

STOREBRAND ASA: Results for the 1st Quarter 2020

Growth in core business, tax effects and result effects from COVID-19 and economic turmoil.

- Group profit of NOK -334m in the 1st quarter
- Solvency II ratio 172%
- 19% growth in Unit Linked premiums y/y
- 11% growth in group fee income (7% currency adjusted)

- The necessary measures taken across the globe against the Covid-19 pandemic have been followed by unprecedented consequences for individuals, business and society. Storebrand has been fully operational with close to normal productivity, with a strong focus on supporting customers. We have helped a record number of customers with their travel insurance claims, refinanced mortgages, adjusted amortisation schedules, and provided extensive business and investment advice, says CEO Odd Arild Grefstad.

- The Storebrand Group is financially solid, and we have taken preventive measures to build a plan for various economic scenarios. The liquidity in the Group is robust and there are no refinancing needs in 2020. At the same time, we continue to grow our core operations. Unit link premiums increased by 19% and we actively look for new opportunities in the form of partnerships, ecosystems and acquisitions, says CEO Odd Arild Grefstad.

Growth in Core Business

Storebrand continued to grow its core business. Premiums from Unit linked increased by 19% to NOK 5,046 million compared to last year. Storebrand succeeds well in both the Norwegian and Swedish markets for occupational pensions. Assets under management was NOK 829 billion, an increase of 14% from last year. The market turmoil in the quarter is offset by currency effects and strong growth from the core business. Gross written premiums in the Insurance segment increased 13% compared to last year.

Group Profit affected by Insurance Reserve strengthening, Market Turmoil and positive Tax Effects

As a result of growth in the core business, group fee income grew with 7% currency adjusted (11% unadjusted) in the quarter. As announced in a separate stock exchange release 24. April, Storebrand strengthened the reserves for all insurance products with disability coverages in the quarter. Group operating profit was NOK 254 million for the first quarter.

NAV, the Norwegian Labour and Welfare Administration, had as of 22 April 2020 registered 359,197 applications for welfare benefits from workers affected by temporary layoffs. The insurance results are negatively affected by an increase in observed and expected jobless claims in Norway. Storebrand has conducted a forward-looking model review based on the unfolding of the current economic situation. The operating profit from the Insurance segment was minus NOK 246 million, corresponding to a combined ratio of 124%.

Financial results are affected by the market turmoil. The Financial results in the group accounts was minus NOK 588 million for the quarter. The negative results are primarily related to the company portfolios. The return is negatively impacted by mark-to-market losses caused mainly by credit spread widening. Return in Storebrand Livsforsikring AS' company portfolio was minus 1.25% in the quarter.

A tax income of NOK 717 million booked in the quarter. This a result of new information and interpretation of the transition rules of 2018 as well as tax deductible losses from currency hedging of the Swedish subsidiary SPP.

Solvency

The solvency margin was 172% at the end of the 1st quarter 2020. The Solvency margin without transitional rules was 155%. Lower interest rates, increased credit spreads and falling equity markets reduced the solvency

margin. Contracyclical measures in the regulatory framework, such as volatility adjustment and symmetrical equity adjustment combined with risk management reduced the negative impact on the solvency margin. The transition rules mitigate the effects of the interest rate movement.

Dividend and Annual General Meeting

The Board of Storebrand ASA has decided to withdraw the proposed dividend for the financial year of 2019 for the annual general meeting.

The Board has recognised the pronounced expectations from the Norwegian Ministry of Finance, Norwegian FSA and EIOPA to suspend dividends until the great uncertainty about the economic development has been reduced. The Board maintains that the company's liquidity, solvency and result prognosis support an ordinary dividend for 2019. The Board reaffirms its commitment to the dividend policy and plans an ordinary dividend next year.

The Annual General Meeting will be held on 17 June 2020. To comply with health and safety advice from the Norwegian Institute of Public Health, Storebrand encourages shareholders to vote in advance and to participate via webcast. Questions to the Annual General Meeting can also be submitted in advance.

The Capital Markets Day was originally scheduled for 9 June 2020 in London. The event will be postponed to Q4 2020.

Key figures in the quarter:

(Q1-2019 in brackets)

- Solvency ratio 172% (173%)
- Earnings per share, adjusted for amortisation NOK 0.82 (NOK 1.26)
- Equity NOK 34,090m (NOK 33,177m)
- Assets under management NOK 829bn (NOK 729bn)

Activity related to the first quarter 2020

07:30 CEST: Release of stock exchange notification. Press release, quarterly report and analyst presentation will be available at www.storebrand.no/ir.

08.30 CEST: Live press and analyst conference in English in a combined webcast and conference call. The presentation will be available on demand afterwards. Participants who would like to ask questions at the end of the presentation must dial-in to the conference call, or alternatively submit their written questions in the provided form in the webcast. We kindly ask media with separate interview requests to e-mail SVP Communications, Vibeke Hansen, in advance. Reporters will be contacted after the conference.

To join the call, please click the link below to pre-register. Once registered, you'll receive dial in number(s) and your conference and user PINs ready for the call.

[Link to webcast](#)

[Link to conference call registration](#)

For further inquiries, please contact:

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Storebrand's ambition is to provide our customers with financial freedom and security by being the best provider of long-term savings and insurance. Storebrand will deliver sustainable solutions adapted to the customer's individual situation, so that each person receives a better pension in a more sustainable world. Storebrand has about 40.000 corporate customers and 2 million individual customers, and has its headquarter at Lysaker outside of Oslo, Norway. Storebrand manages NOK 829 bn and is Norway's largest private asset manager. We work hard to fulfil our mission: A future to look forward to. Storebrand (STB) is listed on Oslo Stock Exchange. Visit us at www.storebrand.no and follow us on Twitter: @Storebrand_no This announcement is subject to information pursuant to the Securities Trading Act § 5-12