

250 Years of Risk Management - Steering to capital efficient growth

INVESTOR PRESENTATION
Q2 2017



Established in 1767

Key takeaways

- A** Consistent strategy since 2012: Active management of the guaranteed balance sheet and create the new Storebrand through growth within Savings, Insurance and retail bank.
- B** Doubled equity and delivered stable solvency margin above 150%. First dividend payout since 2011 and the back book is projected to release capital over time.
- C** Significant cost reductions in the period 2012-2018 with projected more than NOK 800m in cost savings.
- D** Successful growth platform with occupational pensions as core has strong operational and financial synergies between savings, insurance and bank. Growth with >20% ROE.
- E** Predictable framework for capital management and distribution of increasing dividends.



Storebrand – the world's most sustainable insurer

Storebrand was named the world's most sustainable insurance company, and the second most sustainable company in any category, at the World Economic Forum 2017. We are proud and humbled. Proud, because sustainability is at the core of our business. Humbled, because we work hard every day to give our 1.9m pension customers a future to look forward to.

Storebrand – an Integrated Financial Services Group



Life and pensions

- 40k corporate customers
- 1.9m individual customers
- NOK 408bn of reserves of which approx. 40% Unit Linked



Insurance

- Health, P&C and group life insurance
- NOK 4.4bn in portfolio premiums



Asset management

- NOK 621bn in AuM of which 26% external assets
- 100% of investments assessed by sustainability criteria



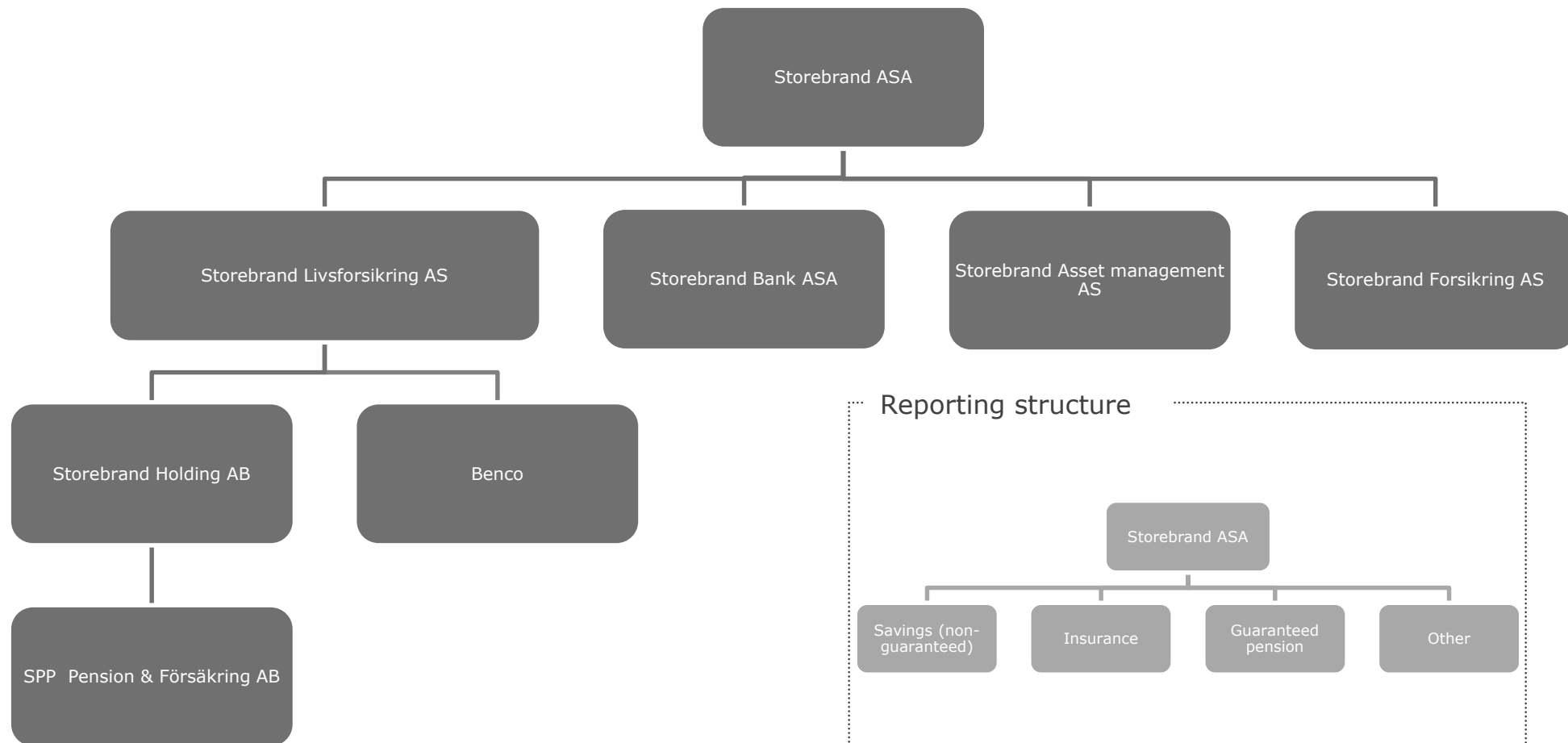
Retail bank

- Direct retail bank
- NOK 39bn of net lending



Storebrand Group Structure (simplified)

Legal structure (simplified)



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

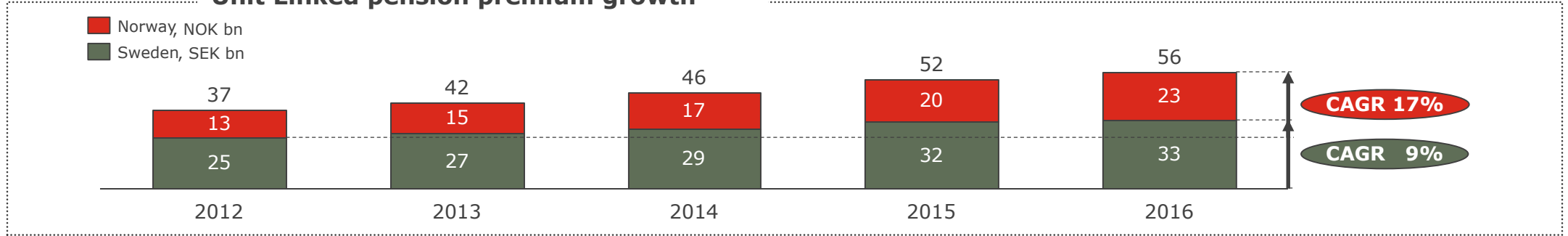
- Market leading **asset gatherer** with strong Insurance offering
- Continued retail growth with **low capital requirements**

Lower capital requirements and higher quality of earnings

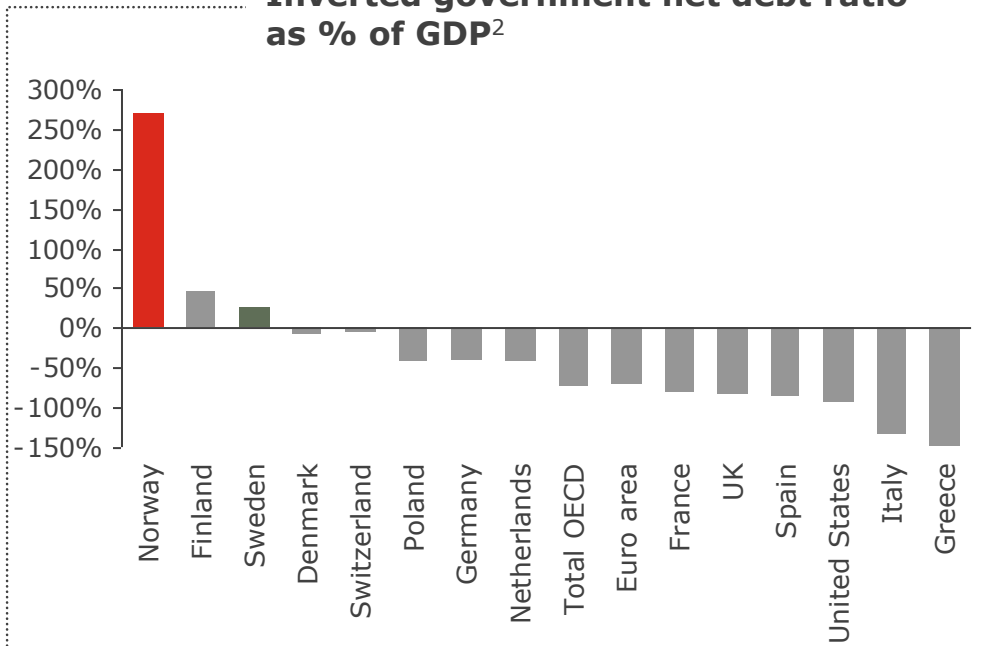
We work hard to reach our vision:
Recommended by our customers

Healthy growth in nordic pension market supported by solid macro environment

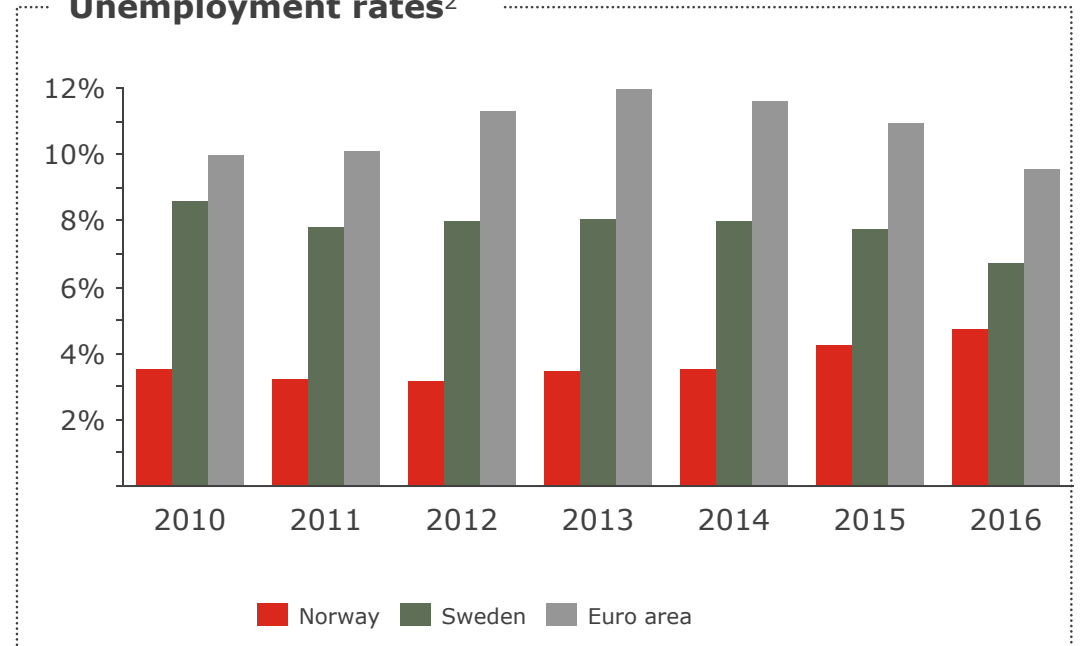
Unit Linked pension premium growth¹



Inverted government net debt ratio as % of GDP²



Unemployment rates²

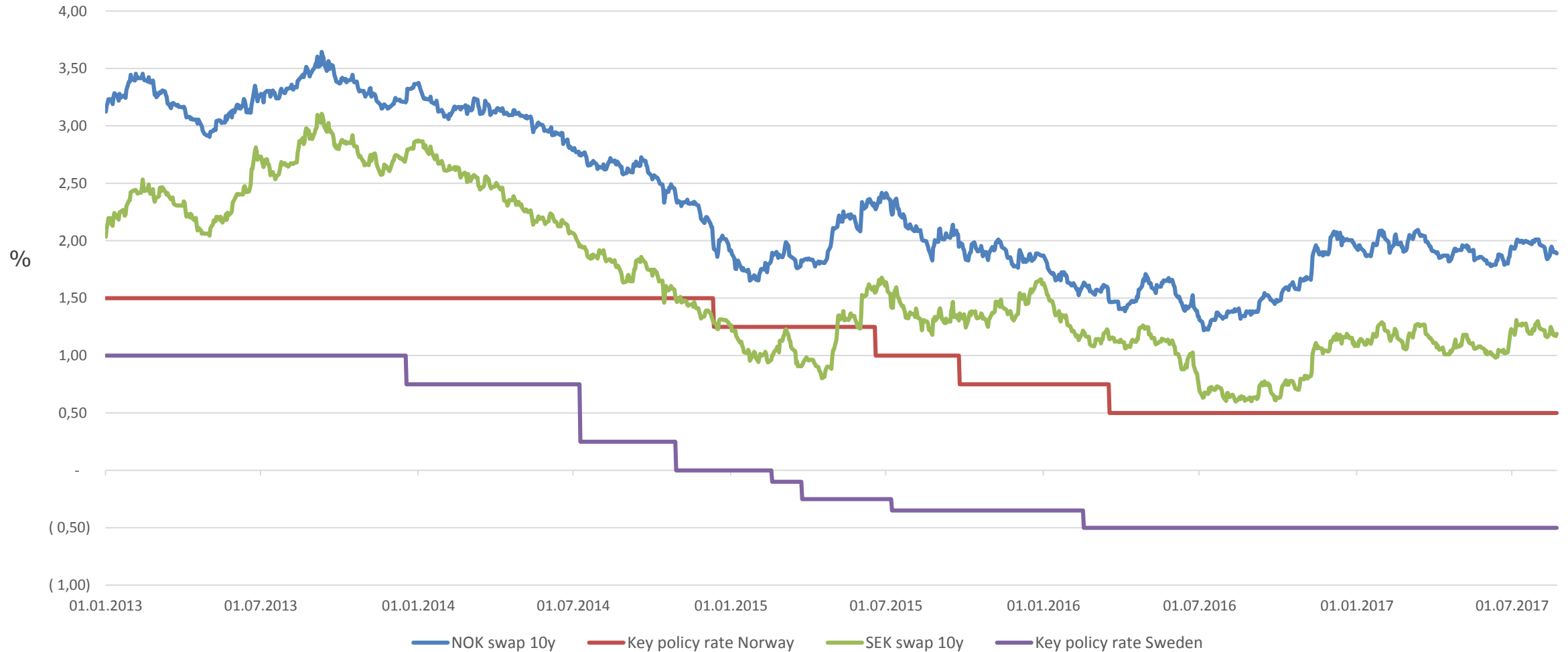


¹ Norway: Finance Norway statistics - written pension premiums (table 2b) Unit linked. Sweden: Insurance Sweden statistics - segment Other occupational pensions, includes Unit linked and Depot.

² OECD Global Interim Economic Outlook March 2017. 2017 estimated.

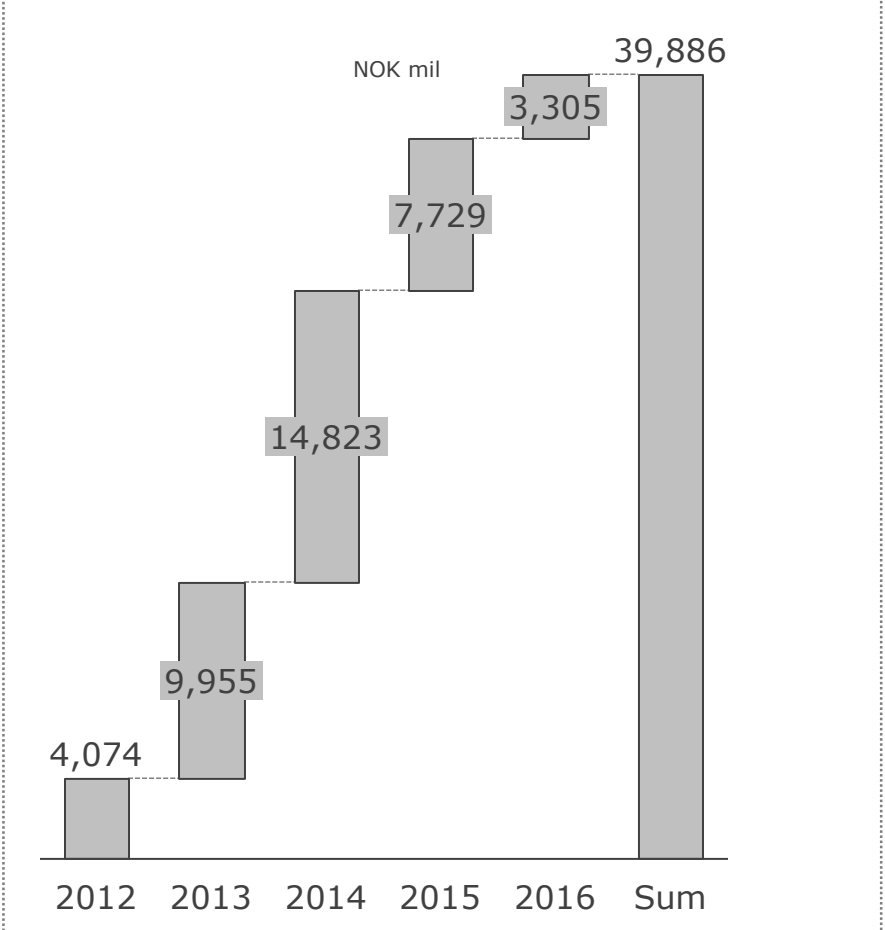
Interest level stabilised and structurally higher than the euro zone

- 1 Manage guaranteed balance sheet
- 2 Growth in Savings and Insurance

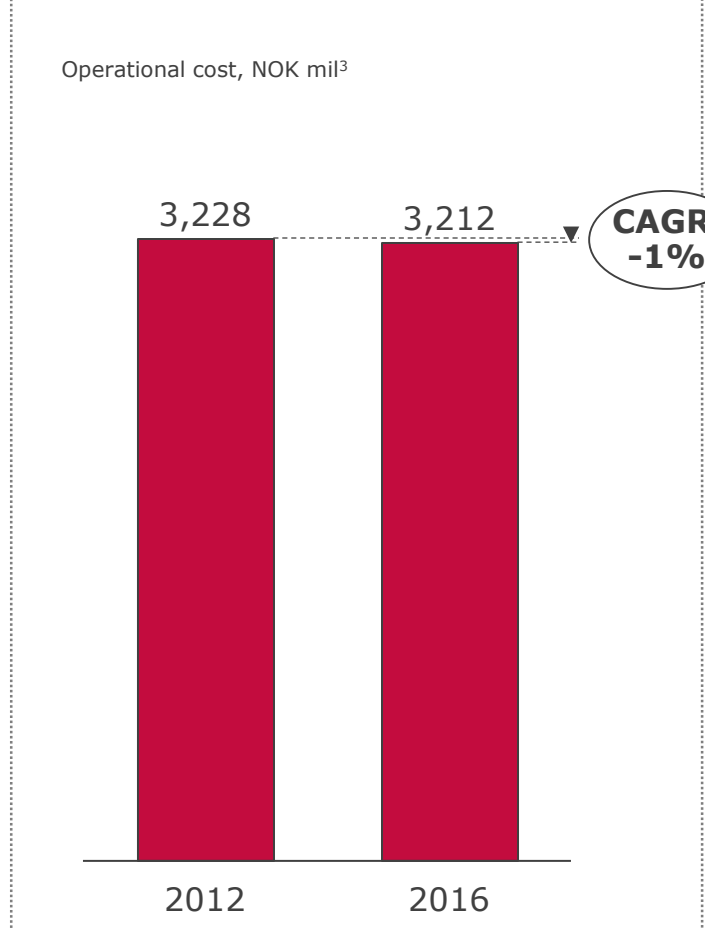


Transition Into a Solvency II Based Regime has Required Discipline and Targeted Measures

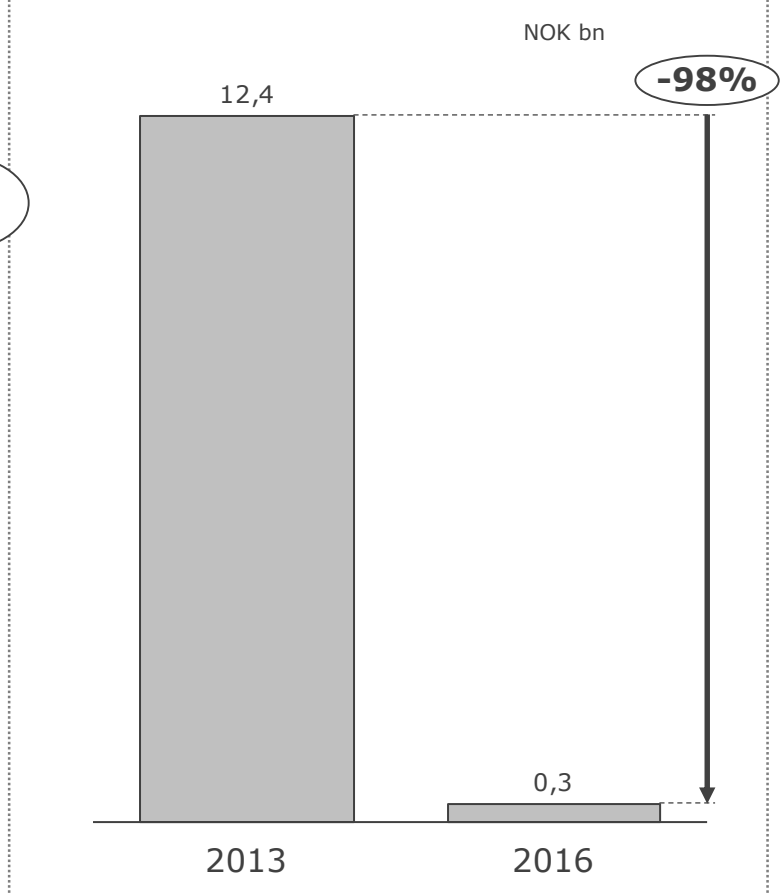
Transfer out of guaranteed products..



.. Strong cost reduction..



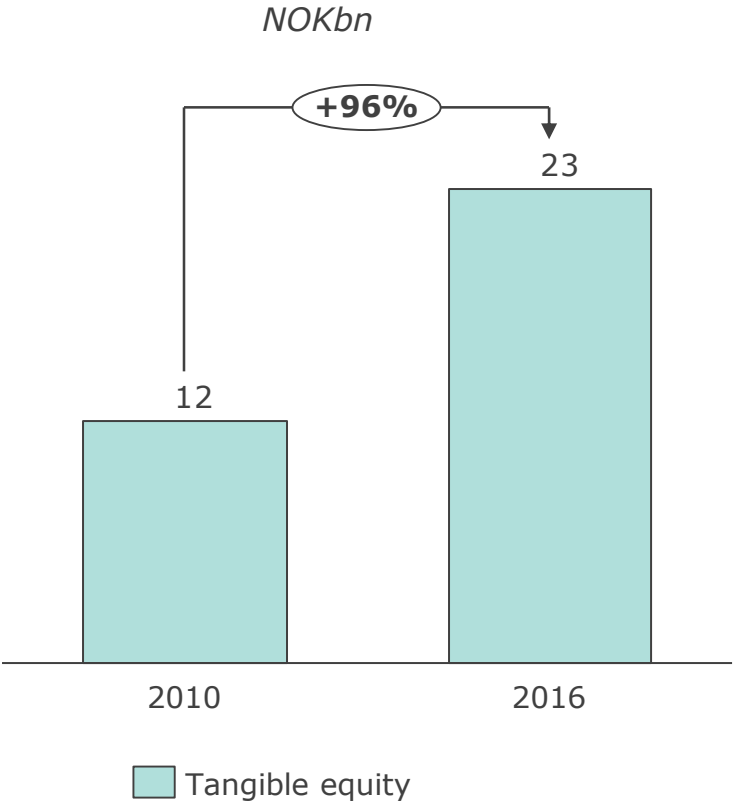
... And strengthened reserves for longevity



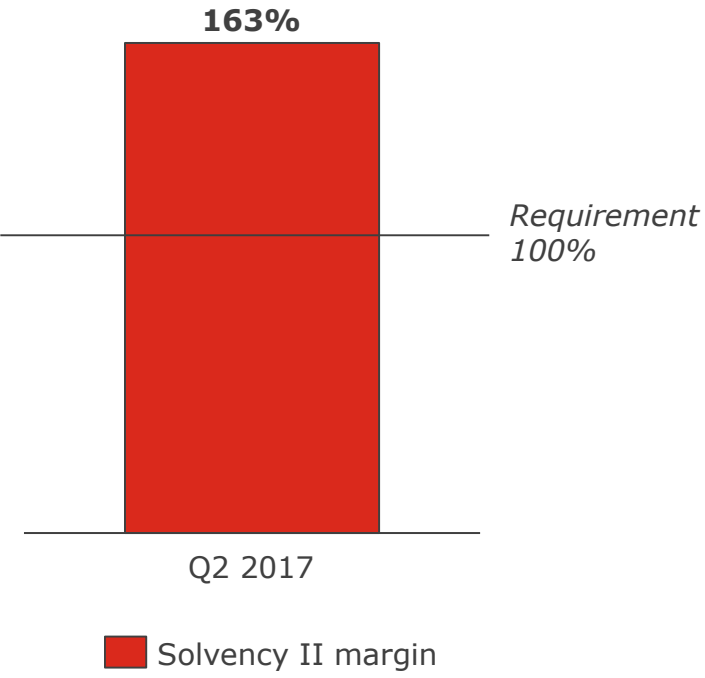
¹ Operational costs, adjusted for special items.

Storebrand is Well Capitalized for Growth and Dividends

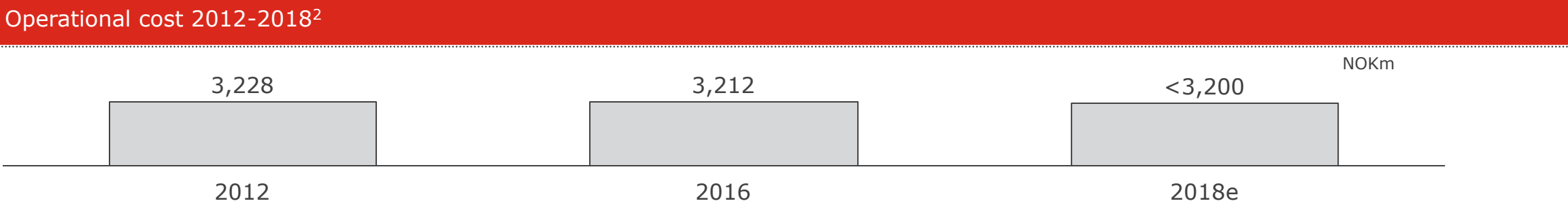
Tangible equity near doubled since 2010



Strong solvency position



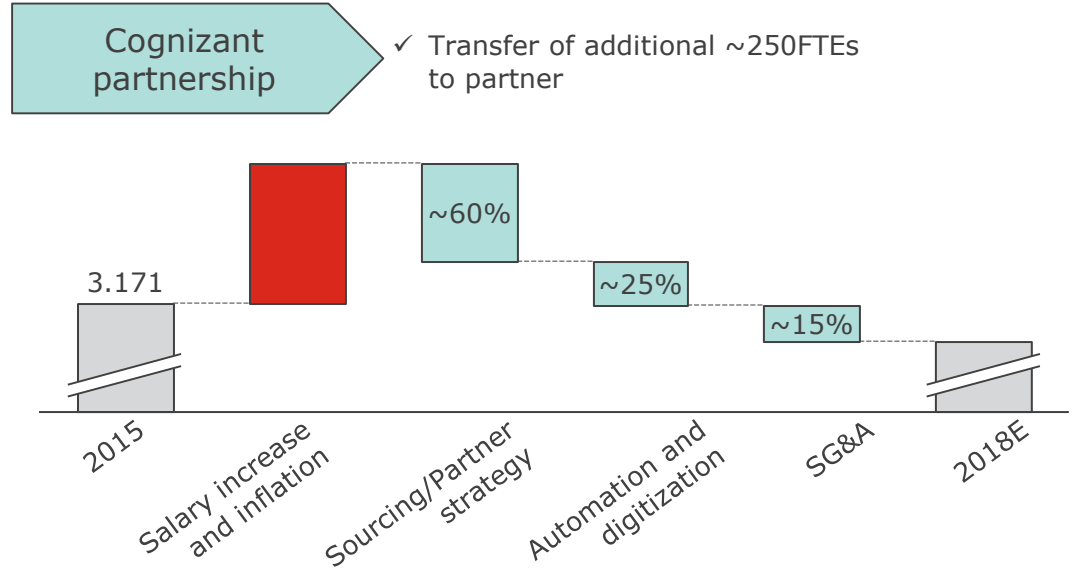
Targeted nominal flat costs 2012-2018/ NOK 800m cost reduction¹



Cost reduction completed 2012 – 2016

- Cost programme 2012 - 2014**
 - ✓ 2014 target reached (>NOK 400m)
- Baltic offshoring 2012 - 2016**
 - ✓ From 150 to 370 Baltic empl.
 - ✓ Cognizant partnership
- Market & sales restructuring 2015**
 - ✓ Reduction of 70 FTEs (NO and SE)
- Other key initiatives**
 - ✓ Closed agent channel
 - ✓ New bank platform
 - ✓ New IT infrastructure

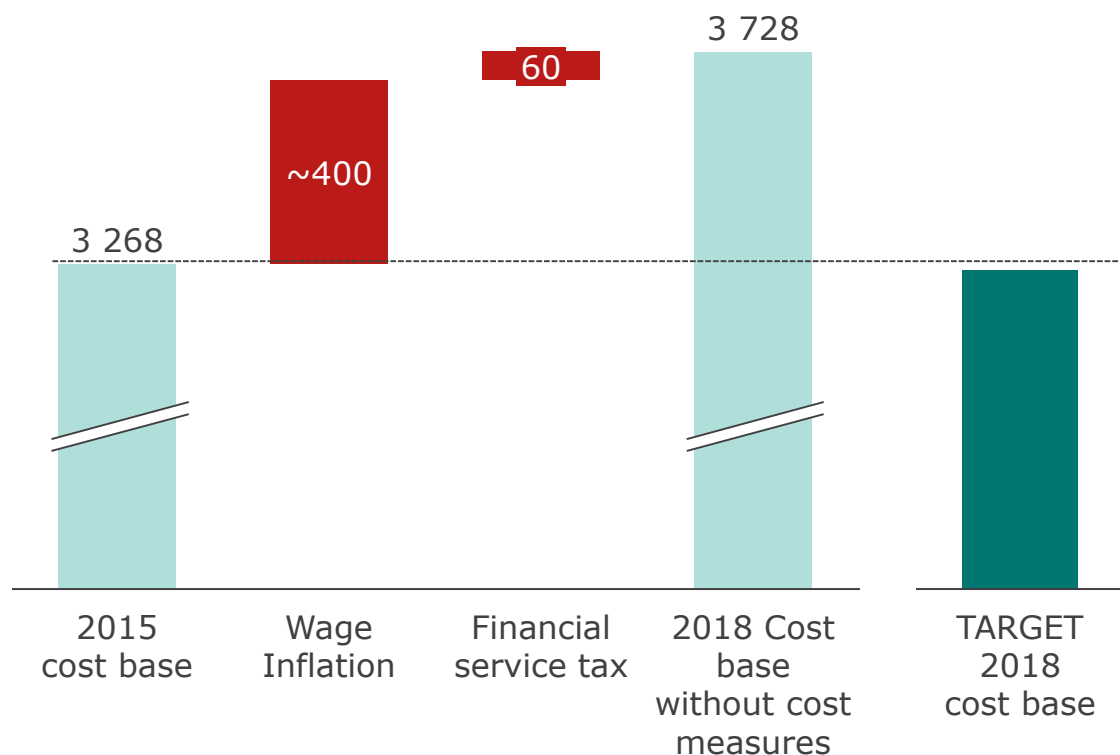
Further Cost Reductions to be Realized by 2018



¹ Real cost reduction 2012-18 assuming 2.5% inflation. Operational costs are adjusted for restructuring costs in 2012 (NOK 195m).

Cost Target on Track

Target to reduce costs nominally...

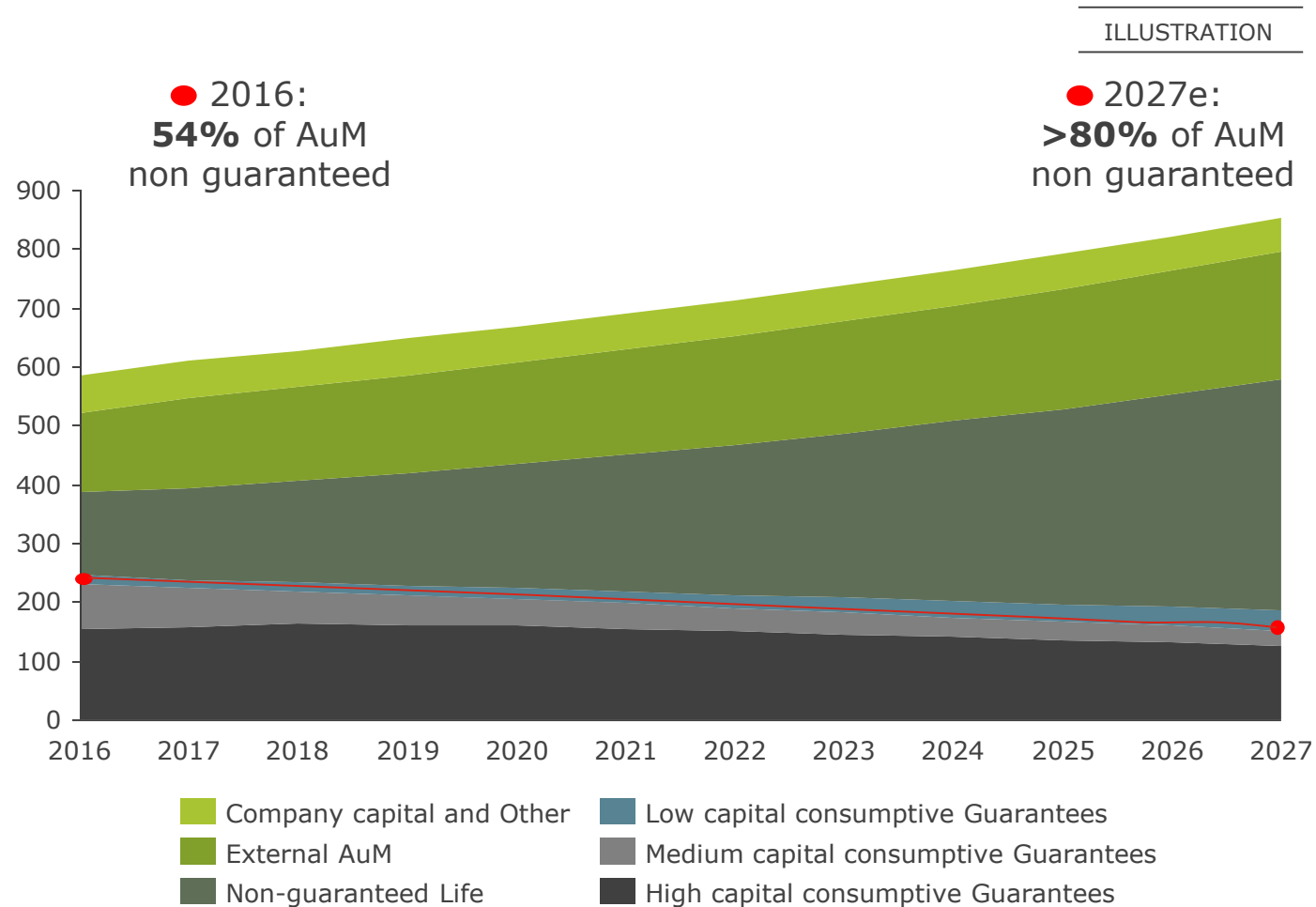


...on track despite strong business growth

- 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

Balance sheet shifts to capital efficient products

Forecast assets under management (NOKbn)

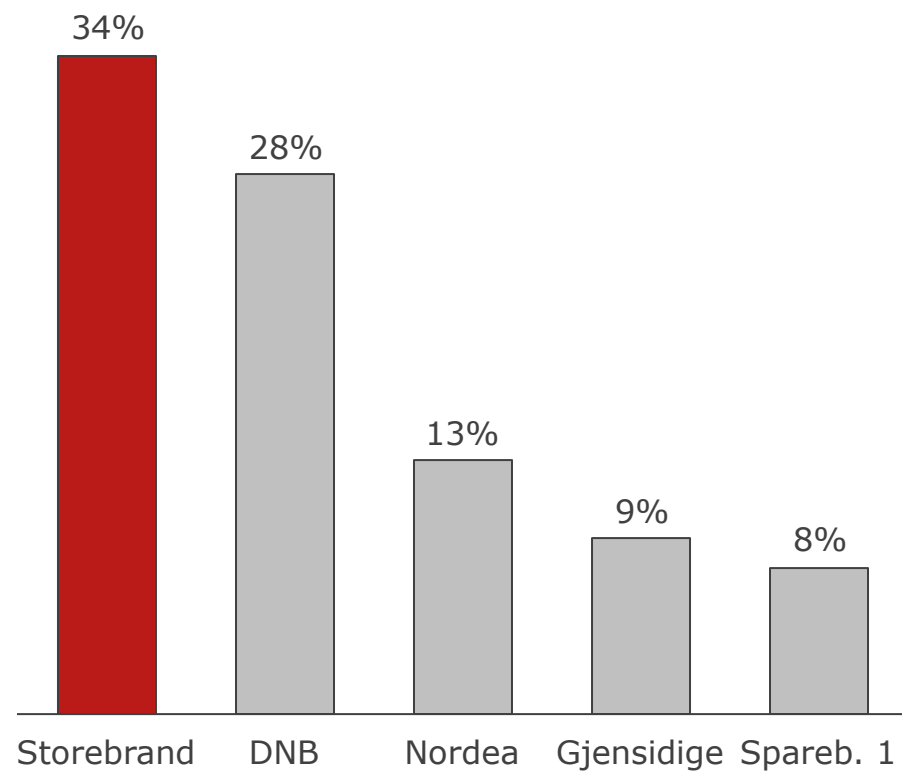


Implications for capital

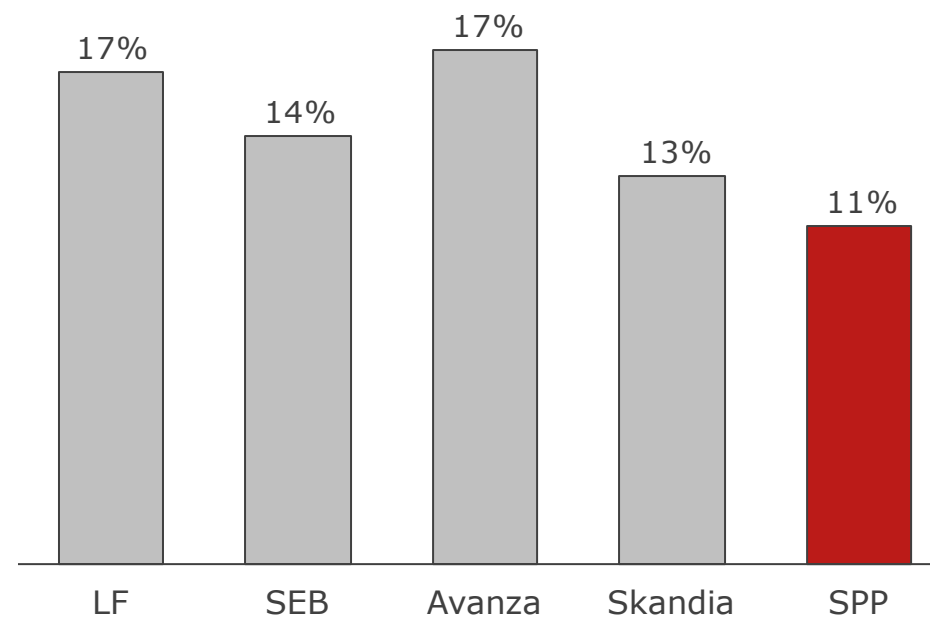
1. Guaranteed portfolio has reached Solvency II peak capital consumption
2. New growth in Savings and Insurance need little new capital
3. Will increase free cash flow and dividend capacity

Defined Contribution Pension Savings - Leading Position in Norway and Strong Contender in Sweden

Norway – market leader defined contribution (private sector)¹



Sweden – growing in defined contribution (private sector)²

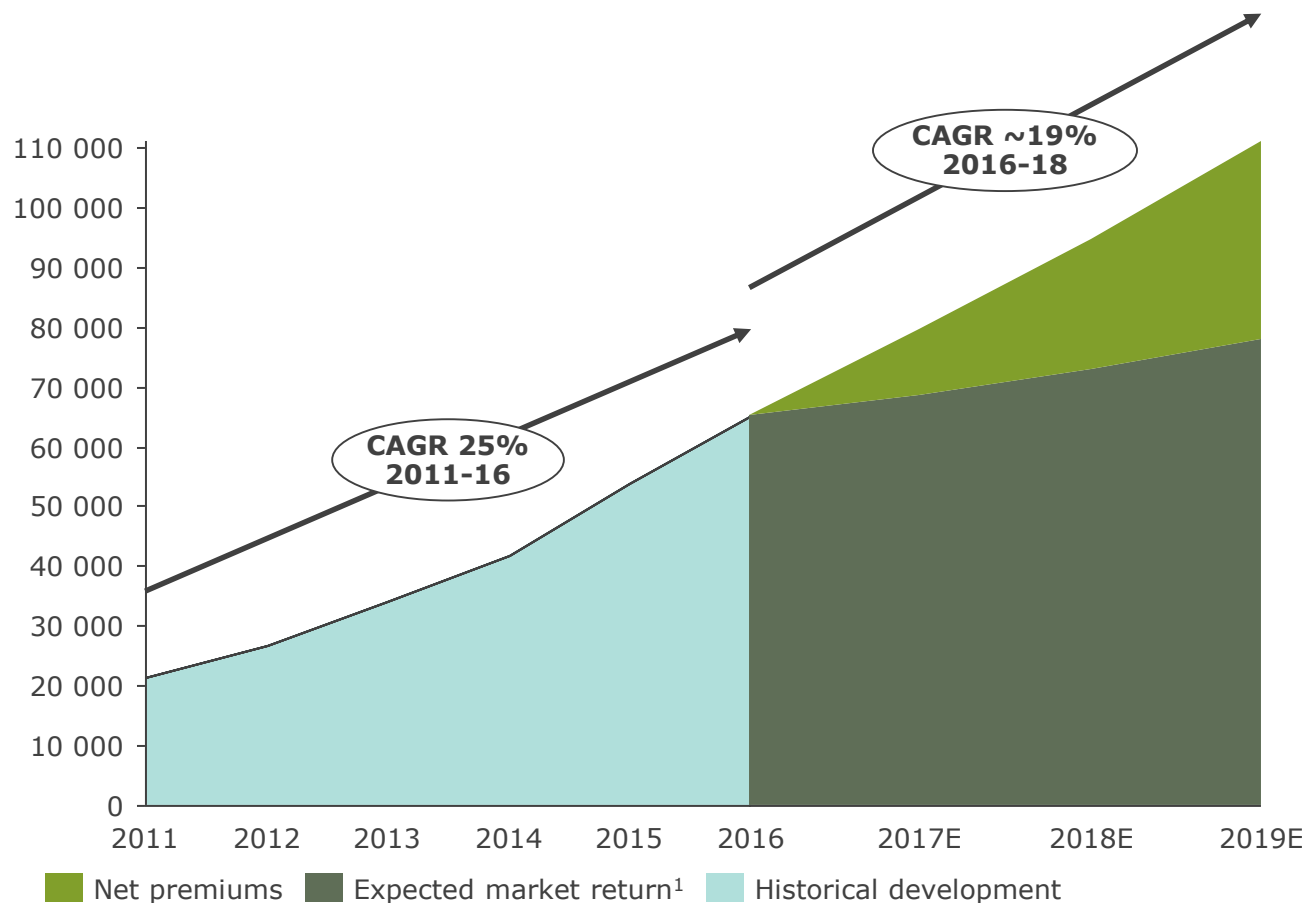


¹ Finance Norway. Gross premiums defined contribution with and without investment choice. 4Q 2016

² Insurance Sweden. Segment Unit Linked pensions 'Other occupational pensions' (written premiums) 4Q 2016

Norway: Continued growth in Unit Linked reserves driven by premiums and expected market return

Development Unit Linked reserves



Drivers net premiums

- Majority of premiums come from existing Unit Linked business
- Underlying growth through salary inflation and increased savings rates
- Conversion from guaranteed pension and new sales further boost growth

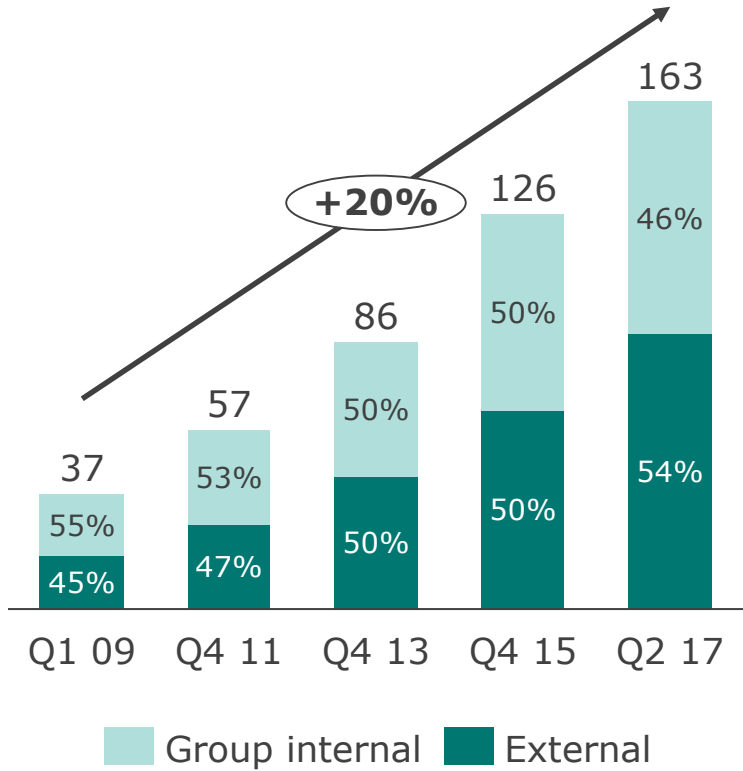
¹ Assumed market return defined by Finance Norway industry standard.

Storebrand Asset Management

Growing share of external assets, Sweden case in point

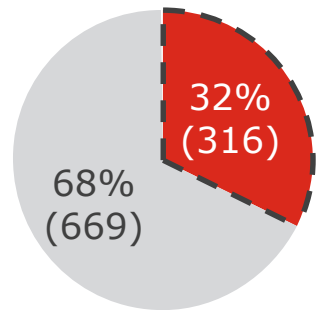
Mutual funds growth

SEK bn (SPP funds only)

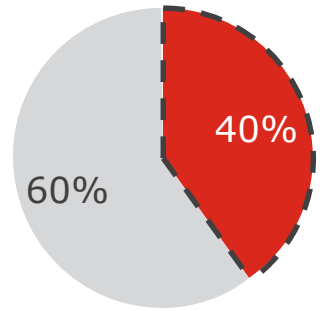


Increased share of earnings¹

Sweden AM, % revenues



Sweden AM, % AuM



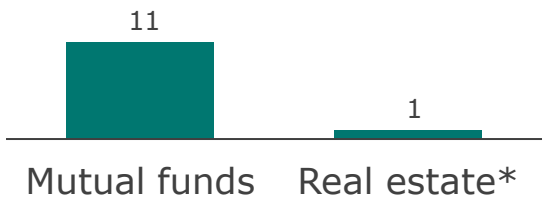
■ Sweden ■ Norway

Next step: distribution and scale

1

Strengthen distribution capacity in Sweden

Strong inflows 1H 17 (SEK bn)



2

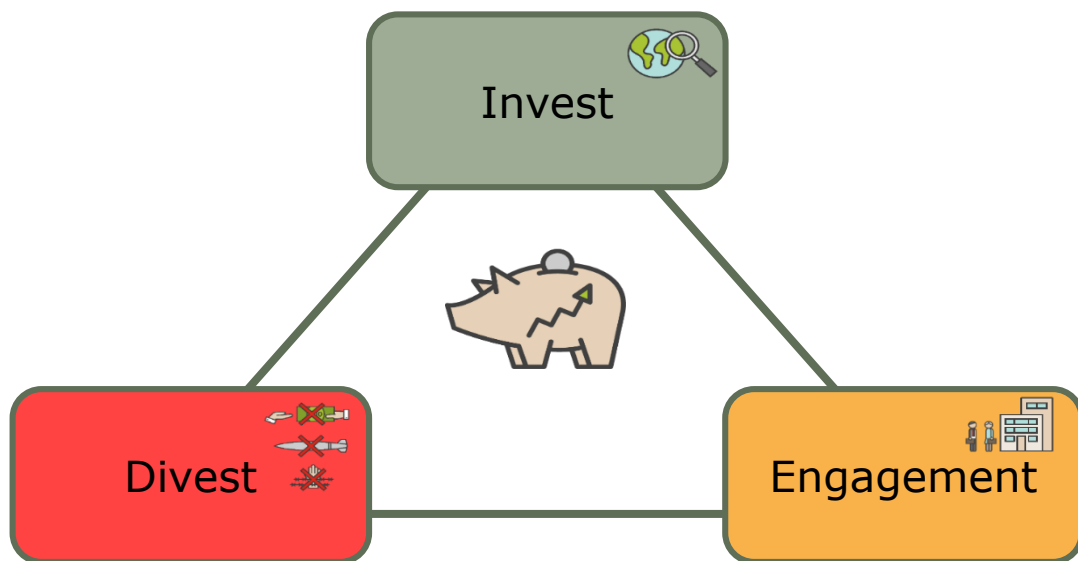
Further leverage scalable Nordic asset mgmt. platform through a full range of building blocks in the Swedish market

- 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

Sustainability is at the core of our investments

Our approach



Product innovation



Storebrand Global Pluss

- The world's first global, fossil free index-near equity fund
- Launched April 2017



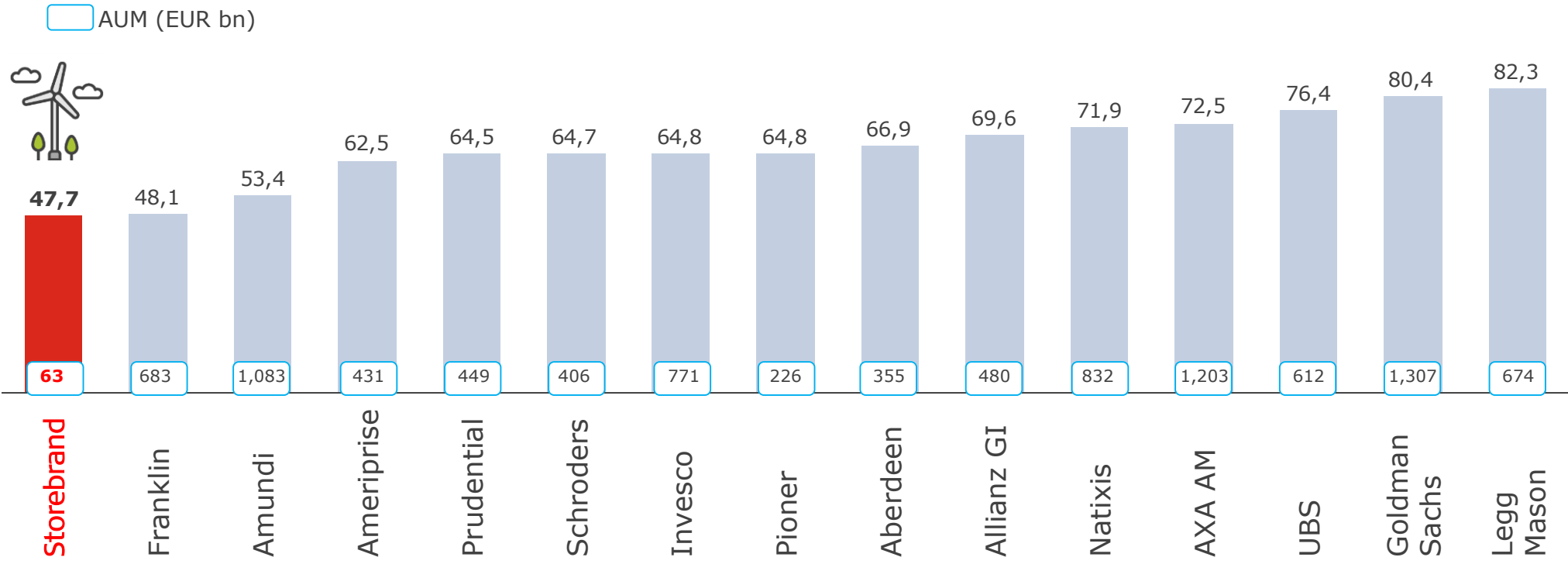
Storebrand Trippel Smart

- Invests in 100 of the most sustainable companies globally
- Based on our in-house rating methodology



Sustainability focused Asset Manager with scalable cost advantage

Cost income (%) global asset managers 2016



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



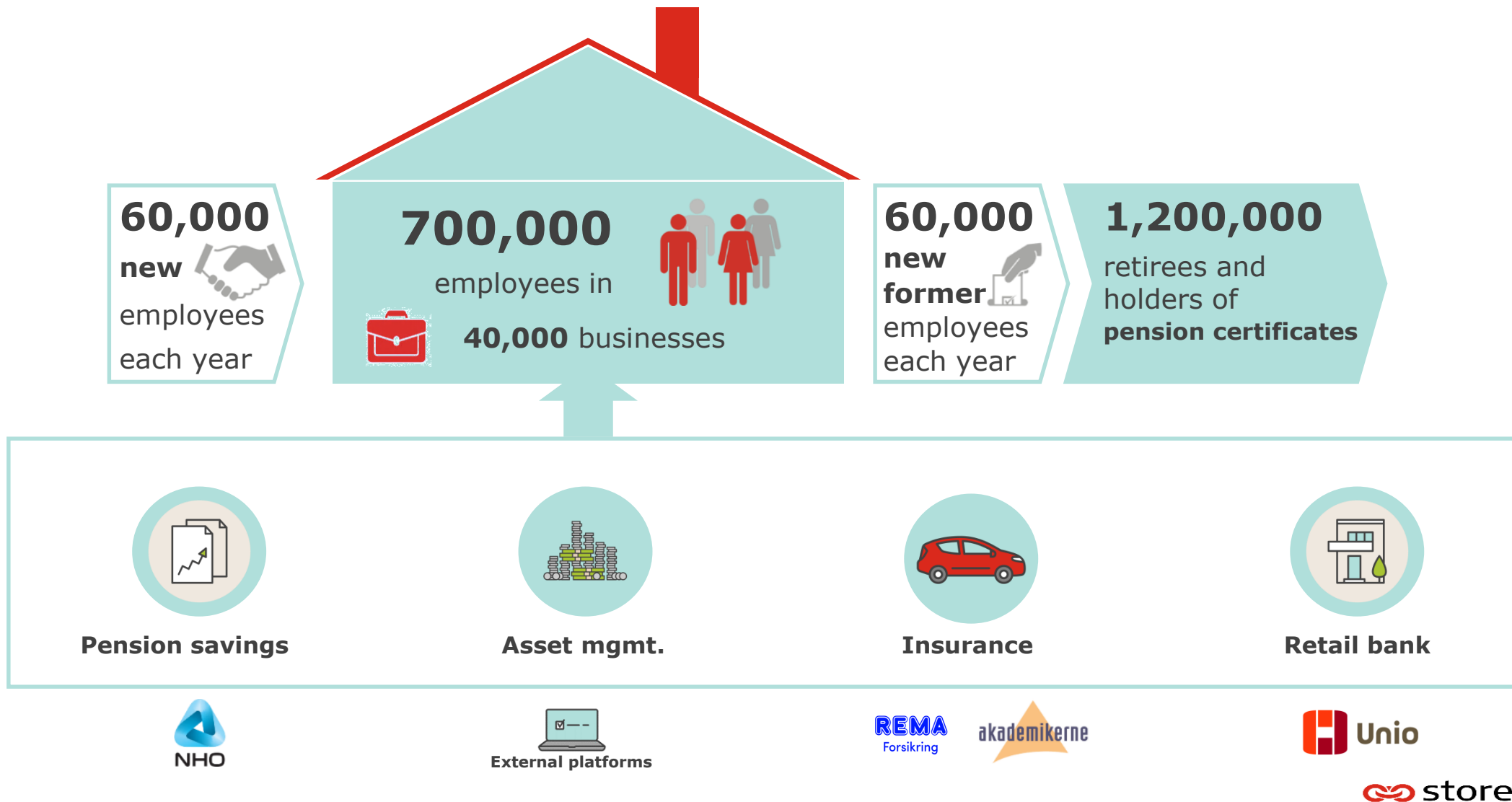
Pillar I
State pensions

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)

Cross Selling to 1.9m Individuals through Corporate Clients and External Partners



Front book has strong capital synergies

Capital synergies

Solvency II capital generative

Builds >2pp of solvency ratio per year

Diversification benefits

Capital efficient mortgages on life balance sheet

Product areas



Pension savings



Asset mgmt.



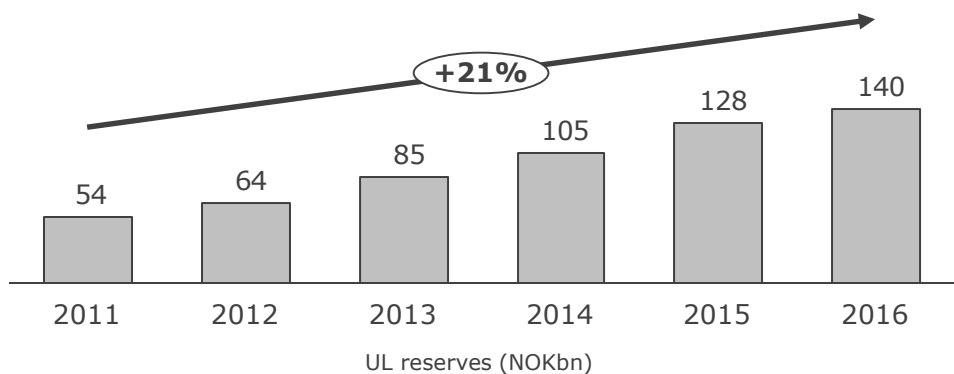
Insurance



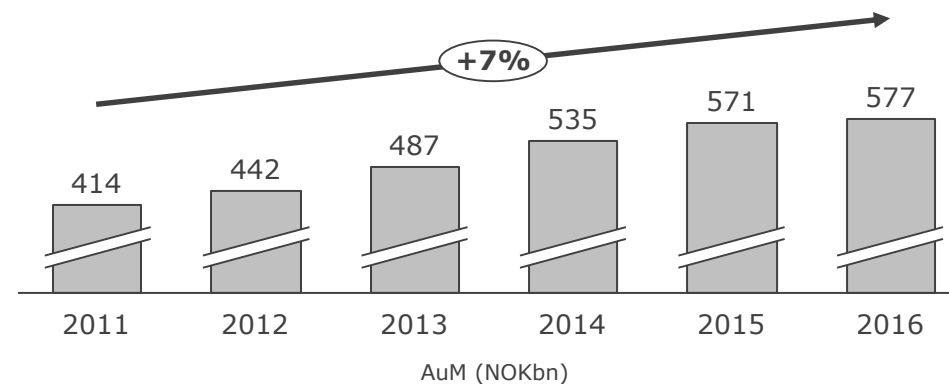
Retail bank

Growth in Savings and Insurance

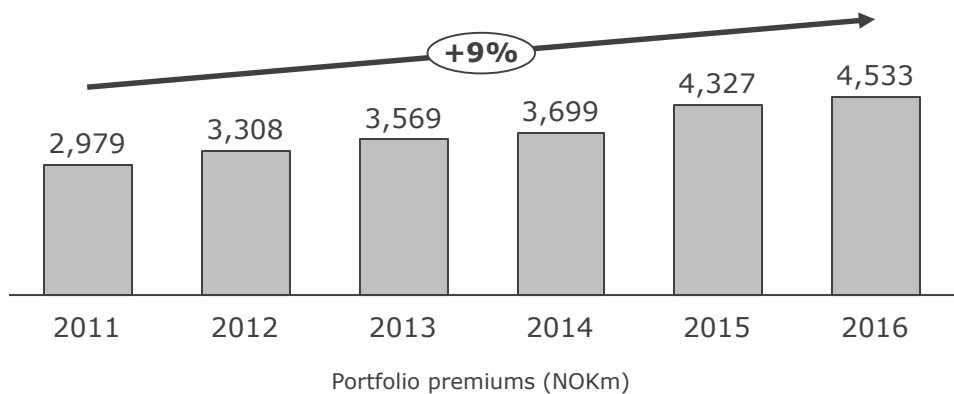
Unit Linked



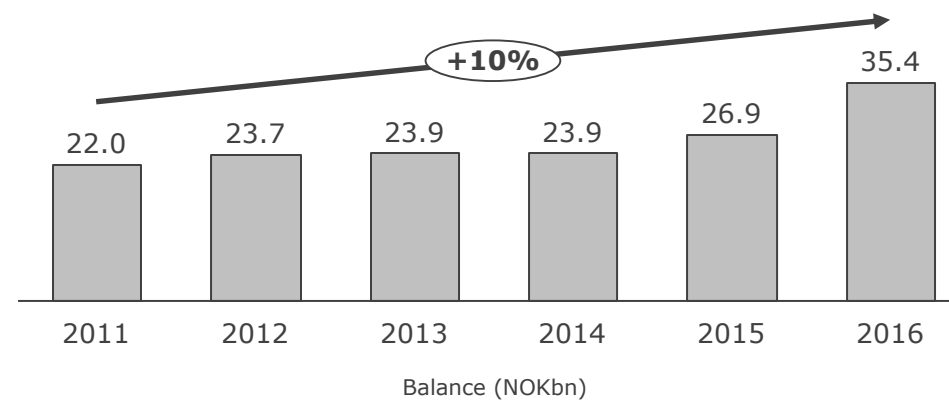
Asset management



Insurance



Retail bank



Growth ambitions 2018



Unit Linked

#1
market position
Norway & Sweden¹



Asset mgmt.

#1
Norwegian asset manager

NOK 150m
Revenue growth

NOK 100m
Profit growth



Insurance

~10%
Long term growth²

90-92%
Combined Ratio



Retail bank

Double
Retail loan book

>10%
ROE³

¹ Within segment 'Other occupational pensions'.

² Lower growth expected in 2016 due to change in distribution.

³ RoE Retail banking only.

Strong returns on IFRS equity in Savings and Insurance

ILLUSTRATIVE

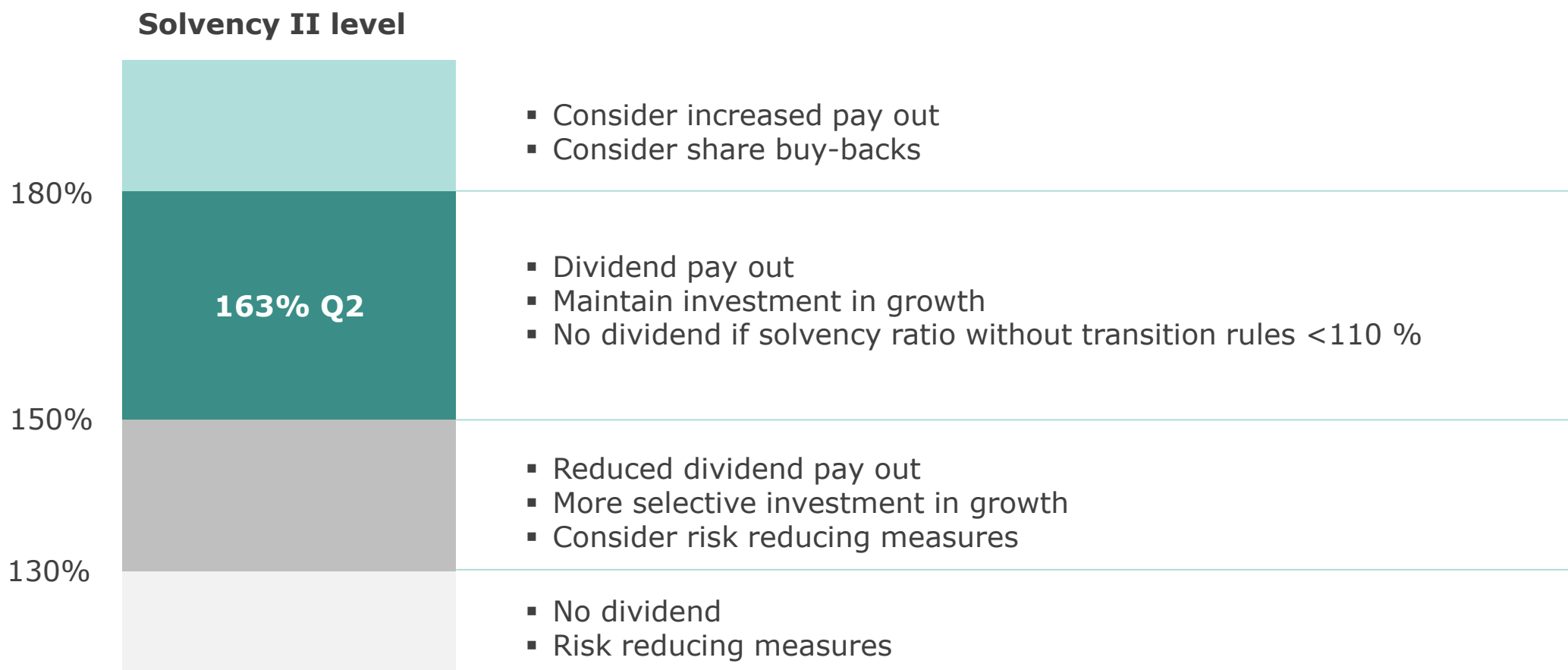
	<u>Savings</u>	<u>Insurance</u>	<u>Guaranteed</u>	<u>Other</u>	<u>Group</u>
IFRS earnings ¹ (NOKm)	910	554	934	296	2 694
Allocated Equity ² (NOKbn)	3.6	1.7	19.7	3.3	28.2
Pro forma RoE adj(%)	26%	33%	5%	9%	9,5%

The equity in the Group sits within different legal units. This allocation of equity is done on a pro-forma basis to reflect an approximation to the IFRS equity consumed in the different reporting segments after group diversification. The estimated allocation is based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. The Insurance segment has been allocated an increased capital level which is more in line with long-term expected diversification effects.

¹ Result before amortisation and after tax, Q1 2016 – Q1 2017

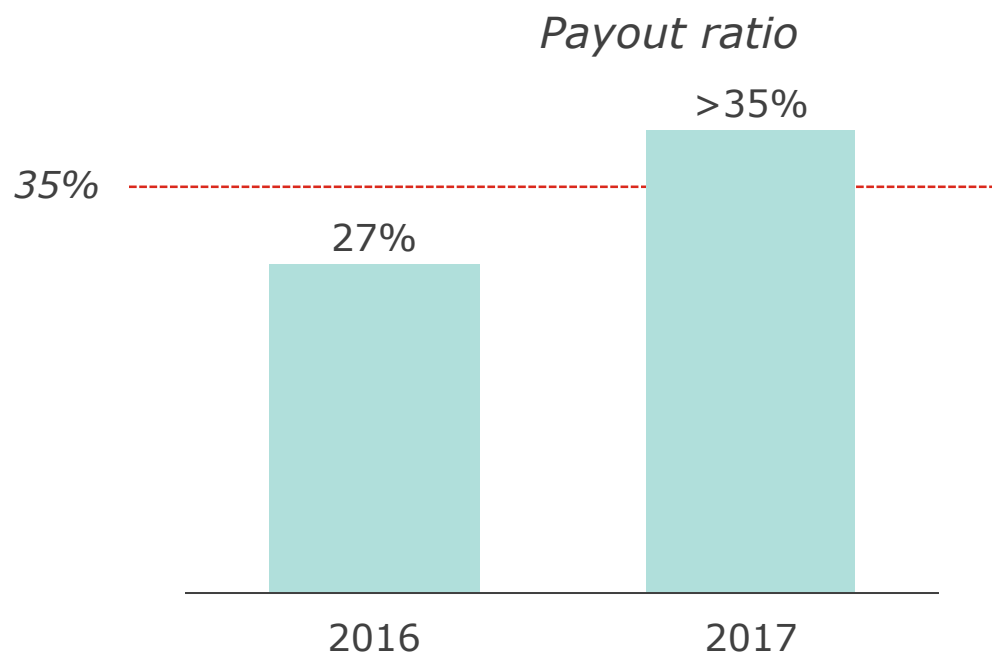
² Based on solvency II position pr. Q1 2017 incl. transitional rules on 159%. IFRS equity allocated on a pro forma basis.

Group capital management policy



Dividend NOK 1.55 pr. share

[market communication dividend from Q4 2016]



- The Board proposes a dividend of NOK 1.55 per share for 2016
- Expected dividend of **more than** 35 per cent of the result for 2017¹
- Expected development in the Solvency II ratio implies a further gradual increase in the dividend pay-out ratio from 2018 onwards

Financial targets

	Target	Status 2016
Return on equity ¹	> 10%	9.5%
Dividend ratio ¹	> 35%	27%
Solvency II margin Storebrand Group ²	> 150%	157%

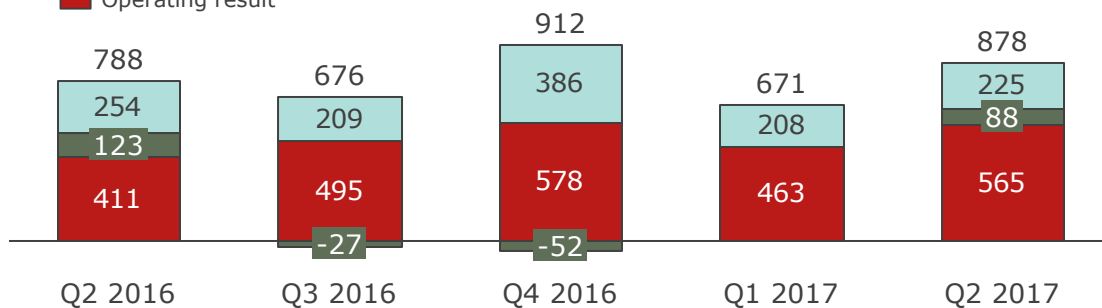
Results Q2 2017

Key figures

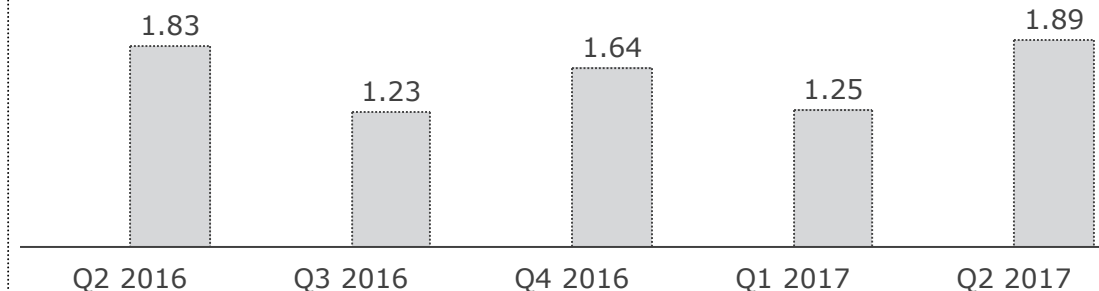
Result development¹

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

MNOK

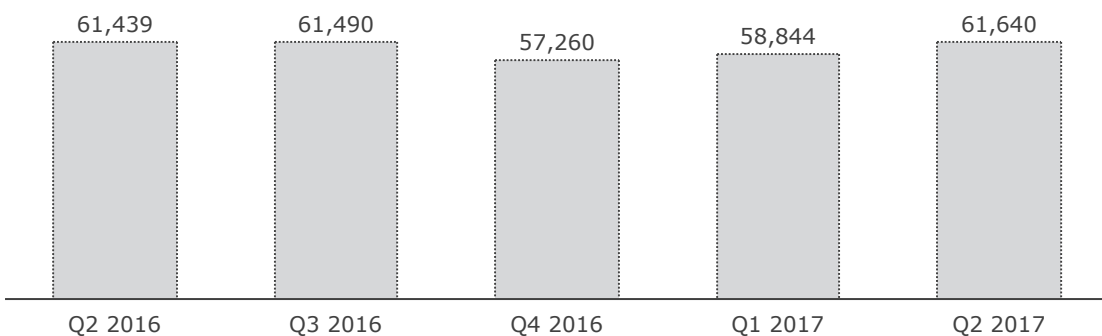


Earnings per share²



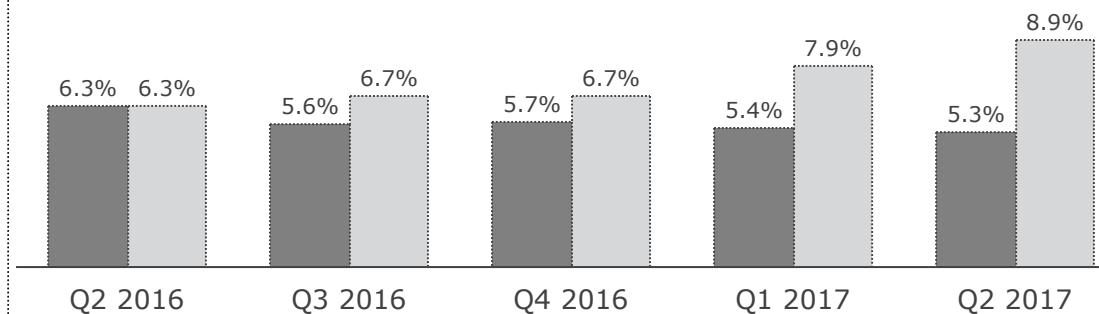
Solidity capital Storebrand Life Group

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
Fee and administration income	1 079	1 005	2 098	2 058	4 235
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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

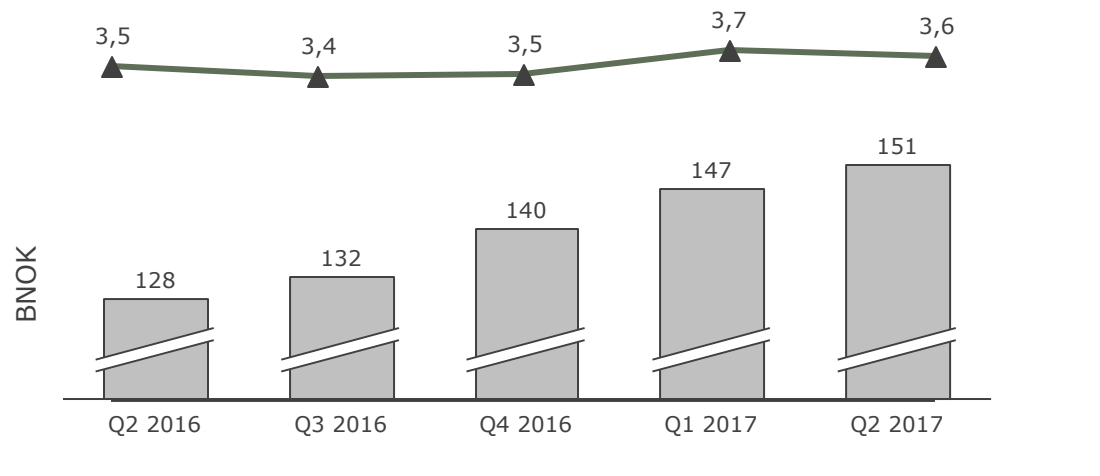
Profit per product line

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

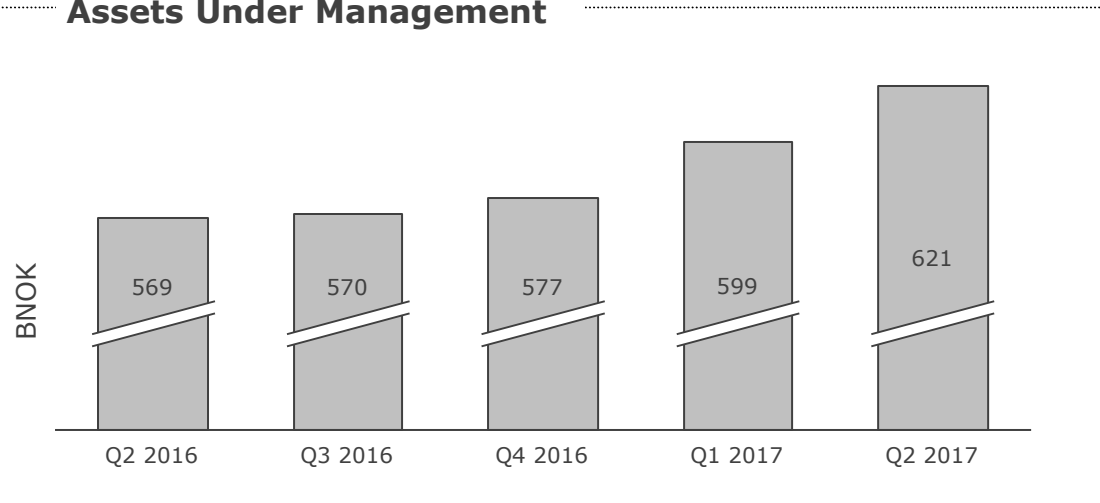
Reserves and premiums Unit Linked



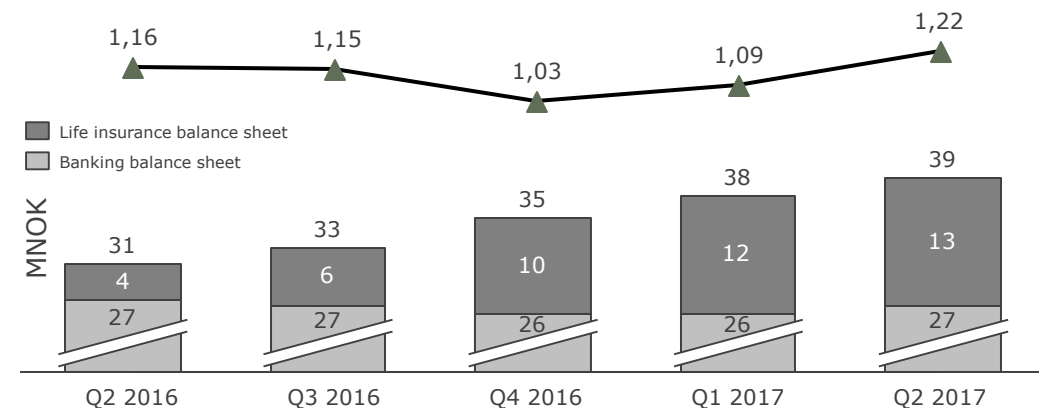
Comments

- 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

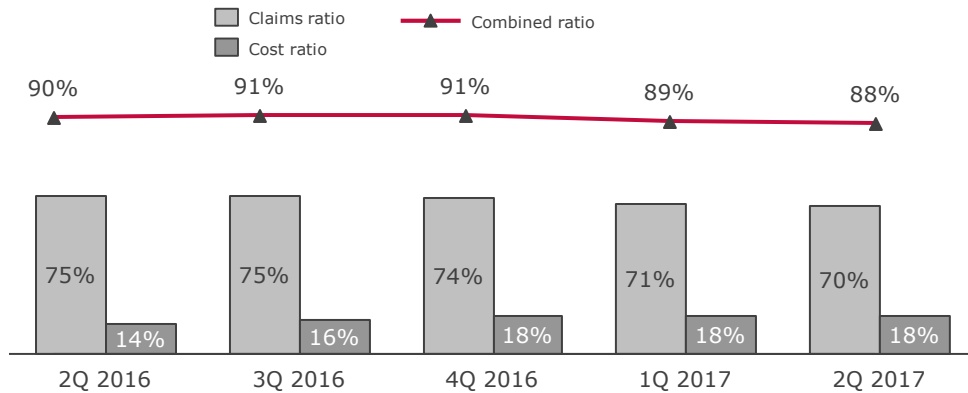
Profit per product line

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

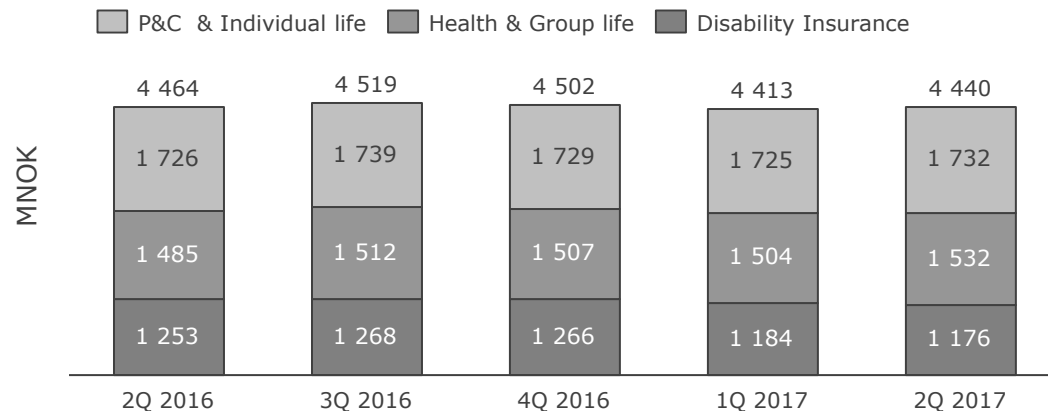
Combined ratio



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

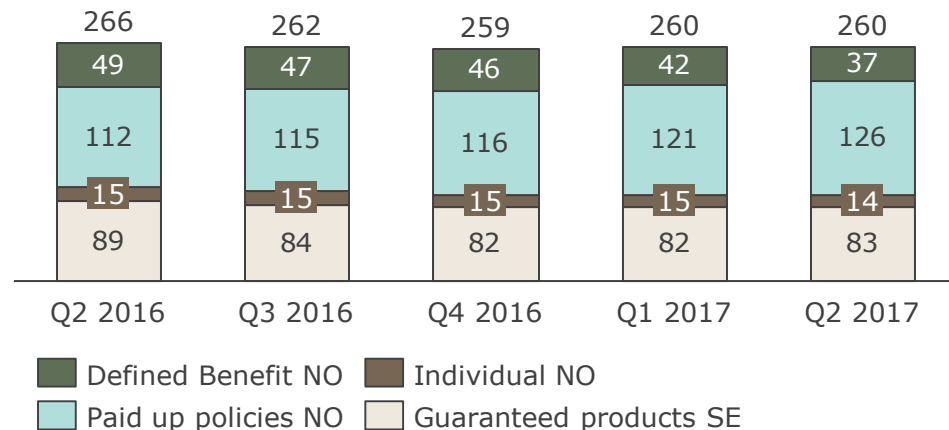
NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Fee and administration income	369	383	727	787	1 566
Operational cost	-216	-192	-437	-464	-981
Operating profit	153	191	290	323	585
Risk result life & pensions	6	-10	40	-6	-37
Net profit sharing and loan losses	131	57	161	-65	322
Profit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

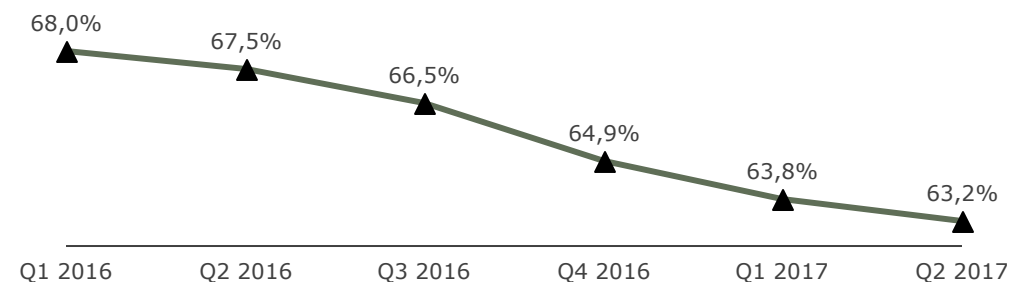
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
- Strong profit sharing results in the quarter

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

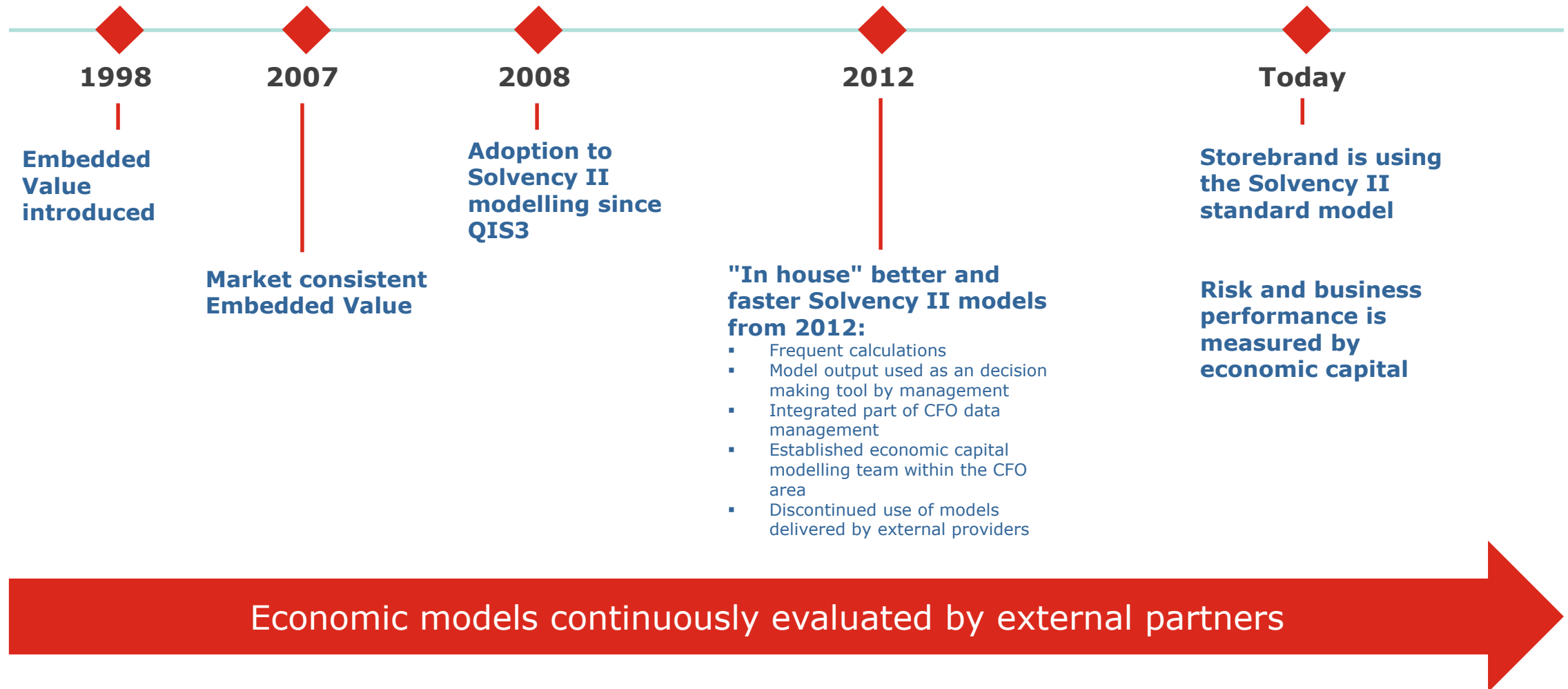
NOK million	2Q		01.01-30.06		Full year
	2017	2016	2017	2016	2016
Corporate Banking	4	48	17	35	76
BenCo	5	6	10	36	44
Holding company costs and net financial results in company portfolios	77 ²	111	117	224	285
Profit before amortisation	85	166	144	305	405

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

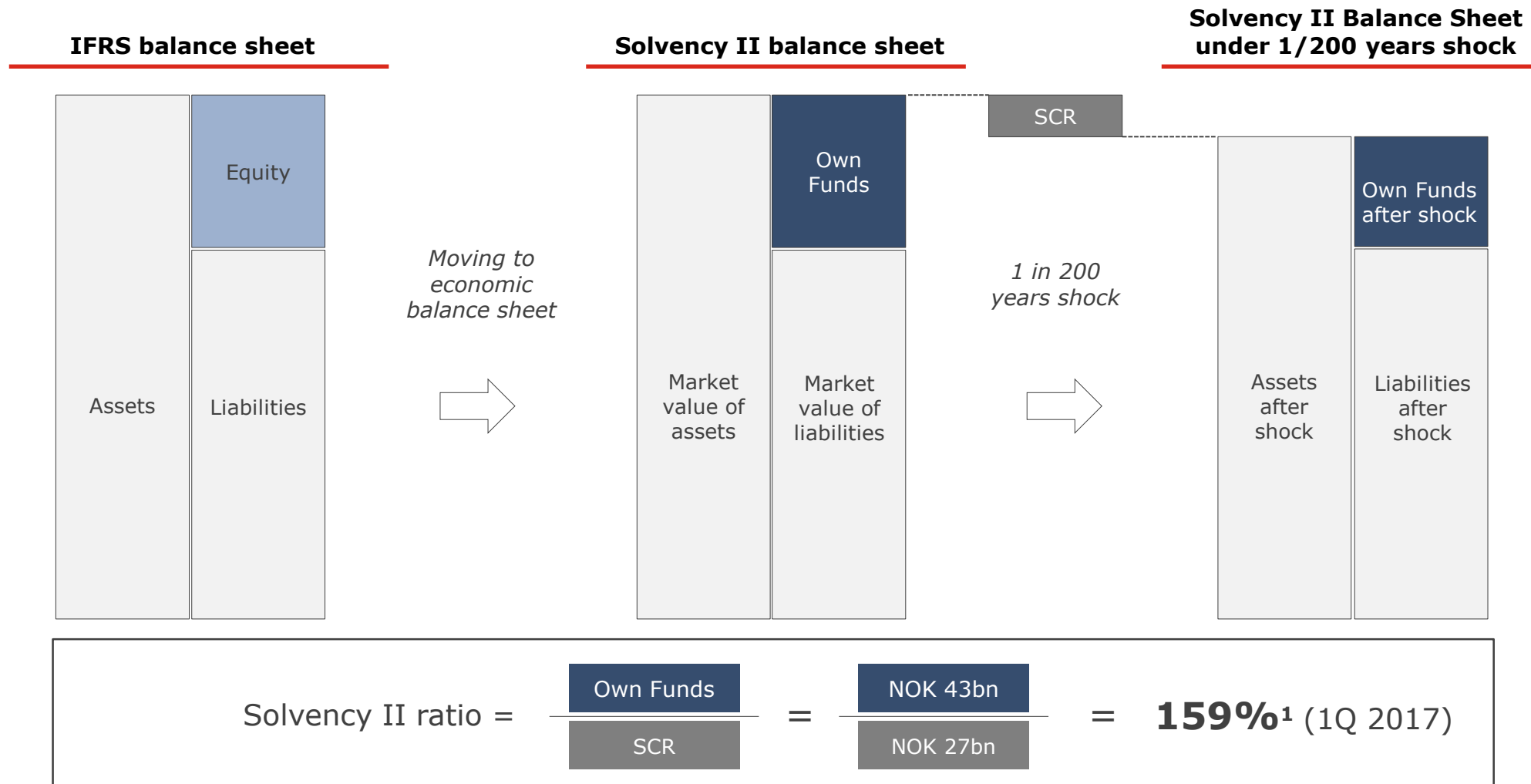
² Includes NOK 88m from sale of Formuesforvaltning AS.

Solvency II and capital structure

Long History of Economic Capital Modelling in Storebrand



The Solvency Calculation – moving to a market consistent balance sheet and risk sensitive capital requirements



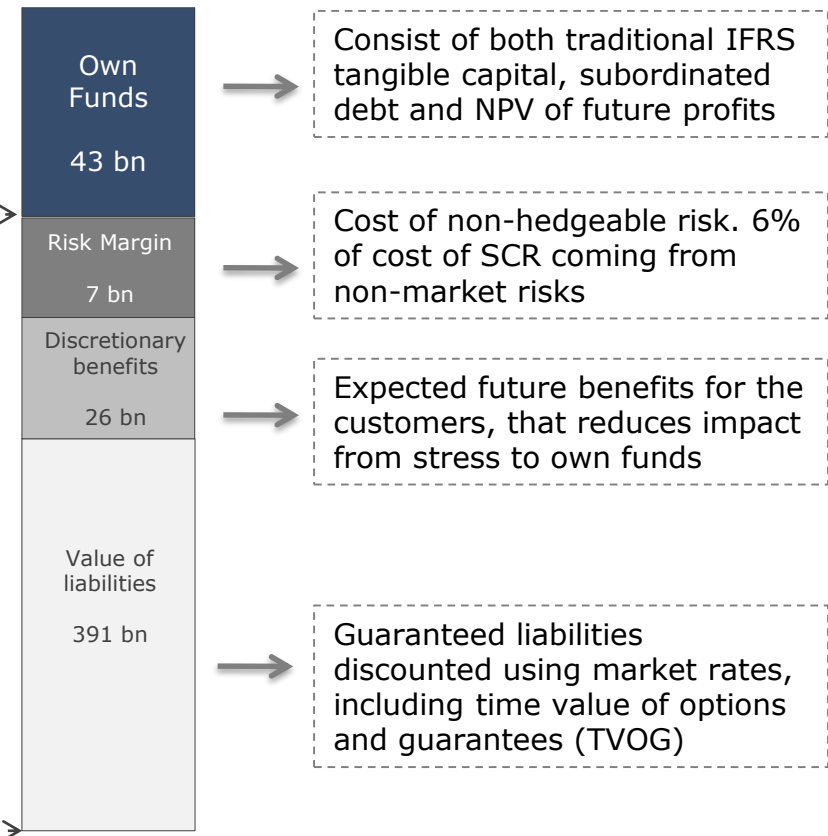
Calculating Market Value of Liabilities under Solvency II

- Both assets and liabilities are mark to market
- For assets this means using observable market prices
- For insurance liabilities there is a standardised methodology for estimating the value of insurance customers contracts
- Own funds is the difference between the market value of assets and liabilities

Solvency II balance sheet

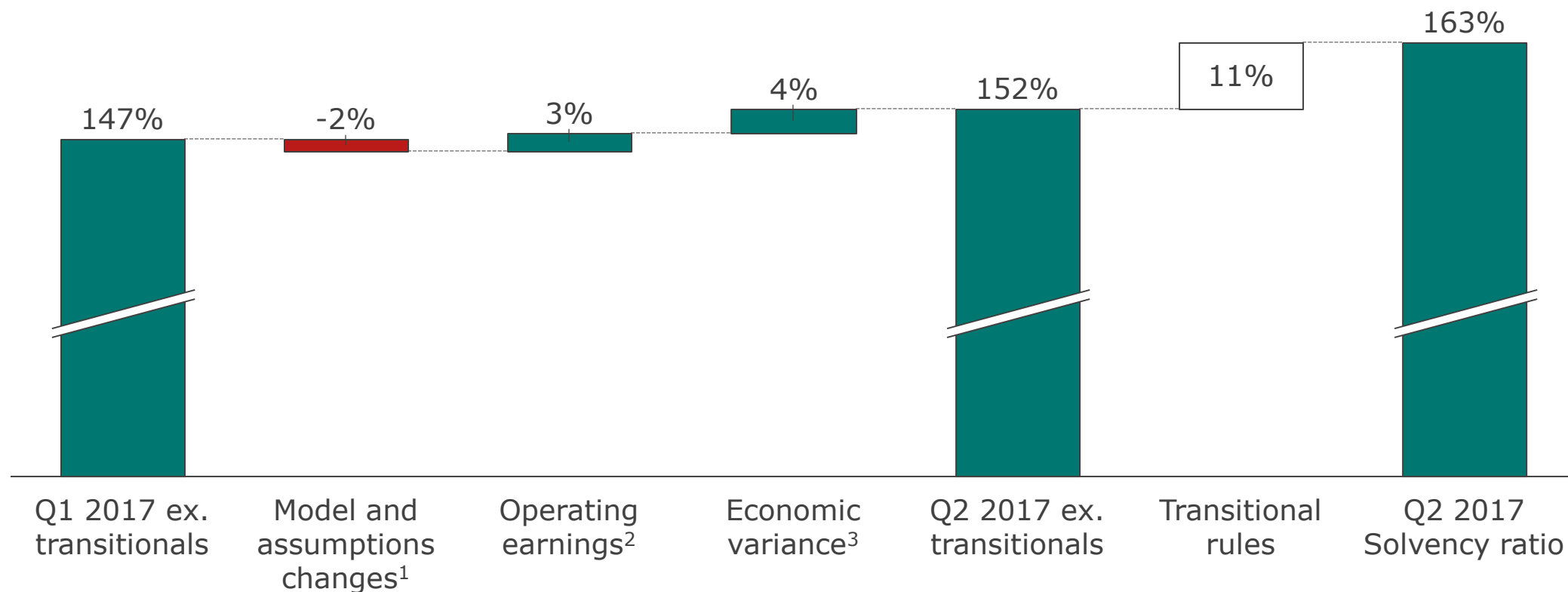


Market value of liabilities



▪ Valuing liabilities using stochastic models in a risk neutral calculation

Solvency movement from Q1 2017 to Q2 2017



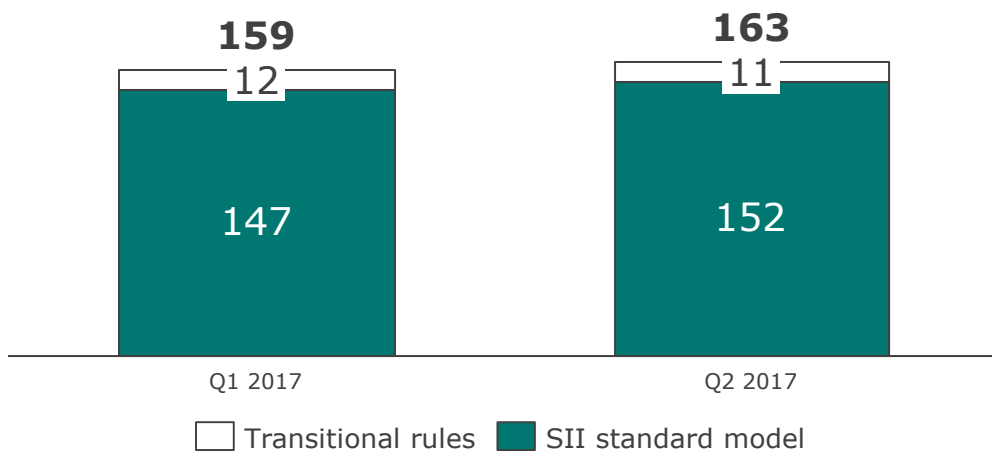
¹ Treatment of swap in stresses (+), Treatment of new paid-up policies (-), Cost allocation (-), Reduced equity stress (+)

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

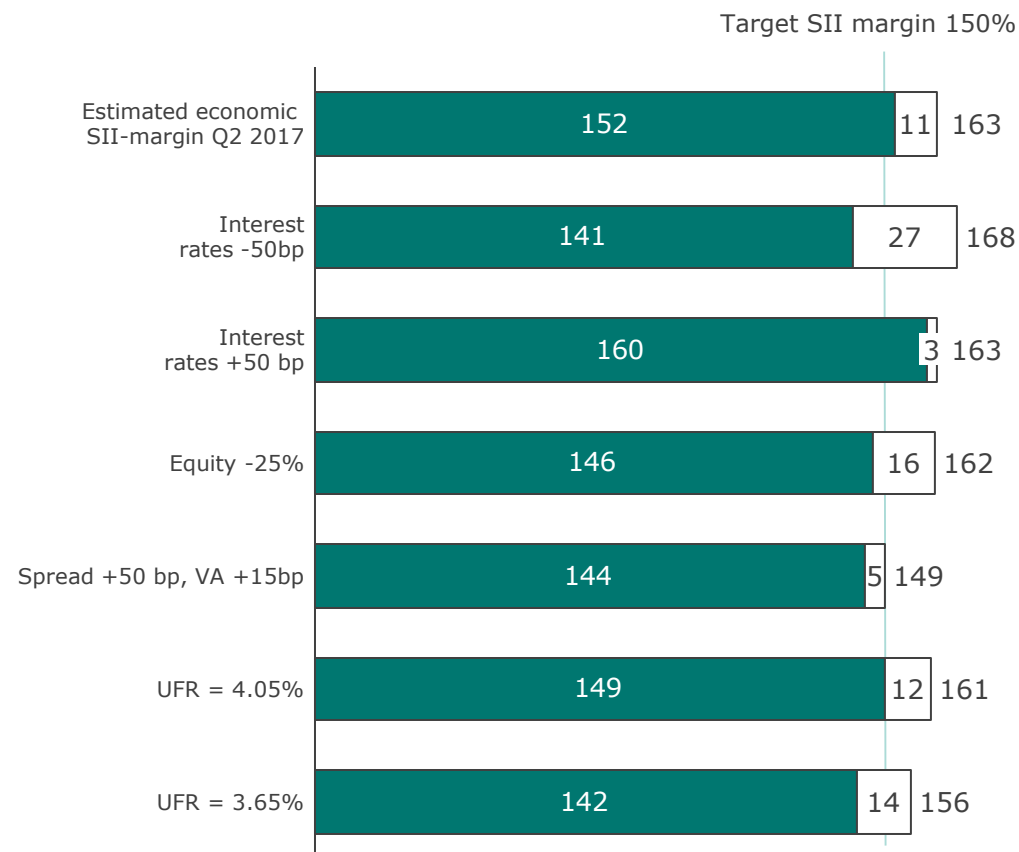
Solvency position(%)¹



Key takeaways

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

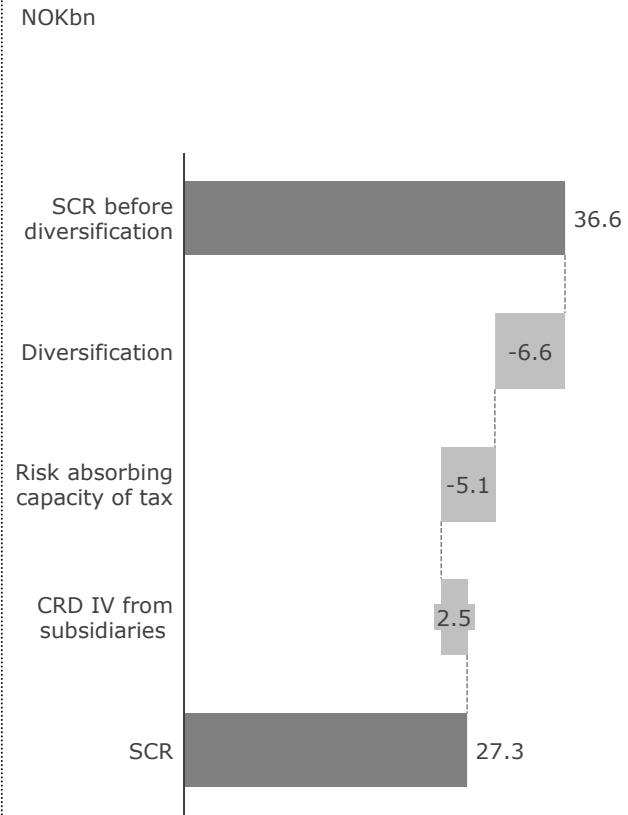
Estimated sensitivities



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.

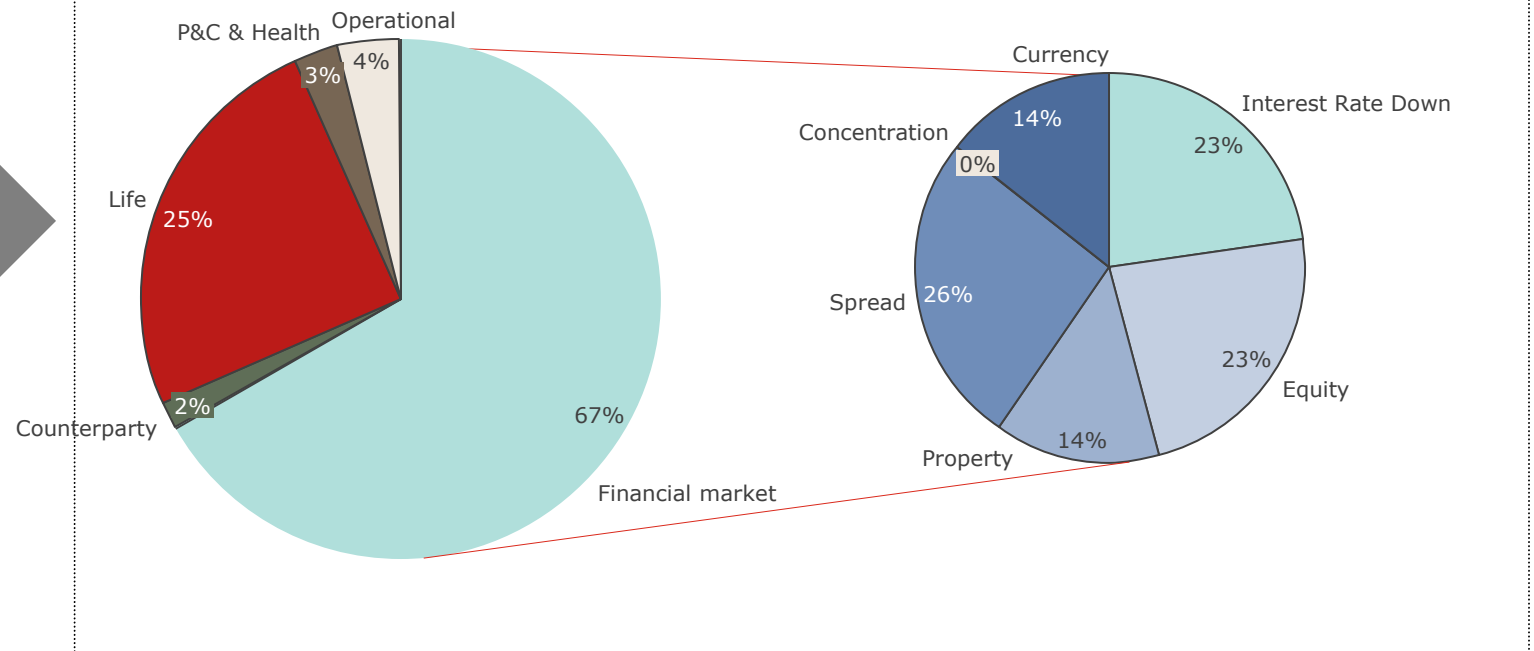
Solvency Capital Requirements (SCR)

SCR calculation Q1 2017

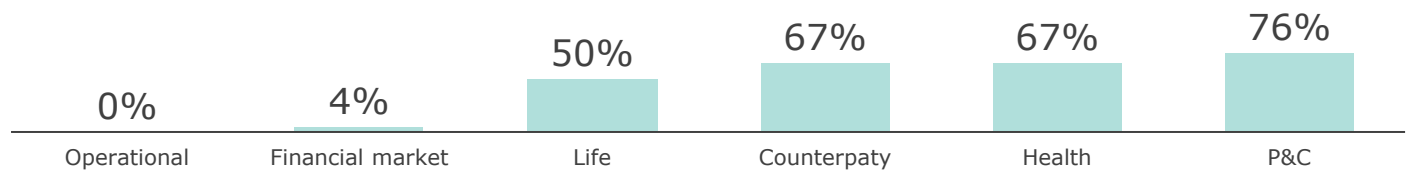


SCR includes effect of transitionals on equity of NOK -613m.

SCR dominated by financial market risk...



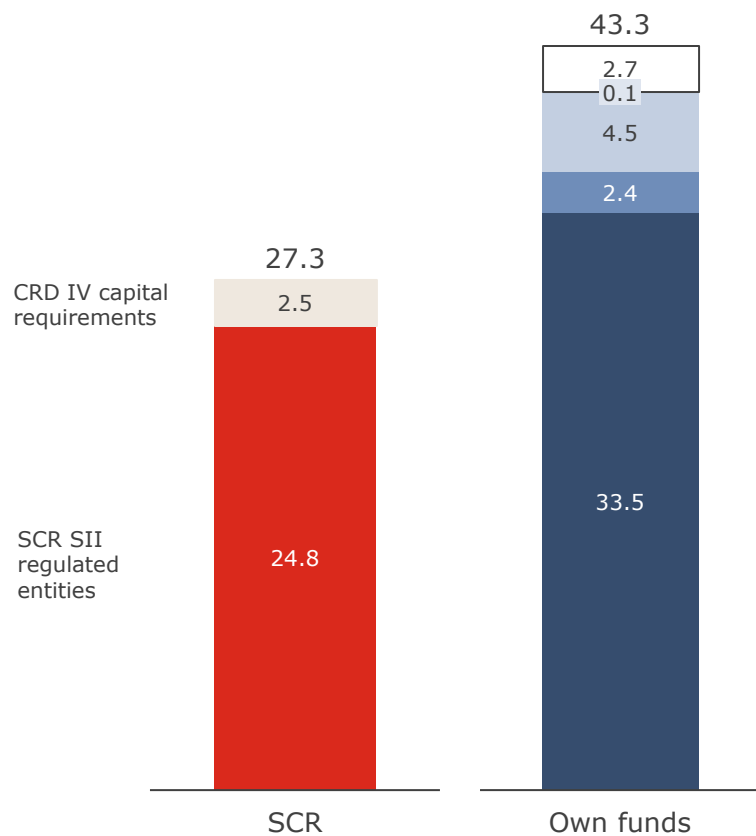
... which is the risk with the lowest diversification factor.¹



¹ E.g. a NOK 100m increase of Market SCR leads to a NOK 96m increase of Basic SCR, because 4% are absorbed by diversification benefit.

High quality capital base

SCR and own funds Q1 2017 (NOK bn)



Own funds in % of SCR (excluding CRD IV subsidiaries)

	Regulatory limit	OF % of SCR	OF % of total
Tier 3	≤ 15% SCR	0.5%	0.3%
Tier 2	≤ 50% SCR Σ T2+T3	18%	11%
Tier 1 Restricted	≤ 20% T1	10%	6%
Tier 1 Unrestricted	≥ 50% SCR Σ All T1	135%	83%

CRD IV capital
 Tier 3
 Tier 2
 Tier 1 restricted
 Tier 1 unrestricted

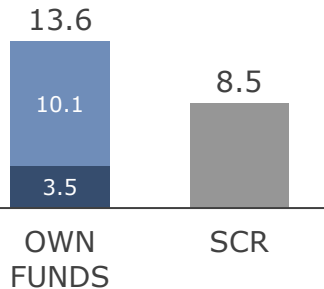
Solvency Capital allocation pr segment

– most of the capital allocated to the guaranteed segment

ILLUSTRATIVE PRO FORMA ALLOCATION BASED ON 159% SOLVENCY RATIO PR Q1 2017¹

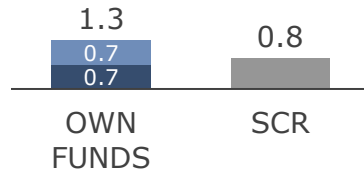
Savings

Solvency II:
Unit Linked reserves 147bn
CRR/CRD IV:
Retail mortgage lending 26bn
Asset management 599bn



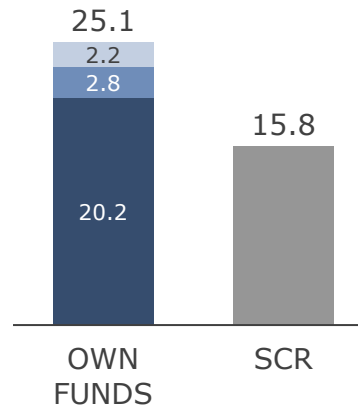
Insurance

Solvency II:
Insurance portfolio premiums 4.1bn



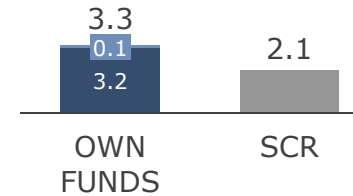
Guaranteed

Solvency II:
Guaranteed reserves 261bn



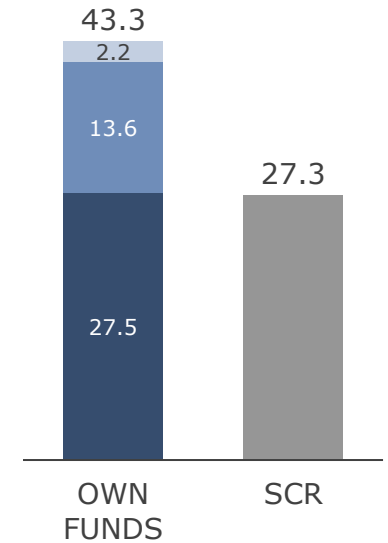
Other

Solvency II:
Company portfolios 25bn
Reserves in BenCo 17bn
CRR/CRD IV:
Corporate banking 1,5bn



Group

Solvency II group calculation



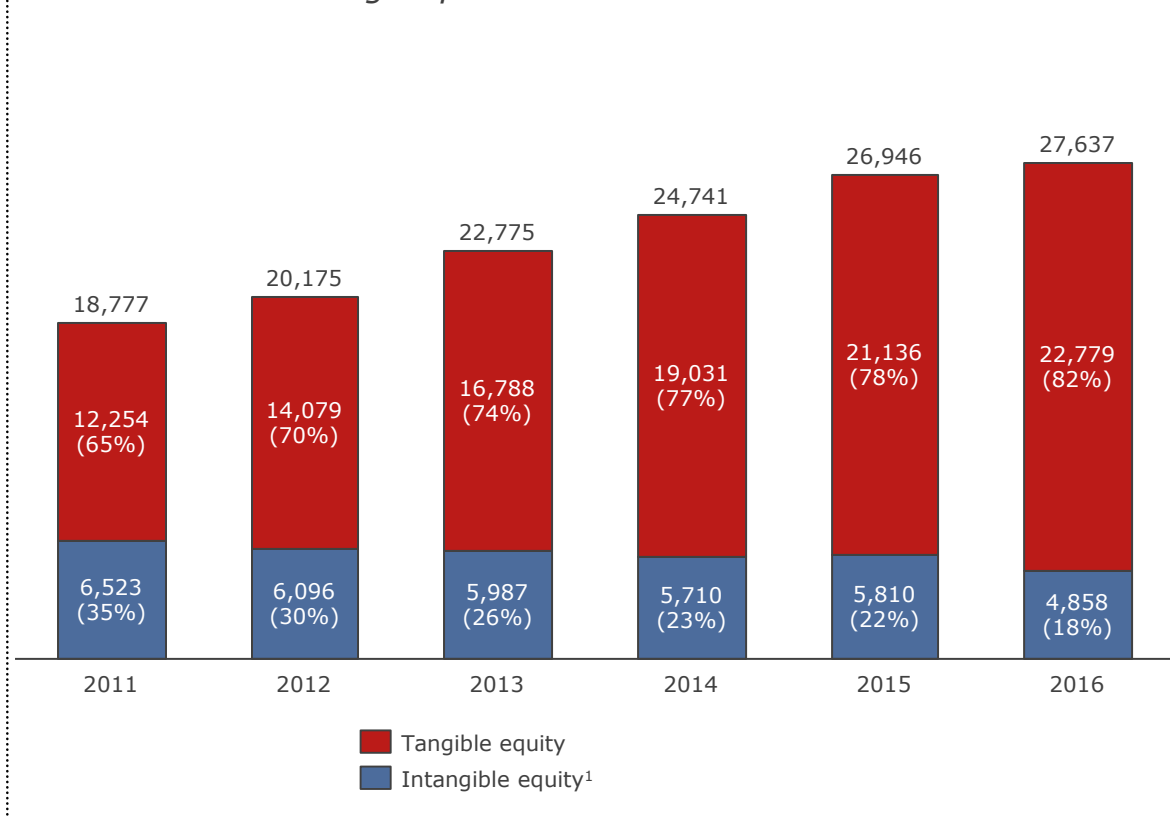
■ Transitional technical provisions
 ■ Products contribution to own funds¹
■ Hard capital
 ■ Solvency capital requirement

¹The equity and debt in the Group sits within different legal units. This allocation of solvency capital is done on a pro-forma basis to reflect an approximation to the solvency II capital consumed in the different reporting segments after group diversification. The estimated allocation is based on the capital consumption under SII and CRD IV adjusted for positive capital contribution to own funds. Storebrand has a target of a solvency ratio above 150%. The pro forma allocation of capital is based on the actual solvency ratio pr. Q1 2017 of 159%. Hard capital is defined as paid in and earned equity, subordinated debt and other tangible capital elements. Products contribution to own funds in Guaranteed includes positive contribution from deferred capital contribution (DCC) in the Swedish business.

Group equity and capital structure – reduced financial leverage

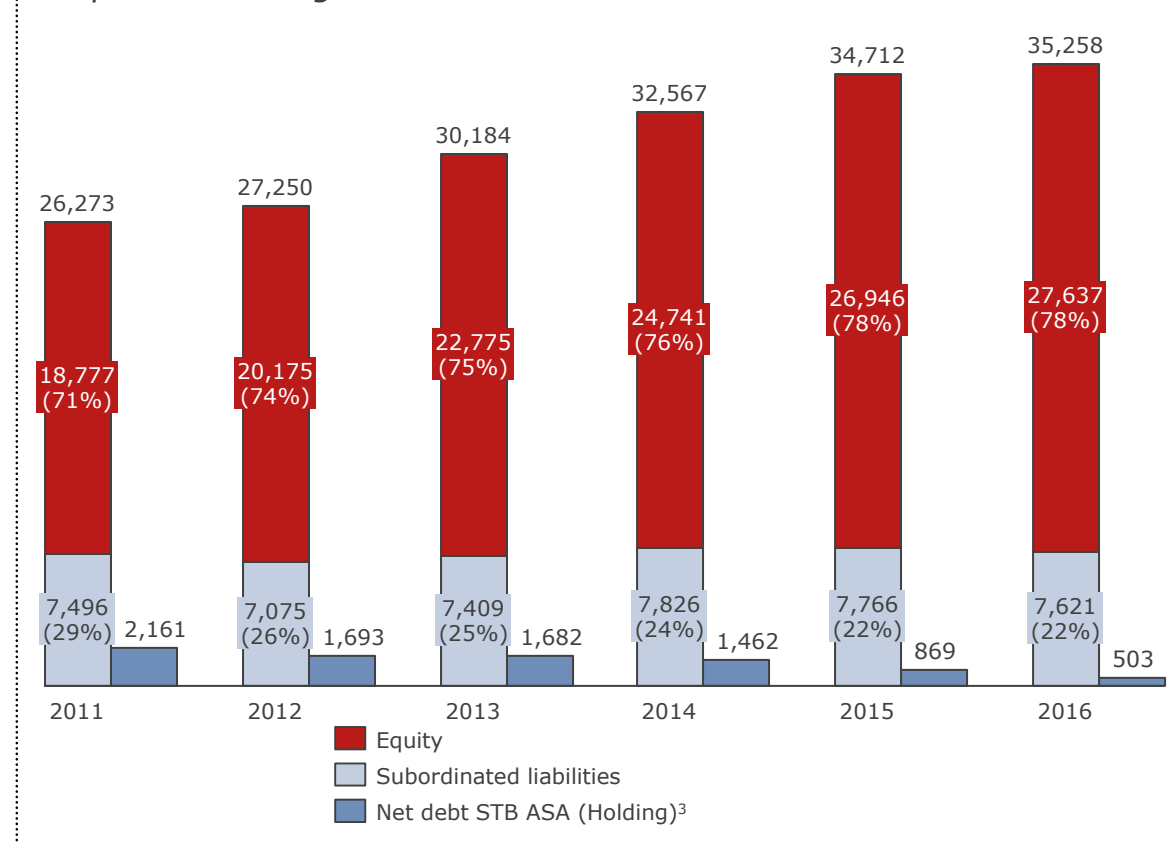
Group equity

Tangible equity increased by 86% 2011-2016, intangible equity amortised according to plan



Group capital structure²

Improved leverage ratio



¹ Intangible equity: Brand names, IT systems, customer lists and Value of business-in-force (VIF), and goodwill. VIF and goodwill mainly from acquisition of SPP.

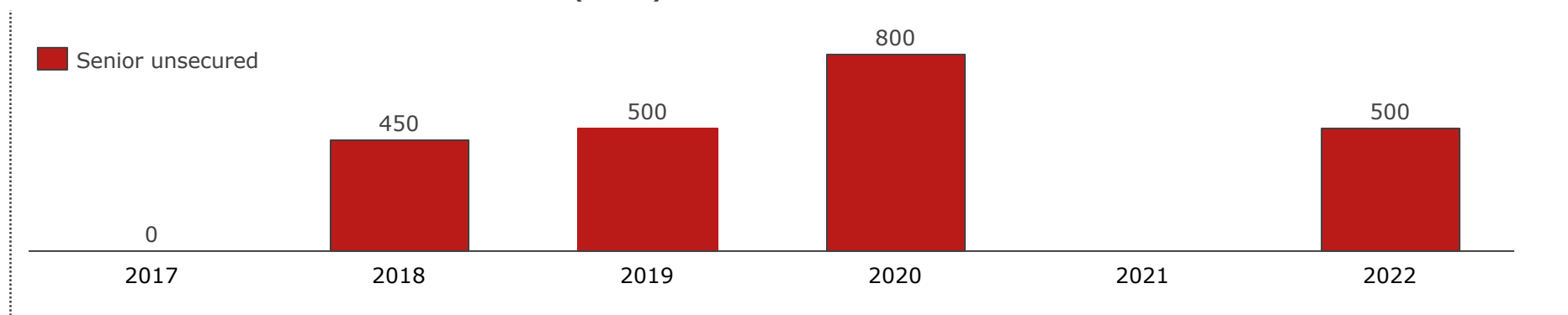
² Specification of subordinated liabilities:

- Hybrid tier 1 capital, Storebrand Bank ASA and Storebrand Livsforsikring AS
- Perpetual subordinated loan capital, Storebrand Livsforsikring AS
- Dated subordinated loan capital, Storebrand Bank ASA and Storebrand Livsforsikring AS

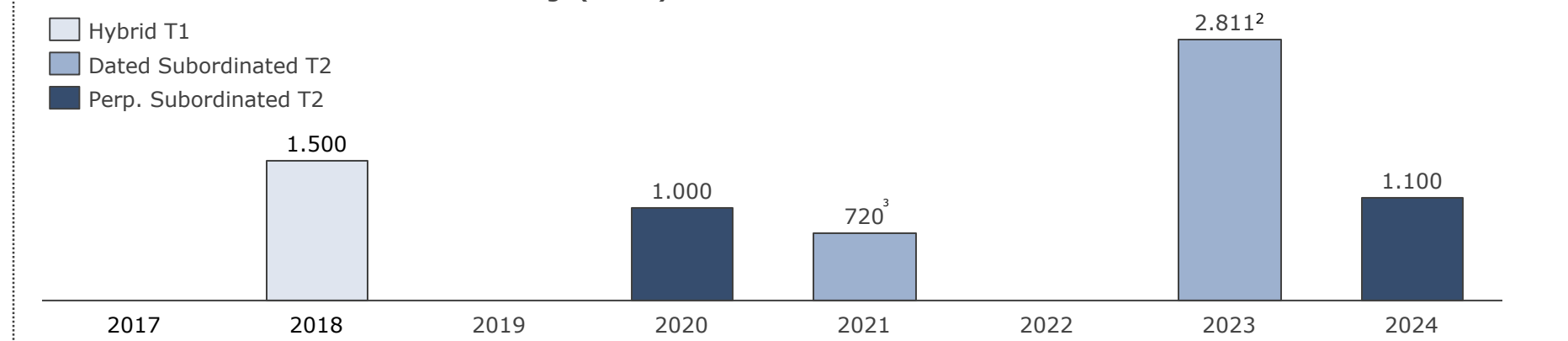
³ (Senior debt – liquidity portfolio) in holding company shown in separate column as it is not part of group capital.

Term structure debt

Term structure senior bond debt Storebrand ASA (MNOK)



Term structure debt Storebrand Livsforsikring¹ (MNOK)

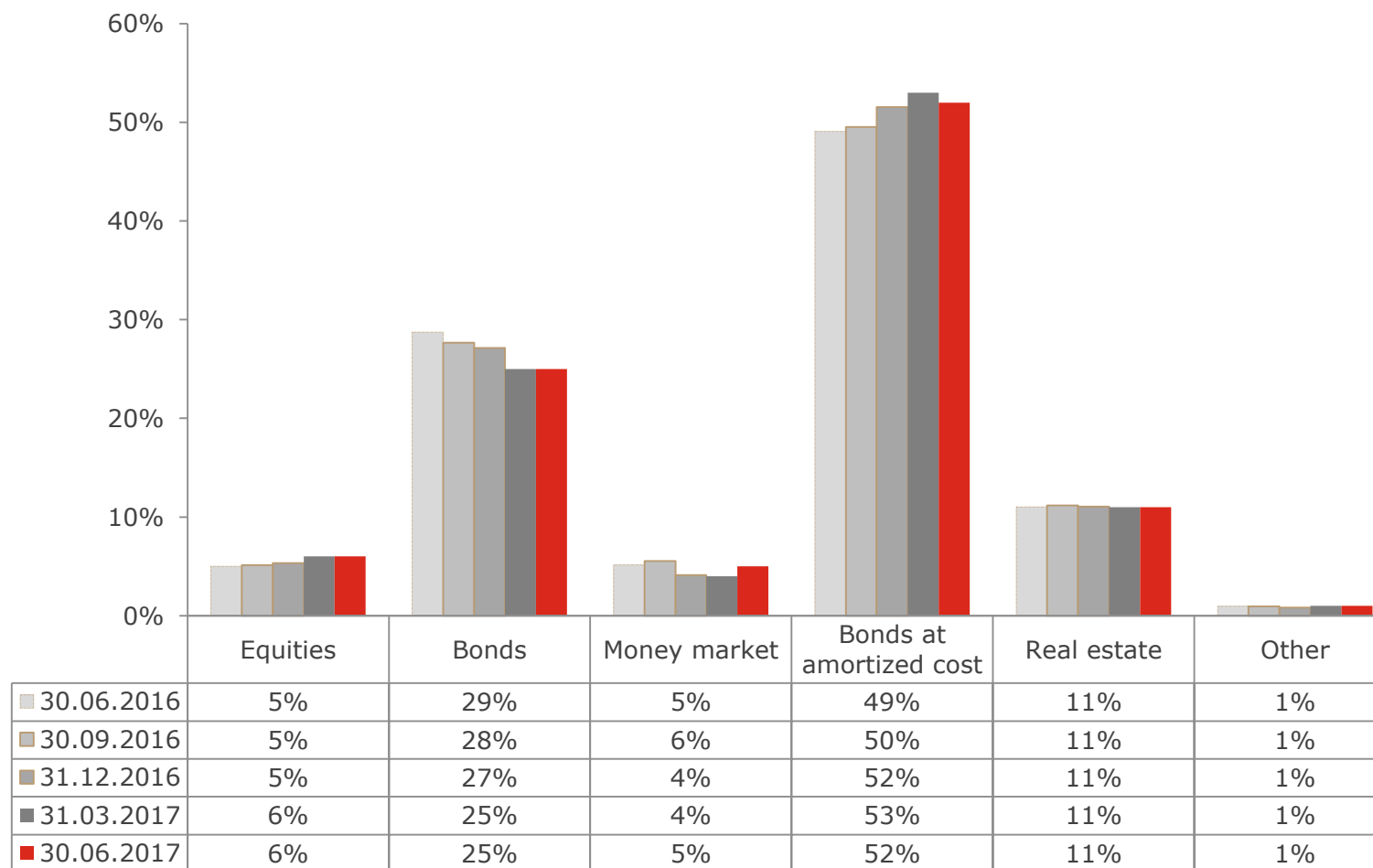


¹ Call dates

² EUR 300 Million (EURNOK 9.37)

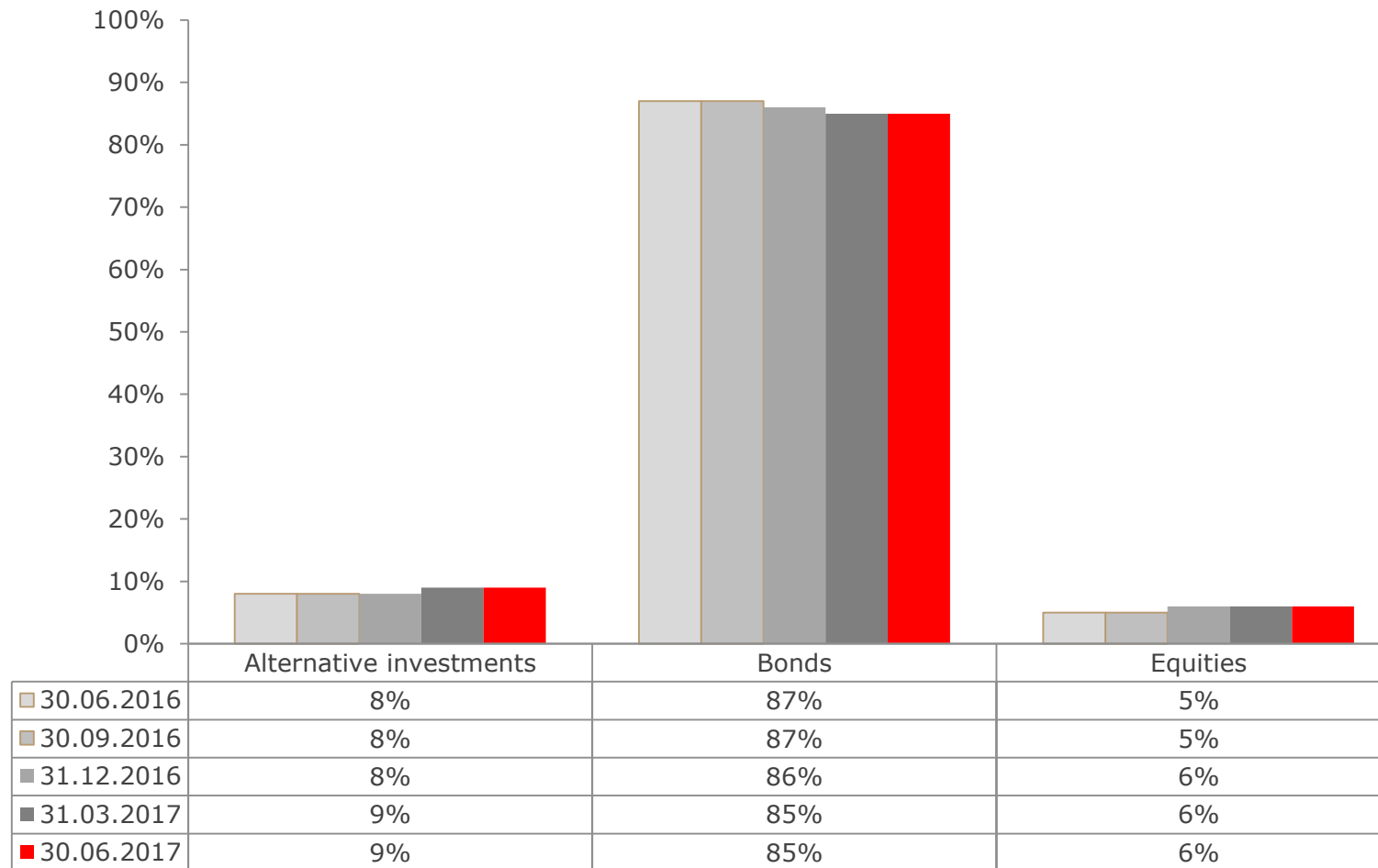
³ SEK 750 Million (NOKSEK 0.96)

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.