

Morgan Stanley European Financial Conference

Odd Arild Grefstad
Storebrand CEO

21.03.2013

The Storebrand Group

Life and pension
Asset Management
Insurance
Bank



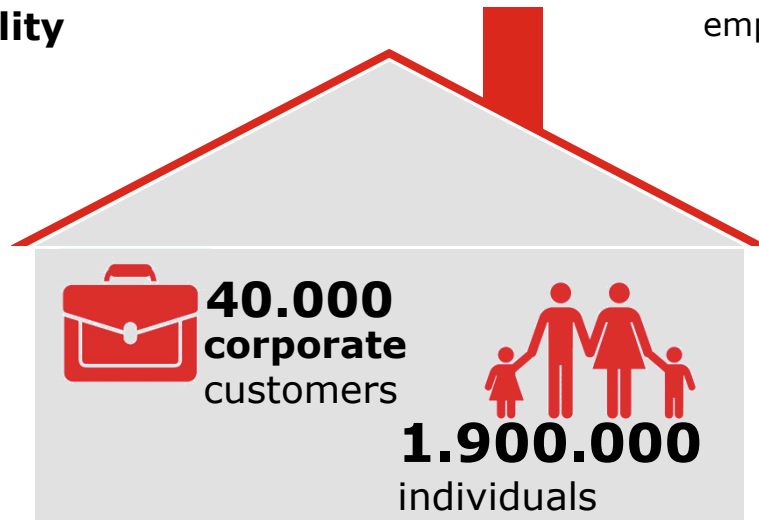
100%



of investments assessed
by **sustainability**
criteria



2.200
employees



NOK **450** billion
in **assets** under
management

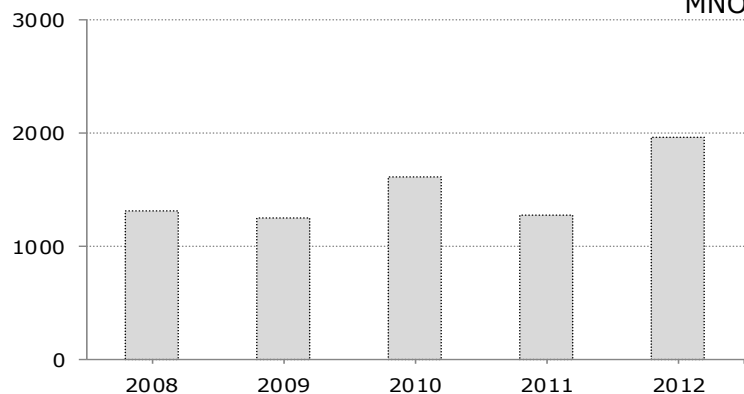


5.000.000
yearly customers
dialogues

Solid, profitable and growing business

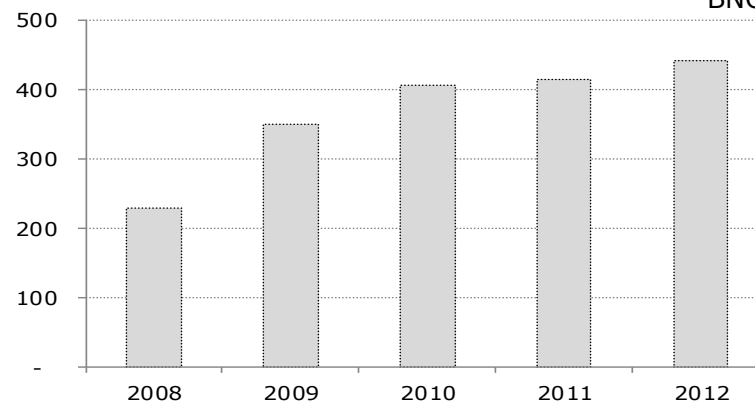
Group result

MNOK

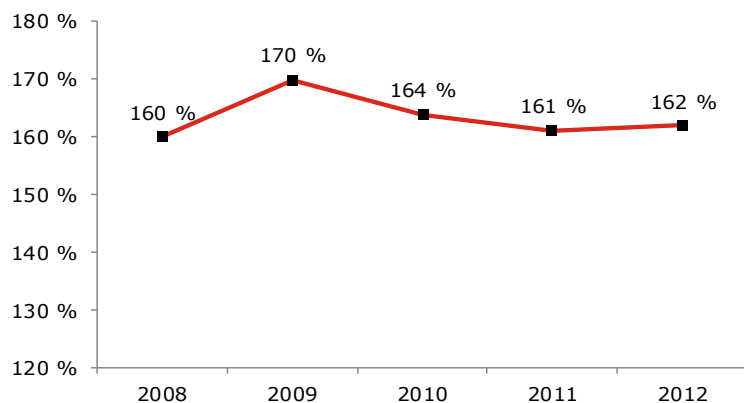


Assets under Management²

BNOK

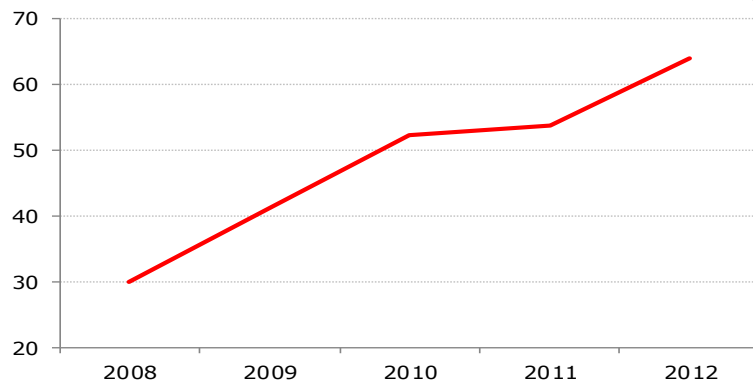


Solvency margin¹



Customer funds in defined contribution and unit linked³

BNOK



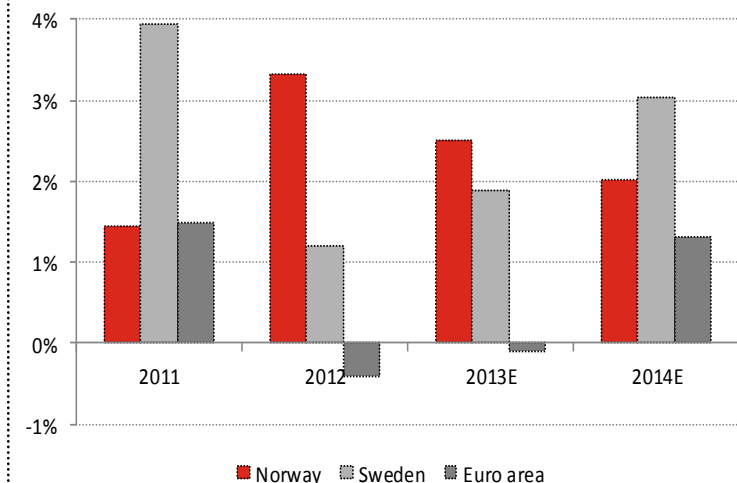
¹ Storebrand Life Group

² Total funds under Management

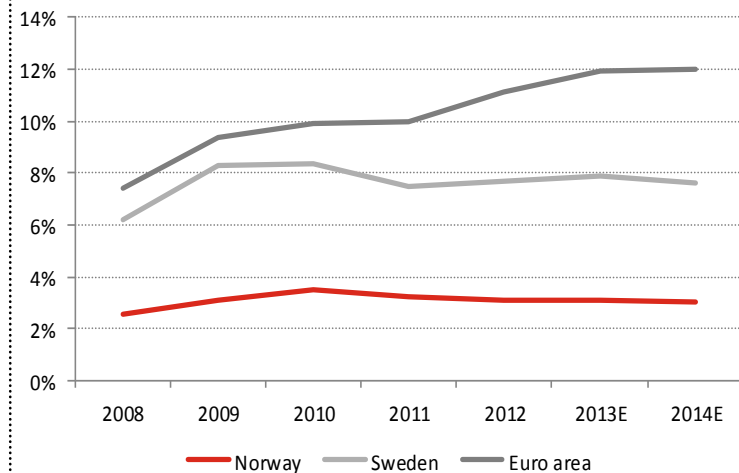
³ Includes customer funds in DC and UL for Storebrand Life Insurance and SPP

Sound Nordic macro environment enables growth in pension savings

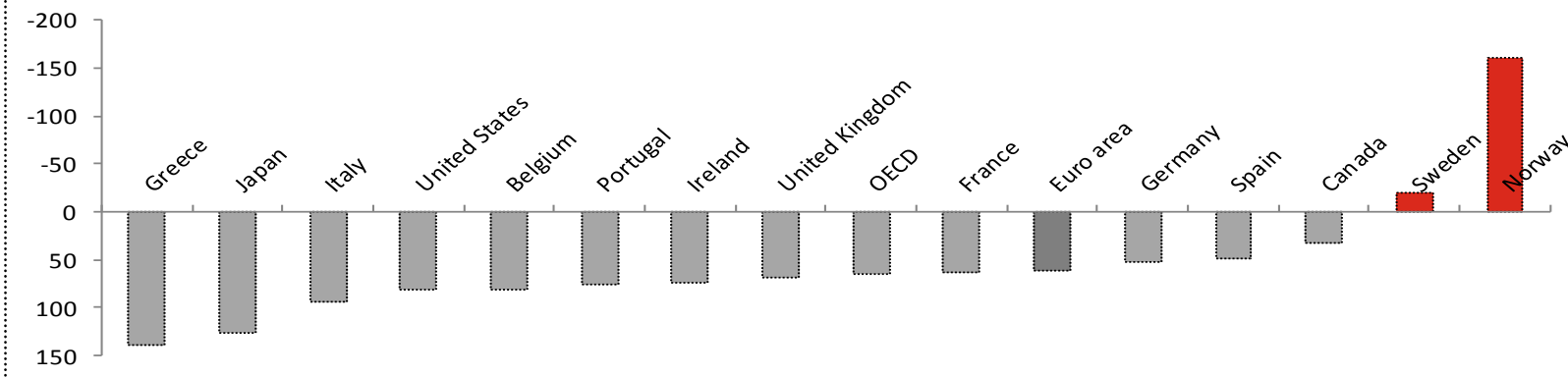
GDP growth¹



Unemployment rates¹



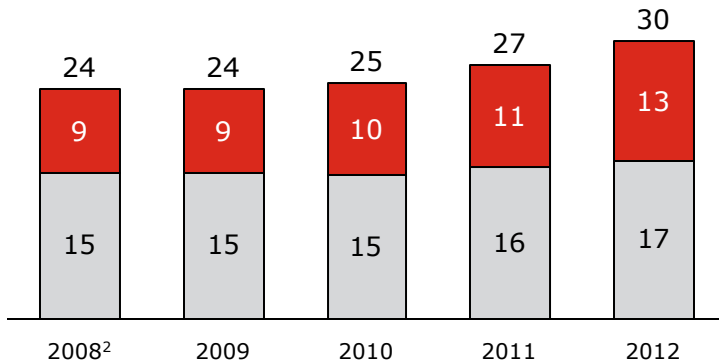
General government net liabilities¹



Strong growth in saving and pension market

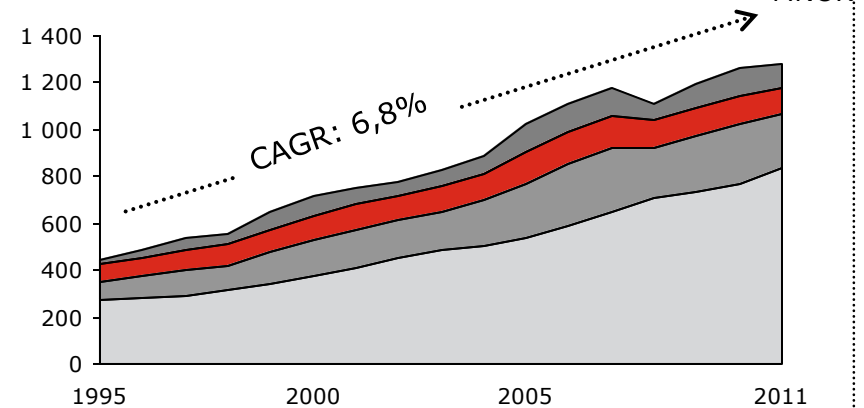
Premiums written in occupational pension private sector Norway¹

BNOK



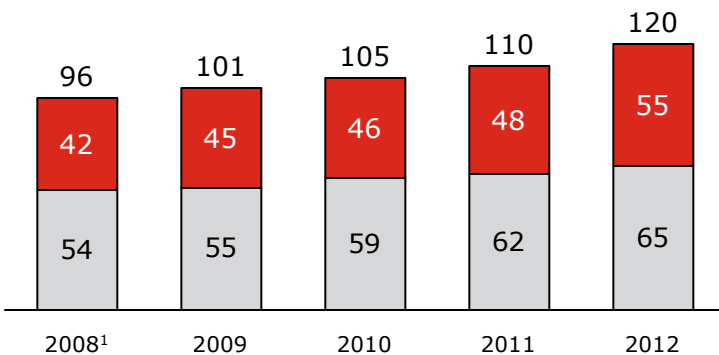
Retail savings Norway⁴

MNOK



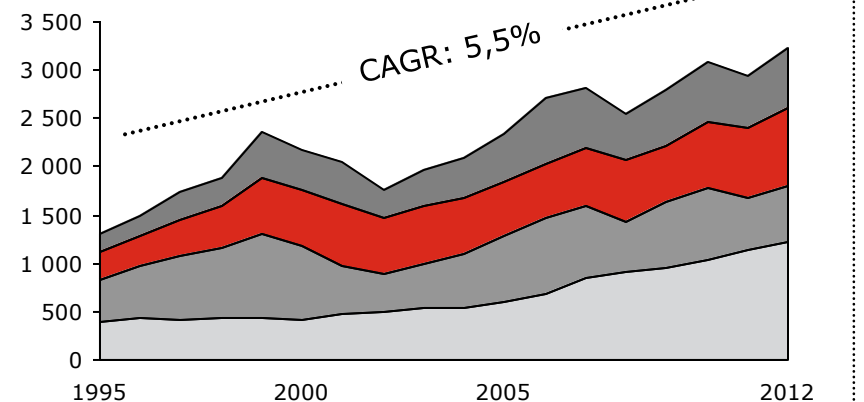
Premiums written in occupational pension private sector Sweden³

BSEK



Retail savings Sweden⁴

MSEK



■ Unit Linked ■ Guaranteed

■ Mutual funds ■ Stocks and bonds
■ Life insurance savings ■ Bank deposits

¹ FNO's report; market shares and accounting, insurance liabilities

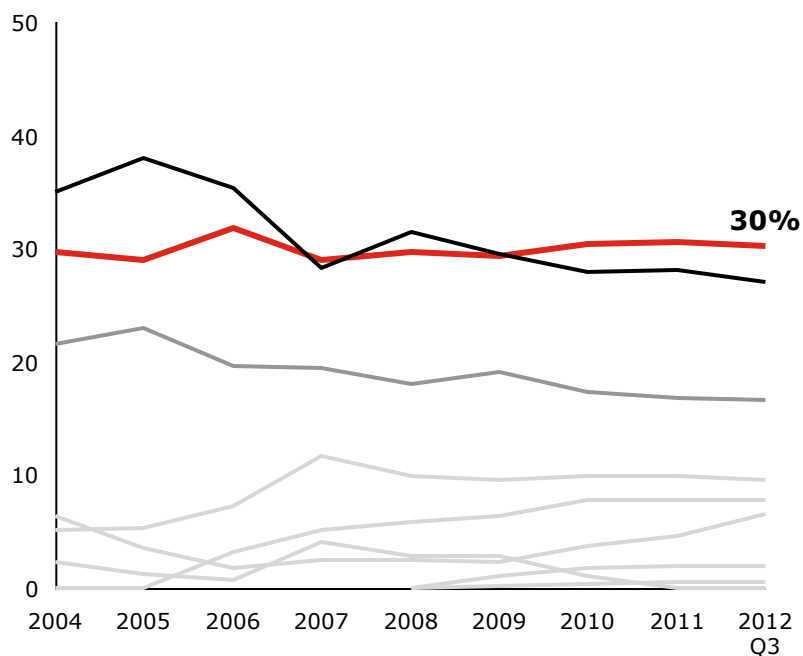
² Sum reduced with KLP (83 BNOK)

³ Svensk försäkring; statistics on life insurance

⁴ Statistics Norway and Statistics Sweden, Sector balances households

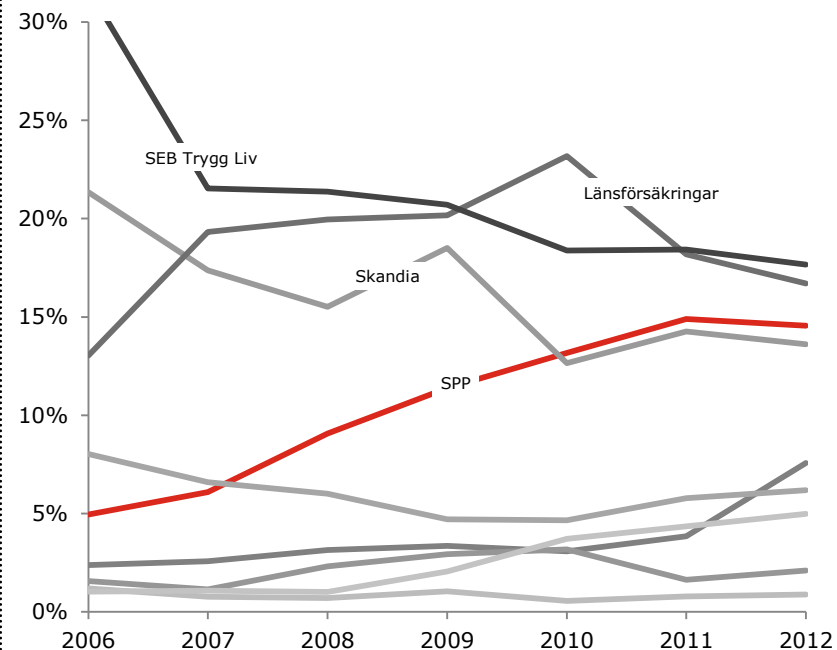
Storebrand has a strong market position in fast growing DC/UL market

Market share defined contribution¹ Norway



— Storebrand — Sparebank 1 — KLP
— DNB — Gjensidige — SHB Liv
— Nordea — Danica — Frende

Market share Unit Linked² Sweden



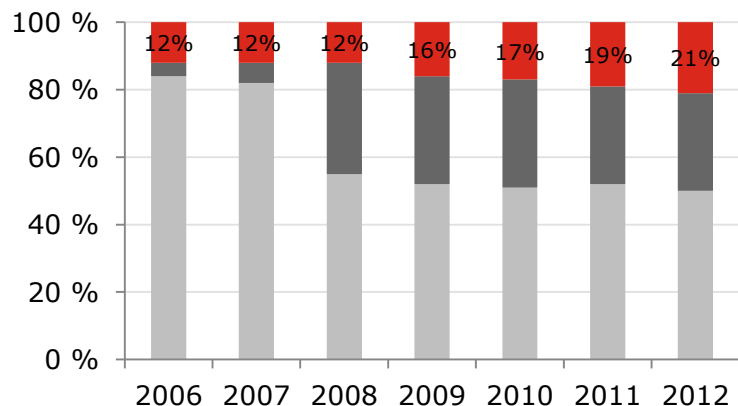
— SPP — Skandia
— Länsförsäkringar — SEB Trygg Liv
— Swedbank — AMF
— Folksam-KPA — Handelsbanken
— Danica

Source: * ¹ FNO. Gross premiums defined contribution with and without investment choice

² Svensk Försäkring, February 2013

Actively managing the business towards defined contribution

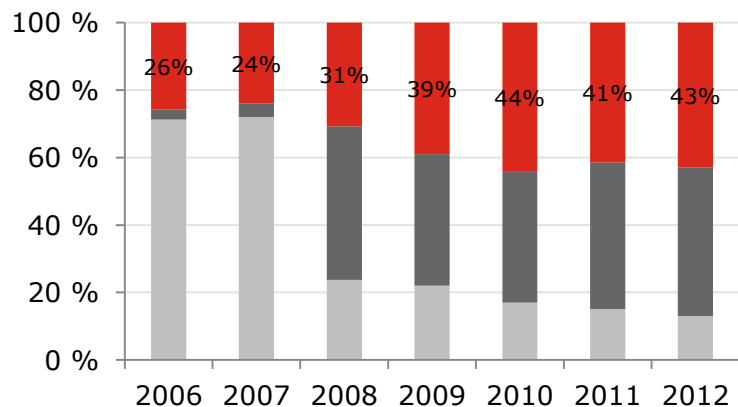
Insurance reserves¹



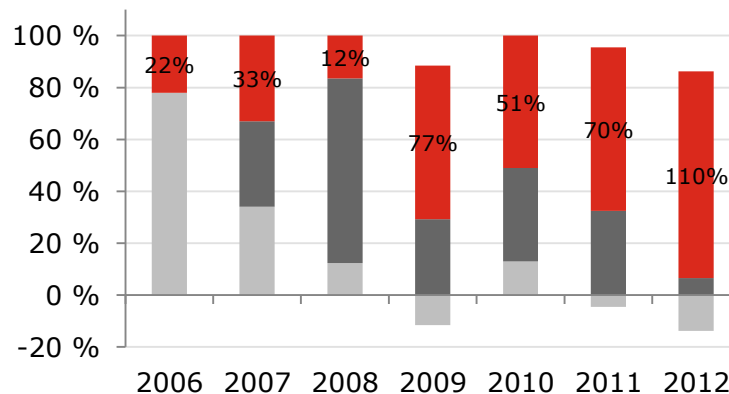
Key takeaways

- Continuous shift in business from guaranteed to non-guaranteed over the last six years

Premiums¹



VIF²



■ Traditional profit sharing

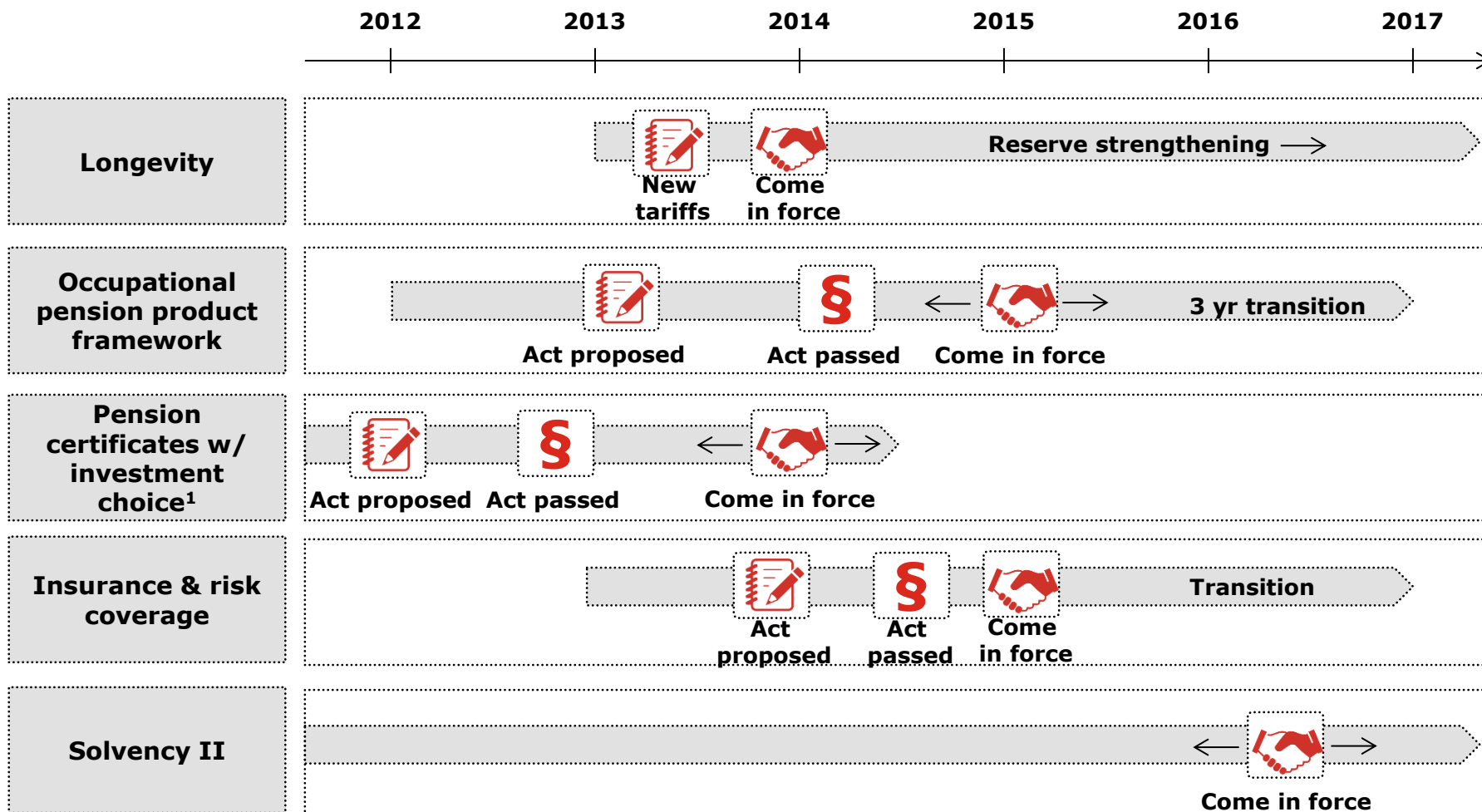
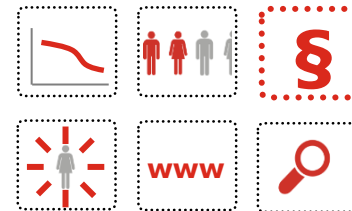
■ Fee based guaranteed business

■ Fee based Unit Linked and risk products

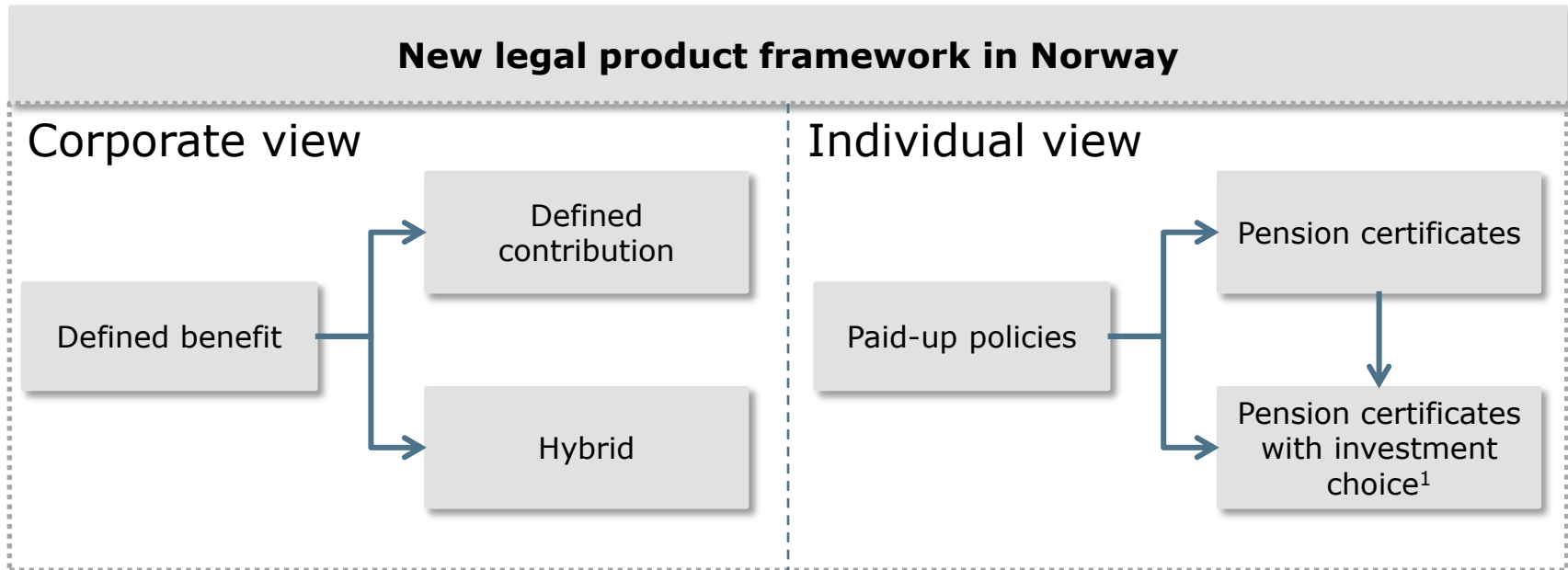
¹ Premiums and reserves includes SPP figures from before acquisition in 2007 for comparison

² Value of in-force

Important regulatory changes



Changing regulatory framework: - shifting to non-guaranteed



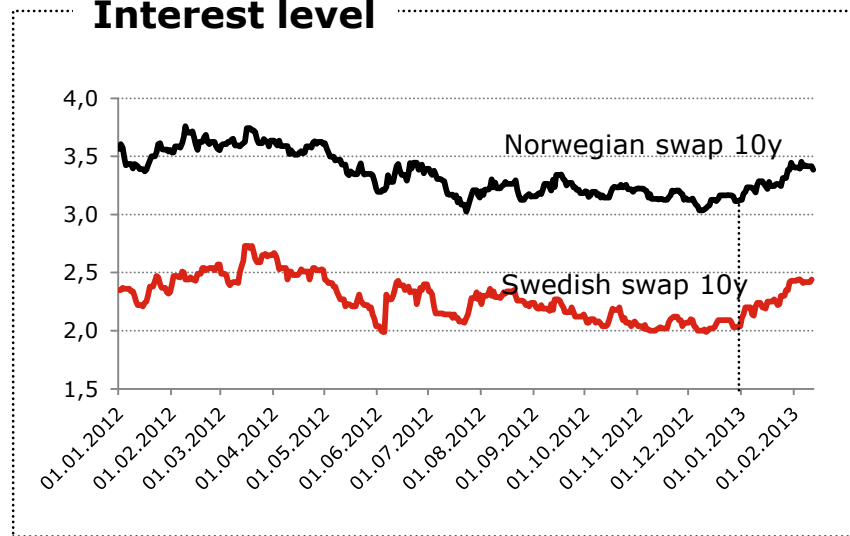
All new pension premiums in non-guaranteed products

Pension rights are continued in pension certificates

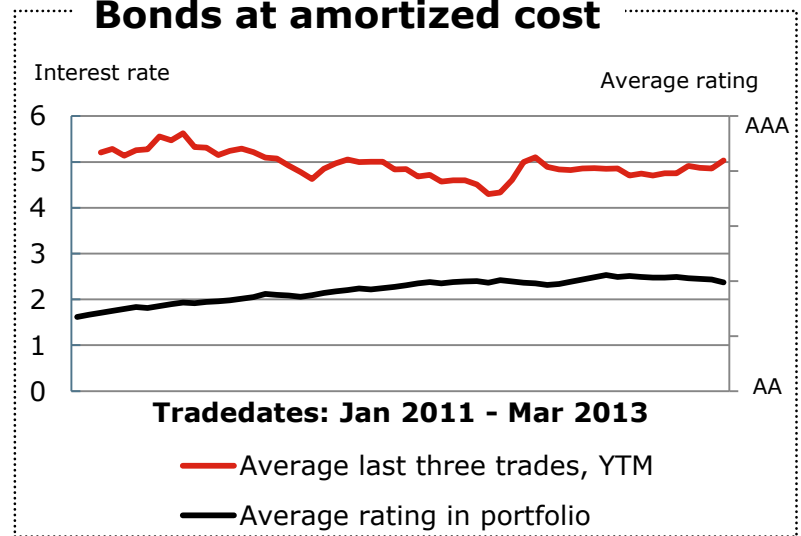
All guaranteed products available for transfer to non-guaranteed

Guaranteed savings: - managing low interest rate environment

Interest level

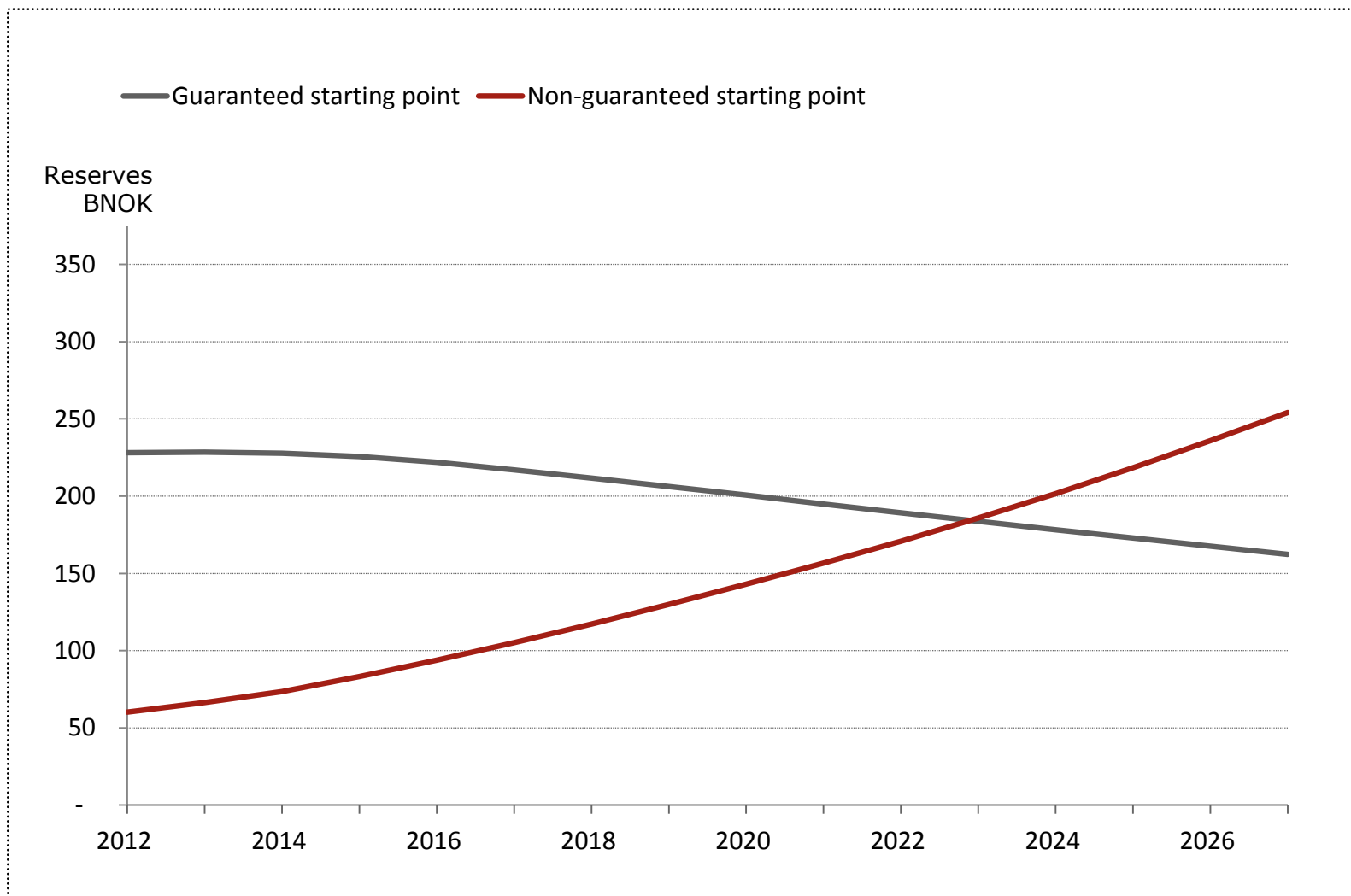


Bonds at amortized cost



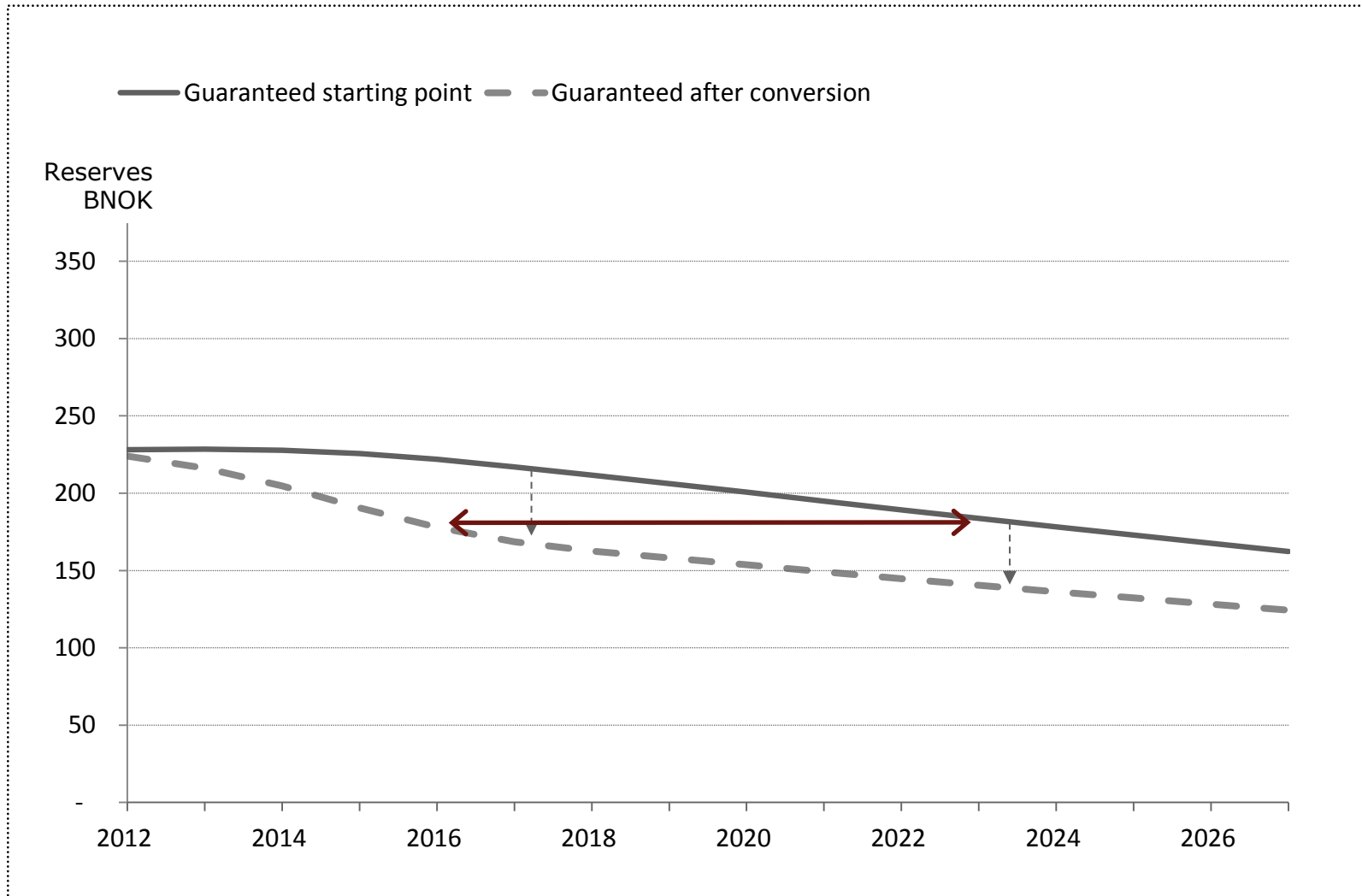
Projected balance sheet development, if no measures are put in place

ILLUSTRATION



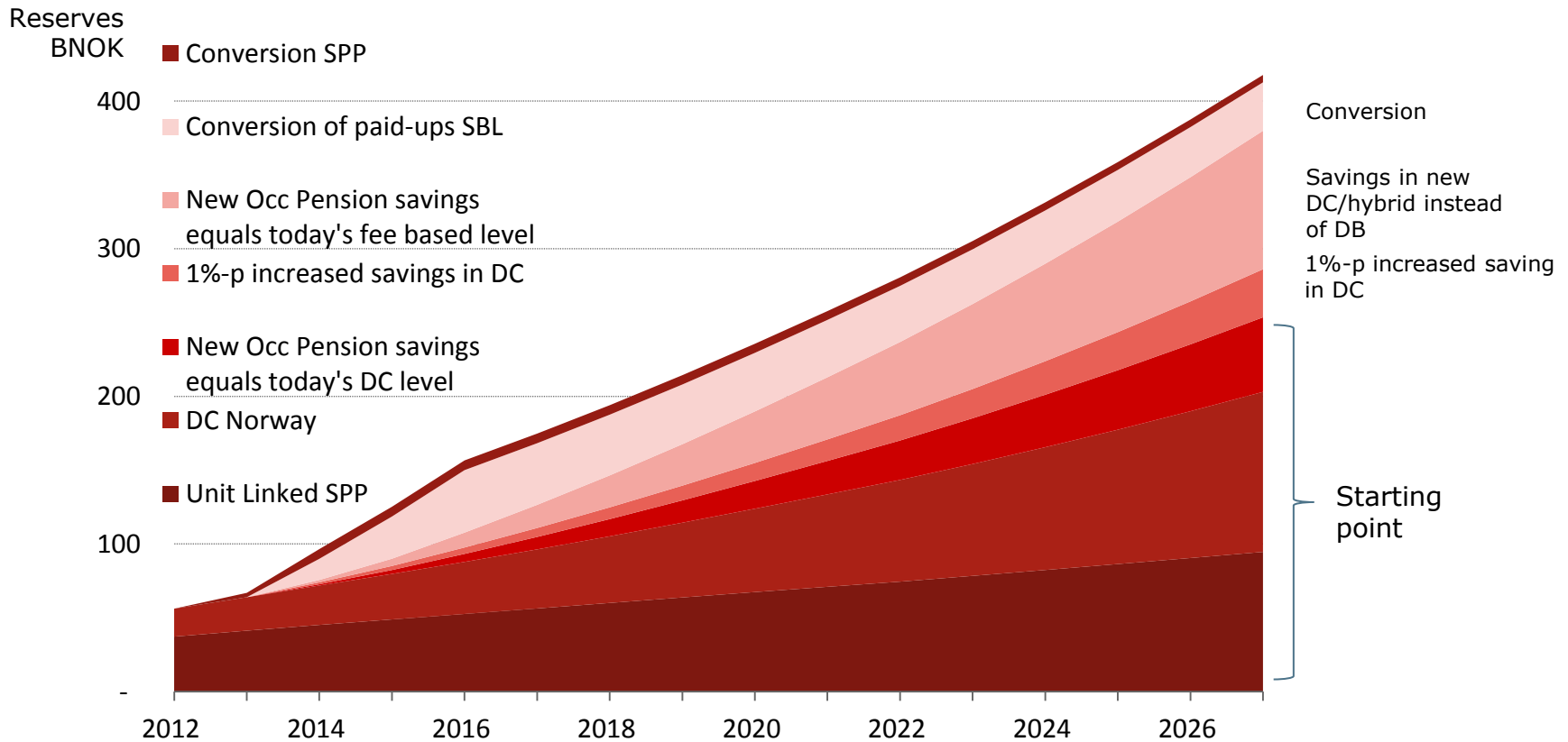
Storebrand has ambitions to reduce guaranteed business...

ILLUSTRATION



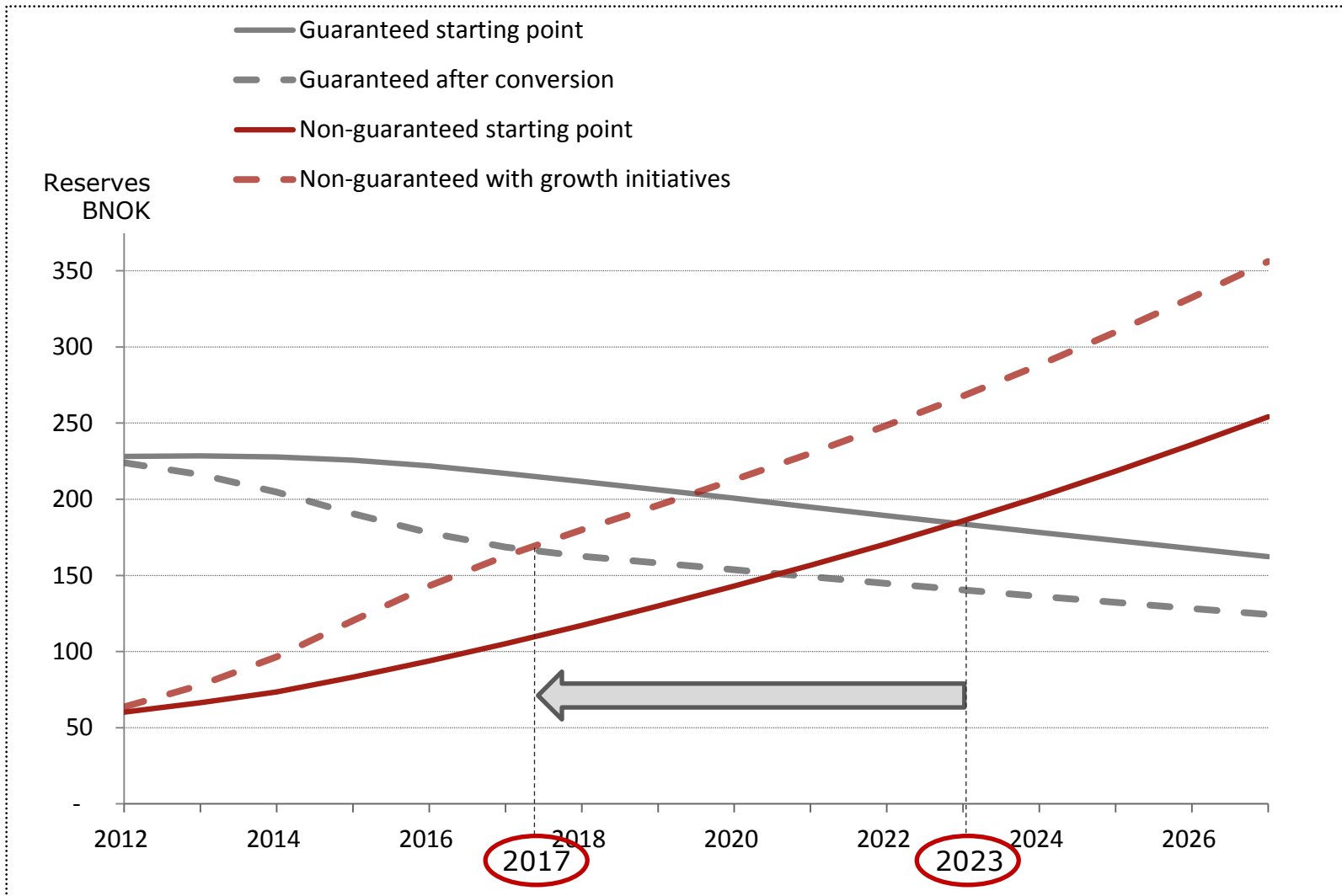
...and grow non-guaranteed savings

ILLUSTRATION



Possible to speed up shift in the balance sheet substantially

ILLUSTRATION

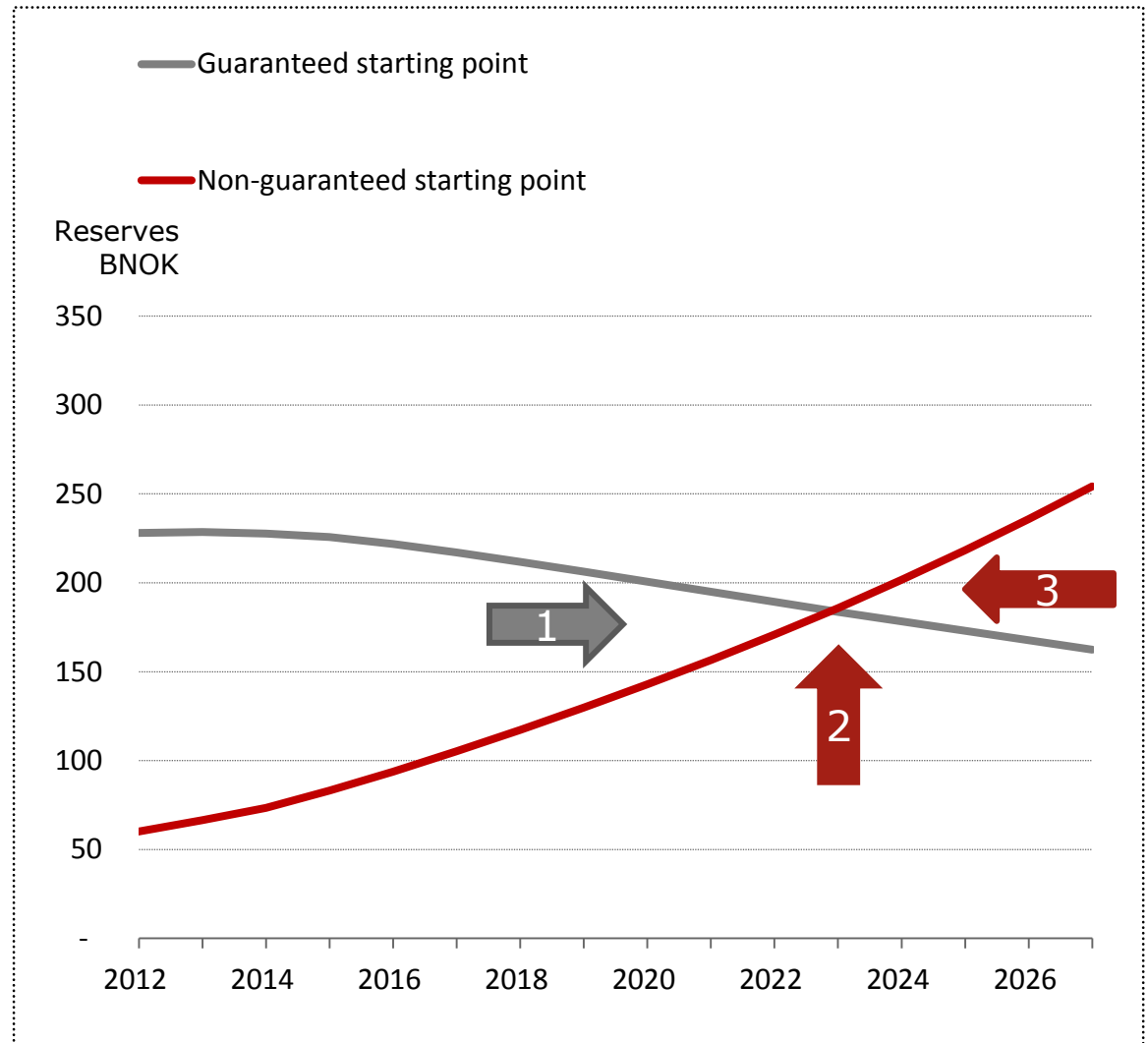


Revenue management in transition period

ILLUSTRATION

Revenue management

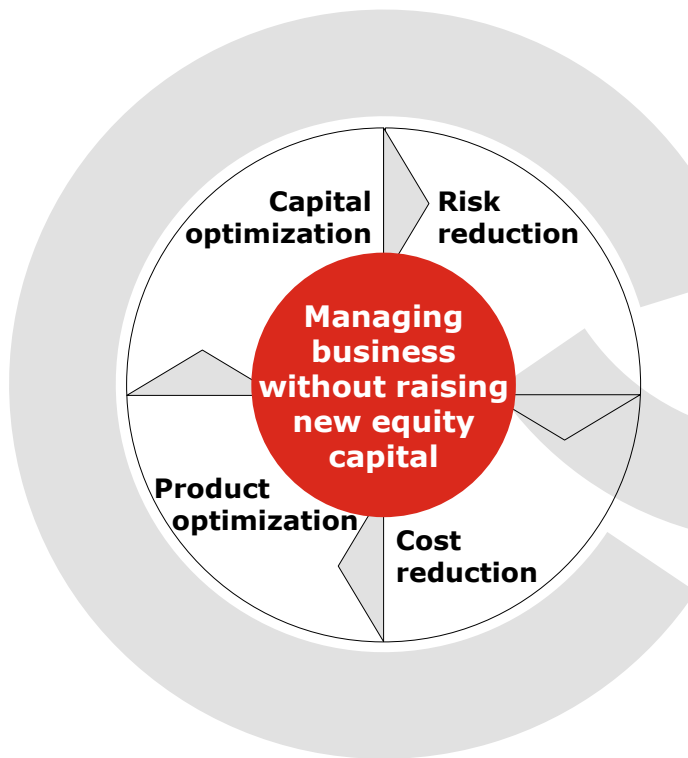
1. Maintain revenue from traditional business
 - Price increases
 - Conversion period
2. Optimize revenue in conversion phase
 - Cost reduction
 - Margin management
3. Increase revenue from new business
 - Sales
 - X-sale
 - Conversion



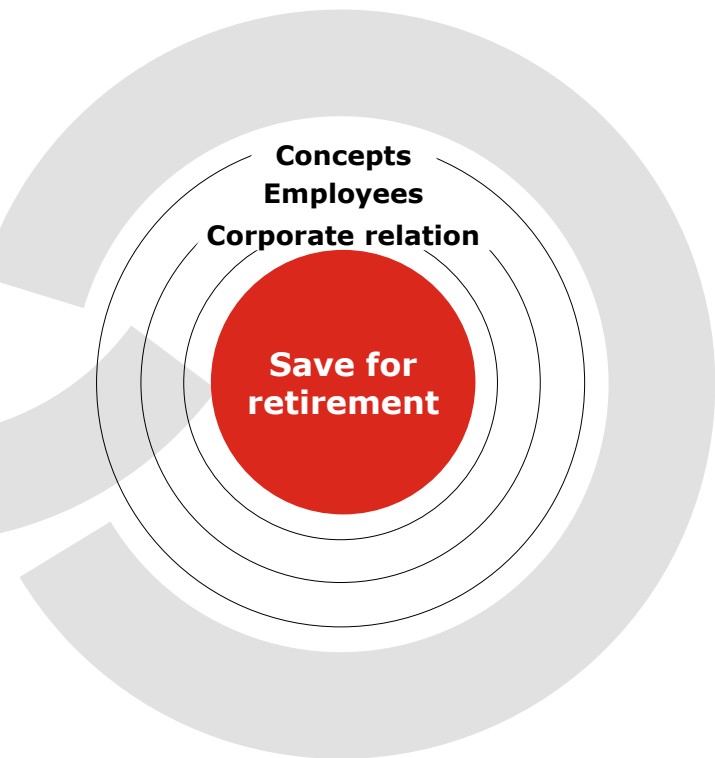
Our strategic response to changing market conditions

We work hard to reach our vision:
Recommended by our customers

Managing the balance sheet



Developing the business



Measures implementer last 6 months:



Capital optimization

- ✓ 2,5 BNOK converted from guaranteed to non-guaranteed products
- ✓ DB public sector close down by 2015

Risk reduction

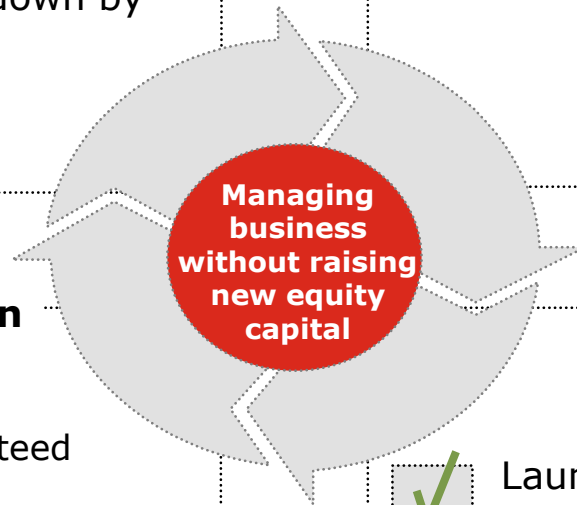
- ✓ Reduced equity allocation in guaranteed portfolios

Product optimization

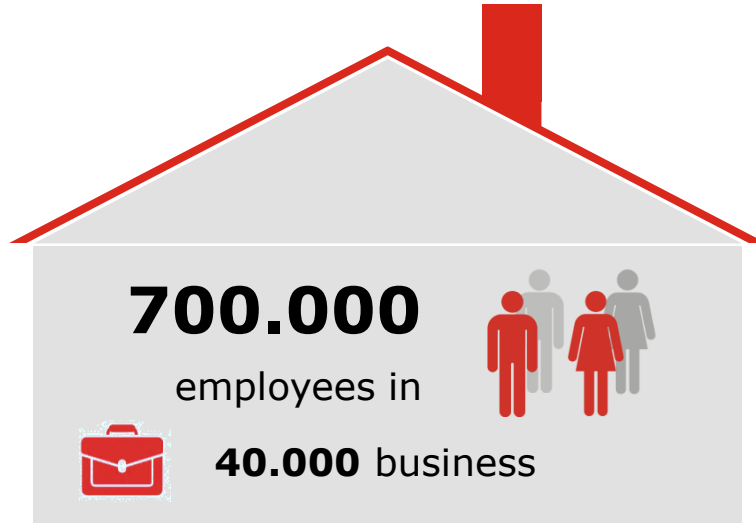
- ✓ Price increases in guaranteed products
- ✓ Introduced new capital light pension solutions
- ✓ SPP electable in largest collective pension platform ITP from July 2013

Cost reduction

- ✓ Launched a 400 MNOK cost cut program to be completed by 2014
- ✓ Annual savings of 137 MNOK, achieved in 6 months



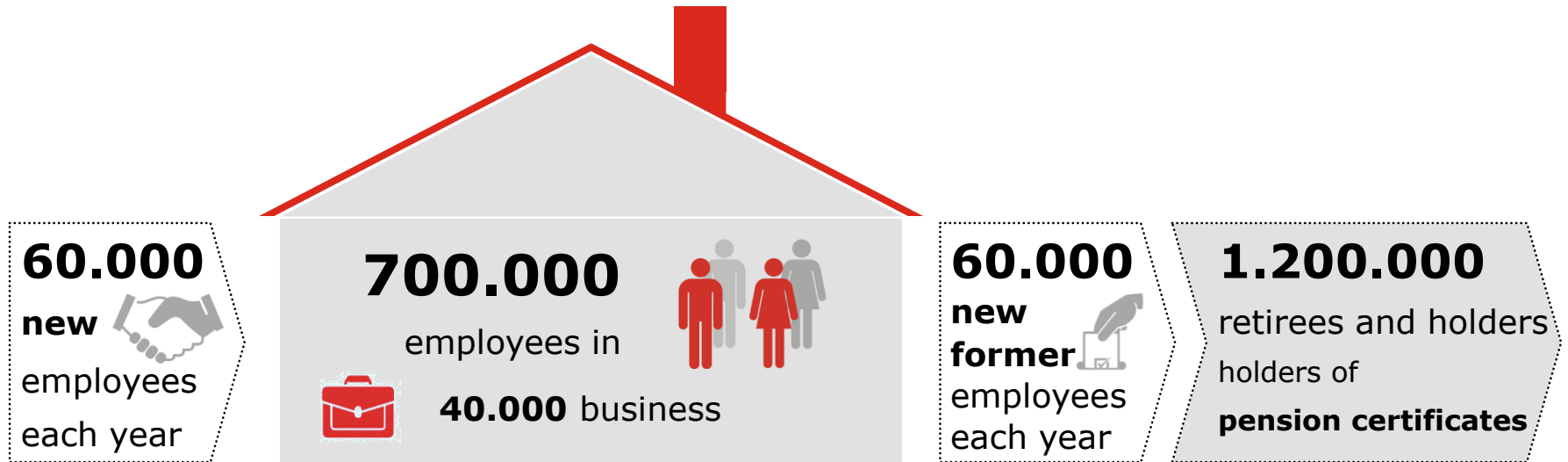
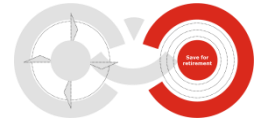
Managing business without raising new equity capital



1

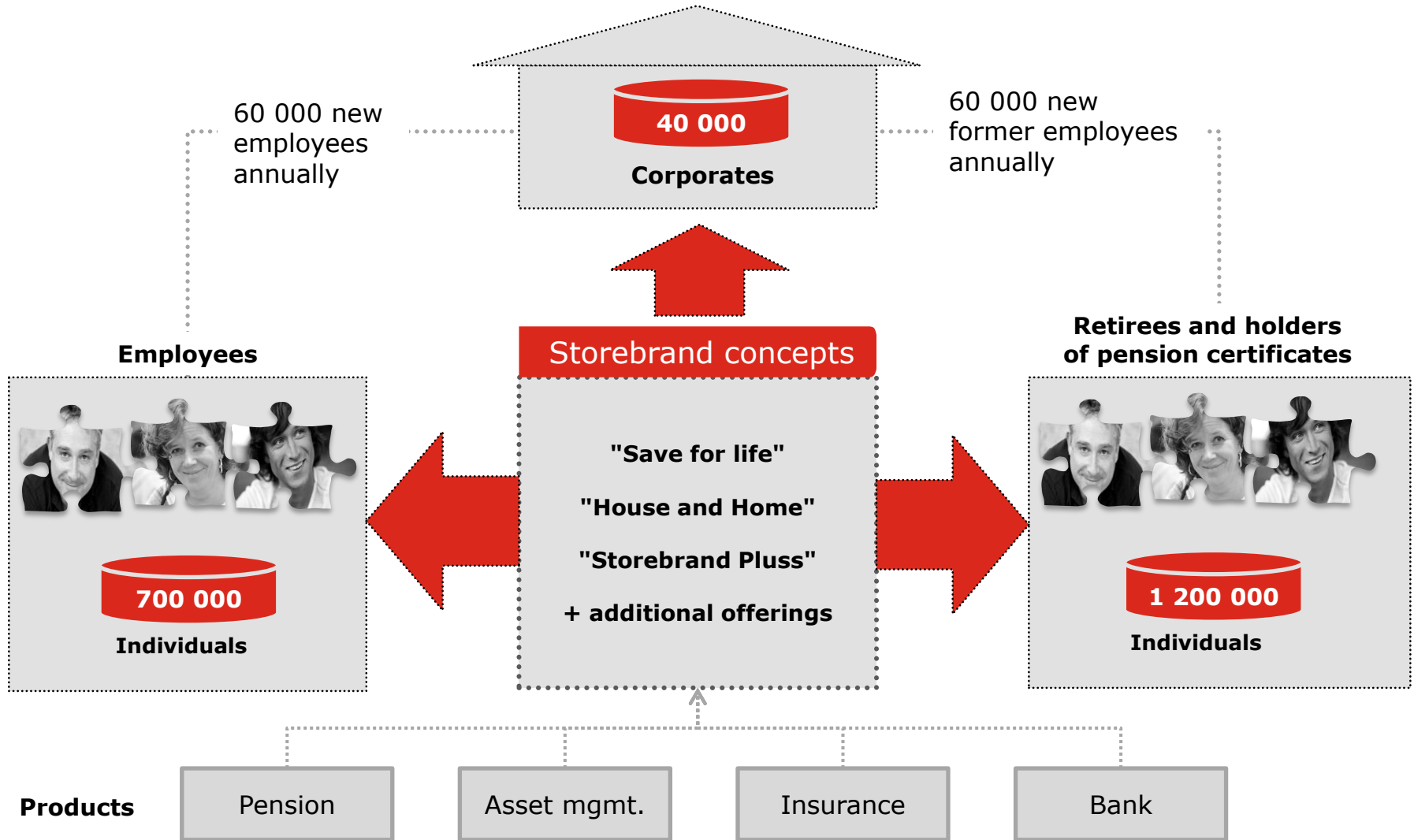
How to get businesses to buy occupational pensions and services from us?

Our business logic



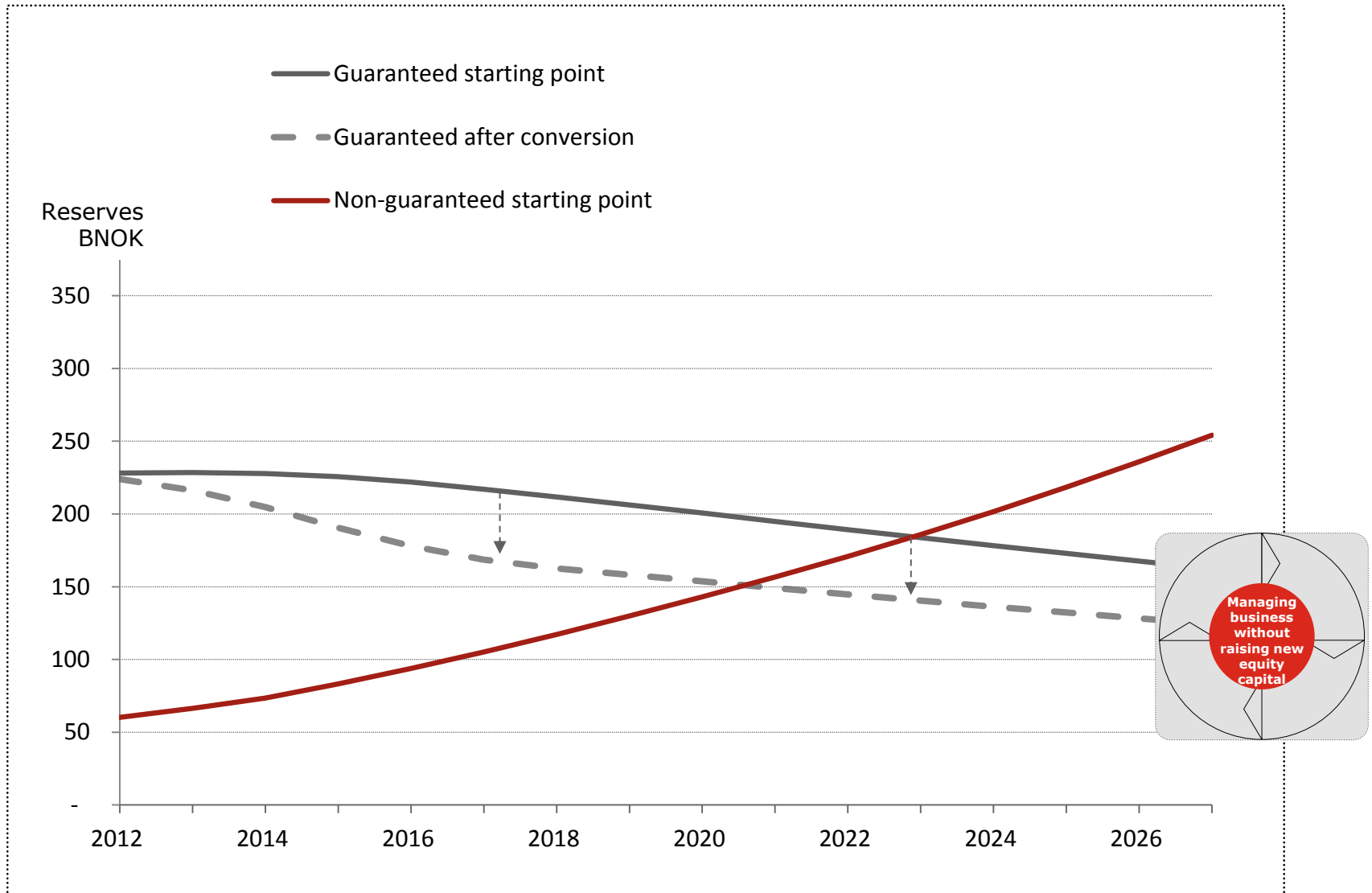
- 1 How to get businesses to buy occupational pensions and services from us?
- 2 How to get employees and former employees to buy individual products from us?

Leveraging the corporate market place – B2B2C



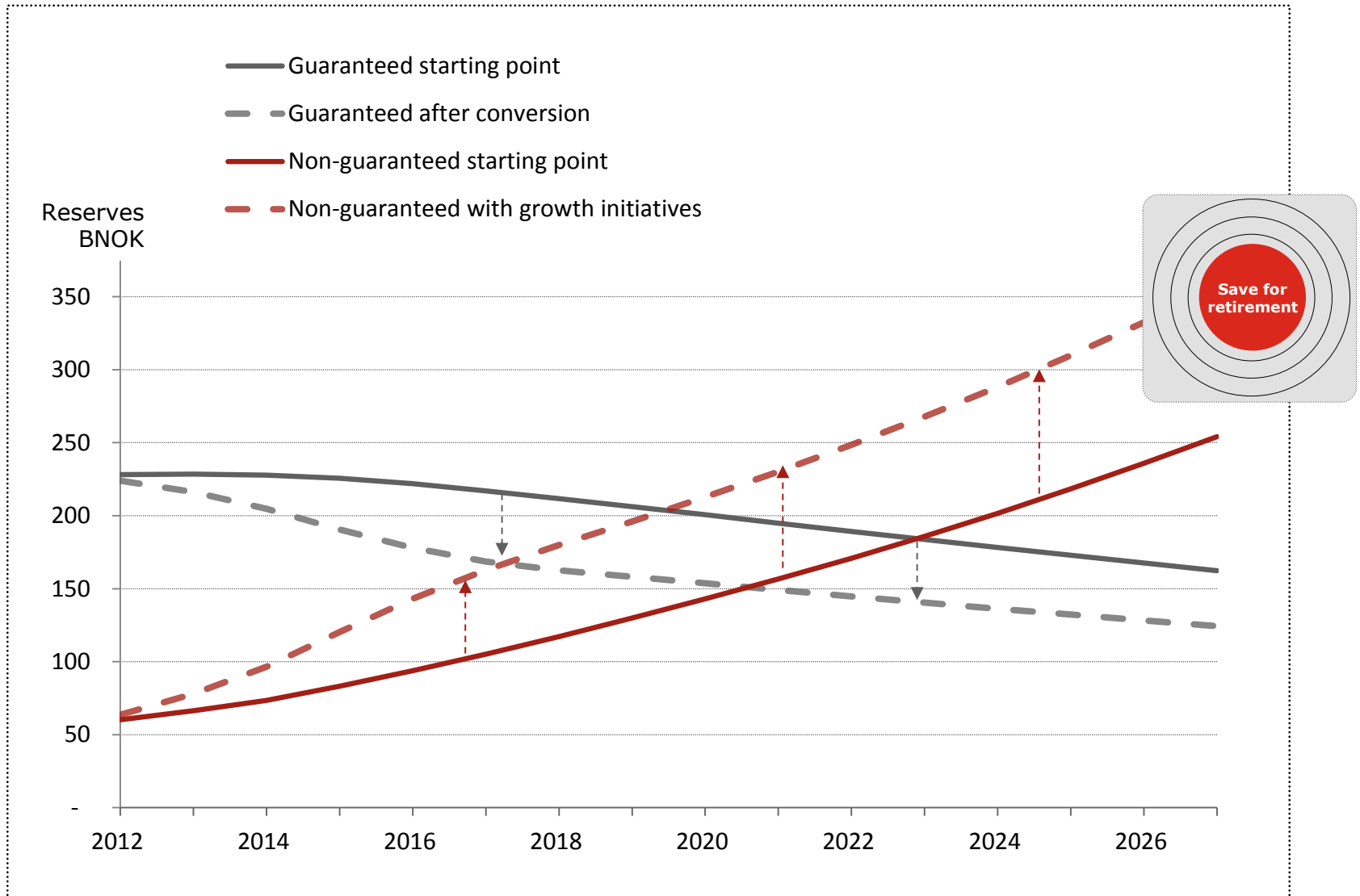
Shift in the balance

ILLUSTRATION



Shift in the balance

ILLUSTRATION



We work hard to reach our vision:

Recommended by our customers