

Storebrand 4Q 2015

17 February 2016

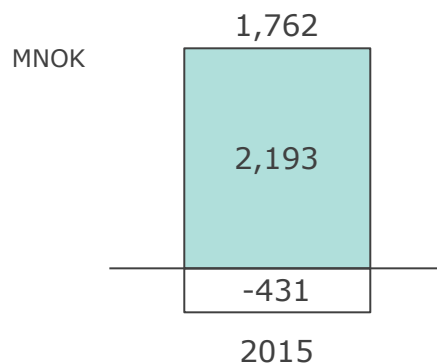
Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO



Highlights 2015

Group result¹

adjusted for longevity provision



- Result before profit sharing and loan losses
- Net profit sharing and loan losses

- 8,2 % growth in fee and admin income²
- Substantial special items



17% Insurance written premium growth³



25% Unit Linked premium growth³



100% of expected direct result contribution for longevity completed⁴



168% Estimated Solvency II ratio⁵

¹ Result before amortisation, write-downs and longevity provision.

² Adjusted for business in run off (corporate banking and public sector) and FX. Y/Y.

³ Growth figures are Y/Y.

⁴ Based on current estimates. As of Q4 2015, 83 % of the total longevity strengthening is completed.

⁵ Including transitional rules. Estimated Solvency II ratio excluding transitional rules is 124 %.

The Board proposes that no dividend is paid for 2015, but plan to pay dividend for 2016

Dividend policy: *"Dividend is intended to give shareholders a competitive return. Dividends to shareholders will normally be over 35 percent of full-year result after tax, but before amortization costs. Dividends shall be adjusted to ensure that the group has a proper capital structure."*

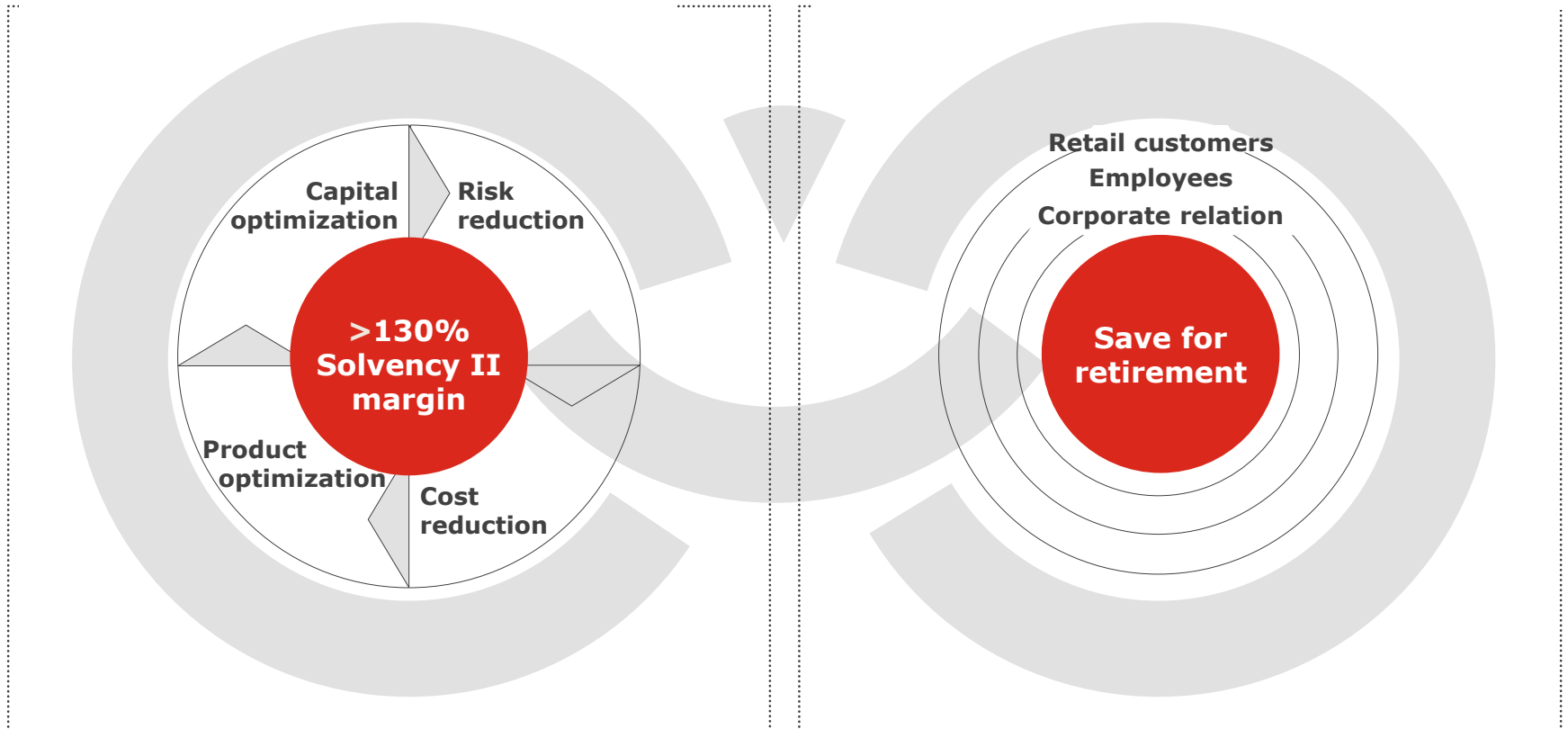
Storebrand has successfully entered Solvency II without raising new equity, and has a strong solvency position of 168 percent, and 124 percent without transitional rules. The solvency margin without transitional rules is expected to increase further in 2016 due to profits, active risk management, and other measures. After several years of Solvency II implementation and reserve strengthening for longevity, it is the opinion of the Board that the company is in a normalised situation. At the same time, falling interest rates and volatile financial markets negatively affect the solvency margin and increase the risk of managing guaranteed reserves. There is approximately NOK 2 bn left of longevity reserve strengthening, to be covered from excess investment return. After an overall assessment, the Board proposes that no dividend is paid for 2015, but plan to pay dividend for 2016.

Transformation of the business model continues

Dual strategy reiterated and reinforced

Manage the guaranteed balance sheet

Continued growth in savings and insurance



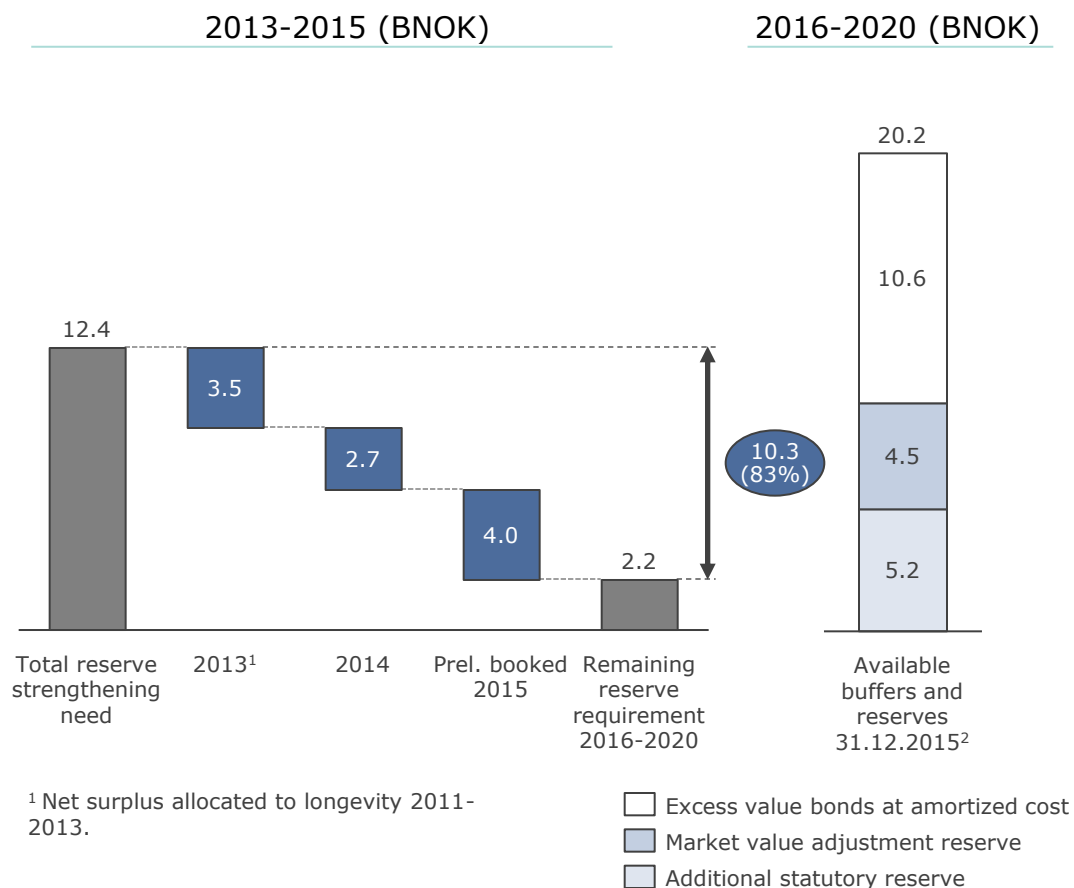
We work hard to reach our vision:

Recommended by our customers

Longevity - direct result contribution completed

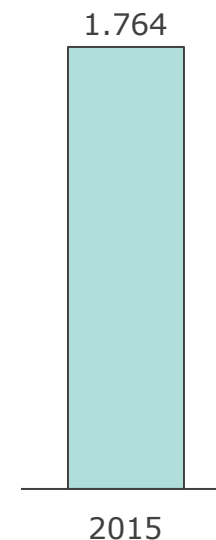


Reserve strengthening Norwegian guaranteed products



Negative result impact in 2015³

2015 (MNOK)



NOK 1,362bn charged to result in the quarter, which completes the expected direct result contribution.

² Buffers that are available to cover the longevity reserve strengthening. Some buffers may not be available if they belong to contracts without reserve strengthening need or are used to cover interest rate guarantee.

³ Including charge to convert from paid-up policies to paid-up policies with investment choice.

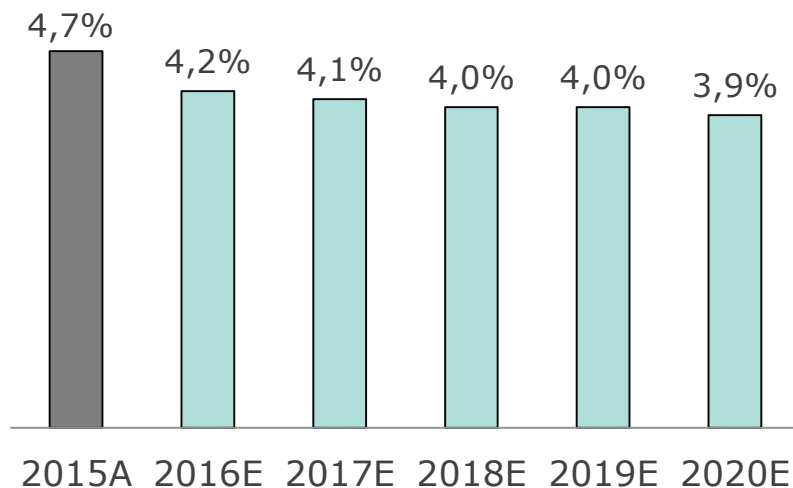
Paid up policies is the main challenge in a low interest scenario and under SII...



...But still manageable both short and long term

Expected return paid up polices without use of buffers 2016-2020¹

...including reinvestment due and expected issuance of new paid up polices



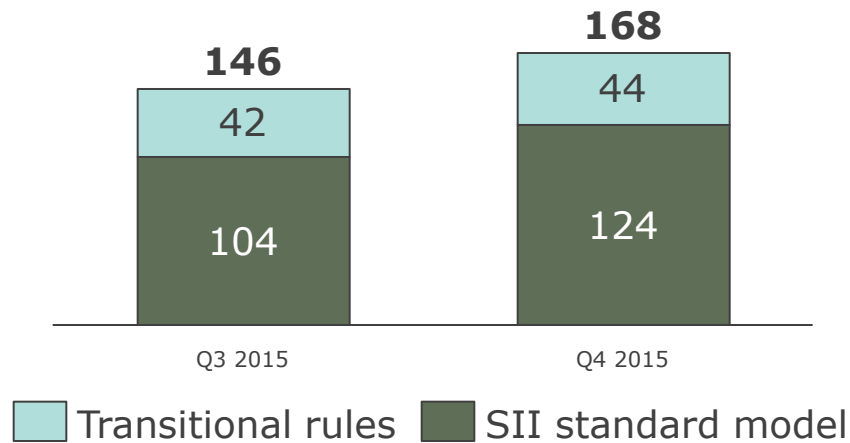
- **2015:** Built NOK 16bn in new A rated HTM investments at over 3% yield and 13 years average life
- **2016-2020:** Longevity reserve strengthening and interest rate guarantee to be covered by expected return, buffers and planned company contribution²
- **2020-2025:** Prolonged low interest rate environment will have limited impact on results²

¹ Expected return paid up polices, including reinvestment and issuance of new paid up polices, without the use of buffers. Illustration is based on normal risk premiums and interest rate level as of December 31, 2015.

² Based on current interest rates and point estimate based on normal risk premiums. Market shocks could lead to higher use of buffers and reduced results .

Estimated SII position Storebrand Group

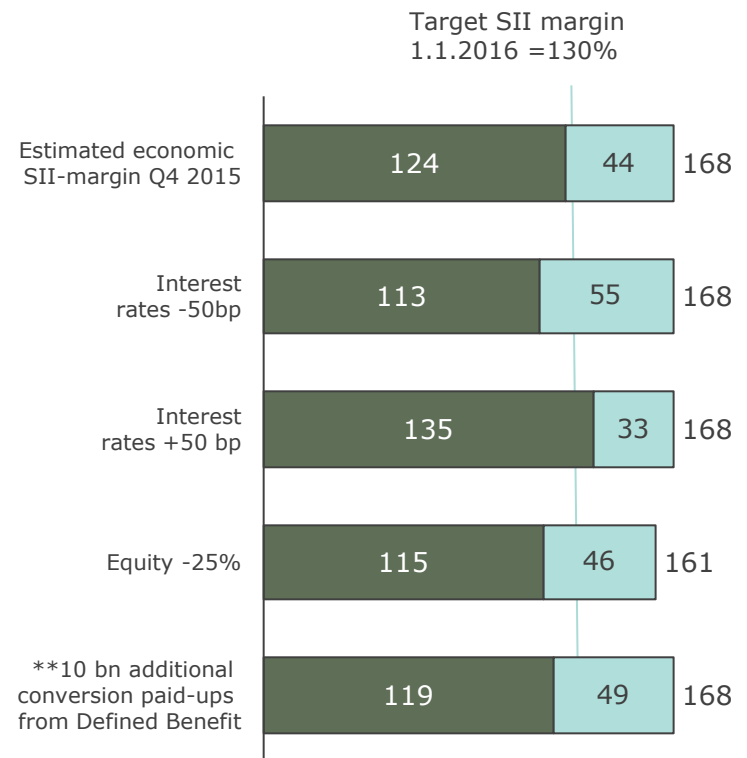
Economic Solvency position(%)¹



Key takeaways

- Improvement in underlying Solvency II ratio from including risk absorbing capacity of tax in SCR calculation
- Reduced sensitivities due to improved tax modelling
- Risk mitigating actions will still be prioritised in 2016

Estimated Sensitivities²



** In addition to NOK 8 bn included in the projection for 2015.

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.

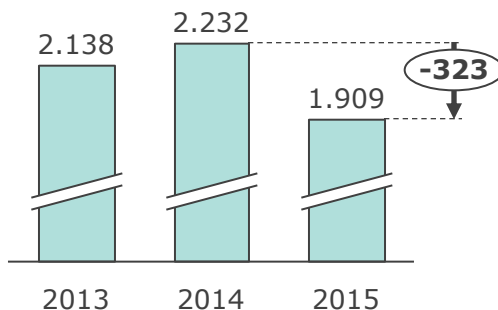
Cost control

What happened in 2015

Cost income at target level¹



FTEs reduced
- sale of Storebrand Baltic²



What to expect in 2016

- Further transfer of BPO and ITO to strategic partner  Cognizant
- Restructuring costs

What to expect in 2017-18

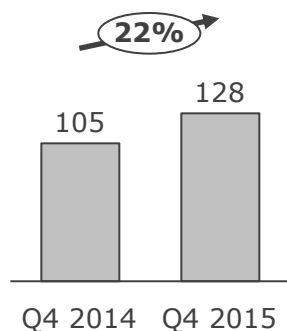
- Fewer FTEs
- More variable costs
- Leveraged innovation capacity

Operational costs development 2015-18

- Storebrand will have lower nominal costs in 2018 compared to 2015 cost base
- Implies around MNOK 300-400 cost reductions
- Storebrand will still make selective investments in growth

Growth in Savings and Insurance continues

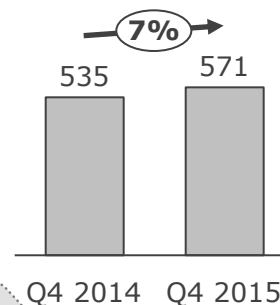
Unit Linked



UL reserves (BNOK)

- 25% premium growth 2015
- Paid-up policies w/investment choice adds growth

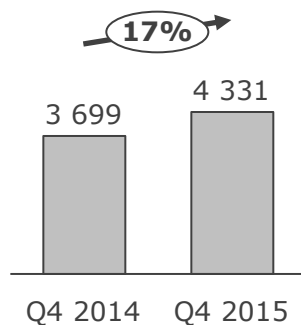
Asset management



AuM (BNOK)

- Gathering assets from life company and strong sales
- Weak equity and credit markets

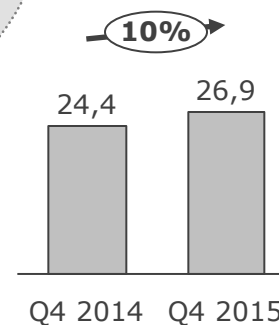
Insurance



Written Premiums (MNOK)

- Premium growth from Akademikerne
- Cross sales to pension customers

Retail loans



Balance (BNOK)

- Competitive interest rates
- Growth starting to pick up

Save for retirement

Strong sales and continued growth in Unit Linked premiums

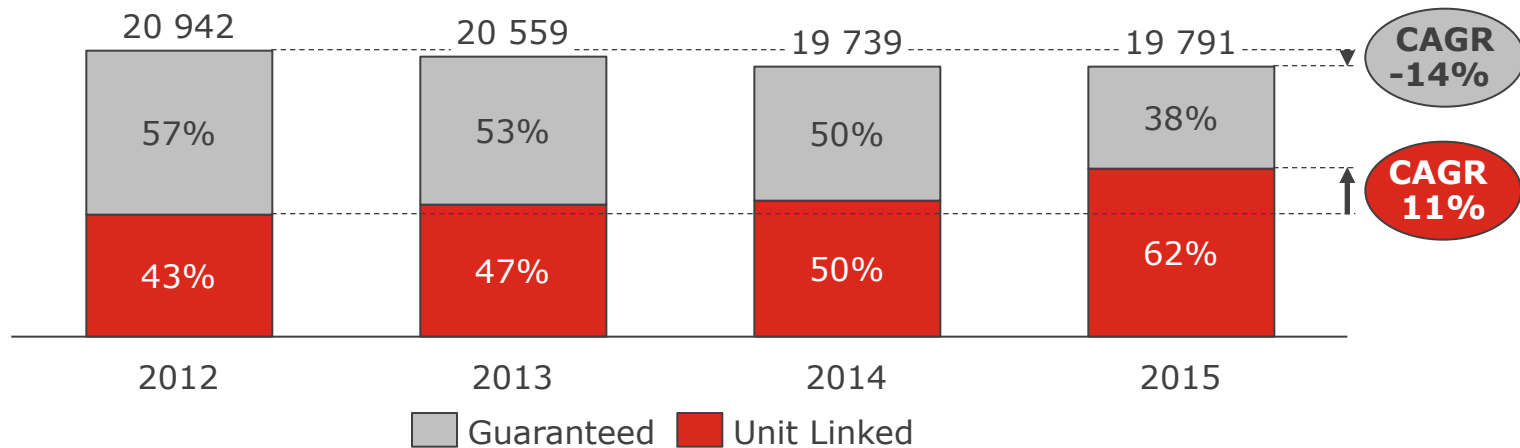


Major new customers confirms strong market leadership...



...and market growth and new sales will ensure continued underlying growth

Pension premium development Storebrand (MNOK)



Fee and administration income shifts from Guaranteed to Savings

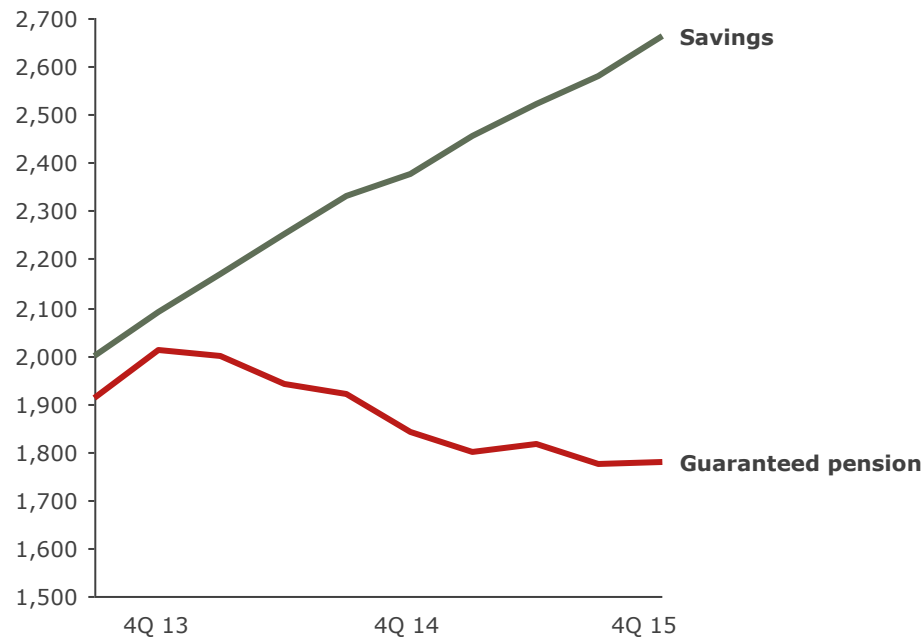


Income growth of 8.2% adjusted for business in run-off¹

Storebrand Group income development 2015 compared to 2015 (NOK mill.)

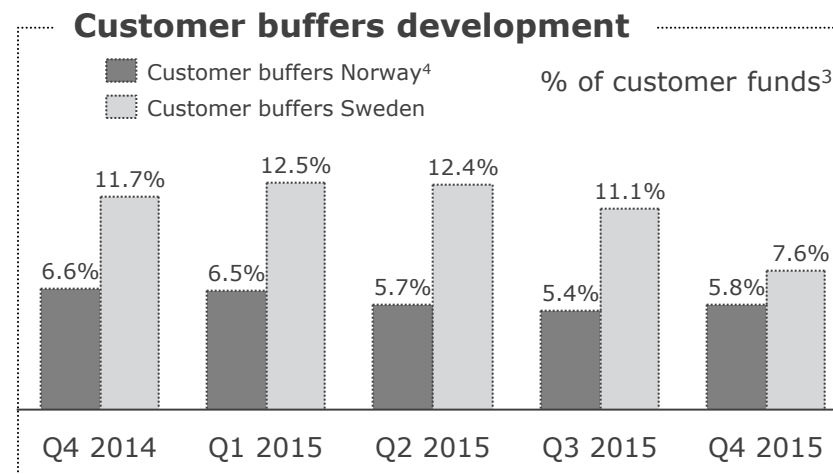
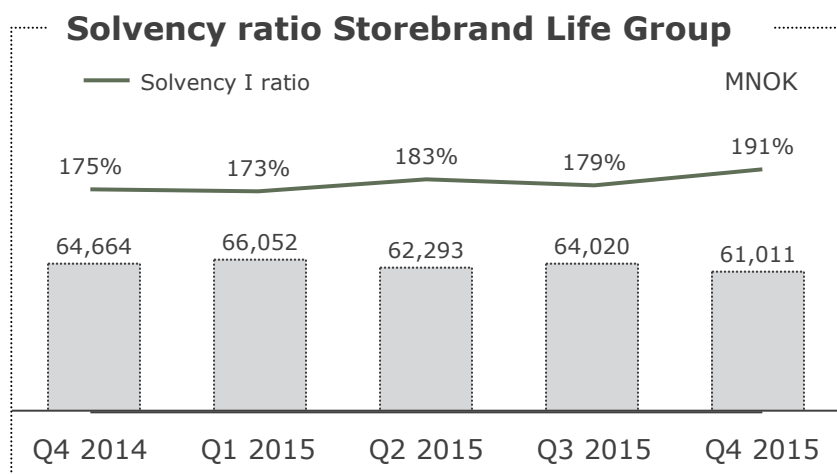
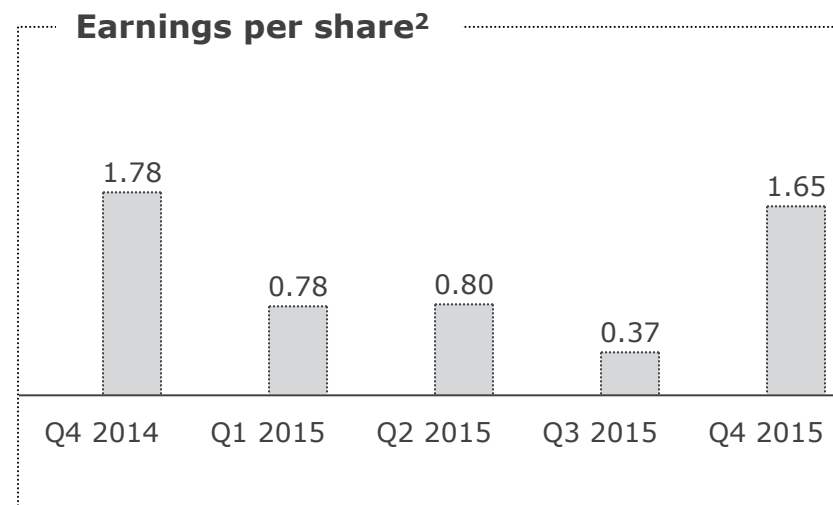
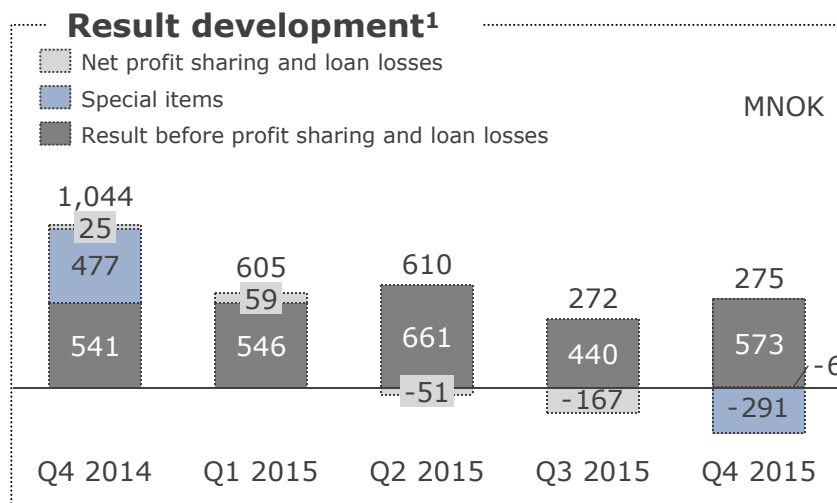


Fee- and admin income 12 months rolling Savings and Guaranteed pension (NOK mill.)



¹ Adjusted for business in run off (corporate banking and public sector) and FX

Key figures



¹ Result before amortisation, write-downs and longevity provisions

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

³ Customer buffers in Benco of NOK 2.9 bn not included

⁴ Solidity capital/customer buffers does not include provisions for future longevity reservations

Storebrand Group - adjusted

Profit

NOK million	4Q		Full year	
	2015	2014	2015	2014
Fee and administration income	1 160	1 116	4 317	4 160
Risk result life & pensions	-23	99	80	256
Insurance premiums f.o.a.	934	802	3 642	3 115
Claims f.o.a.	-691	-613	-2 722	-2 226
Operational cost	-815	-778	-3 171	-3 017
Financial result	7	-21	73	349
Result before profit sharing and loan losses	573	605	2 219	2 636
Net profit sharing and loan losses	-6	-34	-166	314
Result before amortisation, write-downs and longevity provision (adjusted)	566	571	2 053	2 950
Special Items	-291	473	-291	473
<i>Risk results and risk reserves</i>	-100	224	-100	224
<i>Operational cost</i>	-97	571	-97	571
<i>Financial result minority share of result</i>	171	-	171	-
<i>Net profit sharing and loan losses SPP result</i>	-265	-322	-265	-322
Result before amortisation, write-downs and longevity provision	275	1 044	1 762	3 423
<i>Provision longevity</i>	-1 362	-121	-1 764	-391

Profit

NOK million	4Q		Full year	
	2015	2014	2015	2014
Fee and administration income	1 160	1 116	4 317	4 160
Risk result life & pensions	-23	323	80	480
Insurance premiums f.o.a.	934	802	3 642	3 115
Claims f.o.a.	-791	-613	-2 822	-2 226
Operational cost	-912	-207	-3 268	-2 446
Financial result	178	-21	244	349
Result before profit sharing and loan losses	547	1 400	2 193	3 431
Net profit sharing and loan losses	-271	-356	-431	-8
Result before amortisation, write-downs and longevity provision	275	1 044	1 762	3 423
Provision longevity	-1 362	-121	-1 764	-391
Amortisation and write-downs of intangible assets	-120	-105	-437	-431
Result before tax	-1 207	818	-438	2 601
Tax	2 008	-115	1 821	-516
Sold/liquidated business	-0	-0	-0	-1
Profit after tax	801	703	1 382	2 085

Storebrand Group

Profit

NOK million	2015	2014	Full year	
	4Q	4Q	2015	2014
Fee and administration income	1 160	1 116	4 317	4 160
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Profit per line of business

NOK million	2015	2014	Full year	
	4Q	4Q	2015	2014
Savings - non-guaranteed	301	469	1 020	1 091
Insurance	17	159	488	675
Guaranteed pension	-110	348	329	1 465
Other result	68	68	-75	193
Result before amortisation, write-downs and longevity provisions	275	1 044	1 762	3 423

Savings (non-guaranteed) - strong underlying results growth



Profit

NOK million	4Q		Full year	
	2015	2014	2015	2014
Fee and administration income	761	679	2 662	2 375
Risk result life & pensions	1	-10	-3	-11
Operational cost ¹	-455	-214	-1 638	-1 289
Financial result	0	0	0	0
Result before profit sharing and loan losses	307	455	1 022	1 075
Net profit sharing and loan losses	-6	14	-1	16
Result before amortisation	301	469	1 020	1 091

Profit per product line

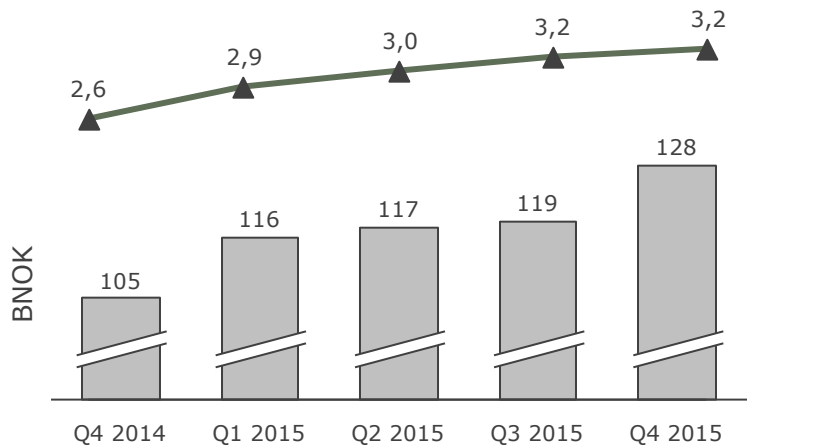
NOK million	4Q		Full year	
	2015	2014	2015	2014
Unit Linked Storebrand	38	74	201	205
Unit Linked SPP	26	25	139	99
Asset Management segment	179	273	485	513
Retail Banking	57	97	195	274
Result before amortisation	301	469	1 020	1 091

¹ Includes positive effect of change in own occupational pension scheme of 187 NOK mil (Q4 2014) and restructuring costs of -28 NOK mill. (Q4 2015)

Savings (non-guaranteed) - strong growth in UL premiums



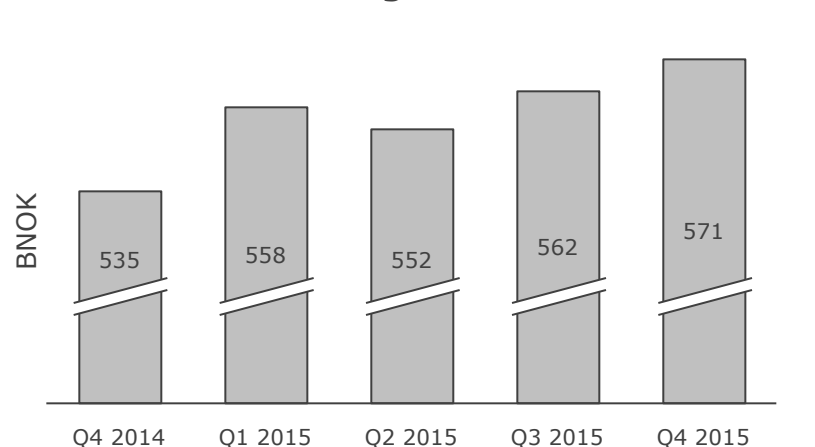
Reserves and premiums Unit Linked



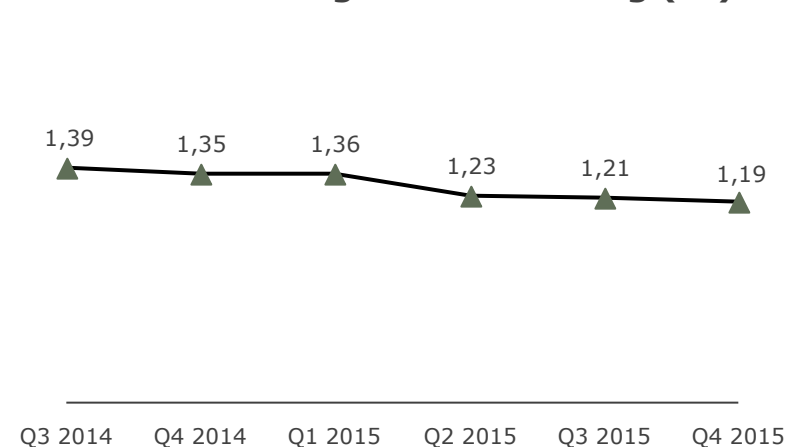
Comments¹

- 25% premium growth in UL premiums²
- 12% top line growth in Savings
- 10% retail lending growth

Assets Under Management



Net Interest margin retail banking (%)



¹ Growth figures show development from 4Q 2014 to 4Q 2015.

² Excluding transfers.

Insurance

- continued P&C growth



Insurance

Profit

NOK million	4Q		Full year	
	2015	2014	2015	2014
Insurance premiums f.o.a.	934	802	3 642	3 115
Claims f.o.a. ¹⁾	-791	-613	-2 822	-2 226
Operational cost ²⁾	-151	-9	-538	-387
Financial result	25	-22	206	173
Result before amortisation	17	159	488	675

Profit per product line

NOK million	4Q		Full year	
	2015	2014	2015	2014
P&C & Individual life ³⁾	72	106	327	340
Health & Group life ⁴⁾	17	78	165	190
Pension related disability insurance Nordic ⁵⁾	-72	-25	-3	144
Result before amortisation	17	159	488	675

¹ Includes disability reserve strengthening of NOK 100 mill. (Q4 2015)

² Includes positive effect of change in own occupational pension scheme of 120 NOK mil (Q4 2014) and restructuring costs of -15 NOK mill. (Q4 2015)

³ Individual life and disability, property and casualty insurance

⁴ Group life, workers comp and 50% of result in Storebrand Health insurance

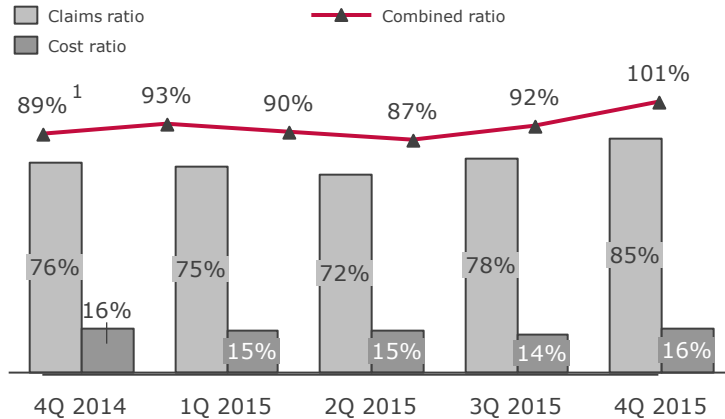
⁵ DC disability risk result Norwegian line of business and disability risk result from SPP

Insurance

- strong top line development



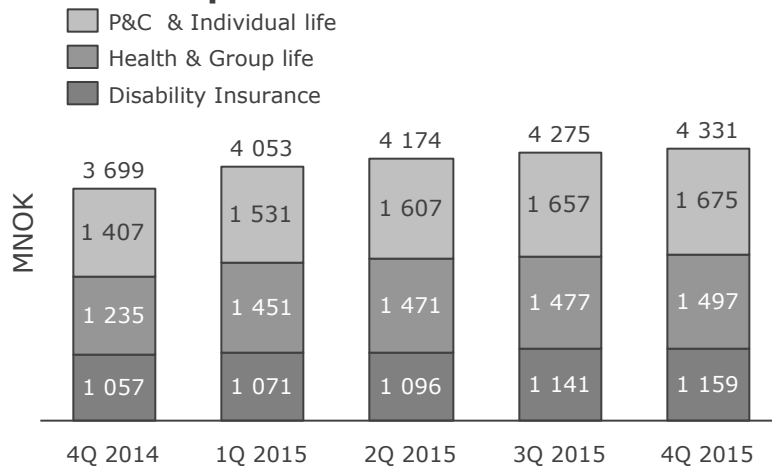
Combined ratio



Comments Combined ratio and results

- Combined Ratio 92% full year 2015
- Results and combined ratio adversely affected by NOK 100m disability reserve strengthening in the quarter

Portfolio premiums



Comments premiums and growth²

- 19% premium growth within P&C & Individual life
- 21% premium growth within Health & Group life
- 10% premium growth in Pension related disability Nordic

¹ Combined- and cost ratios adjusted for special items. In 4Q 2014, unadjusted cost ratio was 1% and unadjusted combined ratio was 78%.

² Growth figures show development from 4Q 2014 to 4Q 2015.

Guaranteed pension - solidity prioritised over IFRS profitability



Profit

NOK million	4Q		Full year	
	2015	2014	2015	2014
Fee and administration income	460	457	1 777	1 842
Risk result life & pensions ¹	7	331	89	483
Operational cost ²	-333	-84	-1 156	-921
Financial result	-	-	-	-
Result before profit sharing and loan losses	134	705	711	1 404
Net profit sharing and loan losses ³	-244	-357	-382	61
Result before amortisation and longevity provision	-110	348	329	1 465
Longevity provision	-1 362	-121	-1 764	-391

Profit per product line

NOK million	4Q		Full year	
	2015	2014	2015	2014
Defined benefit (fee based)	124	271	512	822
Paid-up policies, Norway	-27	15	1	44
Individual life and pension, Norway	40	-	45	-
Guaranteed products, Sweden	-248	62	-230	599
Result before amortisation and longevity provision	-110	348	329	1 465

¹ Risk result life & pensions includes positive effect from dissolved risk reserves SPP of 322 NOK mill. and negative effect from longevity strengthening w/use of risk equalisation fund of -98 NOK mill., in total 224 NOK mill. (Q4 2014).

² Operational cost includes positive effect of change in own occupational pension scheme of 210 NOK mill. (Q4 2014) and negative effect of restructuring costs of -43 NOK mill. (Q4 2015).

³ Net profit sharing and loan losses includes negative effect from changed assumptions SPP of -322 NOK mill. (Q4 2014), and negative effects from changed interest rate curve and other assumption changes of -265 NOK mill. (Q4 2015).

Guaranteed pension - proportion of guaranteed reserves reduced



Reserves guaranteed products



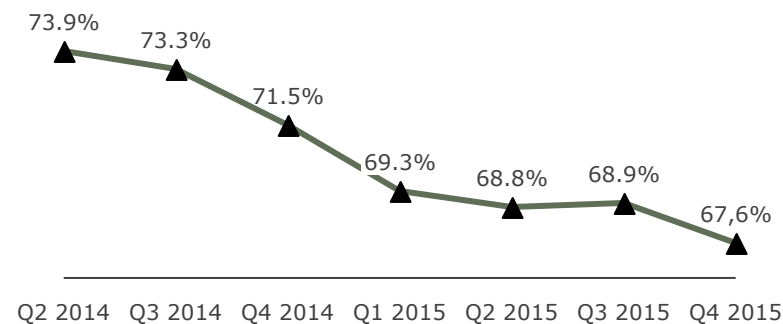
Comments

- Expected direct result contribution for longevity strengthening completed
- Valuation of insurance liabilities adapted to Solvency II

Buffer capital

NOK million	2015		Change
	4Q	3Q	
Market value adjustment reserve	4 520	4 352	168
Excess value of bonds at amortised cost	10 581	11 122	-541
Additional statutory reserve	5 160	4 479	680
Provisions for new mortality tables	4 872	2 474	2 313
Unallocated results	382	1 905	-1 523
Provisions for new mortality tables, shareholders direct contribution	988	393	595
Conditional bonuses Sweden	6 457	9 065	-2 608
Total	32 959	33 790	-916

Guaranteed reserves in % of total reserves¹



Profit

NOK million	4Q		Full year	
	2015	2014	2015	2014
Fee and administration income	17	59	129	233
Risk result life & pensions	-31	2	-6	8
Operational cost ²	-50	20	-188	-138
Financial result ³	153	0	38	175
Result before profit sharing and loan losses	89	81	-27	278
Net profit sharing and loan losses	-21	-13	-48	-85
Result before amortisation	68	68	-75	193

Profit per product line

NOK million	4Q		Full year	
	2015	2014	2015	2014
Corporate Banking	-32	-1	-84	-47
BenCo	-26	51	34	94
Holding company costs and net financial results in company portfolios	127	18	-26	145
Result before amortisation	68	68	-75	193

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

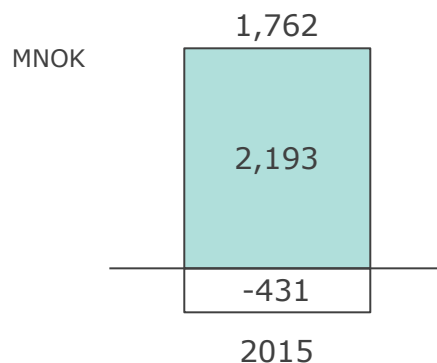
² Operational cost includes positive effect of change in own occupational pension scheme of 55 NOK mill. in Q4 2014 and negative effect from restructuring costs of -12 NOK mill. in Q4 2015.

³ Financial result includes minority share of result from real estate sale of 171 NOK mill. (Q4 2015).

Highlights 2015

Group result¹

adjusted for longevity provision



- Result before profit sharing and loan losses
- Net profit sharing and loan losses

- 8,2 % growth in fee and admin income²
- Substantial special items



17% Insurance written premium growth³



25% Unit Linked premium growth³



100% of expected direct result contribution for longevity completed⁴



168% Estimated Solvency II ratio⁵

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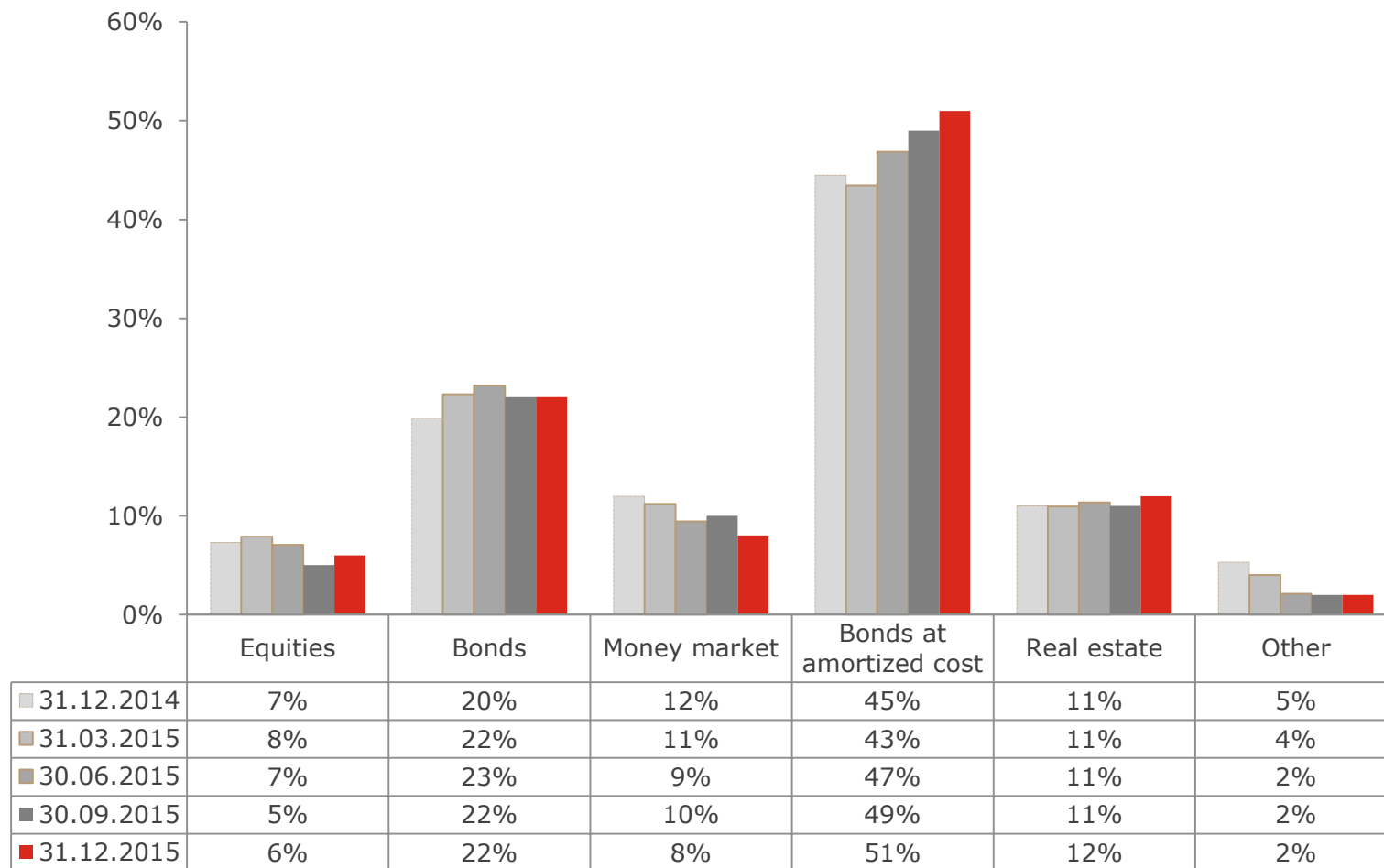
³ Growth figures are Y/Y.

⁴ Based on current estimates. As of Q4 2015, 83 % of the total longevity strengthening is completed.

⁵ Including transitional rules. Estimated Solvency II ratio excluding transitional rules is 124 %.

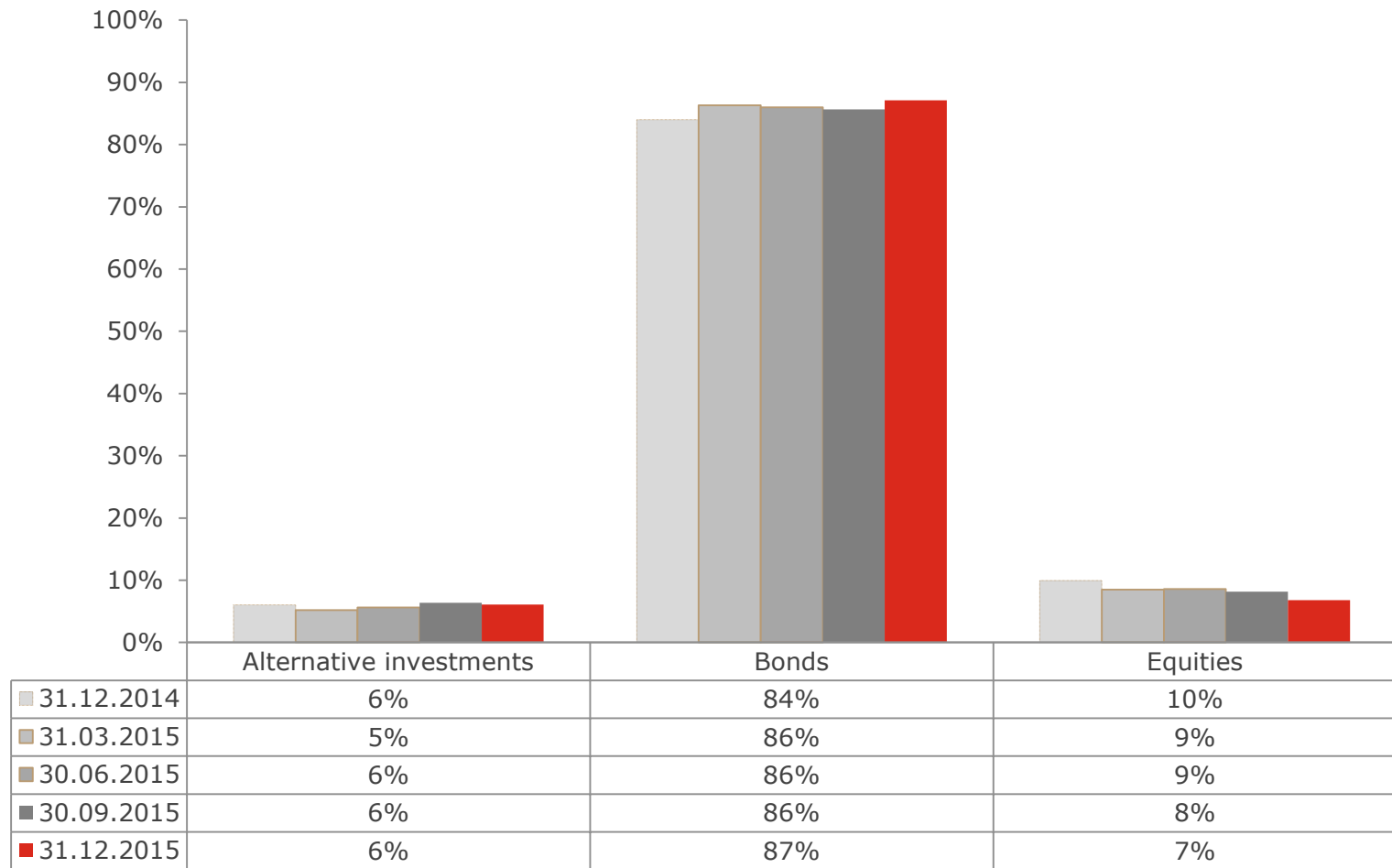
Appendix

Storebrand Life Insurance asset allocation



¹ The graph shows the asset allocation for all products with an interest rate guarantee in Storebrand Life Insurance Norwegian operations.

SPP asset allocation



¹ 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