

Storebrand 1Q 2018

25 Apr 2018

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Lars Aa. Løddesøl – CFO

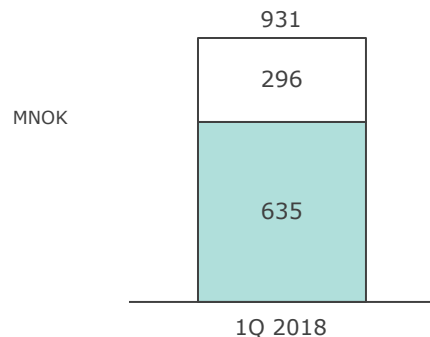






Storebrand Capital Markets Day May 31 - London
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Highlights Q1 2018

Group result¹



-  Financial items and risk result life
-  Operating profit



17% Unit Linked growth²



14% growth in retail lending²



7% Insurance premium growth²



165% Solvency II ratio³

¹ Result before amortisation and write-downs.

² Growth figures are from YTD 2017 to YTD 2018.

³ Including transitional rules.

Our strategy

1

Manage the guaranteed balance sheet

>150% SII margin

- **Cost reductions** through automation and outsourcing
- Manage for future **capital release** and increased **dividend capacity**

2

Continued growth in Savings and Insurance

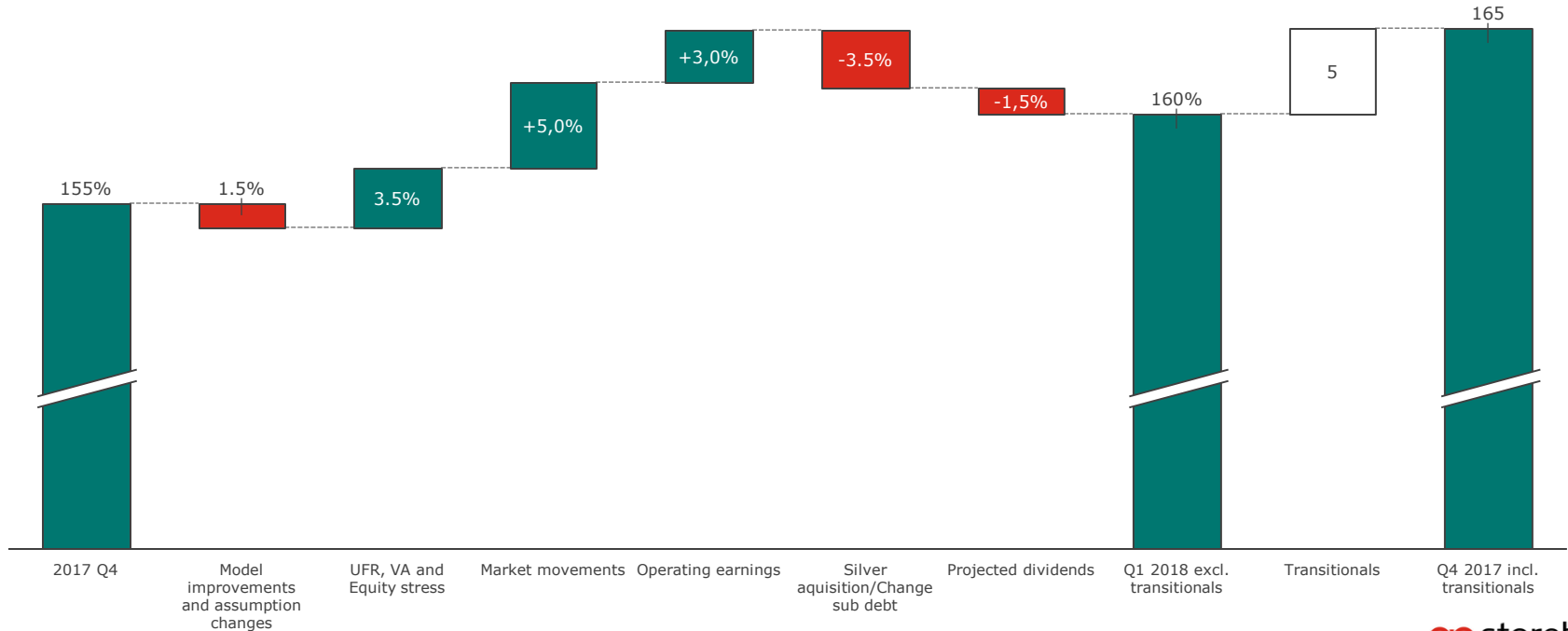
Capital-light and profitable growth

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

Lower capital requirements and higher quality of earnings

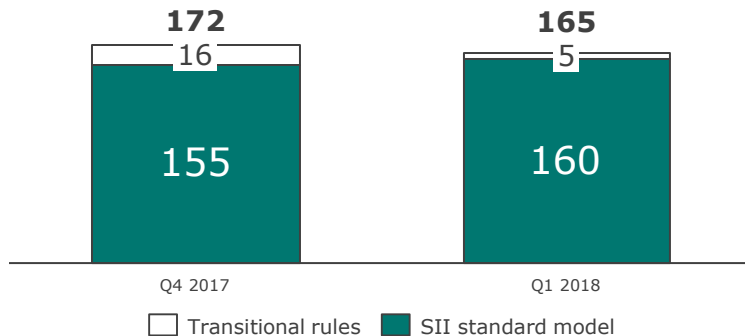
We work hard to reach our vision:
Recommended by our customers

Storebrand Group Solvency movement from Q4 2017 to Q1 2018



SII position Storebrand Group

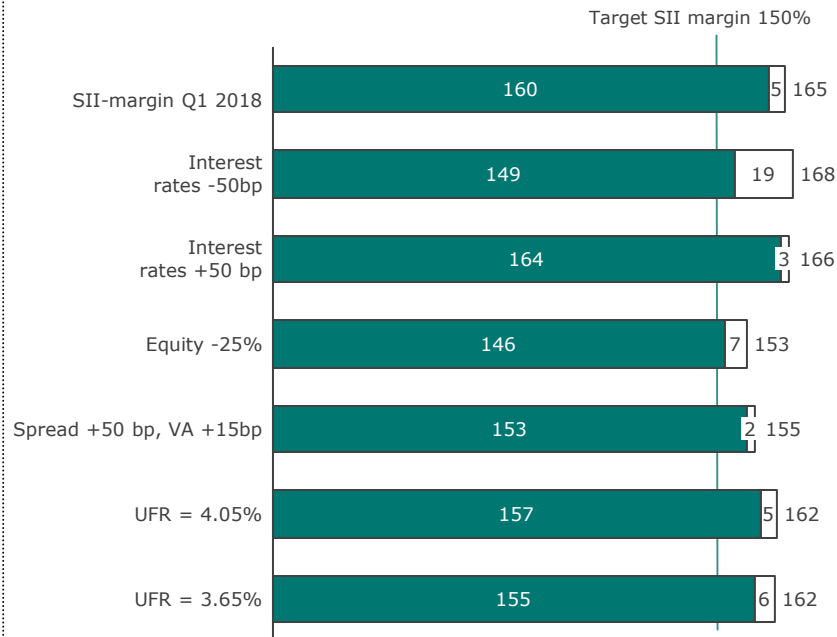
Solvency position(%)¹



Key takeaways

- Increased interest rates and volatility adjustment positive for the SII position, but reduces the value of the transitional rules
- Results give strong capital generation

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.

SKAGEN and Silver update



1

Acquired remaining 8% of the shares during Q1, financed with liquidity from Skagen AS.

2

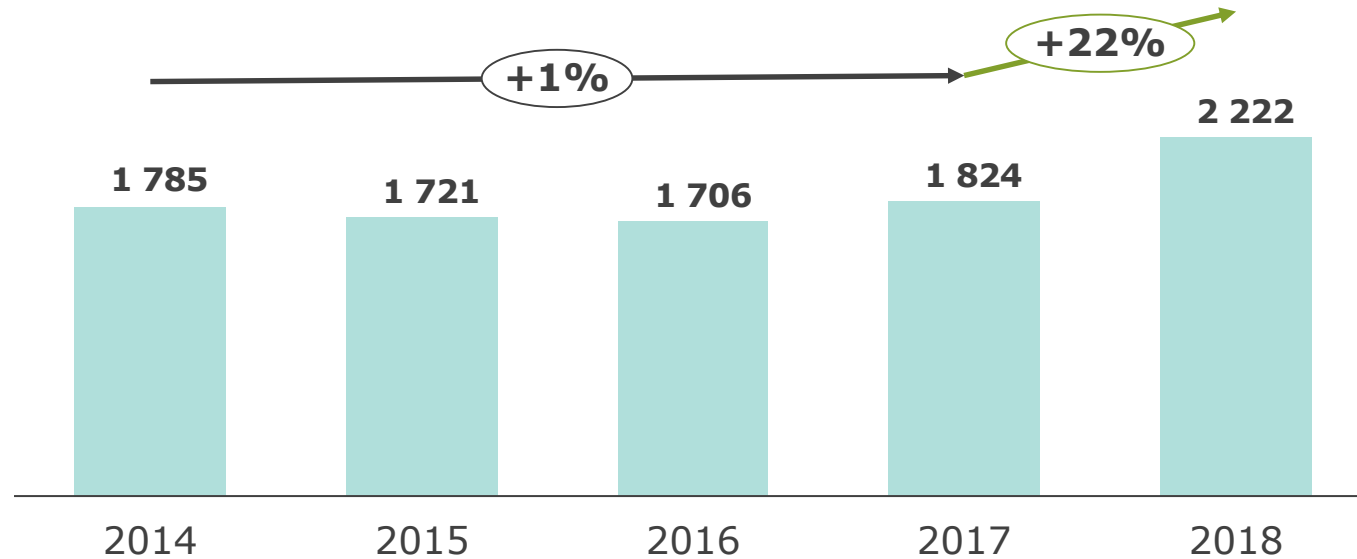
Decided to converge into one operational platform using technology solutions from both Skagen and Storebrand

3

Successful onboarding and welcoming of 16 000 new customers with NOK 10bn of assets

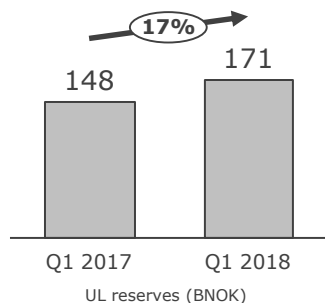
Strong growth in Swedish business SPP

Total premium income SPP Q1 2014-2018 (SEKm)



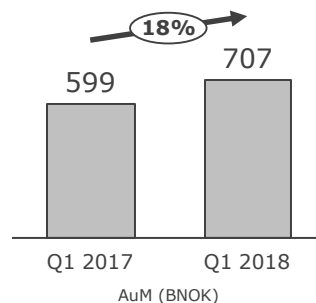
Growth in Savings continues

Unit Linked



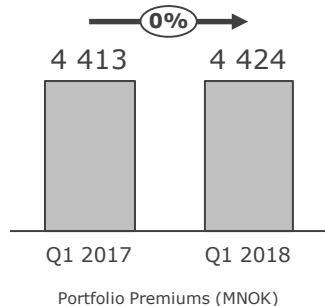
- Including NOK 8,5bn from Silver
- Negative financial return and FX dampens growth

Asset management



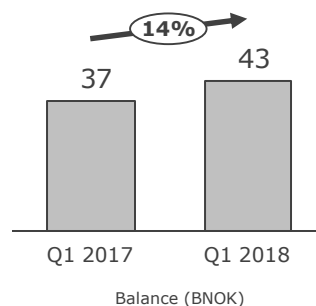
- Growth driven by non-guaranteed and external mandates
- Weaker SEK reduces growth

Insurance



- Weak growth
- Improved profitability
- Implementing growth initiatives

Retail loans



- NOK 15,4bn placed on life balance sheet as of Q1 2018

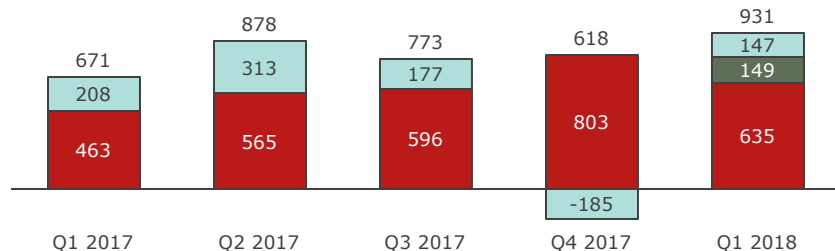
Key figures



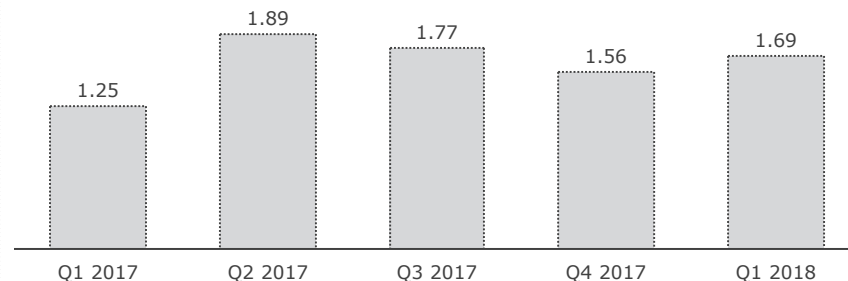
Result development¹

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

MNOK



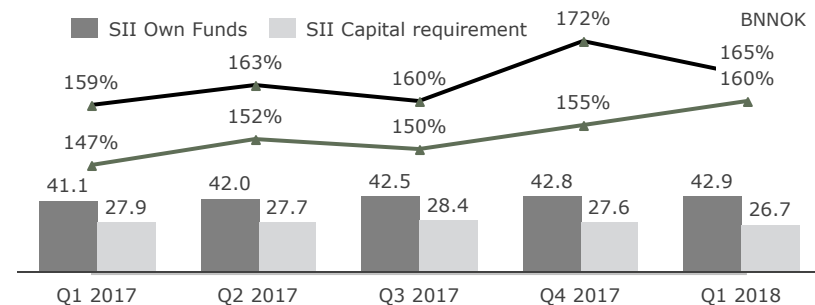
Earnings per share²



SII Own funds and SCR⁴

- SII Own Funds
- SII Capital requirement

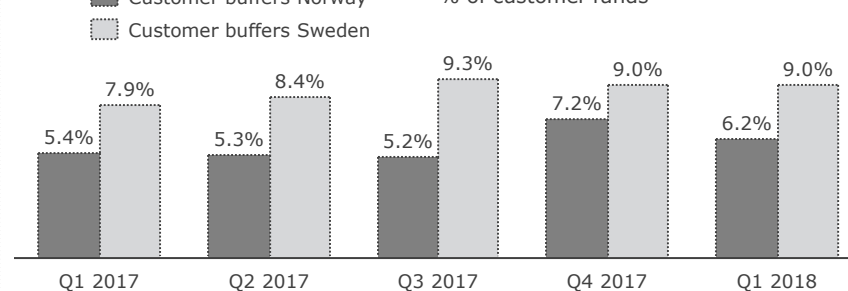
BNNOK



Customer buffers development

- Customer buffers Norway⁴
- Customer buffers Sweden

% of customer funds³



¹ Result before amortisation, write-downs.

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

³ Customer buffers in Benco not included. Surplus values of bonds held at amortised cost excluded.

⁴ Bars without the use of transitional capital. Ratio is shown with (black) and without transitional rules.

Profit¹

	1Q		Full year
NOK million	2018	2017	2017
Fee and administration income	1220	1 034	4 779
Insurance result	335	275	1 146
Operational cost	-919	-845	-3 498
Operating profit	635	463	2 427
Financial items and risk result life	296	208	513
Profit before amortisation	931	671	2 940
Amortisation and write-downs of intangible assets	-64	-98	-536
Profit before tax	866	573	2 404
Tax	-139	-109	2
Profit after tax	728	465	2 405

¹ The result includes special items. Please see storebrand.com/ir for a complete overview. Numbers from Q1 2017 does not include Skagen. Cost from Skagen was NOK 110m in 1Q 2018.

Storebrand Group



Profit

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NOK million	2018	2017	2017
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Profit per line of business

	1Q		Full year
NOK million	2018	2017	2017
Savings - non-guaranteed	294	240	1 511
Insurance	207	171	608
Guaranteed pension	401	201	766
Other profit	29	59	55
Profit before amortisation	931	671	2 940

Savings (non-guaranteed) - continued growth



Profit

	1Q		Full year
NOK million	2018	2017	2017
Fee and administration income	889	700	3 402
Operational cost	-586	-459	-1 899
Operating profit	303	241	1 503
Financial items and risk result life	-9	-2	8
Profit before amortisation	294	240	1 511
<i>Fees earned not booked¹</i>	55	18	-

Profit per product line

	1Q		Full year
NOK million	2018	2017	2017
Unit linked Norway	46	69	284
Unit linked Sweden	64	46	252
Asset Management segment	122	98	823
Retail banking	62	26	152
Profit before amortisation	294	240	1 511

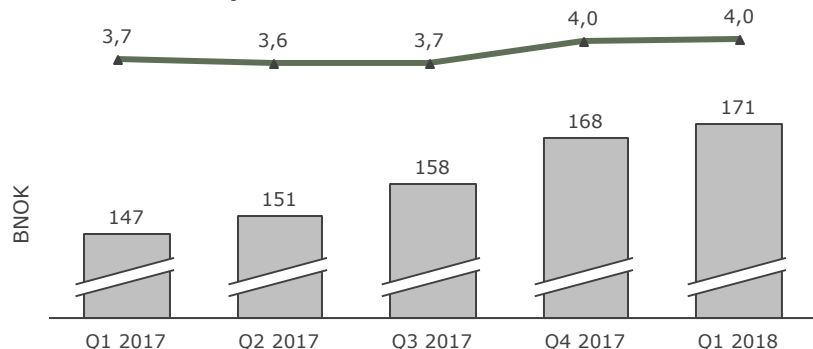
¹ 'Earned not booked' refers to performance fees to be booked at the end of the year given investment performance in Skagen and Delphi YTD. Result at year end can deviate from estimate due to market movements.

Savings (non-guaranteed)

- strong growth in assets and retail lending



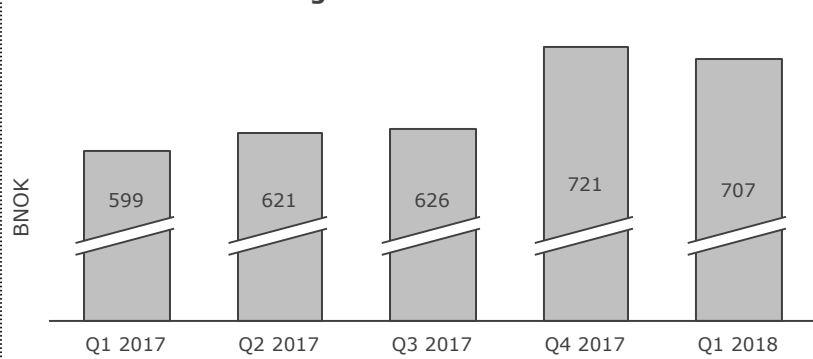
Reserves and premiums Unit Linked



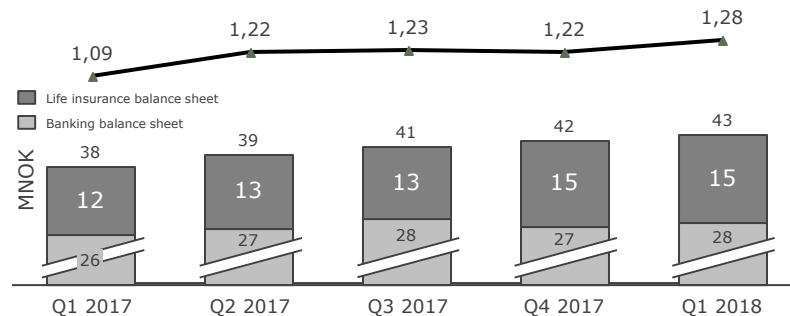
Comments

- 6% premium growth in UL premiums¹
- 14% retail lending growth²
- 18% growth in assets under management²

Assets under management



Retail bank balance and net interest margin (%)



¹ Excluding transfers. Growth from YTD 2017 to YTD 2018.

² Growth figures from YTD 2017 to YTD 2018.

³ Includes consolidation of Skagen. Growth figures from YTD 2017 to YTD 2018.

Insurance

Profit

	1Q		Full year
NOK million	2018	2017	2017
Insurance premiums f.o.a.	1010	940	3 872
Claims f.o.a.	-675	-665	-2 726
Operational cost	-156	-172	-711
Operating profit	179	103	435
Financial result	28	68	173
Profit before amortisation	207	171	608

Profit per product line

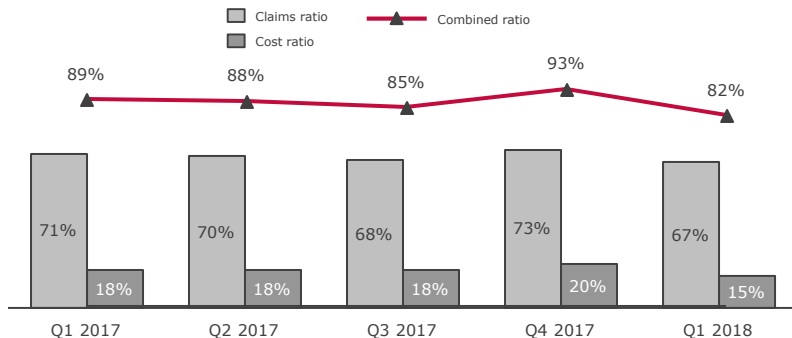
	1Q		Full year
NOK million	2018	2017	2017
P&C & Individual life	106	96	285
Health & Group life	54	66	242
Pension related disability insurance Nordic	48	9	81
Profit before amortisation	207	171	608

Insurance

- Implemented measures to reduce costs



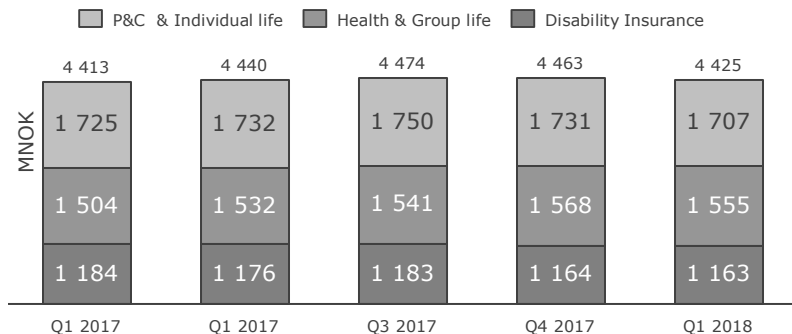
Combined ratio



Comments Combined ratio and results

- Combined Ratio 82%
- Cost ratio 15%, improvement due to fewer FTEs in the segment

Portfolio premiums



Comments premiums and growth¹

- Flat premium development within P&C & Individual life
- 3% premium growth within Health & Group life
- 2% in premiums in Pension related disability Nordic due to loss of unprofitable customers

¹ Growth figures show development from 2017 to 2018 YTD.

Guaranteed pension



Profit

	1Q		Full year
NOK million	2018	2017	2017
Fee and administration income	368	358	1 483
Operational cost	-200	-221	-889
Operating profit	168	137	595
Risk result life & pensions	183	34	67
Net profit sharing and loan losses	51	30	104
Profit before amortisation	401	201	766

Profit per product line

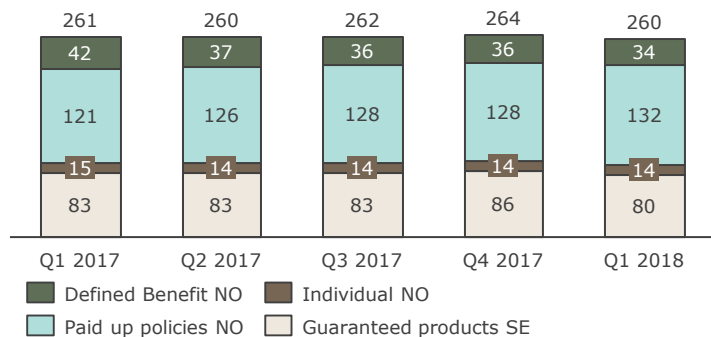
	1Q		Full year
NOK million	2018	2017	2017
Defined benefit (fee based)	70	67	297
Paid-up policies, Norway	217	27	122
Individual life and pension, Norway	3	2	79
Guaranteed products, Sweden	111	105	267
Profit before amortisation	401	201	766

Guaranteed pension

- reserves in long term decline and robust buffer situation



Reserves guaranteed products



Comments

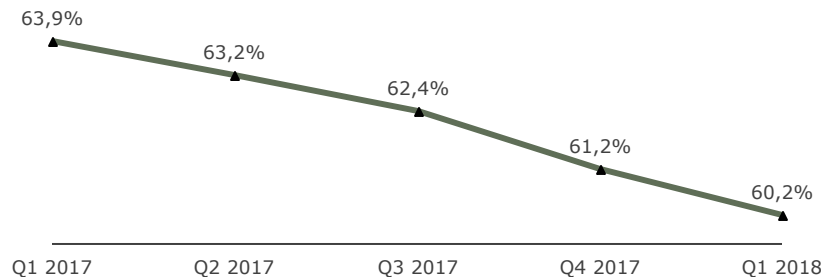
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
- NOK 149m dissolution of longevity reserves

Buffer capital

NOK million	2018 1Q	2017 1Q	Change
Market value adjustment reserve	2 313	3 707	-1394
Excess value of bonds at amortised cost	6 315	8 531	-2216
Additional statutory reserve	8 114	8 254	-140
Conditional bonuses Sweden	6 582	7 042	-460
Total	23 325	27 535	-4210

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

Guaranteed reserves in % of total reserves



Profit

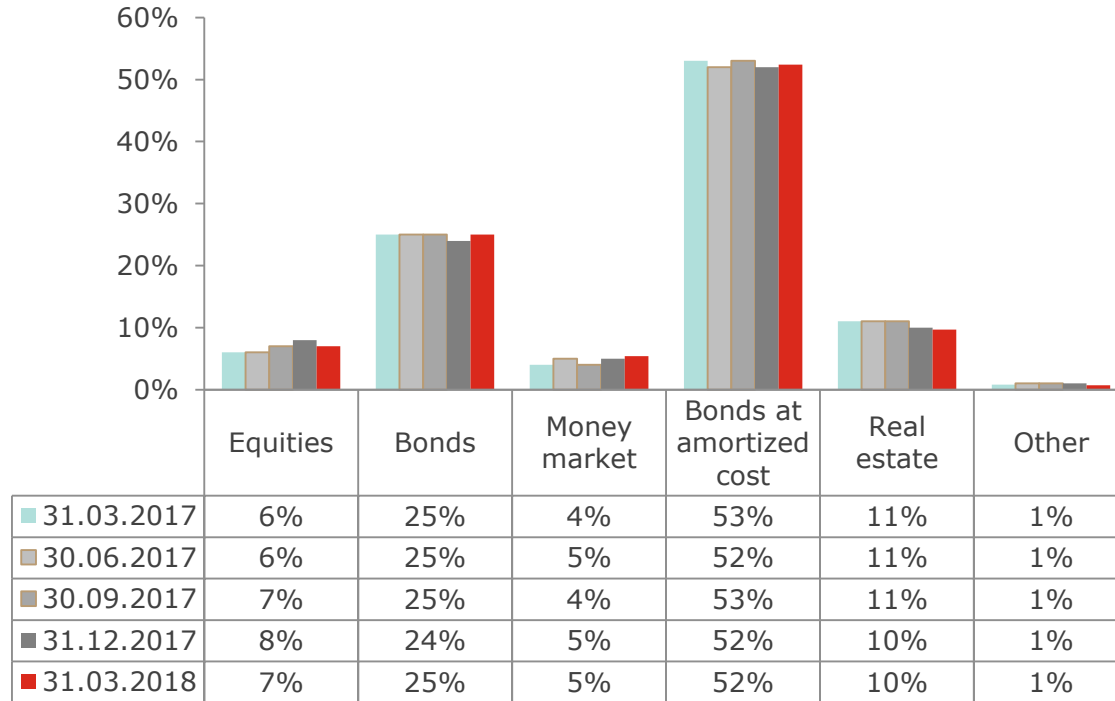
	1Q		Full year
NOK million	2018	2017	2017
Fee and administration income	21	21	83
Operational cost	-36	-39	-188
Operating profit	-15	-18	-105
Financial items and risk result life	45	77	161
Profit before amortisation	29	59	55

Profit per product line

	1Q		Full year
NOK million	2018	2017	2017
Corporate Banking	-22	14	42
BenCo	21	5	21
Holding company costs and net financial results in company portfolios	30	40	-8
Profit before amortisation	29	59	55

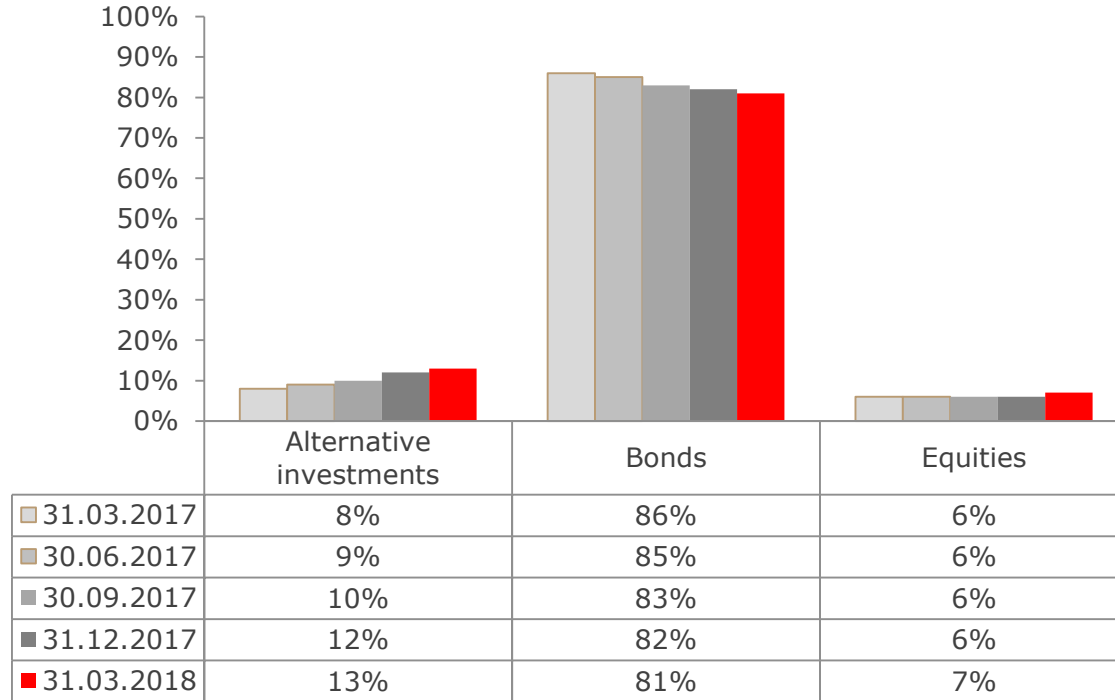
Appendix

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.