

Storebrand 2Q 2018

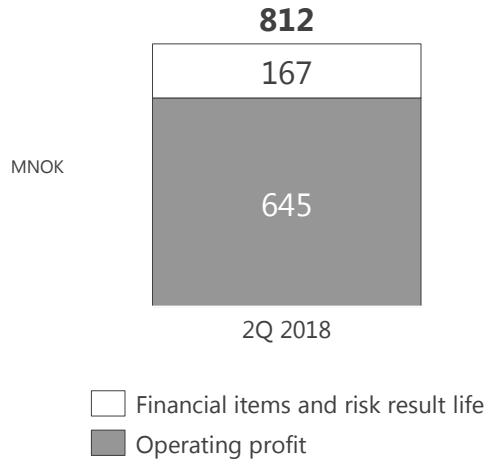
13 July 2018

Odd Arild Grefstad – CEO
Lars Aa. Løddesøl – CFO



Highlights 2Q 2018

Group result¹



18% Unit Linked growth²



14% AuM growth Asset Management²



12% Retail Bank lending growth²



167% Solvency II ratio³

Our strategy

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

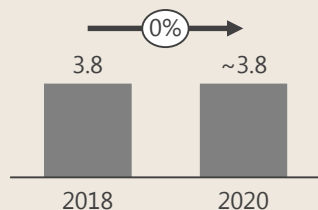
D

Bolt-on M&A

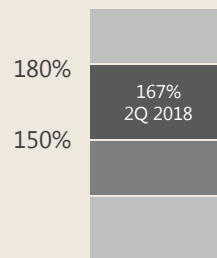
2

Manage balance sheet and capital

A. Cost discipline



B. SII capital management framework



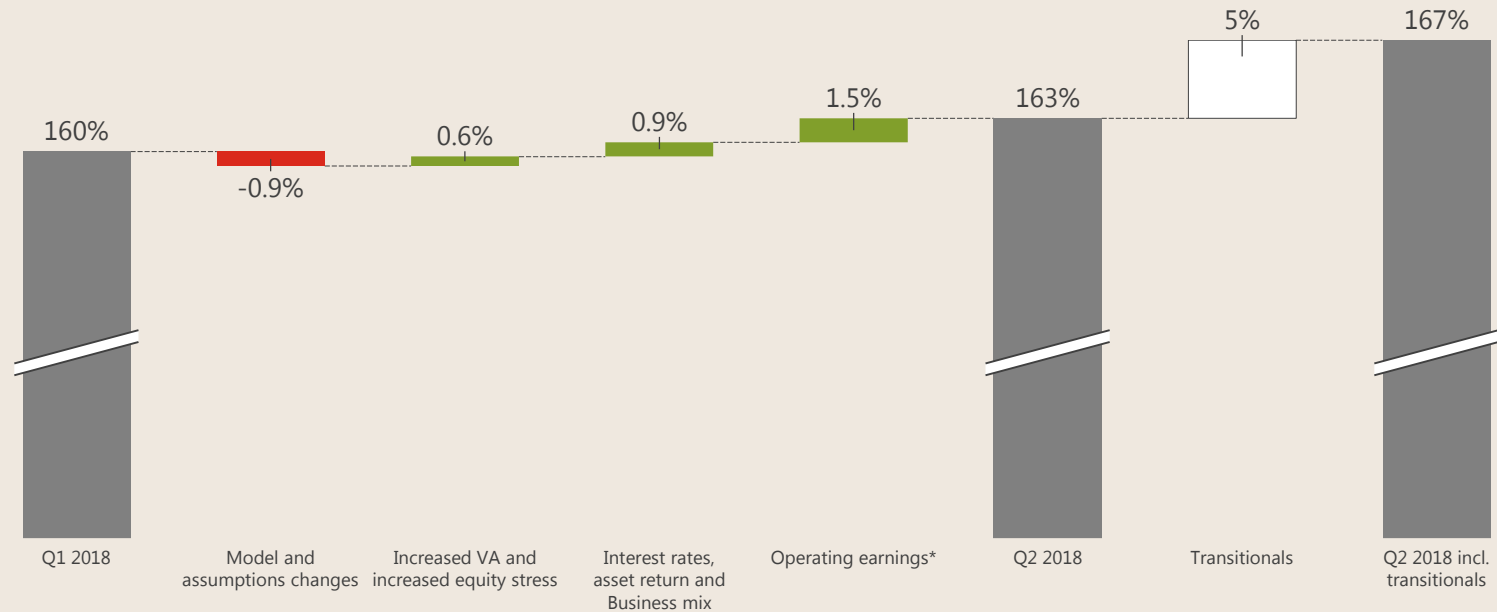
C. Increased return



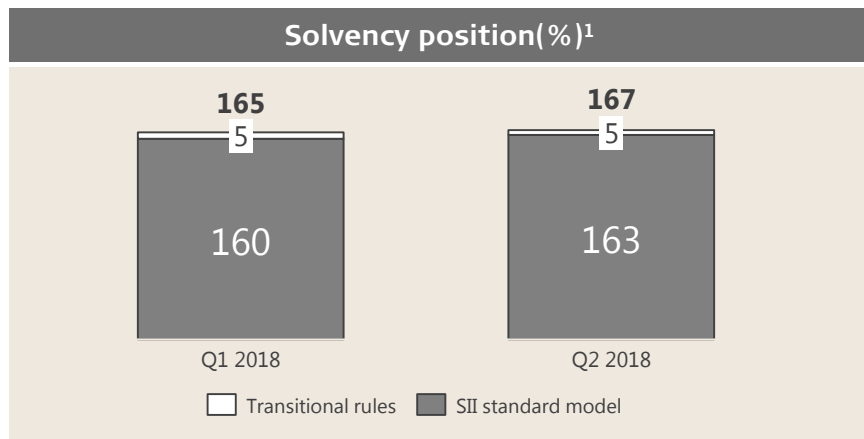
Manage for capital release and increased dividend pay-out ratio

Compelling combination of **self-funding growth** and **capital return** from maturing guaranteed back-book

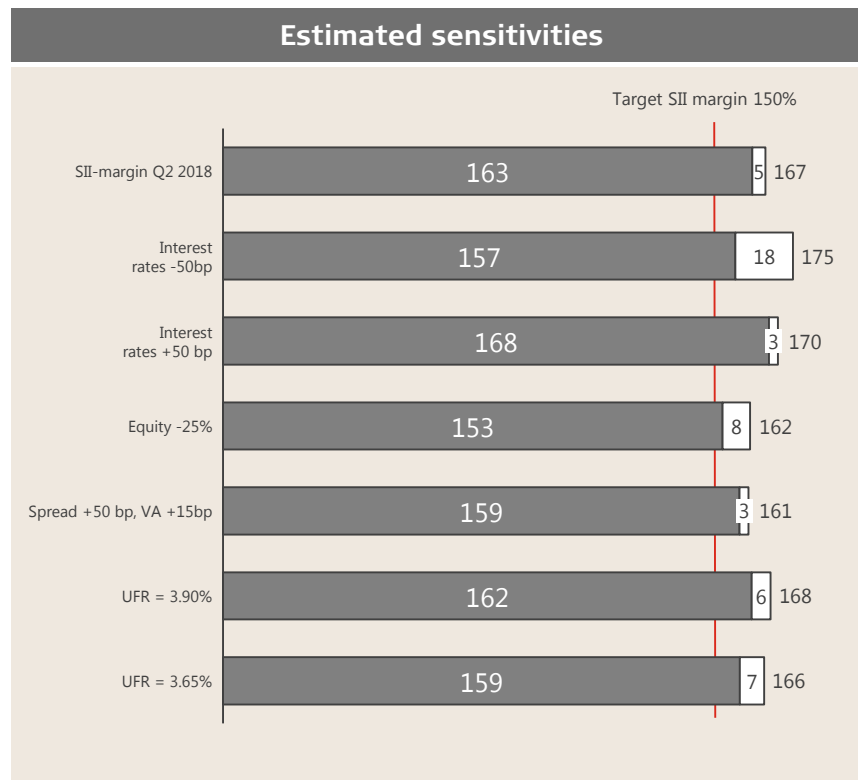
Storebrand Group Solvency movement from Q1 2018 to Q2 2018



SII position Storebrand Group

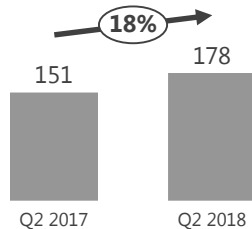


- ### Key takeaways
- Group results strengthens the Solvency ratio
 - Strong asset return allow for increased buffer capital
 - Reduced sensitivities due to:
 - Increased buffer capital
 - Reduced duration mismatch



Growth in Savings continues

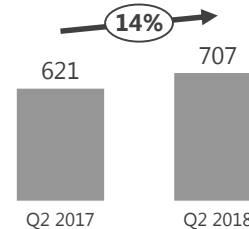
Unit Linked



UL reserves (BNOK)

- Including NOK 8.5bn from Silver
- FX dampens growth

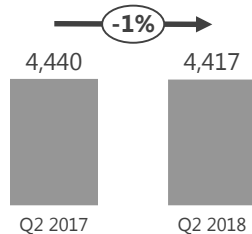
Asset management



AuM (BNOK)

- Growth driven by non-guaranteed savings and Skagen acquisition
- Weaker SEK reduces growth

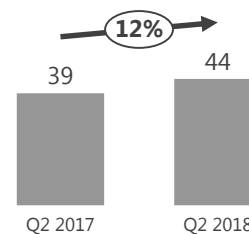
Insurance



Portfolio Premiums (MNOK)

- Improved profitability
- Implementing growth initiatives

Retail loans

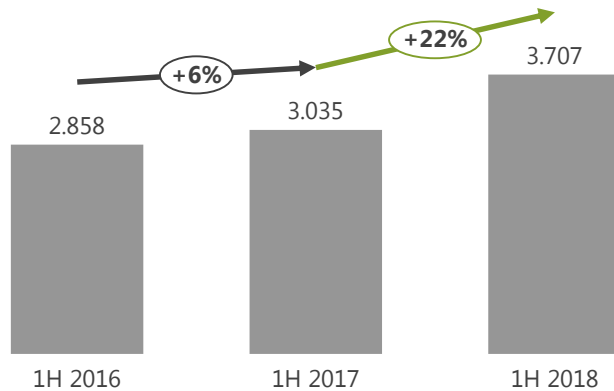


Balance (BNOK)

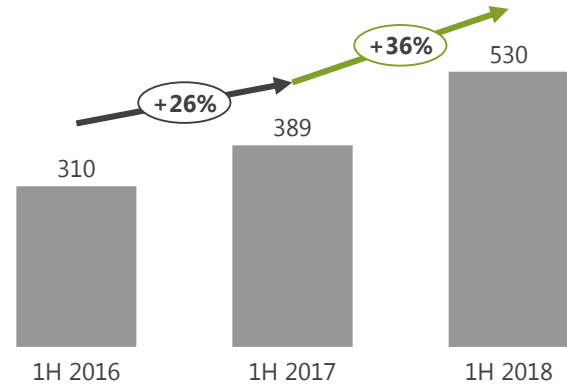
- NOK 17.4bn placed on life balance sheet as of 2Q 2018

Strong growth in premiums and new sales in the Swedish business

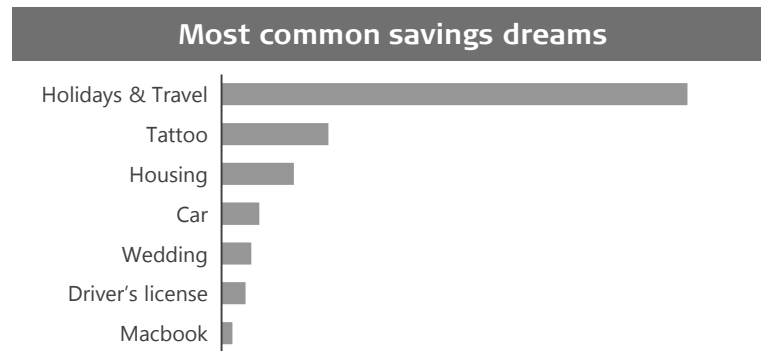
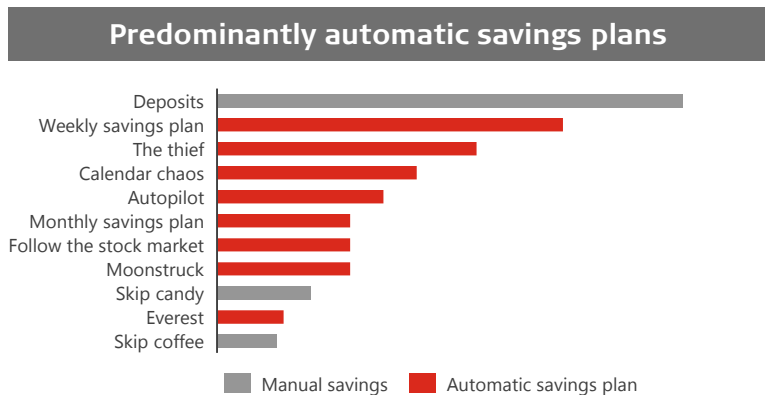
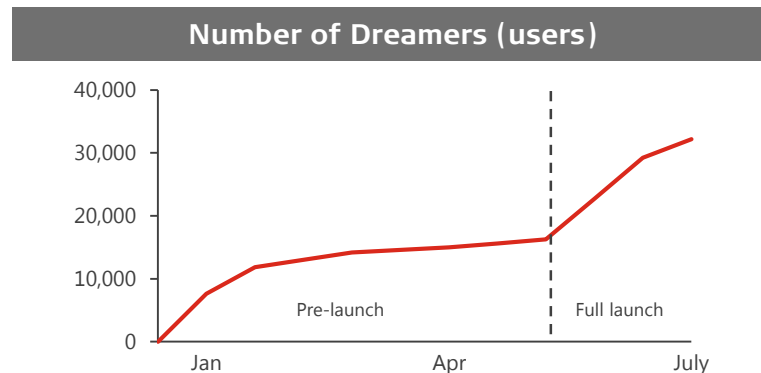
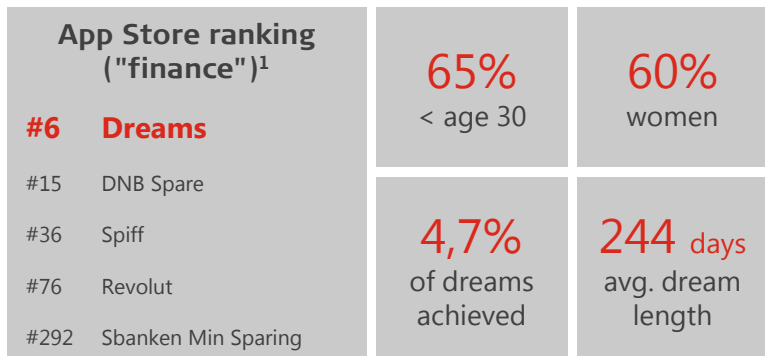
Premium income (MSEK)



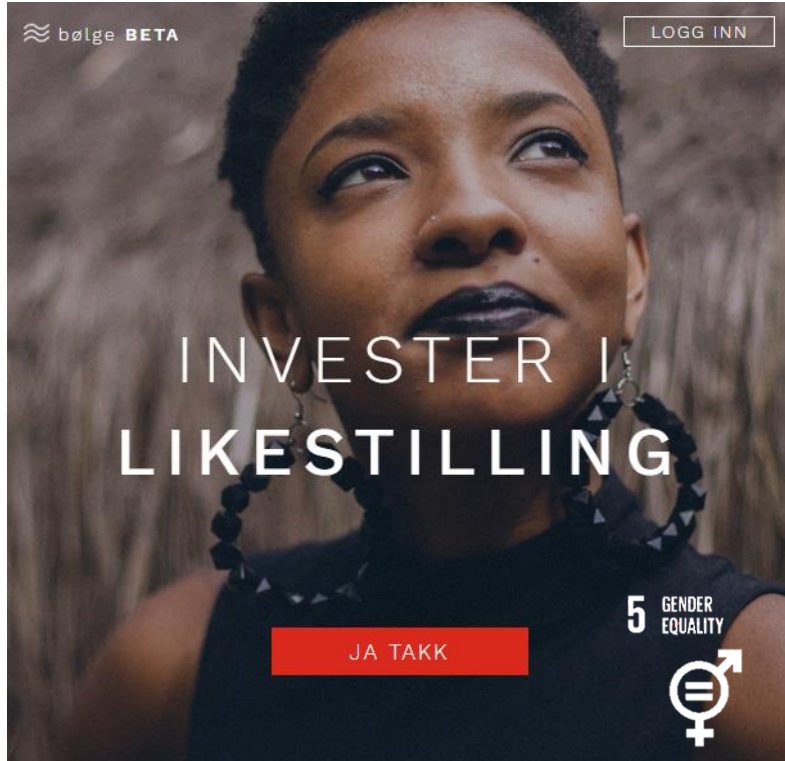
New sales (APE, MSEK)



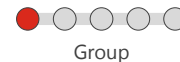
Dreams taking off and attracting a new savings segment



Storebrand launches impact investing in UN Sustainable Development Goals through its new savings concept bølge

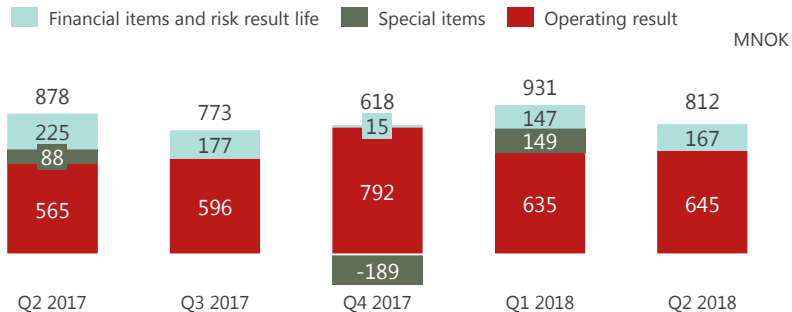


Key figures

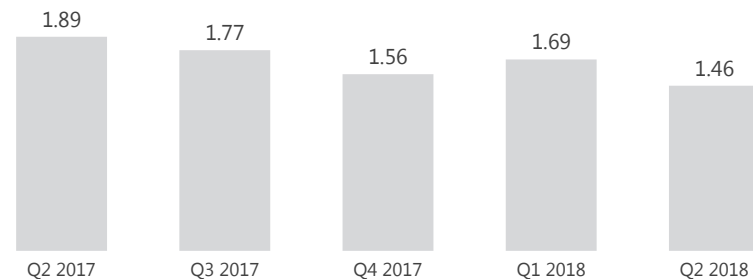


Group

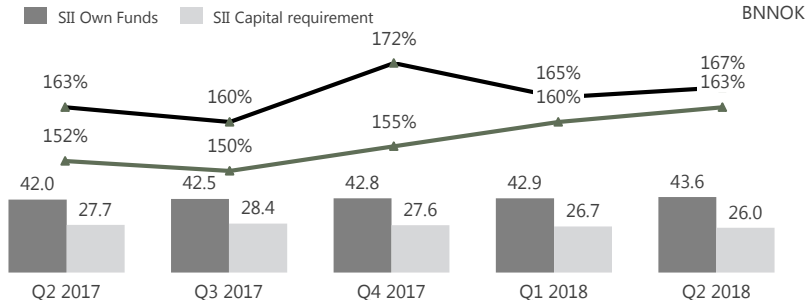
Result development¹



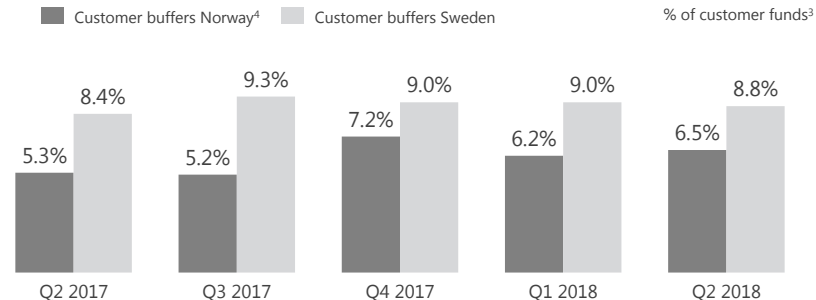
Earnings per share²



SII Own funds and SCR⁴



Customer buffers development



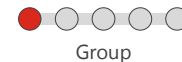
¹ Result before amortisation, write-downs.

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 amortized cost excluded.

⁴ Without the use of transitional capital

Storebrand Group

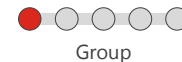


Group

Profit¹

NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Fee and administration income	1 245	1 091	2 465	2 124	4 771
Insurance result	358	290	693	565	1 146
Operational cost	-958	-816	-1 878	-1 661	-3 490
Operating profit	645	565	1 280	1 028	2 427
Financial items and risk result life	167	313	463	521	513
Profit before amortisation	812	878	1 743	1 549	2 940
Amortisation and write-downs of intangible assets	-98	-100	-163	-198	-536
Result before tax	714	778	1 580	1 351	2 404
Tax	-126	-29	-265	-138	2
Profit after tax	587	749	1 315	1 213	2 405

Storebrand Group



Profit

NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
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Profit per line of business

NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Savings - non-guaranteed	307	319	603	558	1 511
Insurance	230	184	437	355	608
Guaranteed pension	234	290	632	491	766
Other profit	41	85	70	144	55
Profit before amortisation	812	878	1 743	1 549	2 940

Savings (non-guaranteed)

Profit

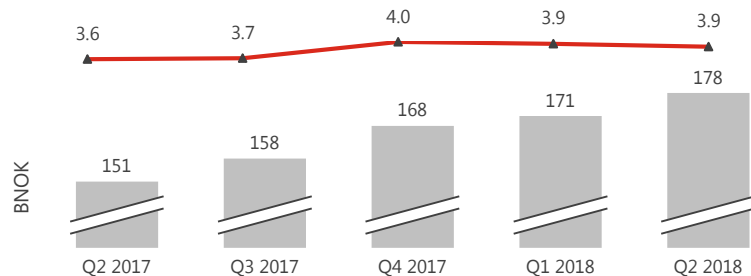
NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Fee and administration income	909	744	1 798	1 444	3 394
Operational cost	-599	-435	-1 182	-894	-1 891
Operating profit	310	309	615	551	1 503
Financial items and risk result life	-2	10	-12	8	8
Profit before amortisation	307	319	603	558	1 511
<i>Income earned not booked¹</i>	43	15	98	36	

Profit per product line

NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Unit linked Norway	68	69	116	138	284
Unit linked Sweden	69	83	132	129	252
Asset Management segment	115	123	237	221	823
Retail banking	55	45	117	71	152
Profit before amortisation	307	319	603	558	1 511

Savings (non-guaranteed) – continued growth

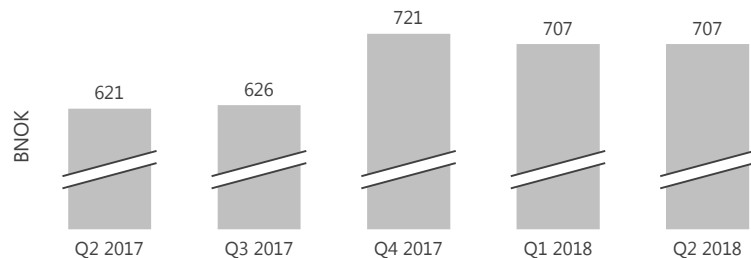
Reserves and premiums Unit Linked



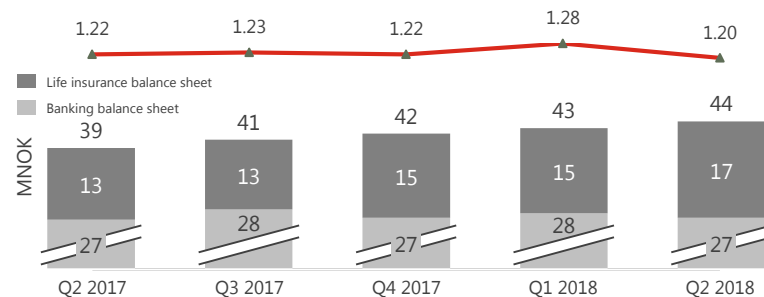
Comments

- 7% premium growth in UL premiums¹
- 18% growth in UL reserves
- 12% retail lending growth²
- 14% growth in assets under management²

Assets under management



Retail bank balance and net interest margin (%)



Insurance

Profit

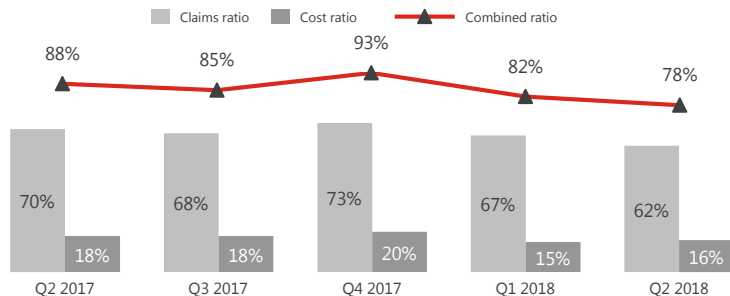
NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Insurance premiums f.o.a.	946	971	1 956	1 911	3 872
Claims f.o.a.	-588	-681	-1 263	-1 346	-2 726
Operational cost	-147	-171	-303	-344	-711
Operating profit	211	119	390	222	435
Financial result	19	65	47	133	173
Profit before amortisation	230	184	437	355	608

Profit per product line

NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
P&C & Individual life	90	70	196	167	285
Health & Group life	81	81	135	147	242
Pension related disability insurance Nordic	59	32	107	42	81
Profit before amortisation	230	184	437	355	608

Insurance – positive run-off gains

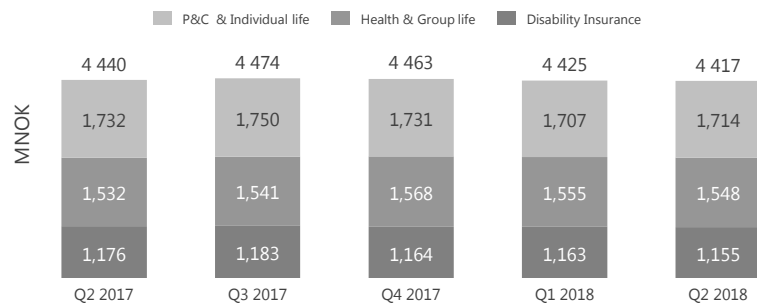
Combined ratio



Comments Combined ratio and results

- Targeted combined ratio 90-92%
- Combined ratio positively affected by run-off gains

Portfolio premiums



Comments premiums and growth¹

- Flat premium development
- Implementing growth initiatives

Guaranteed pension

Profit

NOK million	2Q		01.01-30.06		Full year 2017
	2018	2017	2018	2017	
Fee and administration income	370	369	738	727	1 483
Operational cost	-218	-216	-420	-437	-889
Operating profit	153	153	318	290	595
Risk result life & pensions	-140	6	42	40	67
Net profit sharing and loan losses	221	131	272	161	104
Profit before amortisation	234	290	632	491	766

Profit per product line

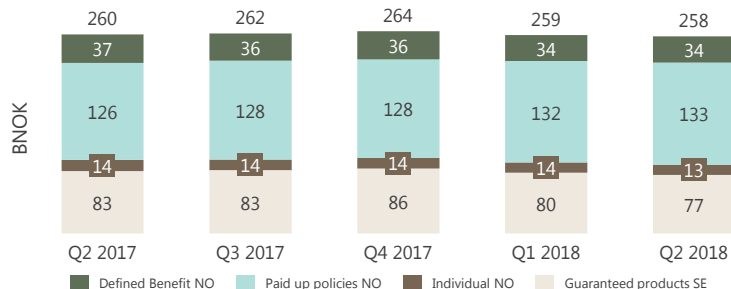
NOK million	2Q		01.01-30.06		Full year 2017
	2018	2017	2018	2017	
Defined benefit (fee based)	89	71	157	139	297
Paid-up policies, Norway	100	29	317	56	122
Individual life and pension, Norway	3	15	5	17	79
Guaranteed products, Sweden	42	175	153	280	267
Profit before amortisation	234	290	632	491	766

Guaranteed pension

- reserves in long term decline and robust buffer situation



Reserves guaranteed products



Comments

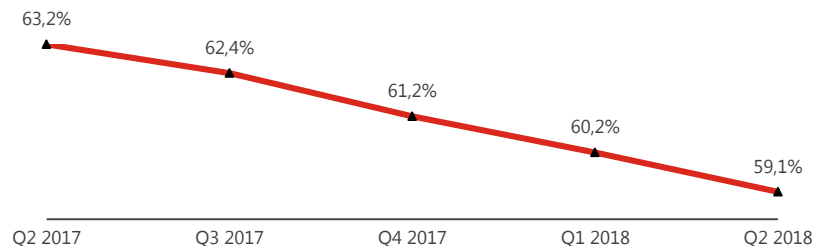
- As companies convert to DC schemes, the migration from DB to lower-margin paid up policies continues to reduce fee income in Guaranteed pensions
- Sweden result affected by assumption changes
- Paid up policies – strong risk result

Buffer capital

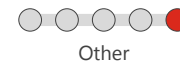
NOK million	2018	2018	Change
	2Q	1Q	
Market value adjustment reserve	2 720	2 313	407
Excess value of bonds at amortised cost	6 327	6 315	12
Additional statutory reserve	8 286	8 114	172
Conditional bonuses Sweden	6 241	6 582	-341
Total	23 574	23 324	250

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



Other¹



Profit

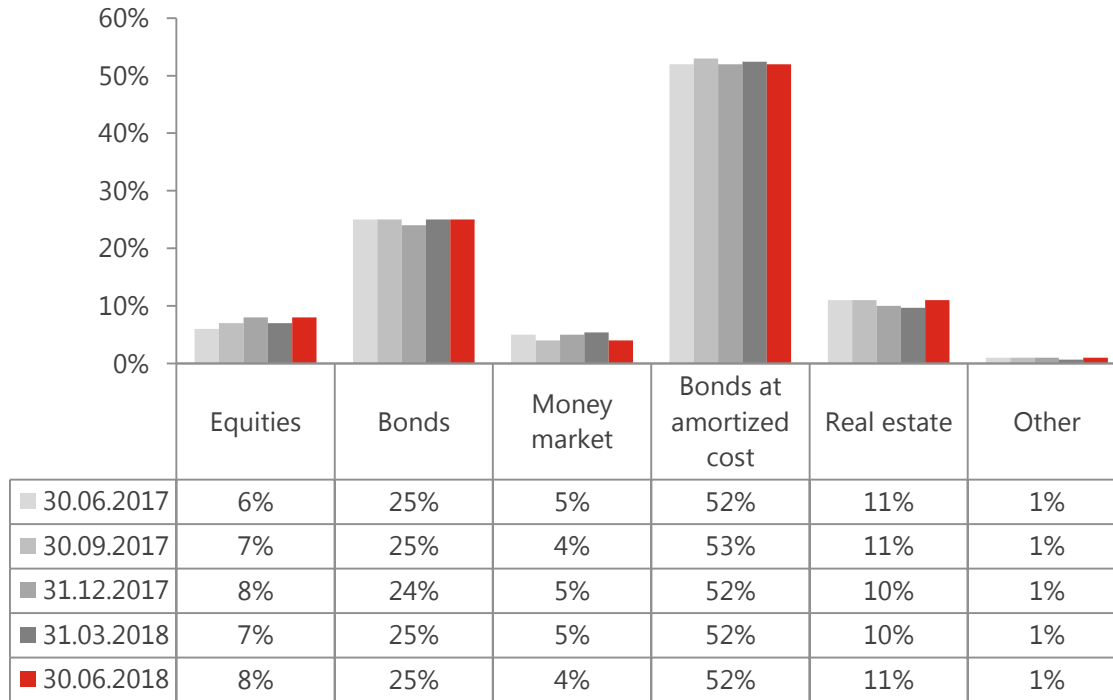
NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Fee and administration income	25	23	47	44	83
Operational cost	-54	-39	-91	-79	-188
Operating profit	-29	-16	-44	-34	-105
Financial items and risk result life	70	102	150	179	161
Profit before amortisation	41	85	106	144	55

Profit per product line

NOK million	2Q		01.01-30.06		Full year
	2018	2017	2018	2017	2017
Corporate Banking	5	4	-17	17	42
BenCo	4	5	25	10	21
Holding company costs and net financial results in company portfolios	33	76	98	117	-8
Profit before amortisation	41	85	106	144	55

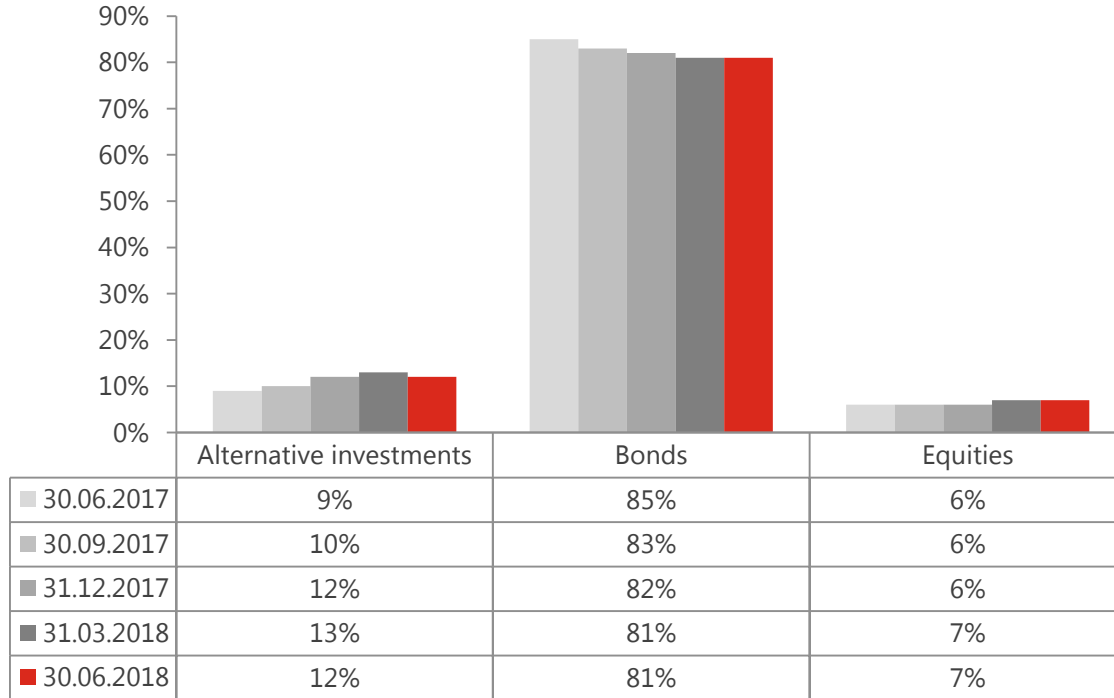
Appendix

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.