

UBS Annual Nordic Financial Services Conference 2013

Lars Aa. Løddesøl
Group CFO - Storebrand

The Storebrand Group

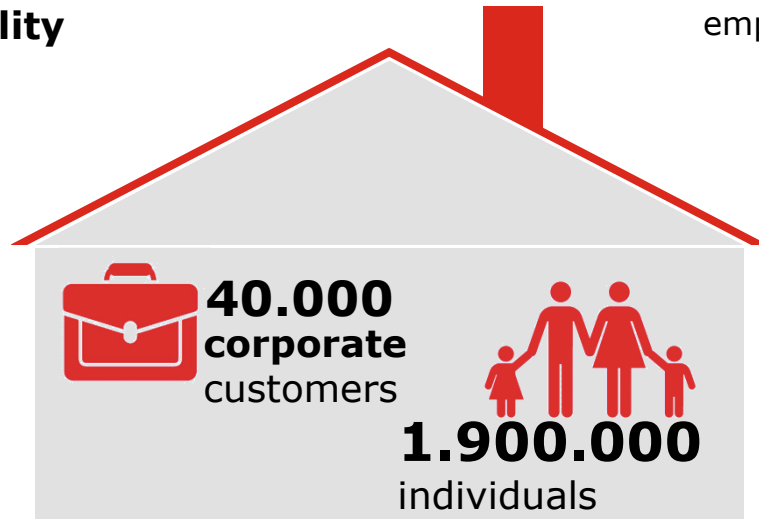
100%



of investments assessed
by **sustainability**
criteria



2.200
employees



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

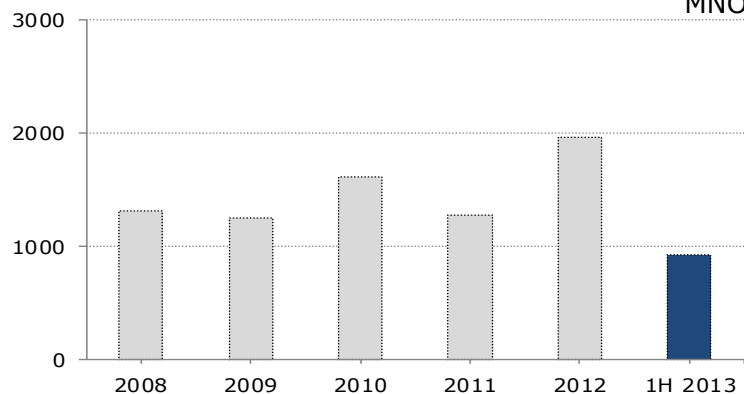


5.000.000
Customer
dialogues annually

Solid, profitable and growing business

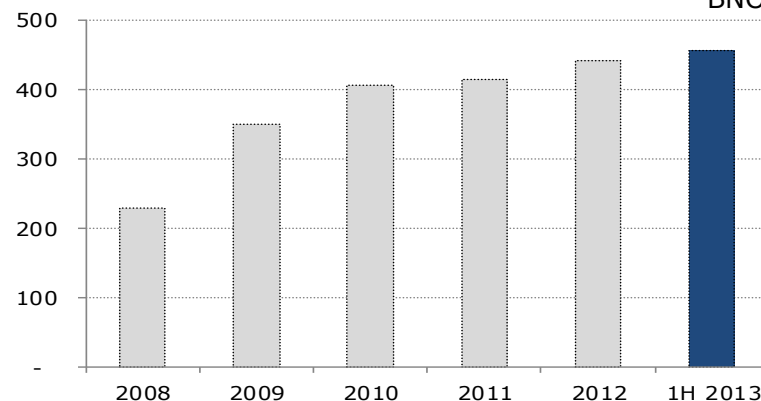
Group result

MNOK

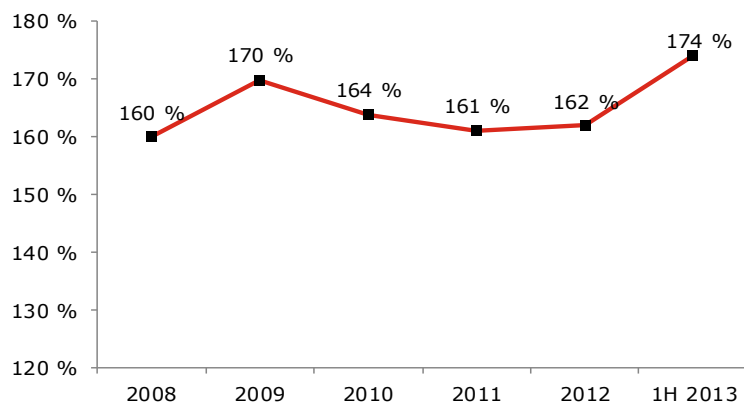


Assets under Management²

BNOK

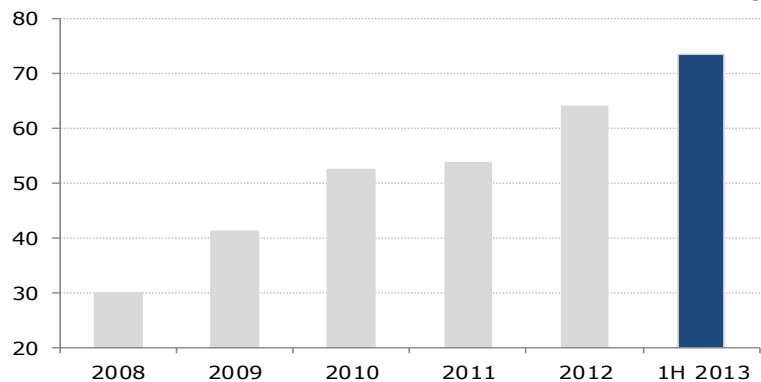


Solvency margin¹



Customer funds in defined contribution and unit linked³

BNOK



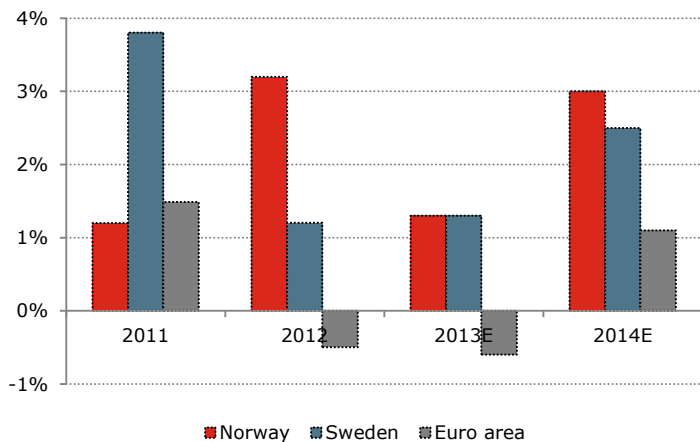
¹ Storebrand Life Group

² Total funds under Management

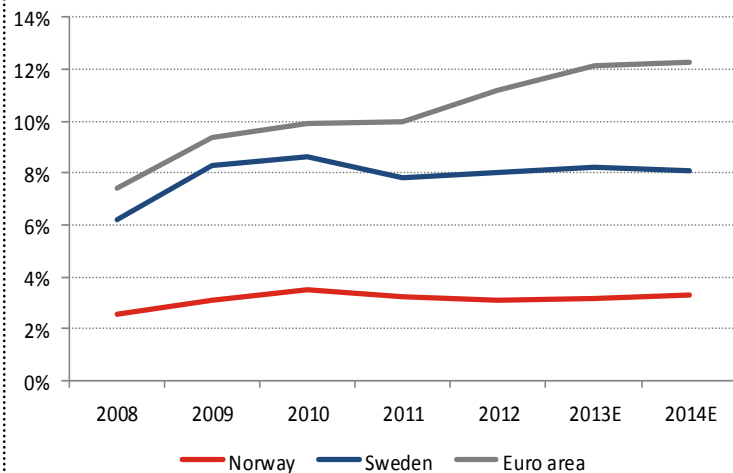
³ Includes customer funds in DC and UL for Storebrand Life Insurance and SPP

Sound Nordic macro environment enables growth in pension savings

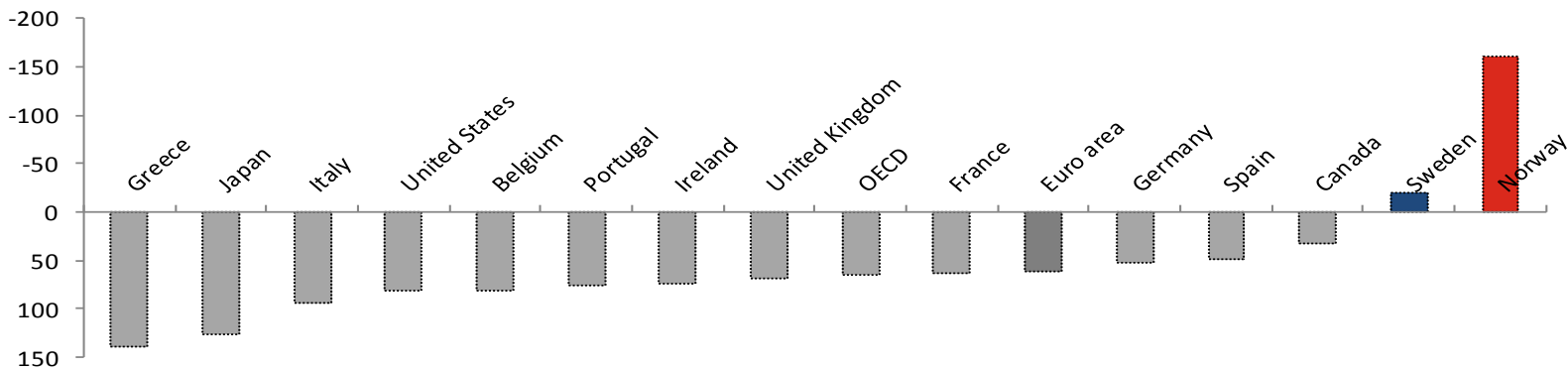
GDP growth¹



Unemployment rates¹



General government net liabilities²



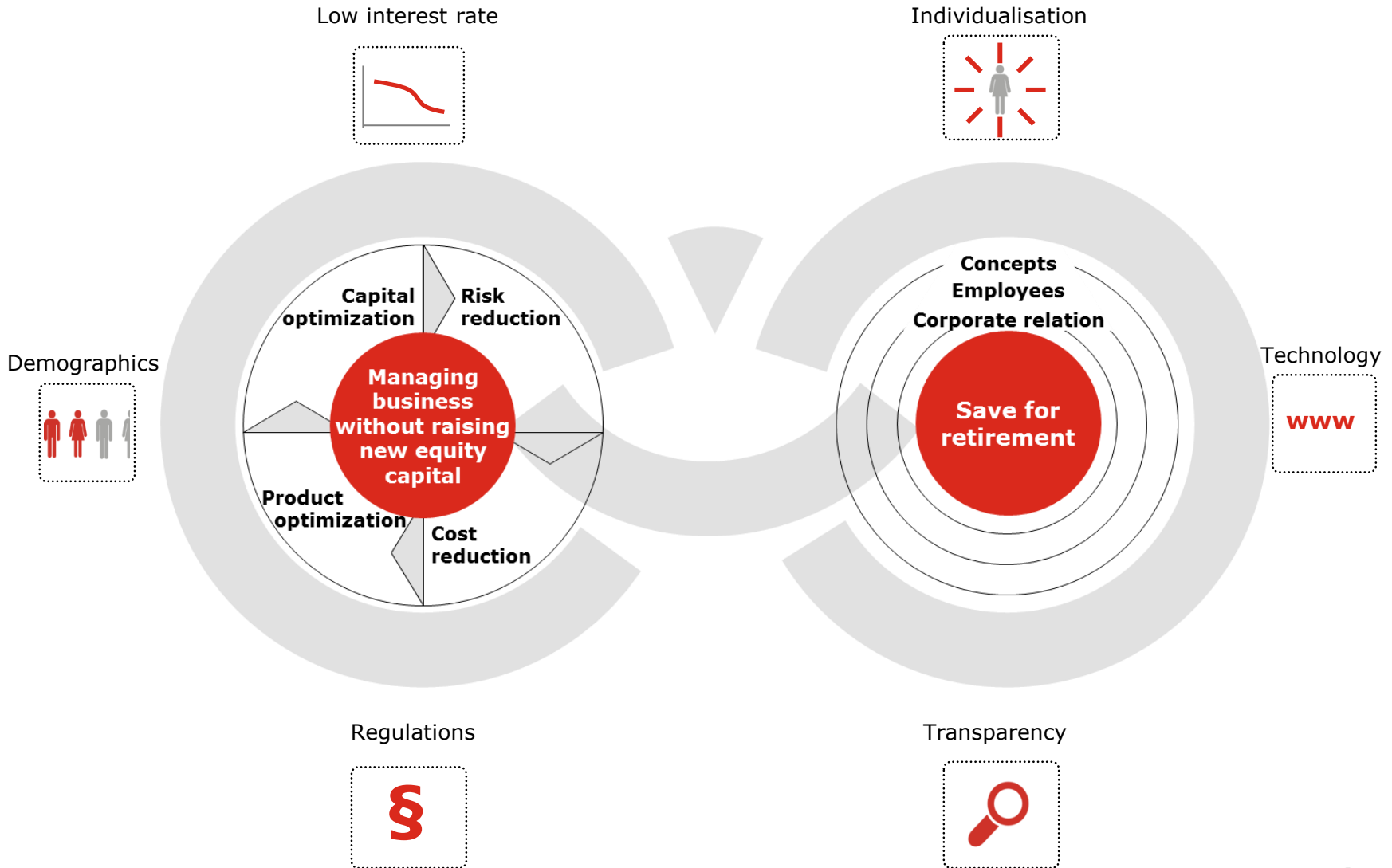
¹ OECD Economic Outlook No. 93, June 2013

² OECD Economic Outlook No. 92, December 2012

Interest rates are picking up



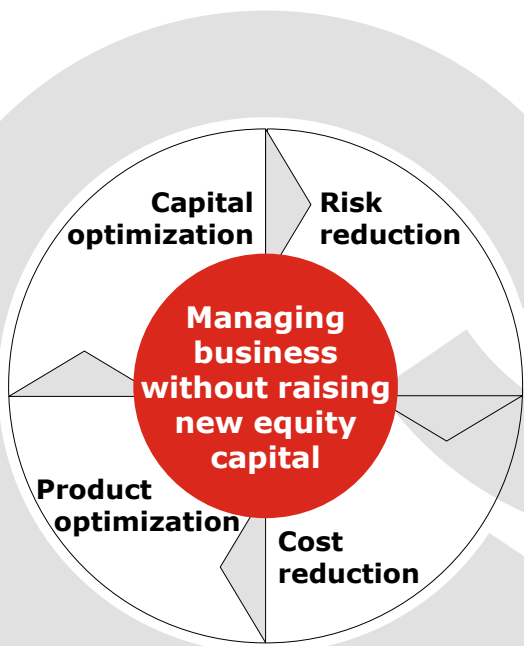
External drivers - defining the strategy



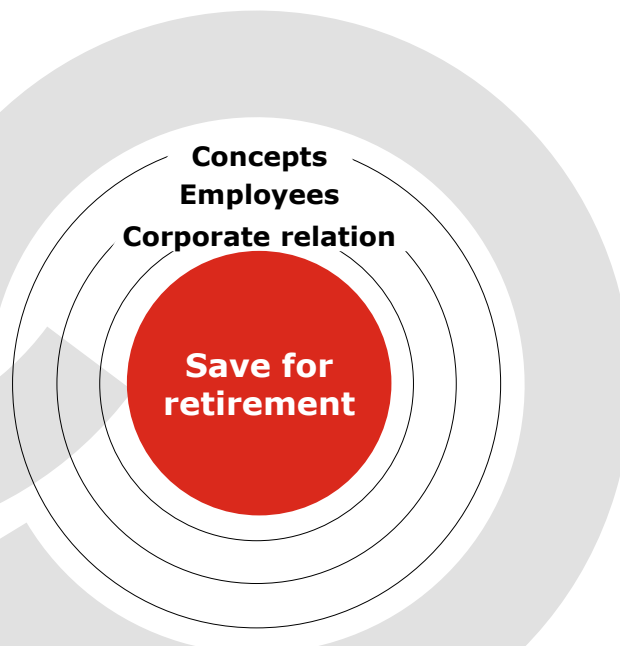
Our strategic response to changing market conditions

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

Managing the balance sheet

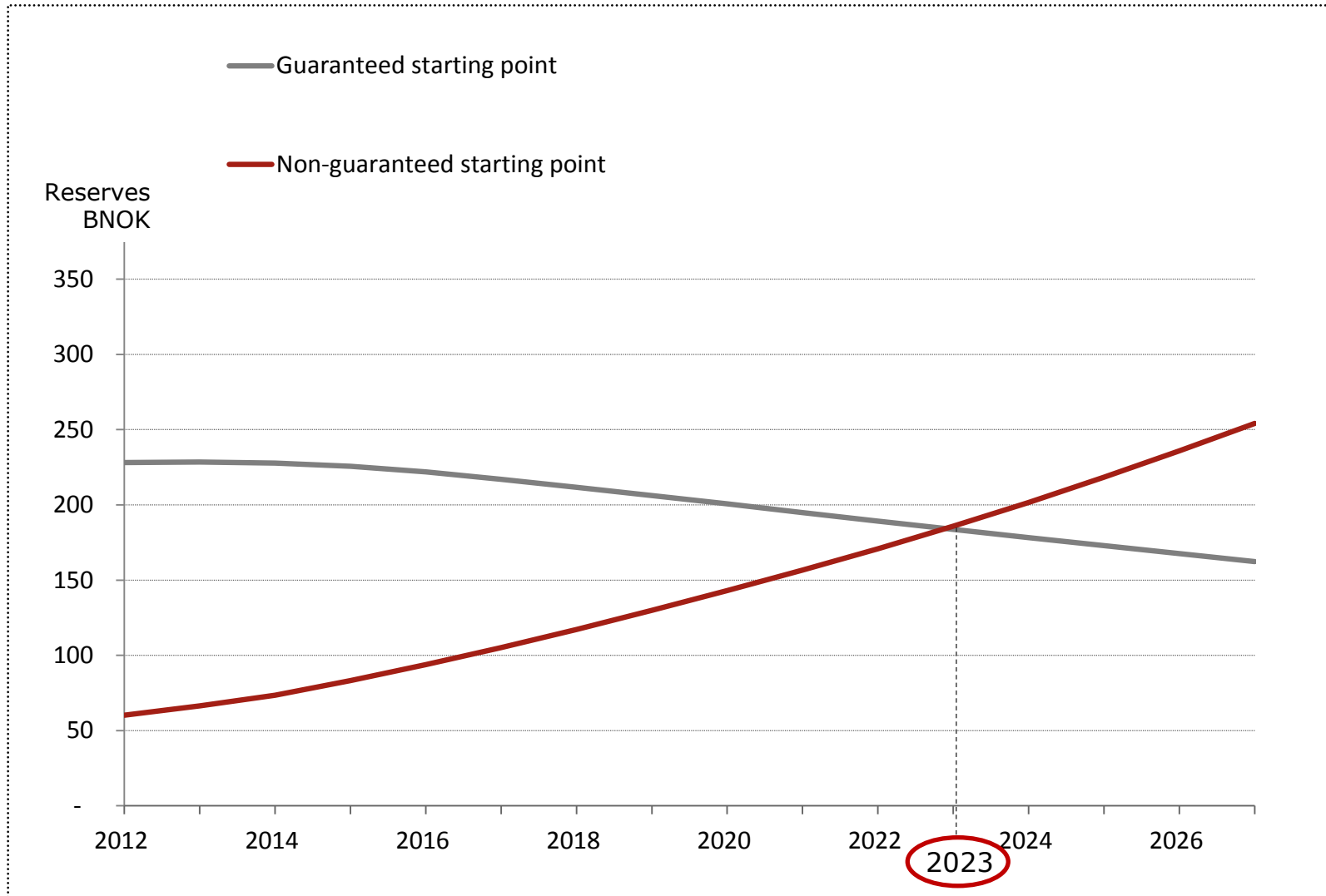


Developing the business



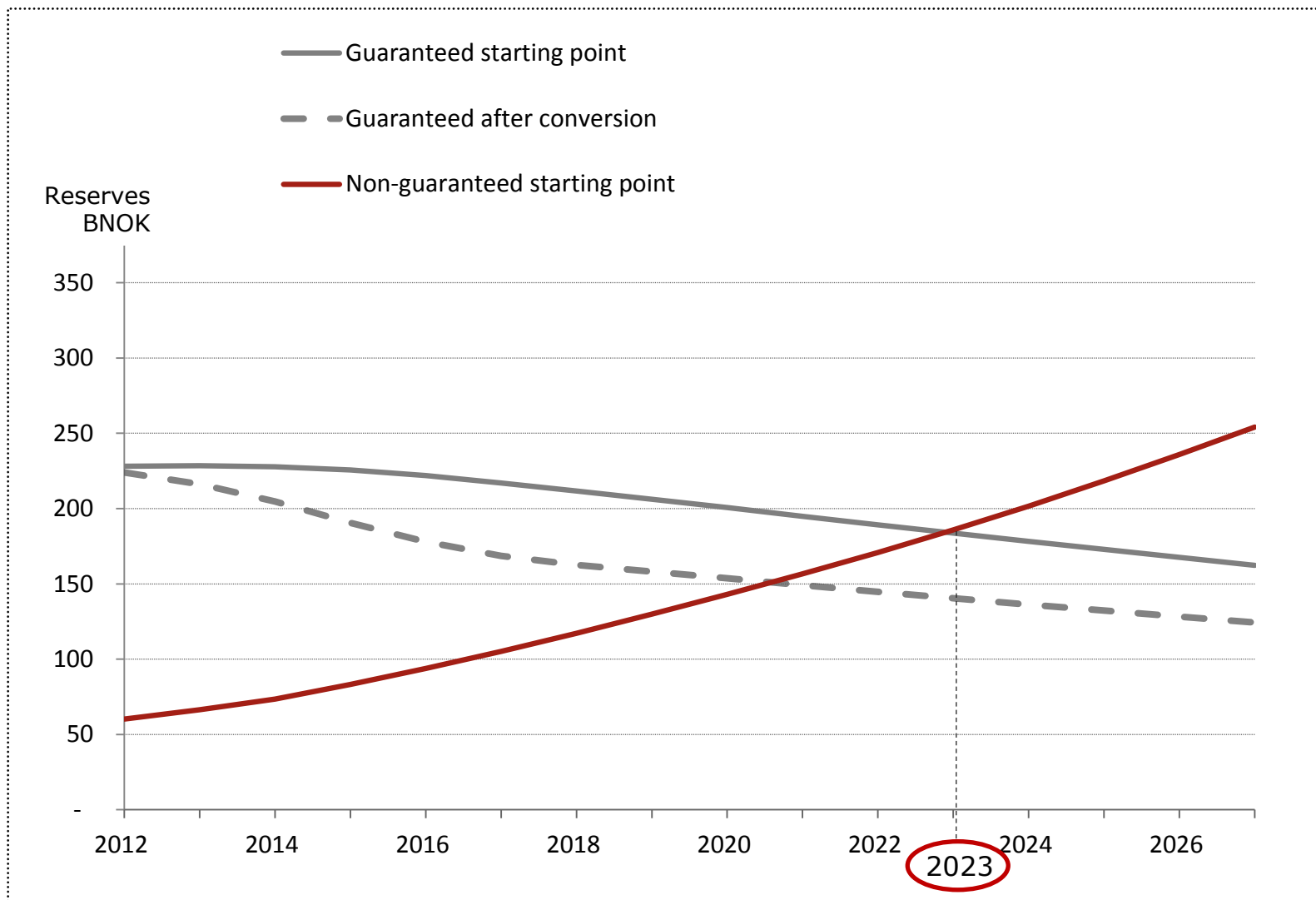
Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION



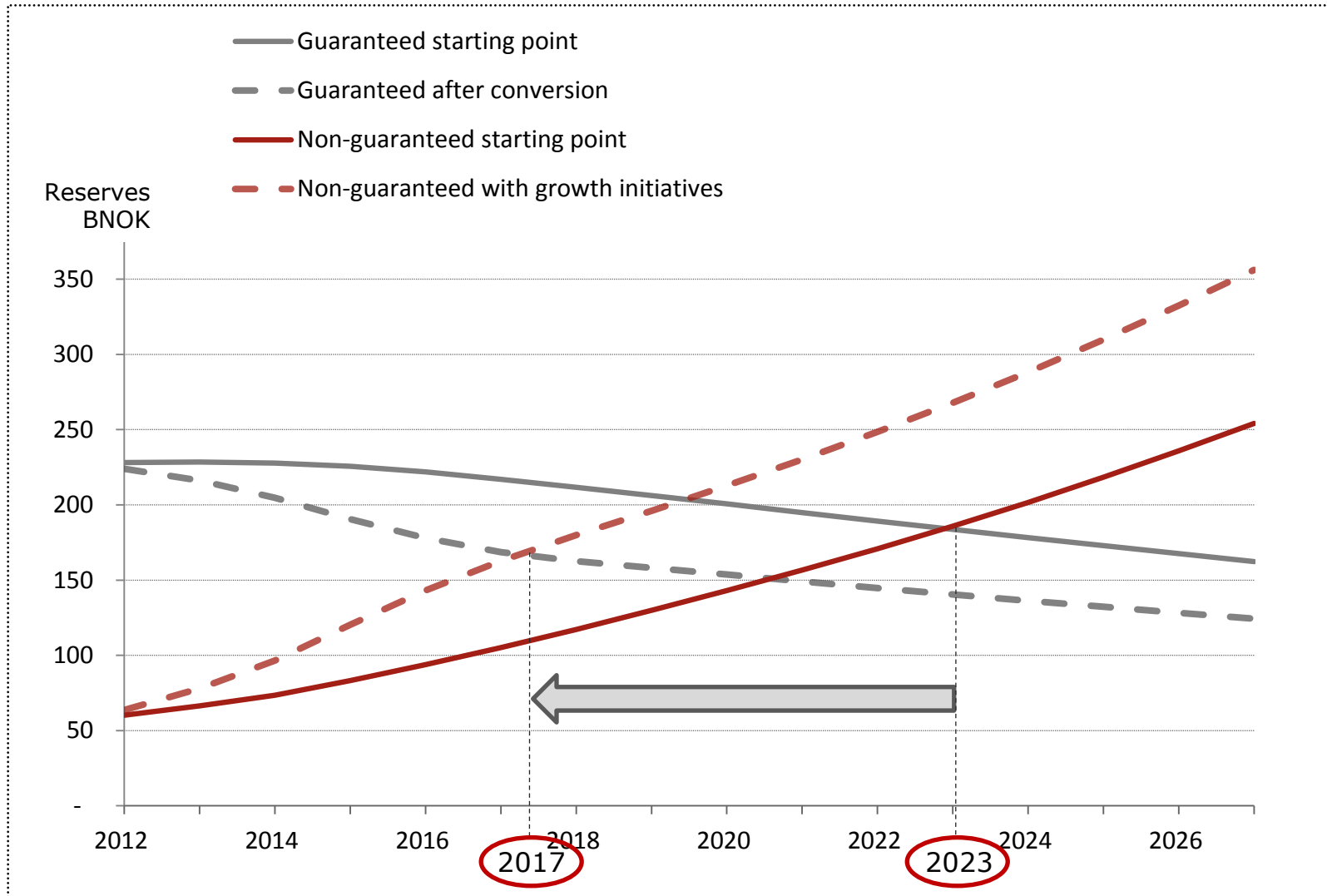
Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION

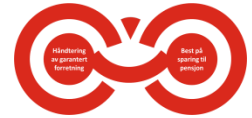


Main focus: shifting the balance sheet - for customer and shareholders values

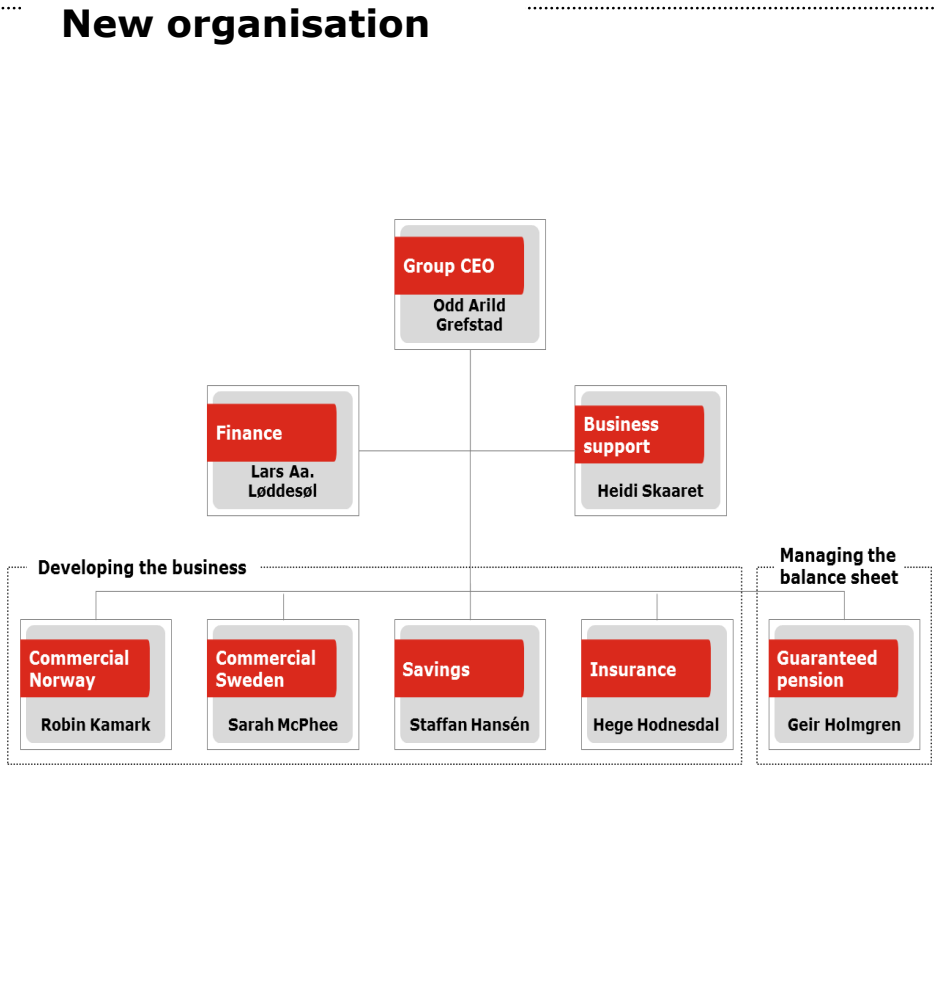
ILLUSTRATION



New Group organisational structure to support strategy implementation



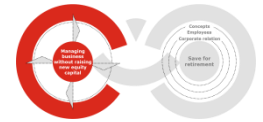
New organisation



Objective with new organisation

- > Separation of **growth business** and **business with guarantees**
- > Support ongoing changes to create - **ONE Storebrand**
- > **Reducing complexity** – significantly **reducing cost levels**
- > **Strengthening customer relations**
- > **Nordic synergies**

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)

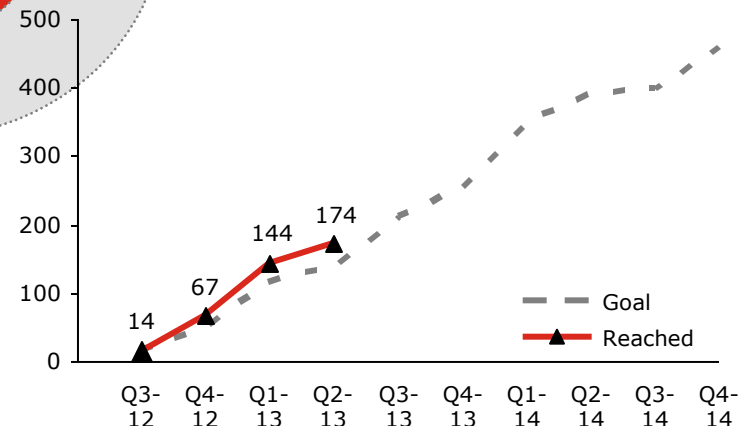
Risk reduction

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

Product optimization

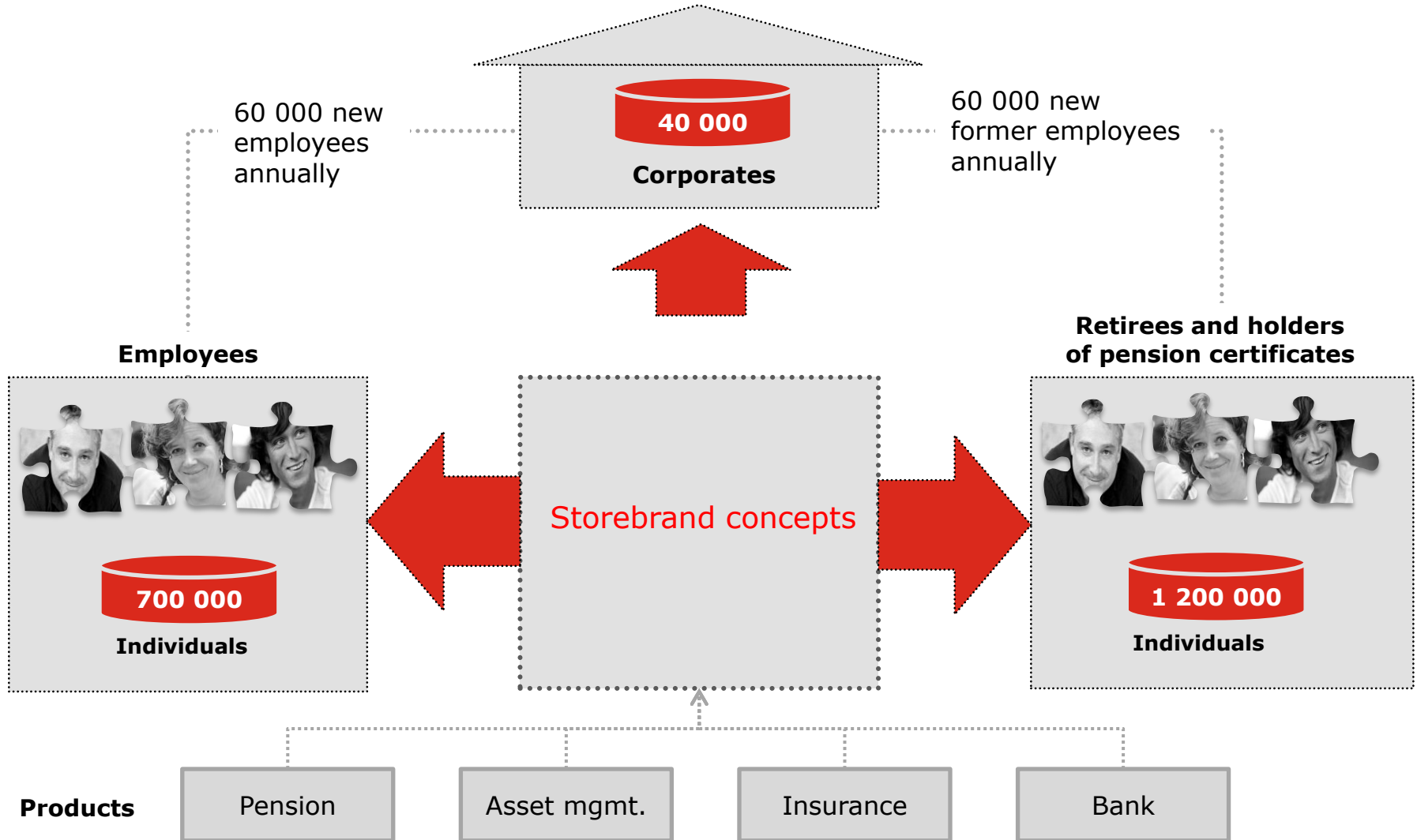
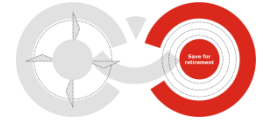
- ✓ SPP electable in largest collective pension platform ITP from July 2013
- ✓ Price increases in guaranteed products
- ✓ SPP Pension Services sold to KPA

Cost reduction



Managing business without raising new equity capital

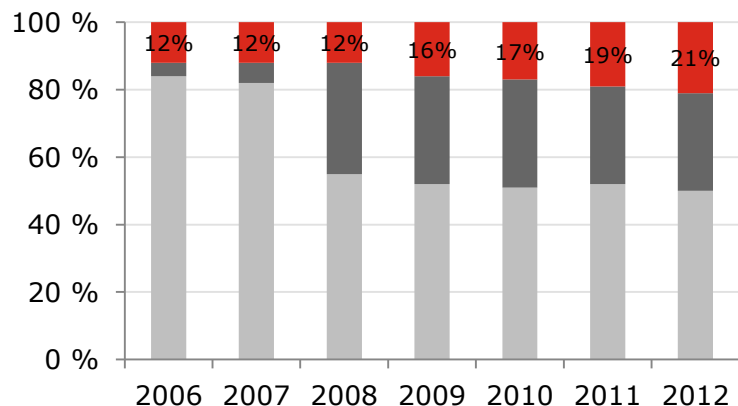
Leveraging the corporate market place – B2B2C



Actively managed the business towards defined contribution



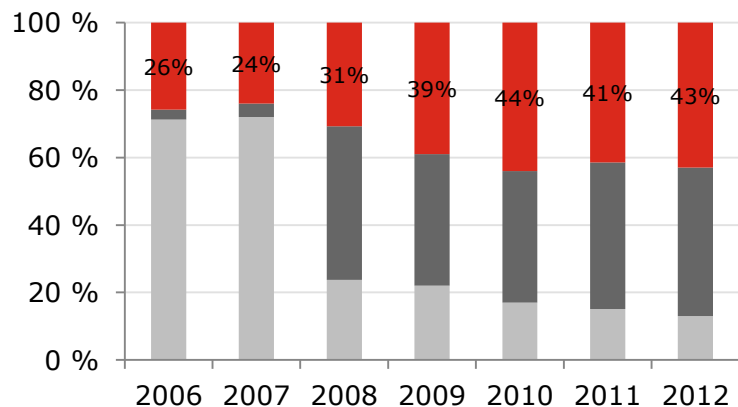
Insurance reserves¹



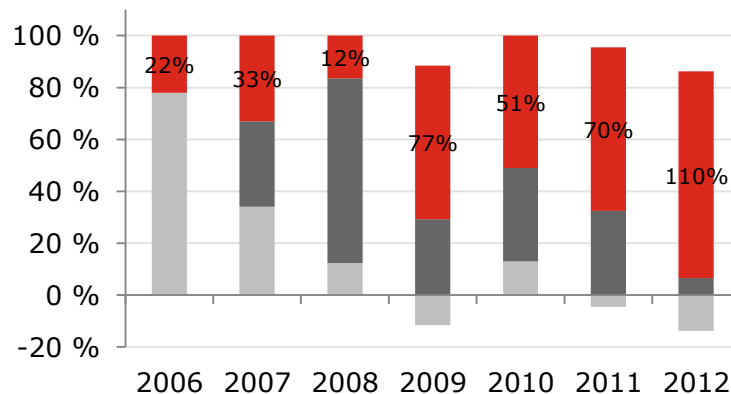
Key takeaways

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

Premiums¹



VIF²



■ Traditional profit sharing

■ Fee based guaranteed business

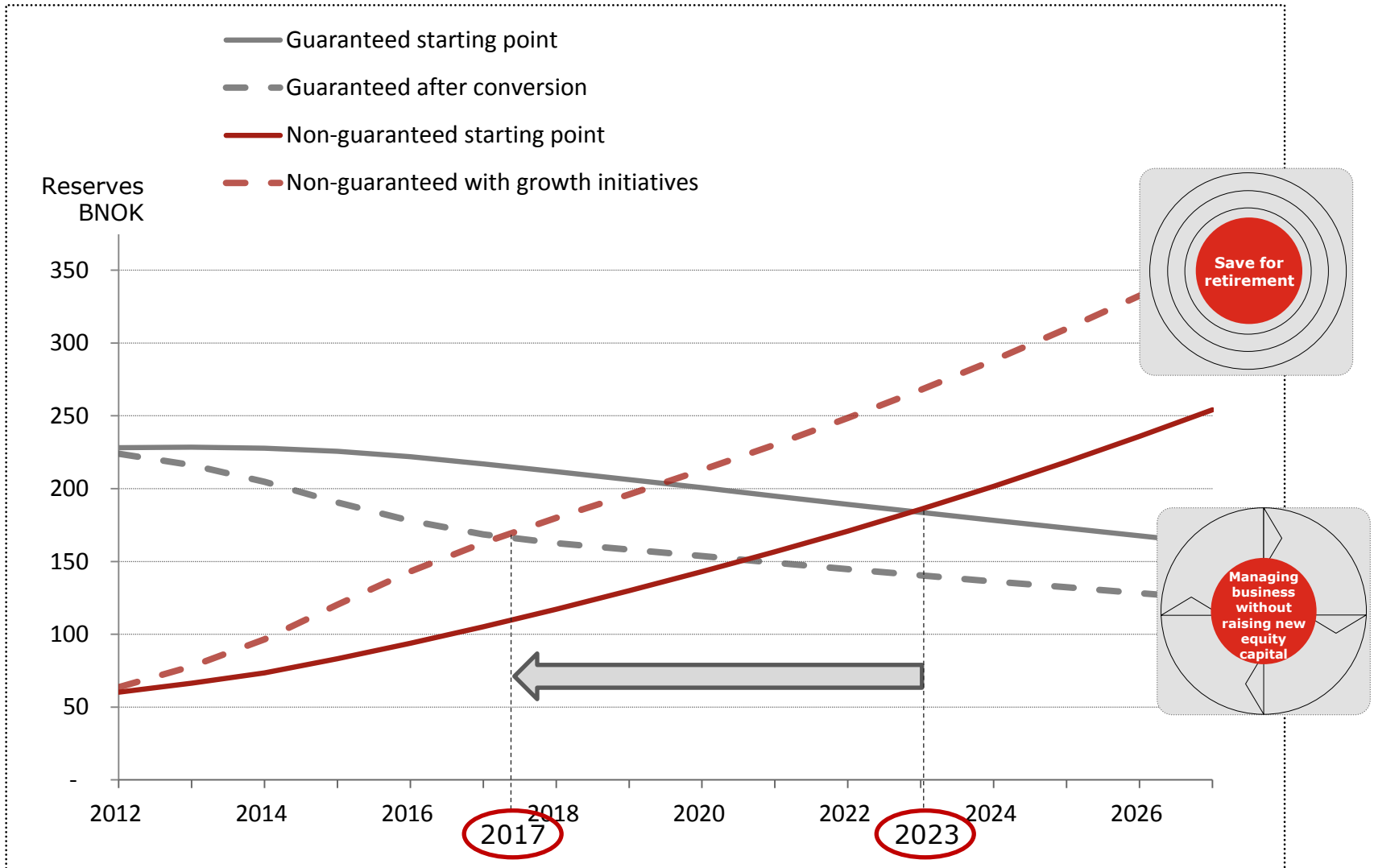
■ Fee based Unit Linked and risk products

¹⁴ ¹ Premiums and reserves includes SPP figures from before acquisition in 2007 for comparison

² Value of in-force

The shift to non-guaranteed products will continue, helped by Storebrand

ILLUSTRATION

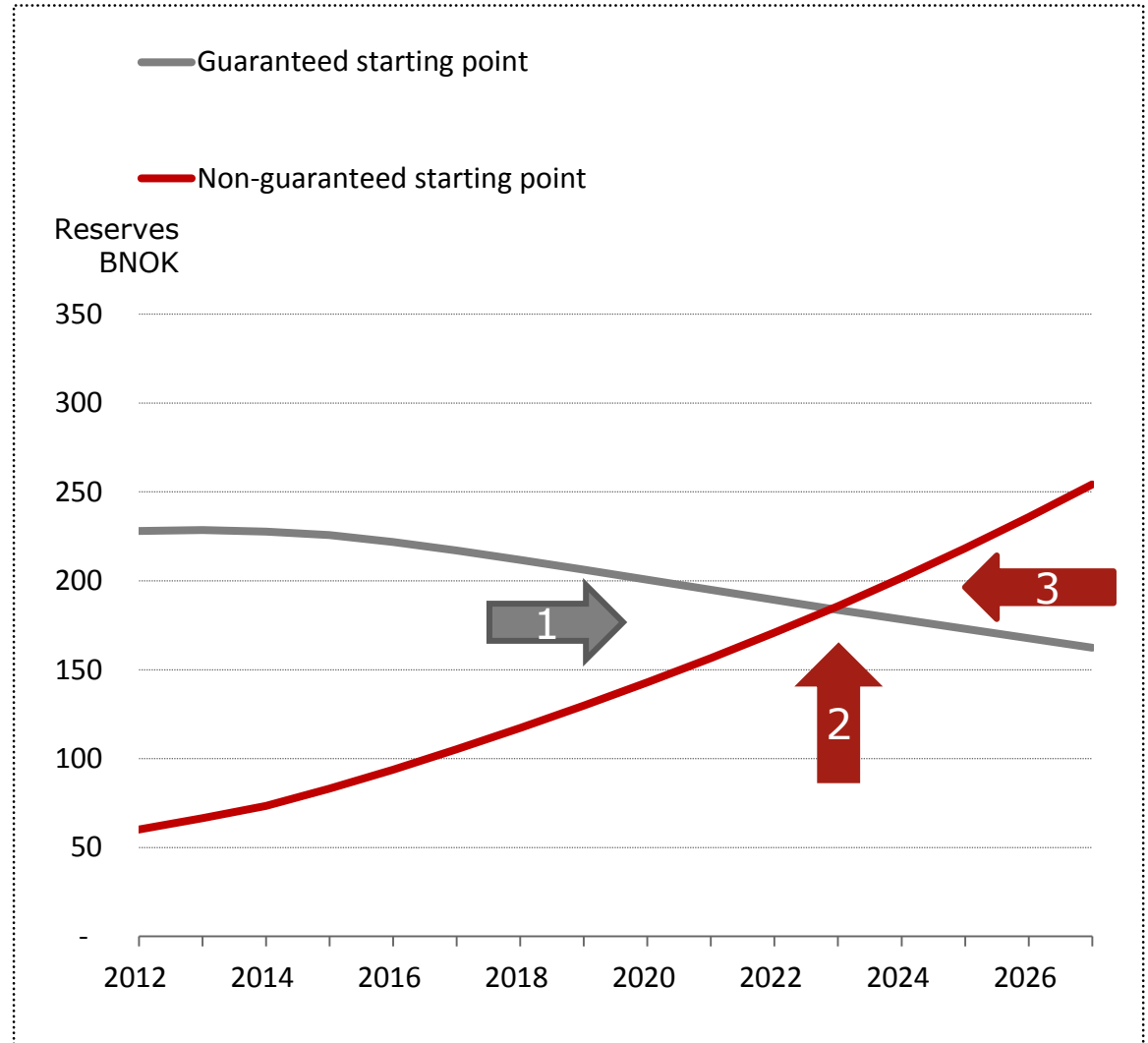


Revenue management in transition period

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
 - Cross sale
 - Conversion



Transparent reporting to support new Group organisation and strategy



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

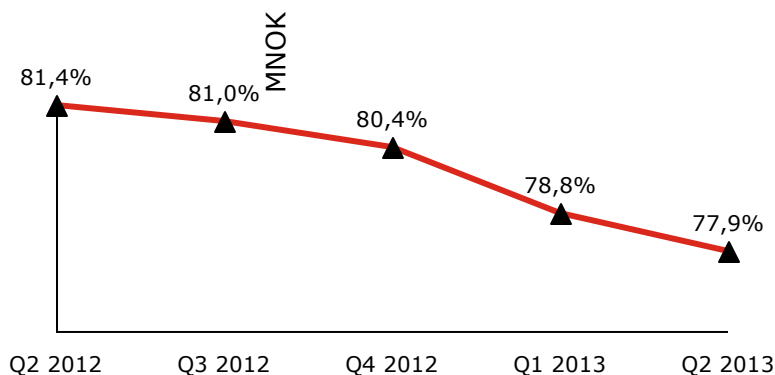


Managing the balance sheet

Guaranteed business - Buffer capital

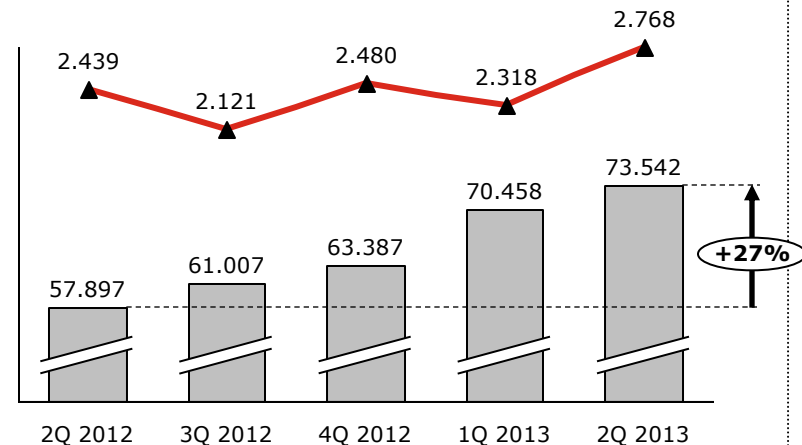
| NOK million | 30.06.2013 | 31.12.2012 | Change in 2013 |
|---|---------------|---------------|----------------|
| Market value adjustment reserve | 1 028 | 1 027 | 1 |
| Excess value of bonds at amortised cost | 4 999 | 5 225 | -226 |
| Additional statutory reserve | 5 280 | 5 746 | -466 |
| Provisions 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

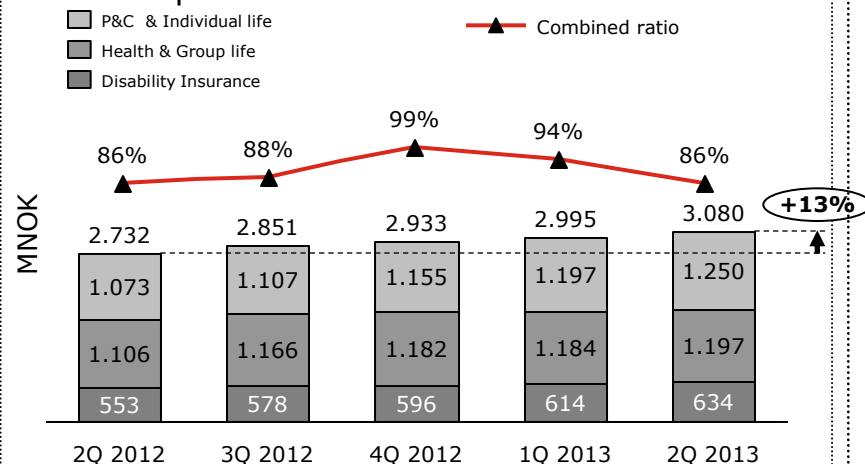


Developing the business

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

