



*"Managing for value in an uncertain
economic and regulatory environment"*

25 March 2010

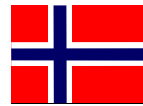
Morgan Stanley European Financials Conference

Storebrand

Idar Kreutzer
Group CEO

Storebrand Group

- the leading Nordic Life and Pensions provider



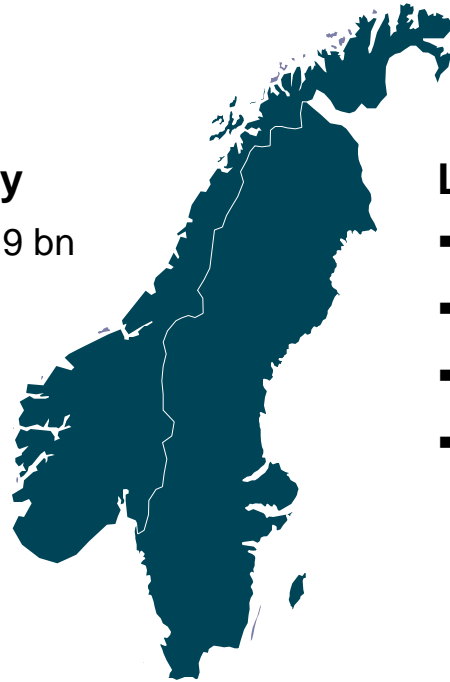
Life and Pensions Norway

- Premiums for own account 19 bn
- Customer reserves 176 bn
- 24 000 corporate customers
- ~30% market share



Life and Pensions Sweden (SPP)

- Premiums for own account 7 bn
- Customer reserves 111 bn
- 30 000 corporate customers
- ~10% market share



Storebrand Bank

- 36 bn gross lending

Storebrand P&C

- 124 000 policies

Storebrand Asset Management

- 351 bn AuM

Managing for value in Storebrand

Top line growth

- Strong Nordic market
- Repositioning and growth in Sweden

Reduce cost and increase productivity

- Comprehensive cost program
- Efficiency improvements and cost programs according to plan

Risk mitigation

- Active balance sheet management
- Strong solidity and strengthened buffers
- Reduction of net debt in the holding co.

Optimise use of capital

- Capital efficient growth
- Well prepared for Solvency II

The Nordic market is strong

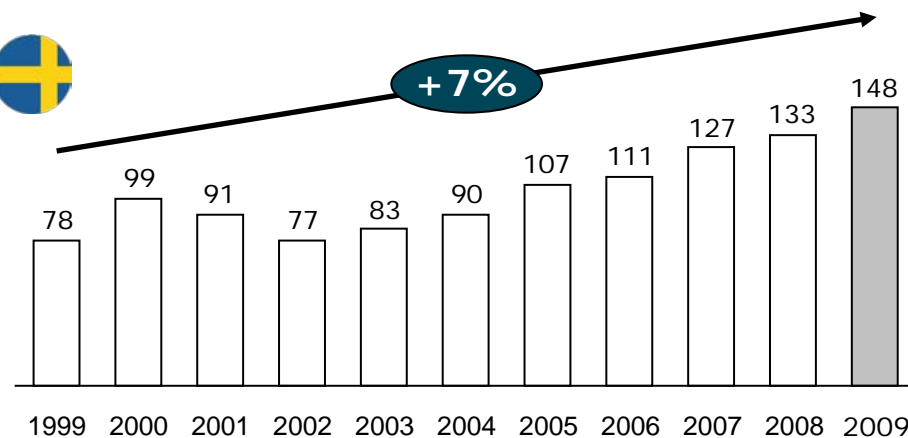
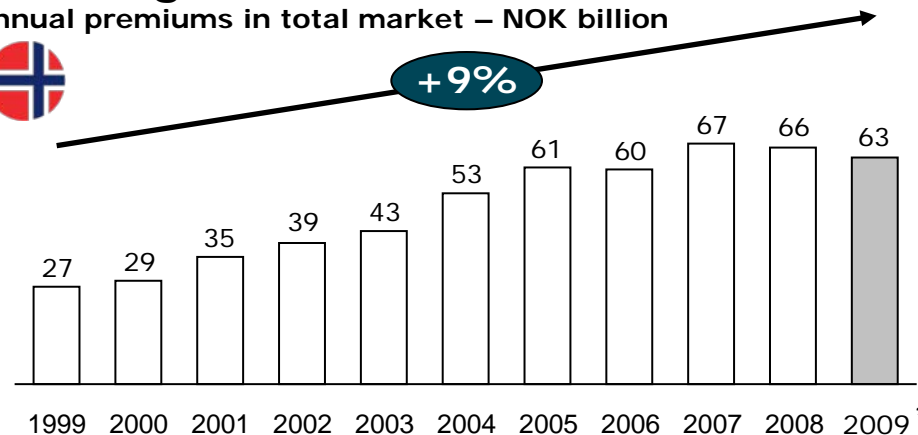
– steady pensions growth through economic cycles

Growth drivers

- Regulatory reforms
 - Anticipated increase in contributions (Norway)
 - Pension markets increasingly open to competition (Sweden)
- Strong macroeconomic environment
- Occupational pensions less sensitive to market conditions
- Continued growth in wealthy and 50+ segments
- Anticipated increase in life and pensions savings as % of total personal financial assets per capita

Market growth

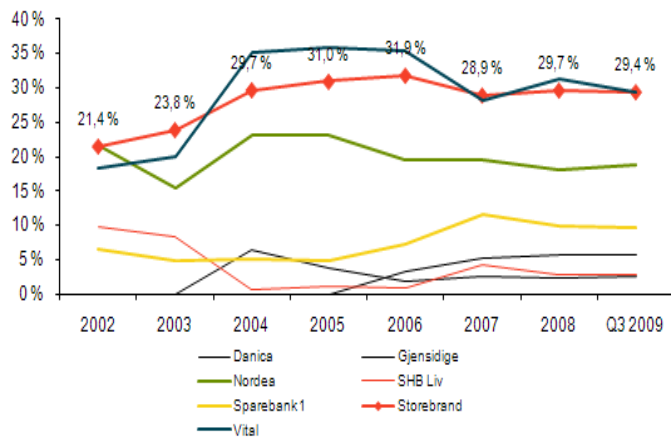
Annual premiums in total market – NOK billion



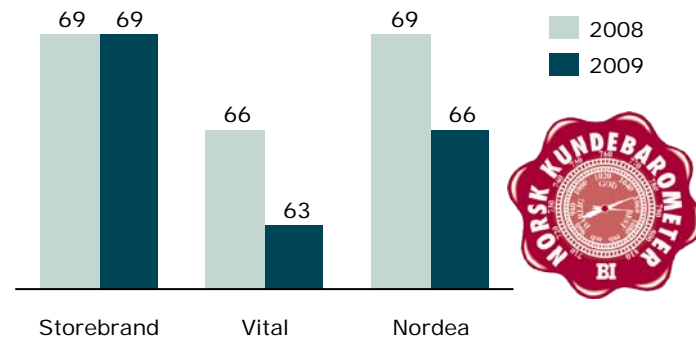
Life and Pensions Norway

- Storebrand has a strong position in Norway

Market share DC (premium income)

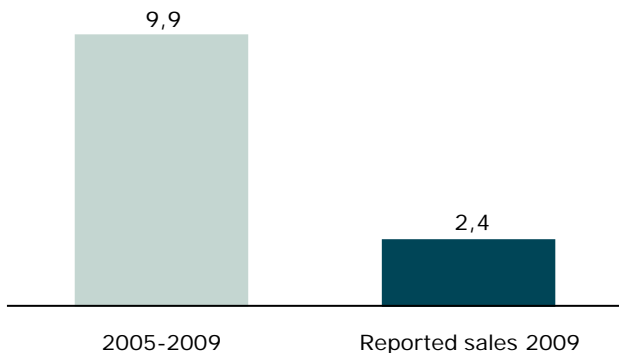


Highest customer satisfaction*



Accumulated net transfer balance

NOK billion

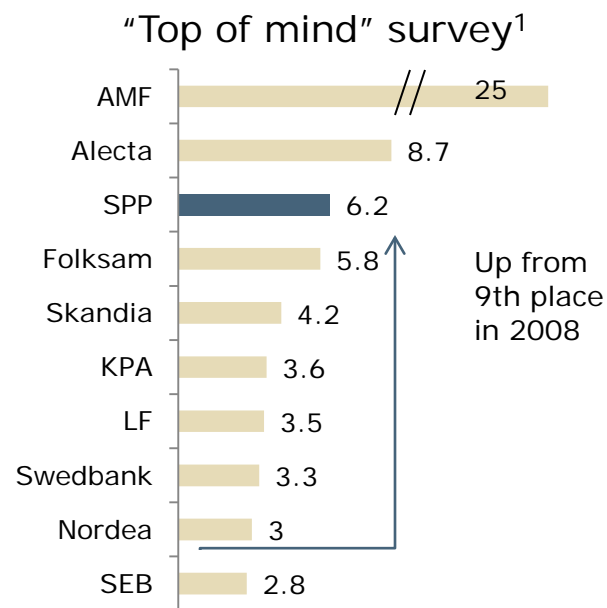


5 * Norwegian Customer Barometer – annual survey 2009 – defined benefit (>20 employees)

Life and Pensions Sweden (SPP)

- repositioning and growth

- Increased brand recognition
- Top score on customer service
- Improved sales processes and successful implementation of new distribution strategy
- Top Unit Link provider in 2008 and 2009



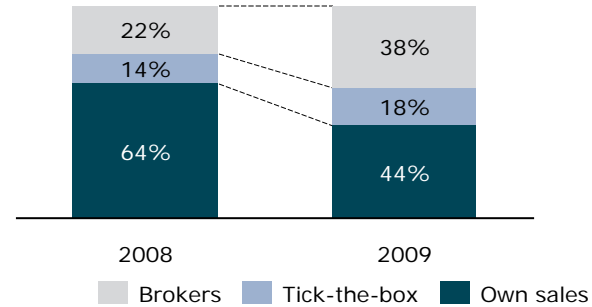
Life and Pensions Sweden (SPP)

- repositioning and growth

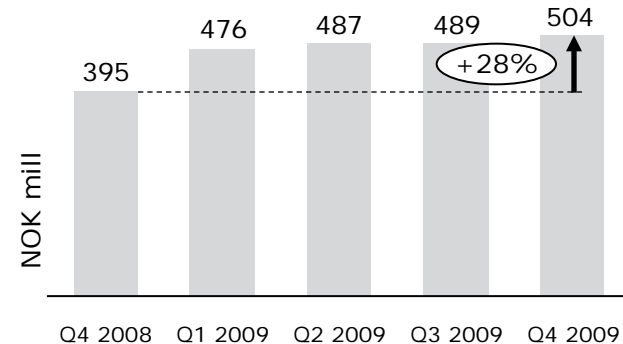
- Increased brand recognition
- Top score on customer service
- Improved sales processes and successful implementation of new distribution strategy
- Top Unit Link provider in 2008 and 2009

6 % sales increase (APE) while redistributing sales channels

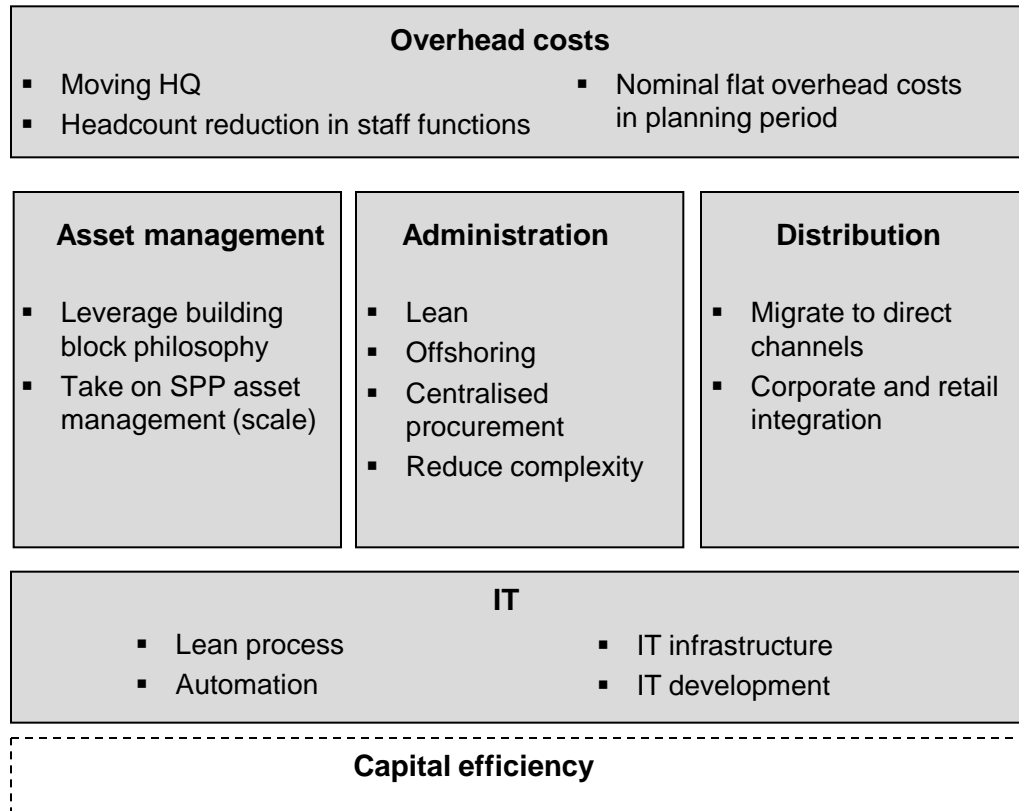
Sales channels in SPP (share of sales)



New sales Unit Linked (APE) *

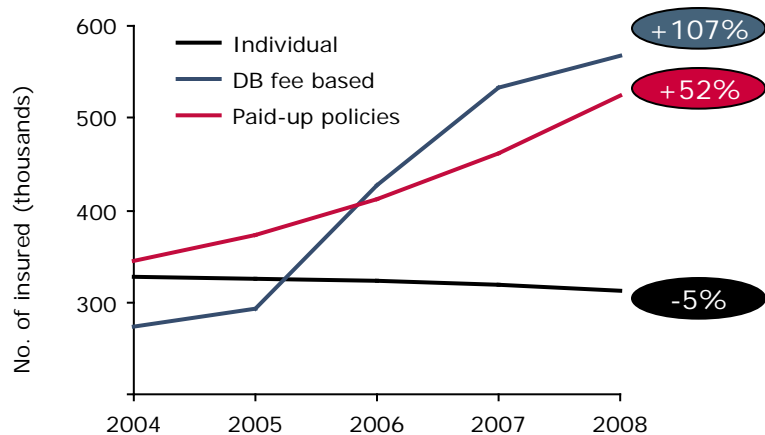


Comprehensive cost reduction program

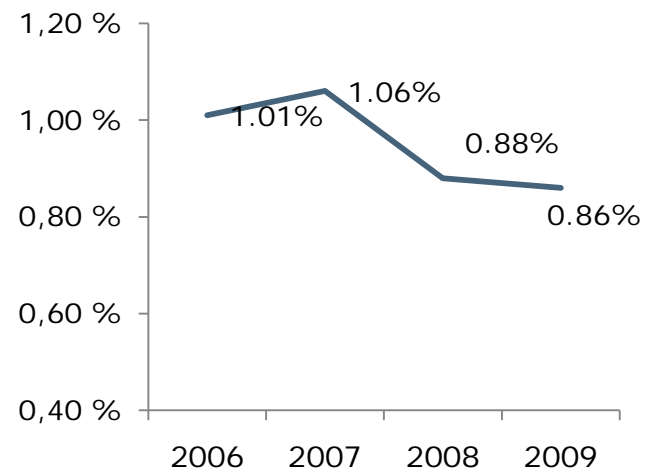


Efficiency improvements continue in Norwegian operations

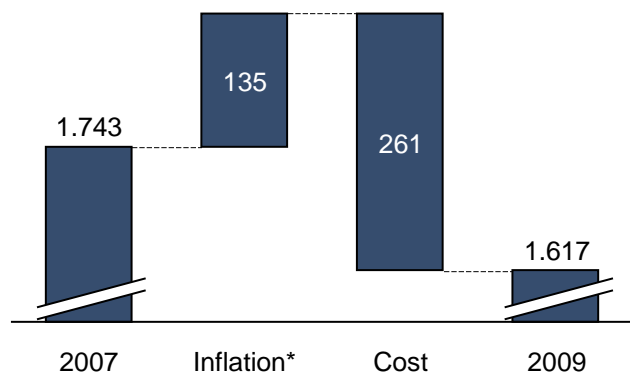
Number of insured



Costs / Customer funds



Total costs in Life and Pensions Norway



Costs 2007 are corrected for deviation from estimate pensions of NOK 223 million, which contributed to higher costs in 2007.

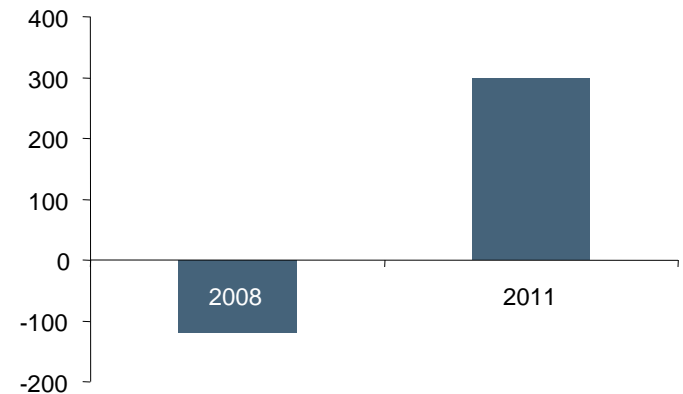
*Costs weighted for inflation and average wage growth for the period. Source: SSB

Cost program according to plan in SPP

- Communicated cost measures are developing as expected
- Targeted annual cost reductions of SEK 100 mill
 - More efficient processes (LEAN, CRM)
 - Product rationalisation
 - Transfer of administrative tasks to Storebrand Baltic
 - Outsourcing to Logica
- Total reduction in headcount of 100 FTEs*
- Further measures will be implemented



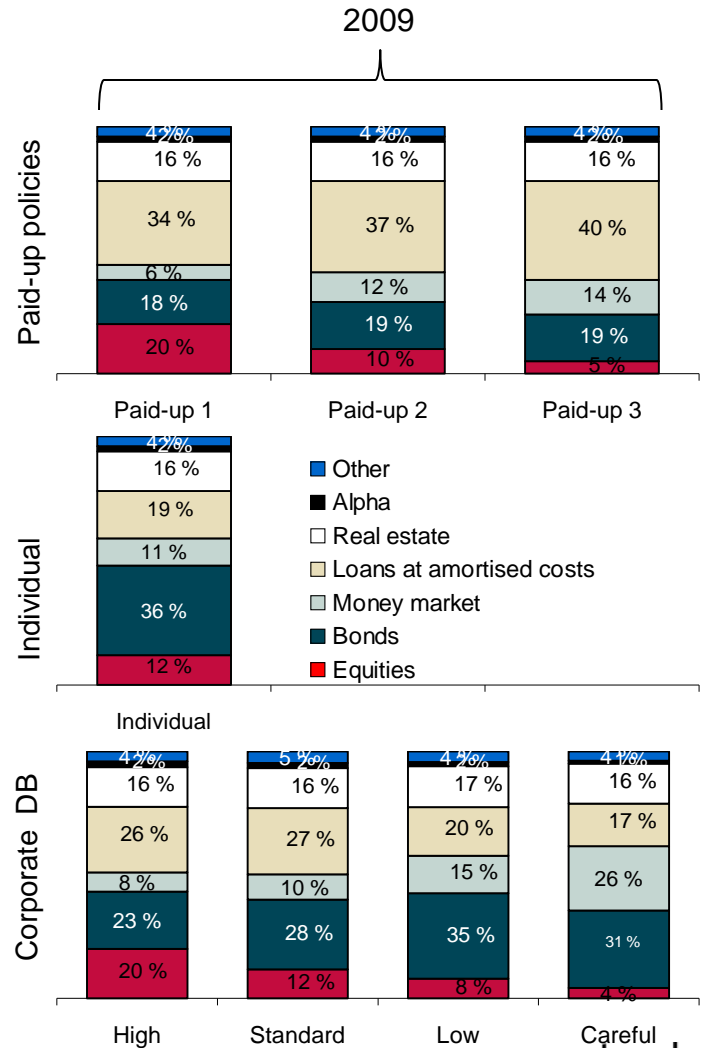
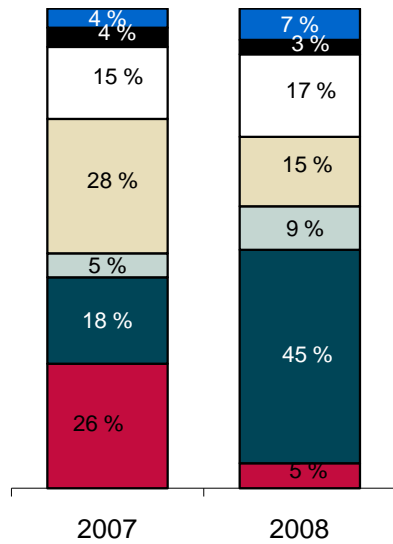
Target: adm res > SEK 300 mill in 2011



* Incl. consultants

Risk mitigation guaranteed business

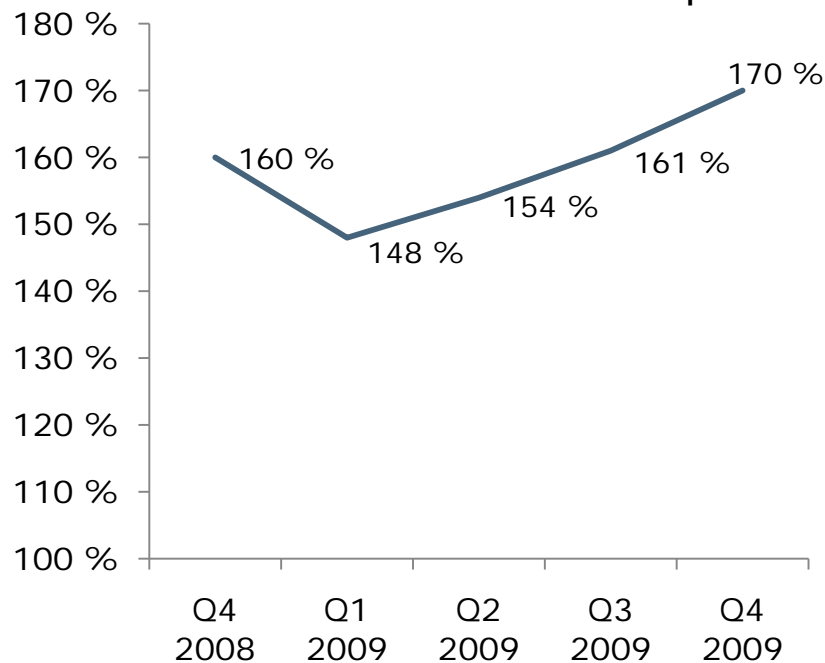
- active balance sheet management



- Dynamic risk management in volatile markets
- Asset allocation based on risk capacity in customer portfolios
- Substantial allocation to bonds at amortised cost yielding above interest rate guarantee

Strong solidity and strengthened customer buffers

Solvency margin
Storebrand Life Group*



- Increase in ASR of 1.3 bn
- Increase in CB of 1.2 bn
- Solvency margin SPP 184%**
- Capital adequacy 13.9%

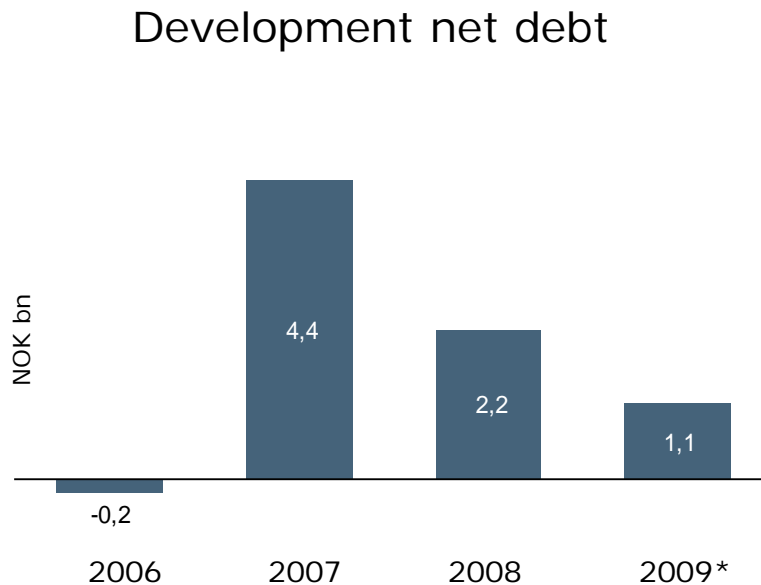
ASR – Additional Statutory Reserves (customer buffer capital in Norway)

CB – Conditional Bonuses (customer buffer capital in Sweden)

* Interim numbers only include 50% of result

** SPP Solvency before group contribution 194%

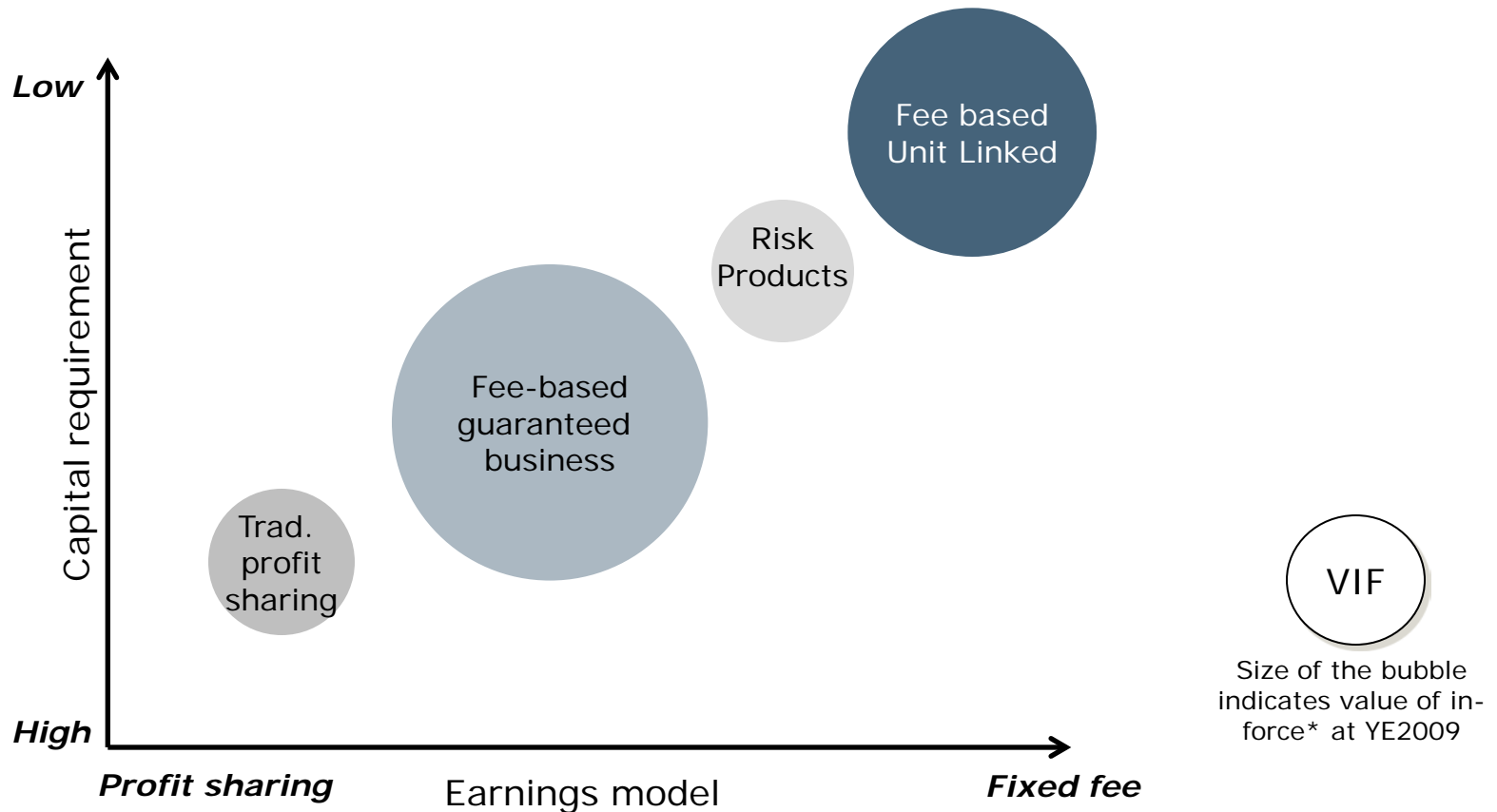
Reduced net debt in the holding company



- The holding company will receive NOK 823 mill in group contributions
- NOK 2.1 bn in liquid assets
- Target net debt ratio of 0
- Next maturity December 2010

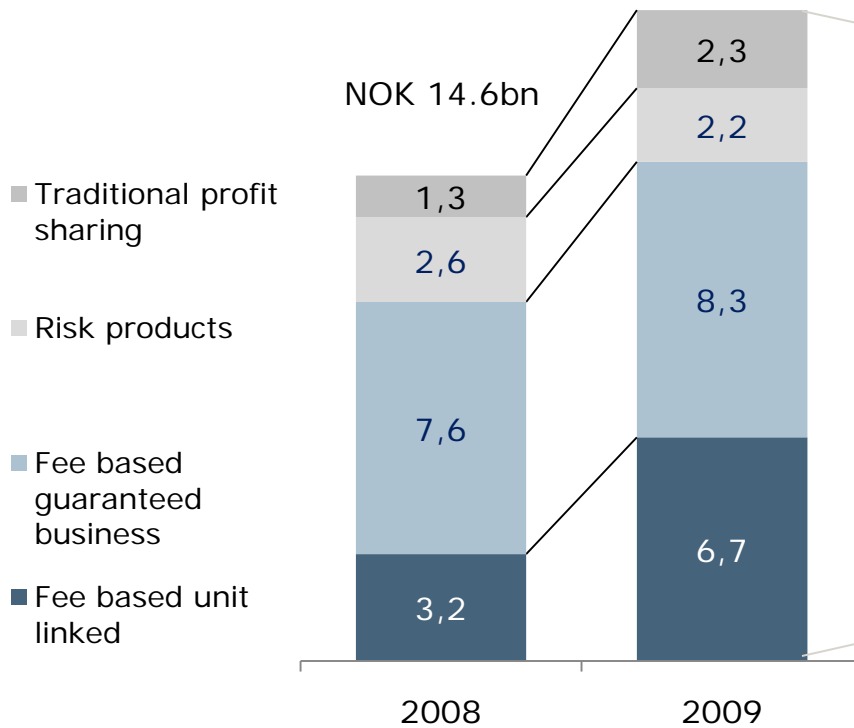
* Calculated after receipt of group contributions

Capital efficient growth towards products with lower earnings volatility

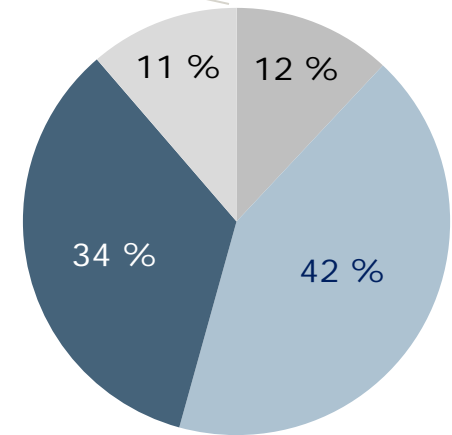


Transition to capital light products

Value of in-force per product group (NOK bn)



Proportion of total value of in-force 2009



2009 MCEV Storebrand Life Insurance

- Management vs external influence

	Management influence	Management / external influence	External influence
New business value	Value of new business +0.4bn		
Operating variances	Lower transfer of funds and lapses +0.2bn	Reduction in replacement rates and increased transition to paid ups -1.0bn	Changes in disability reserves and introduction of dynamic mortality tables -0.2bn
	Changed cost allocation and one-off expenses -0.8bn		
	Improved margins DB +0.9bn		
	Changed terms in DB and UL +1.5bn		
Economic variances	Building buffer capital +0.7bn	Currency hedge ownership of SPP +0.9bn Investment return +1.0bn	Increased interest rate levels +1.7bn
Total	NOK ~2.9bn	NOK ~0.7bn	NOK ~1.5bn

Solvency II

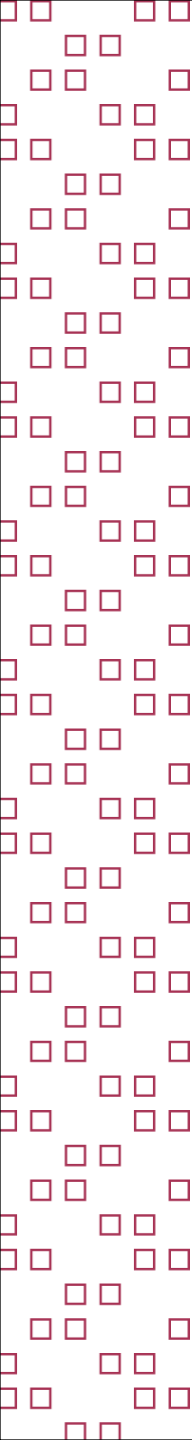
– Storebrand well prepared

- New regulatory requirements apply to all European insurance companies from 2013
 - Assets and insurance liabilities to be valued at market value
 - Capital requirement to reflect actual economic risk
- Main adaptation themes:
 - Macro model for discounting pension liabilities (Europe)
 - Infrastructure/ alternative investments (Europe)
 - Treatment of customer buffers (Norway and Sweden)
 - Annual interest guarantee and terms for transfer rights (Norway)
- Focused efforts towards successful implementation
 - Group wide project
 - Developing internal models
 - Good dialogue with authorities



Summary

- Strong growth in occupational pensions market in Norway and Sweden
- Reduced costs and increased efficiency
- Strengthened market position
- Managing towards less capital intensive products
- Active adjustments to new regulatory frameworks



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

