



Well positioned for long-term value creation

10 September 2009

UBS Nordic Financial Services Conference

Idar Kreutzer
Group CEO



Agenda

- Storebrand today
- Maintaining focus through volatile markets
- The road ahead

Storebrand Group

Life and Pensions
NOK 312 bn in assets

- Storebrand Life Insurance
- SPP Life Insurance



Asset Management
NOK 336 bn in AuM

- Storebrand Investments
- Storebrand Real Estate



Storebrand Bank
NOK 46 bn in assets



Storebrand Skadeforsikring (P&C)
NOK 1,7 bn in assets

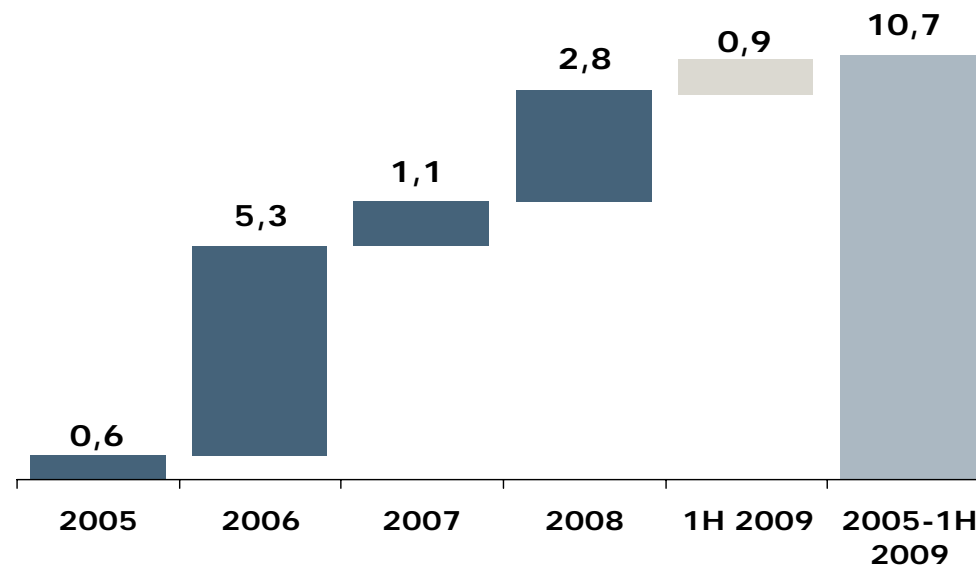


Figures as at 30.06.09

Storebrand has a strong position in Norway

Storebrand Life Insurance - accumulated net transfer balance

NOK billion



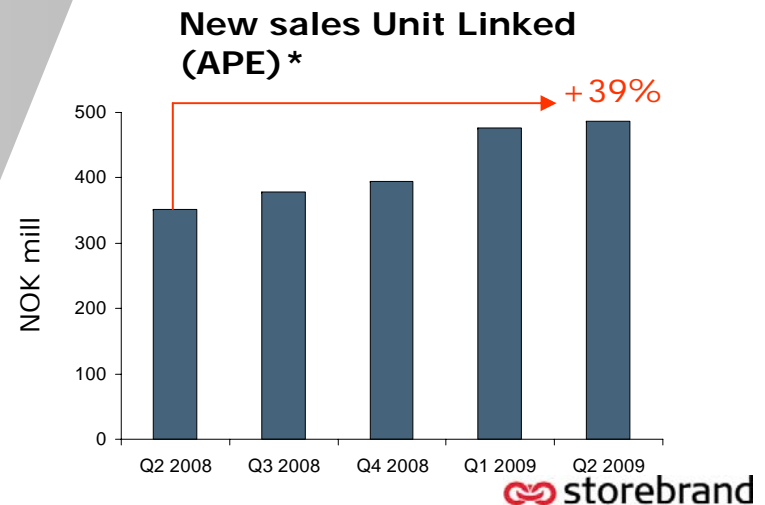
SPP

- successful integration

- Synergies ahead of plan
- Increased brand recognition
- Improved sales processes, strengthened asset- and risk management
- Top DC provider in 2008
- Top score on customer service



'SPP Best in Class'
Svenska Dagbladet
23.03.09





Highlights Q2 2009

RESULT

- Group result of NOK 505 million in Q2, -228 million for 1H*
- Improvement in return gives satisfactory result for the life insurance business

BALANCE SHEET

- Adjustments in capital structure and financing according to plan
- Life Insurance solvency margin of 154%
- Risk adjusted asset allocation in the customer portfolios

OPERATIONS

- Strong new sales in Storebrand Investments
- Synergy realisation ahead of plan
- Strong market development for Life and Pensions

* Group result before amortisation of intangible assets



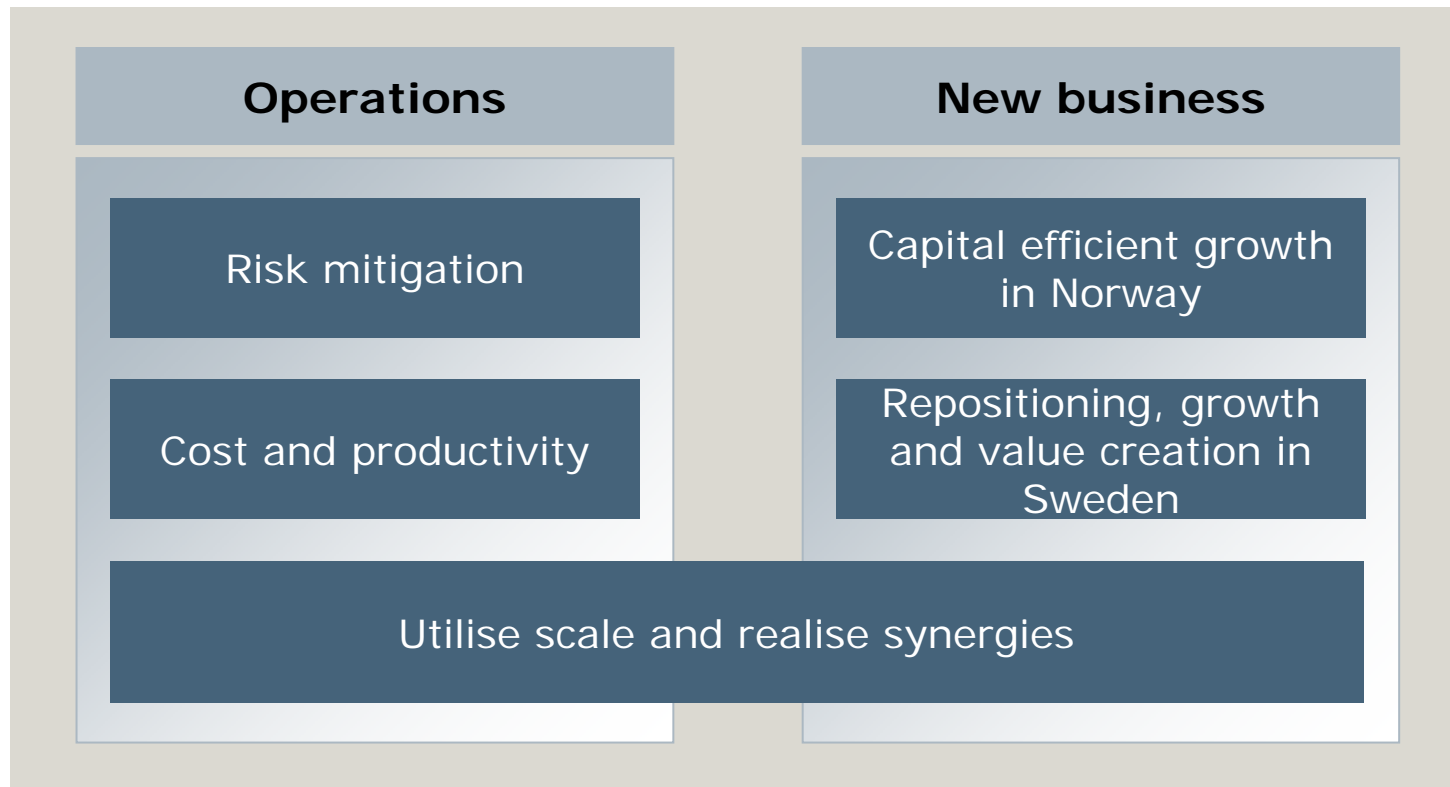
Agenda

- Storebrand today

- Maintaining focus through volatile markets

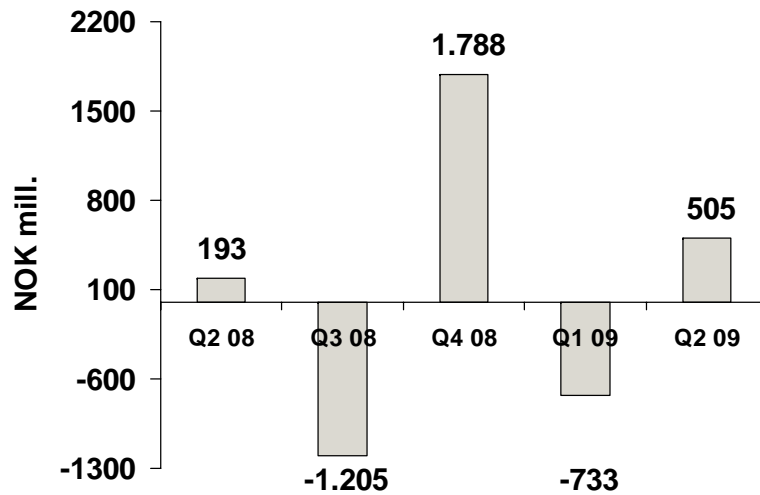
- The road ahead

Focus on 5 main strategic priorities

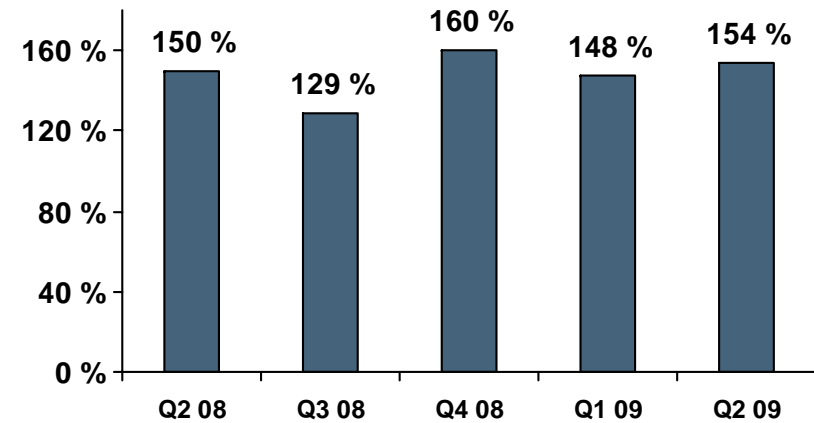


Maintaining sound capitalisation in turbulent markets

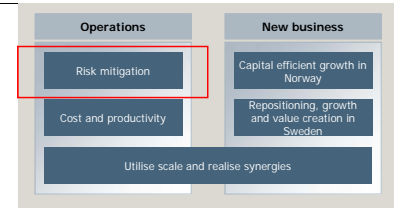
Group result*



Solvency margin life group



* Result before amortisation and write-downs of intangible assets

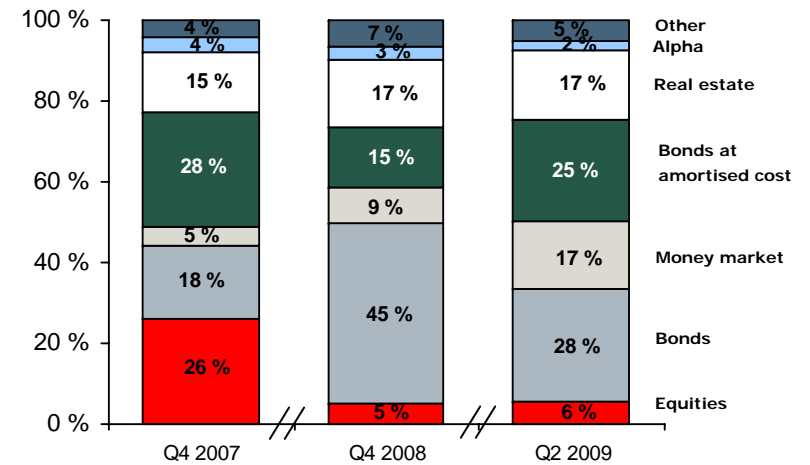


Active balance sheet management

- Dynamic risk management in volatile markets
- Increased allocation to bonds at amortised cost - yielding above interest rate guarantee
- Risk tailored asset mix in customer portfolios
- Higher equity exposure with reduced market volatility

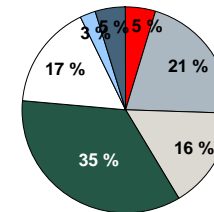
Storebrand Life Insurance

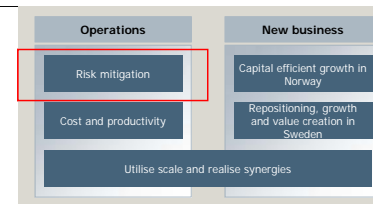
- Asset allocation customer portfolios



Asset allocation Paid-up policies

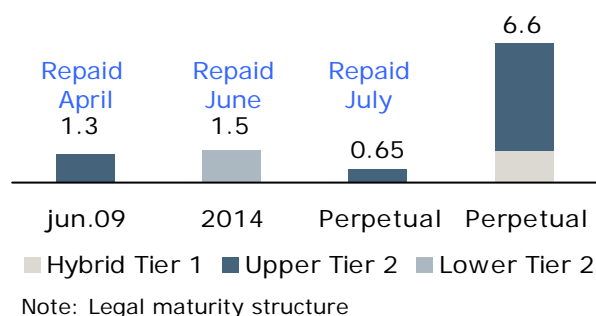
~35% allocated to bonds at amortised cost





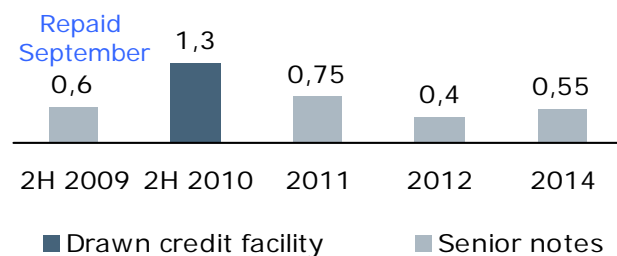
Robust funding situation

Maturity structure STB Life Group (NOK billion)

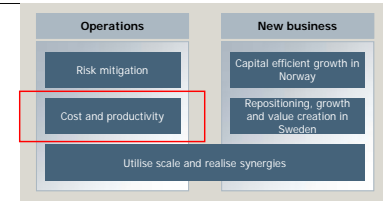


- Repaid NOK 3.5 billion of subordinated debt YTD
- Perpetual subordinated debt of NOK 1 billion issued in June 2009
- **No other maturities - next call 2013**

Maturity structure Storebrand ASA (NOK billion)



- Storebrand ASA has NOK 1.4 billion in liquid assets
- NOK 550 mill senior bond issued July 2009
- EUR 70 million bank debt redeemed in July
- NOK 584 mill senior bond redeemed in September



Comprehensive cost reduction program

Overhead costs

- Moving HQ
- Headcount reduction in staff functions
- Nominal flat overhead costs in planning period

Asset management

- Leverage building block philosophy
- Take on SPP asset management (scale)

Administration

- Lean
- Offshoring
- Centralised procurement
- Reduce complexity

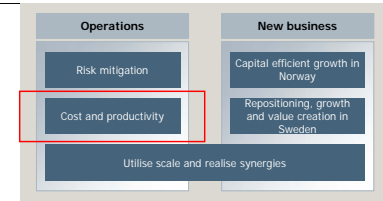
Distribution

- Migrate to direct channels
- Corporate and retail integration

IT

- Lean process
- Automation
- IT infrastructure
- IT development

Capital efficiency

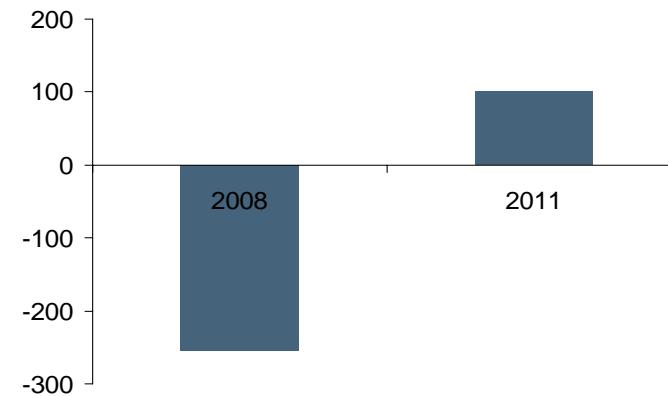


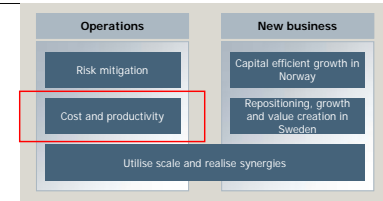
Life and Pensions Norway

- cost savings according to plan

- Lean programs implemented
 - 20% improved efficiency
 - Realisation of approx 305 full time equivalents
- Offshoring to Storebrand Baltic
 - Cost savings of MNOK 18 per year
- Restructuring of sales organisation
- Centralised procurement projects ongoing
- Moving of HQ Dec 09
 - Annual savings of MNOK 40

Target: positive administration result



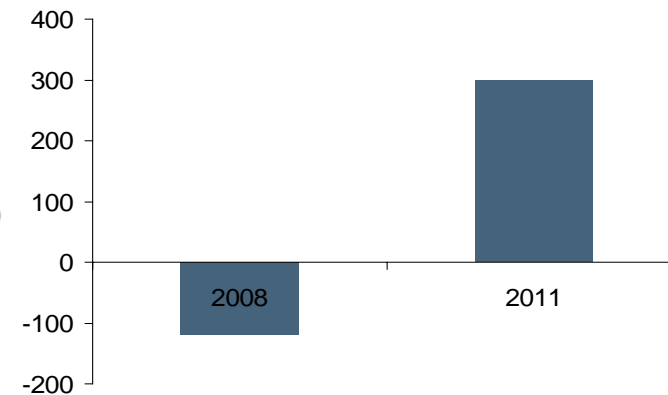


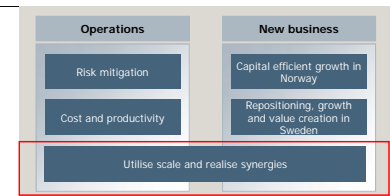
Life and Pensions Sweden

- cost cutting initiatives implemented

- Phase 1 of cost reduction program launched
 - Improved efficiency in sales channels
 - Reduced administration
 - New product development
- Includes amongst others:
 - Target reduction in headcount – 50 employees
 - Target reduction in spending on consultants – 35 consultants
- Target cost reduction of SEK 100 million

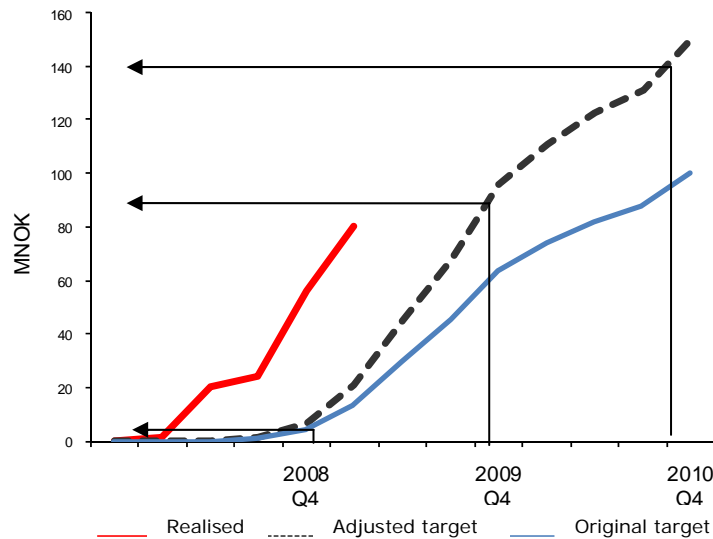
Target: adm res > SEK 300 mill in 2011





Life and Pensions Sweden

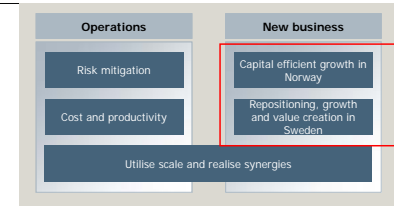
- cost synergy realisation ahead of plan



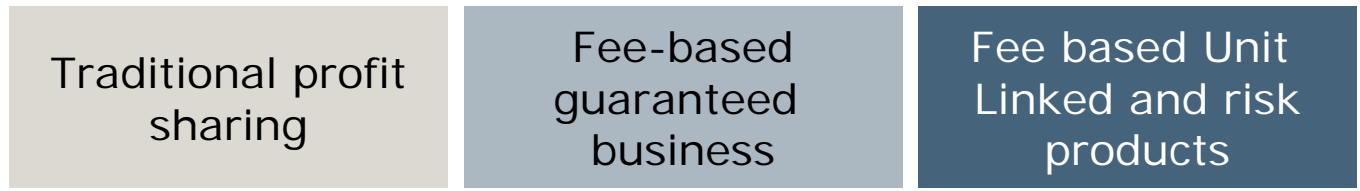
Expected annual realisation


NOK mill.	Adjusted target	Realised synergies*
Pr. Q2-09	45 30%	80 53%
Pr. Q4-09	96 64%	
Pr. Q4-10	150 100%	


- Lean
 - Increased efficiency in implemented LEAN projects provides savings
 - Synergy realisation is about 6 months ahead of plan
- Investments
 - Successful take-on of SPP's assets in Q1
- Purchasing
 - Renegotiated contracts with consultancy firms and reduced the number of consultants
 - Target achieved one year before plan
- IT-infrastructure
 - Savings associated with transition to a common platform for IT Infrastructure
 - Transition implemented faster than planned





Life and Pensions - 3 main product groups





 Individual and paid-up policies (NOK 77bn)

 Defined Benefit (NOK 77bn)

 Defined contribution and Unit Linked (NOK 11bn)

 Defined contribution (SEK 43bn)

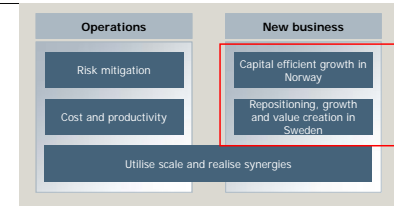
 BenCo (SEK 11bn)

 Unit linked (SEK 23bn)

 Defined benefit (SEK 33bn)

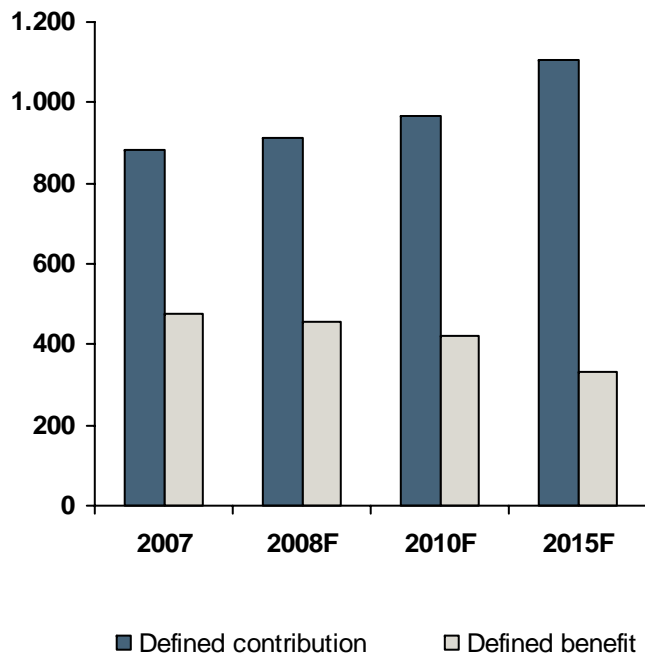
Share of insurance reserves:



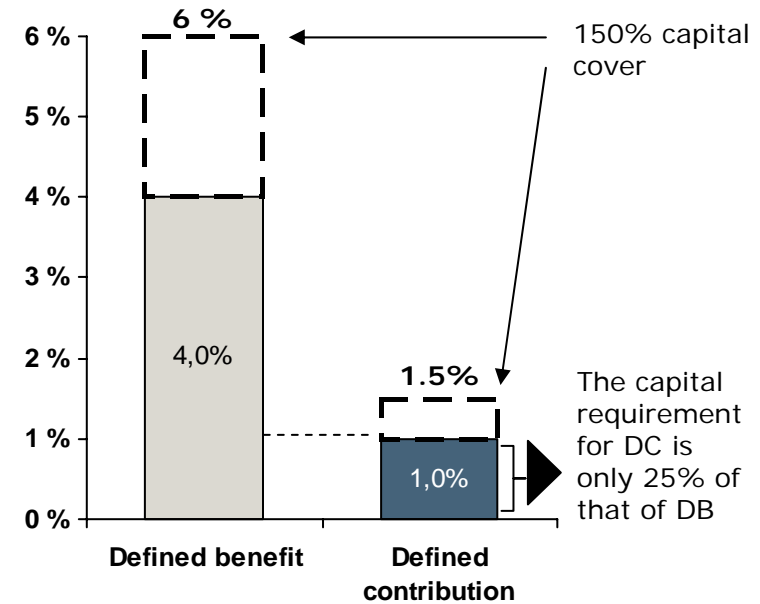


Improving capital efficiency in corporate pension

Number of employees with pension savings



Average capital requirement



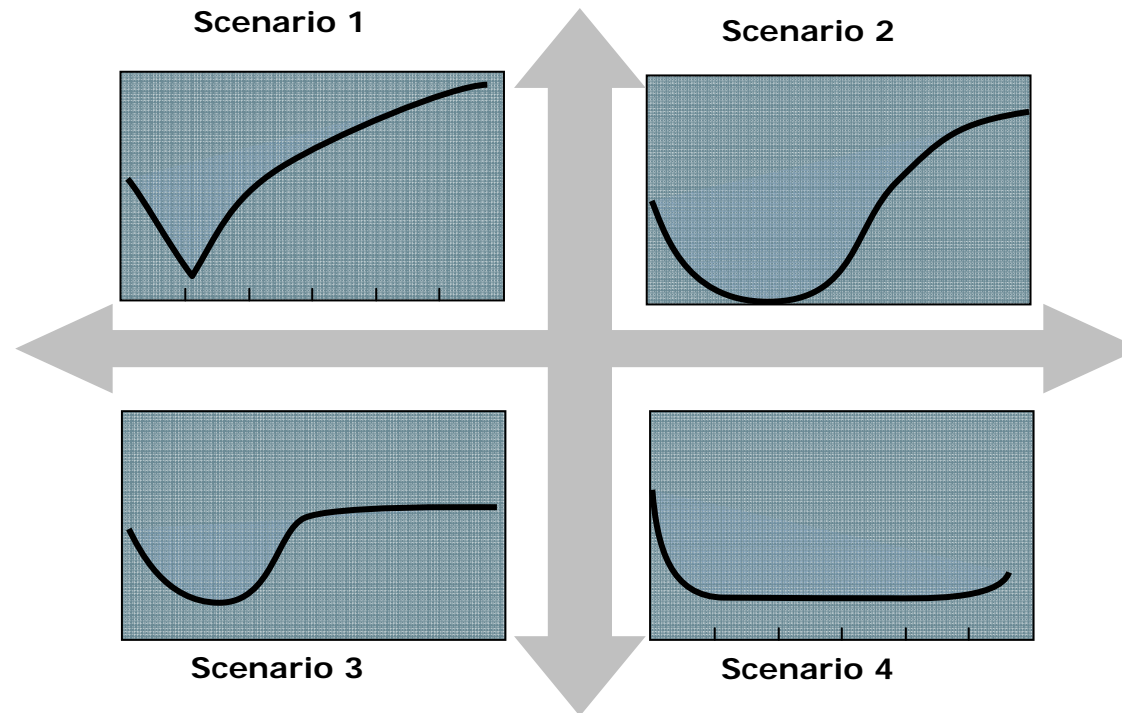


Agenda

- Storebrand today
- Maintaining focus through volatile markets
- The road ahead

The future is uncertain...

Financial market recovery

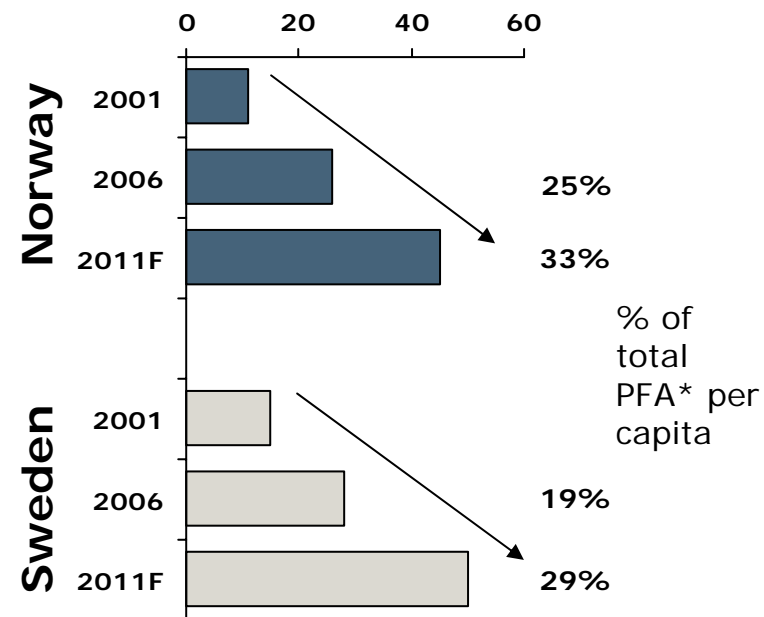


The Nordic market is strong – steady pensions growth through economic cycles

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

20 * PFA = Personal Financial Assets



The financial crisis leads to increased importance of risk management

Theme

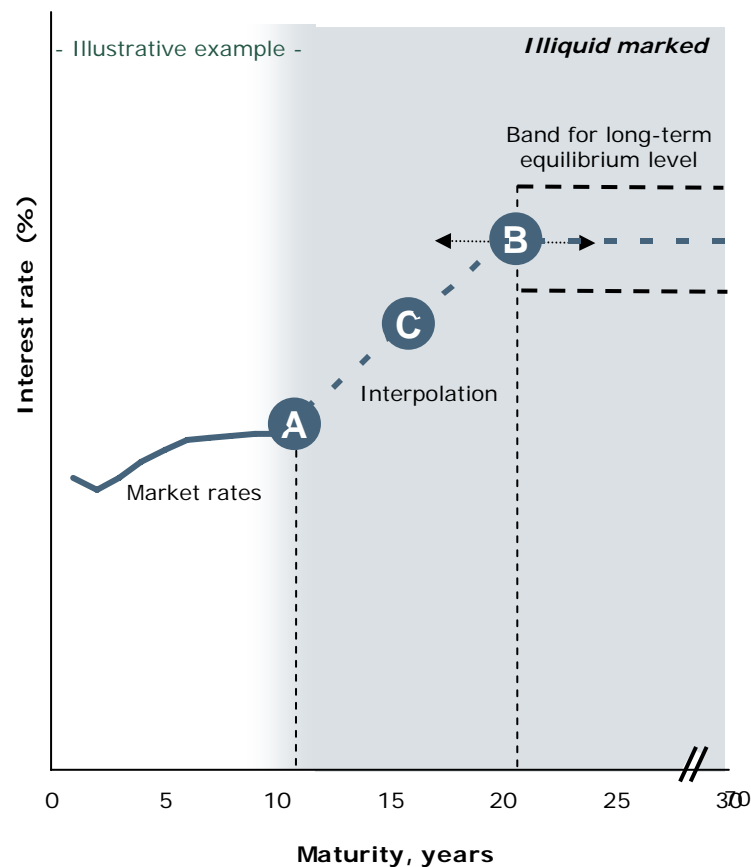
- Reduced pro-cyclical effects
- Asset liability management
- Increased importance of enterprise wide risk management, with short response time to new challenges

Storebrand's response

- New model for discounting of liabilities introduced December 2008
- Risk adjusted asset allocation and alternative duration asset classes
- Strengthened group wide risk management

Preparing for Solvency II

- improved discounting model in SPP



- New discounting model introduced in Q4 2008 to reduce volatility in the financial accounts
- Discounting on an interest rate curve rather than an interest rate point
- Construction of a curve where there is no deep and liquid market
- Close dialogue with regulators and other insurers
- Aim: to be the preferred model within the Solvency II framework



Risk adjusted asset allocation in the portfolios - expected return above guarantee

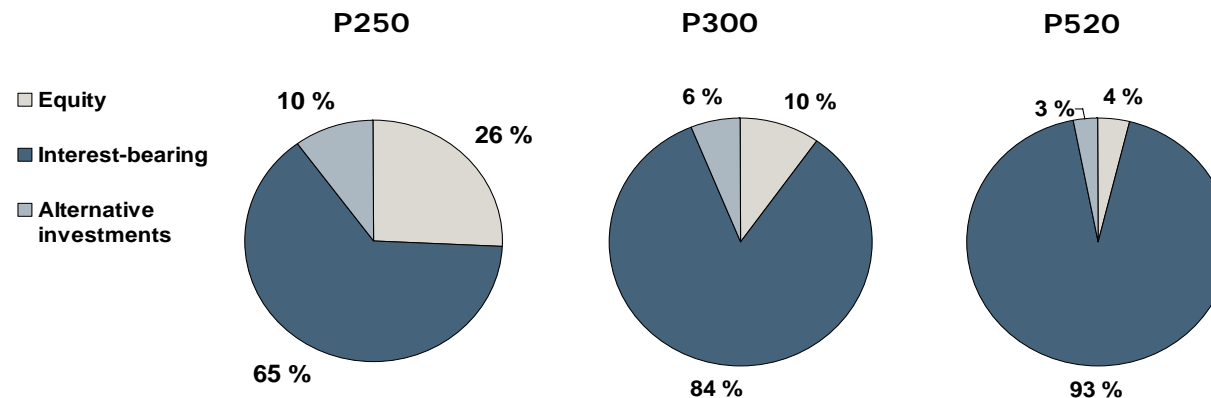
Life & Pensions Norway

- Increased share of bonds at amortised cost
- Current return in the bonds at amortised cost portfolio ~5,3%
- Expected return 4,8%, well above average interest rate guarantee of 3,5%

Life & Pensions Sweden (SPP)

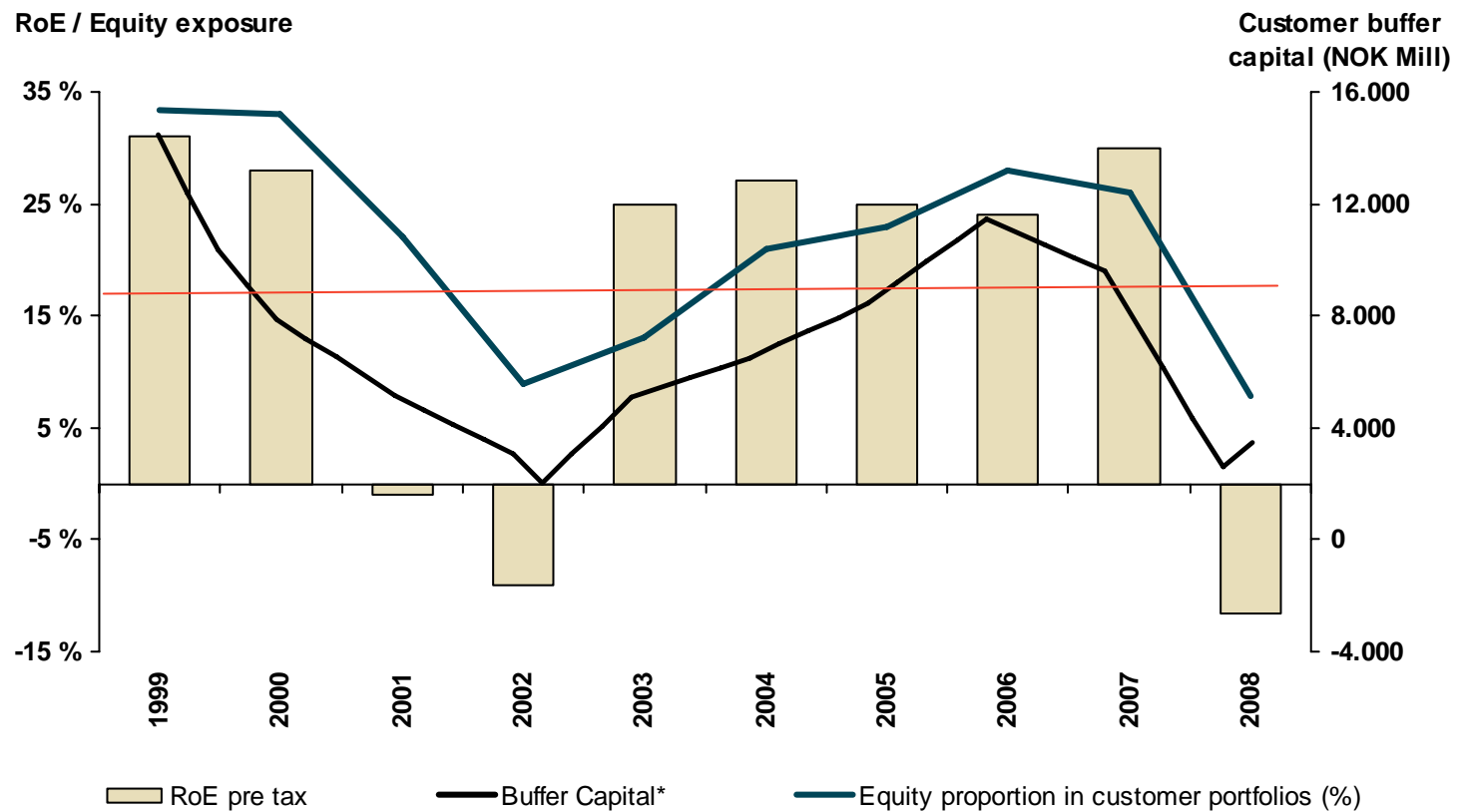
- Strengthened solvency and buffer capital increases flexibility
- Equity share increased by 4,6% in Q2
- Expected return 4,2%, a healthy margin to average interest rate guarantee of 3,6%

SPP –asset allocation portfolios with guarantee



Historical strong RoE in Life Insurance

Storebrand Life Insurance - RoE, buffer capital and equity exposure



RoE pre tax
 Buffer Capital*
 Equity proportion in customer portfolios (%)

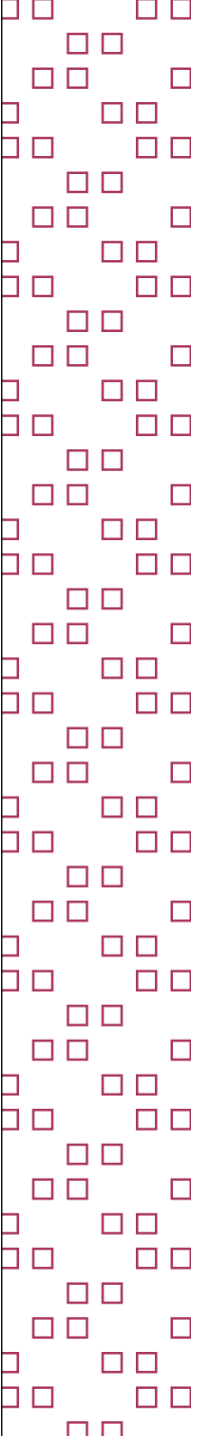
— Average RoE

*Additional statutory reserves and market value adjustment reserves



Summary

- Strong position in a growing market
- Robust top line growth
- Resilient capital position
- Realising cost reduction programs



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

