

Storebrand Q1 2019

8 May 2019

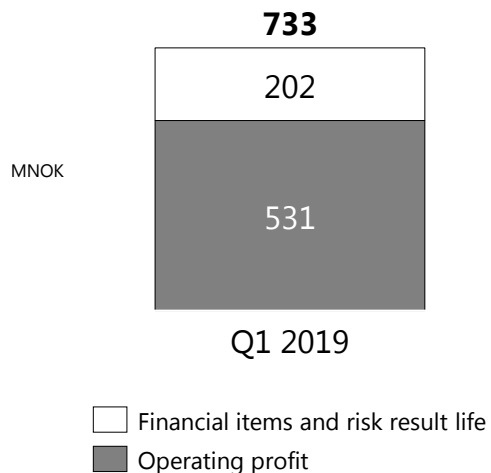
Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO



**GODE
PENGER**

Highlights Q1 2019

Group result¹



11% Unit Linked growth²



23% growth Swedish Unit Linked premiums^{2,3}



3% AuM growth Asset Management²



173% Solvency II ratio⁴

¹ Result before amortisation and write-downs.

² Growth figures are from YTD 2018 to YTD 2019.

³ Numbers in SEK and including transfers.

⁴ Including transitional rules.

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

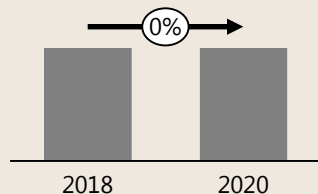
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Bolt-on M&A

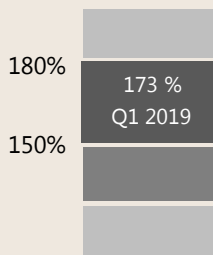
2

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**

Storebrand Asset Management launches funds internationally

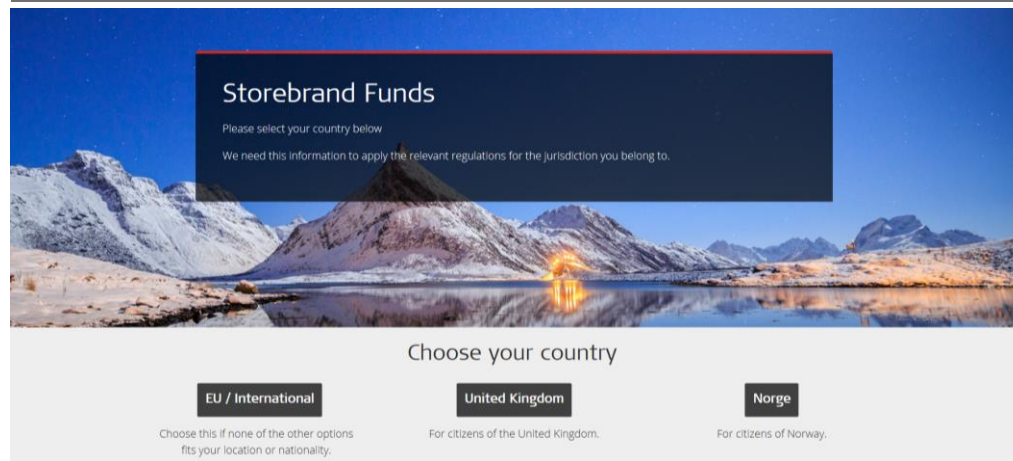
5 funds listed in Denmark



3 funds to be listed in Lux (+ Skagen funds)

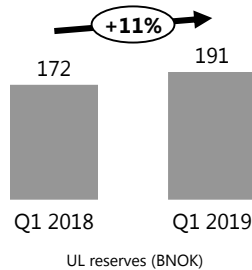


Selective European market entry



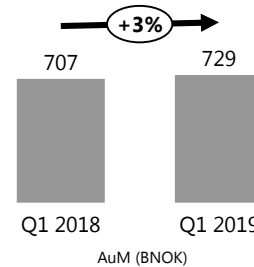
Continued growth, growth ambitions maintained

Unit Linked



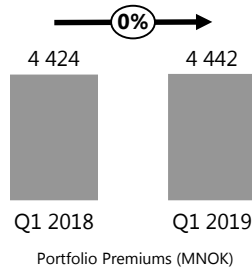
- Premium income drives growth
- Strong sales in Sweden

Asset management



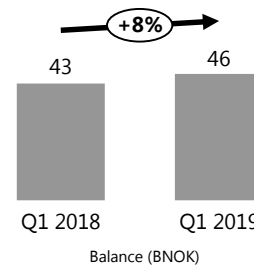
- All-time high AuM
- Favourable equity markets drive growth in Q1
- Weaker SEKNOK in Q1 dampens growth by NOK 13bn

Insurance



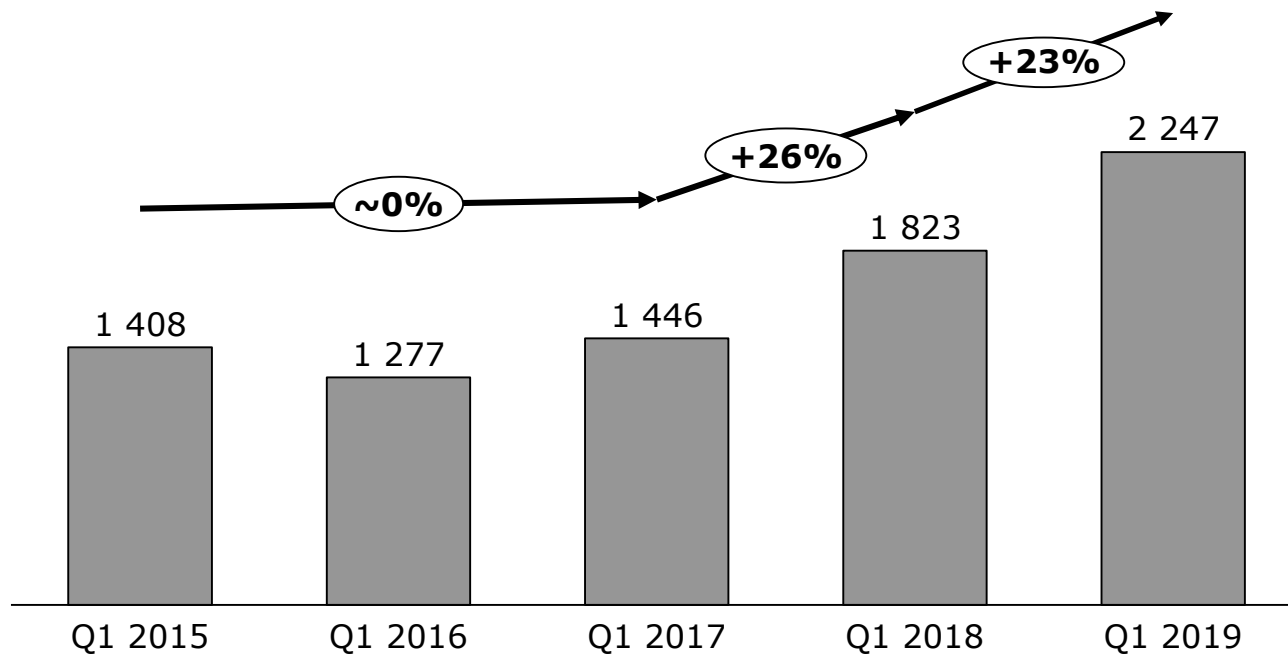
- Flat premium development
- P&C sales picking up with growth initiatives launched in 2018

Retail loans



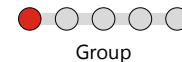
- Increasing price competition
- Initiated repricing

Continued strong growth in Swedish Unit Linked premium income¹



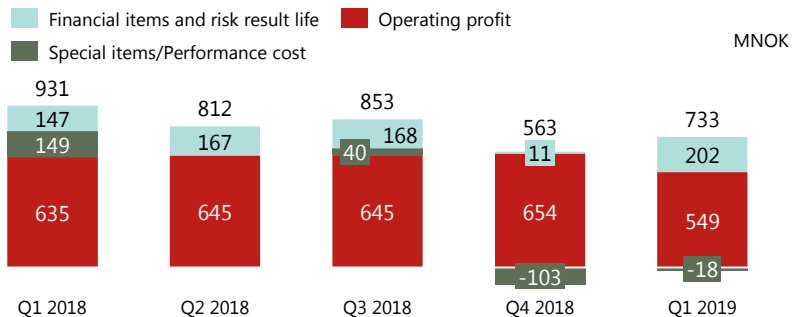
¹ Numbers in SEK and including transfers.

Key figures

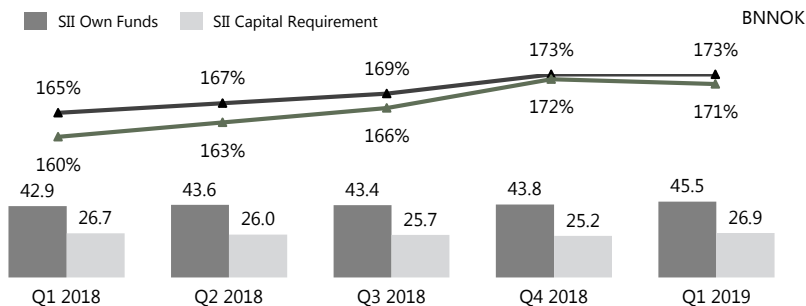


Group

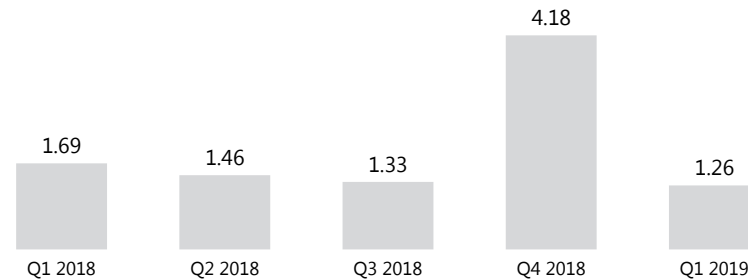
Result development¹



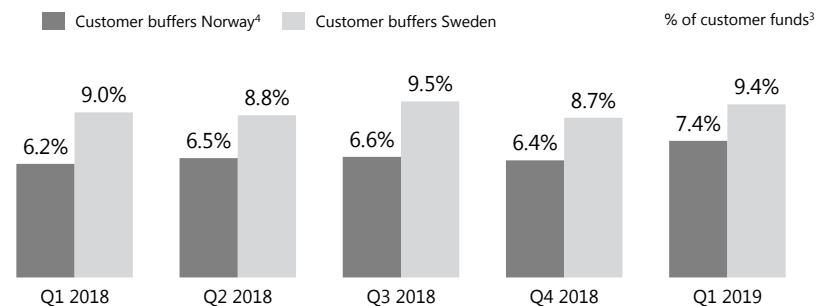
SII Own funds and SCR⁴



Earnings per share²



Customer buffers development



¹ Result before amortisation, write-downs. Performance costs reported from Q1 2019

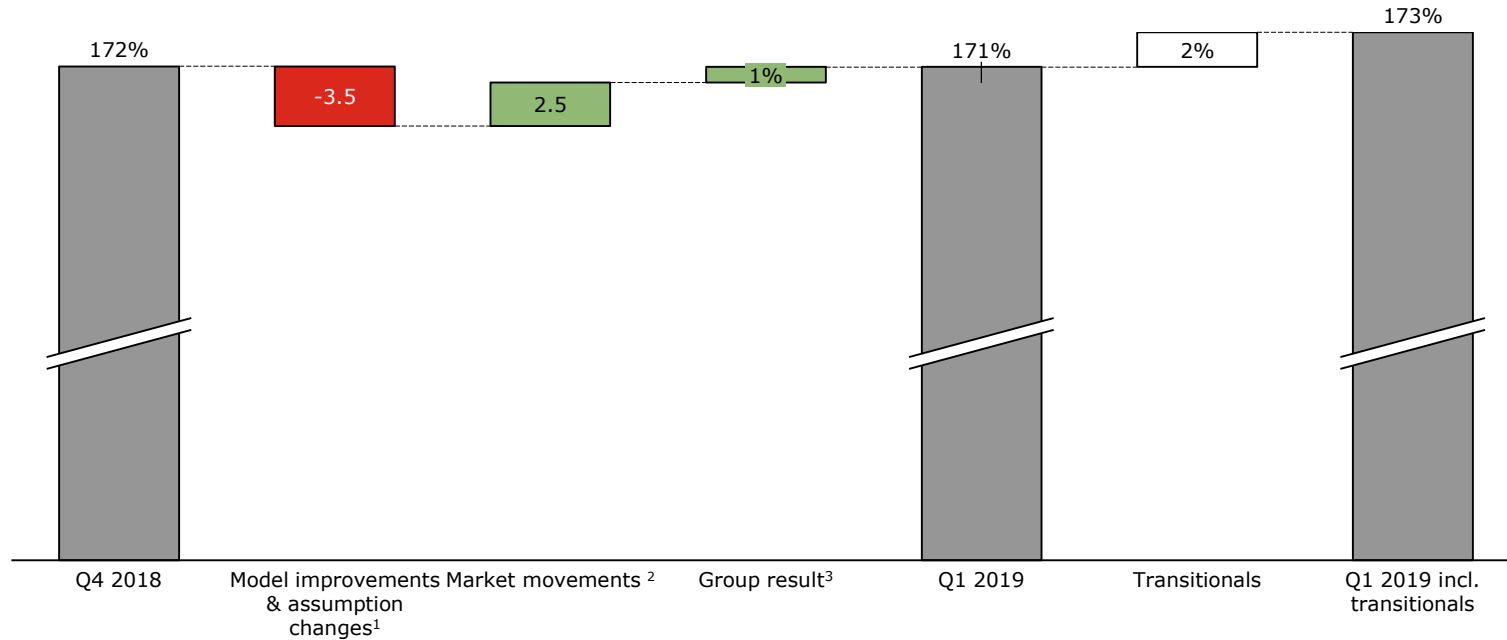
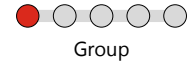
² Earnings per share after tax adjusted for amortisation of intangible assets.

³ Benco and surplus values of bonds held at amortized cost excluded.

⁴ Without the use of transitional capital

Solvency movement from Q4 2018 to Q1 2019

Storebrand ASA

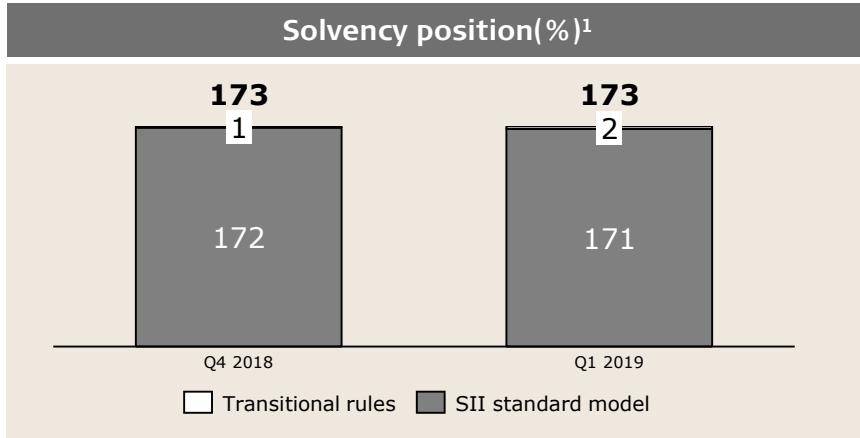
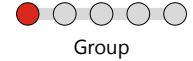


¹Including decreased VA and increased equity stress

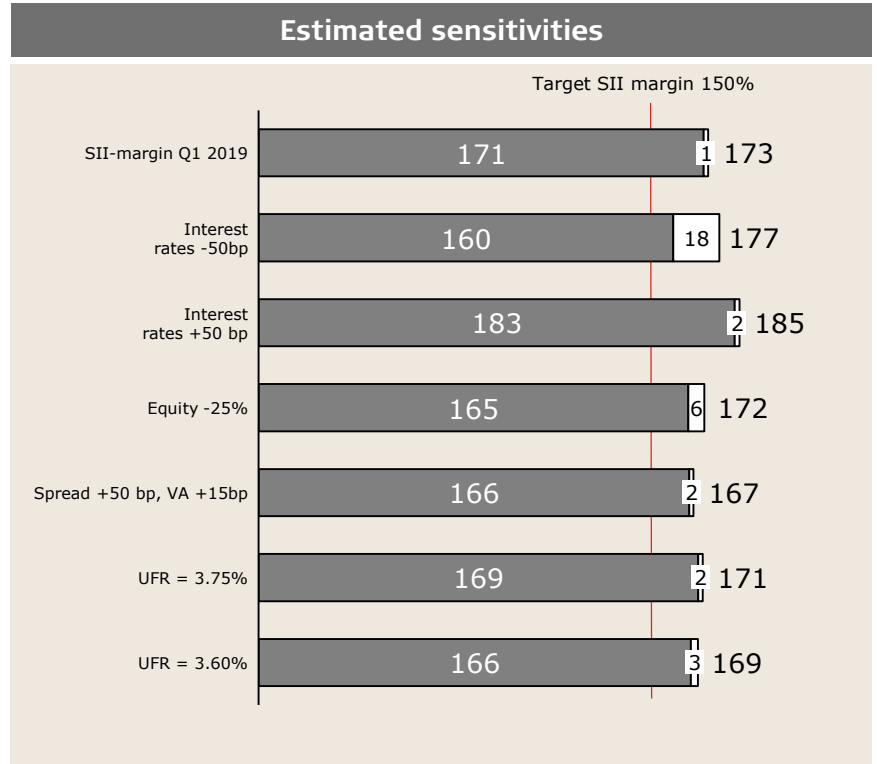
²Including risk management actions

³After proposed dividend

SII position Storebrand Group

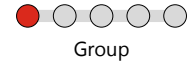


- ### Key takeaways
- Reduced UFR and Volatility Adjustment as well as increased equity stress affect the Solvency position negatively
 - Strong asset returns and increased buffer capital situation strengthens solvency



¹ The 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

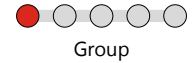


Profit¹

NOK million	Q1		Full year
	2019	2018	2018
Fee and administration income	1 215	1 220	5 011
Insurance result	245	335	1 291
Operational cost	-929	-919	-3 786
Operating profit	531	635	2 516
Financial items and risk result life	202	296	642
Profit before amortisation	733	931	3 158
Amortisation and write-downs of intangible assets	-99	-64	-360
Profit before tax	634	866	2 799
Tax	-139	-139	898
Profit after tax	494	728	3 696

¹ The result includes special items. Please see [storebrand.com/ir](https://www.storebrand.com/ir) for a complete overview.

Storebrand Group



Profit

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Profit per line of business

NOK million	Q1		Full year
	2019	2018	2018
Savings - non-guaranteed	290	294	1 257
Insurance	103	207	748
Guaranteed pension	249	401	1 148
Other profit	91	29	5
Profit before amortisation	733	931	3 158

Savings (non-guaranteed)



Profit

NOK million	Q1		Full year
	2019	2018	2018
Fee and administration income	896	889	3 709
Operational cost	-615	-586	-2 405
Operating profit	281	303	1 303
Financial items and risk result life	9	-9	-46
Profit before amortisation	290	294	1 257
<i>Income earned not booked¹⁾</i>	66	55	0

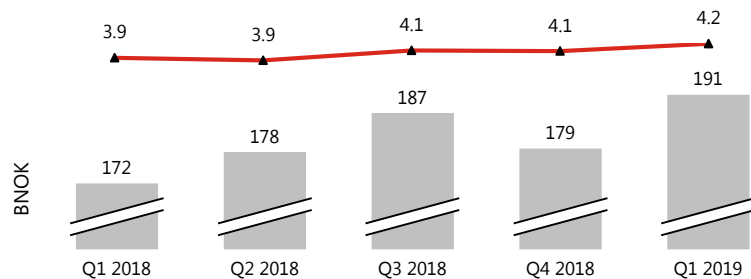
Profit per product line

NOK million	Q1		Full year
	2019	2018	2018
Unit linked Norway	85	46	224
Unit linked Sweden	65	64	267
Asset Management	73	122	542
Retail banking	67	62	224
Profit before amortisation	290	294	1 257

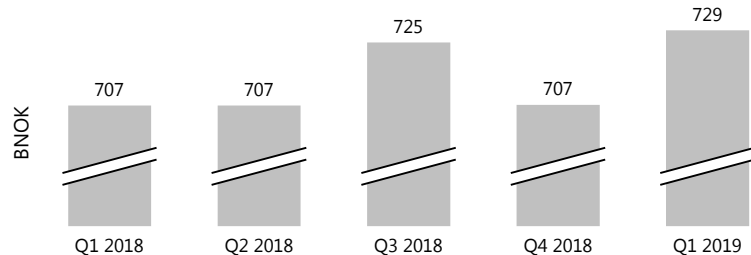
¹ 'Income Earned not booked' refers to performance fees to be booked at the end of the year given investment performance in Skagen and Delphi YTD. Result at year end can deviate from estimate due to market movements.

Savings (non-guaranteed)

Reserves and premiums Unit Linked



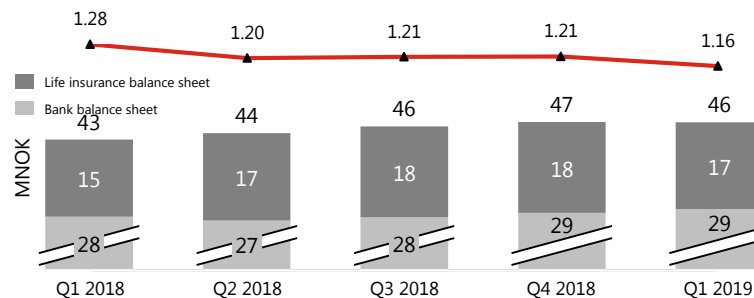
Assets under management



Comments

- 7% premium growth in Group UL premiums^{1,2}
- 23% premium growth in Swedish UL premiums^{2,3}
- 11% growth in UL reserves²

Retail bank balance and net interest margin (%)



¹ Excluding transfers.

² Growth figures are from YTD 2018 to YTD 2019.

³ Numbers in SEK and including transfers.

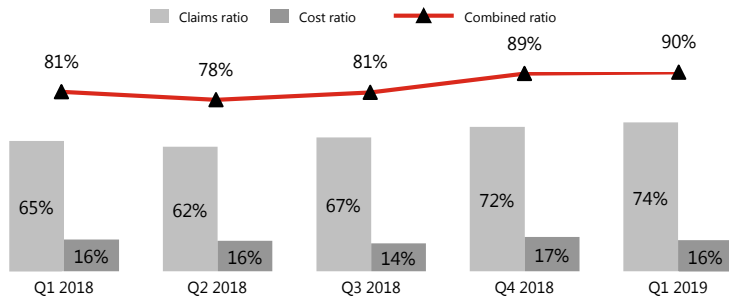
Profit

NOK million	Q1		Full year
	2019	2018	2018
Insurance premiums f.o.a.	948	955	3 854
Claims f.o.a.	-703	-620	-2 562
Operational cost	-150	-156	-614
Operating profit	95	179	677
Financial result	8	28	71
Profit before amortisation	103	207	748

Profit per product line

NOK million	Q1		Full year
	2019	2018	2018
P&C & Individual life	85	106	372
Health & Group life	-20	54	185
Pension related disability insurance Nordic	38	48	192
Profit before amortisation	103	207	748

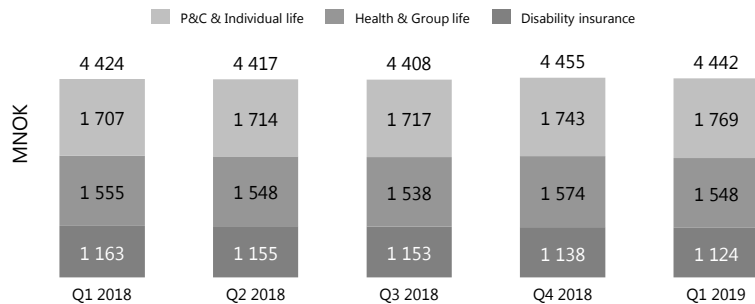
Combined ratio



Comments Combined ratio and results

- Combined ratio in line with target of 90-92%
- Seasonally high claims in P&C and high claims within Group Life

Portfolio premiums



Comments premiums and growth¹

- Flat premium development
- P&C Sales picking up with growth initiatives launched in 2018

¹ Growth figures from YTD 2018 to YTD 2019.

Guaranteed pension

Profit

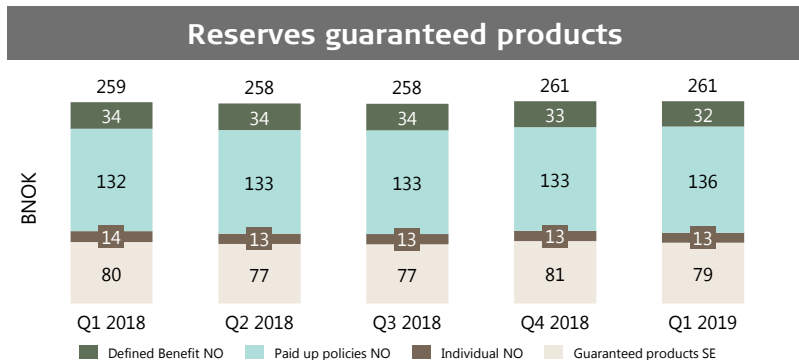
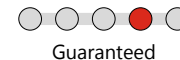
NOK million	Q1		Full year
	2019	2018	2018
Fee and administration income	361	368	1 440
Operational cost	-186	-200	-816
Operating profit	174	168	624
Risk result life & pensions	61	183	191
Net profit sharing and loan losses	13	51	333
Profit before amortisation	249	401	1 148

Profit per product line

NOK million	Q1		Full year
	2019	2018	2018
Defined benefit (fee based)	76	69	314
Paid-up policies, Norway	109	218	511
Individual life and pension, Norway	2	2	35
Guaranteed products, Sweden	62	111	288
Profit before amortisation	249	401	1 148

Guaranteed pension

- reserves in long term decline and robust buffer situation

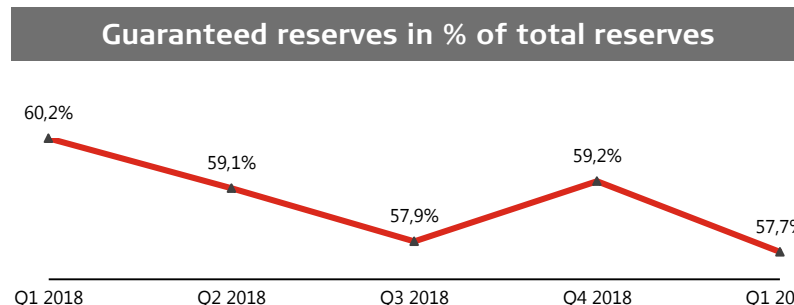


- ### Comments
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
 - Paid up policies – risk result of NOK 57m
 - Flat reserves development
 - Strengthened buffer capital of NOK 3bn

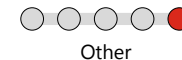
Buffer capital

NOK million	Q1 2019	Q4 2018	Change
Market value adjustment reserve	4 312	2 245	+ 2 067
Excess value of bonds at amortised cost	5 863	5 009	+ 854
Additional statutory reserve	8 239	8 494	- 255
Conditional bonuses Sweden	6 774	6 462	+ 311
Total	25 188	22 211	+ 2 977

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



Other¹



Profit

NOK million	Q1		Full year
	2019	2018	2018
Fee and administration income	14	21	102
Operational cost	-33	-36	-190
Operating profit	-19	-15	-89
Financial items and risk result life	111	80	128
Profit before amortisation	91	64	40

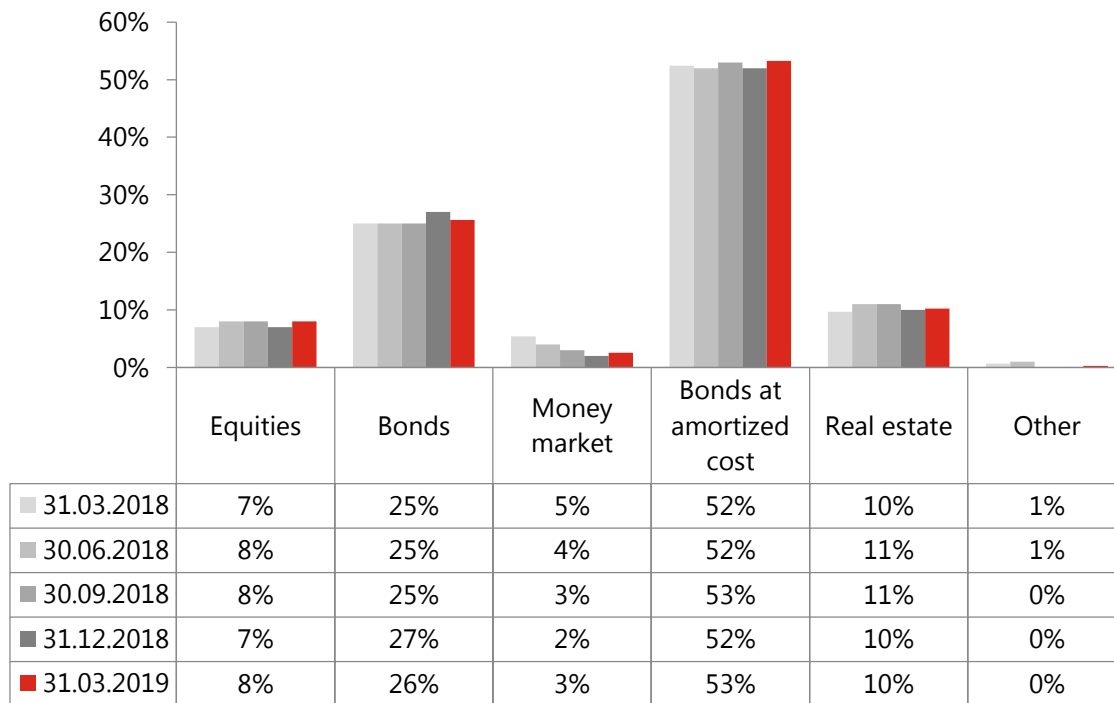
Profit per product line

NOK million	Q1		Full year
	2019	2018	2018
Corporate Banking	0	-22	-14
BenCo	8	21	30
Holding company costs and net financial results in company portfolios	83	65	24
Profit before amortisation	91	64	40

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

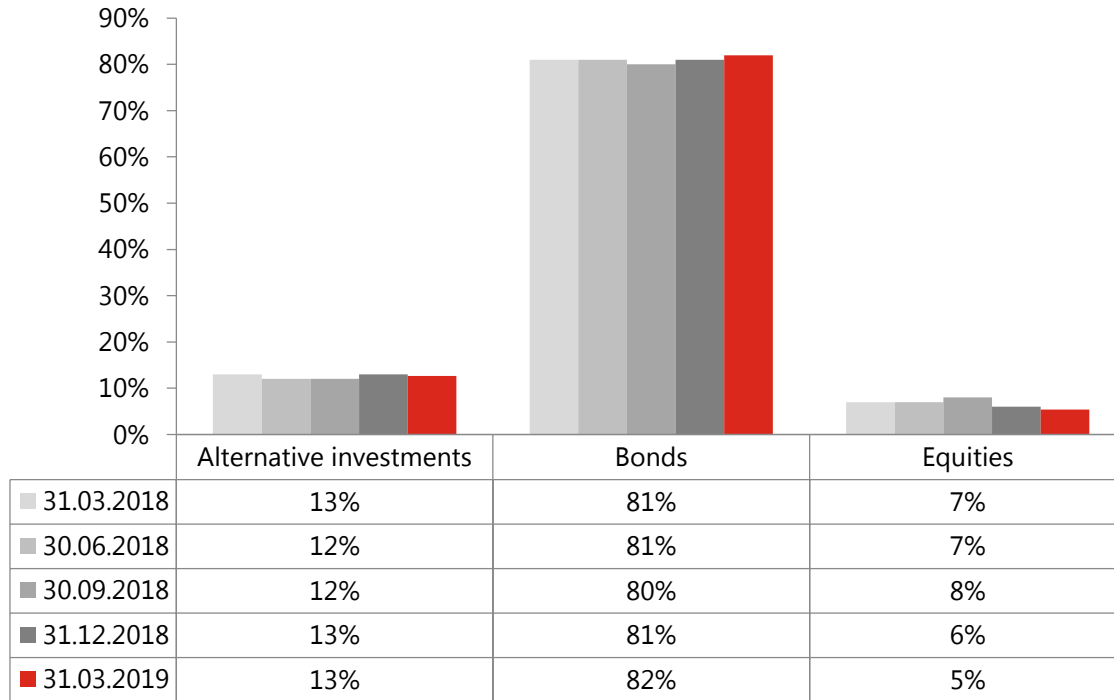
Appendix

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