



Positioned for long-term value creation

SEB Enskilda Nordic Seminar
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Group CFO

Storebrand Group

Life and Pensions
NOK 322 bn in assets

- Storebrand Life Insurance
- SPP Life Insurance



Asset Management
NOK 352 bn in AuM

- Storebrand Investments
- Storebrand Real Estate



Storebrand Bank
NOK 43 bn in assets



Storebrand Skadeforsikring (P&C)
NOK 1,6 bn in assets



Figures as at 30.09.09

Highlights Q3 2009

RESULT

- Group profit of NOK 908 million in Q3, NOK 680 million YTD
- Increased exposure to equities and reduced hedging programme gives a good financial result

OPERATIONS

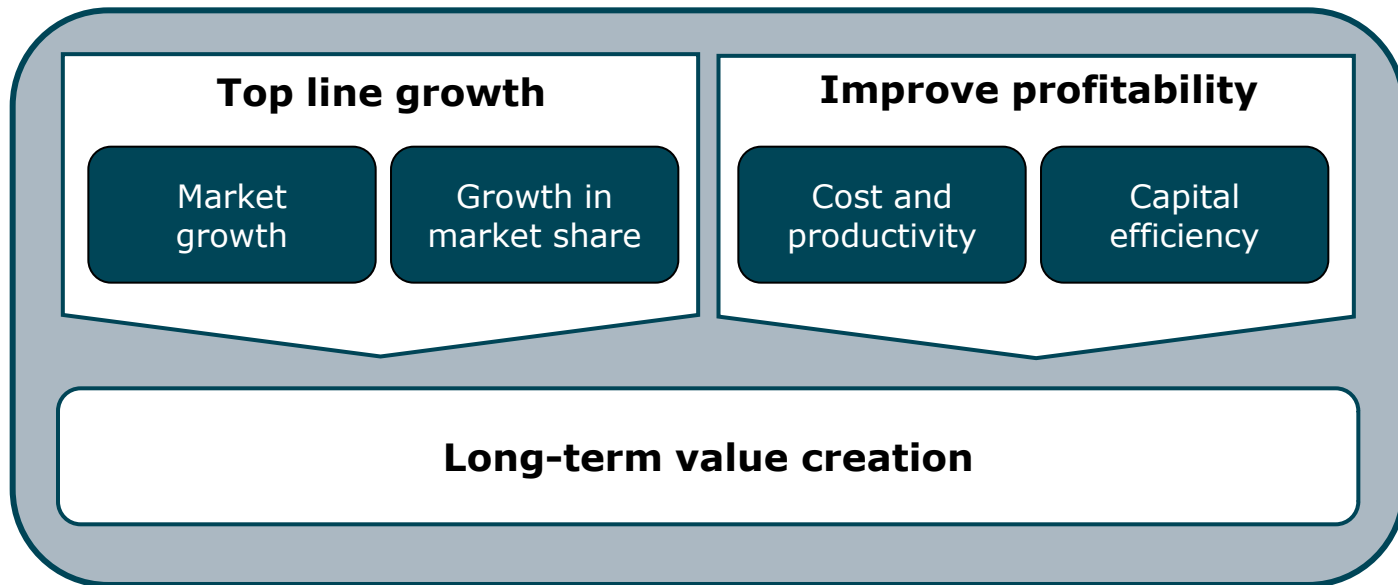
- Good market development in Life and Pensions
- Strong growth in AuM for Storebrand Investments
- Execution of cost reducing programmes according to plan

BALANCE SHEET

- Solvency margin in Life Group increased to 161%
- Customer buffers strengthened by NOK 1.6 billion
- Robust funding

* Group profit before amortisation of intangible assets

Storebrand is positioned for growth and long-term value creation



The Nordic market is strong

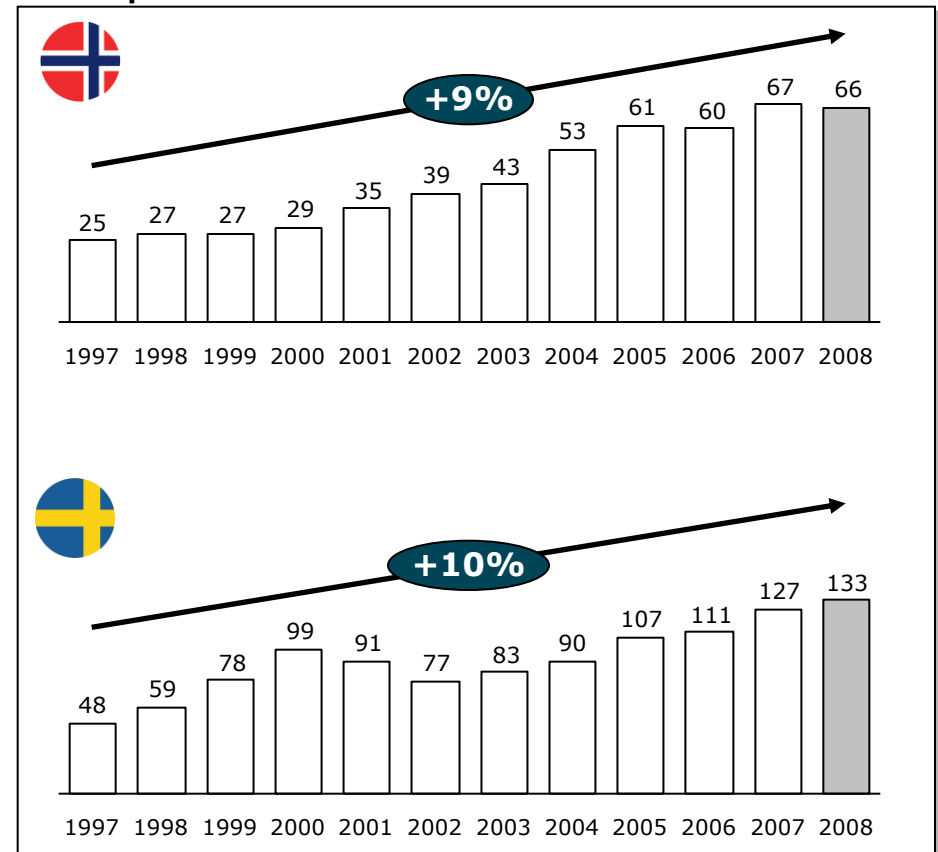
- steady pensions growth through economic cycles

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
- Anticipated increase in life and pensions savings as % of total personal financial assets per capita

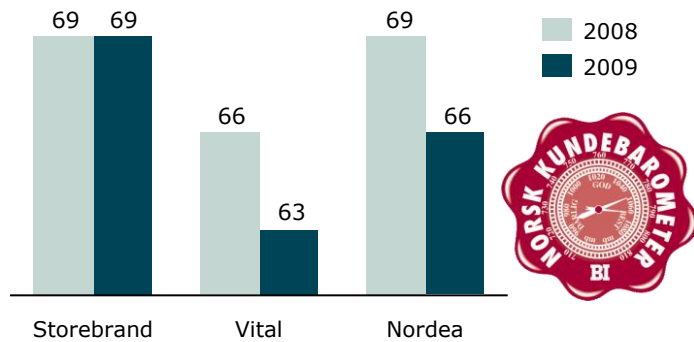
Market growth

Annual premiums in total market – NOK billion

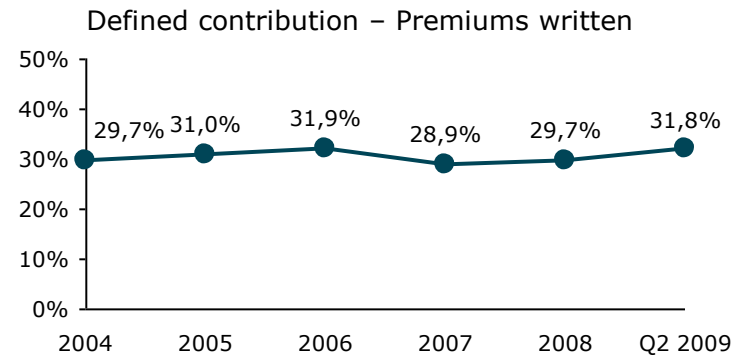


Storebrand has a strong position in Norway

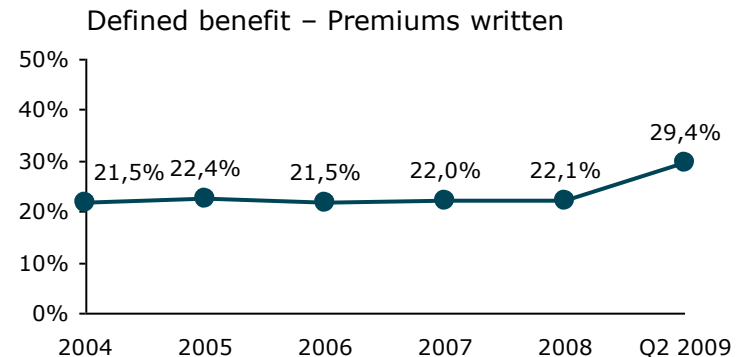
Highest customer satisfaction**



Market share occupational pension*



Accumulated net transfer balance NOK billion



* The Norwegian Financial Services Association (FNH) – Quarterly statistics

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

SPP - successful integration

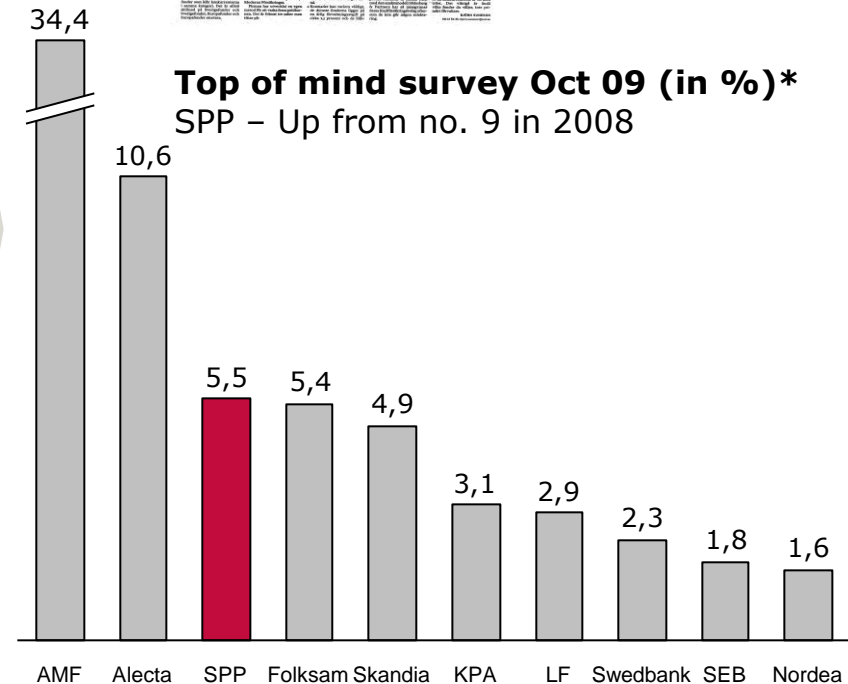
- Synergies ahead of plan
- Increased brand recognition
- Improved sales processes and successful implementation of new distribution strategy
- Strengthened asset- and risk management
- Top score on customer service
- Top Unit Link provider in 2008

"SPP – best on CSR"

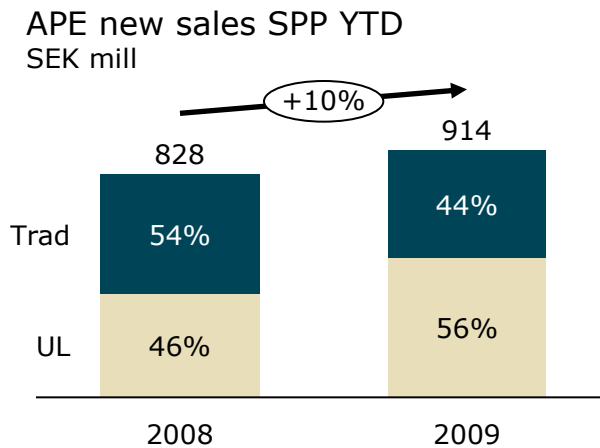


"SPP Best in Class"

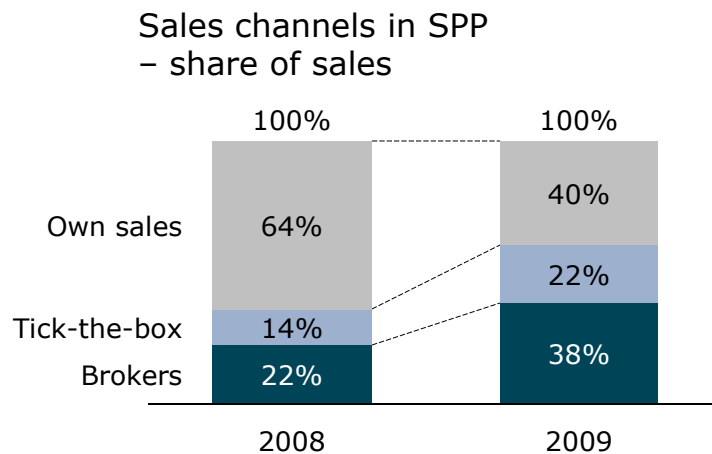
Svenska Dagbladet 23.03.09



...and we are winning market shares in the Swedish market



- New sales of APE:
 - Total market: -2%*
 - SPP: +10%
- Running premium income: +20%

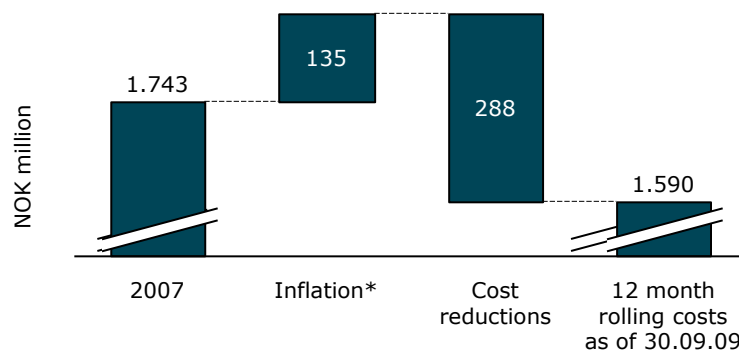
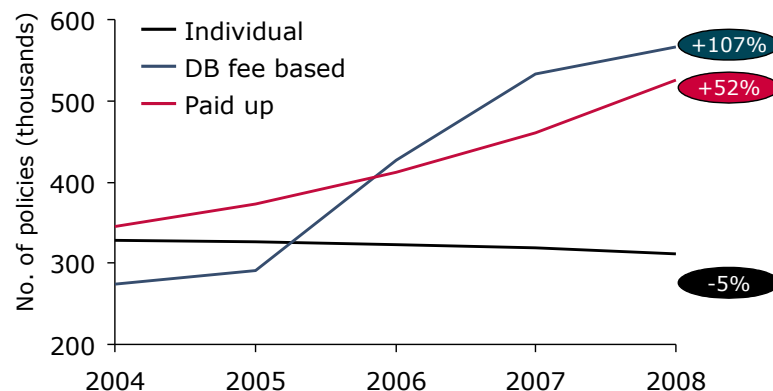


- Successful implementation of new distribution strategy
- SPP has developed three successful sales channels

*) 12 month rolling pr 30.06.09. Source: Försäkringsförbundet

Life and Pensions Norway

- cost efficiency improvements continue



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

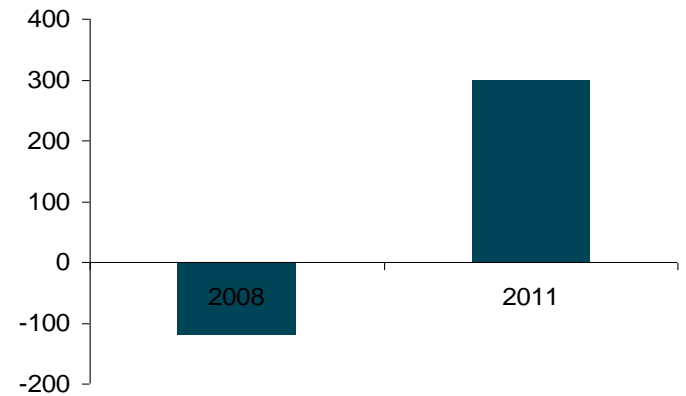
- Considerable efficiency and cost measures being implemented
- Measures with positive effect:
 - LEAN
 - Merger of distribution network for retail and corporate
 - Downsizing in Storebrand Financial Advisory
 - Outsourcing to Storebrand Baltic
 - Downsizing of central staff
 - Downsizing in progress in the organisation
- Operational cost target stands Administration result > 0 in 2010

Life and Pensions Sweden

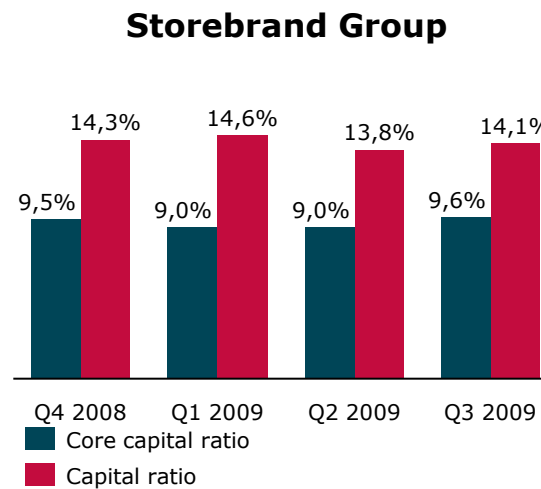
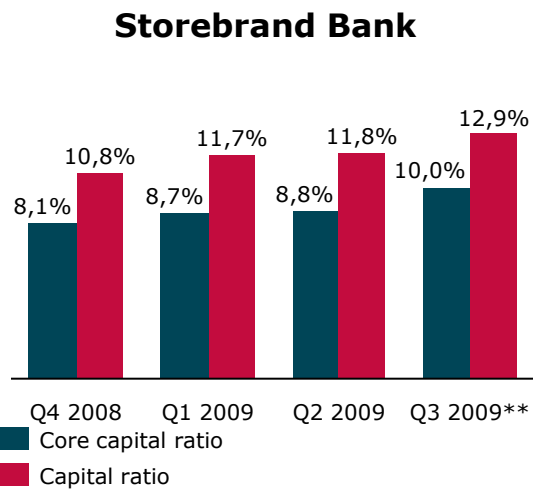
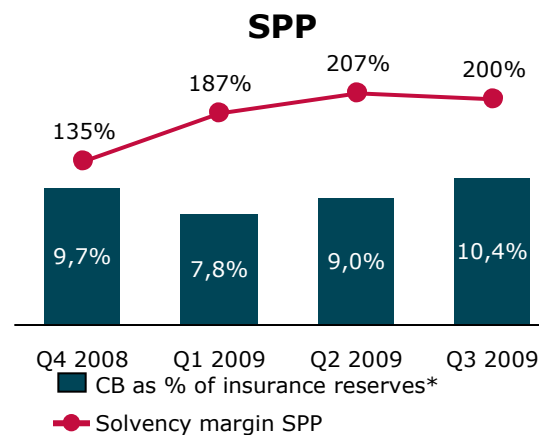
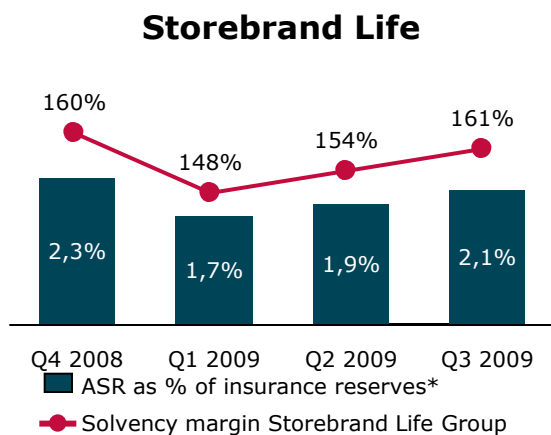
- cost programme according to plan

- The communicated cost measures are developing as expected
- Targeted annual cost reductions of SEK 100 mill
- Headcount being reduced by 26 FTEs in Q4
- Total reduction in headcount of 85 FTEs
- Further measures will be implemented

Target: adm res > SEK 300 mill in 2011



Sound capital position

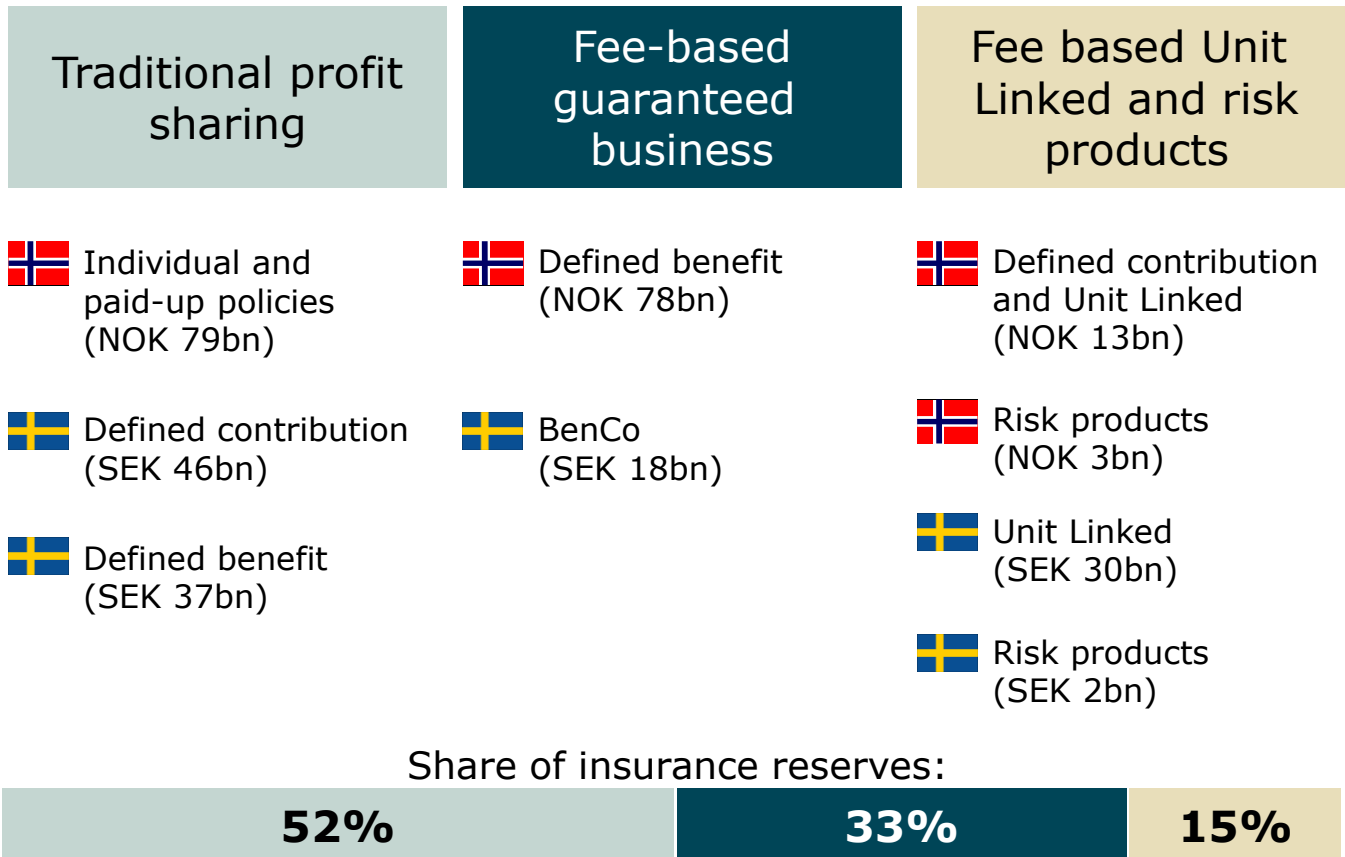


*Additional Statutory Reserves (ASR) and Conditional Bonuses (CB) as % of insurance reserves excl. ASR and CB respectively

** Pro forma after capital increase of NOK 200 million

Life and Pensions

- 3 main product groups



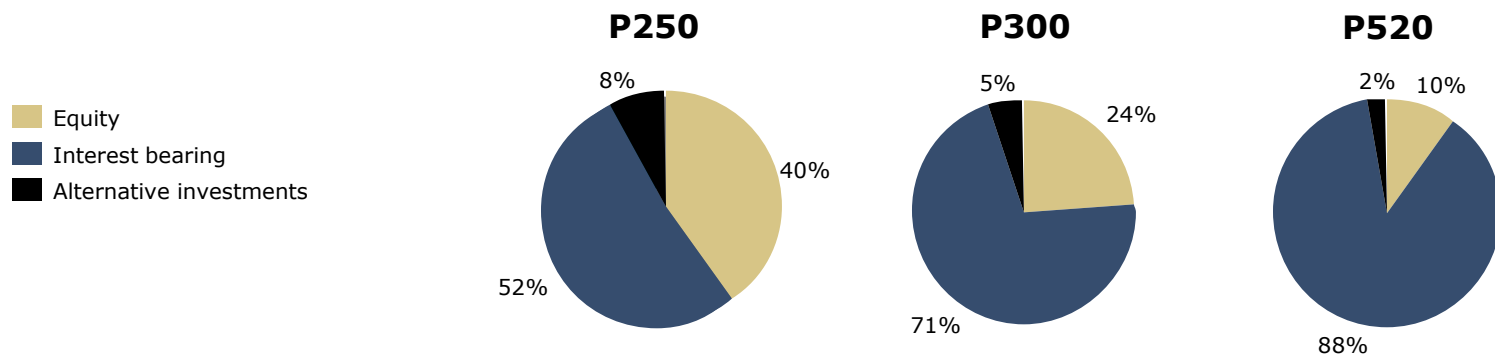
Figures as at 30.09.09

Life and Pensions

- risk tailored asset allocation in portfolios

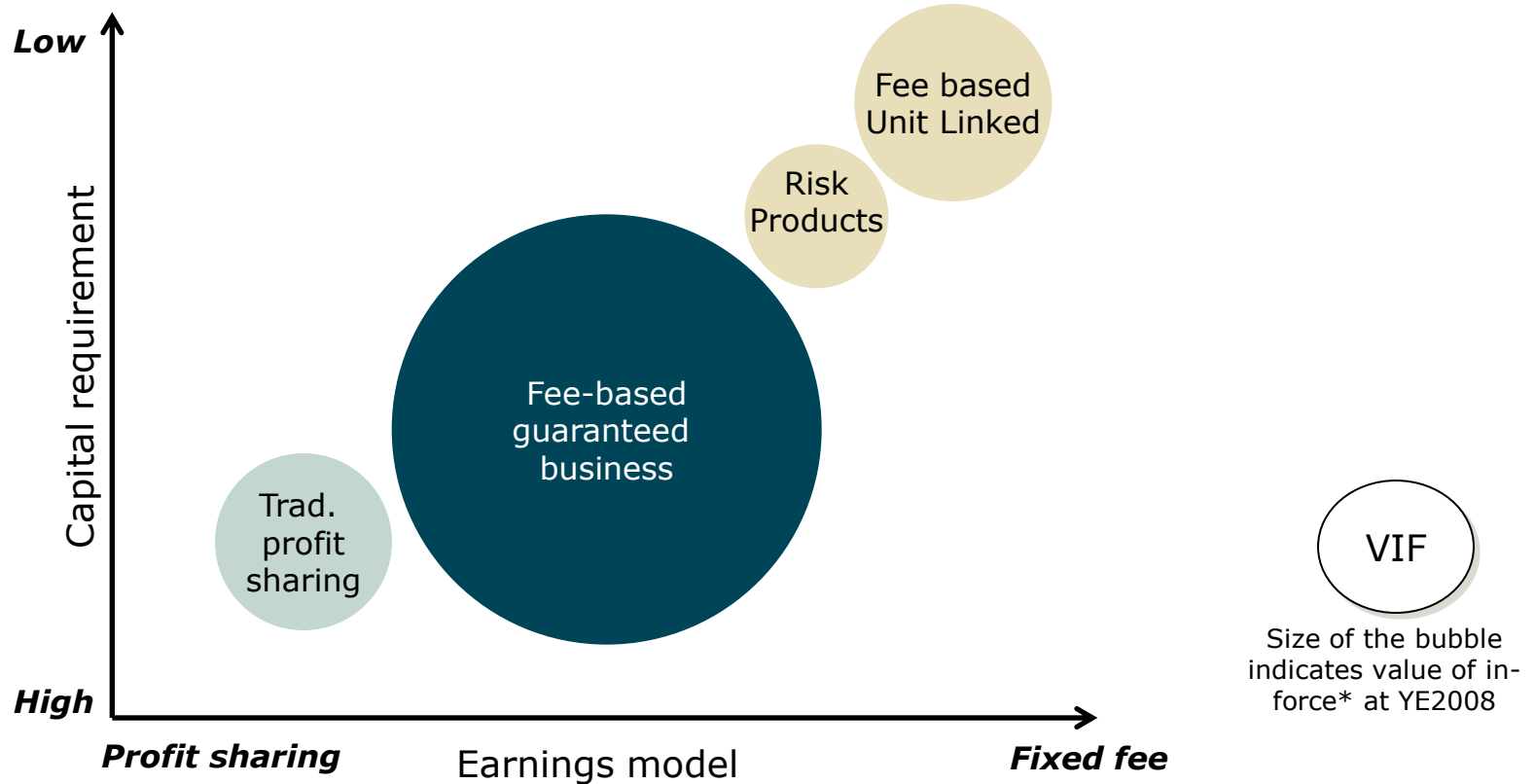
Example Swedish business

Defined contribution - SPP

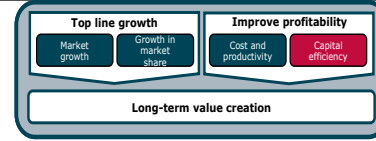


Interest rate guarantee p.a	1,25-2,5%	2,75%-4,0%	4,5%-5,2%
Conditional bonuses in % of customer funds	20%	11%	2%
Discount rate	3.2%	3.3%	3.9%
Expected return	5.8%	4.7%	4.0%

Capital efficient growth towards products with lower earnings volatility



*) VIF including look-through value and before cost of residual non hedgable risk and frictional cost of capital



Solvency II

- many positives, final calibration important

➤ Storebrand supports the main principles underlying Solvency II

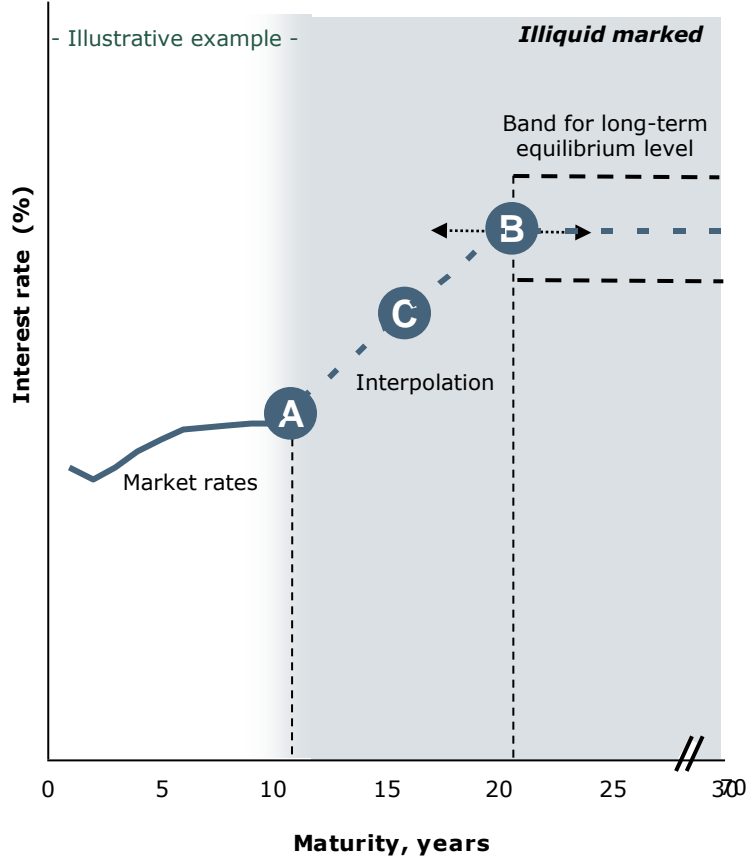
- Consistent rules across the European industry
- Marked-to-market on both sides of the balance sheet
- Captures all essential risks in the capital requirements
 - Market risk
 - Insurance risk
 - Operational risk
 - Counterparty risk
 - Concentration
 - Correlation
 - Diversification

➤ Important that the final calibration is consistent with real economic risk and use of capital

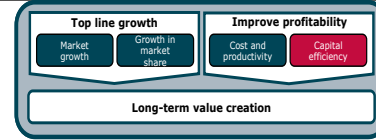
- Pension assets have a long time horizon
 - How to reflect this in the risk measures?
 - Illiquidity premiums
- Marked-to-market of insurance liabilities
 - Discount rate: risk-free or swap, include illiquidity premium?
 - The use of macroeconomic extrapolation

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
 - A macroeconomic extrapolation technique
- Close dialogue with regulators and other insurers
- Aim: to be the preferred model within the Solvency II framework



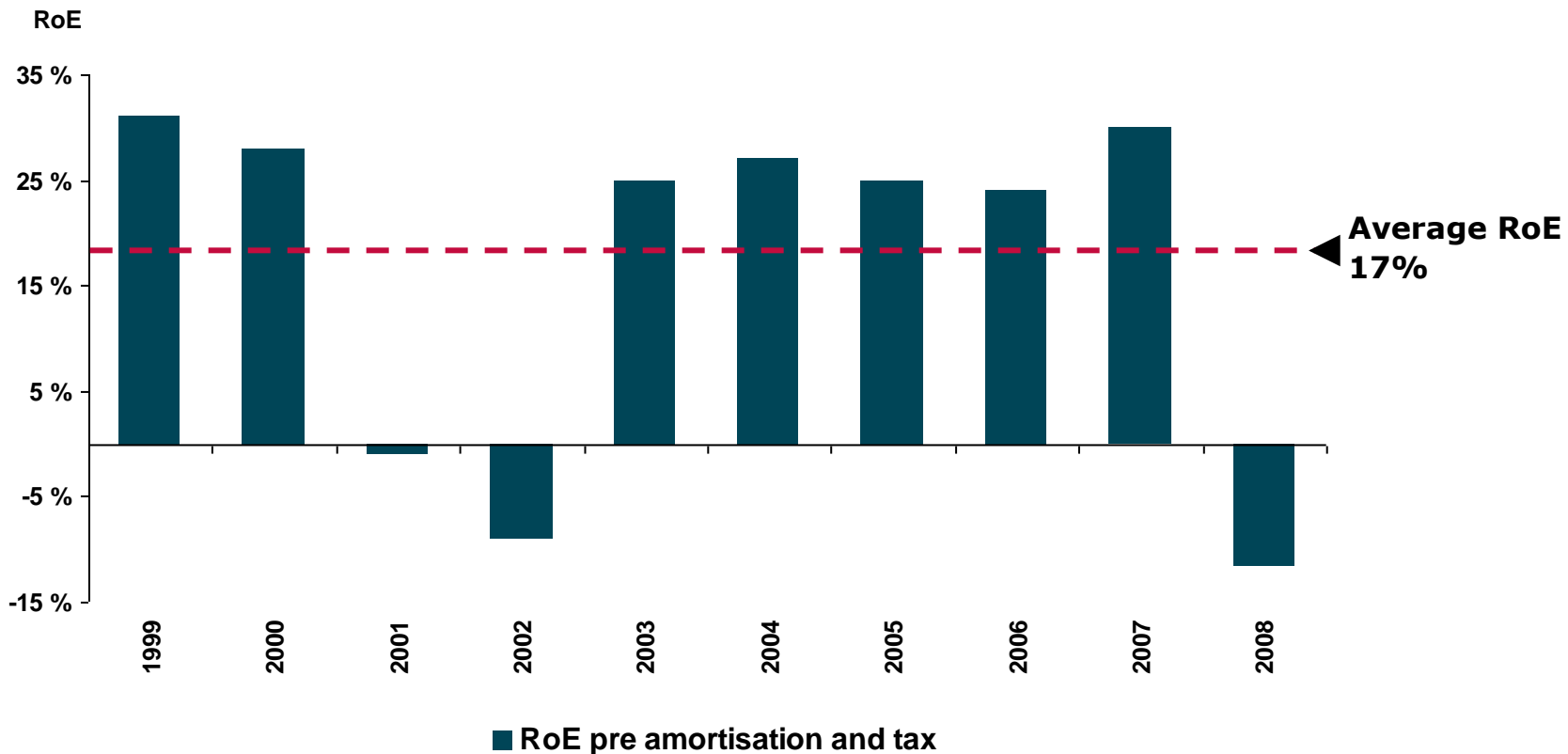
Solvency II

– main priorities for Storebrand

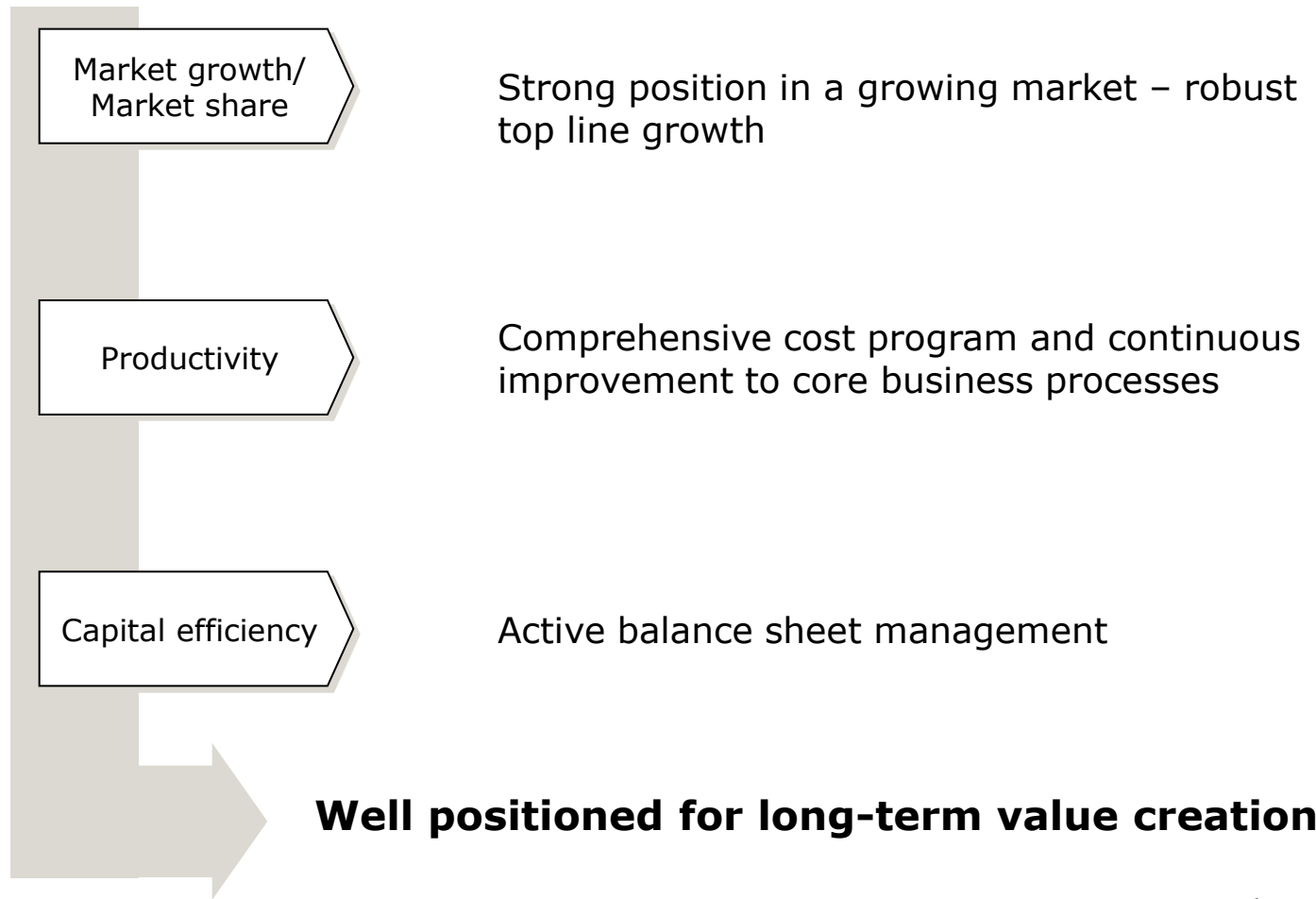
- Involvement in order to secure a best possible final framework
 - Common European rules, selected priorities:
 - Use of macroeconomic extrapolation
 - Investments in infrastructure
 - National legislation, important issues:
 - Annual guarantee (Norway)
 - Transfer rights at full market value (Norway)
 - Client buffers (Norway and Sweden)
- Preparation in order to secure an optimal implementation
 - Broad internal project established
 - Explore possible benefits from using internal models
 - Solvency II will be an integral part of the business

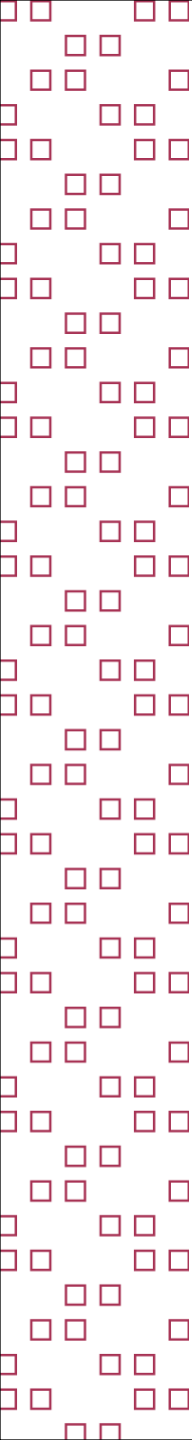
Strong RoE in Life Insurance

Storebrand Life Insurance – RoE (pre amortisation and tax)



Summary





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

