Enhanced Shareholder Value in a Higher Rate Environment

On the right side of history - leading the way in sustainable value creation

✓ *Increased capital generation and cash flow*

✓ *Increased capital distribution*

✓ *Updated dividend policy*

CAPITAL UPDATE

December 8, 2022

Summary

1 Increased capital generation and free cash flow	▪ Strengthened back-book contribution as the Guaranteed Back Book transforms into a Financial Asset at higher interest rates ▪ Growing front book and changed business mix imply new dividend policy with lower solvency hurdle of 175% for overcapitalisation ▪ Continued execution of Strategy: Higher capital generation expected due to a compelling combination of earnings growth and run-off of guaranteed business
2 Increased capital distribution	▪ Increased capital distribution: the group reaffirms its commitment to deliver growing ordinary dividends to shareholders. In addition, the ambition is to return NOK 10bn in share buybacks by 2030[1] ▪ Remain disciplined in capital deployment. Priorities: 1) ordinary dividends & organic growth, 2) share buybacks & bolt-on M&A ▪ Strong M&A track-record, continue disciplined M&A approach with absolute financial requirements to be met for further bolt-on M&A
3 Cash and Solvency II reporting core, IFRS17 supplements	▪ Storebrand's fundamentals will remain unchanged under IFRS 17 and IFRS 9 ▪ IFRS 17 (insurance contracts) will supplement existing reporting standards in Storebrand, and IFRS 9 (financial instruments) will be an integral part of all reporting ▪ Main focus for Storebrand will (still) be on cash earnings, SII capital generation and the ability to convert earnings to free cash flow for shareholders

[1] Subject to solvency ratio > 175%

Agenda

Topic	Presenter	Page
Chapter 1 **Introduction**	Odd Arild Grefstad Group CEO	4-14
Chapter 2 **Enhanced shareholder value in a higher rate environment**	Lars Aa. Løddesøl Group CFO	15-41
Chapter 3 **Reporting post IFRS 17**	Kjetil R. Krøkje Group Head of Finance & Strategy	42-49
Q&A	Odd Arild Grefstad, Group CEO Lars Aa. Løddesøl, Group CFO Kjetil R. Krøkje, Group Head of Finance & Strategy Daniel Sundahl, Group Head of IR & Rating	

Key Takeaways

Chapter 1

Introduction

- Continued strategy to be a Nordic Savings and Insurance Group with a compelling combination of self funded growth and capital release from the maturing back book
- We are well on track to deliver on our 2023 ambitions from CMD 2020
- Today's focus: Capital generation and distribution
  - ✓ Increased capital generation and cash flow
  - ✓ Increased capital distribution
  - ✓ IFRS17 does not affect business fundamentals

Pursuing our Group Strategy: Leading The Way In Sustainable Value Creation to be a leading

Sustainable Nordic Savings and Insurance Group

Future Storebrand
Growth focus in capital-light business areas in front book

A Leading Provider Occupational Pensions Norway & Sweden

B Nordic Powerhouse in Asset Management

C Growing Challenger in Norwegian Retail Market

Strategic differentiators

D Leadership in Sustainability

E Digital Frontrunner

Capital Management

I Growing ordinary dividends from earnings

II NOK ~10bn in share buybacks by 2030

III Additional capital generation

Today's focus

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The shift towards a high ROE Nordic capital-light growth business continues, stronger contribution from higher interest rates going forward

FROM	TO
Norwegian market leader occupational pension	Diversified Nordic capital-light growth business
Low Return on Equity (ROE)	High Return on Equity (ROE)
Building capital and cash position	Increased Free Cash Flow available for distribution to shareholders
Very low interest rates	Higher interest rates
SII + Cash (IFRS 4 / NGAAP)	SII + Cash (IFRS 4 / NGAAP) + IFRS 17 & 9

Well on track to deliver on our profitable growth ambitions for 2021-23, as communicated at CMD 2020

Future Storebrand
Growth focus in capital-light business areas in front book

A Leading Provider Occupational Pensions Norway & Sweden

Norway:

✓ #1 private sector occupational pensions

Sweden:

✓ Double digit premium growth Unit Linked

B Nordic Powerhouse in Asset Management

?

NOK 250 bn
AuM growth

C Growing Challenger in Norwegian Retail Market

Double digit ✓
growth insurance,

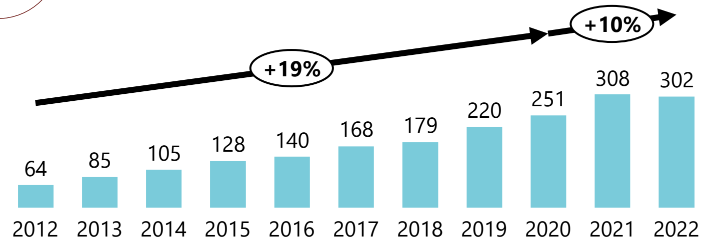
combined ratio <92% ✓

Group profit[1] ambition of NOK ~ 4 bn in 2023 confirmed ✓

[1] Group profit before amortisation and tax

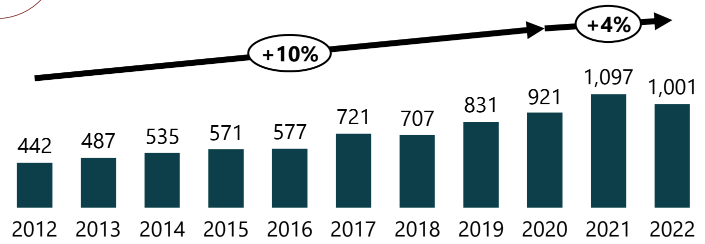
Double-digit growth in all of Future Storebrand, but financial markets reduce AUM growth in 2022

Unit Linked (Defined Contribution) Pensions



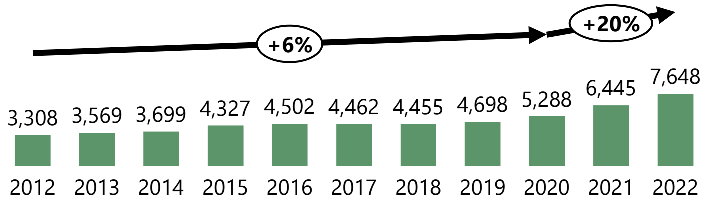
UL reserves (NOK bn)

Asset management



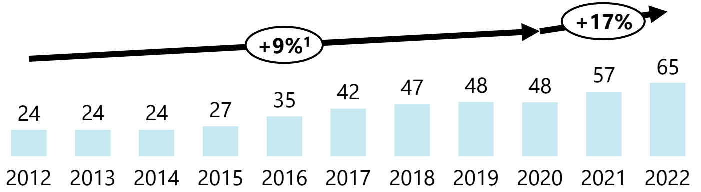
AuM (NOK bn)

Insurance



Portfolio premiums (NOK m)

Retail bank

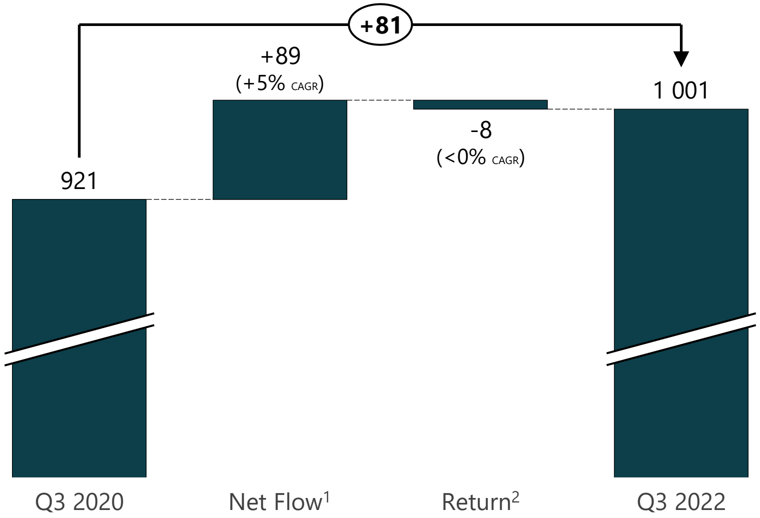


Loan balance (NOK bn)

Growth figures expressed as CAGR from FY 2012 to Q3 2020 (last CMD), then from Q3 2020 to Q3 2022

Strong net flow in challenging financial markets

Asset Management
Net flow since last CMD update in 2020 (NOK billion)

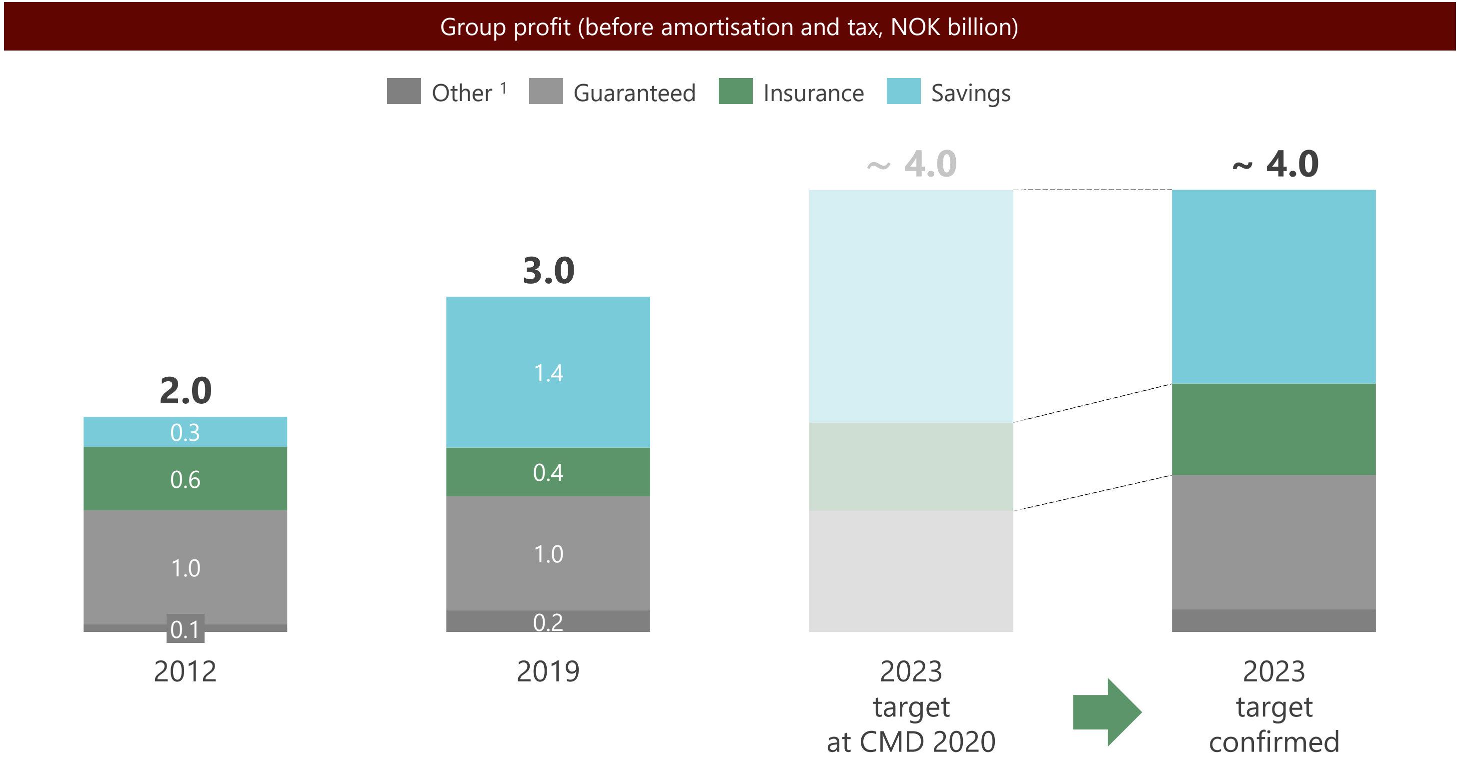


- ✓ Stable net inflow from Defined Contribution pensions in structural growth
- ✓ Successfully grown alternative assets offering, especially within Private Equity
- ✓ Several new international mandates won from institutional clients, particularly within ESG enhanced funds
- ~ Weak financial market returns in 2022 slows growth in AUM

[1] Includes NOK 21bn acquired through Capital Investment

[2] Includes FX effects

Confirming the Group NOK ~4bn 2023 target



[1] Profit in "Other" attributed to financial result form company capital

Growth and margins communicated at CMD 2020 mostly on track

	Future Storebrand				Run-off business
	Savings			Insurance	Guaranteed
	Unit Linked	Asset Management	Bank		
Volume (NOK) Q3 2020	AUM 252 bn	AUM 921 bn	Lending 48 bn	Premiums f.o.a.[1] 4.3 bn	AUM 277 bn
CAGR 2020-2023	~ 8-12 % ✓	~ 7-11 % ✗	~ 5-10 % ✓	~ 10-15 % ✓	< 0 % ✓
Margin 2021-2023	Fee income ~ 0.6 % - 0.8 % ✓	Fee income ~ 0.18 % - 0.22 % ✓	Net interest ~ 1.1 % - 1.3 % ✓	Combined ratio <92 % ✓	Fee income ~ 0.5 % - 0.6 % ✓

[1] Premiums f.o.a. (for own account) is gross premiums net of reinsurance as of Q4 2020.

Continue to grow high ROE business for increased capital and cash generation

ILLUSTRATIVE

	Future Storebrand	Run-off business	
	Savings & Insurance	Guaranteed[4]	Group
Cash result[1] (NOKm)	2 609	569	3 178
Allocated solvency equity (tangible uT1)[2] (NOKbn)	5.5	21.6	27.0
Pro forma Return on solvency Equity (%)[3]	48%	3%	12%

The RoE is calculated based on last 12 months profit after tax and before amortisation of intangible assets (i.e. cash result), divided on a pro-forma distribution of the tangible Solvency II equity less hybrid capital per line of business. The capital is allocated based on the capital consumption under SII and CRD IV. Unit Linked and Insurance consume 160% of SCR, Guaranteed consumes ~200%.

[1] Last 12m as of Q3 2022 Profit after tax adj. for amortisation (i.e. cash result).
[2] Allocated tangible Solvency II equity (uT1 adjusted for Vif) based the capital consumption under SII and CRD IV. Unit Linked and Insurance consume 160% of its solvency capital requirement, Guaranteed consumes ~200%.
[3] Cash result / allocated Solvency capital as described above.
[4] Includes the result and capital in the "Other" reporting segment.

The increasing interest rates scenario from the CMD in 2020 has unfolded, the group is set to return more than NOK 10bn in capital release by 2030

Roadmap to capital release and share buybacks

Scenario	Exp. Capital Release
1 Increasing rates	>10 billion by 2030
2 Base case: forward rate unfolds	~10 billion by 2030
3 Decreasing rates	<10 billion by 2030

Description

Capital release to shareholders well underway (2020-2022)

- ✓ Solvency strengthened from 150% to 174%
- ✓ NOK 4.4bn dividends[1]
- ✓ Earlier than expected start of buybacks: NOK 500m completed in 2022
- ✓ Bolt-on acquisitions for a total cash consideration of ~NOK2.7 bn since the last CMD

Increasing capital returns going forward

- ✓ The Guaranteed back book is expected to release NOK ~10-12bn by 2030

[1] Dividends paid 2021, 2022 and accrued dividend in solvency ratio as pr Q3 2022 (Storebrand Group Interim report p. 45)

Key Takeaways

175 %

New dividend policy: **Lower threshold for extraordinary capital deployment to 175%** due to change in business mix

Higher capital and cash generation with ambition to fund **growth in ordinary dividend per share**, **organic growth initiatives** and **NOK 10bn in share buybacks by 2030**[1]

The business does not change with the implementation of **IFRS 17**. **Main focus** for Storebrand **will** (still) **be** on **cash earnings**, **solvency capital generation** and **the ability to convert earnings to free cash flow** for shareholders

[1] Subject to solvency ratio > 175%

Key Takeaways

Chapter 2

Enhanced shareholder value in a higher rate environment

- **Chapter 2.1 -** Guaranteed back-book transforming into a Financial Asset with higher interest rates
- **Chapter 2.2 -** Growing front-book and changed business mix
- **Chapter 2.3 -** Capital generation and distribution to support value creation for shareholders

Numbers presented today are based on current reporting and are subject to various factors outside of Storebrand's control

Numbers presented today are based on current reporting

Numbers in the presentation are based on cash like reporting similar to Storebrand's current reporting (which will continue after implementation of IFRS 17 and 9) as well as solvency.

Some key figures will be measured differently under IFRS 17 and 9. Calibrated key figures will be addressed when the new standard has been implemented.

Factors outside of Storebrand's control may influence numbers presented in this presentation

Estimates of future values in this presentation are subject to factors outside of Storebrand's control such as interest rate forward curve, market risk premia and regulatory changes.

Forward curve

Normal risk premia

Regulatory changes

Key Takeaways

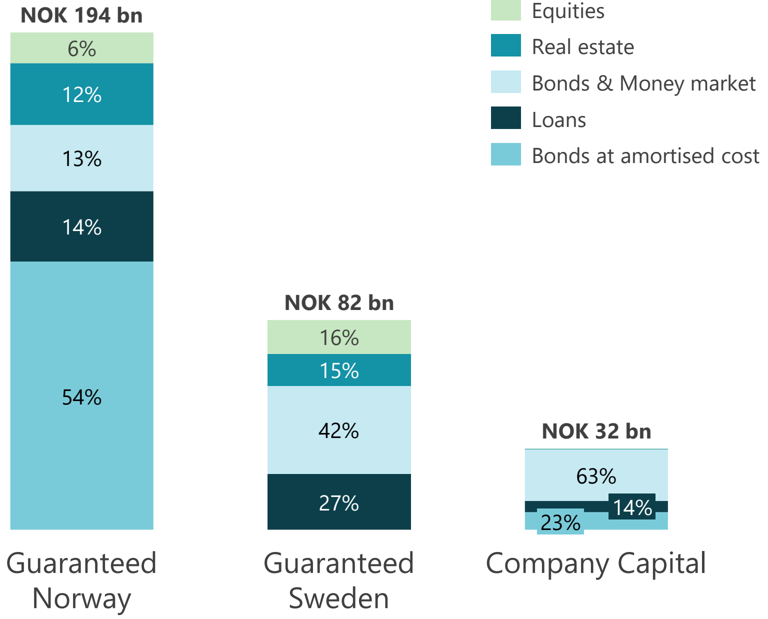
Chapter 2.1

Guaranteed back-book transforming into a Financial Asset with higher interest rates

- Higher interest rates generate capital from buffer building and profit sharing in Guaranteed pensions
- Financial result from company capital increases with higher rates
- Run-off of Guaranteed pensions releases capital at faster pace

High quality assets, with fixed income as the backbone, provide secure returns for guaranteed pensions and company capital

Invested assets[1] on Storebrand's balance sheet



Bonds at amortised cost		Bonds and Money Market
Average rating	**Book yield**	**Average rating**
AA-	>3%	AA

Equities	Real estate	Loans
90% **MSCI World**	Prime **Location & Quality**	90% **Asset Backed**
10% **Local Index (OMX & OBX)**		

[1]Norwegian and Swedish guaranteed portfolios, as of Q3 2022. Only company capital 100% attributable to P&L.

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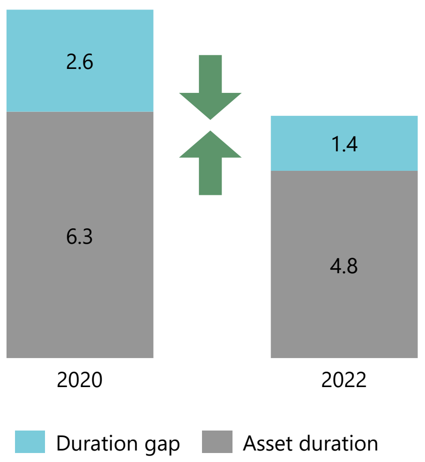
In Norway, the higher interest rate environment has enabled us to reduce policyholders' and shareholders' interest rate sensitivity by investing more in longer dated bonds

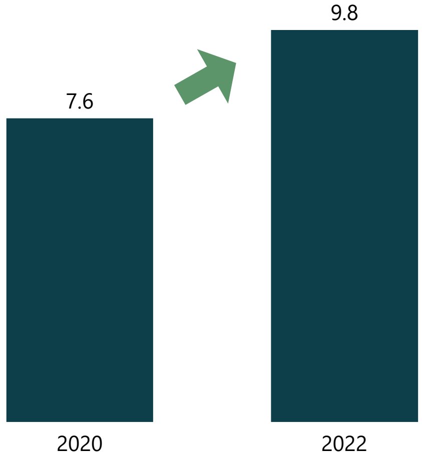
Reduced interest rate sensitivity[1,2]

Duration gap (years) Solvency II



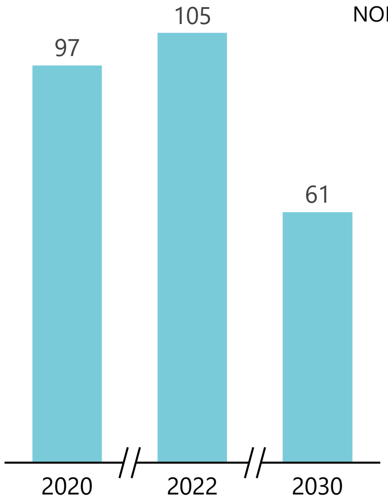
Longer duration of bonds at amortised cost has improved our liability hedging and reduced the solvency sensitivity

Time to maturity (years)



More long dated bonds that gradually amortise and can be reinvested in high quality bonds with better yield

Book value of bonds at amortised cost NOK bn



[1] Liability duration measured for Solvency 2 Best Estimate Liability, hence including future discretionary benefits and based on Solvency 2 curve with UFR and VA.
[2] Duration measured in years is reduced from higher interest rates

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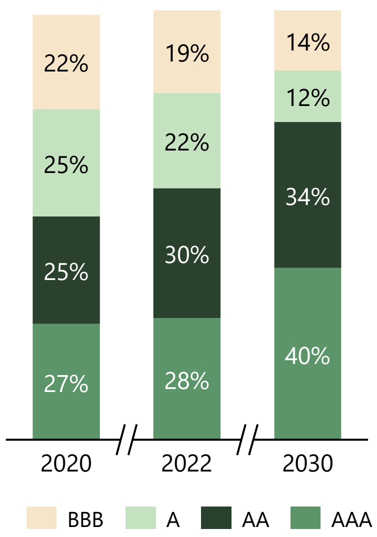
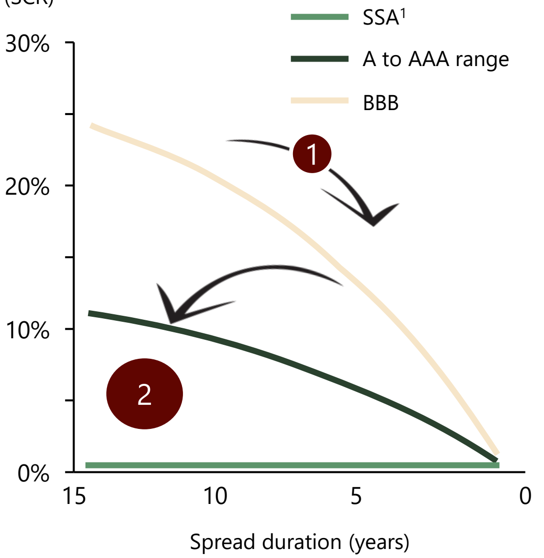
Bonds at amortised cost is the main asset class for hedging long term guarantees in Norway, providing high quality predictable returns and gradually reduced SCR

Actively improved bond portfolio quality over the last years. The quality will continue to improve as bonds amortise

Rating allocation of portfolio, no reinvestments



Gradually (1) shorter duration and (2) reinvestment at longer duration with higher quality will reduce the SCR



Introduction of IFRS 9 increases the flexibility of using bonds at amortised cost and hence increases capital efficiency over time

- Amortised cost portfolio will be recognised as "Hold to collect and sell" under IFRS 9.
- "Hold to collect and sell" will have the same treatment in Norwegian statutory accounts as Bonds at amortised cost have today, but with increased flexibility
- Increased flexibility will improve:
  - ✓ Duration matching
  - ✓ Capital efficiency
  - ✓ Liquidity

[1] Sovereigns, supranationals and agencies with zero SCR under Solvency II

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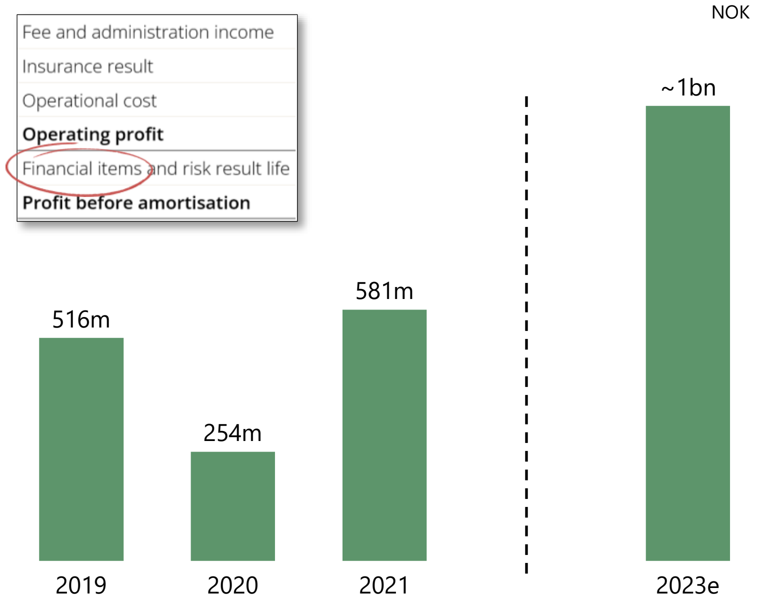
Financial result (cash contribution) from Guaranteed pensions and company capital increase from higher interest rate level

Financial result[1] from Guaranteed products and company capital in Storebrand Group



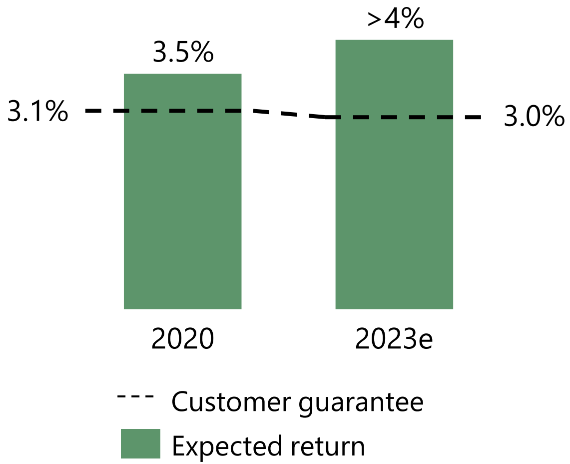
- Higher interest rates increase the expected financial result from approx. NOK 0.5bn to NOK 1bn annually
- Ca 70% of result from company capital, 30% from expected profit sharing
- Most of the profit sharing expected to come from the Swedish business near term
- Norwegian business builds capital and solvency

[1] Financial result includes net profit sharing from guaranteed products and net financial result from company capital, but excludes contribution from Storebrand Helseforsikring and Storebrand Bank. It does not include any risk result from the relevant products, which is reported on the same line at Group level.

In Norway, higher interest rates lead to excess returns over the customer guarantee

Increased expected return in Guaranteed pensions, Norway

Higher investment return in combination with a decline in average guaranteed rate of return



Short term

Use excess returns to **build buffer capital**. **Shields customers** and **shareholders** under adverse market scenarios and **generates solvency**

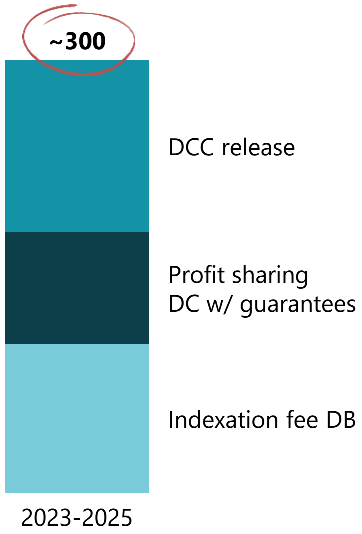
Medium term

Use excess returns for profit sharing. ~80% to customer, ~20% to shareholders

Norwegian portfolios, as of Q3 2020 and 2022. Effective investment spread based on excess returns from total assets including risk premia and customer buffers.

In Sweden, higher rates give a lower UFR[1] drag which releases DCC[2], and a rapid return to profit sharing for increased capital generation

Net profit sharing, Guaranteed Sweden (NOK m)



A close to **perfectly matched portfolio** in Sweden means **limited impact** from **changes** in **interest rates**

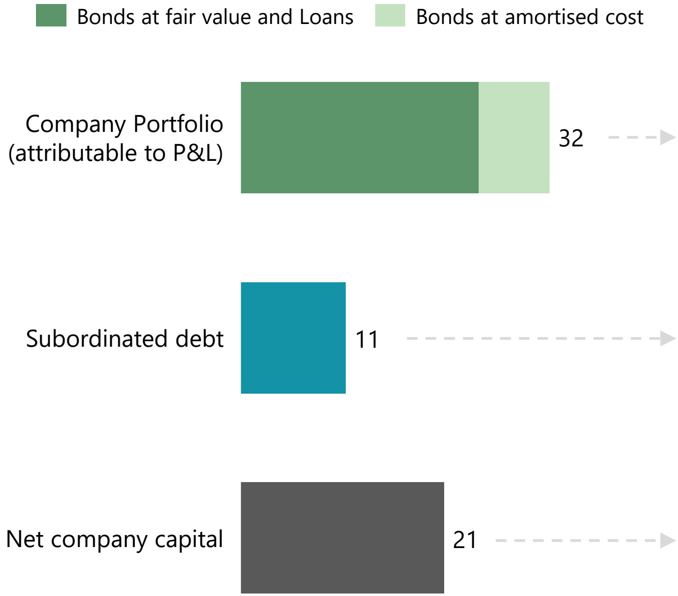
Lower UFR drag combined with risk premia give **better capital generation** and a **stronger profit contribution…**

…**resulting** in a **quick return** to **profit sharing** in **Sweden**

[1] Ultimate Forward Rate
[2] Deferred Capital Contribution (DCC) is capital provided to customers with a deficit in assets compared to the discounted liability, which can be fully repatriated when there is a surplus of assets

Higher interest rates expected to give NOK ~700m in annual profit contribution from company capital

Company capital (NOK bn)



P&L impact (NOK bn)

Total expected return 2023-2025 of ~4%
→ **NOK ~ 1.3bn** annually[1]

Expected interest payments 2023-2025 of ~6%
→ **NOK ~ -0.6bn** annually

NOK ~700m in annual profit contribution from company capital[1]

Investment returns

Bonds at fair value and Loans

Investments with floating rate and short credit duration
→ Expected return > 4%

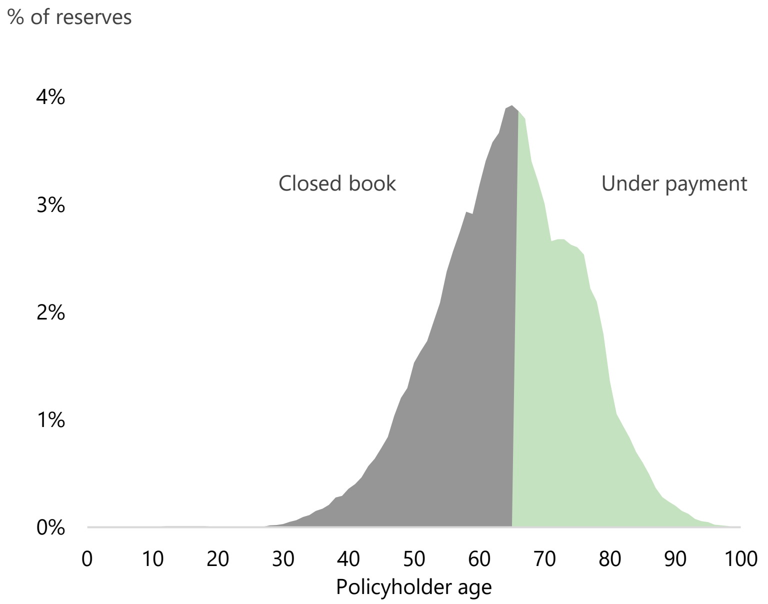
Bonds at amortised cost

Continuously reinvested
Median duration < 4 yrs.
Yield 2023-2025 > 2,5%

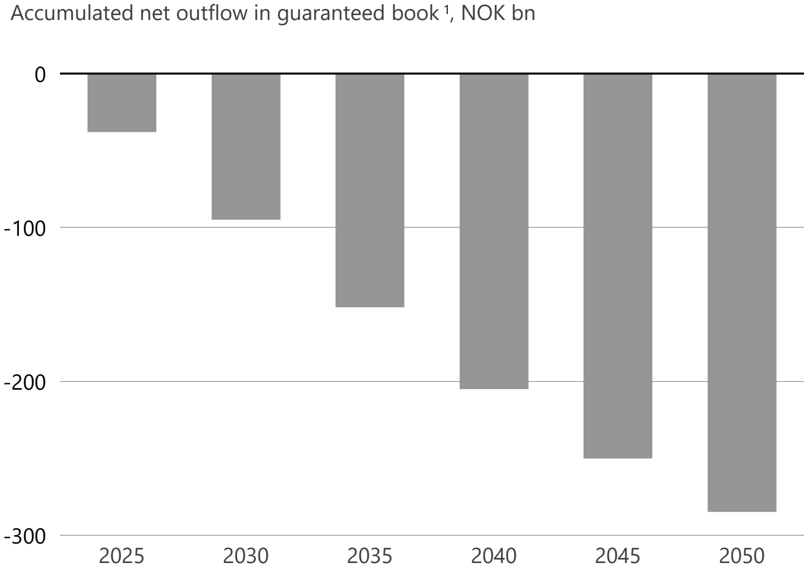
[1] Includes a contribution of NOK 30-50 mill. from other insurance products not 100% attributable to P&L

The average back book policyholder is at retirement age and pension withdrawals will continue at a steady and predictable pace

Policyholders are retiring, with more guaranteed reserves to be paid out as pensions



The guaranteed reserves run-off is expected to continue until 2050 and beyond



[1] Guaranteed business not including Defined Benefit Public Pension

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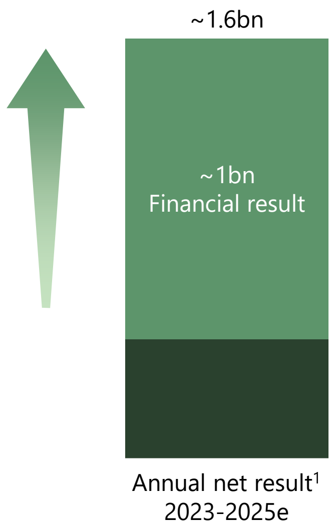
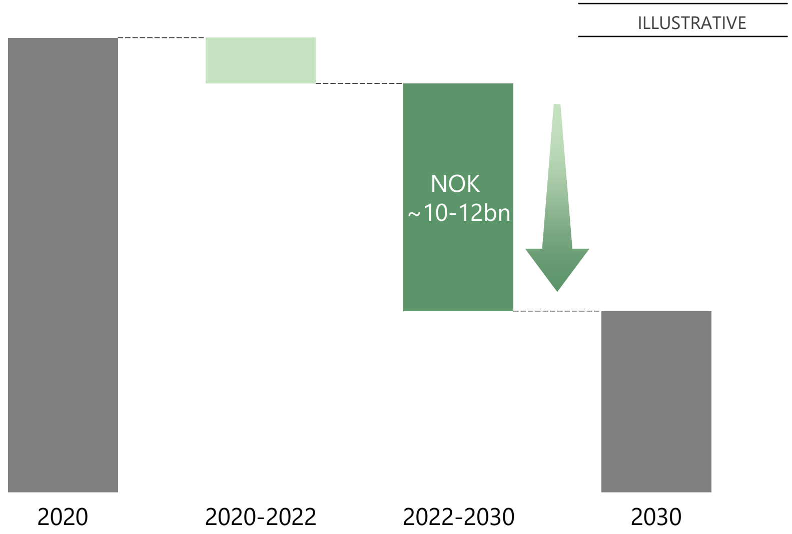
Stronger cash result contribution from Guaranteed pensions and company capital, with increased capital release from run-off business, transforms the back-book into a financial asset

Stronger cash result contribution from Guranteed products and company capital



Increased captial release from Guranteed prodcuts in run-off



- ✓ Significant capital release 2020-2022 attributed to both continuous run-off of Guaranteed pensions (illustrated) and increasing rates
- ✓ Higher expected run rate of release from run-off with higher interest rates

Higher ROE potential in run-off business

[1] Net profit after tax, but adjusted for amortisation for the Guaranteed segment and from company capital. Financial result is illustrated as gross NOK ~1bn, while the total shows the net result including operating profit and risk result, net of the total related tax expense.

Key Takeaways

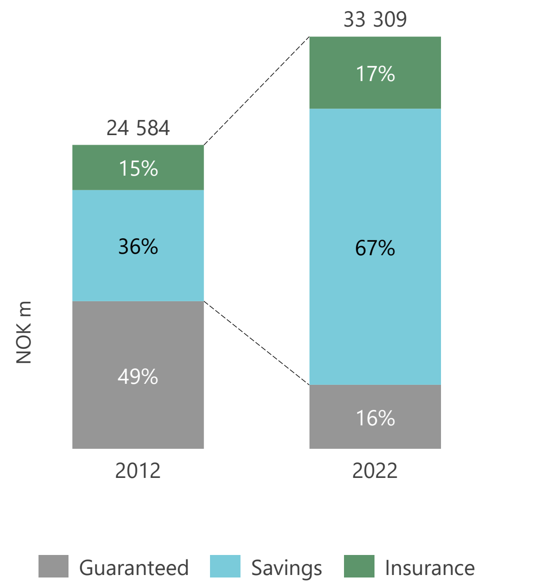
Chapter 2.2

Growing front-book and changed business mix

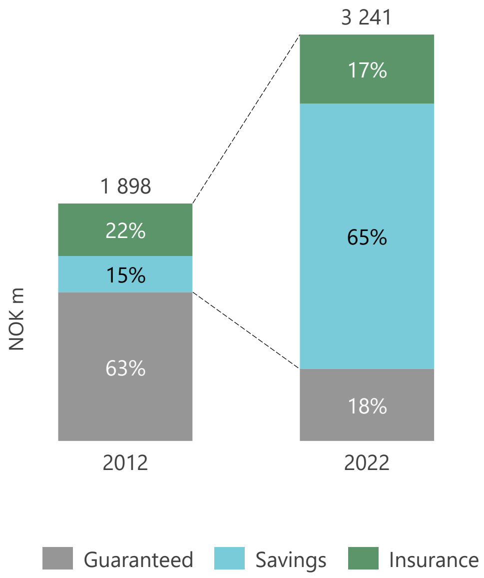
- Balance sheet transformation to capital light Savings and Insurance continues
- New business mix is strongly capitalised and less volatile, reducing solvency threshold for excess capital distribution to 175%

The Group has transitioned from capital consumptive Guaranteed business to capital light Savings and Insurance business

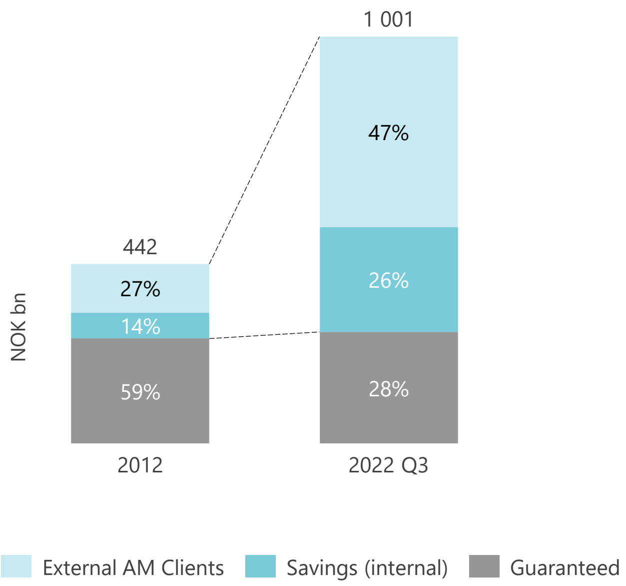
Premiums Storebrand[1]



Profit Storebrand[2]



Shift in total Storebrand AUM[3]

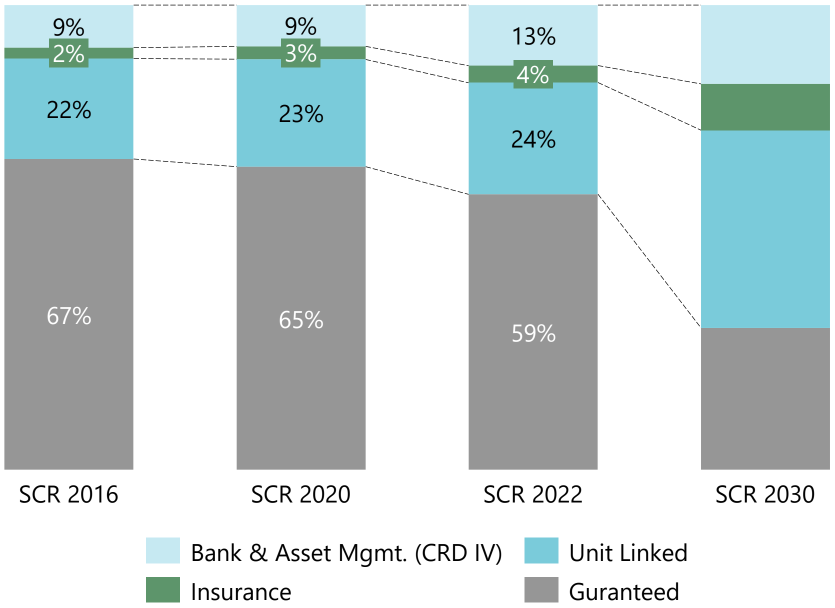


[1] Pension premiums in Guaranteed and Unit Linked products, Insurance premiums f.o.a., last 12m.
[2] Profit before amortisation, "Guaranteed" includes "Other" segment, last 12m.

[3] Savings: Internally managed Unit linked assets and Storebrand Company capital, Guaranteed: Guaranteed reserves, External: External AUM in Storebrand Asset Management.

Continued growth will be capital-light and change the balance sheet composition

The business mix and balance sheet shift
changes the composition of the solvency capital requirement (SCR)



- SCR has remained stable despite double digit growth
- Shift from high capital consumptive to low capital consumptive business has released capital
- Continued capital light growth will consume some additional capital

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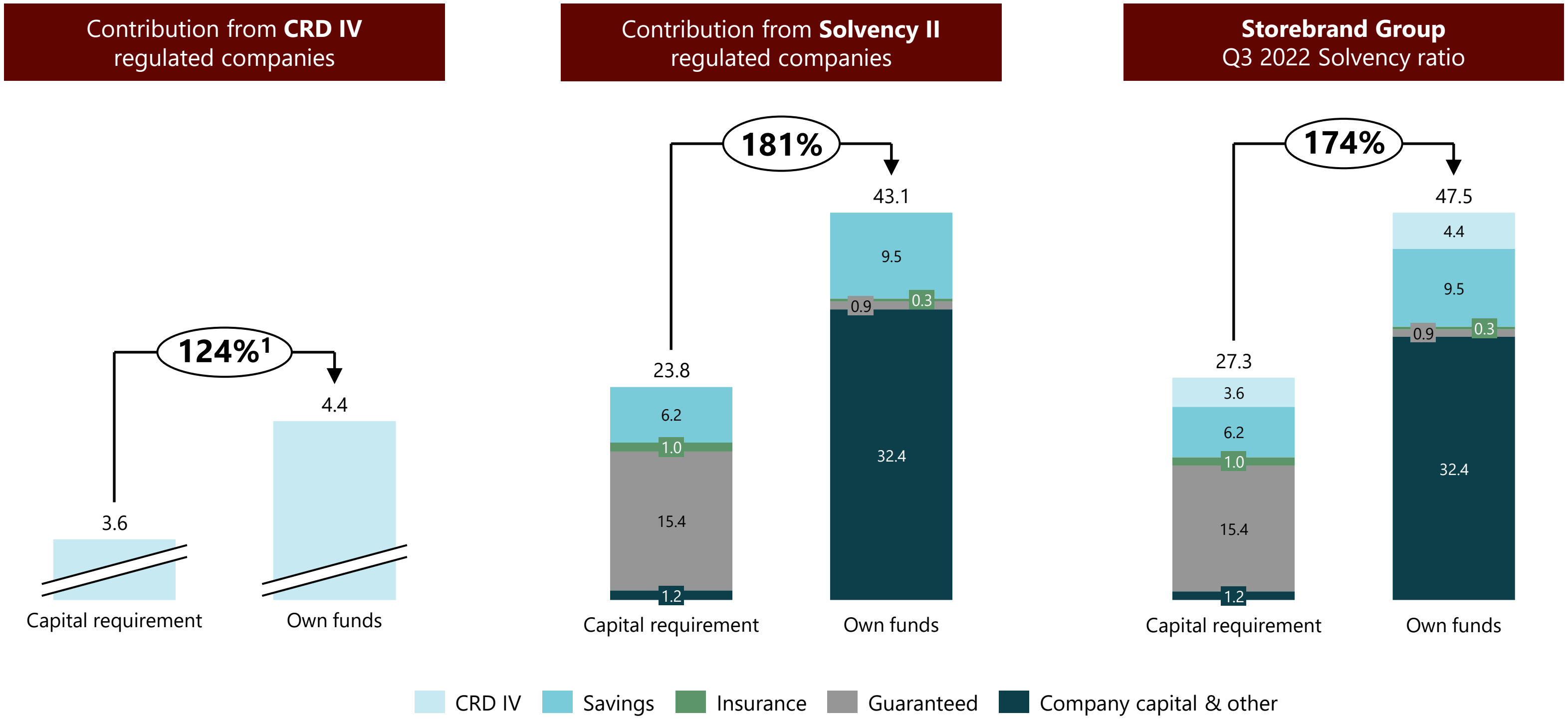
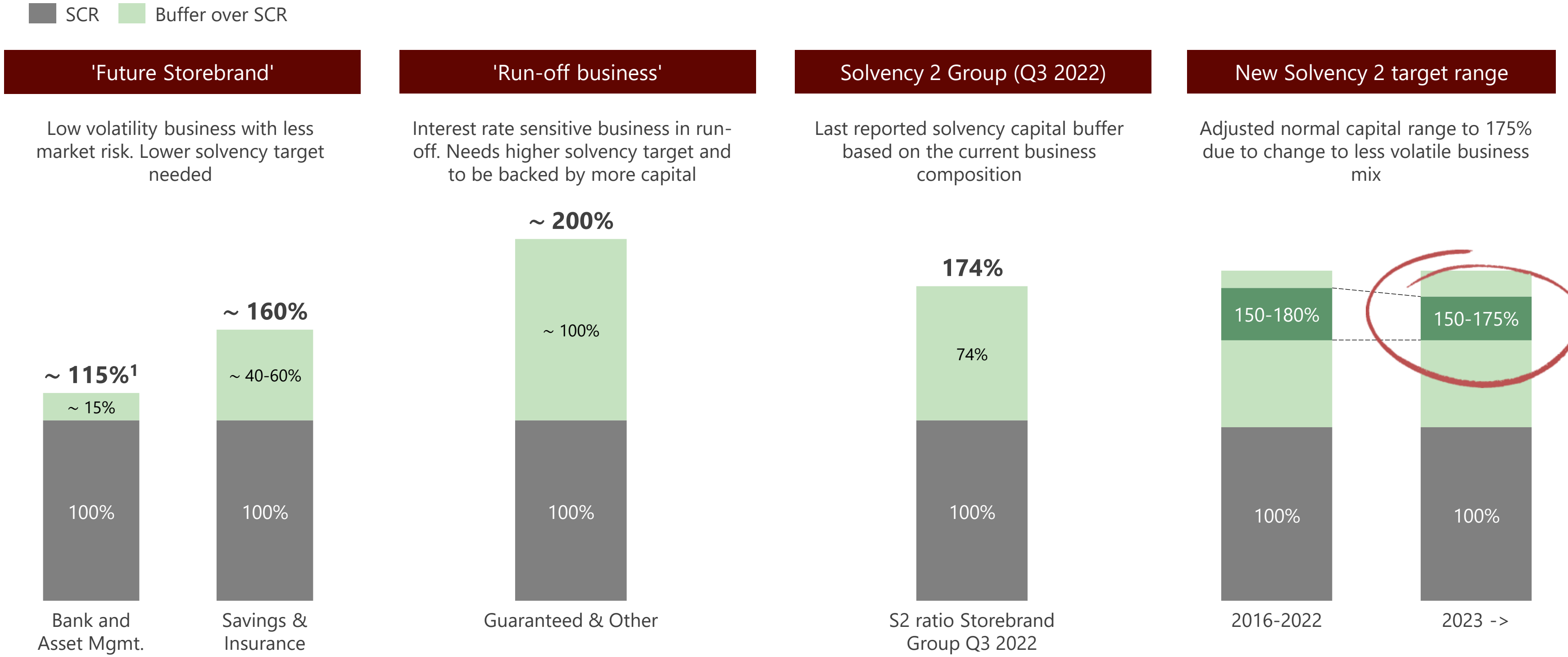
Solvency II and CRD IV subsidiaries are strongly capitalised under their regulatory capital frameworks, but the CRD IV business dilutes the Group's Solvency II ratio



[1] Includes Storebrand Asset Management and Storebrand Bank. Equivalent to 14.4% CET1 ratio and 20.3% total capital ratio in Storebrand Bank Group.

Adjusted top end of normal capital range to 175% due to strongly capitalised and less volatile business mix



[1] Equivalent to 14.4% CET1 ratio in Bank and CRD IV Asset Mgmt. – consolidated into group solvency ratio

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Capital generation and distribution to support value creation for shareholders

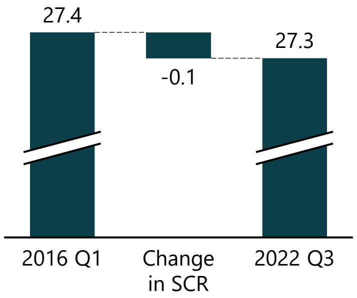
Key Takeaways

Chapter 2.3

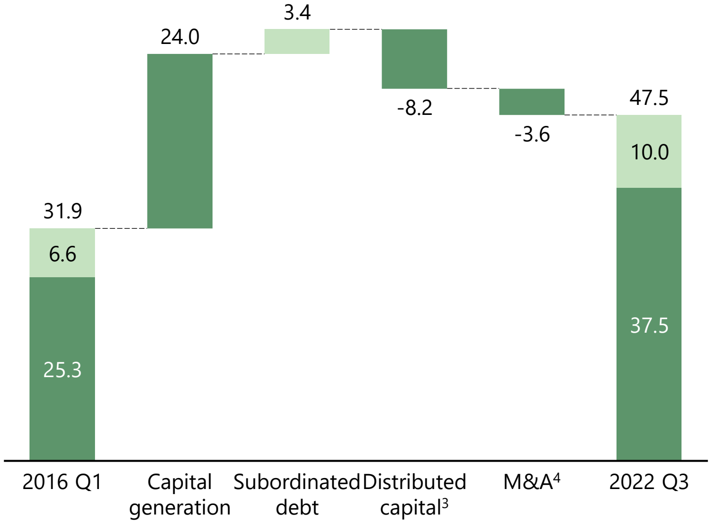
- Strong capital generation and cash remittance to Hold co. since the introduction of Solvency II has enabled growth and increasing returns to shareholders
- Higher capital generation is expected going forward with a compelling combination of earnings growth and run-off of Guaranteed business
- We remain disciplined in capital deployment and reaffirm our commitment to deliver growing ordinary dividends to shareholders
- Priorities for deployment of additionally generated capital:
  1) ordinary dividends & organic growth
  2) share buybacks & bolt-on M&A
- Taking the long view, free cash flow available to shareholders will increase in both a growth and non-growth scenario

Strong capital generation has been instrumental to build solvency in parallel with capital distribution and growth

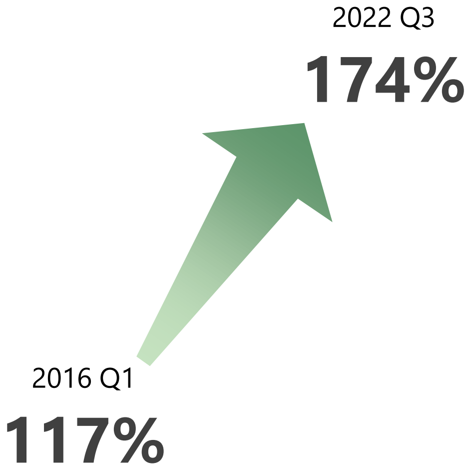
Stable SCR[1] despite high growth since the introduction of Solvency II



Strong Solvency **capital**[2] **generation** since the introduction of Solvency II



Significant improvement in the **Solvency ratio** since being introduced



All numbers are excluding transitional rules in the period
[1] Solvency II Capital Requirement
[2] Solvency II Own Funds
[3] Actual dividends and share buybacks, and current provisions for dividends
[4] Goodwill and intangibles from acquisitions, adjusted for increase in equity related to the acquisitions

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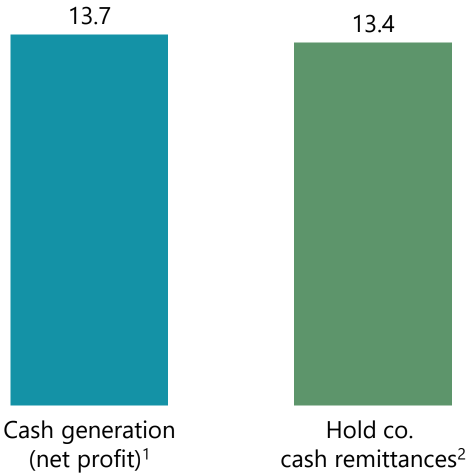
Our cash result has been close to fully remitted to Hold co.

Profit is close to fully remitted as cash to Hold co
5 years cumulative values for 2017-2021



- Cash remitted to Hold co. for maximum fungibility between subsidiaries
- Hold co. cash can be returned to shareholders or invested in growth

[1] Reported net profit for Storebrand Group
[2] Remittances are net of cash injections in subsidiaries to fund organic growth, but before internal remittances related to M&A transactions

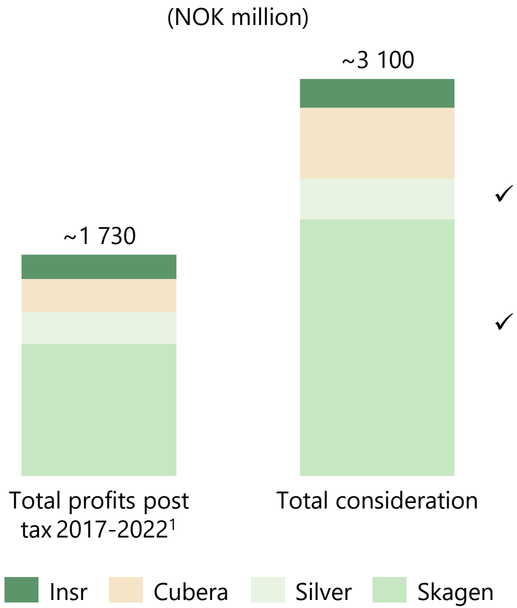
The group has strengthened the business with acquisitions supporting the transformation towards a capital-light growth business since 2017

2017	2017	2019	2020	2021	2022	2022
Skagen	Silver	Cubera	Insr	Capital Investment	Danica	Kron[1]
Traditional asset management	Pension	Asset management within alternatives	P&C insurance	Asset management within alternatives	Pension & life insurance	Savings platform

[1] Subject to regulatory approval

Together these transactions have created significant value to shareholders, continue disciplined M&A approach going forward

Significant value creation from bolt-ons M&A historically
Storebrand bolt-ons[2] 2017-2020



- ✓ **56%[1] of the consideration** paid in these transactions have been **earned back** (post tax)
- ✓ Expected payback period across the measured transactions indicate **healthy returns on investment**

Disciplined M&A-approach going forward

- ✓ **Continue our disciplined M&A approach**
  - ✓ Engage in M&A only if there is a clear strategic rationale
  - ✓ Absolute financial requirements - substantial uplift from the 10% ROE target to be met
- ✓ **M&A-activity balanced vs. objective to return capital to shareholders**
  - ✓ Strong balance sheet and capital generation will, in addition to capital distribution, enable selected bolt-on acquisitions to strengthen our portfolio and growth

1) For Skagen profits include tangible cost and distribution synergies with Storebrand Asset Management fund companies. For Insr, numbers include profits from up-sales on the acquired customer base
2) Capital Investment, Danica and Kron not included due to the short period of ownership

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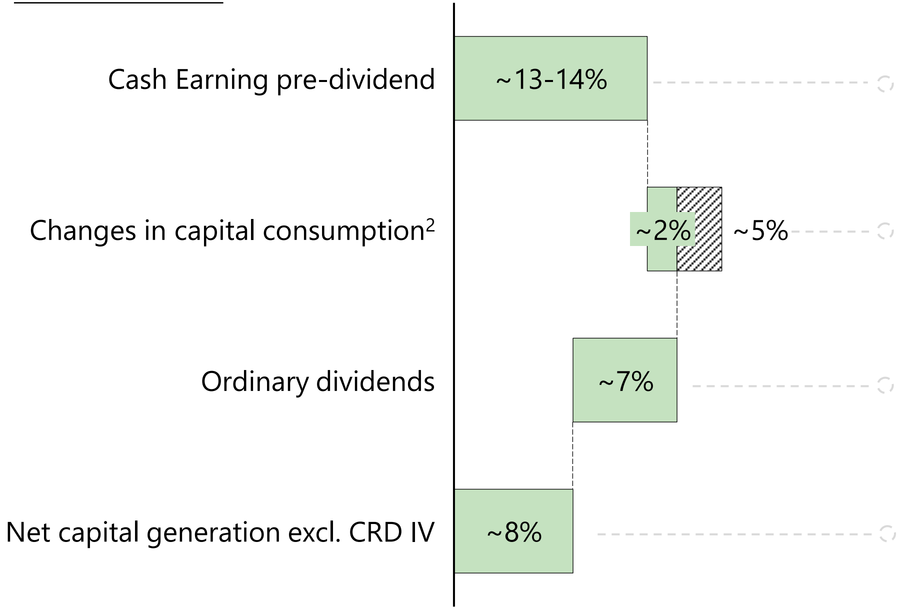
Higher capital generation expected with a compelling combination of earnings growth and run-off of Guaranteed business

Average annual solvency generation medium term[1]
(%-points)

ILLUSTRATIVE



Increasing solvency generation from earnings as transformation to capital-light continues

Significant release from the guaranteed business in run-off, partly offset by growth in other Solvency II regulated lines of business

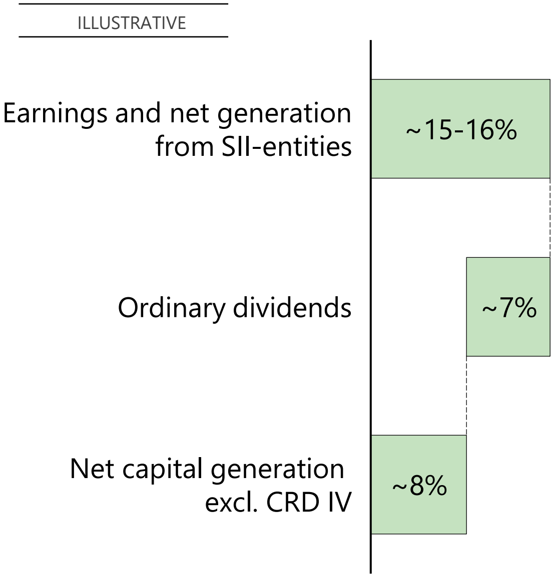
Growing ordinary dividends to shareholders

High net capital generation constitutes a strong basis for value creation for shareholders

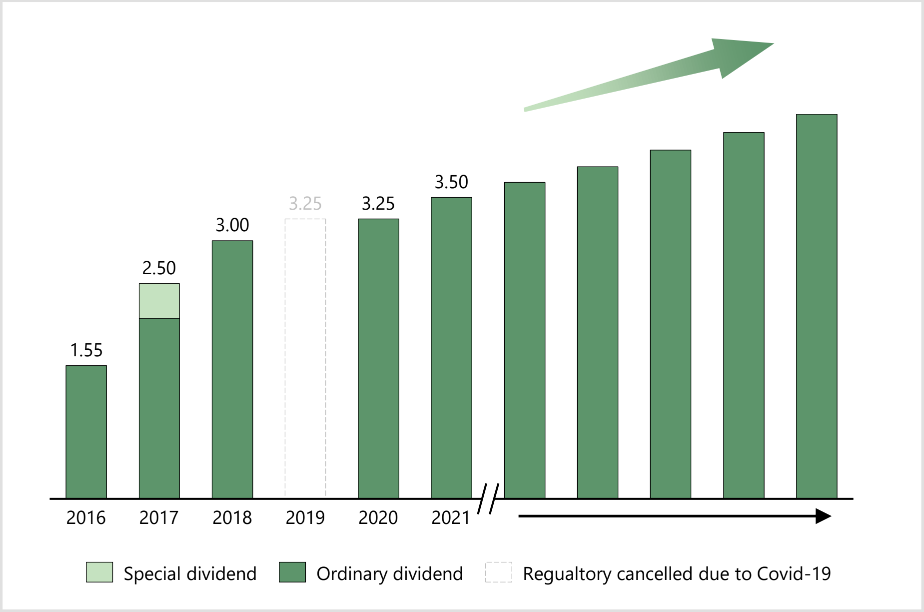
[1] The solvency generation is measured as of Q3 2022 and is sensitive to various moving factors outside of Storebrand's control.
[2] Excluding capital consumption from CRD IV entities, which will be evaluated according to relevant regulation and capital framework.

Reaffirming our commitment to deliver growing ordinary dividends to shareholders

Average annual solvency generation medium term[1]
(%-points)



"Storebrand aims to pay an ordinary dividend of more than 50 per cent of Group profit after tax. The Board of Directors' ambition is to pay ordinary dividends per share of at least the same nominal amount as the previous year."



[1] The solvency generation is measured as of Q3 2022, and is sensitive to various moving factors outside of Storebrand's control

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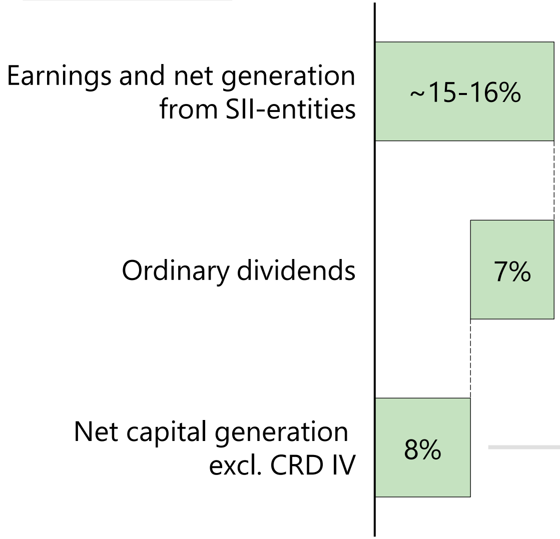
Maximise shareholder value with disciplined capital allocation

Average annual solvency generation medium term[1]
(%-points)

ILLUSTRATIVE



Capital allocation
(after ordinary dividends)

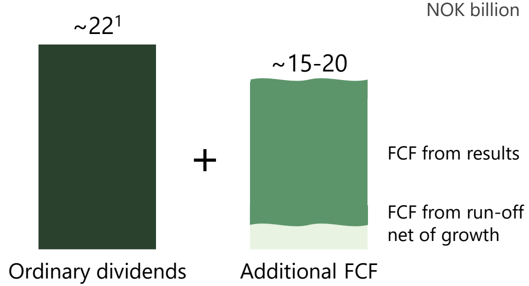
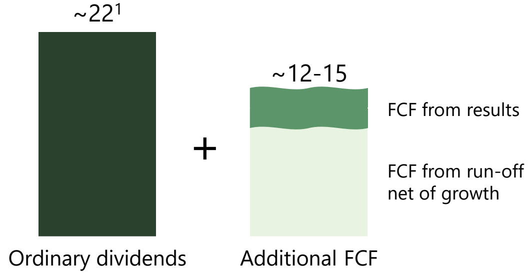
Organic growth	Growth in entities outside of Solvency II and further organic growth
Buy-backs & extraordinary dividends	Ambition if solvency >175% ~ NOK 10bn by 2030
Bolt-on M&A	if accretive opportunities arise

[1] The solvency generation is measured as of Q3 2022, and is sensitive to various moving factors outside of Storebrand's control

Taking the long view, free cash flow available to shareholders will increase in both a growth and a steady state scenario

ILLUSTRATIVE

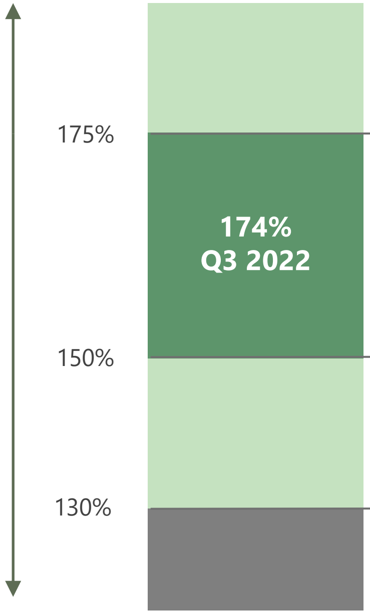
Capital distribution to shareholders

Scenario	Description	Free cashflow available to shareholders (next 10 years)
1 **Growth scenario:** More contribution from result generation	▪ High earnings growth across the business ▪ Need for hard capital to fund high ROE growth. SCR increases, but OF increases more ▪ Earnings growth outgrows SCR growth	
2 **No growth scenario** More contribution from capital release	▪ Stable earnings development from 2023 onwards ▪ SCR and capital consumption decreases substantially ▪ Capital release from back book distributed to shareholders ~ 1-to-1	

[1] Assuming 5% annual growth in dividend applied for illustrative purposes. Numbers are only for illustrative purposes and is not intended as guiding or a forward-looking view on the actual development of group results, or cash flow.

Group capital management and dividend policy adjusted to reflect lower top end of solvency capital range of 175%

Solvency 2 ratio



- Intention to return excess capital through share buybacks when the solvency ratio is above 175%

- Ordinary dividend of >50% of Group profit after tax
- Ambition is to pay nominally growing dividends per share
- Maintain investments in growth

- Reduced dividend
- Consider risk reducing measures
- More selective investment in growth

- No dividend
- Risk reducing measures

Key Takeaways

Chapter 3

Reporting post IFRS 17

- Storebrand’s fundamentals will remain unchanged under IFRS 17 and IFRS 9
- IFRS 17 (insurance contracts) will supplement existing reporting standards in Storebrand, and IFRS 9 (financial instruments) will be an integral part of all reporting
- Unit Linked outside IFRS 17 scope, CSM mainly from Guaranteed business
- Main focus for Storebrand will (still) be on cash earnings, SII capital generation and the ability to convert earnings to free cash flow for shareholders

Note: All information in this section of the presentation is illustrative and unaudited, and subject to final review

Key message I Storebrand's fundamentals remain unchanged under IFRS 17 and IFRS 9

Fundamentals	**No fundamental impact.** Cash generation, solvency margin and dividend will all remain unchanged under the new standard. No implications for strategy, risk appetite and business plans
Company focus	Main focus for Storebrand will (still) be on cash earnings (today's reporting), SII capital generation and the ability to convert earnings to free cash flow for shareholders
Reporting	IFRS 17 (Insurance Contracts) will supplement existing reporting in Storebrand, and IFRS 9 (Financial Instruments) will be an integral part of all reporting
P&L	IFRS 17 will impact the timing of profit recognition, higher IFRS 17 earnings on normalized basis
Balance sheet	Transition to IFRS 17 will reduce shareholders' equity with ~20%[1]. New balance sheet item CSM represents present value of future profits. No CSM contribution from Unit linked contracts, outside IFRS 17 scope

[1] All figures and numbers are illustrative and unaudited, implies no financial forecast

IFRS 17 impacted business lines are reported in the Insurance and Guaranteed segments under the existing reporting

PRELIMINARY

Reporting segment	Line of business	Chosen measurement models	% of Storebrand products[2]
Savings[1]	Unit linked Norway[1]	No significant insurance risk under IFRS 17, reported under IFRS 9/IFRS 15	43%
	Unit linked Sweden		
	Asset management	N/A	
	Retail banking		
Insurance	P&C & Individual life	PAA (Premium Allocation Approach)	18%
	Health & Group life		
	Pension related disability insurance Nordic	PAA & GMM (General Measurement Model)	2% / 2%
Guaranteed Pension	Defined benefit (priv. & pub sector), Norway	VFA (Variable Fee Approach)	30%
	Paid-up policies, Norway		
	Individual life and pension, Norway		
	Guaranteed products, Sweden		
Other	Other incl. eliminations	N/A	5%

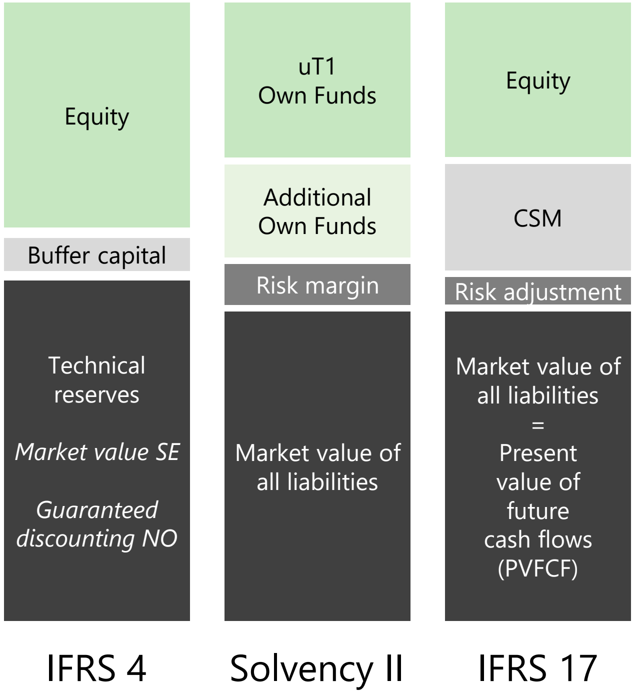
[1] Norwegian unit-linked sub-product FMI is measured under IFRS 17, opposed to other unit-linked products
[2] Based on normalised contribution under current reporting, measured as profit before amortisation and tax

= *IFRS 17* (green) = *No significant IFRS 17 impact* (white)

Balance sheet closer to Solvency II

ILLUSTRATION

Balance sheet comparison



Highlights

- Equity reduced primarily due to the requirement to set up a CSM and RA with offset from changes to the measurement of liabilities
- ~20%[2] less equity under IFRS 17 compared to IFRS 4, but similar equity under IFRS 17 compared to SII uT1. IFRS 17 Equity + CSM > IFRS 4 Equity

- CSM comprises deferred discounted future profits of in-force business, reflecting unearned profit for providing future insurance coverage
- Part of insurance liabilities, thereby reducing equity
- CSM release/amortisation will be key driver for operating profit under IFRS 17

- Risk Adjustment (RA) reflecting compensation for uncertainty in cash flows
- Conceptually similar to Solvency II risk margin
- Risk Adjustment release will contribute to operating profit under IFRS 17

- PVFCF represents discounted expected cash flows to policyholders and attributable expenses
- Reserves similar to Solvency II Best Estimate Liabilities, Solvency II like discount rate applied

[1] Technical reserves (IFRS), markets value of liabilities (S2) and PVFCF (IFRS17) are not too scale.
[2] All figures and numbers are illustrative and unaudited, implies no financial forecast

IFRS 17 earnings higher and more volatile, Cash results similar as today. Higher RoE

PRELIMINARY

Current KPIs	2023	Expected Effect	Comments
Group profit	Group cash result	→	Today's Group profit (before amortisation and tax) will be similar to the sum of statutory accounts
-	IFRS 17 Profit	↑	Group profit under IFRS 17 (compared to IFRS 4)
Equity	IFRS 17 Equity	↓	Lower equity under IFRS 17 compared to IFRS 4
ROE	Group cash ROE = Group cash result / IFRS17 Equity	↑	Higher reflecting lower IFRS 17 equity
EPS	Cash EPS = Group cash result / Shares outstanding	→	Similar to current reporting based on statutory accounts
Combined ratio	-	↘	The intention is to continue current CR reporting, with some minor adjustments due to changes in SBF[1] statutory accounts
Leverage ratio	Debt / (IFRS 17 Equity + CSM + Debt)	↘	Lower reflecting CSM addition
Dividend		→	Unchanged level from IFRS 17

[1] SBF = Storebrand Forsikring AS

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Continuation of current accounting standard in statutory accounts means close-to-cash earnings reported today will continue

Storebrand legal entities *Statutory accounts*	**Group accounts**

Storebrand ASA

Storebrand Livsforsikring AS[1]

SPP Pension och Försäkring AB[1]

Storebrand Forsikring AS (P&C)

Storebrand Asset Management AS

Storebrand Bank ASA

IFRS 17

Storebrand Group and Storebrand Livsforsikring Group will report their accounts under IFRS 17 from Q1 2023

Cash-like reporting (APM)

Storebrand will continue its current Alternative Performance Measure (APM) reporting with the segments Savings, Insurance, Guaranteed Pension and Other.

= Current IFRS / NGAAP   = IFRS 17

[1] The 18th of August 2022 the Norwegian Ministry of Finance determined changes to the accounting rules for insurance companies as a result of the new international accounting standard on insurance contracts (IFRS 17). For life insurance companies, the changes mean that the current rules for accounting for insurance contracts in the company accounts are continued.

IFRS 17 will serve as an additional source of information together with existing reporting in Storebrand

Current reporting standards will continue + **IFRS 17 will be additional reporting from Q1 2023**

Most subsidiaries will continue to report their company accounts under the current standard

- ✓ Storebrand will continue its current alternative performance measures which deviates from the legal structure and current accounting standard
- ✓ No changes to solvency reporting under IFRS 17/9

IFRS 17

Insurance contracts

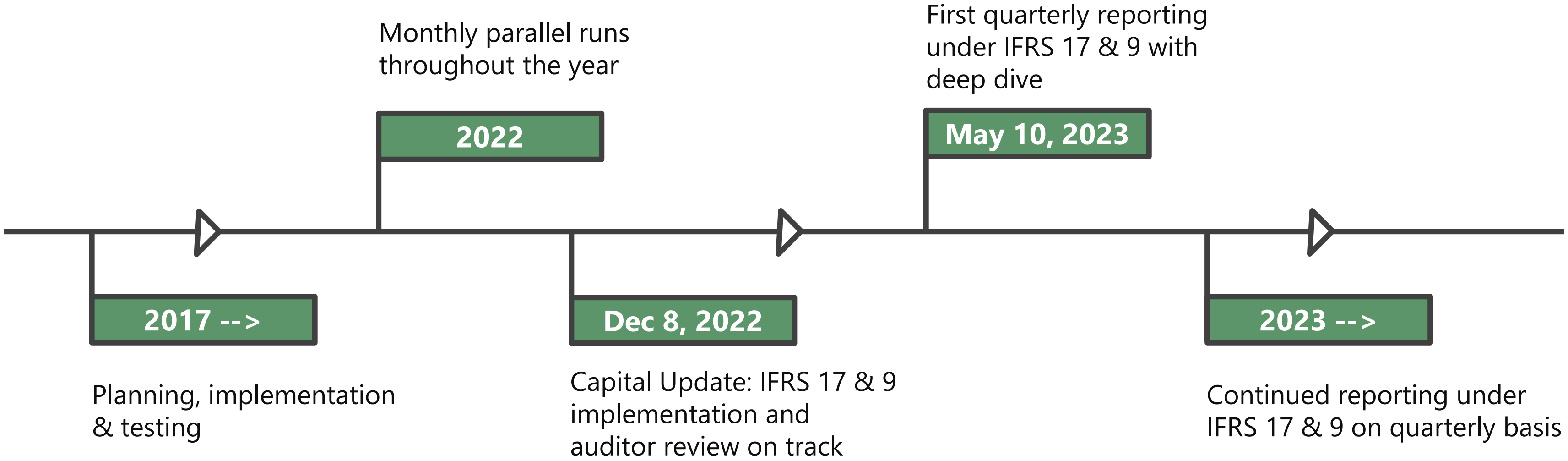
- ✓ Applies to selected entities in the group
- ✓ Principles for valuation of insurance liabilities and more
- ✓ New valuation and profit recognition principles
- ✓ Will improve visibility on profit emergence across products

IFRS 9

Financial instruments

- ✓ Mandatory for all companies
- ✓ Principles for asset classification, including P&L measurement rules
- ✓ Increased flexibility in treatment of bonds at amortised cost

Implementation of new accounting standards according to plan



Key Takeaways

175 %

New dividend policy: **Lower threshold for extraordinary capital deployment to 175%** due to change in business mix

Higher capital and cash generation with ambition to fund **growth in ordinary dividend per share**, **organic growth initiatives** and **NOK 10bn in share buybacks by 2030**[1]

The business does not change with the implementation of **IFRS 17**. **Main focus** for Storebrand **will** (still) **be** on **cash earnings**, **solvency capital generation** and **the ability to convert earnings to free cash flow** for shareholders

[1] Subject to solvency ratio > 175%

Q&A

Please join the MS Teams Webinar to participate in the Q&A session

Group CFO

Lars Aa. Løddesøl

Group CEO

Odd Arild Grefstad

Group Head of
Strategy & Finance

Kjetil R. Krøkje

Head of
Investor Relations & Rating

Daniel Sundahl

Appendix

- Solvency Capital allocation main products
- Profit sharing dynamics
- Balance sheet shift
- IFRS 17 & 9 l High-level preliminary P&L and balance sheet implications
- IFRS 17 measurement models
- IFRS 17 and 9 abbreviations

Solvency Capital allocation main products

ILLUSTRATIVE PRO FORMA ALLOCATION BASED ON 175% SOLVENCY RATIO

		Reserves (NOK bn)	Contribution to Own Funds ('VIF')	SCR	Solvency ratio – before use of hard capital	Hard capital to have target Solvency ratio[1] (NOK bn)	Run off/ Growth
Back book	Paid up policies and DB	158	0%	7%	~0%	21.3	RUN OFF
	High guarantees Sweden	64	2%	6%	~30%	6.5	RUN OFF
Future Storebrand	Low guarantees	31	1%	5%	~20%	2.9	GROWTH
	Unit Linked	305	3%	2%	~150%	0.9	GROWTH
	Insurance (Premiums)	6.6	5%	15%	~30%	1.3	GROWTH
	Asset management (AuM)	1 001	N/A	~0%	125%	0.4	GROWTH
	Retail Bank (Lending)	65	N/A	5%	124%	3.7	GROWTH

[1] Hard capital is subordinated debt + solvency II equity (uT1 adjusted for Vif). The capital is allocated based on the capital consumption under SII and CRD IV. CRD IV companies consume 115% of SCR, Unit Linked and Insurance consume 160% of SCR, Guaranteed consumes ~200% of SCR.

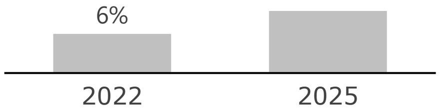
Excess returns in Norwegian Guaranteed pensions generate capital through increased buffer capital in Norway; profit sharing will increase gradually

2023-2024
Prioritise gradual **rebuild of buffer capital** from excess returns, **profit sharing** will **increase gradually**

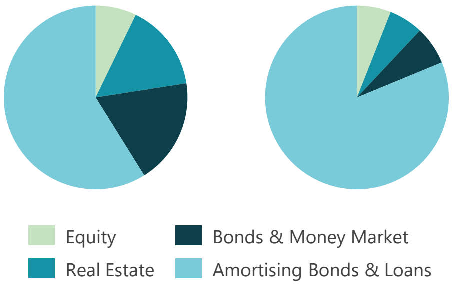
2025 →
Profit sharing for **~2/3** of the **paid-up policies**

ILLUSTRATIVE

Customer buffer in % of reserves – Growing with expected IFRS return above guaranteed rate

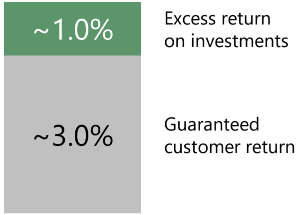


✓ **Reduces SCR and increases Own Funds while excess return is withheld as buffer capital**



✓ **Gradual profit sharing starting with the best capitalised contracts**

✓ **Strengthening of buffer gives higher risk capacity and potentially higher returns over time**



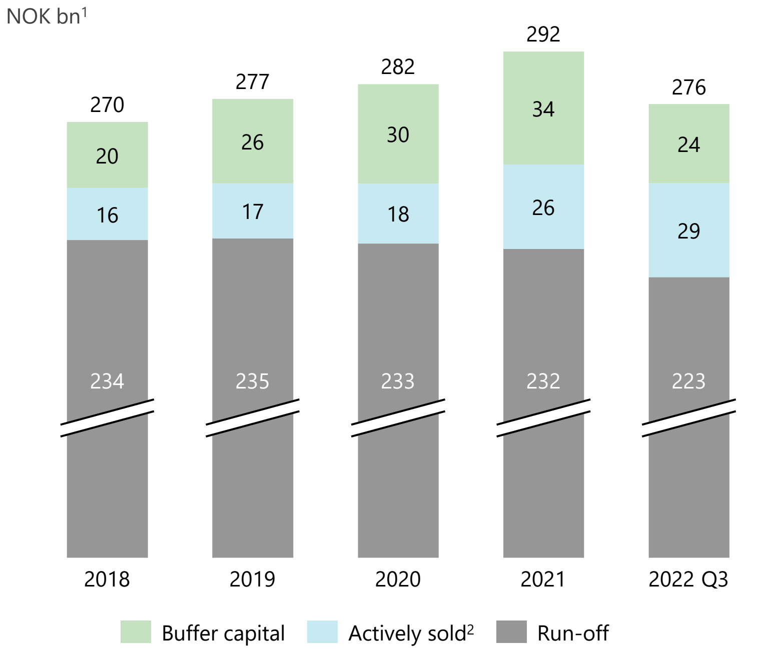
1% x NOK ~100bn x 20% = ~200m

✓ **Each %-point spread can give NOK ~200m in annual profit sharing from paid-up policies beyond 2025**

✓ **Profit sharing is cash-generative for shareholders**

The balance sheet shift continues as the mature back book of guaranteed pensions is in run-off

Guaranteed pension reserves are declining, but buffers have grown over the years from strong returns



- Run-off reserves expected to grow with guaranteed return of NOK ~8bn annually. Pension payments expected to be NOK ~ -15bn annually
- Excess booked returns build customer buffers and reduce the risk for not achieving the guaranteed rate of return
- Public occupational pensions and some capital light guarantees are actively sold
- Some volatility created by fair value accounting of Swedish guaranteed reserves

Reserves based on statutory accounts
[1] Historical SEK reporting is currency adjusted to Q3 2022
[2] Public sector Norway and hybrid pension in Norway & Sweden

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IFRS 17 & 9 I High-level preliminary P&L and balance sheet implications[1]

P&L

- **Higher group earnings** due to amortisation of CSM (Contractual Service Margin) in Norwegian Guaranteed products, no significant P&L impact from products reported under the Savings segment
- **Increased earnings volatility** in Norwegian Guaranteed products due to market movements and discounting effects, some potential result effects expected from movements in loss component
- **Limited impact on insurance lines** P&C and Health & Group life, higher impact for Pension related disability insurance Nordic
- **Unchanged lifetime profitability of products**
- **No impact on our effective tax rate.** A deferred tax asset will unwind at the same rate at which the tax losses from the reduction in equity is utilised

Balance sheet

Insurance contracts (IFRS 17)

- Group equity reduced with ~20%[1] from transition (opening balance)
- CSM (Contractual Service Margin) & RA (Risk Adjustment) are new components to the balance sheet
    - CSM represents the present value of unearned profits from insurance contracts under the VFA & GMM measurement models
    - RA is an extra buffer for uncertainty on the best estimate liability that will be released over time
- Fair Value Approach applied to determine opening balance
- Solvency II like discount rate applied

Financial instruments (IFRS 9)

- Increased flexibility in investment portfolio under IFRS 9
- 19. October 2022 regulatory clarification from Ministry of Finance: Bonds at amortised cost in statutory accounts

[1] All figures and numbers are illustrative and unaudited, implies no financial forecast

The vast majority of Storebrand's IFRS 17 products will be accounted for under the VFA and PAA measurement models

	High-level description	Changes: Financial assumptions	Changes: Technical assumptions	Key characteristics
GMM General Measurement Model	**General model for long-term non-participating business**	P&L/OCI	CSM	Default model where profit contribution is recognised through CSM amortisation. Changes in discount rates are not reflected in the CSM, but in the P&L. Only ~2% of Storebrand's results are affected
VFA Variable Fee Approach	**Measurement model for long-term participating business**	CSM	CSM	Profit contribution is recognised through CSM amortisation. Changes in discount rates and investment returns affect the CSM, giving reduced P&L volatility compared to GMM. ~30% of Storebrand's results are affected
PAA Premium Allocation Approach	**Measurement model for short-term business such as P&C and Health**	P&L	P&L	Simplified model for short term contracts, similar to today's reporting. ~20% of Storebrand's results are affected

Share of products unaffected by IFRS 17 = ~48%

[1] Based on normalised contribution under current reporting, measured as profit before amortisation and tax

IFRS 17 and 9 abbreviations

PPA	Premium Allocation Approach (measurement model)
GMM	General Measurement Model (measurement model),
VFA	Variable Fee Approach (measurement model)
CSM	Contractual Service Margin – balance sheet liability, containing deferred discounted future profits of in-force business
RA	Risk Adjustment – additional reserve for non-financial risks, reflecting future compensation for uncertainty in cash flows
LC	Loss Component – balance sheet liability, booked for onerous contracts
Onerous contracts	Contract is onerous because the expected losses plus risk adj. are higher than expected income
CSM amortisation	The amount of CSM amortised from the balance sheet each period
PVFCF	Present value of future cash flows – discounted expected cash flows to policyholders and attributable expenses
OCI	Other Comprehensive Income. Refers to items of income and expense not recognized in profit or loss in accordance with IFRS Standards
NGAAP	The accounts for Statutory accounts is issued in accordance with Norwegian GAAP (NGAAP), which mainly corresponds to IFRS
Fair Value Approach	Price that would be received for an asset in an orderly transaction between market participants at the measurement date of transition

Important Information

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally.

The Storebrand Group assumes no responsibility to update any of the forward looking statements contained in this document or any other forward-looking statements it may make.

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Leading the way in sustainable value creation

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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.