuesforvaltning AS.

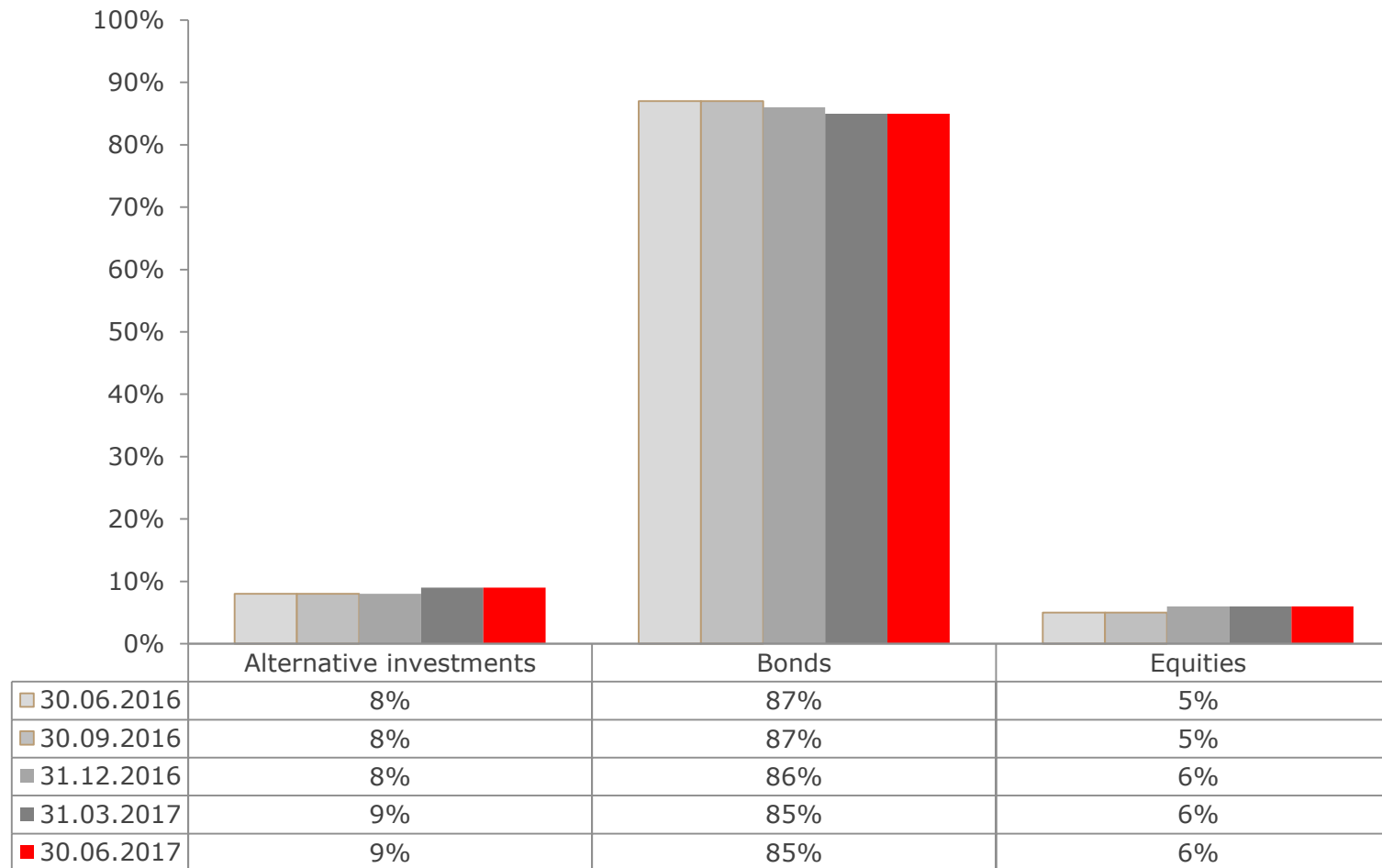
Appendix

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.