



The Road to Nordic Leadership in Life insurance

Capital Markets Day
12 November 2008

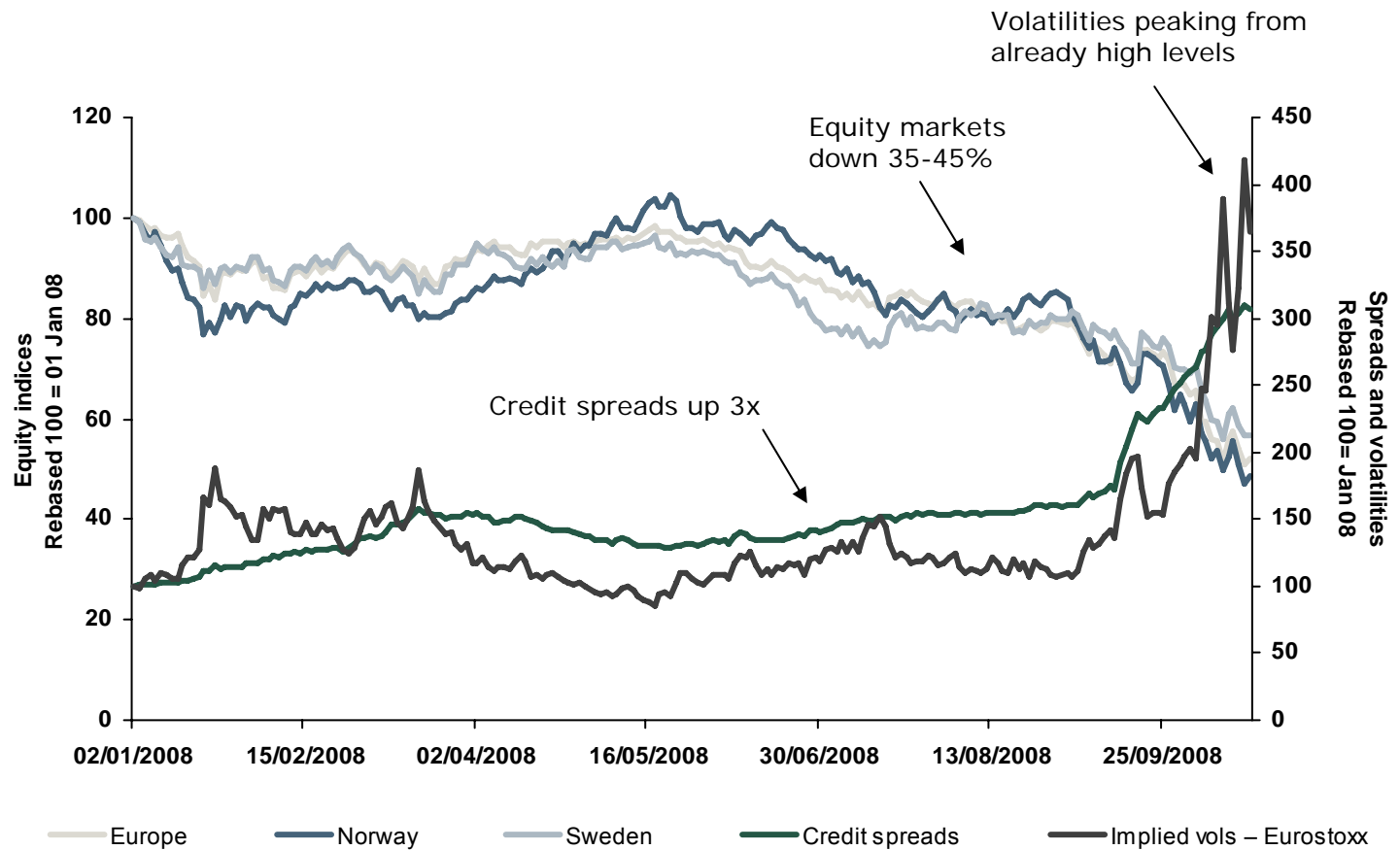
Idar Kreutzer
Group CEO



Key messages for today

- Storebrands short-term result negatively affected by the financial turmoil
- Adequate balance sheet and capital position
- Continued improvement to core business processes
- Transformation program 'Road to Nordic Leadership' well underway

2008 a very eventful year...





The financial market turmoil has focused investors on short-term effects

Short-term effects (0-6 months)

- Reduced buffer capital in Norway and Sweden
- Reduced proportion of assets in riskier asset classes
- Earnings redirected to retain and build buffers

Medium-term effects (6 months-3 years)

- Return of rational markets and valuations
- Reduced market volatilities
- Pension markets showing consistent growth through the cycle

Storebrand balance sheet is adequate and value creation capability resilient

RESULT

- Group loss: Q3 NOK 1,205 MM, YTD NOK 478 MM
- Write-down of SPP NOK 2.5 BN

BALANCE SHEET

- Balance sheet items valued at fair value
- Solvency margin 141% on pro forma basis*

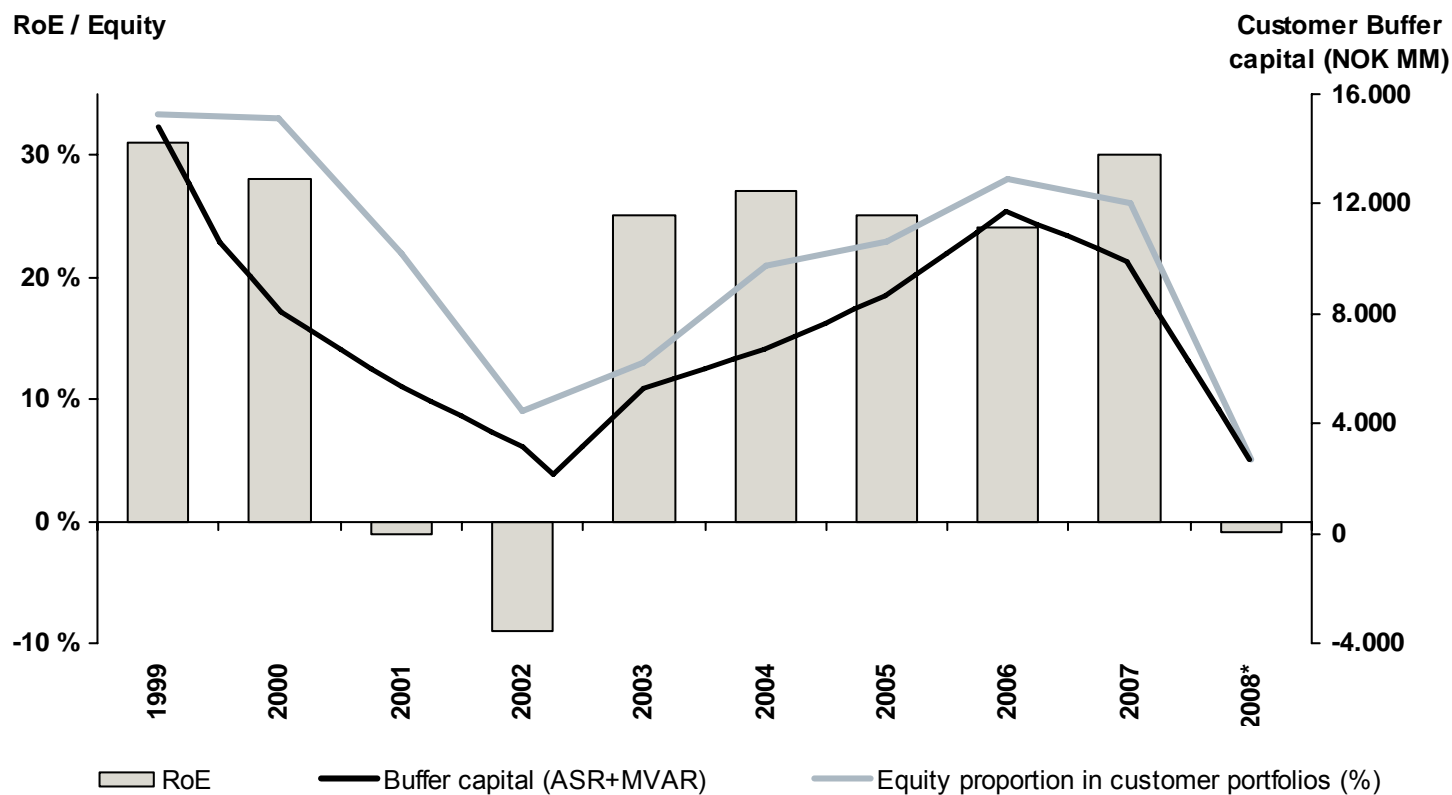
OPERATIONS

- Strong market position
- Premium income growth
- Realisation of SPP synergies ahead of plan



Storebrand historical strong RoE in Life insurance

RoE pre tax, Solvency and Equity – Storebrand Life Norway



*As of Q3 2008. Norwegian Life operations



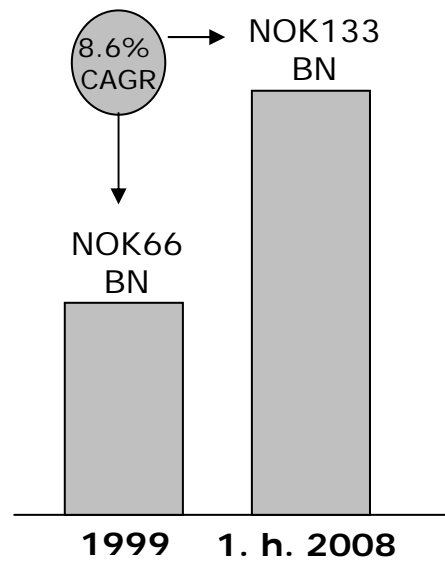
Storebrand's objective remains sound

Storebrand's objective is to be the leading and most respected institution in the Nordic market for long-term savings and insurance

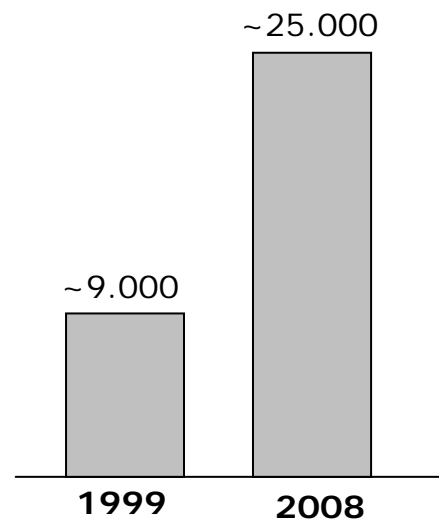


Storebrand Life Insurance Norway - Occupational pensions

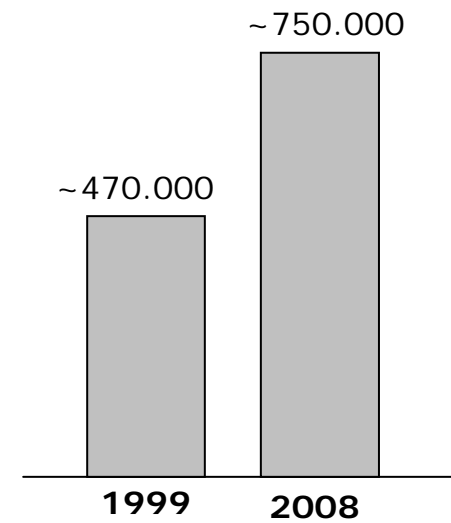
Policyholders' funds*



Corporate customers



Employees in pension schemes**



* Including paid-up policies, excluding SPP

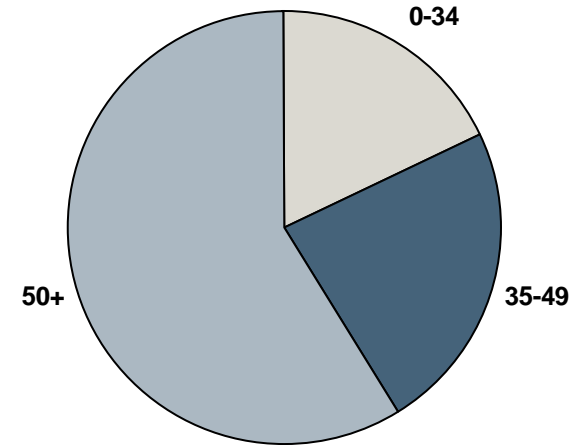
8 ** Including pensioners, excluding SPP

The Nordic market is strong – wealthy and aging population

GDP/capita US\$



Wealth distribution by age segments* (Norway 2007)



Aging population increases need for savings and retirement solutions

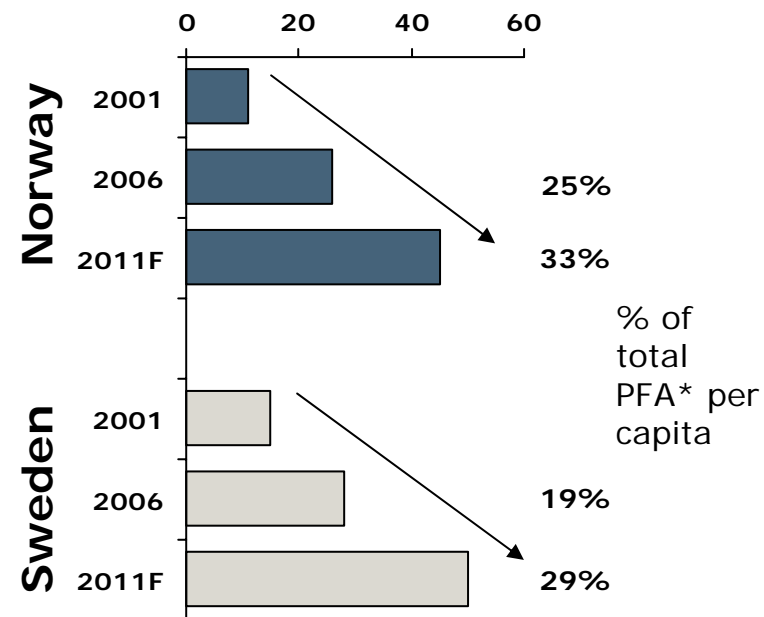
9 Source: Oliver Wyman analysis
* Total private financial assets. Distributed by age

The Nordic market is strong – steady pensions growth through economic cycles

Growth drivers

- Regulatory reforms
 - Anticipated increase in contributions (Norway)
 - Pension markets increasingly open to competition (Sweden)
- Occupational pensions less sensitive to market conditions
- Continued growth in wealthy and 50+ segments

Projection of growth per capita, life and pensions savings (\$ 000')



Source: OECD, Oliver Wyman research & analysis

10 * PFA = Personal Financial Assets

Value creation through managing the business model

Manufacturing

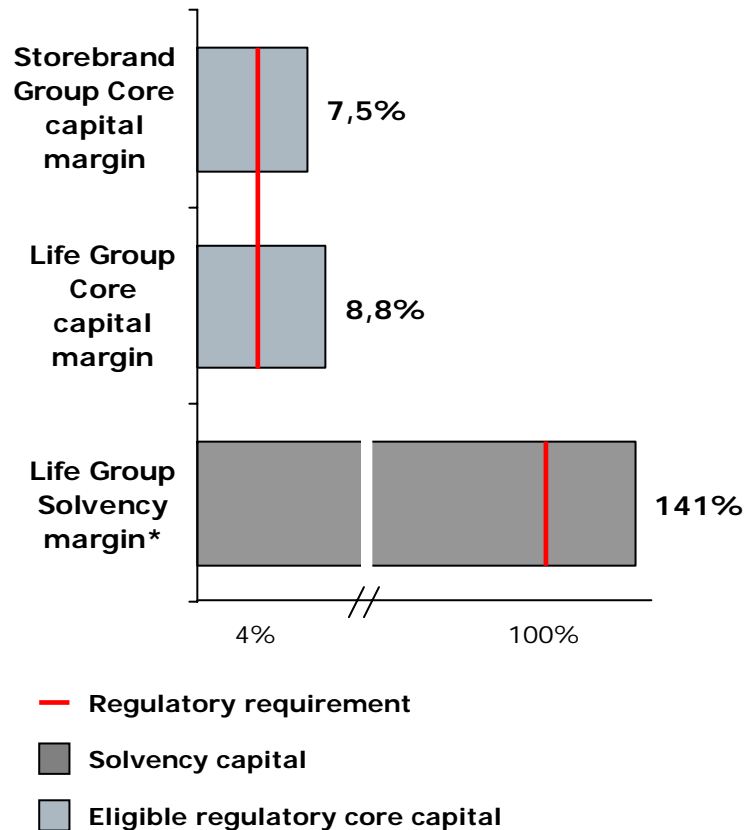
- Value creation through lean administration and strong management of assets and risks for our customers
- NOK 9.0 BN* capital supports our manufacturing factory
- ~ NOK 1.7 BN** cash flow is generated on an annual basis

New business

- Value creation through next generation product offering, transparent guarantees and customer capture
- NOK 0.3 BN* capital supports our new business

Strong capital position and risk management actions

Solvency position as at Q3 08:

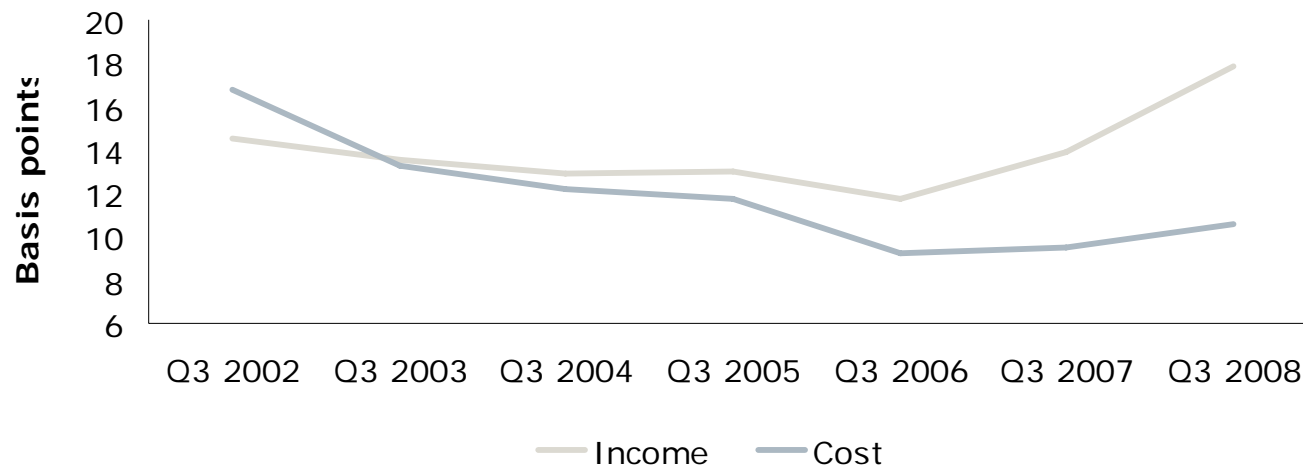


Risk management in place

- Equity risk derisking programme in place in Norway and Sweden
- Introduction of guarantee groups in Sweden
 - Reduces cross-subsidy
 - Significant reduction in hedging cost
 - 250 portfolio now more attractive for new business

Achieving scale advantages

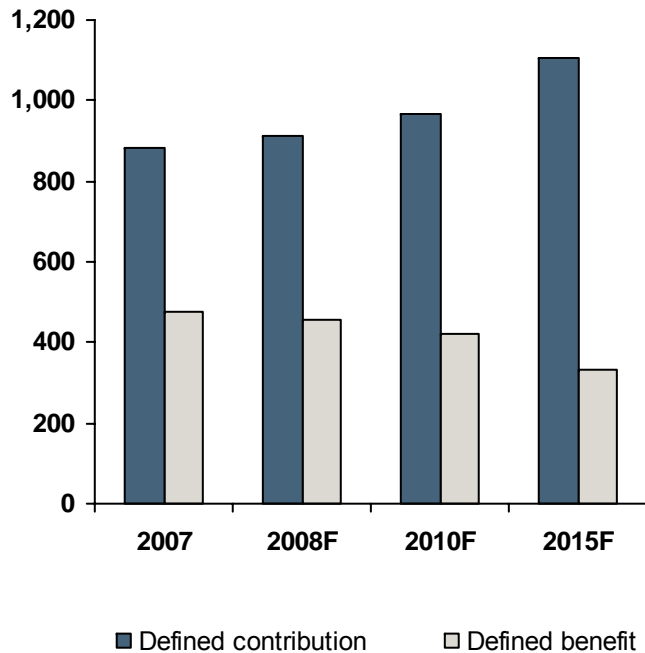
Example: Cost and income improvements in Storebrand Investments



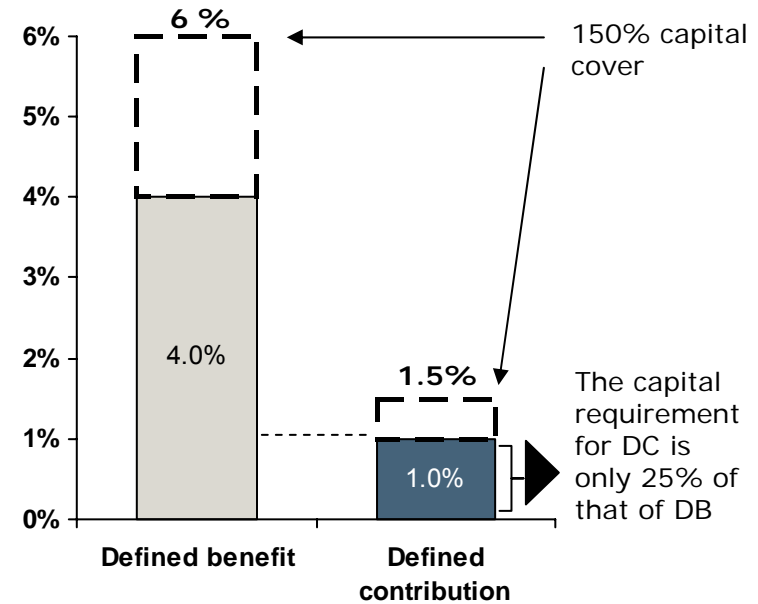
13 Income = Income ex performance fee (12 month rolling)
Cost = Total costs ex performance related pay (12 month rolling)

Improving capital efficiency in corporate pension

Number of employees with pension savings

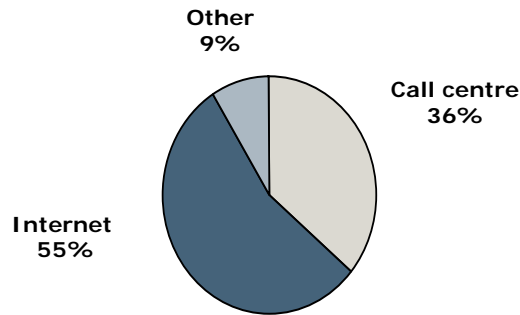


Average capital requirement

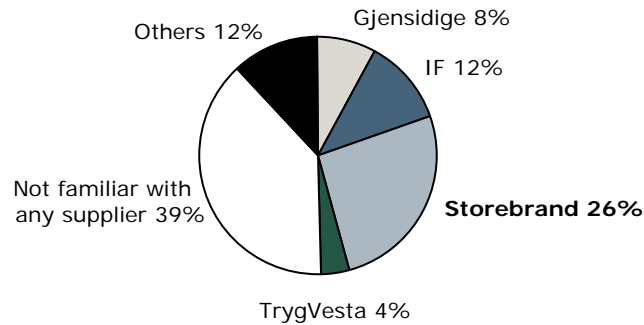


Retail market - innovation in fee generating products

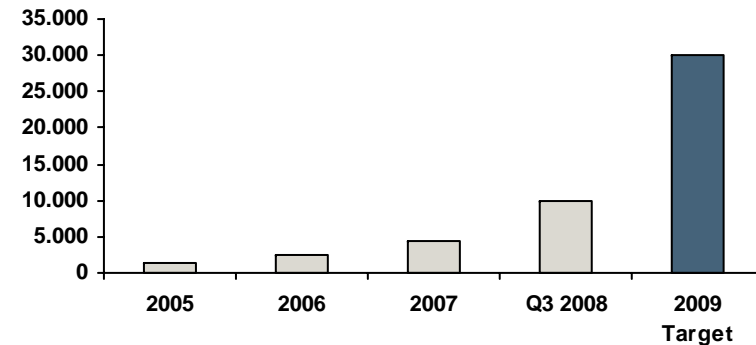
Distribution innovation e.g. Direct P&C
Sales per distribution channel as at Q3



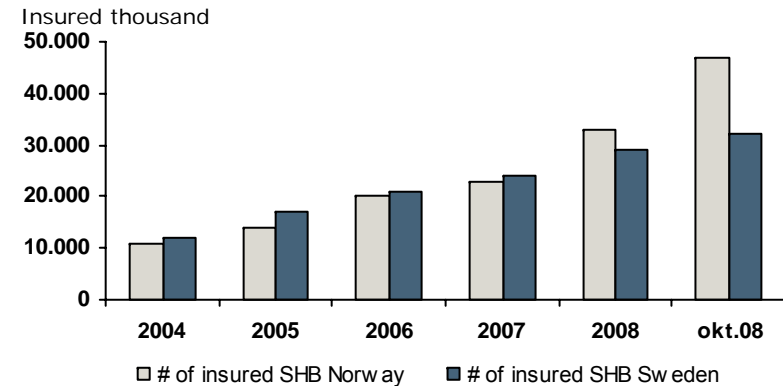
Product innovation e.g. Cancer product
Top of mind survey* - cancer insurance providers



Distribution innovation e.g. Worksite marketing
of employees with occupational pensions buying individual products



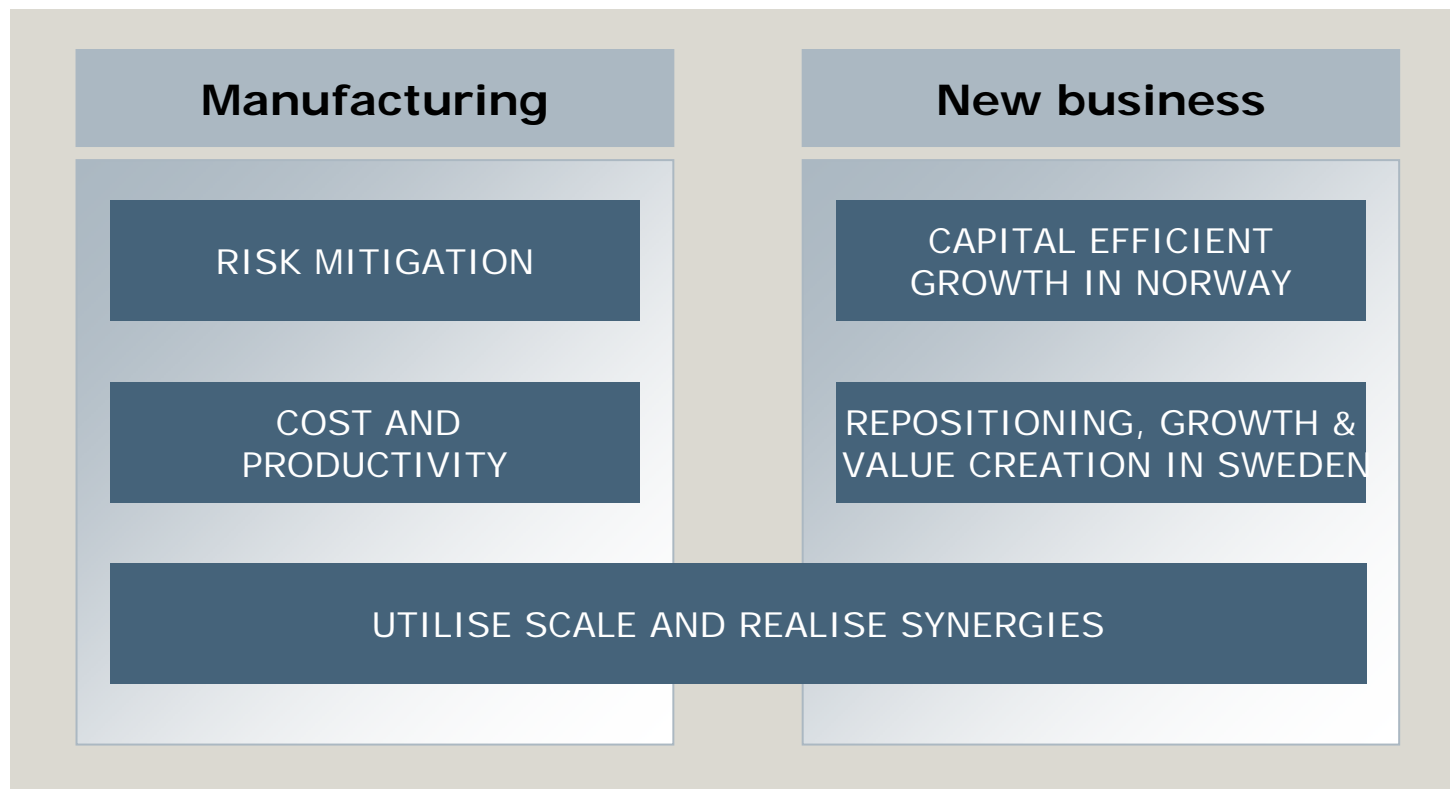
Product innovation e.g. Health insurance



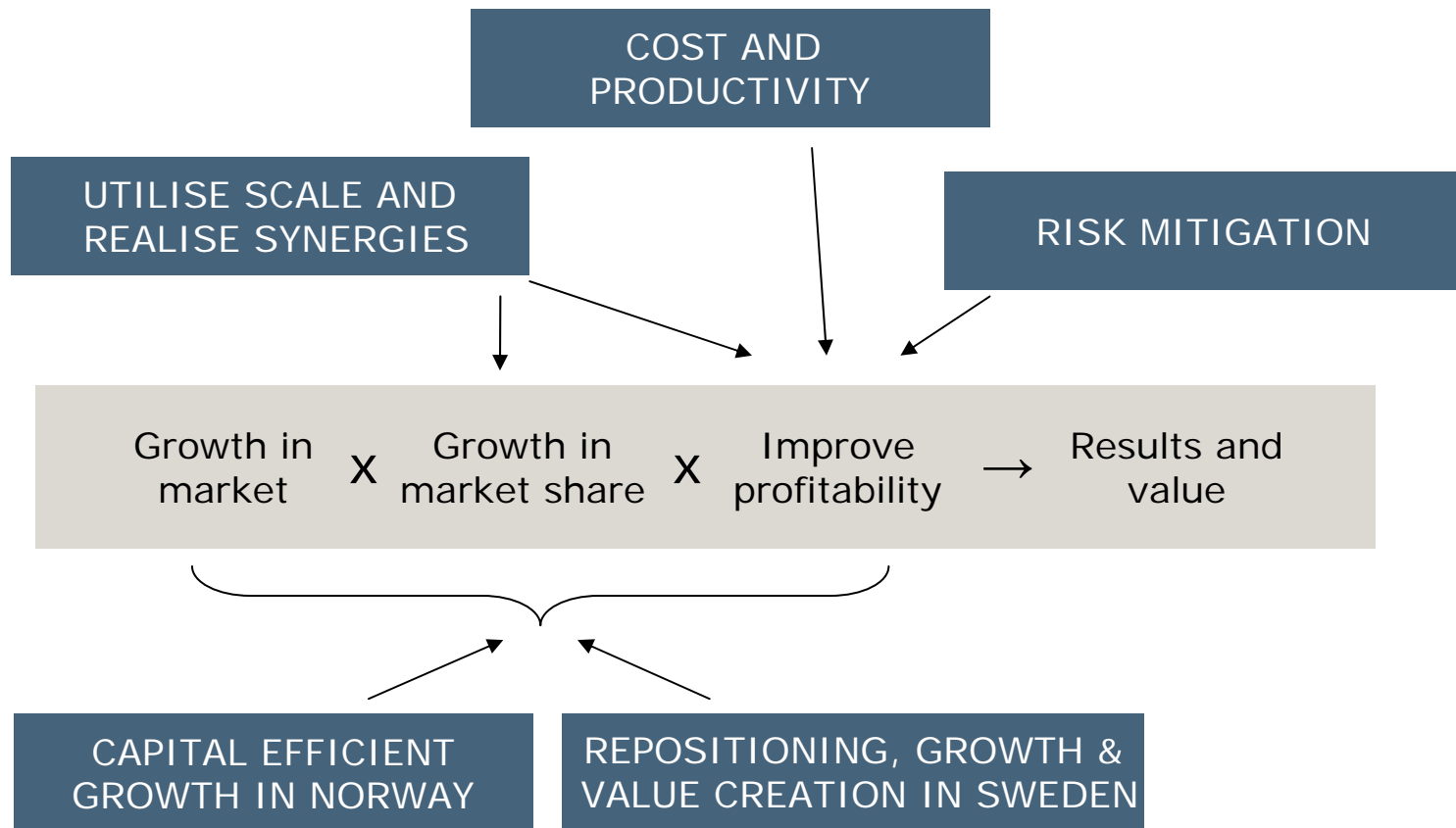
Transformation program

Five key initiatives underway

 **storebrand “Road to Nordic Leadership”**



Leveraging scale advantage to drive Nordic leadership



Travelling the Road to Nordic Leadership

3
Risk management through and post crisis
(Frederic)

2
Life insurance as a solid platform for continued value generation
(Odd Arild)

6
Growth and value creation in Storebrand Investments
(Hans)



1
Utilise scale and realise synergies
(Idar)

5
Capturing value in the Swedish market
(Sarah)

4
Capturing value in the Norwegian market
(Lars)

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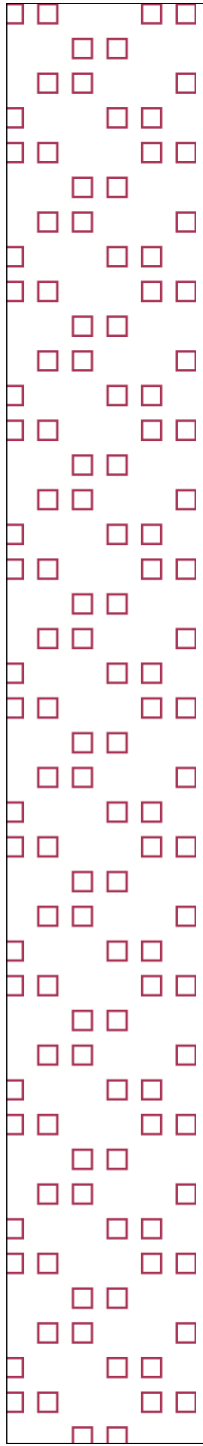
SPP acquisition step to build scale – integration is well underway

SPP integration first phase

1. Leverage broker relations ✓
2. Leverage methodology for sales organisation ✓
3. Improve SPP's visibility in the market ✓
4. Increase investment returns ✓

Ongoing

5. Win in the Swedish transfer market
6. Leverage skills to accelerate profitability and growth
7. Capture cross-selling opportunities
8. Grow in new markets



UTILISE SCALE AND REALISE SYNERGIES

-  Implemented
-  In progress
-  Design & implement

SPP – integration on target

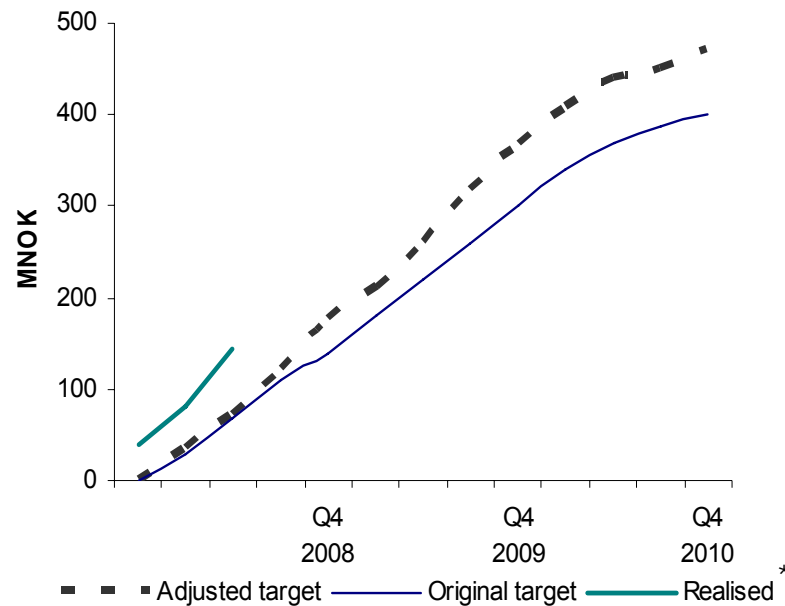
Synergy action plan phase 1
January-October 2008

Synergy action plan phase 2
Q4 2008-Q3 2009

Synergy capture & Nordic ambition 2009-2012

	Synergy action plan phase 1 January-October 2008	Synergy action plan phase 2 Q4 2008-Q3 2009	Synergy capture & Nordic ambition 2009-2012
Sales Improvement	<ul style="list-style-type: none"> ▪ Increased sales ▪ Improved productivity ▪ Strengthened broker relations 	<ul style="list-style-type: none"> ▪ Launch new products ▪ Lean in sales ▪ Strengthened distribution capacity 	<ul style="list-style-type: none"> ▪ Shared services ▪ Nordic corporate customer strategy ▪ Corporate-wide IT portfolio and project method ▪ Selectively shared IT applications ▪ Nordic private strategy ▪ Nordic organisation & common culture ▪ Nordic brand
Separation & Integration	<ul style="list-style-type: none"> ▪ Lean-pilot projects ▪ IT-separation from HB ▪ SPP in new organisation 	<ul style="list-style-type: none"> ▪ IT-transition completed ▪ Discontinue TSA* 	
Asset management	<ul style="list-style-type: none"> ▪ New investment strategy ▪ Altered risk management ▪ Improved fund offer 	<ul style="list-style-type: none"> ▪ Migrate asset management ▪ Continue to improve SPP's financial result ▪ Phase II fund offering 	

Realising synergies



- Tax synergies already achieved
- Cost synergies realised earlier than expected
 - Effects from lean, procurement and IT infrastructure
- Investment return synergies
 - Improved return and risk management
 - Reduced hedge costs
- Income synergies
 - Sales efforts and customer communication remain high
 - APE +16 % (+40 % excl Euroben)

SPP increasing the scale advantage

- SPP integration is a fundamental step on the Road to Nordic Leadership
- Synergies of nearly NOK500 MM now achievable
- Asset management synergies confirm the potential operational leverage
- Work is ongoing and we will continue to keep analysts updated on progress

Travelling the Road to Nordic Leadership

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