

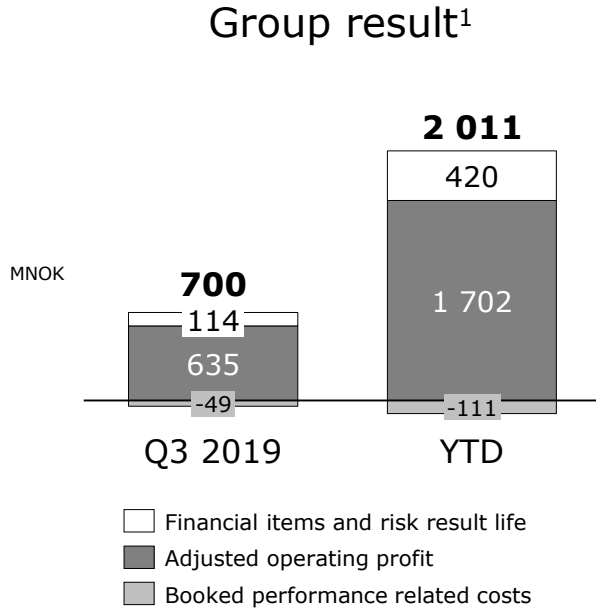


Storebrand Q3 2019

23 October 2019

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights Q3 2019



#1 customer satisfaction pensions Norway⁴



11% Unit Linked reserve growth²



NOK 61bn AuM growth Asset Management²



NOK 265m income earned not booked³



177% Solvency margin⁵

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

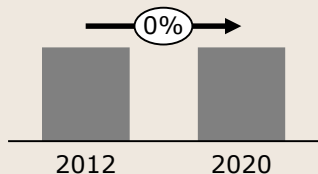
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Bolt-on M&A

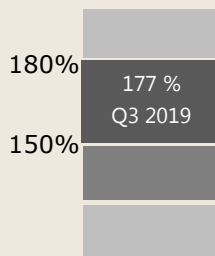
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework



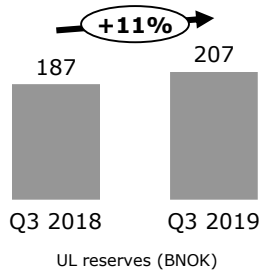
C. Increased return



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

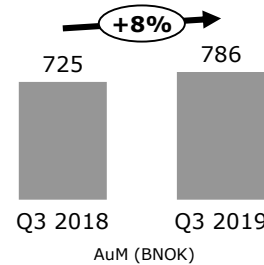
Growth in Savings continues

Unit Linked



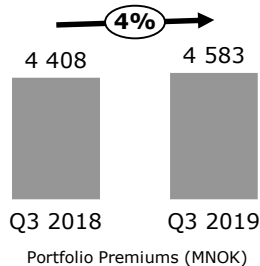
- Strong sales and premium income growth in Sweden
- Structural growth continues
- Good market return

Asset management



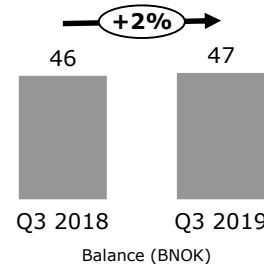
- Good market return
- Cubera included as of Q2 2019 with NOK 7bn

Insurance



- Growth initiatives are starting to give results
- Combined ratio in line with target

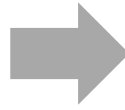
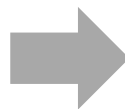
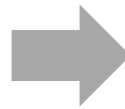
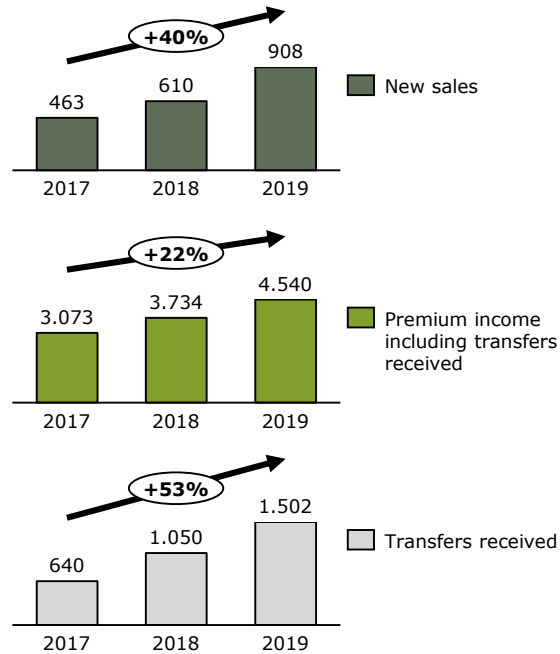
Retail loans



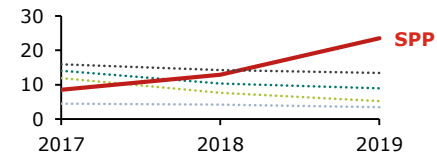
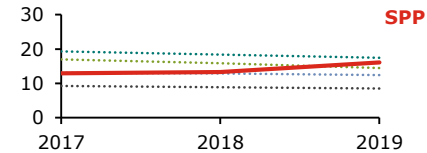
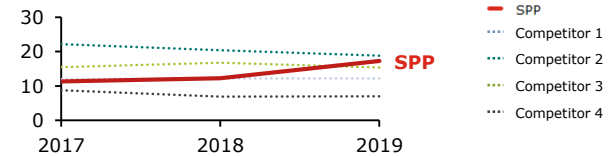
- Higher net interest margin
- Stable growth

SPP with double digit growth

Growth



Market share



New milestones in our sustainability leadership

Acknowledged by PRI as Leader in Sustainable Investments



Storebrand only Norwegian group in PRI Leaders' Group



Storebrand, the Norwegian financial group, has joined others in the PRI Leader's Group as the

PRI, the world's leading sustainable investor organisation, included Storebrand in PRI Leaders' Group, an initiative to showcase leadership of sustainable investments. Storebrand was only Norwegian asset owner to receive this recognition.

New Group Policy and Active Ownership on Deforestation



Storebrand committed to a strong active ownership policy to curb deforestation. Storebrand was also one of 230 investors with total 16.2 trillion USD in AuM, demanding corporate action on deforestation.

Committed to Net Zero Emissions



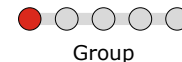
Storebrand one of 12 founding members of the UN-backed Net-Zero Asset Owner Alliance. The world's largest asset owners committed to carbon neutral investment portfolios by 2050.

Increased client demands for fossil free investments

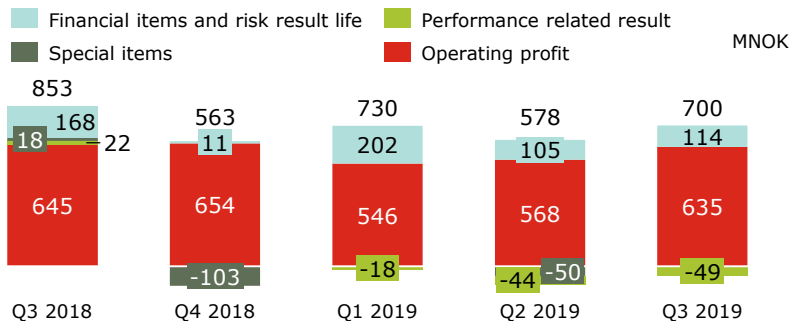


Reached fossil free investments milestone, NOK 100 billion invested in fossil free portfolios – 13 % of total AuM.

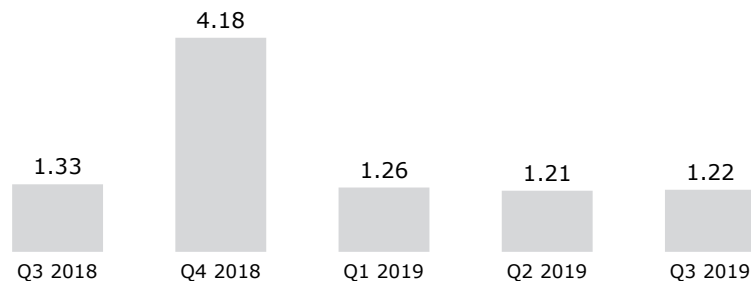
Key figures



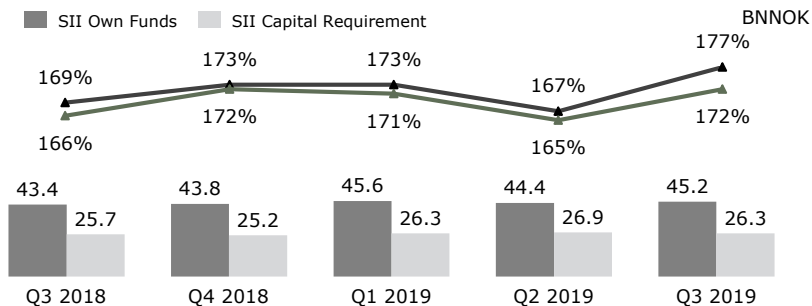
Result development¹



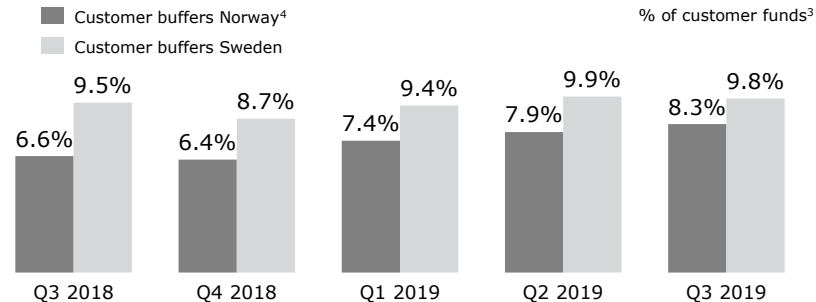
Earnings per share²



SII Own funds and SCR⁴



Customer buffers development

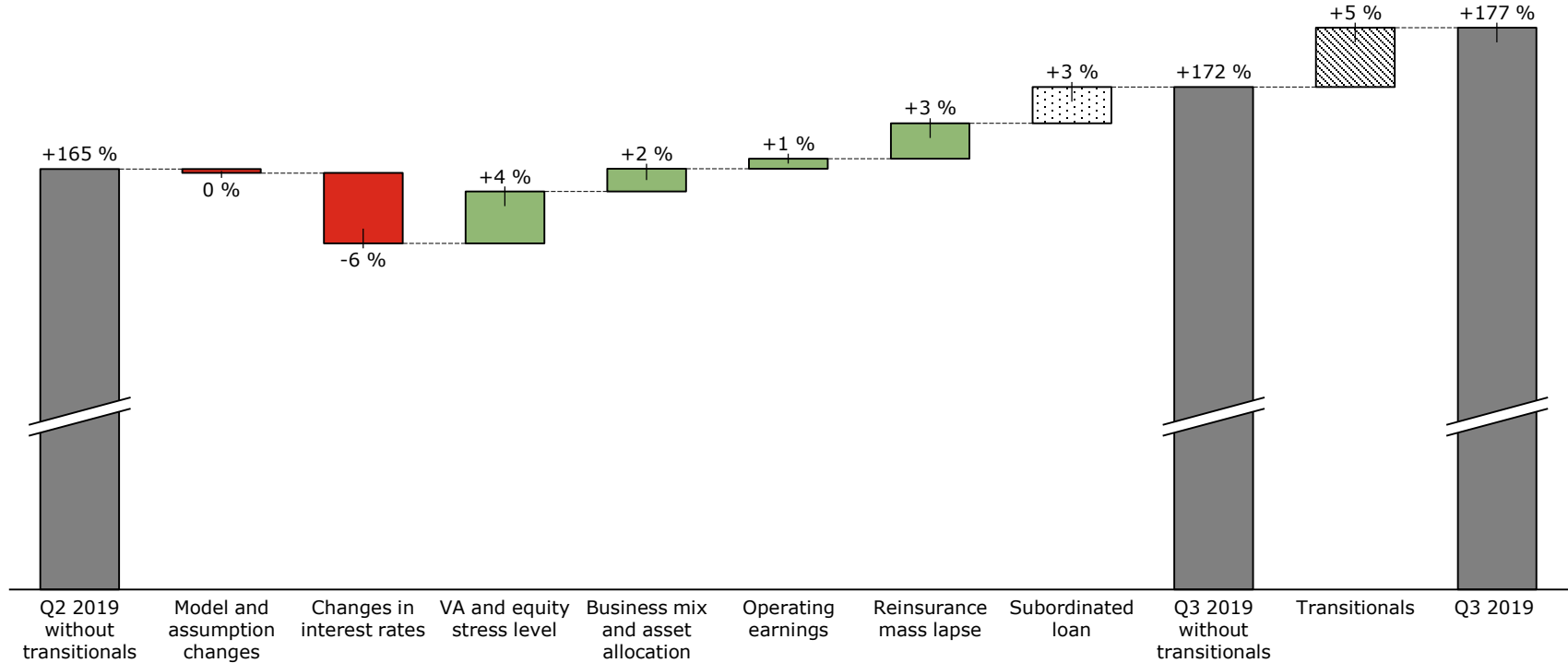
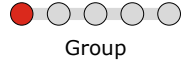


¹ Result before amortisation and tax, adjusted for performance related result.
² Earnings per share after tax adjusted for amortisation of intangible assets.

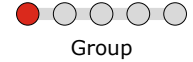
³ Excluding customer buffers Benco. Surplus values of HTM bonds cost excluded.
⁴ Without the use of transitional capital.

Movement from Q2 2019 to Q3 2019

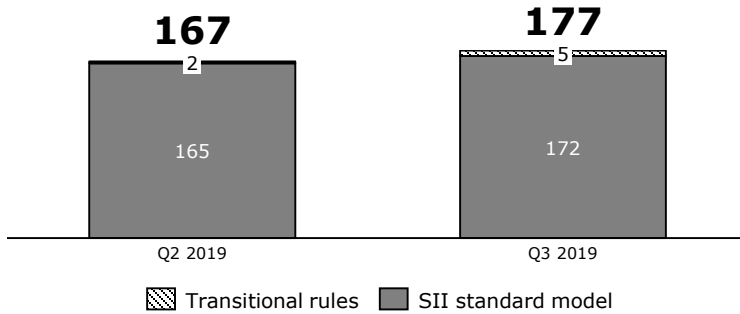
Storebrand ASA



SII position Storebrand Group



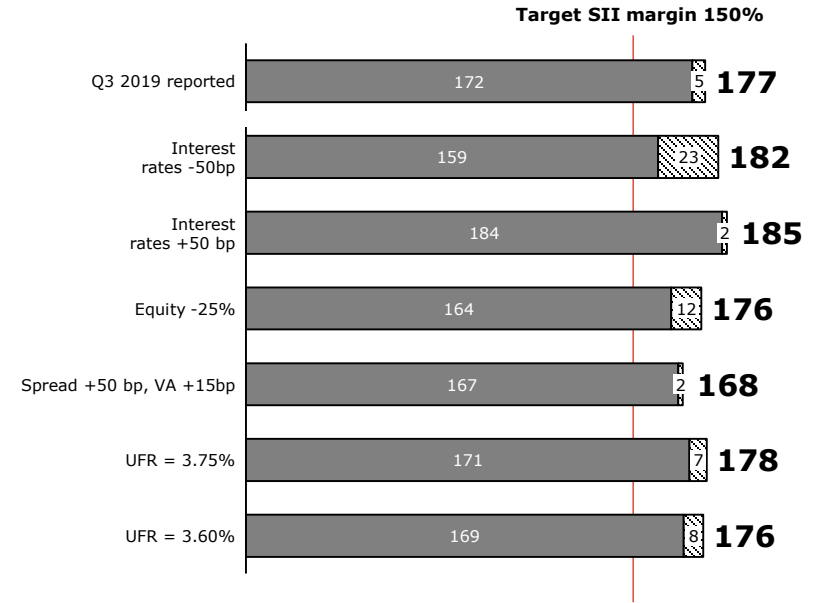
Solvency position(%)¹



Key takeaways

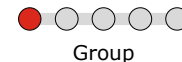
- Risk management and increased buffers improve guaranteed business
- Reinsurance of mass lapse in SPP
- Subordinated loan with call date in March 2020 expected to reduce solvency by 3%-points in Q4

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.

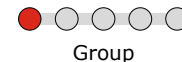
Storebrand Group



Profit¹

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Fee and administration income	1 296	1 246	3 746	3 710	5 011
Insurance result	268	316	782	1 009	1 291
Operational cost	-979	-877	-2 938	-2 755	-3 786
Operating profit	586	685	1 591	1 965	2 516
Financial items and risk result life	114	168	420	631	642
Profit before amortisation	700	853	2 011	2 595	3 158
Amortisation and write-downs of intangible assets	-115	-98	-328	-261	-360
Profit before tax	585	755	1 683	2 335	2 799
Tax	-124	-229	-277	-494	898
Profit after tax	461	526	1 406	1 841	3 697

Storebrand Group



Profit¹

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
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Operating profit adjusted for performance related costs²

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Booked performance related OPEX	-49	22	-111	0	-
Adjusted operating profit	635	663	1 702	1 965	-

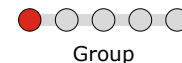
Operating profit including performance related income earned, not booked²

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
<i>Performance income earned not booked</i>	99	-45	265	53	-
<i>Operating profit including income earned not booked</i>	685	640	1 856	2 018	-

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 have been booked, but where the corresponding income earned is not booked until the end of the year. The numbers will vary with performance development through the year.

Storebrand Group



Group

Profit

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Fee and administration income	1 296	1 246	3 746	3 710	5 011
Insurance result	268	316	782	1 009	1 291
Operational cost	-979	-877	-2 938	-2 755	-3 786
Operating profit	586	685	1 591	1 965	2 516
Financial items and risk result life	114	168	420	631	642
Profit before amortisation	700	853	2 011	2 595	3 158

Profit per line of business

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Savings - non-guaranteed	303	334	817	932	1 257
Insurance	128	214	369	651	748
Guaranteed pension	237	295	697	932	1 148
Other profit	32	10	128	81	5
Profit before amortisation	700	853	2 011	2 595	3 158

Savings (non-guaranteed)

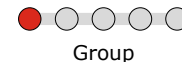
Profit

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Fee and administration income	957	905	2 764	2 703	3 709
Operational cost	-643	-565	-1 929	-1 753	-2 405
Operating profit	314	340	834	950	1 303
Financial items and risk result life	-11	-5	-18	-17	-46
Profit before amortisation	303	334	817	932	1 257

Profit per line of business

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Unit linked Norway	72	70	217	180	224
Unit linked Sweden	80	63	202	196	267
Asset management	80	145	197	382	542
Retail banking	70	56	200	174	224
Profit before amortisation	303	334	817	932	1 257

Savings (non-guaranteed)



Profit

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Fee and administration income	957	905	2 764	2 703	3 709
Operational cost	-643	-565	-1 929	-1 753	-2 405
Operating profit	314	340	834	950	1 303

Operating profit adjusted for performance related costs¹

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Booked performance related OPEX	-49	22	-111	0	-
Adjusted operating profit	363	318	945	950	-

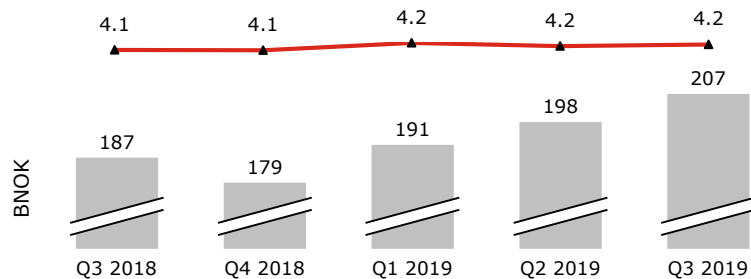
Operating profit including performance related income earned, not booked¹

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
<i>Performance income earned not booked</i>	99	-45	265	53	-
<i>Operating profit including income earned not booked</i>	413	295	1 100	1 003	-

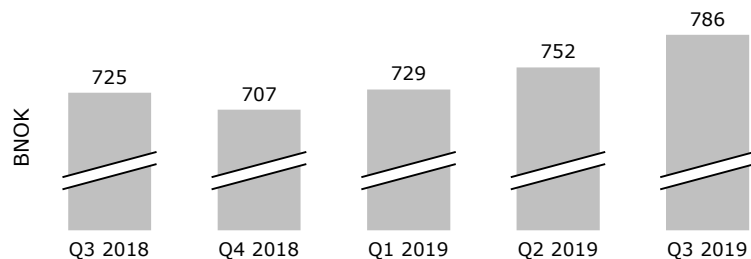
Savings (non-guaranteed)



Reserves and premiums Unit Linked



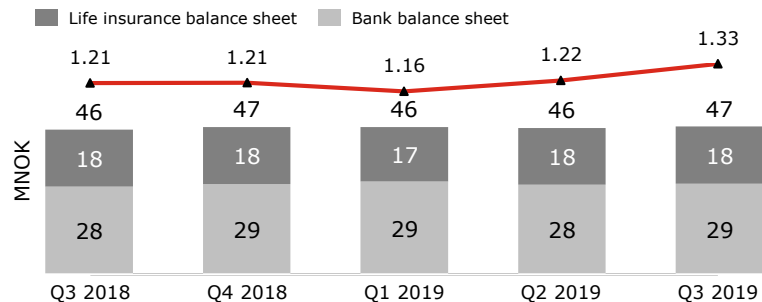
Assets under management



Comments¹

- 11% growth Unit Linked reserves
- 8% growth in assets under management, NOK 34bn in Q3 and NOK 61bn yoy
- Higher net interest margin in the bank

Retail bank balance and net interest margin (%)



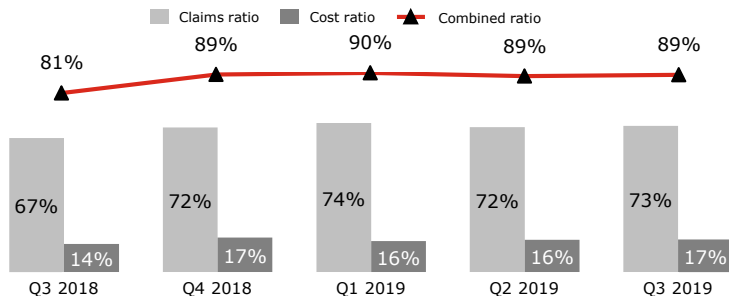
Profit

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Insurance premiums f.o.a.	981	949	2 895	2 850	3 854
Claims f.o.a.	-713	-633	-2 112	-1 841	-2 562
Operational cost	-162	-136	-471	-438	-614
Operating profit	106	181	311	571	677
Financial result	21	33	58	80	71
Profit before amortisation	128	214	369	651	748

Profit per product line

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
P&C & Individual life	55	106	248	301	372
Health & Group life	22	57	-7	192	185
Pension related disability insurance Nordic	51	51	129	158	192
Profit before amortisation	128	214	369	651	748

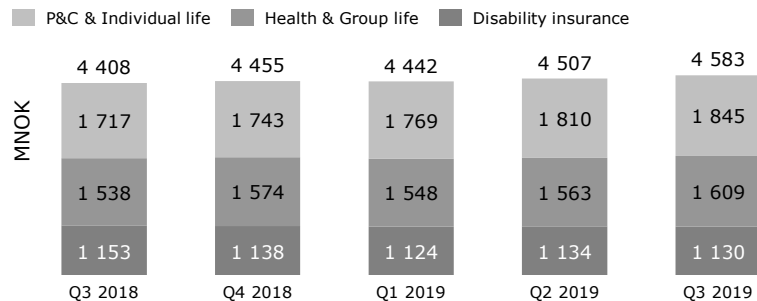
Combined ratio



Comments Combined ratio and results

- 89% combined ratio, target ratio 90-92%
- Good cost control
- Group life results improving, price increases under implementation

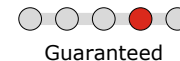
Portfolio premiums



Comments premiums and growth¹

- 4% overall premium growth, 5% target growth
- 7% P&C & Individual life growth

Guaranteed pension



Guaranteed

Profit

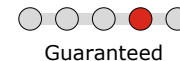
NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Fee and administration income	384	369	1 108	1 107	1 440
Operational cost	-199	-179	-594	-594	-816
Operating profit	185	190	514	513	624
Risk result life & pensions	30	91	144	134	191
Net profit sharing	22	13	39	285	333
Profit before amortisation	237	295	697	932	1 148

Profit per product line

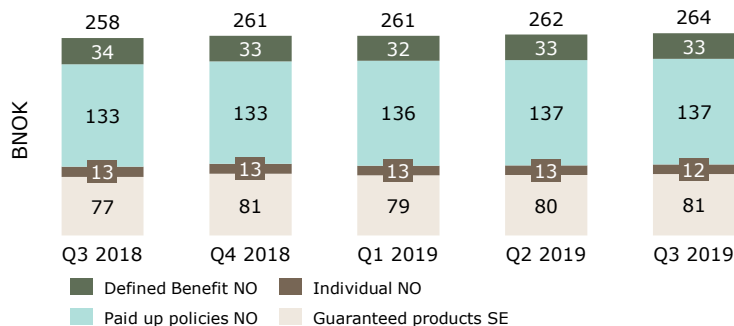
NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Defined benefit (fee based)	91	71	223	232	314
Paid-up policies, Norway	104	141	318	459	511
Individual life and pension, Norway	1	2	10	7	35
Guaranteed products, Sweden	40	80	146	233	288
Profit before amortisation	237	295	697	932	1 148

Guaranteed pension

- strong buffers and long term decline of products



Reserves guaranteed products



Comments

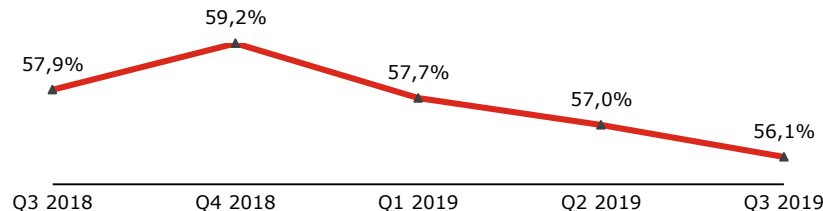
- As companies convert to DC schemes, the migration from DB to paid up policies continues to reduce fee income in Guaranteed pensions
- Modest reserve growth due to buffer building

Buffer capital

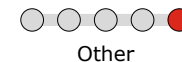
NOK million	Q3 2019	Q2 2019	Change
Market value adjustment reserve	5 893	5 140	+ 753
Excess value of bonds at amortised cost	6 495	6 076	+ 418
Additional statutory reserve	8 194	8 218	- 24
Conditional bonuses Sweden	7 213	7 145	+ 68
Total	27 795	26 579	+ 1 216

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

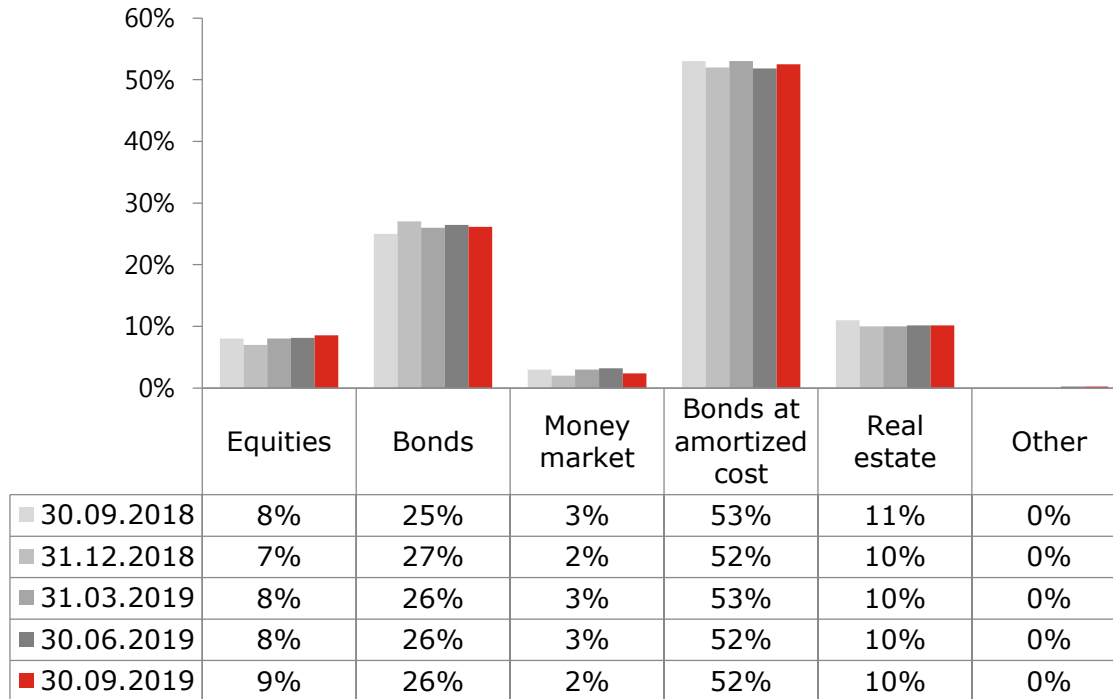
NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Fee and administration income	10	32	38	79	102
Operational cost	-29	-58	-107	-148	-190
Operating profit	-19	-25	-69	-69	-89
Financial items and risk result life	51	35	197	185	128
Profit before amortisation	32	10	128	116	40

Profit per product line

NOK million	Q3		01.01-30.09		Full year
	2019	2018	2019	2018	2018
Corporate Banking	0	3	0	-14	-14
BenCo	10	6	7	31	30
Holding company costs and net financial results in company portfolios	22	1	121	99	24
Profit before amortisation	32	10	128	116	40

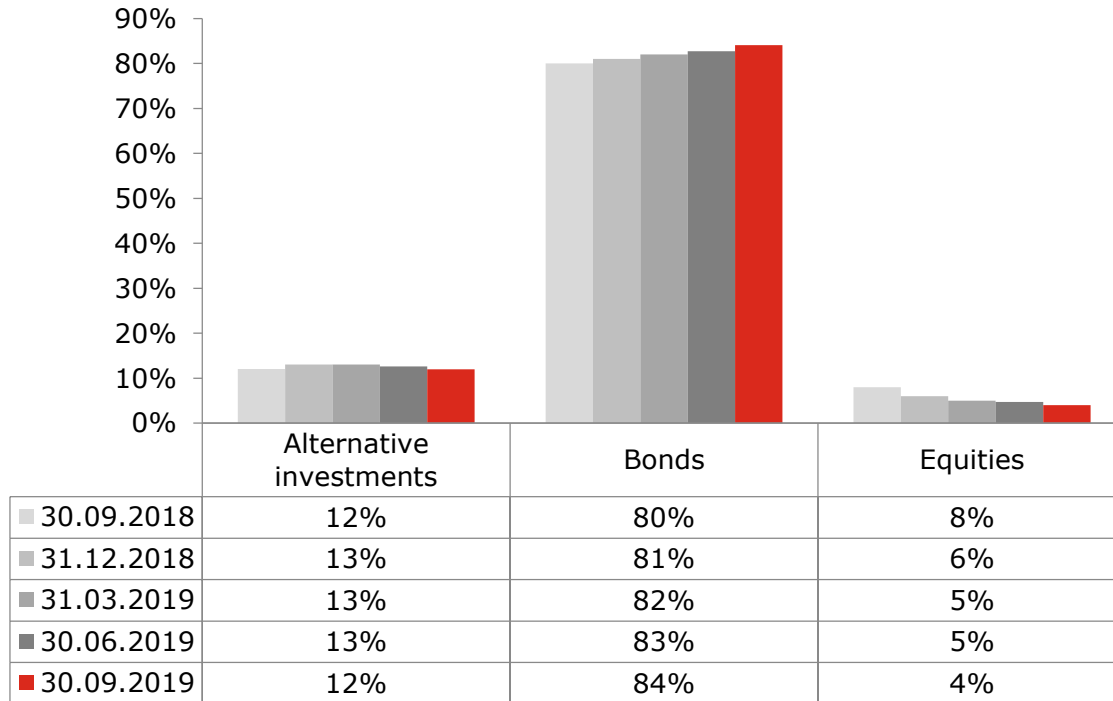
Appendix

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.



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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.