

Storebrand Q4 2018

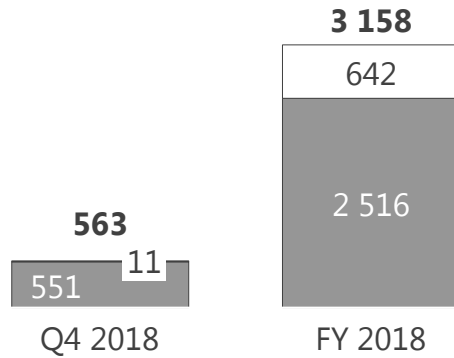
13 February 2019

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights Q4 2018

Group result¹

MNOK



- Financial items and risk result life
- Operating profit



7% Unit Linked reserve growth²



23% Profit growth Insurance¹



NOK 3.0 Dividend³



173% Solvency II ratio⁴

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

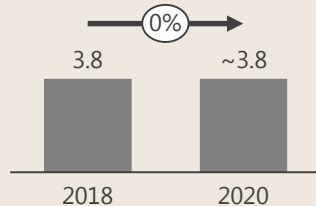
D

Bolt-on M&A

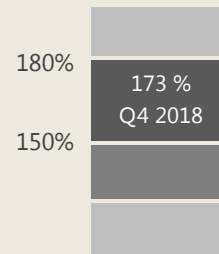
2

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

Selective bolt-on M&A: Strengthening our asset management offering and a further shift in the group's balance sheet towards non-guaranteed savings

1

Build a world class Savings business - supported by Insurance

Purchase of Cubera PE



Sale of Nordben

2

Manage balance sheet and capital

D

Bolt-on M&A

- Leading player within Nordic private equity
- AUM NOK 9 bn
- Acquisition price NOK 300 m¹
- Profit before tax of ~ NOK 50 m in 2018
- Pending government approval – execution expected Q2 2019



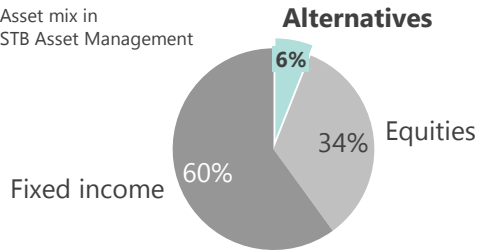
- Provider of international pension plans to the Nordic industry
- Run-off portfolio closed for new business
- Primarily guaranteed policies
- AUM SEK 6 bn
- Pending government approval – execution expected H1 2019



Cubera: A strong complement to Storebrand's private equity offering for clients seeking investments in the Nordics

Strengthened alternative investment offering

Asset mix in
STB Asset Management



Delivering on strategic priorities



Strengthen
international
institutional capacity



Further scale and
broadening of the
client offering

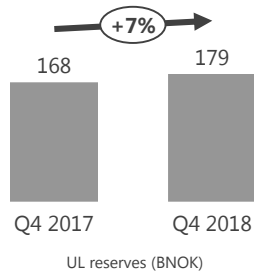
 **storebrand**

 **CUBERA**

	storebrand	CUBERA
Products	PE-fund-of-funds	PE-fund-of-funds
Clients	Norway+Sweden	International
Investment universe	Global	Nordics
Strategy	Primary (secondary)	Secondary (primary)
AUM	NOK 19 bn	NOK 9 bn
Employees	5	13

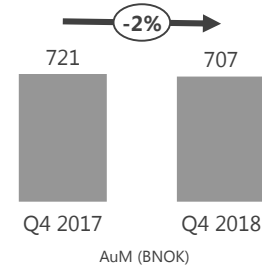
Fourth quarter results impacted by financial markets - growth ambitions maintained

Unit Linked



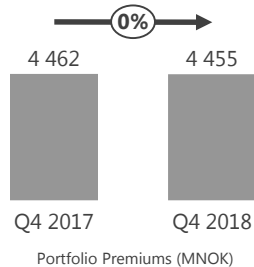
- 7% premium income growth in 2018
- Q4 decline in reserves due to weak financial markets

Asset management



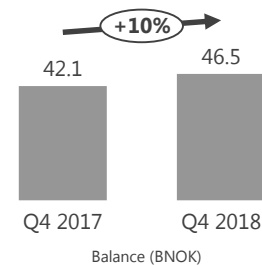
- Decline in AuM because of weak financial markets and weakened SEKNOK in 2018
- SKAGEN negative net flows in 2018, but turning

Insurance



- Flat premium development in 2018
- Growth initiatives starting to show effect on sales
- Improved profitability

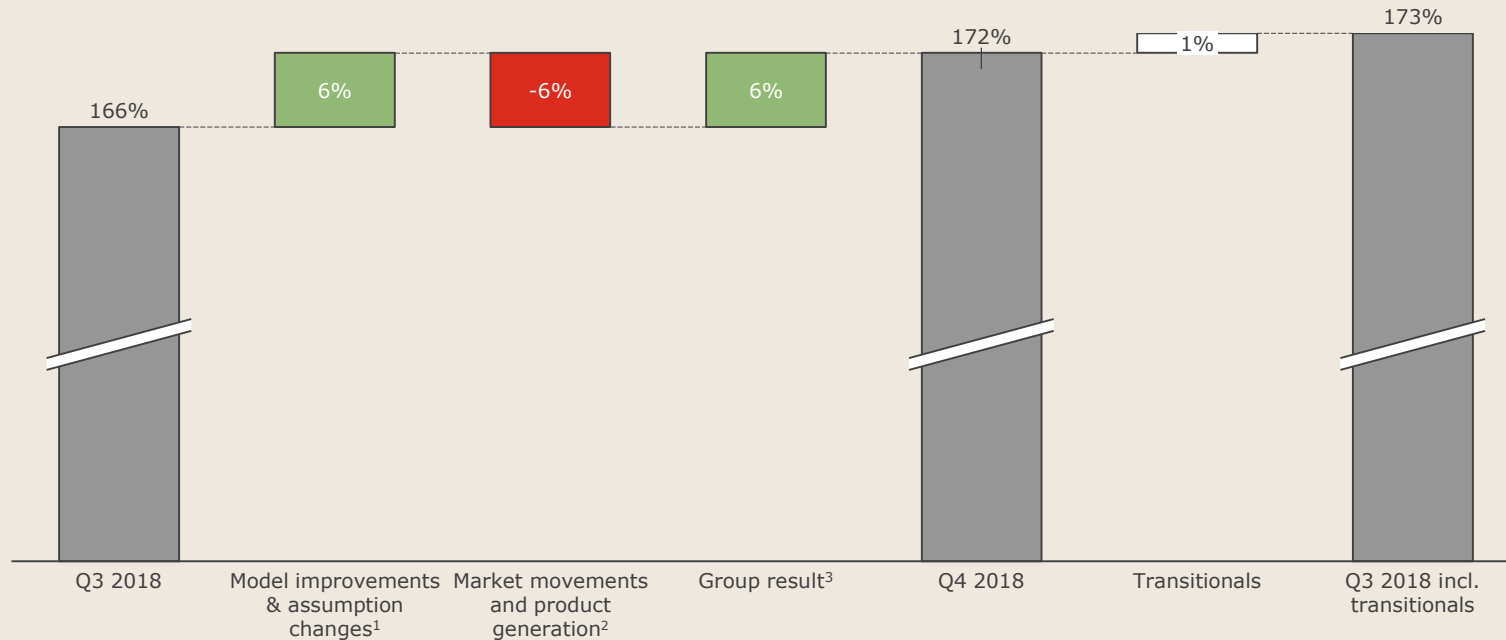
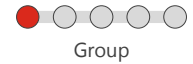
Retail loans



- Continued growth
- Stable margins

Solvency movement from Q3 2018 to Q4 2018

Storebrand ASA

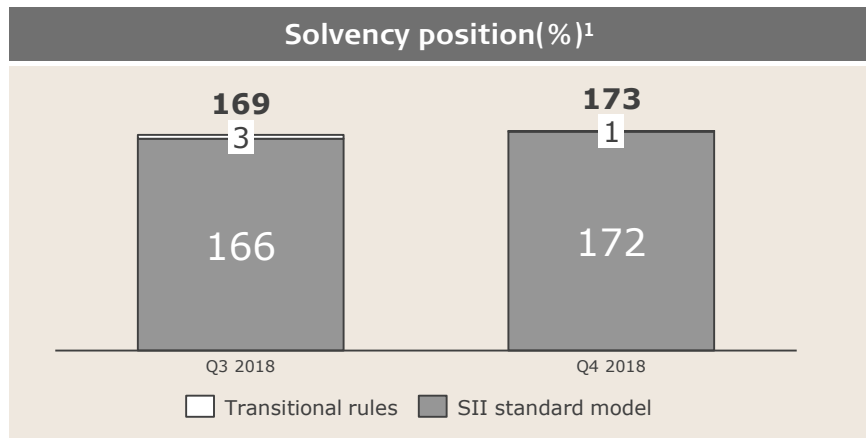
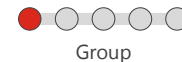


¹Including increased VA and decreased equity stress

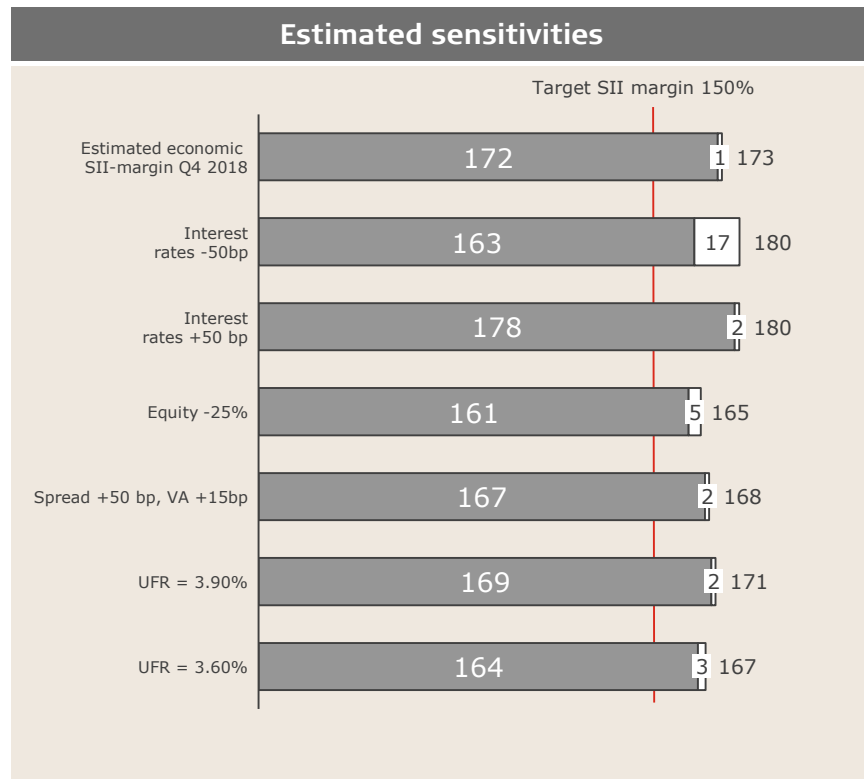
²Including risk management actions

³After proposed dividend, including tax gain as pr. stock exchange release 15 January 2019

SII position Storebrand Group



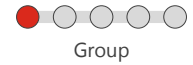
- ### Key takeaways
- Solvency position strengthened from increase in shareholders equity
 - Negative impact from adverse financial markets are countered by risk management and change in equity stress levels and volatility adjustment
 - No material changes to estimated sensitivities



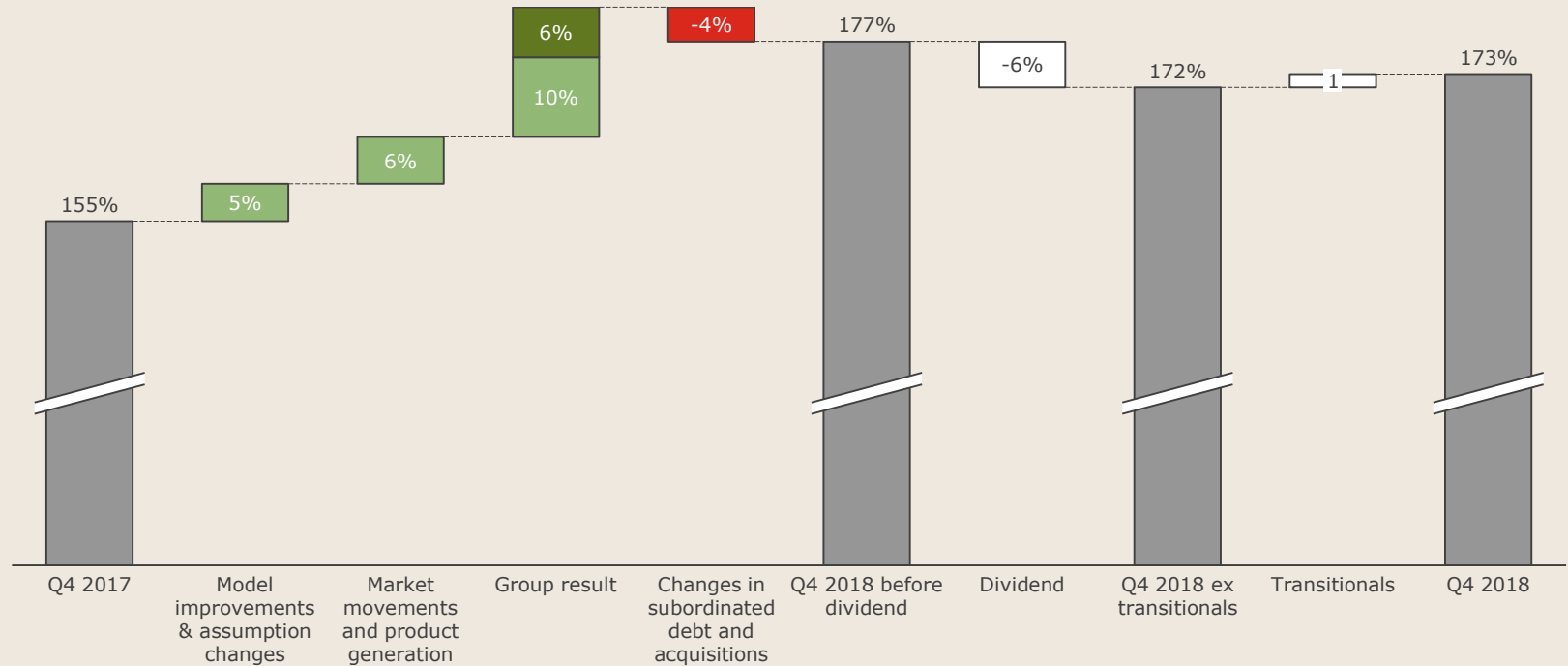
¹ The estimated Economic solvency position of Storebrand Group is calculated using the current Storebrand implementation of the Solvency II Standard model with the company's interpretation of the transition rules from the NFSA. Output is sensitive to changes in financial markets, development of reserves, 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.

Solvency movement full year 2018

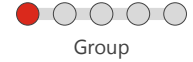
Storebrand ASA



Group

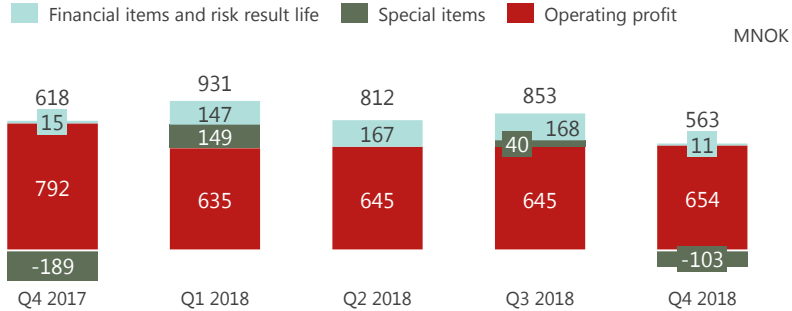


Key figures

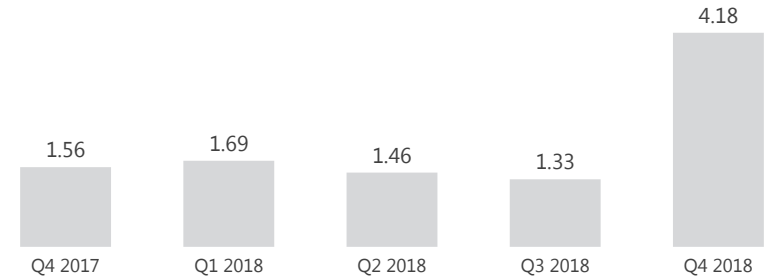


Group

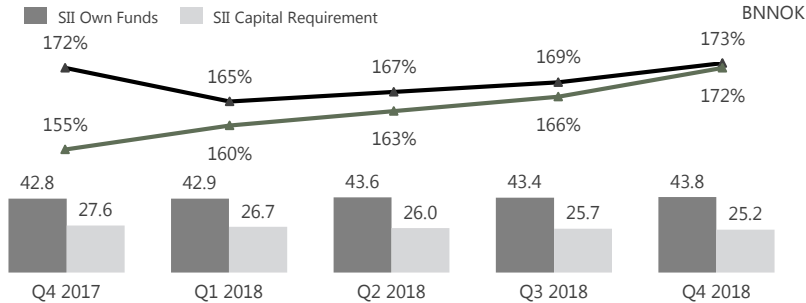
Result development¹



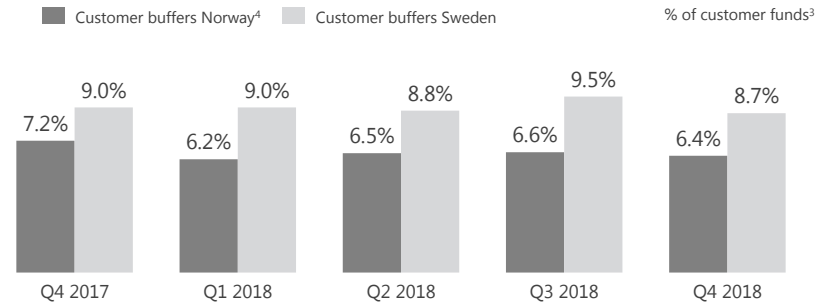
Earnings per share²



SII Own funds and SCR⁴



Customer buffers development



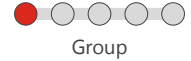
¹ Result before amortisation, write-downs.

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

³ Customer buffers in Benco not included. Surplus values of bonds held at amortized cost excluded.

⁴ Without the use of transitional capital

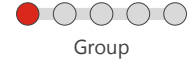
Storebrand Group



Profit¹

NOK million	Q4		Full year	
	2018	2017	2018	2017
Fee and administration income	1 301	1 531	5 011	4 771
Insurance result	282	261	1 291	1 146
Operational cost	-1 031	-989	-3 786	-3 490
Operating profit	551	803	2 516	2 427
Financial items and risk result life	11	-185	642	513
Profit before amortisation	563	618	3 158	2 940
Amortisation and write-downs of intangible assets	-99	-237	-360	-536
Profit before tax	464	381	2 799	2 404
Tax	1 392	113	898	2
Profit after tax	1 856	494	3 697	2 405

Storebrand Group



Profit

NOK million	Q4		Full year	Full year
	2018	2017	2018	2017
Fee and administration income	1 301	1 531	5 011	4 771
Insurance result	282	261	1 291	1 146
Operational cost	-1 031	-989	-3 786	-3 490
Operating profit	551	803	2 516	2 427
Financial items and risk result life	11	-185	642	513
Profit before amortisation	563	618	3 158	2 940

Profit per line of business

NOK million	Q4		Full year	Full year
	2018	2017	2018	2017
Savings - non-guaranteed	328	639	1 267	1 511
Insurance	97	32	748	608
Guaranteed pension	214	31	1 138	766
Other profit	-76	-84	5	55
Profit before amortisation	563	618	3 158	2 940

Savings (non-guaranteed)

Profit

NOK million	Q4		Full year	
	2018	2017	2018	2017
Fee and administration income	1 006	1 189	3 708	3 394
Operational cost	-649	-554	-2 394	-1 891
Operating profit	357	635	1 314	1 503
Financial items and risk result life	-29	4	-46	8
Profit before amortisation	328	639	1 267	1 511
<i>Income earned not booked¹⁾</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Profit per product line

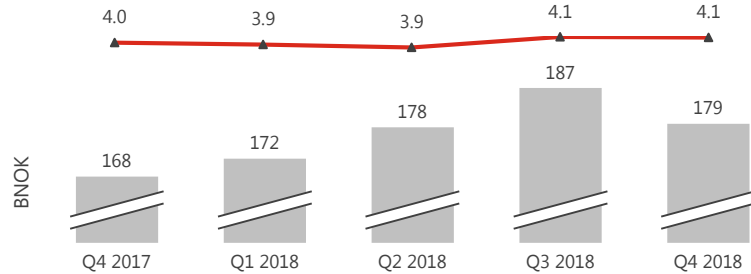
NOK million	Q4		Full year	
	2018	2017	2018	2017
Unit linked Norway	47	64	235	284
Unit linked Sweden	71	70	267	252
Asset Management segment	160	470	542	823
Retail banking	50	34	224	152
Profit before amortisation	328	639	1 267	1 511

Savings (non-guaranteed)

– impacted by weak financial markets



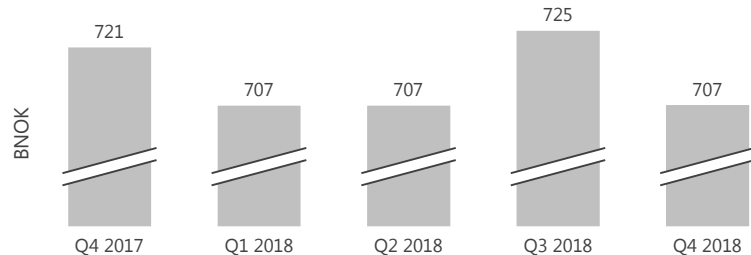
Reserves and premiums Unit Linked



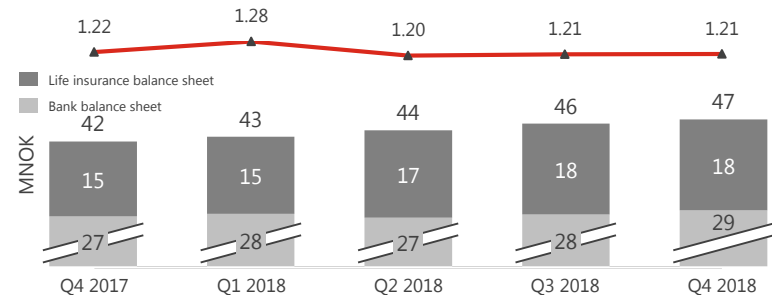
Comments

- 7% premium growth in UL premiums¹
- 7% growth in UL reserves²
- Positive UL transfer balance
- 10% retail lending growth²

Assets under management



Retail bank balance and net interest margin (%)



Insurance

Profit

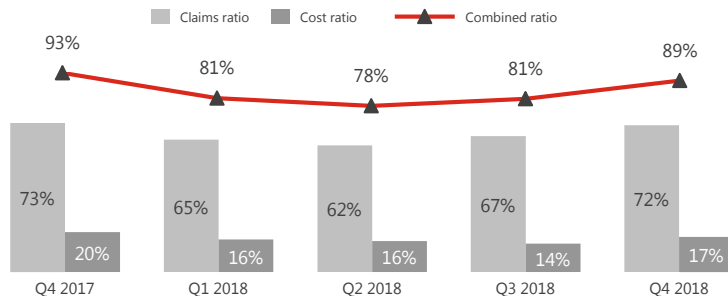
NOK million	Q4		Full year	
	2018	2017	2018	2017
Insurance premiums f.o.a.	1 003	968	3 854	3 872
Claims f.o.a.	-721	-707	-2 562	-2 726
Operational cost	-175	-193	-614	-711
Operating profit	107	68	677	435
Financial result	-9	-36	71	173
Profit before amortisation	97	32	748	608

Profit per product line

NOK million	Q4		Full year	
	2018	2017	2018	2017
P&C & Individual life	71	38	372	285
Health & Group life	-7	-21	185	242
Pension related disability insurance Nordic	34	15	192	81
Profit before amortisation	97	32	748	608

Insurance – result improvements

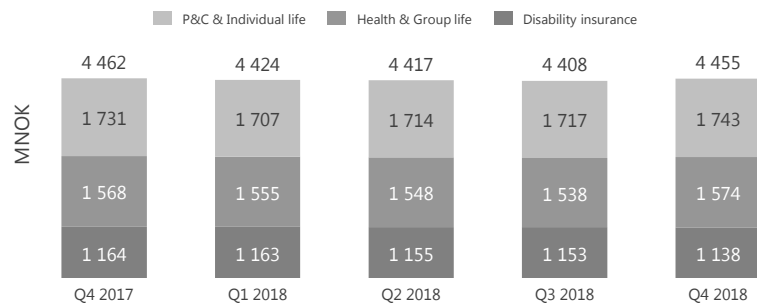
Combined ratio



Comments Combined ratio and results

- Combined ratio of 89% in Q4
- Lower disability improves result in 2018
- Cost measures successfully implemented

Portfolio premiums



Comments premiums and growth

- Flat premium development in 2018
- Growth initiatives starting to show effect

Guaranteed pension

Profit

NOK million	Q4		Full year	
	2018	2017	2018	2017
Fee and administration income	334	376	1 441	1 483
Operational cost	-226	-240	-828	-889
Operating profit	108	136	614	595
Risk result life & pensions	58	18	191	67
Net profit sharing and loan losses	48	-123	333	104
Profit before amortisation	214	31	1 138	766

Profit per product line

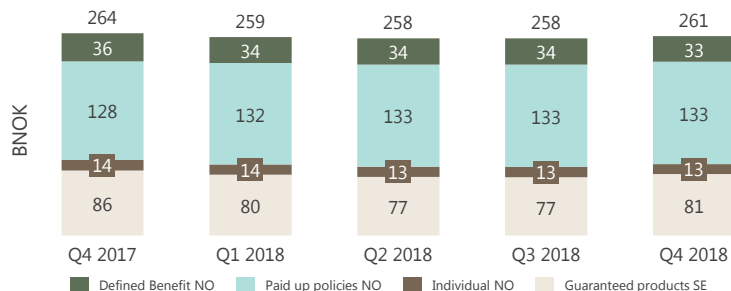
NOK million	Q4		Full year	
	2018	2017	2018	2017
Defined benefit (fee based)	80	75	306	297
Paid-up policies, Norway	51	29	508	122
Individual life and pension, Norway	29	43	37	79
Guaranteed products, Sweden	55	-116	288	267
Profit before amortisation	214	31	1 138	766

Guaranteed pension

- reserves in long term decline and robust buffer situation



Reserves guaranteed products



Comments

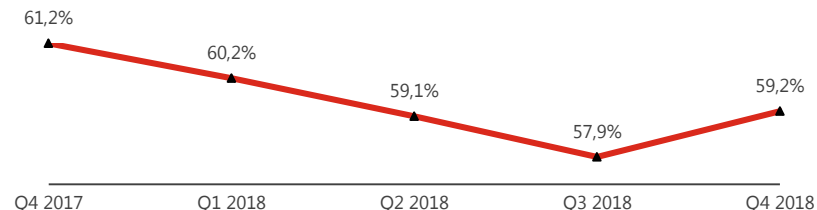
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
- Paid up policies – risk result of NOK 38m, profit sharing of NOK 12m

Buffer capital

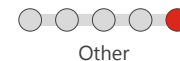
NOK million	Q4 2018	Q3 2018	Change
Market value adjustment reserve	2 245	2 841	- 596
Excess value of bonds at amortised cost	5 009	5 051	- 42
Additional statutory reserve	8 494	8 267	+ 228
Conditional bonuses Sweden	6 462	6 713	- 251
Total	22 211	22 872	- 661

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

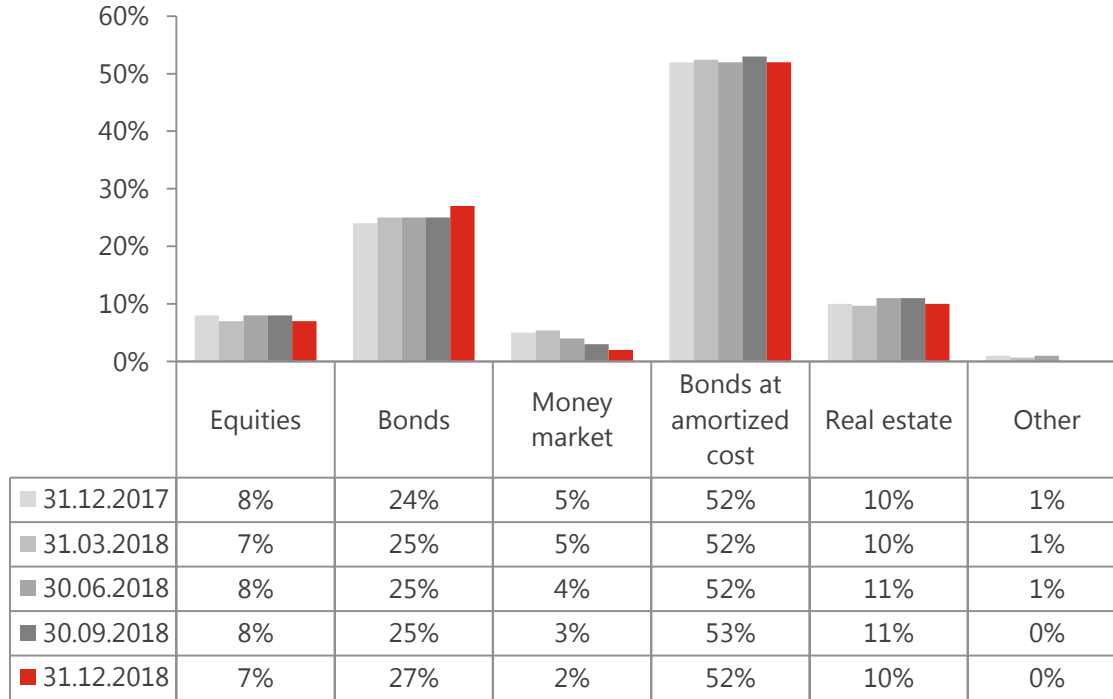
NOK million	Q4		Full year	
	2018	2017	2018	2017
Fee and administration income	23	20	102	83
Operational cost	-42	-56	-190	-188
Operating profit	-20	-36	-89	-105
Financial items and risk result life	-56	-48	128	161
Profit before amortisation	-76	-84	40	55

Profit per product line

NOK million	Q4		Full year	
	2018	2017	2018	2017
Corporate Banking	0	5	-14	42
BenCo	-1	3	30	21
Holding company costs and net financial results in company portfolios	-75	-93	24	-8
Profit before amortisation	-76	-84	40	55

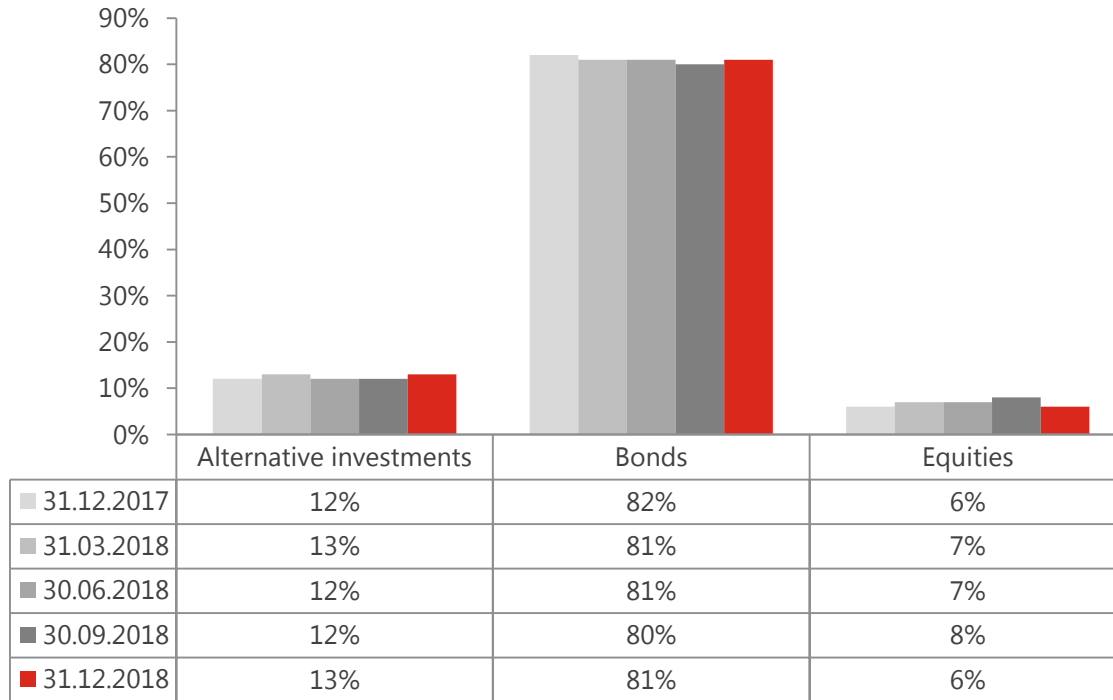
Appendix

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

Lars Aa. Løddesøl
Kjetil R. Krøkje
Daniel Sundahl

Group CFO
Head of IR
IR Officer

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.