

Storebrand Q4 2019

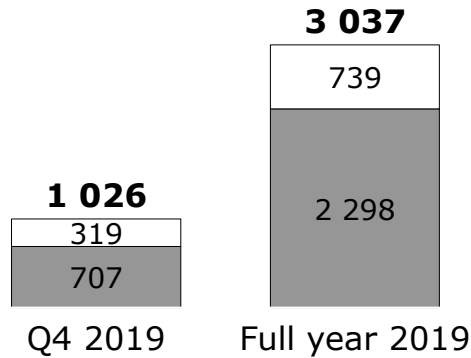
12 February 2020

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights Q4 2019

Group result¹

MNOK



- Financial items and risk result life
- Operating profit



#1 sustainable insurance company in the world⁴



23% Unit Linked reserve growth²



NOK 124bn AuM growth Asset Management²



176% Solvency margin⁵



NOK 3.25kr proposed ordinary dividend³

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

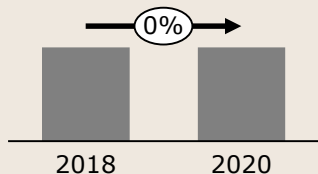
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Bolt-on M&A

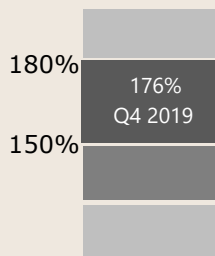
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework

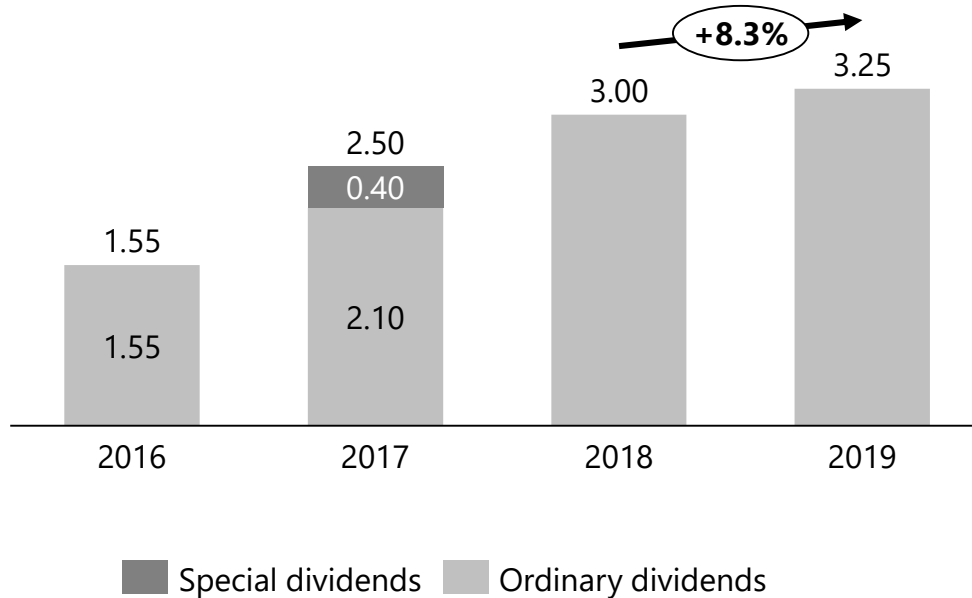


C. Increased return



Manage for capital release and **increasing dividends**

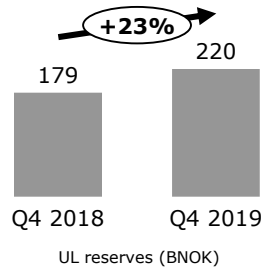
Dividend 2019



- **IFRS result growth** - *Ordinary dividends* minimum 50% of result after tax with nominal growth
- **Capital release** from back book when solvency ratio is above 180%. *Share buy backs preferred*

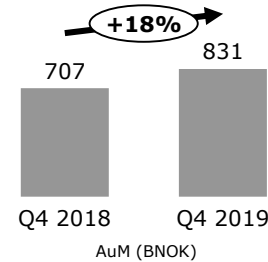
Strong growth in Savings

Unit Linked



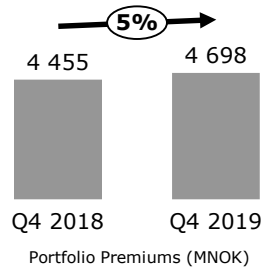
- Double digit premium growth
- Strong sales and premium income growth in Sweden
- Structural growth continues

Asset management¹



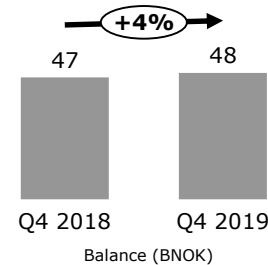
- Good market return
- Cubera included as of Q2 2019 with NOK 7bn

Insurance



- Combined ratio and growth in line with target
- Double digit growth in P&C

Retail loans



- Higher net interest margin
- Average LTV of 57%
- 10% ROE in Q4

World leader in sustainability

The Global 100 index¹, as presented during the World Economic Forum in Davos by Corporate Knights, ranks Storebrand as:

- World's most sustainable insurance company
- Most sustainable Nordic financial company



SPP Fonder turns fossil free – named Swedish fund manager of the year



SPP Fonder turns all funds fossil free

Norwegian financial group Storebrand Group almost triples its assets in fossil free investment solutions as its Swedish subsidiary has decided to make all their funds fossil free.



Odd Arild Grefstad, CEO of Storebrand Group. | Photo: Lisa Eide Risanger/Storebrand/PR

BY HELLA ANDERSEN
Published: 09.12.19 at 10:28

Swedish fund company SSP Fonder has decided to make all their funds fossil free. This decision contributes strongly to making a third of total assets under management (AUM) in the parent group, Storebrand, fossil free. A fossil free investment solution is restricted from investing in fossil companies.



Further reading

Swedish investor completes its Finnish healthcare property portfolio

Head of equities forced to quit AP1 for rule violations

Scandinavian investors make large investments in new infrastructure fund

Denmark real estate



Working towards a net zero carbon portfolio – Storebrand wants to see companies change on their own initiative

Instead of ditching oil and gas companies, Storebrand prefers to encourage companies to make a change independently, its asset management CEO says to AMWatch.



Jan Erik Saugestad, Storebrand Asset Management CEO | Photo: PR / Storebrand Asset Management
BY REETA ILONA PAAKKINEN
Published: 27.01.20 at 09:14

Norway's largest private asset manager, Storebrand, hopes that this year's UN Climate Change Conference will give more results than last year's summit in Madrid.

"There is a rising global need for action when it comes to more sustainable growth and to fighting climate change. The finance industry plays a key role in this and we hope further pressure will lead to better results from politicians at the Glasgow summit," says Jan Erik Saugestad, chief executive officer at Storebrand Asset Management to AMWatch.



Vi investerar på hållbarhet, och investeringarna. Bilderna: Asa Wallenberg, vd för SPP Fonder. Fotograf: Mikke Lundström

FÖRETAGETS FÖRÄNDRING 2019 01 30 11 21

SPP Fonder ökade förvaltat kapital med 33 procent 2019

NYTT OM FÖRETAGETS FÖRÄNDRING 2019 ökade SPP Fonder sitt förvaltade föregående år. Det är delvis ett tecken på att investeringarna i bolagets vd Asa Wallenberg.

Kapitalen öppnade sig och investeringarna till drygt 250 miljarder kronor, sa

Under 2019 hade SPP Fonder ett nettoutflöde på cirka 1,9 miljard för aktieinvesteringarna på den svenska fondmarknaden. Det plus utflödet var större än SPP Fonder.



Privata Affärers motivering:

"Man vet vad man får hos SPP Fonder. Klimatsmarta och hållbara fonder till ett bra pris!"

SPP's digital pension plan *Sajna* named "Digital project of the year"

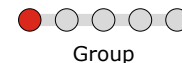
Sajna is the first completely digital pension plan in Sweden



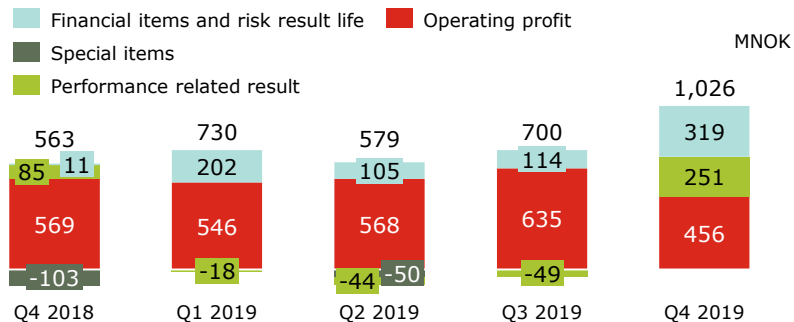
Lead time decrease from 3 weeks to 0 days

272 signed deals in 2019, compared to 58 in 2018

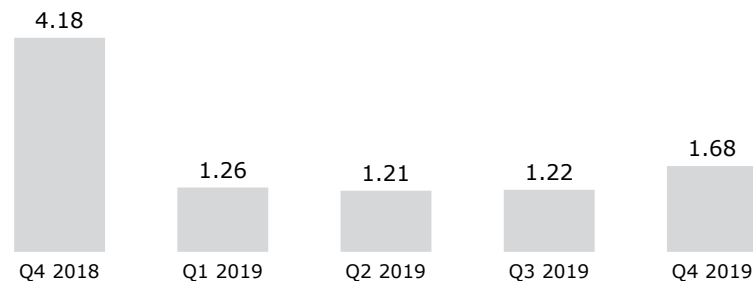
Key figures



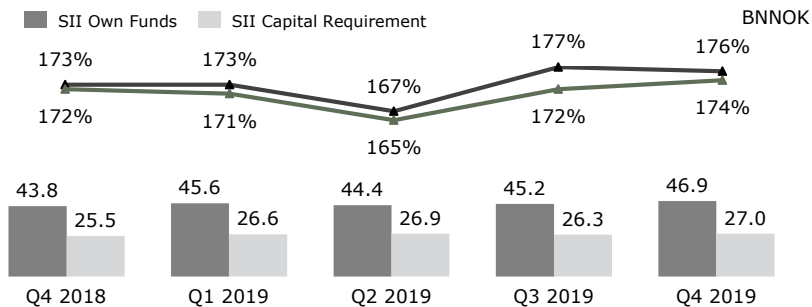
Result development¹



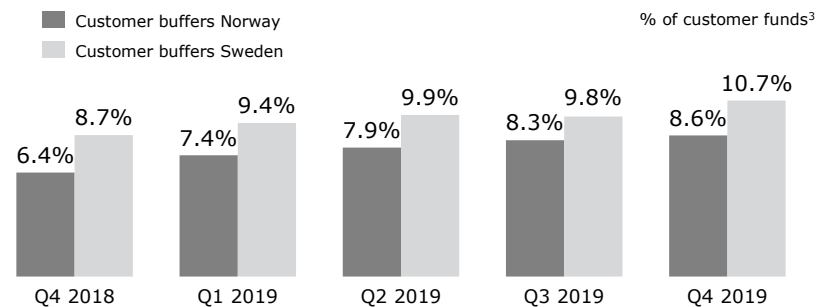
Earnings per share²



SII Own funds and SCR⁴



Customer buffers development



¹ Result before amortisation and tax, adjusted for performance related result.

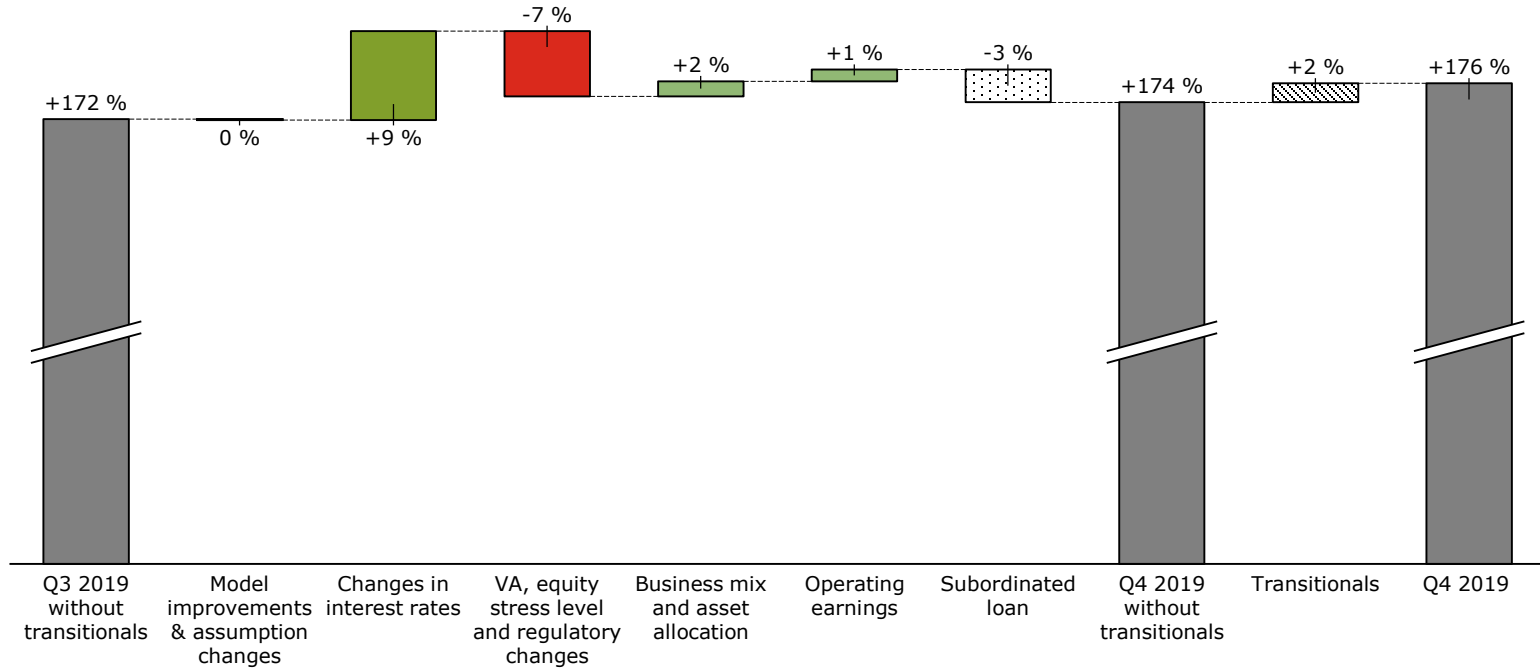
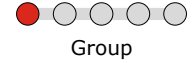
² Earnings per share after tax adjusted for amortisation of intangible assets.

³ Excluding customer buffers Benco. Surplus values of HTM bonds cost excluded.

⁴ Bars and green line are without the use of transitional capital. Black line is with transitional.

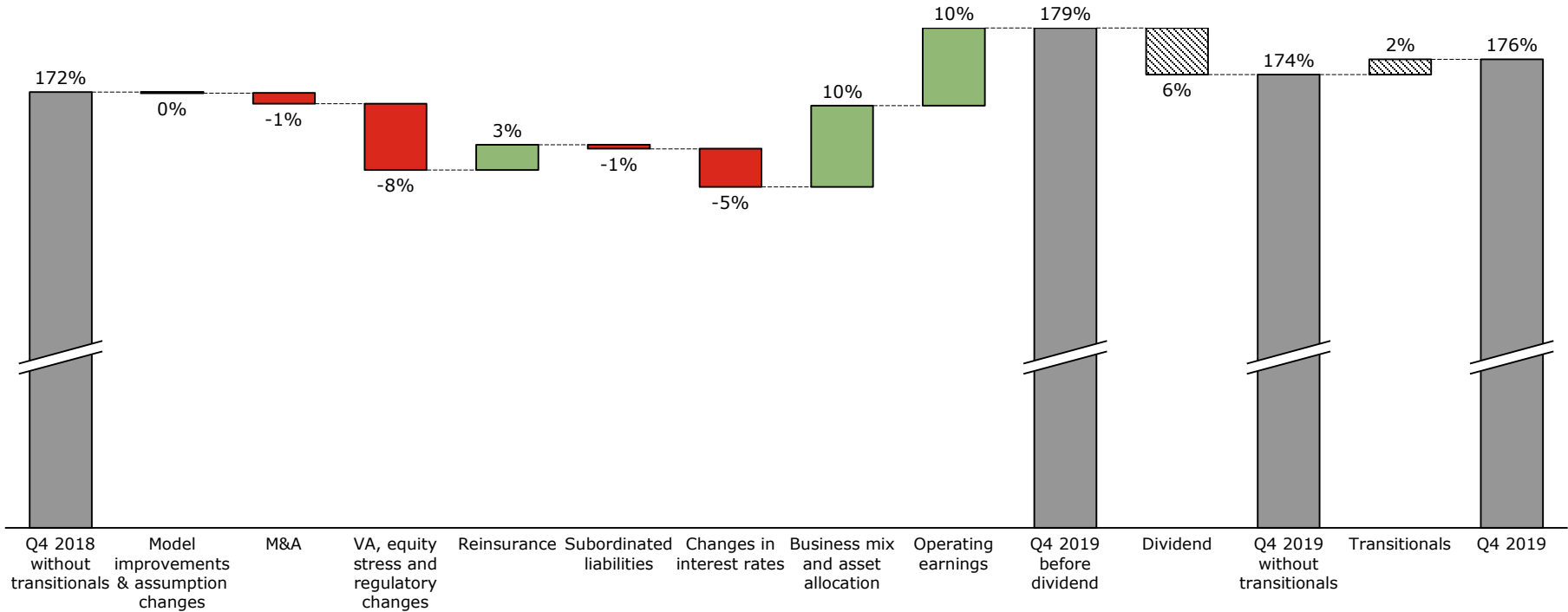
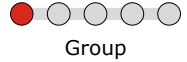
Movement from Q3 2019 to Q4 2019

Storebrand ASA

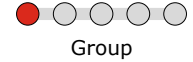


Movement full year 2019

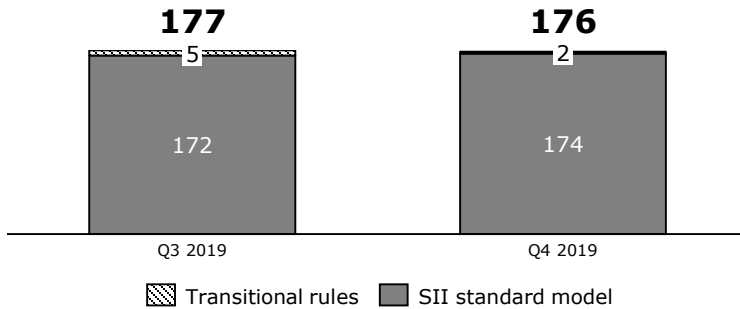
Storebrand ASA



SII position Storebrand Group



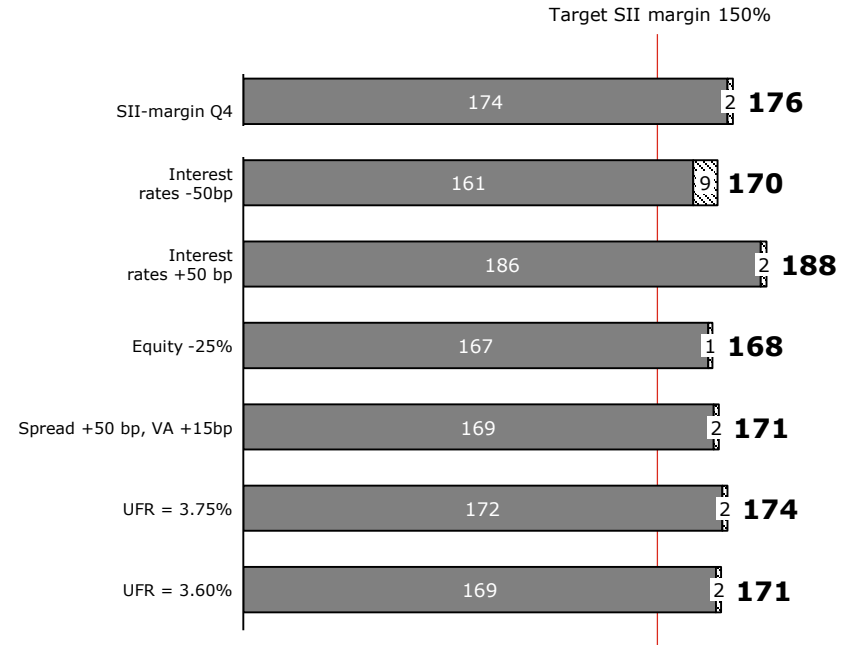
Solvency position(%)¹



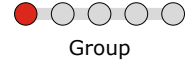
Key takeaways

- Positive effect from increased interest rates partly offset by decreased VA
- Subordinated loan with call in March excluded
- Business mix strengthens balance sheet

Estimated sensitivities



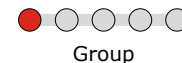
Storebrand Group



Profit¹

NOK million	Q4		Full year	
	2019	2018	2019	2018
Fee and administration income	1 561	1 301	5 308	5 011
Insurance result	223	282	1 005	1 291
Operational cost	-1 077	-1 031	-4 015	-3 786
Operating profit	707	551	2 298	2 516
Financial items and risk result life	319	11	739	642
Profit before amortisation	1 026	563	3 037	3 158
Amortisation and write-downs of intangible assets	-117	-99	-444	-360
Profit before tax	909	464	2 593	2 799
Tax	-234	1 392	-511	897
Profit after tax	675	1 856	2 082	3 696

Storebrand Group



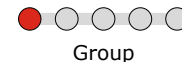
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Profit per line of business

NOK million	Q4		Full year	
	2019	2018	2019	2018
Savings - non-guaranteed	547	325	1 364	1 257
Insurance	70	97	439	748
Guaranteed pension	332	217	1 029	1 148
Other profit	77	-76	205	5
Profit before amortisation	1 026	563	3 037	3 158

Storebrand Group



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Operating profit adjusted for performance related income and costs²

NOK million	Q4		Full year	
	2019	2018	2019	2018
Performance related income	225	96	225	96
Performance related OPEX	26	-11	-84	-11
Adjusted operating profit	456	466	2 157	2 431

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)



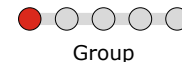
Profit

NOK million	Q4		Full year	
	2019	2018	2019	2018
Fee and administration income	1 233	1 006	3 996	3 709
Operational cost	-692	-652	-2 621	-2 405
Operating profit	541	354	1 375	1 303
Financial items and risk result life	6	-29	-11	-46
Profit before amortisation	547	325	1 364	1 257

Profit per product line

NOK million	Q4		Full year	
	2019	2018	2019	2018
Unit linked Norway	57	44	275	224
Unit linked Sweden	89	71	291	267
Asset management	329	160	526	542
Retail banking	72	50	272	224
Profit before amortisation	547	325	1 364	1 257

Savings (non-guaranteed)



Profit

NOK million	Q4		Full year	
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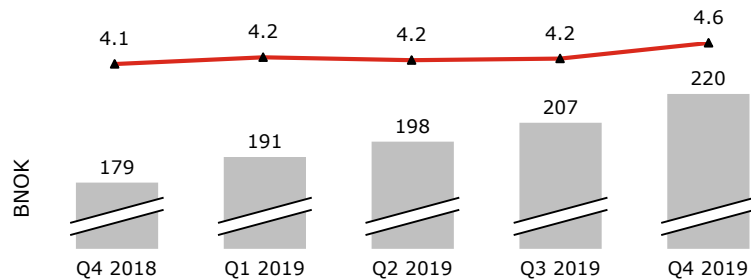
Operating profit adjusted for performance related income and costs¹

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Performance related OPEX	26	-11	-84	-11
Adjusted operating profit	290	269	1 234	1 218

Savings (non-guaranteed) – strong AuM growth



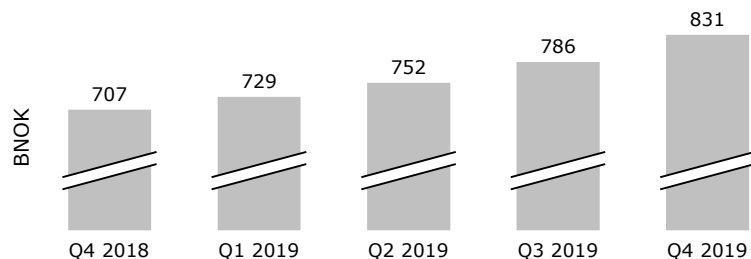
Reserves and premiums Unit Linked



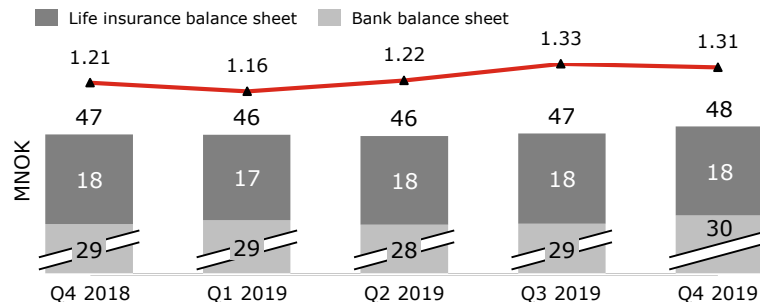
Comments¹

- 11% premium growth in UL premiums
- 23% growth in UL reserves
- 18% growth in assets under management²
- Higher net interest margin in the bank

Assets under management²



Retail bank balance and net interest margin (%)



¹ Growth figures from YTD 2018 to YTD 2019.

² Includes a reclassification of NOK 16bn in assets under administration to assets under management

Profit

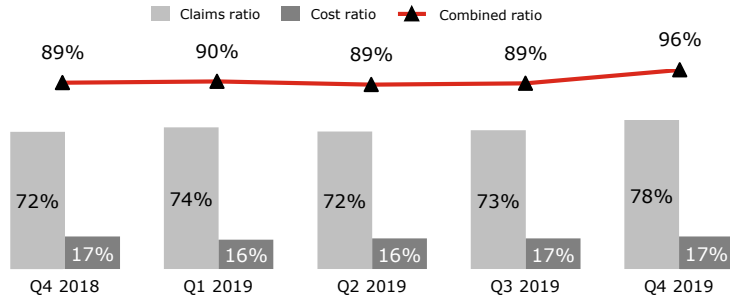
NOK million	Q4		Full year	
	2019	2018	2019	2018
Insurance premiums f.o.a.	1 014	1 003	3 909	3 854
Claims f.o.a.	-792	-721	-2 904	-2 562
Operational cost	-177	-175	-648	-614
Operating profit	45	107	357	677
Financial result	25	-9	83	71
Profit before amortisation	70	97	439	748

Profit per product line

NOK million	Q4		Full year	
	2019	2018	2019	2018
P&C & Individual life	87	71	335	372
Health & Group life	-34	-7	-41	185
Pension related disability insurance Nordic	16	34	145	192
Profit before amortisation	70	97	439	748

Insurance – overall in line with target

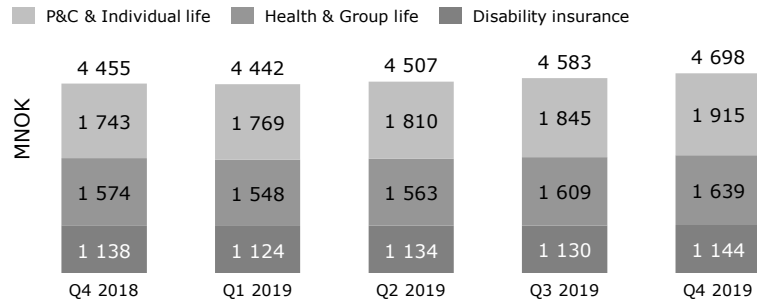
Combined ratio



Comments Combined ratio and results

- 91% combined ratio 2019, target ratio 90-92%
- Good cost control
- Group life re-priced from 1 January 2020

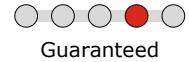
Portfolio premiums



Comments premiums and growth¹

- 5% overall premium growth in line with target
- 10% P&C & Individual life growth

Guaranteed pension



Profit

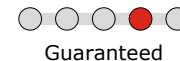
NOK million	Q4		Full year	
	2019	2018	2019	2018
Fee and administration income	368	333	1 475	1 440
Operational cost	-225	-223	-819	-816
Operating profit	143	111	657	624
Risk result life & pensions	71	58	215	191
Net profit sharing	118	48	157	333
Profit before amortisation	332	217	1 029	1 148

Profit per product line

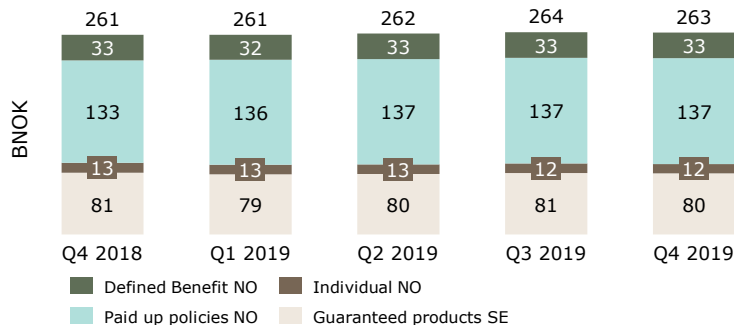
NOK million	Q4		Full year	
	2019	2018	2019	2018
Defined benefit (fee based)	63	82	287	314
Paid-up policies, Norway	91	51	409	511
Individual life and pension, Norway	11	29	21	35
Guaranteed products, Sweden	167	55	312	288
Profit before amortisation	332	217	1 029	1 148

Guaranteed pension

- strong financial result and robust buffer situation



Reserves guaranteed products



Buffer capital

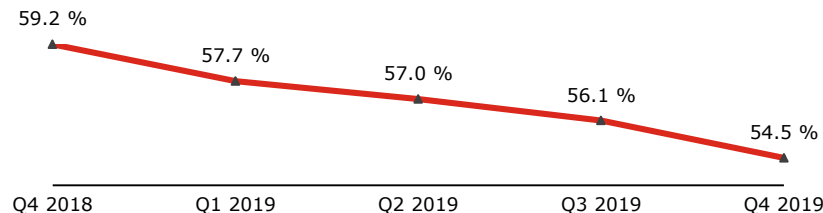
NOK million	Q4 2019	Q3 2019	Change
Market value adjustment reserve	5 500	5 893	- 393
Excess value of bonds at amortised cost	4 697	6 495	- 1 798
Additional statutory reserve	9 023	8 194	+ 829
Conditional bonuses Sweden	7 802	7 213	+ 589
Total	27 022	27 795	- 773

The term Buffer capital in this table is not consistent with the definition of buffer capital made in the IFRS accounting

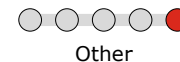
Comments

- As companies convert to DC schemes, the migration from DB to paid up policies continues to reduce fee income in Guaranteed pensions
- Strong financial result Sweden
- Strong risk result

Guaranteed reserves in % of total reserves



Other¹



Profit

NOK million	Q4		Full year	
	2019	2018	2019	2018
Fee and administration income	13	23	51	102
Operational cost	-35	-42	-143	-190
Operating profit	-22	-20	-91	-89
Financial items and risk result life	99	-56	296	128
Profit before amortisation	77	-76	205	40

Profit per product line

NOK million	Q4		Full year	
	2019	2018	2019	2018
BenCo	26	-1	33	30
Holding company costs and net financial results in company portfolios	52	-75	173	24
Profit before amortisation	77	-76	205	40

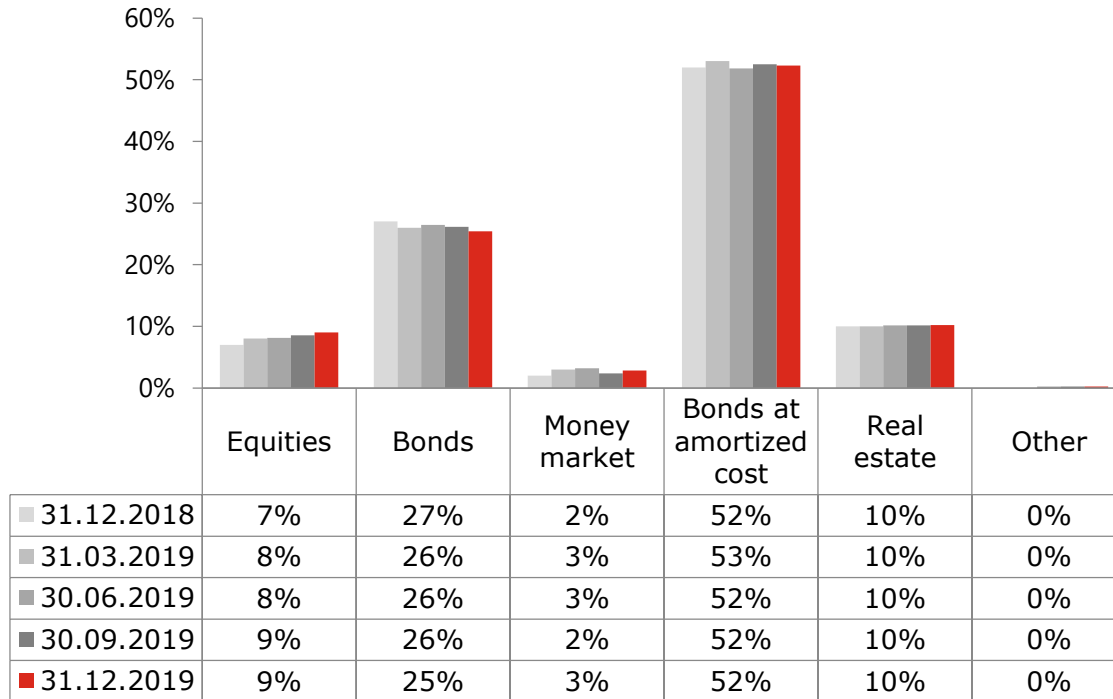
Capital Markets Day 2020

Storebrand will hold a Capital Markets Day in London Tuesday 9 June 2020 at 09:00 AM BST.

To register, please visit [Storebrand.com/ir](https://www.storebrand.com/ir)

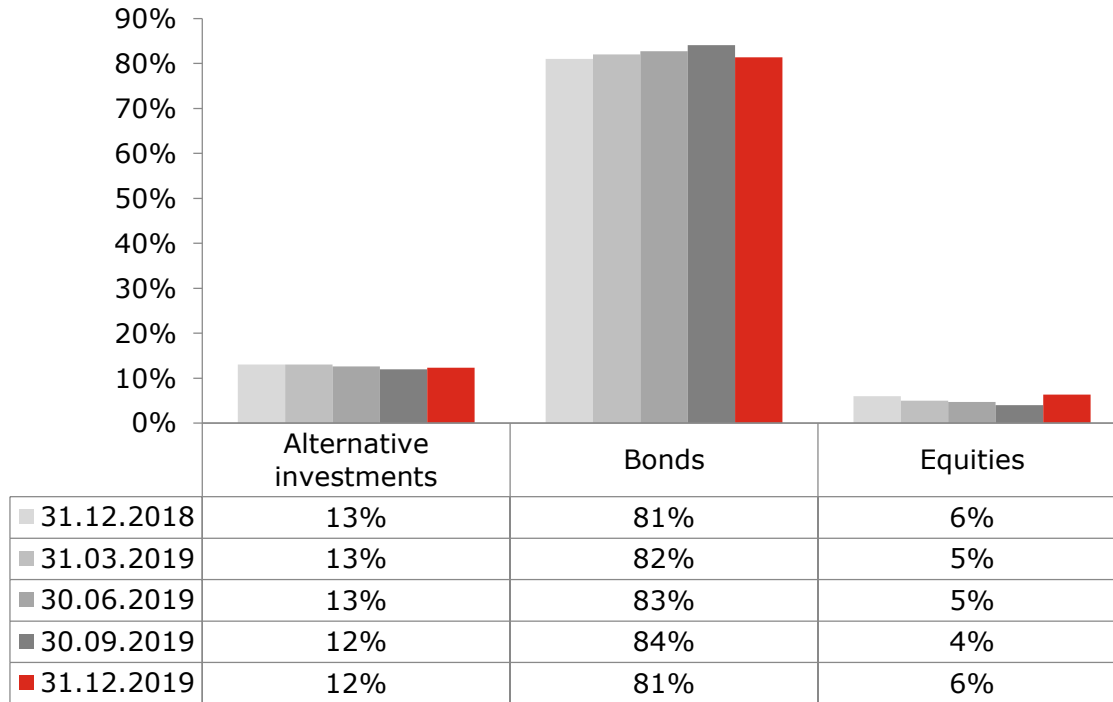
Appendix

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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Daniel Sundahl

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Group Head of Finance, Strategy and M&A
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Our Vision

Recommended by our customers