

Bank of America Merrill Lynch Annual
Banking & Insurance CEO Conference 2013

Odd Arild Grefstad
Group CEO - Storebrand

The Storebrand Group

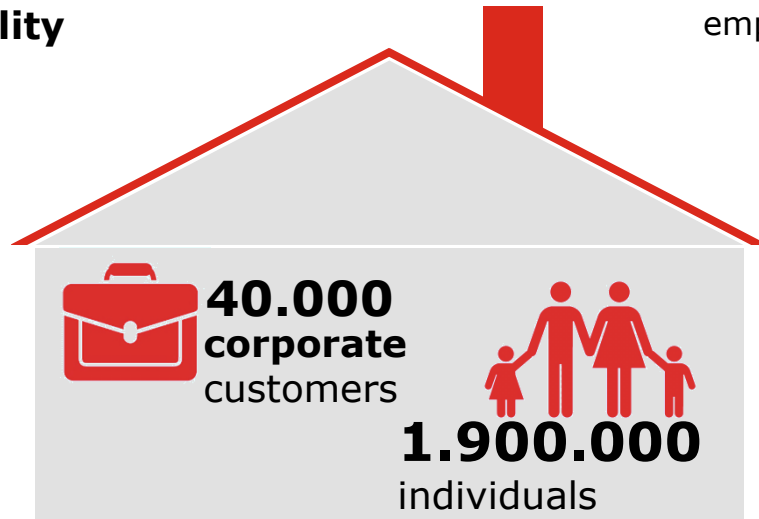
100%



of investments assessed
by **sustainability**
criteria



2.200
employees



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

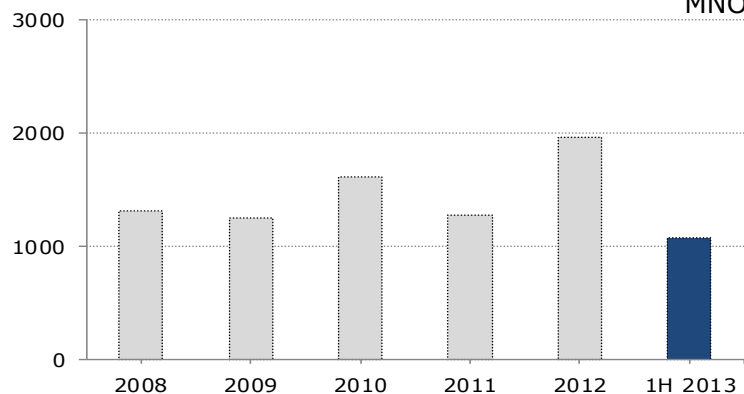


5.000.000
Customer
dialogues annually

Solid, profitable and growing business

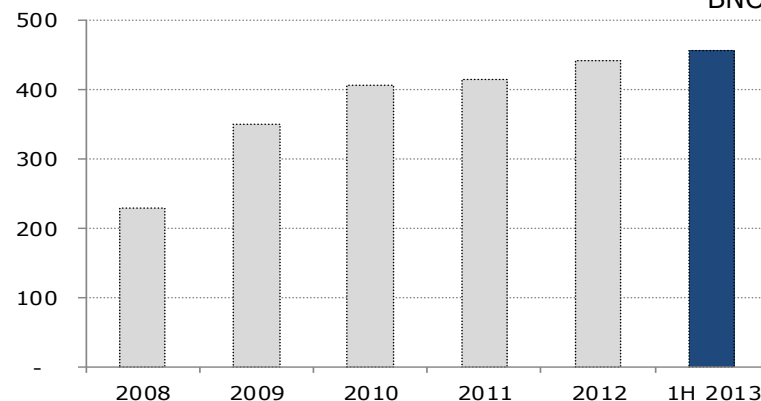
Group result

MNOK

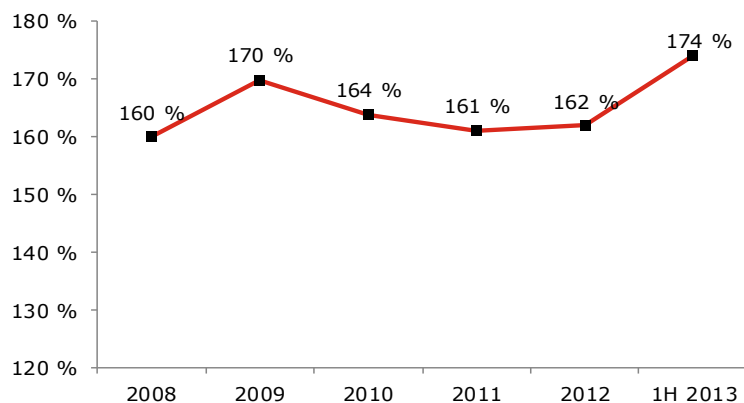


Assets under Management²

BNOK

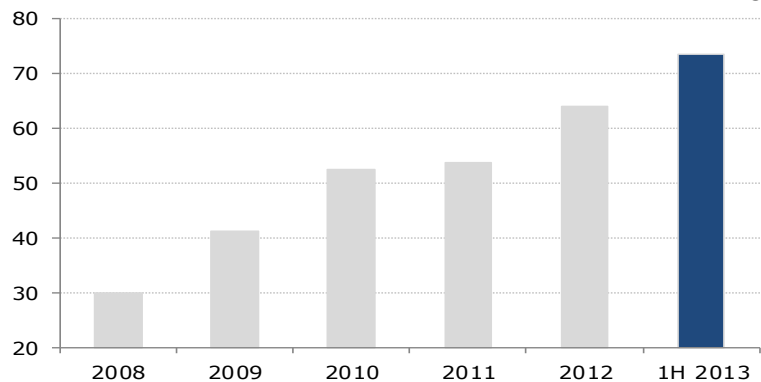


Solvency margin¹



Customer funds in unit linked³

BNOK



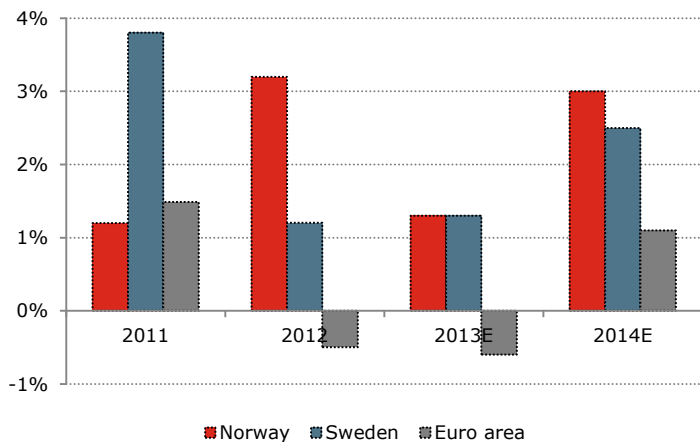
¹ Storebrand Life Group

² Total funds under Management

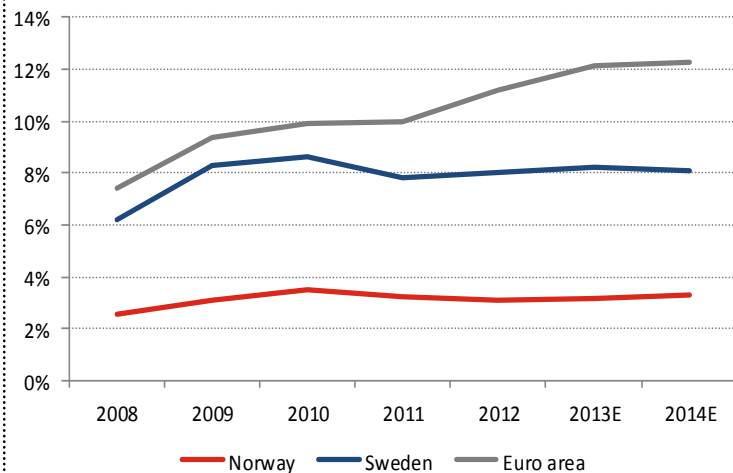
³ Includes customer funds in DC and UL for Storebrand Life Insurance and SPP

Sound Nordic macro environment enables growth in pension savings

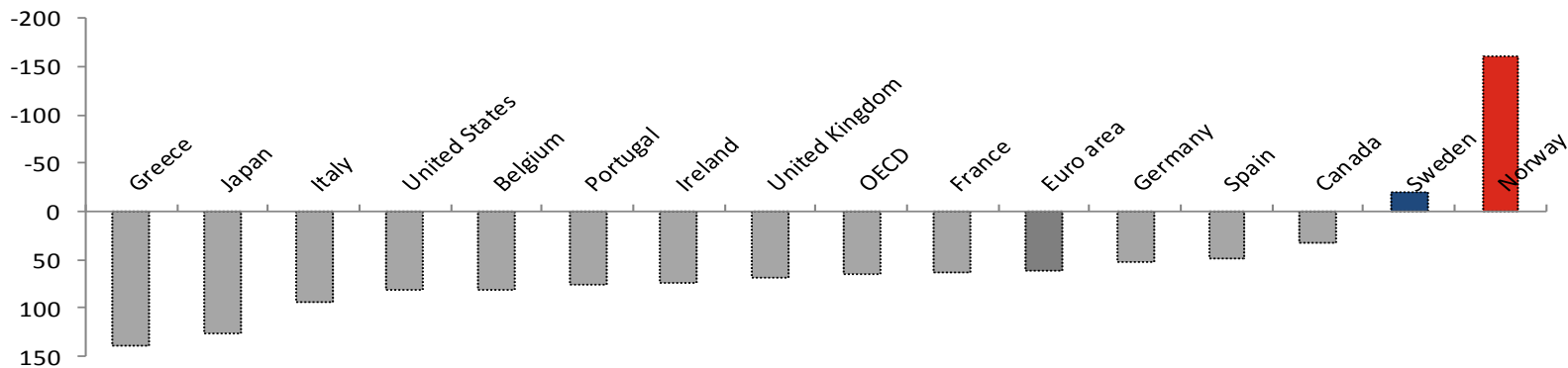
GDP growth¹



Unemployment rates¹



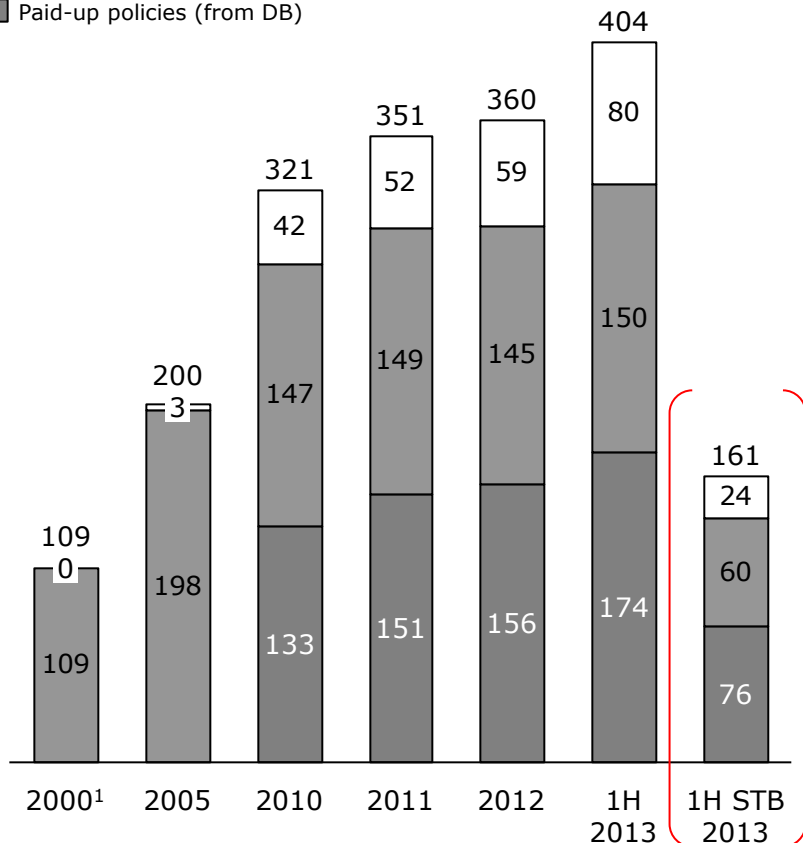
General government net liabilities²



Attractive growing pension market in Norway

Assets under Management in private sector Norway

- Defined contribution
- ▒ Defined benefit
- Paid-up policies (from DB)



BNOK

Market characteristics

- 110,000 companies with occupational pension in private sector
- 20 pension providers, of which 10 with assets above 1 BNOK
- Growth in defined contribution
- Switch to individualised pension rights

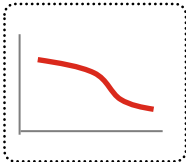
Source: FNO market share life insurance – insurance reserves (table 3b)

5 ¹ In 2000, market statistics included both public and private sector pensions. Figures reflect total market excluding KLP (with almost exclusively public sector pensions)

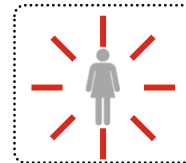
Future pension market

Drivers for long term growth

Trends



Low interest rate environment



Individualisation



Demographics



Technology



Regulations

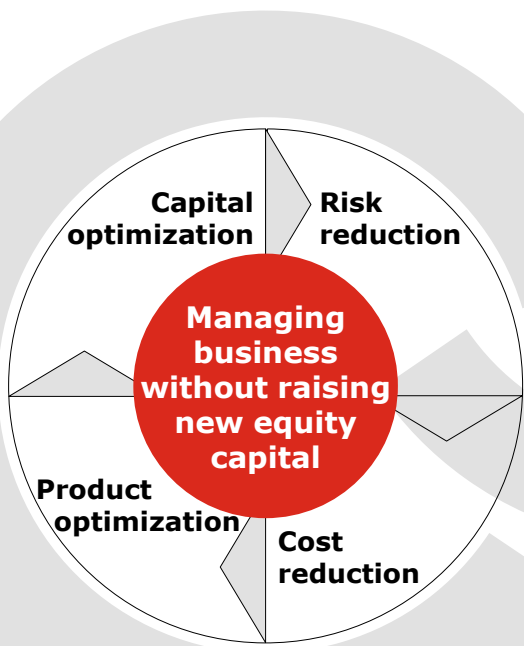


Transparency

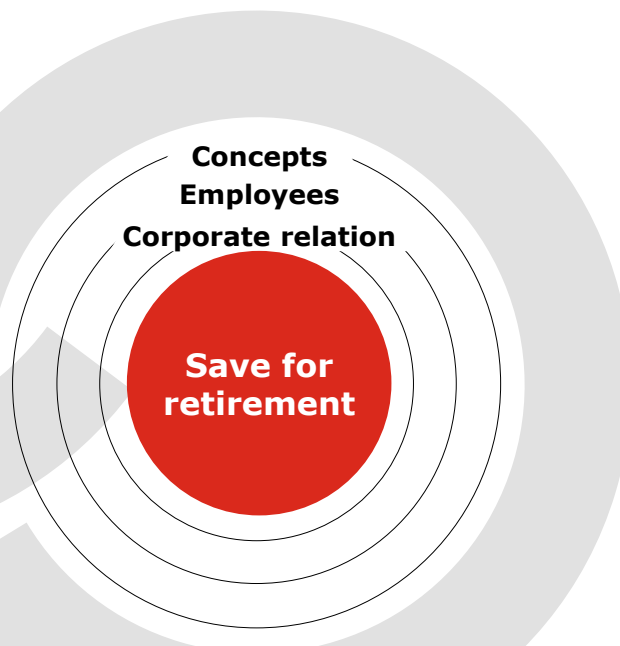
Our strategic response to changing market conditions

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

Managing the balance sheet



Developing the business



Managing the balance sheet



Capital optimization

- ✓ 2.3 BNOK converted from guaranteed to non-guaranteed products
- ✓ New subordinated loan of 300 million euro to SBL
- ✓ DB public sector close down by 2015 (6 bn transferred)

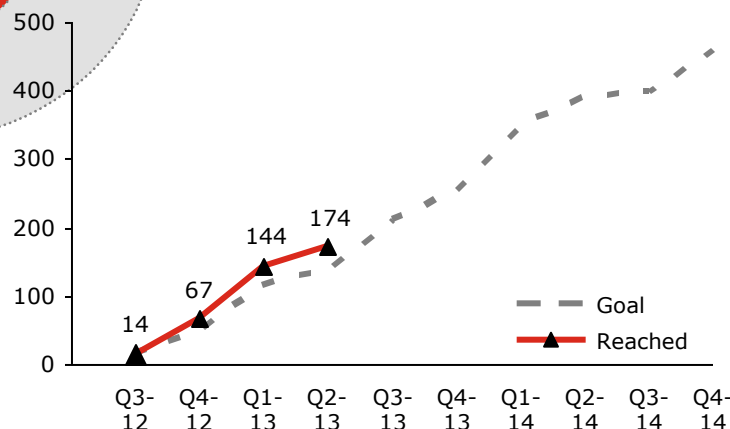
Risk reduction

- ✓ Optimized real-estate portfolio – sold 7 shopping centers (13% of real estate portfolio)
- ✓ Reduced equity allocation in guaranteed portfolios

Product optimization

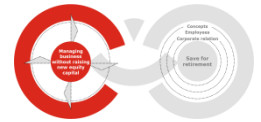
- ✓ SPP electable in largest collective pension platform ITP from July 2013
- ✓ Price increases in guaranteed products
- ✓ SPP Pension Services sold to KPA

Cost reduction



Managing business without raising new equity capital

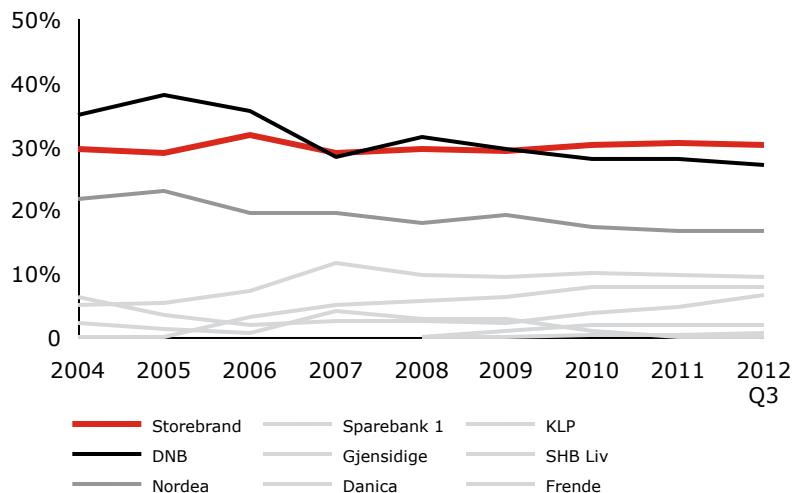
Interest rates are picking up



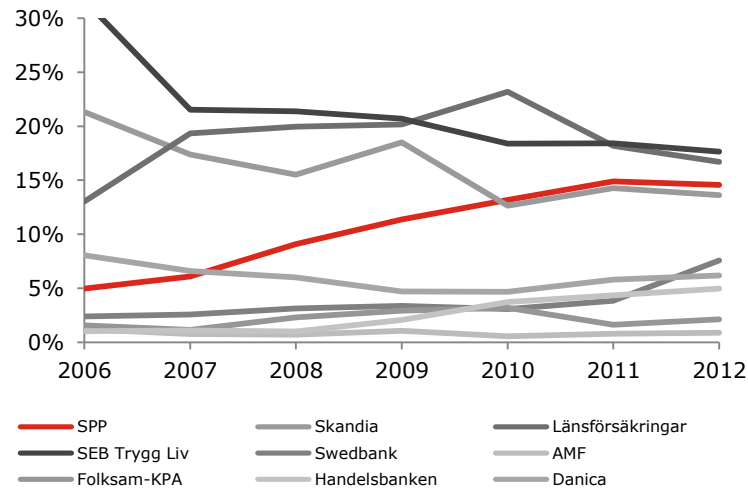
Storebrand is the market leader in the growing unit linked market



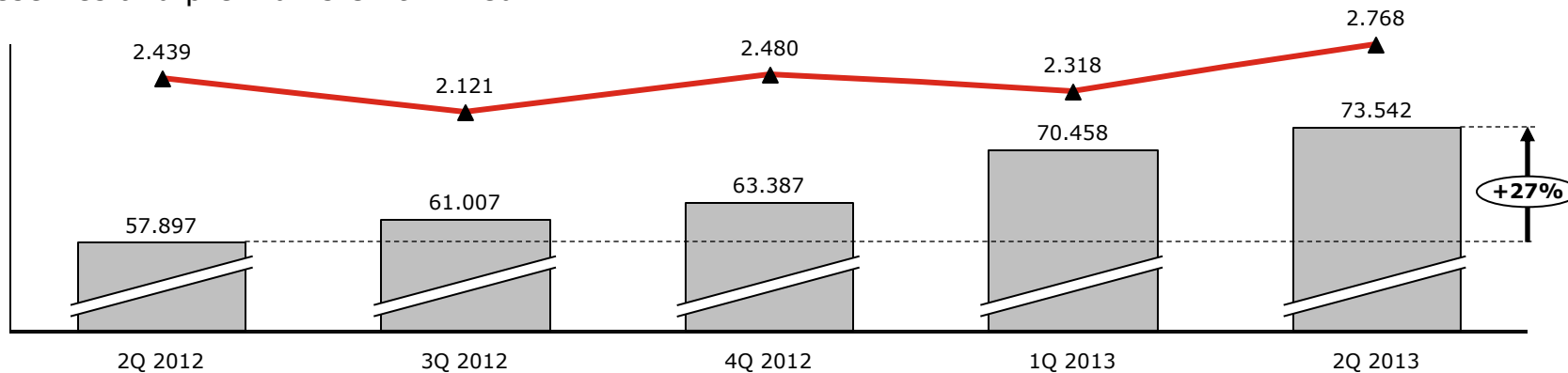
Market share unit linked*
(Norway private sector)



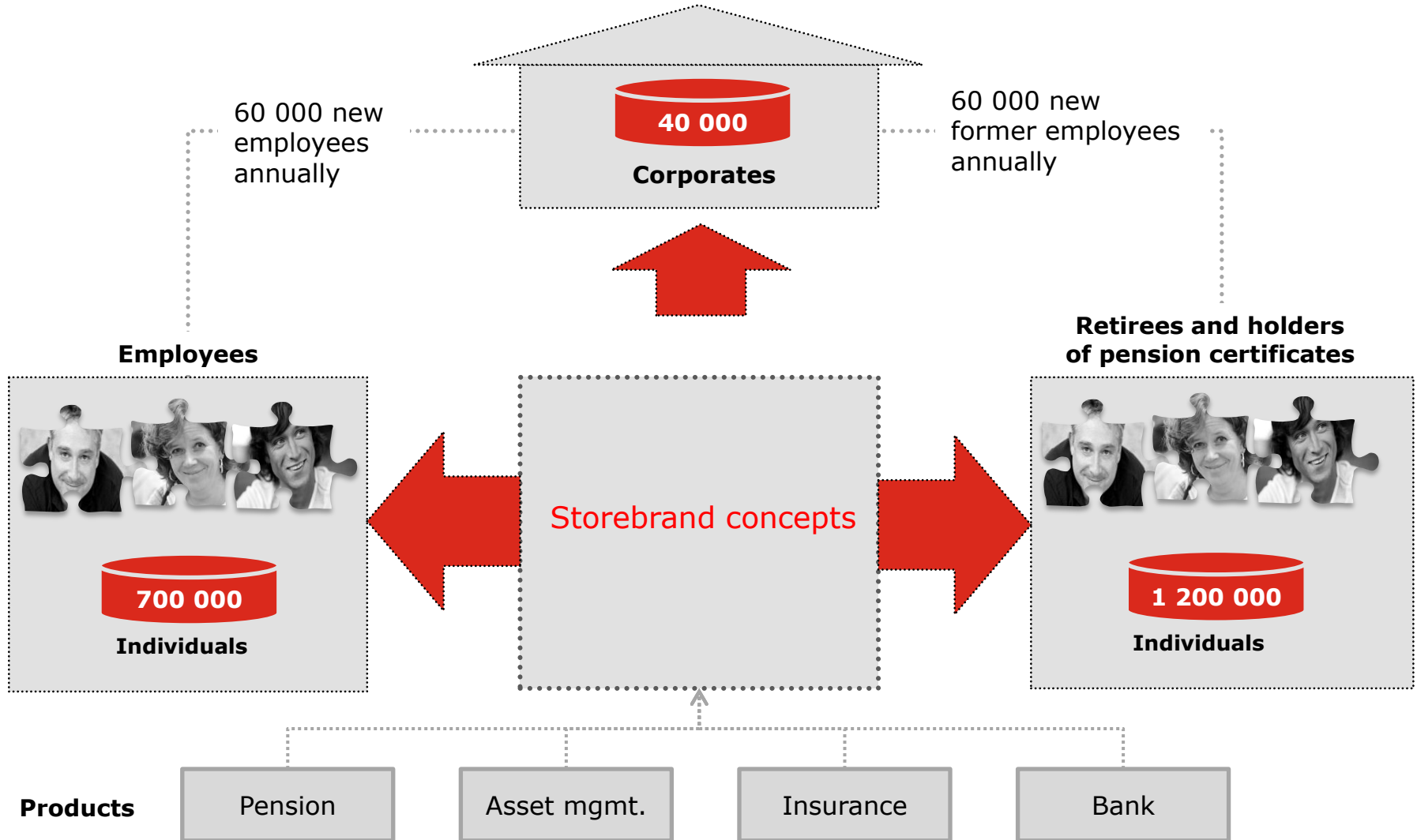
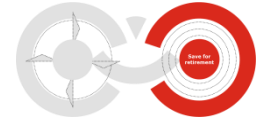
Market share unit linked*
(Sweden open market)



Reserves and premiums Unit Linked

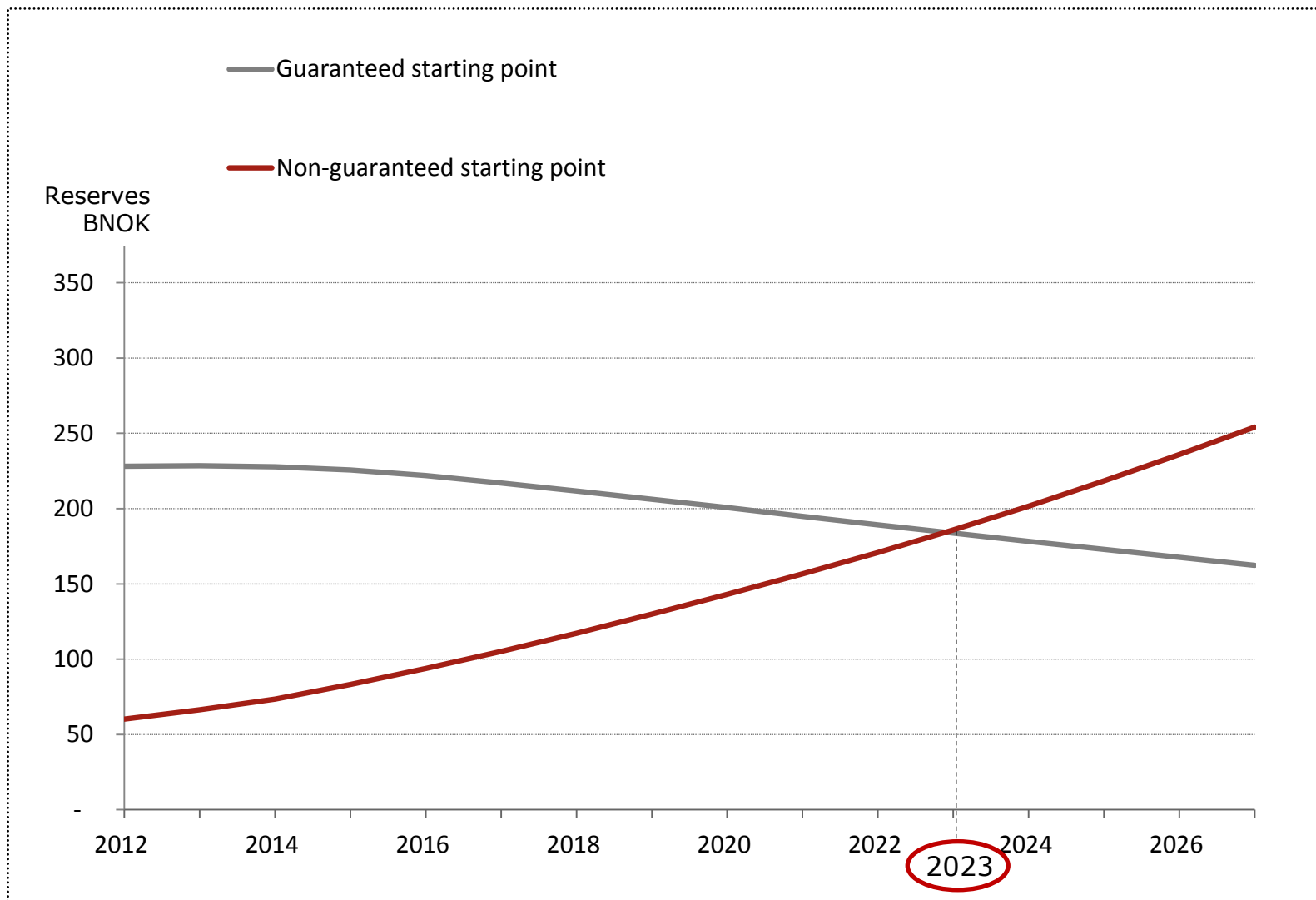


Leveraging the corporate market place – B2B2C



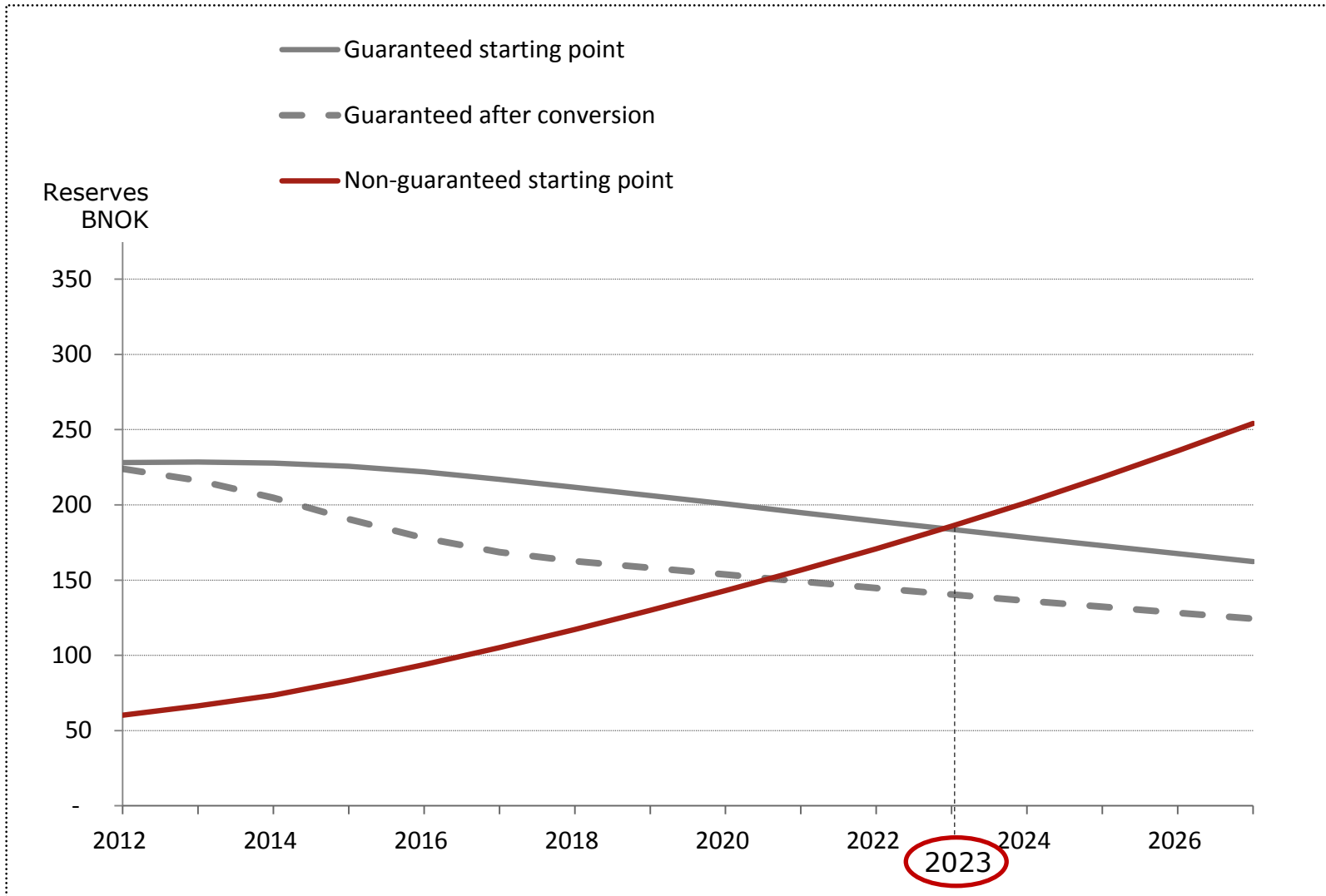
Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION



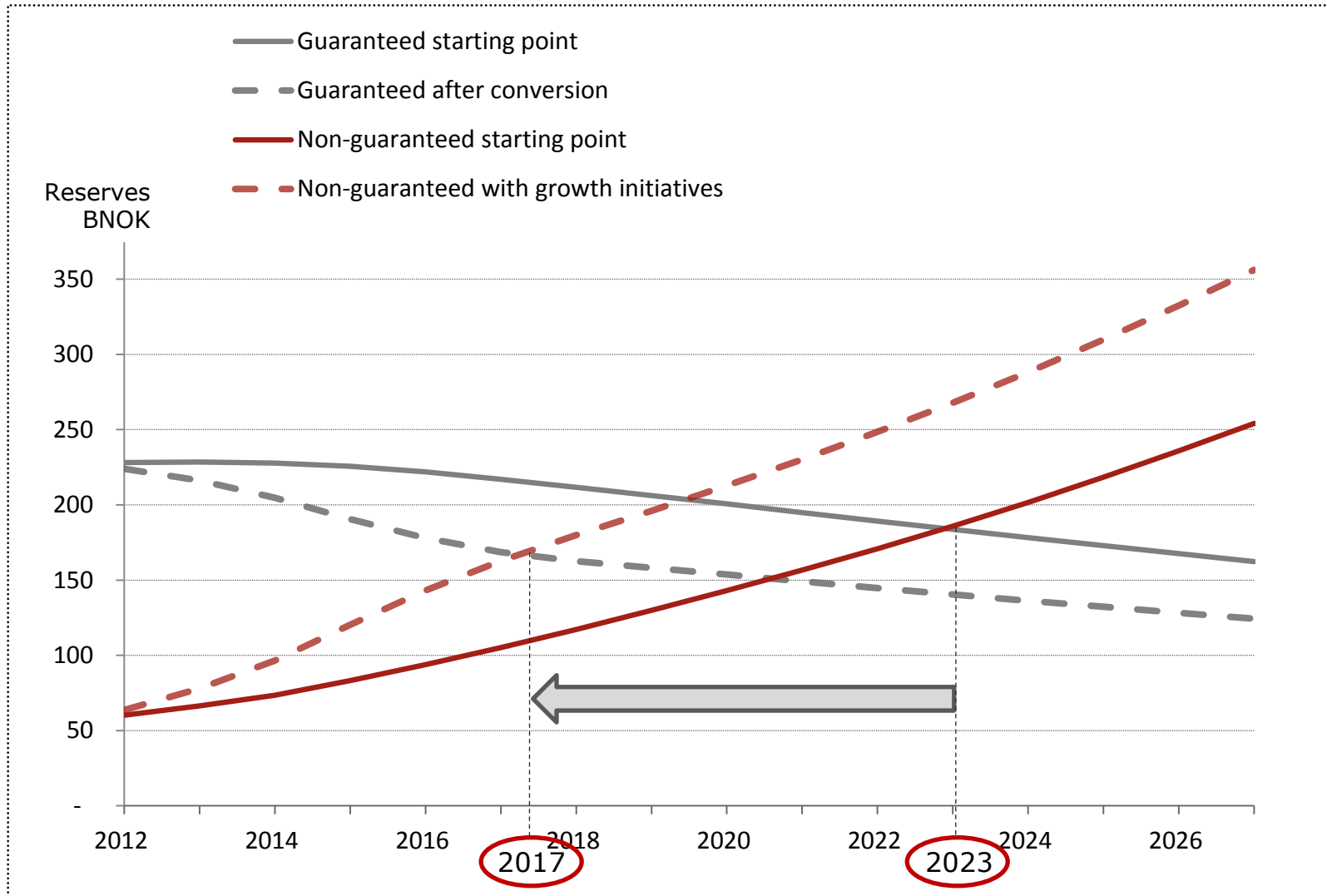
Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION



Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION





Result

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Fee and administration income	1 077	999	2 122	1 962	3 907
Underwriting result	259	270	483	561	1 072
Operational cost	-837	-861	-1 671	-1 692	-3 647
Financial result	-36	11	-13	40	176
Result before profit sharing and loan losses	463	419	921	871	1 508
Net profit sharing and loan losses	55	-73	150	141	451
Result before amortisation and write-downs	518	346	1 070	1 012	1 960

Result per line of business

NOK million	Q2		01.01 - 30.06		Full year
	2013	2012	2013	2012	2012
Savings (non-guaranteed)	141	81	227	140	288
Insurance	132	113	206	223	417
Guaranteed pension	310	174	709	630	1 193
Other	-64	-22	-71	19	61
Result before amortisation and write-downs	518	346	1 070	1 012	1 960

With clear value drivers

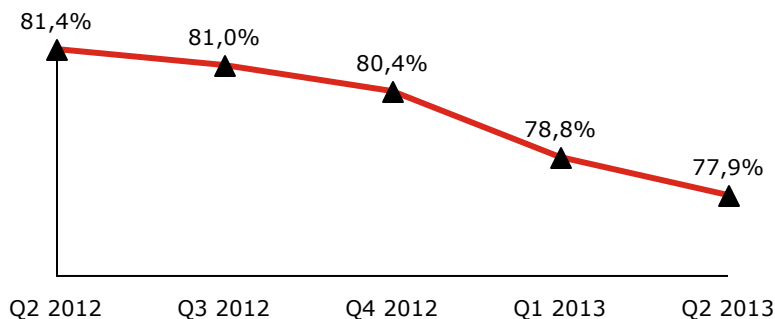


Managing the balance sheet

Guaranteed business - Buffer capital

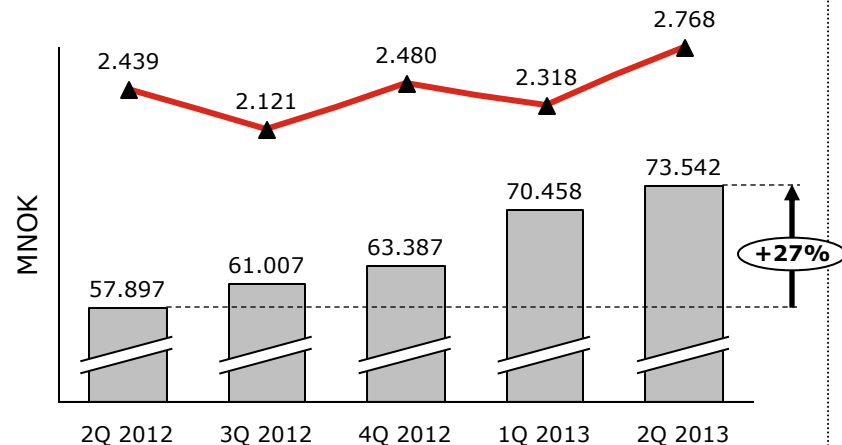
NOK million	30.06.2013	31.12.2012	Change in 2013
Market value adjustment reserve	1 028	1 027	1
Excess value of bonds at amortised cost	4 999	5 225	-226
Additional statutory reserve	5 280	5 746	-466
Provisions for new mortality tables	4 305	4 305	0
Unallocated results	790	0	790
Conditional bonuses SPP	9 668	8 626	1 042
Total	26 070	24 929	1 141

Guaranteed reserves in % of total reserves

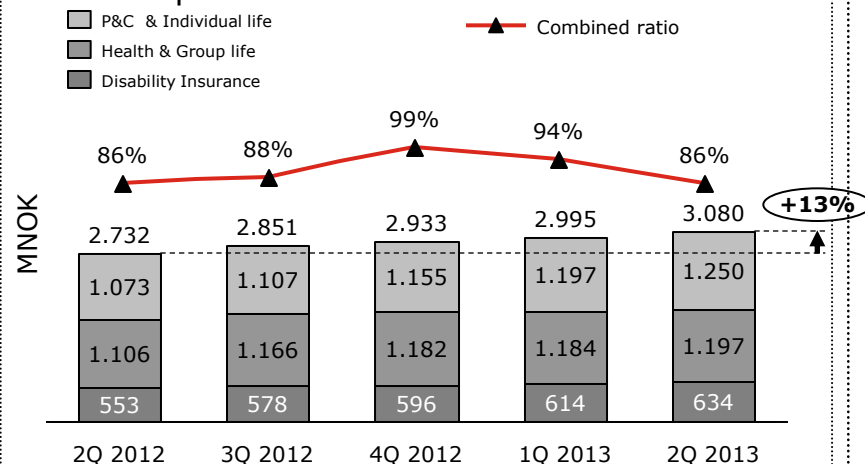


Developing the business

Reserves and premiums Unit Linked



Written premiums Insurance



Summary

- Market leader in growth market
- Dual strategy:
 - managing traditional guarantees
 - build business leadership for the future
- Regulatory uncertainty, but clear action taken:
 - cost reductions
 - capital efficiency
 - customer centric
 - commercialization

