



Storebrand Q2 2019

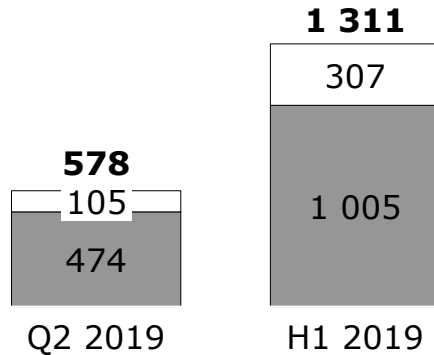
12 July 2019

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO

Highlights Q2 2019

Group result¹

MNOK



- Financial and other items
- Operating profit



11% Unit Linked growth²



NOK 45bn AuM growth Asset Management³

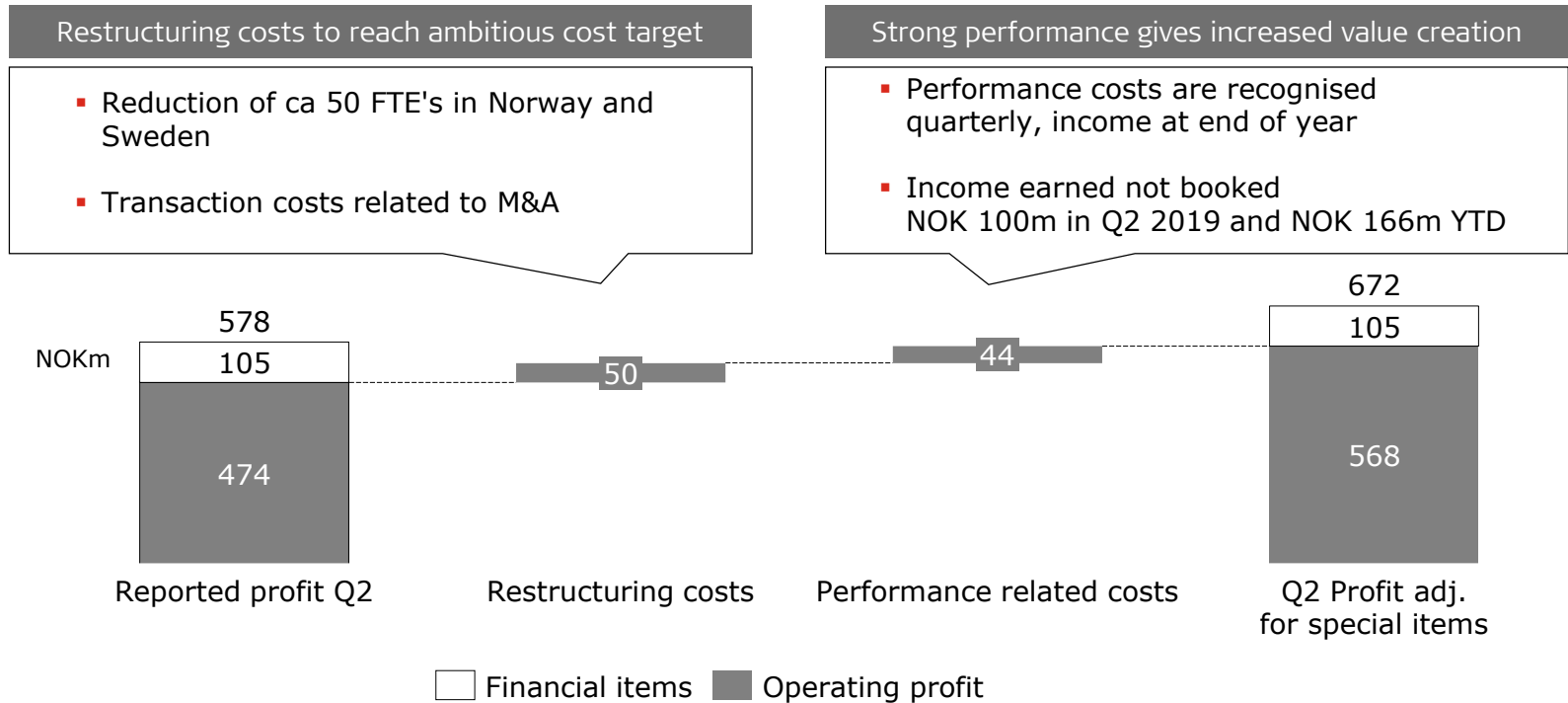


NOK 166m income earned not booked³



167% Solvency II ratio⁴

Operating profits reduced by restructuring costs and performance related items in the quarter



Our strategy: A compelling combination of self-funding growth and capital return from maturing guaranteed back-book

1

Build a world class Savings business - supported by Insurance

A

Leading position Occupational Pension

B

Uniquely positioned in growing retail savings market

C

Asset manager with strong competitive position and clear growth opportunities

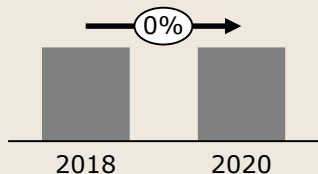
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Bolt-on M&A

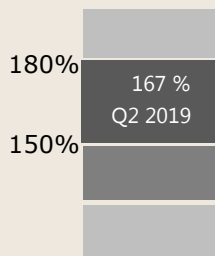
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework



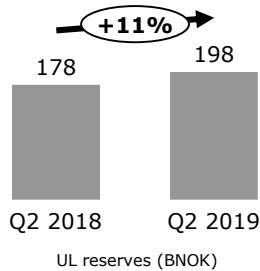
C. Increased return



Manage for capital release and **increased dividend pay-out ratio**

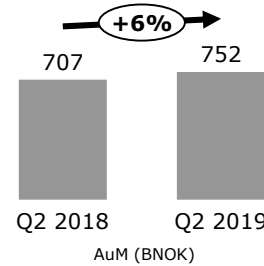
Growth in Savings continues

Unit Linked



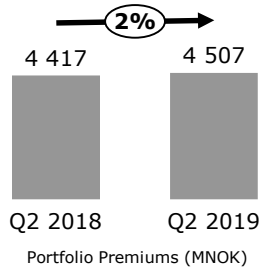
- New sales +37%¹
- Continued structural growth
- Good market return

Asset management



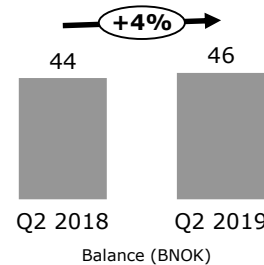
- Good market return
- Cubera included with NOK 7bn in Q2 2019

Insurance



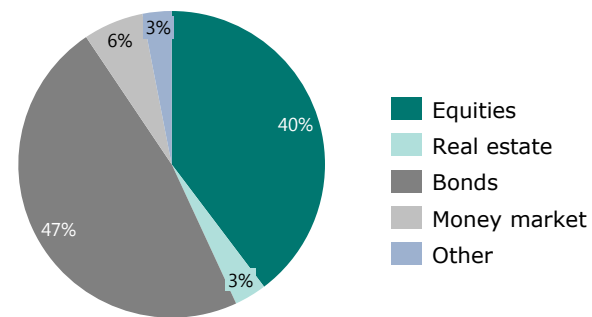
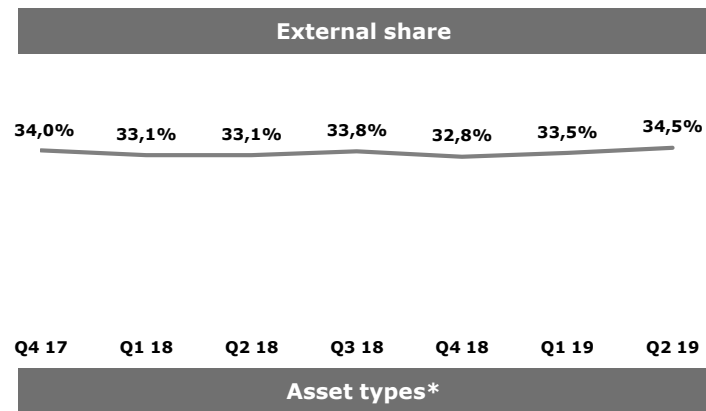
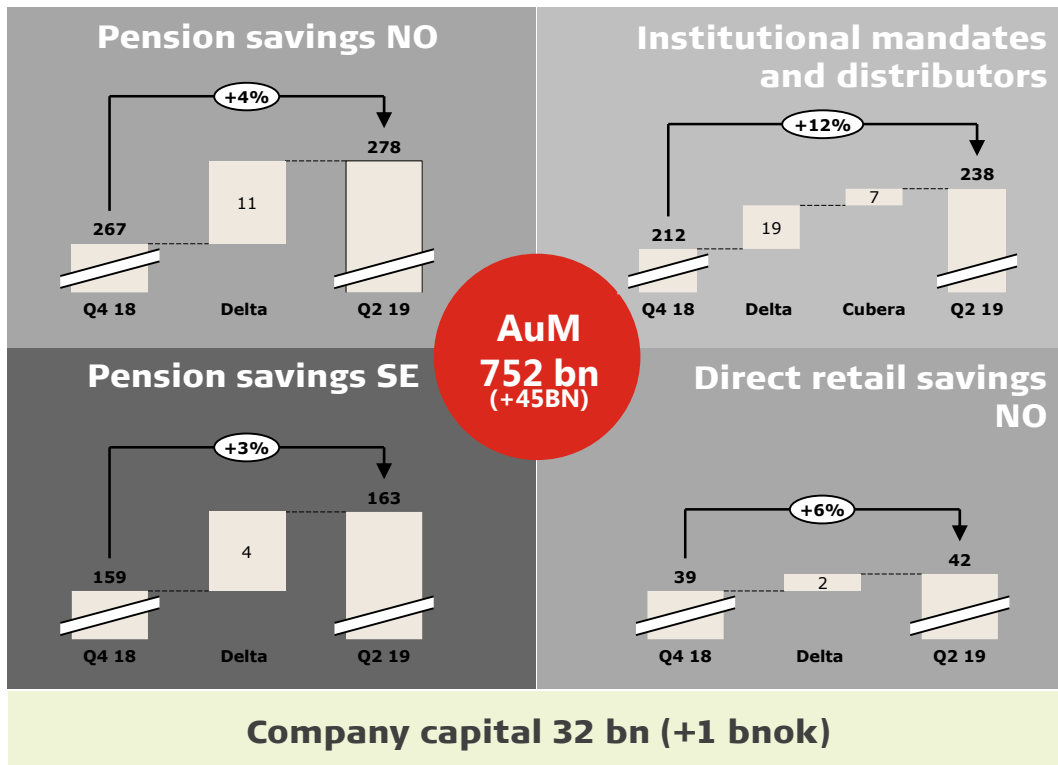
- Growth picking up after a period of flat development
- 6% growth in P&C

Retail loans



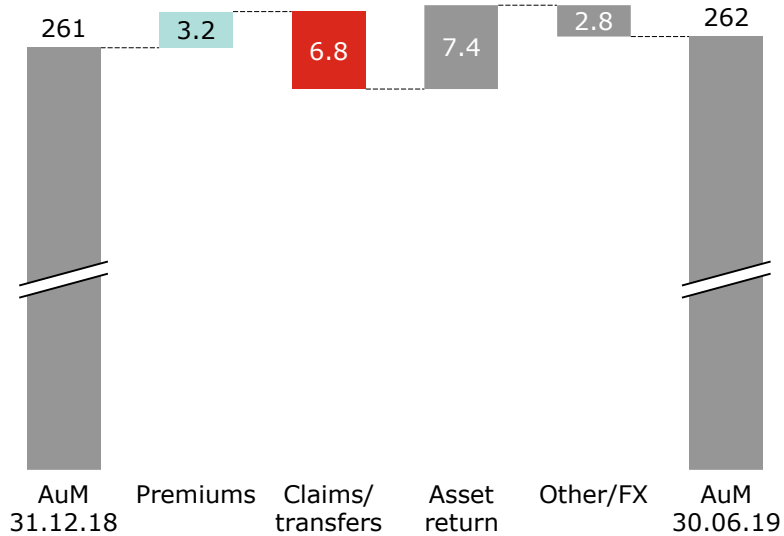
- Growth slowing as balance is approaching target
- Higher net interest margin

Fast growing Nordic asset manager with a blend of captive pension assets and external clients

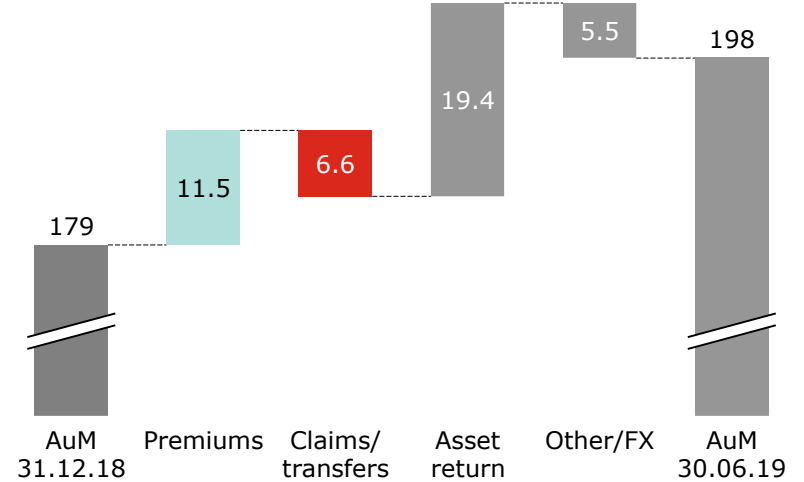


Net flows pension savings

Guaranteed



Unit Linked



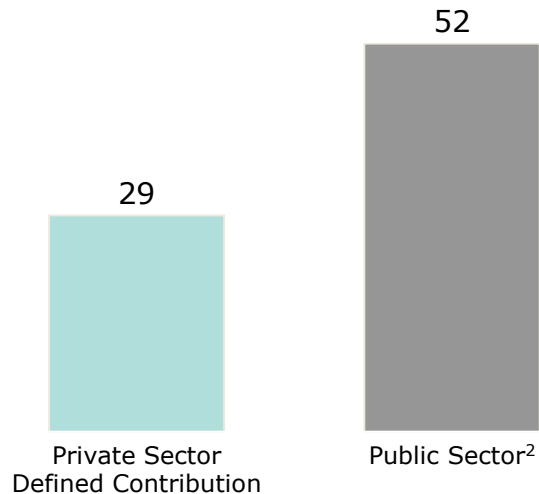
Numbers in NOK bn

Storebrand to enter Norwegian public sector pension market

Large public sector market opening up for competition

New regulation will make it attractive for Storebrand to enter the market again

Annual market premium NOK bn¹



- With effect from 2020, the pension system for public employees will be adjusted to better fit the 2010 Norwegian pension reform.
- Market monopoly today.
- Capital efficient product offering.
- 5% expected annual market premium growth.
- Storebrand will build on existing systems and solutions and execute within previously communicated cost target for the group.

Digitalisation across all dimensions in Storebrand

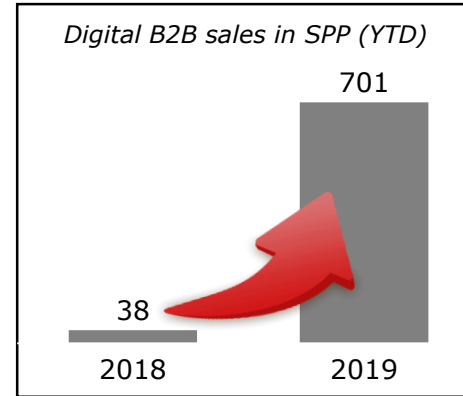
Better customer experience

Digital tools are helping corporate customers provide policyholders with better information on their employee benefits and increase awareness.



More efficient claims settlements

Private-public digitisation program DSOP is reducing processing time for disability claims from 100 days to 3 days using AI, APIs and automation.



Scalable digital sales to corporates

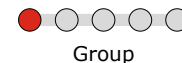
701 corporates have signed occupational pension plans for their employees with SPP using new digital tools YTD, equivalent to 63% of total sales.

Boosting Storebrand's digital competence with young professionals

Storebrand's internship program "Sandbox" is a leading fintech-program in the Nordics, attracting 1000 applicants.

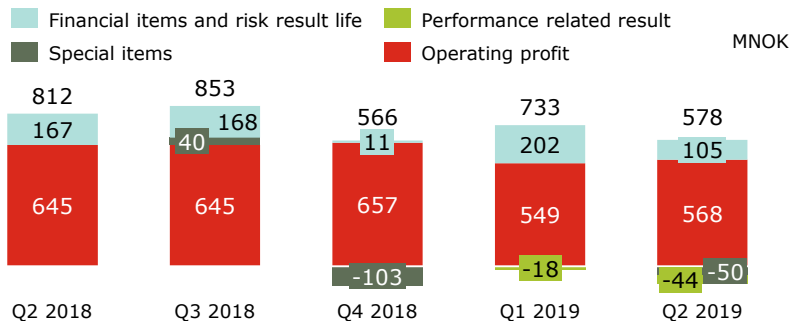


Key figures

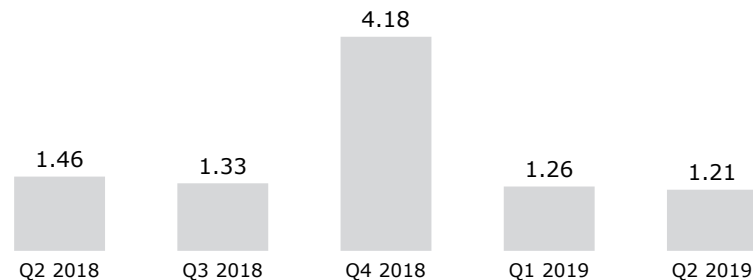


Group

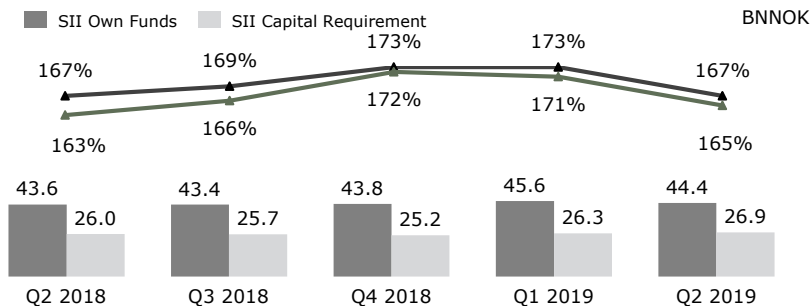
Result development¹



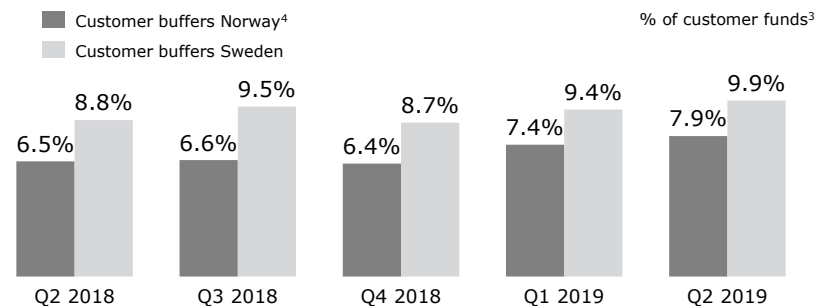
Earnings per share²



SII Own funds and SCR⁴



Customer buffers development



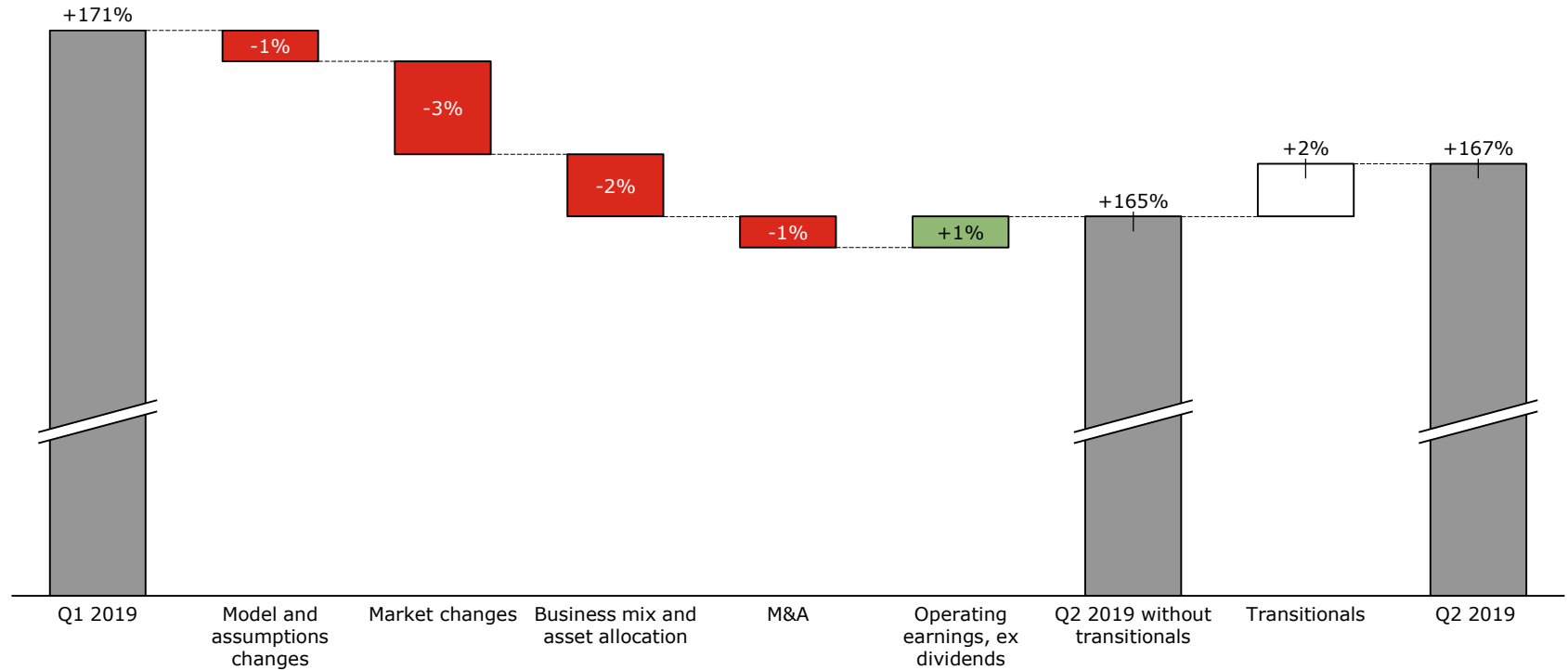
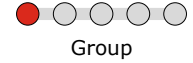
¹ Profit before amortisation, write-downs. Result adjusted for performance related result from Q1 2019.

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

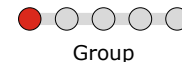
³ Excluding customer buffers Benco. Surplus values of HTM bonds cost excluded.

⁴ Without the use of transitional capital.

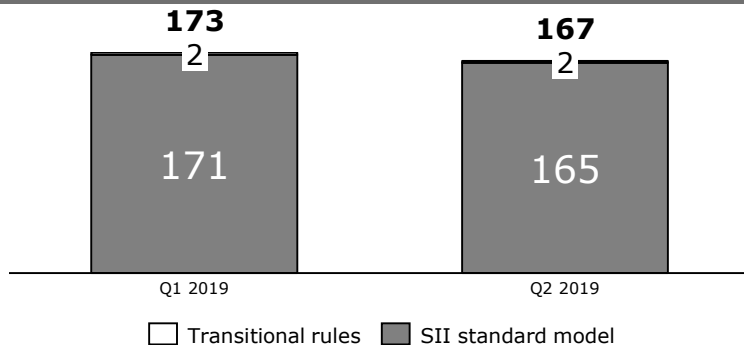
Solvency II Movement from Q1 2019 to Q2 2019



Solvency II position Storebrand Group



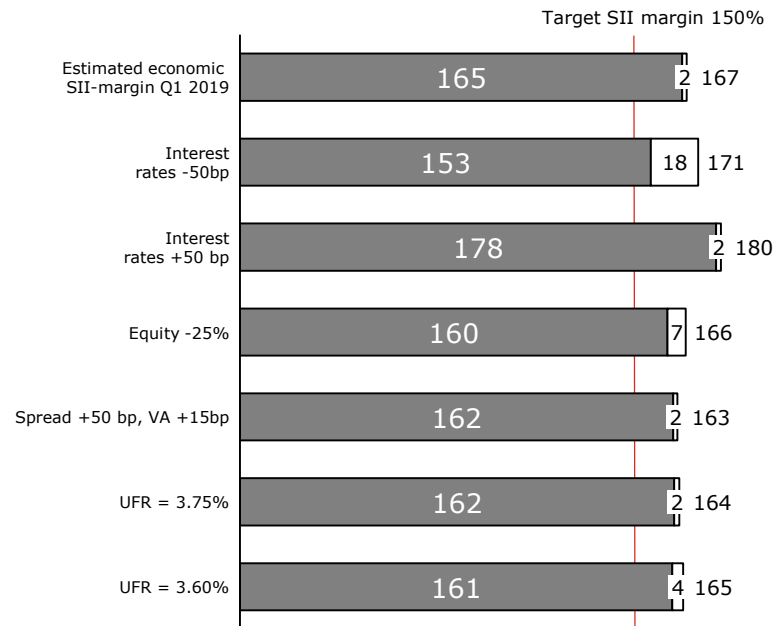
Solvency position(%)¹



Key takeaways

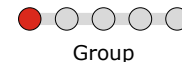
- Increased net capital requirement from growth in UL business
- Reduced long term interest rates
- Further reduced interest rates, will lead to compensation of the solvency position through transitional rules

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.

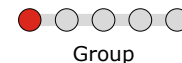
Storebrand Group



Profit¹

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Fee and administration income	1 235	1 245	2 450	2 465	5 011
Insurance result	269	358	514	693	1 291
Operational cost	-1 030	-958	-1 960	-1 878	-3 786
Operating profit	474	645	1 005	1 280	2 516
Financial items and risk result life	105	167	307	463	642
Profit before amortisation	578	812	1 311	1 743	3 158
Amortisation and write-downs of intangible assets	-114	-98	-213	-163	-360
Profit before tax	464	714	1 098	1 580	2 799
Tax	-13	-126	-153	-265	898
Profit after tax	451	587	945	1 315	3 696

Storebrand Group



Profit

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	2019	2018	2019	2018	2018
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Profit per line of business

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Savings - non-guaranteed	224	304	514	598	1 257
Insurance	139	230	242	437	748
Guaranteed pension	211	236	460	637	1 148
Other profit	5	41	96	70	5
Profit before amortisation	578	812	1 311	1 743	3 158

Savings (non-guaranteed)



Savings

Profit

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Fee and administration income	911	909	1 807	1 798	3 709
Operational cost	-672	-602	-1 287	-1 188	-2 405
Operating profit	239	307	521	610	1 303
Financial items and risk result life	-16	-2	-7	-12	-46
Profit before amortisation	224	304	514	598	1 257
<i>Income earned not booked¹⁾</i>	100	43	166	98	-
<i>Profit incl. income earned not booked</i>	324	347	680	696	-

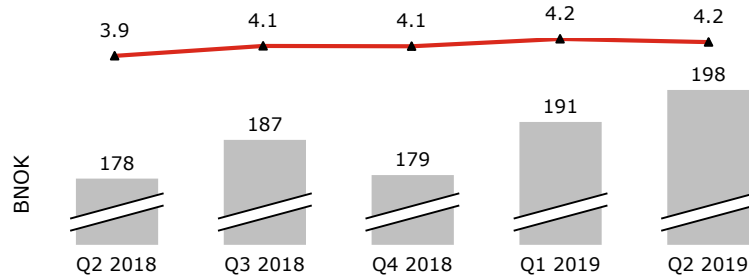
Profit per product line

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Unit linked Norway	60	65	145	111	224
Unit linked Sweden	57	69	122	132	267
Asset management	44	115	117	237	542
Retail banking	63	55	130	117	224
Profit before amortisation	224	304	514	598	1 257

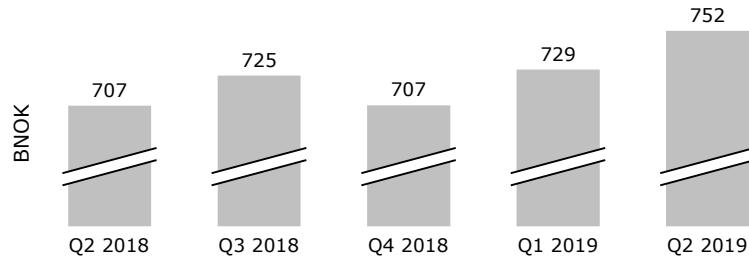
Savings (non-guaranteed)



Reserves and premiums Unit Linked



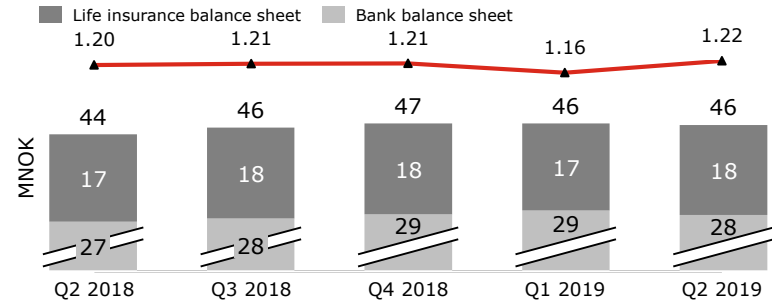
Assets under management



Comments

- 7% premium growth in UL¹
- 11% growth in UL reserves²
- 6% growth in assets under management²
- Higher net interest margin in bank

Retail bank balance and net interest margin (%)



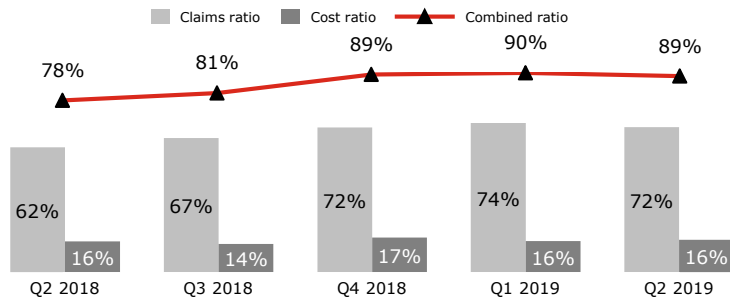
Profit

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Insurance premiums f.o.a.	965	946	1 913	1 901	3 854
Claims f.o.a.	-696	-588	-1 399	-1 208	-2 562
Operational cost	-159	-147	-309	-303	-614
Operating profit	111	211	205	390	677
Financial result	28	19	36	47	71
Profit before amortisation	139	230	242	437	748

Profit per product line

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
P&C & Individual life	108	90	193	196	372
Health & Group life	-9	81	-29	135	185
Pension related disability insurance Nordic	40	59	77	107	192
Profit before amortisation	139	230	242	437	748

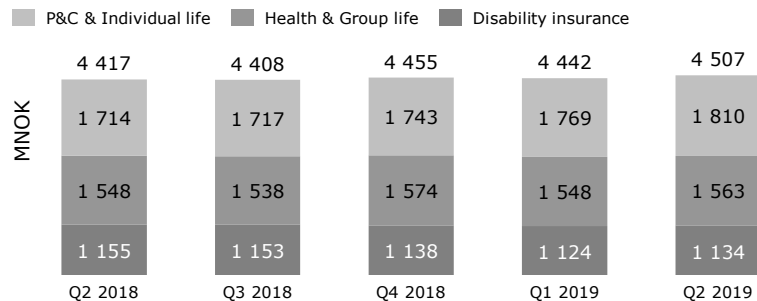
Combined ratio



Comments Combined ratio and results

- Targeted combined ratio 90-92%
- Good cost control
- Weak result in Group life, price increases under implementation

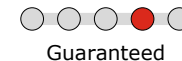
Portfolio premiums



Comments premiums and growth¹

- 2% overall premium growth
- 6% P&C growth

Guaranteed pension



Guaranteed

Profit

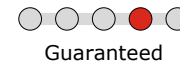
NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Fee and administration income	364	370	724	738	1 440
Operational cost	-209	-215	-395	-415	-816
Operating profit	155	155	329	323	624
Risk result life & pensions	52	-140	113	42	191
Net profit sharing and loan losses	4	221	18	272	333
Profit before amortisation	211	236	460	637	1 148

Profit per product line

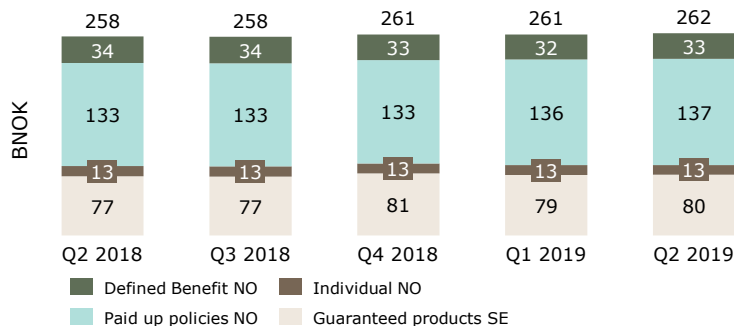
NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Defined benefit (fee based)	56	91	132	161	314
Paid-up policies, Norway	105	101	214	318	511
Individual life and pension, Norway	7	2	9	5	35
Guaranteed products, Sweden	43	42	105	153	288
Profit before amortisation	211	236	460	637	1 148

Guaranteed pension

- reserves in long term decline and robust buffer situation



Reserves guaranteed products



Buffer capital

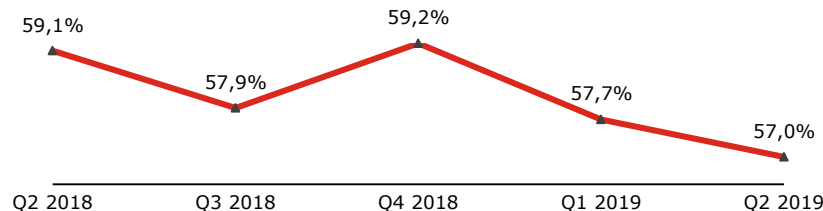
NOK million	Q2 2019	Q1 2019	Change
Market value adjustment reserve	5 140	4 312	+ 828
Excess value of bonds at amortised cost	6 076	5 863	+ 213
Additional statutory reserve	8 218	8 239	- 21
Conditional bonuses Sweden	7 145	6 774	+ 371
Total	26 579	25 188	+ 1 391

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

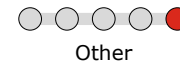
Comments

- As companies convert to DC schemes, the migration from DB to paid up policies continues to reduce fee income in Guaranteed pensions
- Continued building of buffers
- Paid up policies – strong risk result

Guaranteed reserves in % of total reserves



Other¹



Profit

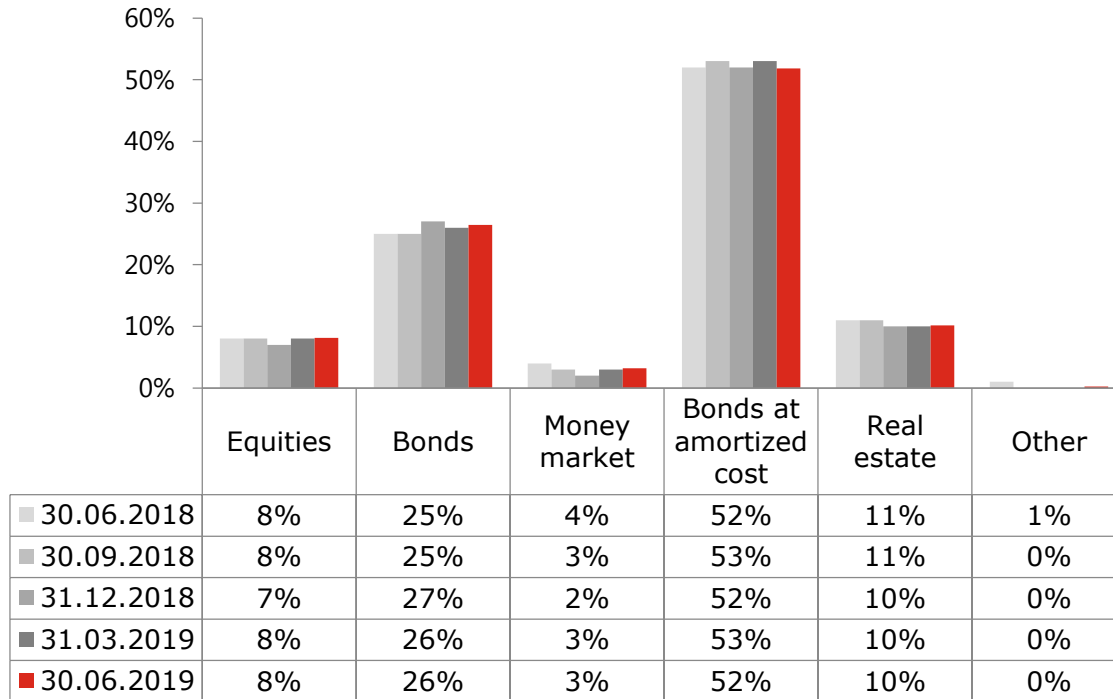
NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Fee and administration income	14	25	28	47	102
Operational cost	-45	-54	-78	-91	-190
Operating profit	-31	-29	-50	-44	-89
Financial items and risk result life	36	70	146	150	128
Profit before amortisation	5	41	96	106	40

Profit per product line

NOK million	Q2		01.01-30.06		Full year
	2019	2018	2019	2018	2018
Corporate Banking	0	5	0	-17	-14
BenCo	-11	4	-3	25	30
Holding company costs and net financial results in company portfolios	16	33	100	98	24
Profit before amortisation	5	41	96	106	40

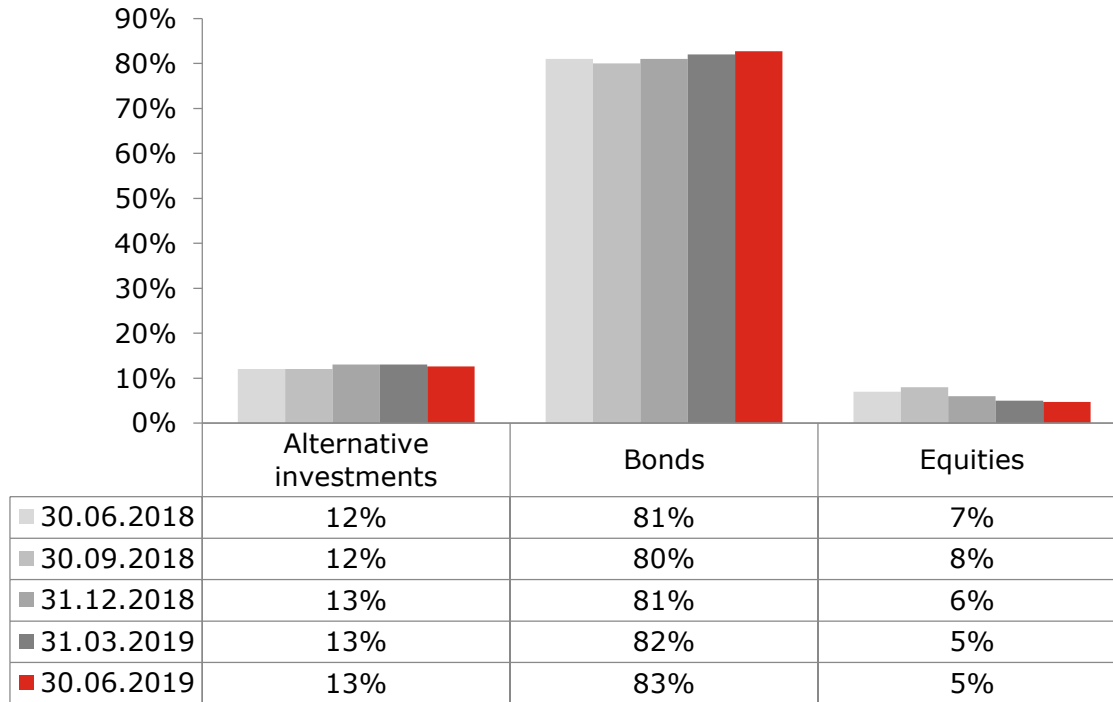
Appendix

Storebrand Life Insurance asset allocation



Note: The graph shows the asset allocation for all products with an interest rate guarantee in Storebrand Life Insurance Norwegian operations. Category bonds includes loans on life insurance balance sheet.

SPP asset allocation



Note: The graph shows the asset allocation for all products with an interest rate guarantee in SPP.



Investor Relations contacts

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Our Vision

Recommended by our customers

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.