

Carnegie – Norwegian Financial Day 23 September 2013

Lars Aa. Løddesøl
Group CFO - Storebrand

The Storebrand Group

100%



of investments assessed
by **sustainability**
criteria



2.200
employees



40.000
corporate
customers



1.900.000
individuals



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

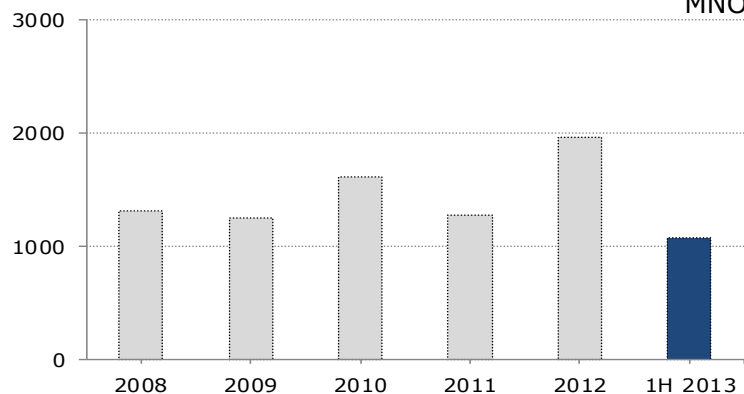


5.000.000
Customer
dialogues annually

Solid, profitable and growing business

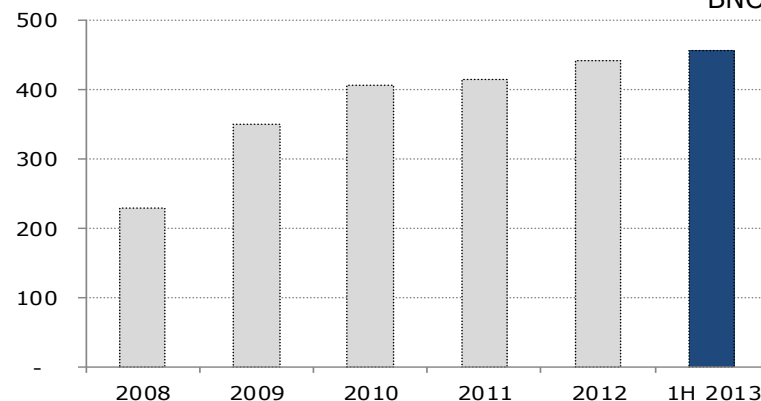
Group result

MNOK

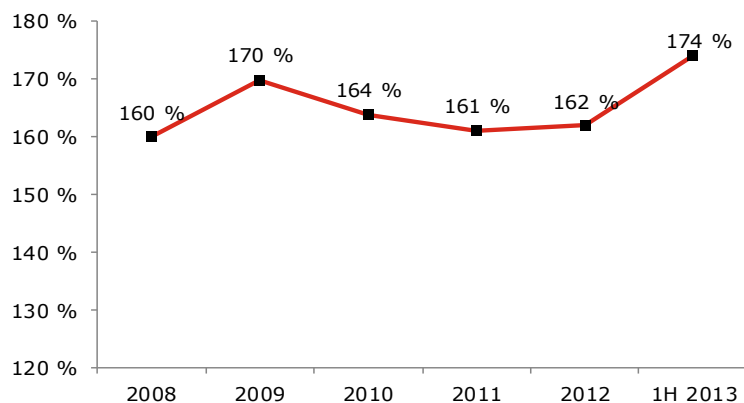


Assets under Management²

BNOK

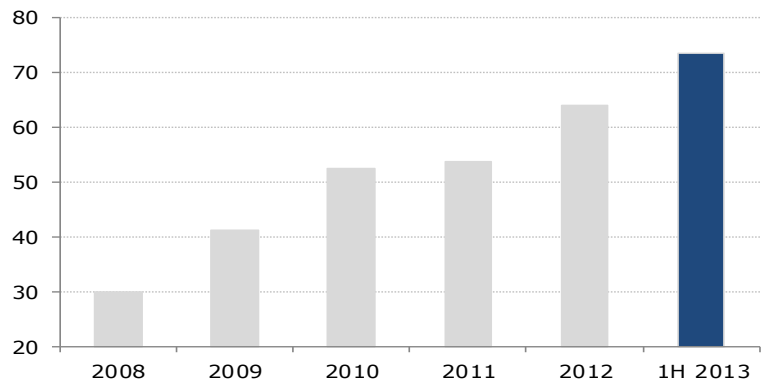


Solvency margin¹



Customer funds in defined contribution and unit linked³

BNOK



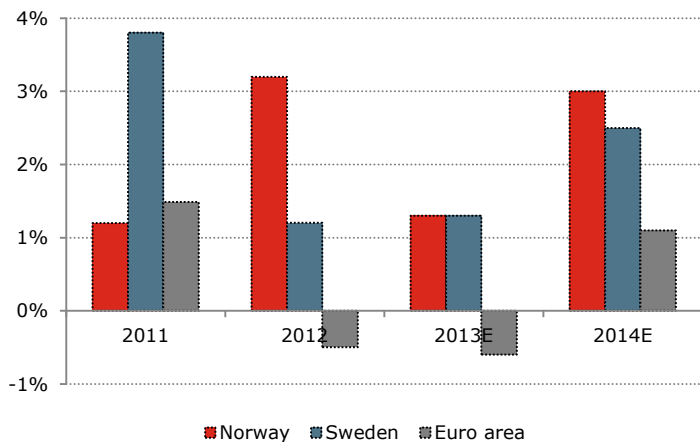
¹ Storebrand Life Group

² Total funds under Management

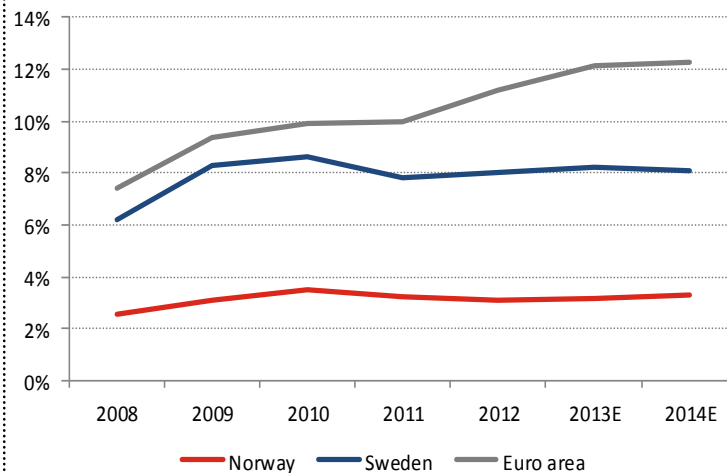
³ Includes customer funds in DC and UL for Storebrand Life Insurance and SPP

Sound Nordic macro environment enables growth in pension savings

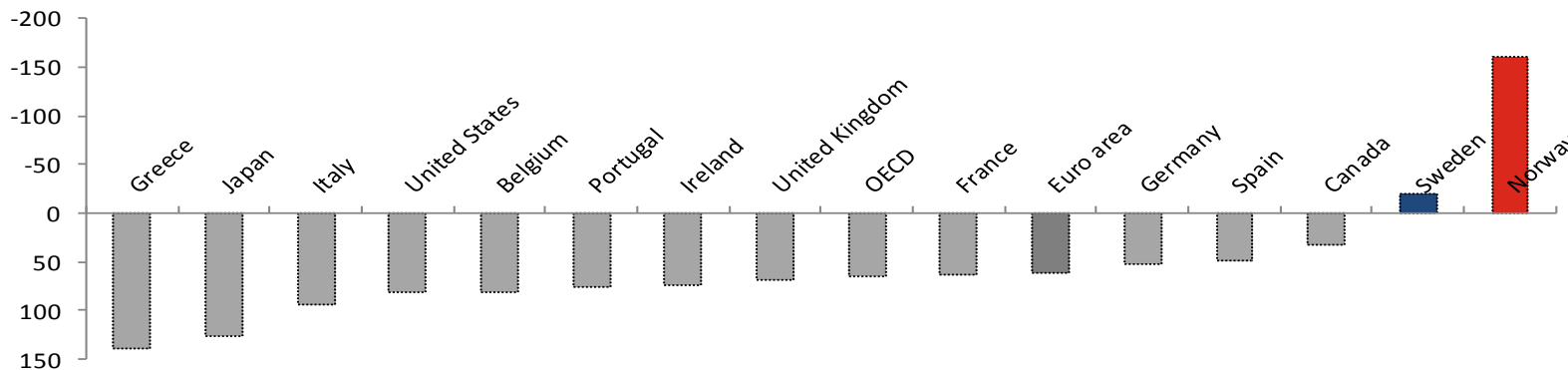
GDP growth¹



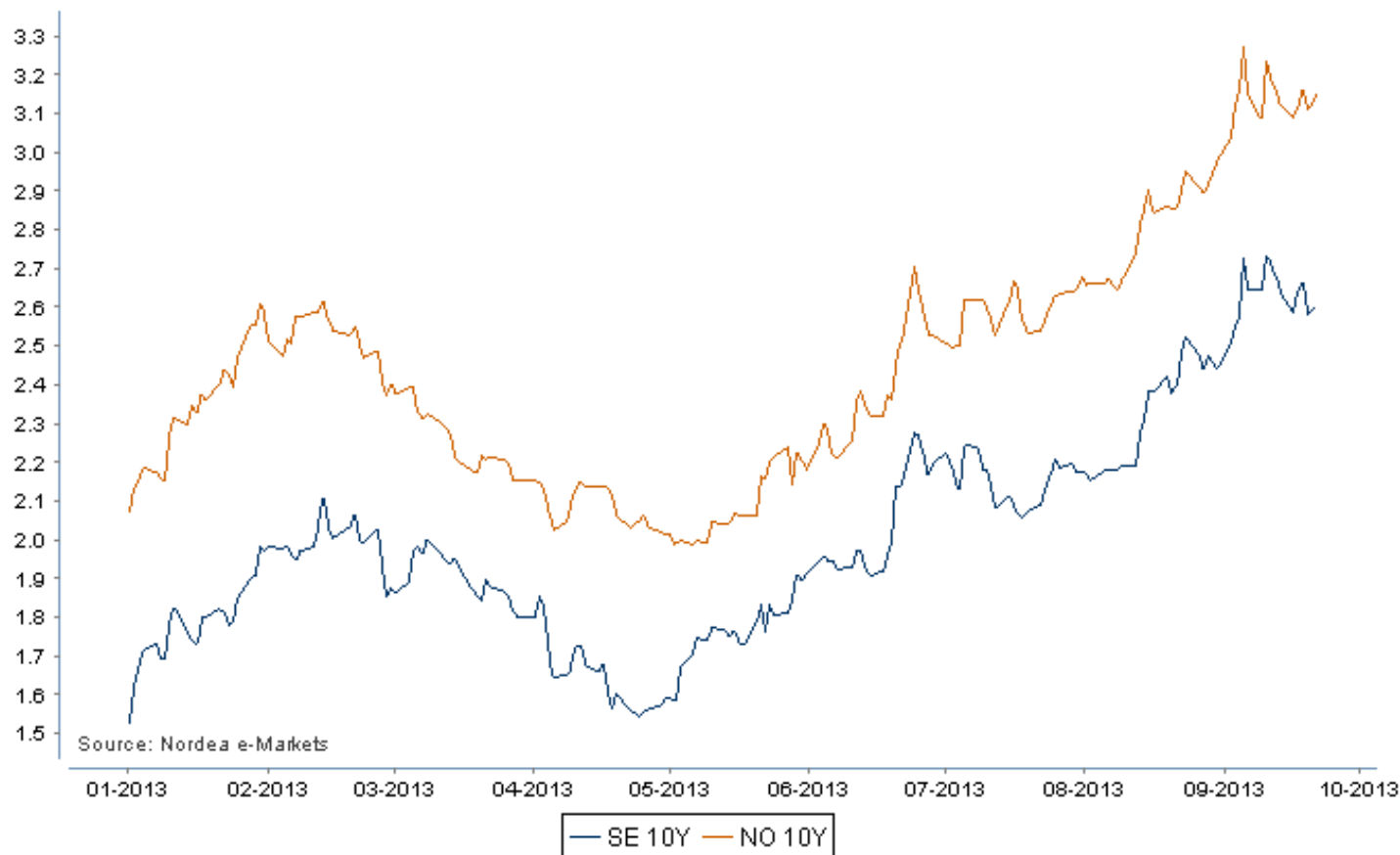
Unemployment rates¹



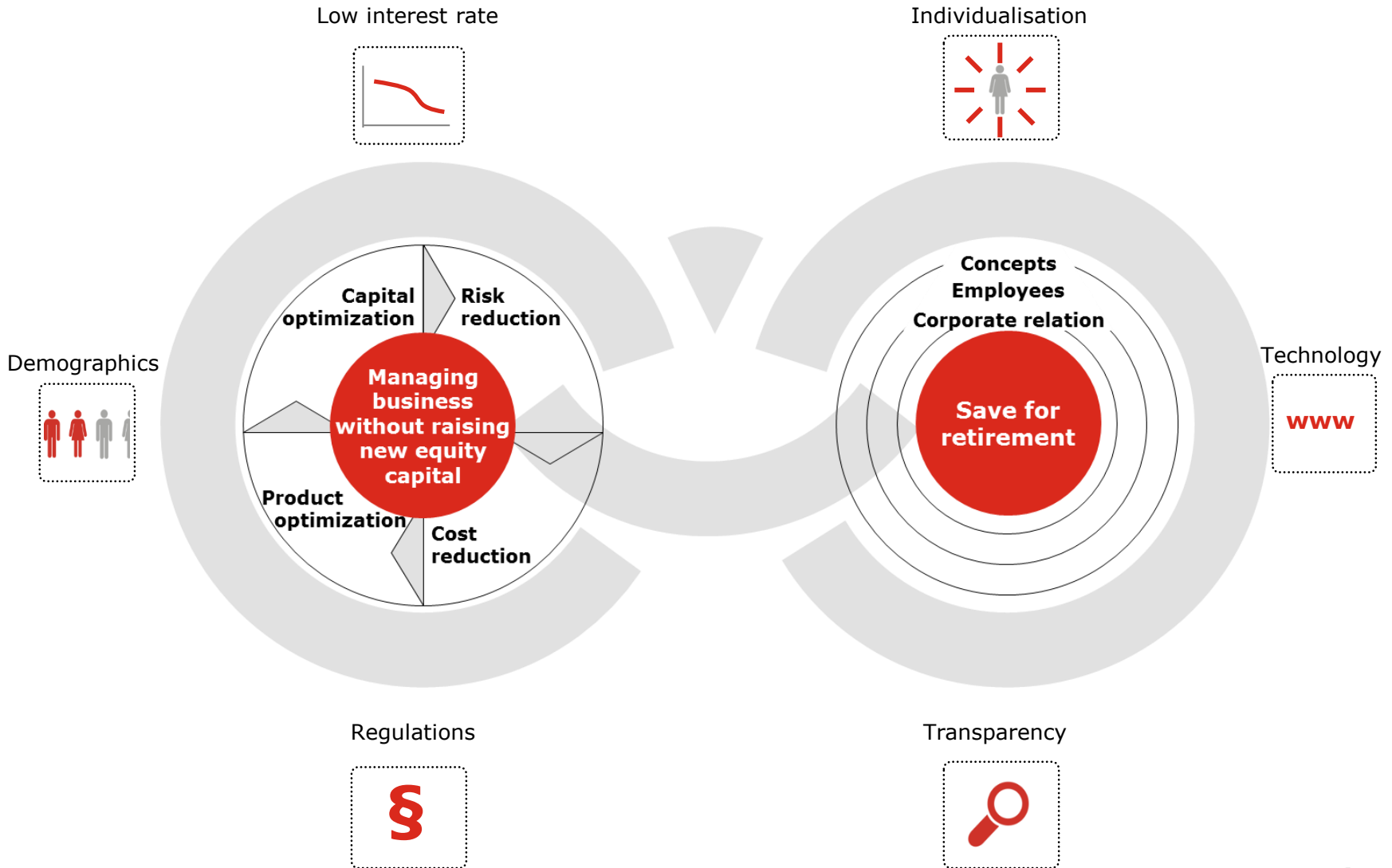
General government net liabilities²



Interest rates are picking up



External drivers - defining the strategy



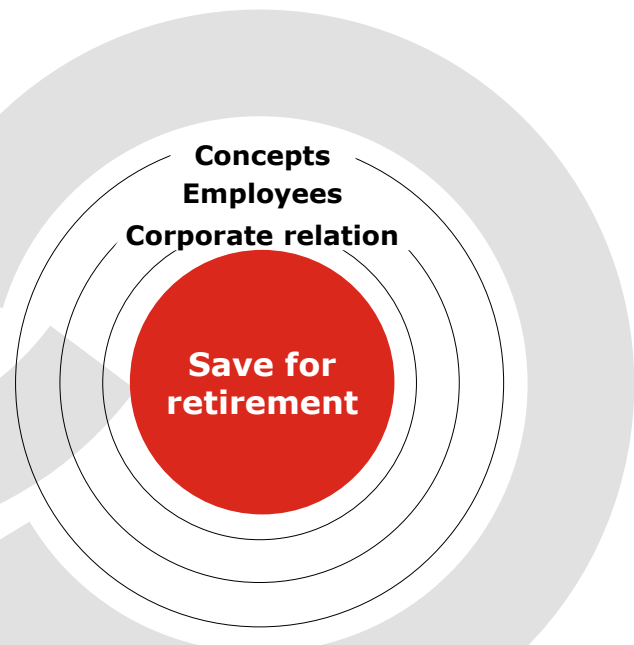
Our strategic response to changing market conditions

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

Managing the balance sheet

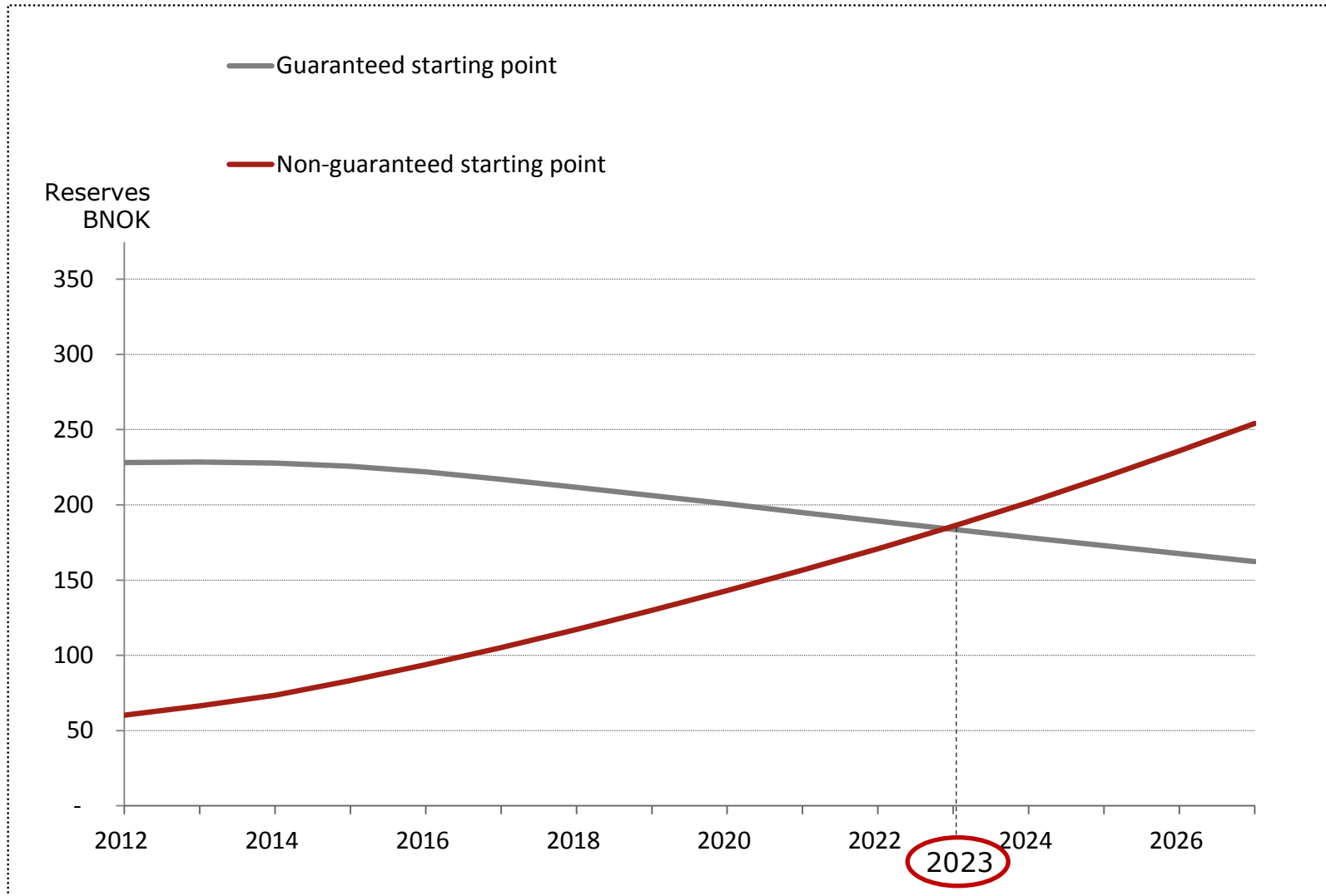


Developing the business



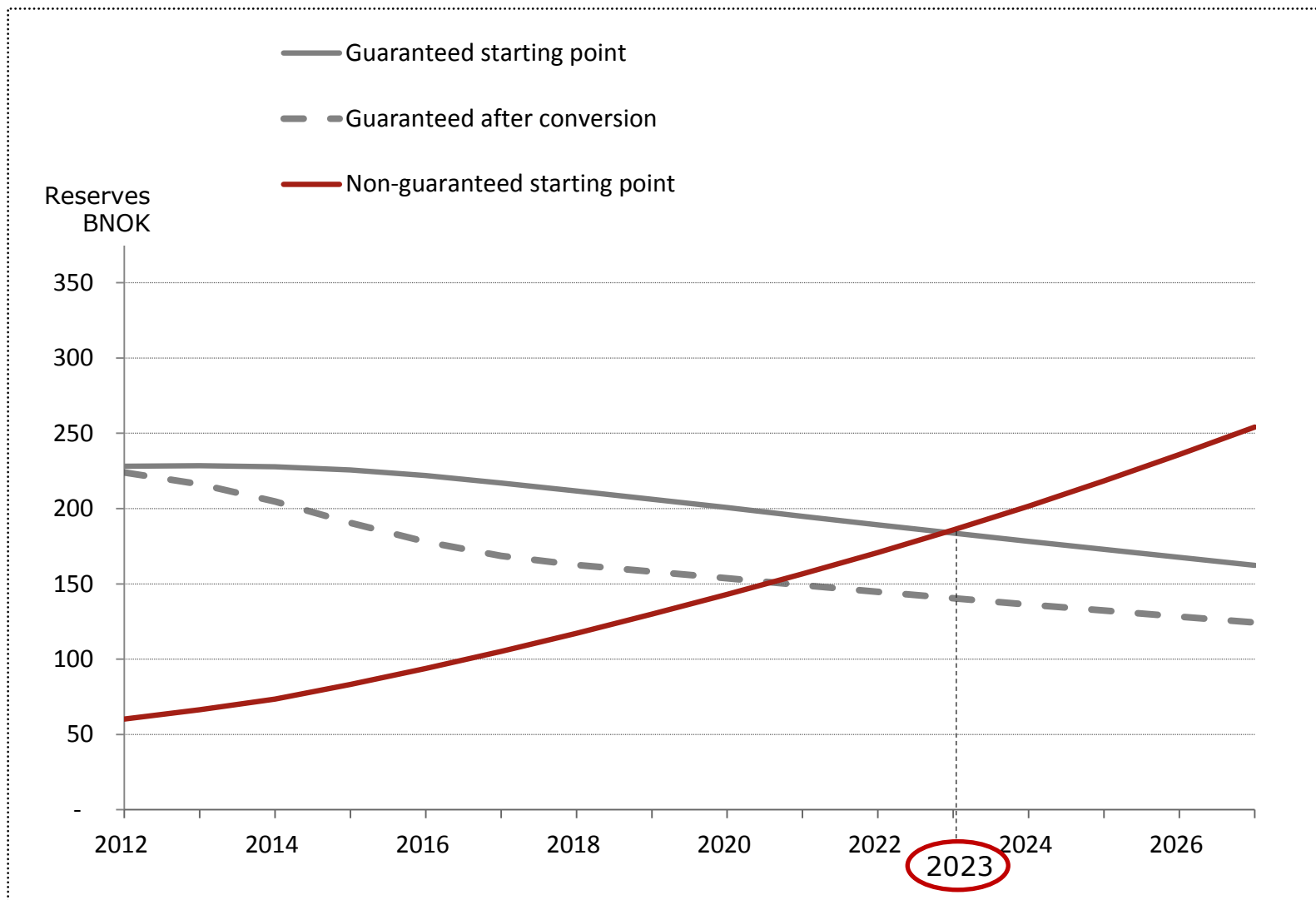
Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION



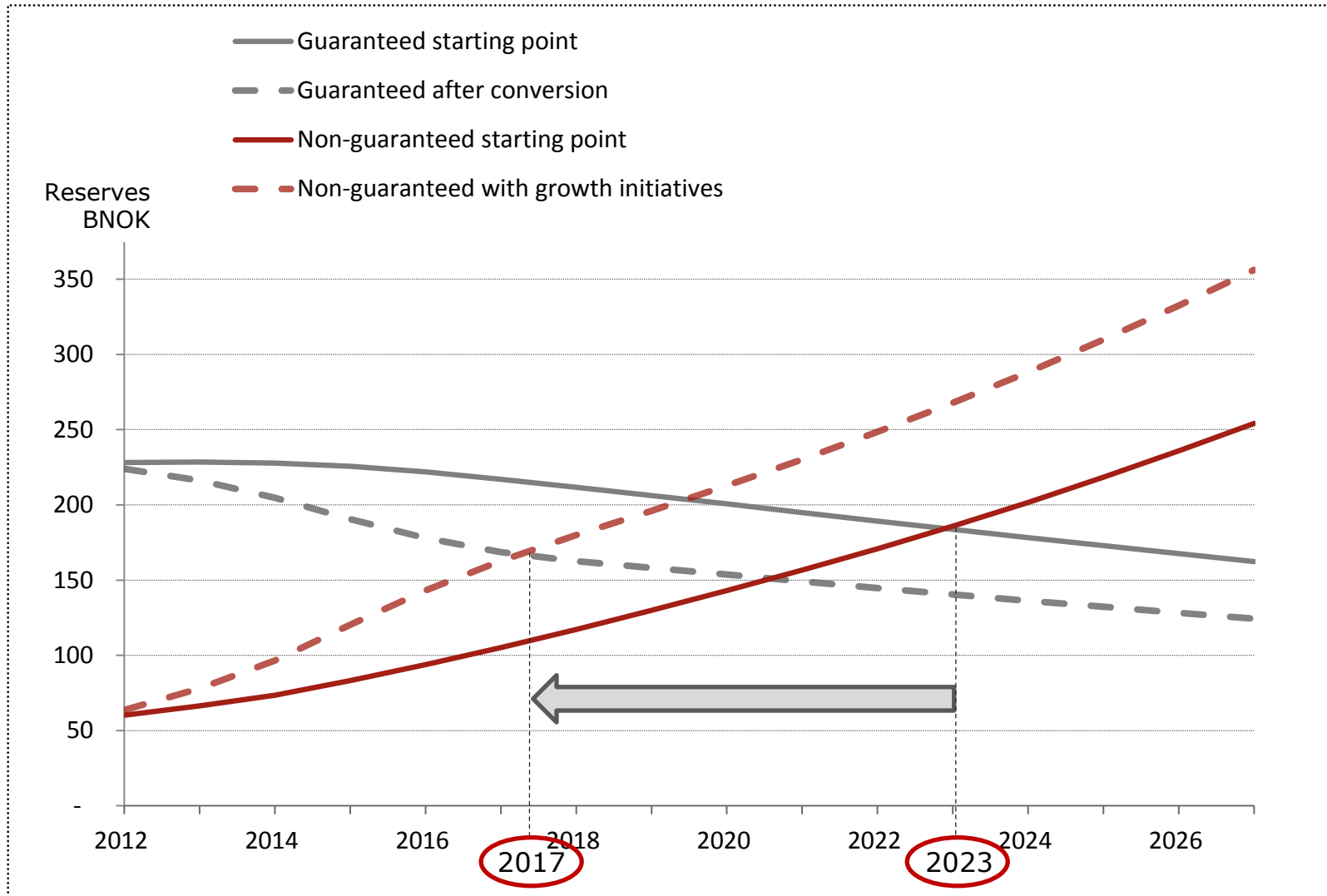
Main focus: shifting the balance sheet - for customer and shareholders values

ILLUSTRATION

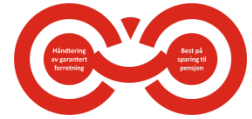


Main focus: shifting the balance sheet - for customer and shareholders values

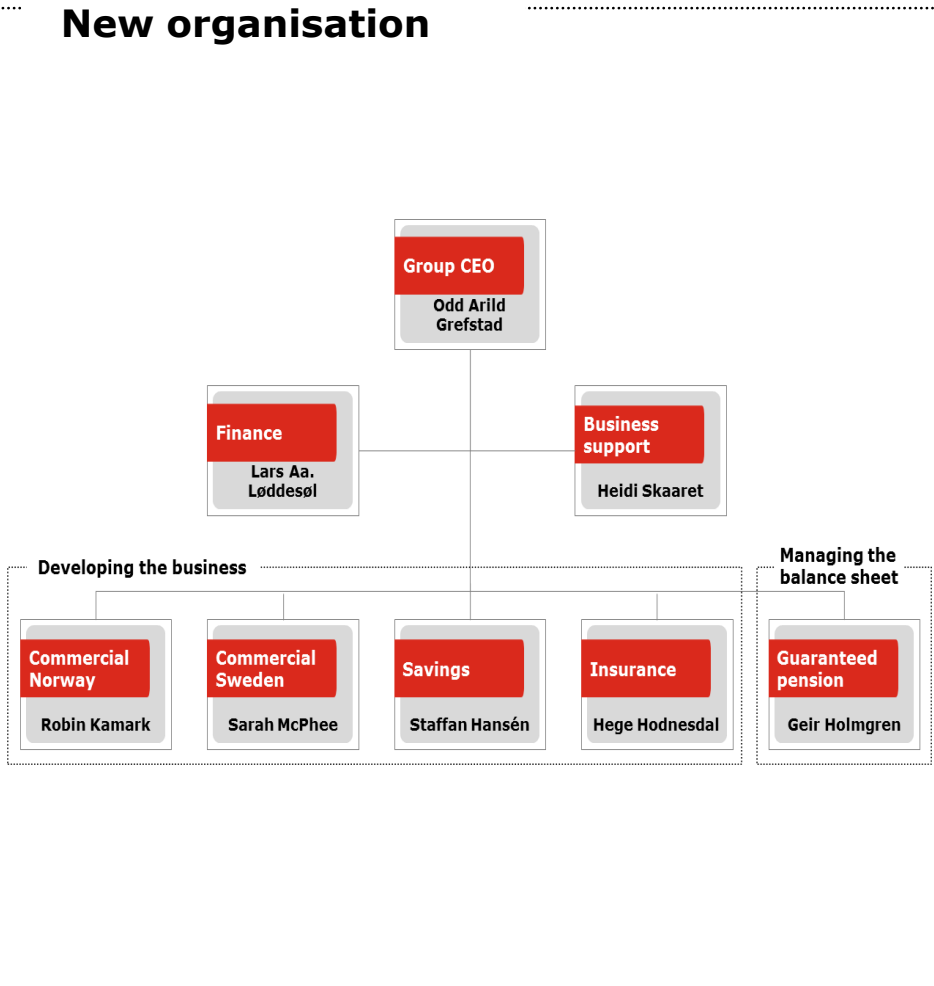
ILLUSTRATION



New Group organisational structure to support strategy implementation



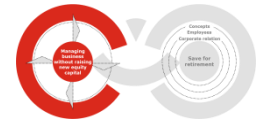
New organisation



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)

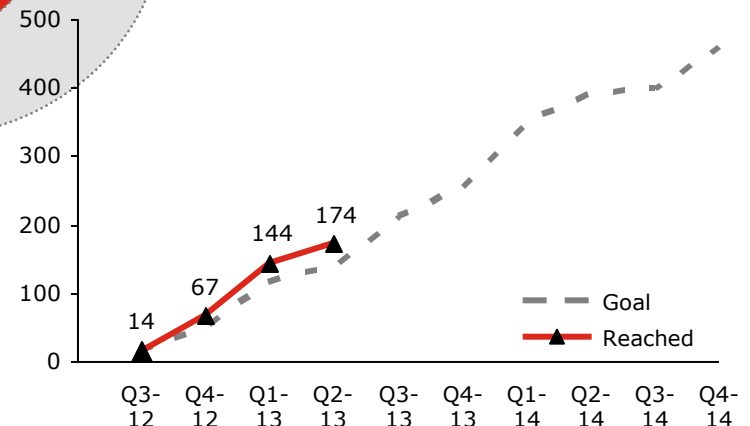
Risk reduction

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

Product optimization

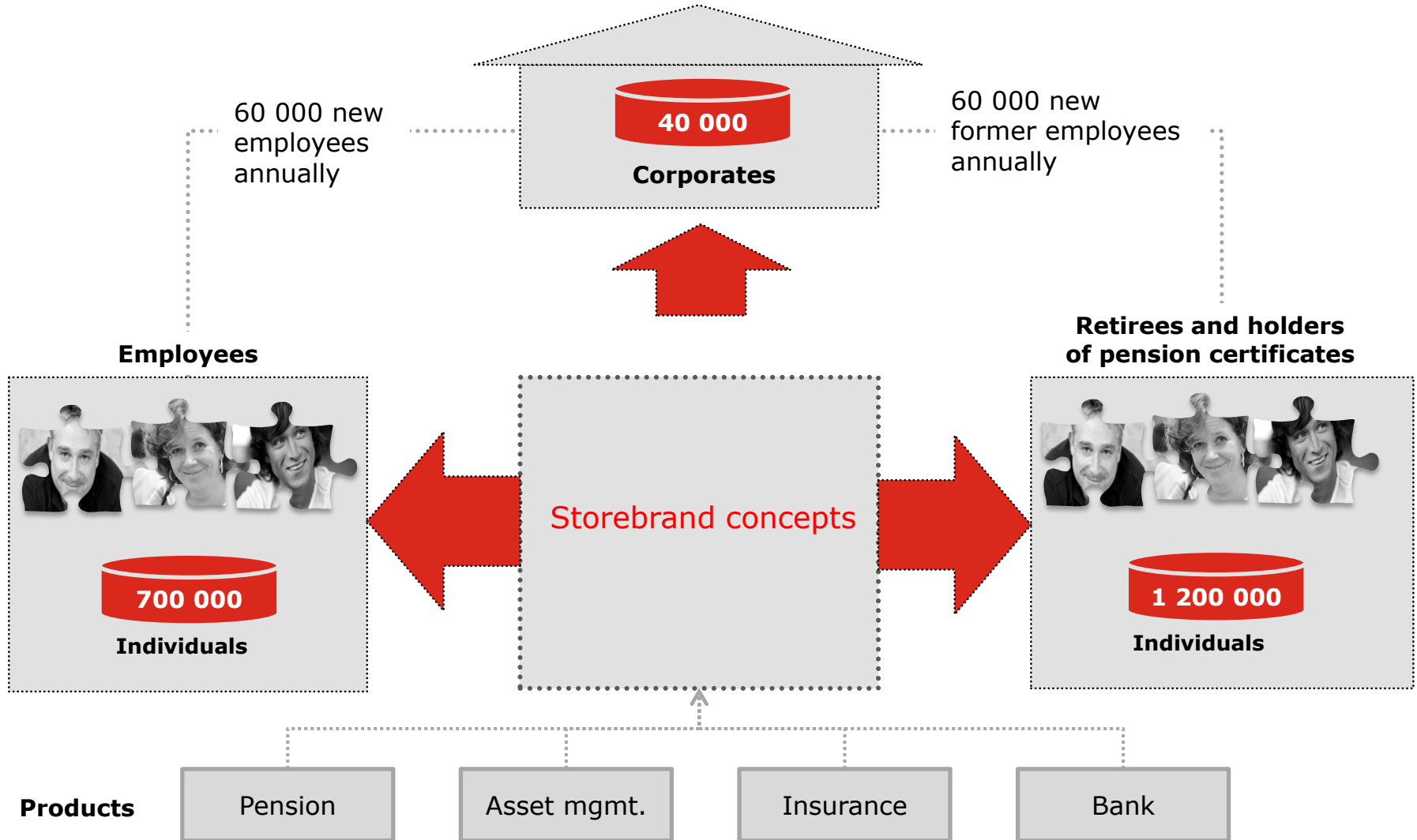
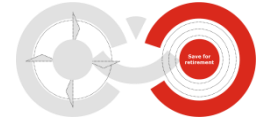
- ✓ SPP electable in largest collective pension platform ITP from July 2013
- ✓ Price increases in guaranteed products
- ✓ SPP Pension Services sold to KPA

Cost reduction



Managing business without raising new equity capital

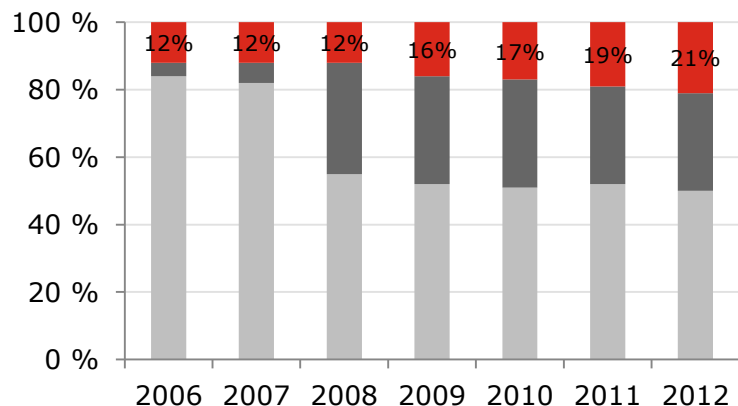
Leveraging the corporate market place – B2B2C



Actively managed the business towards defined contribution



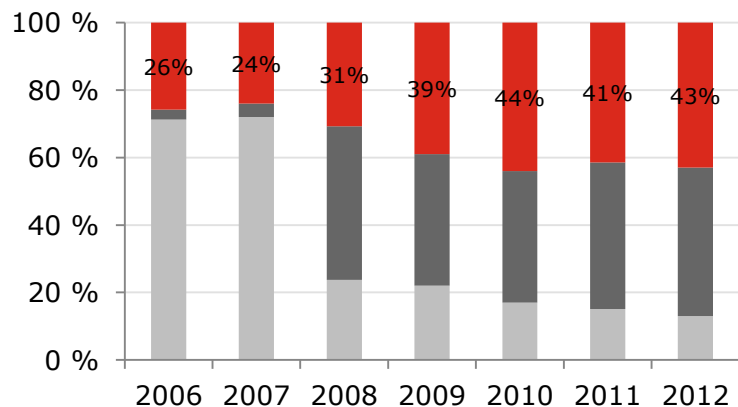
Insurance reserves¹



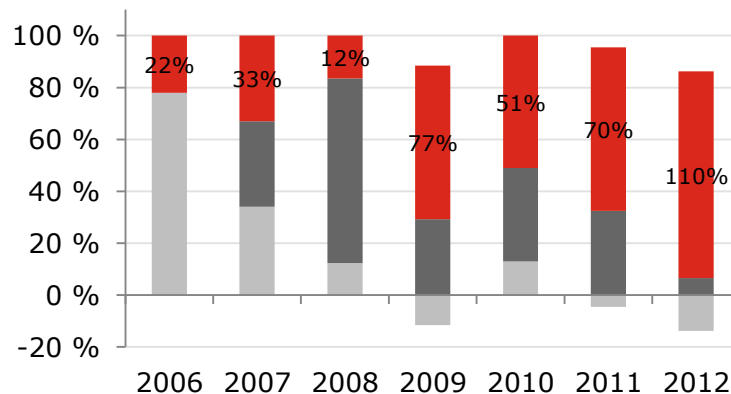
Key takeaways

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

Premiums¹



VIF²



■ Traditional profit sharing

■ Fee based guaranteed business

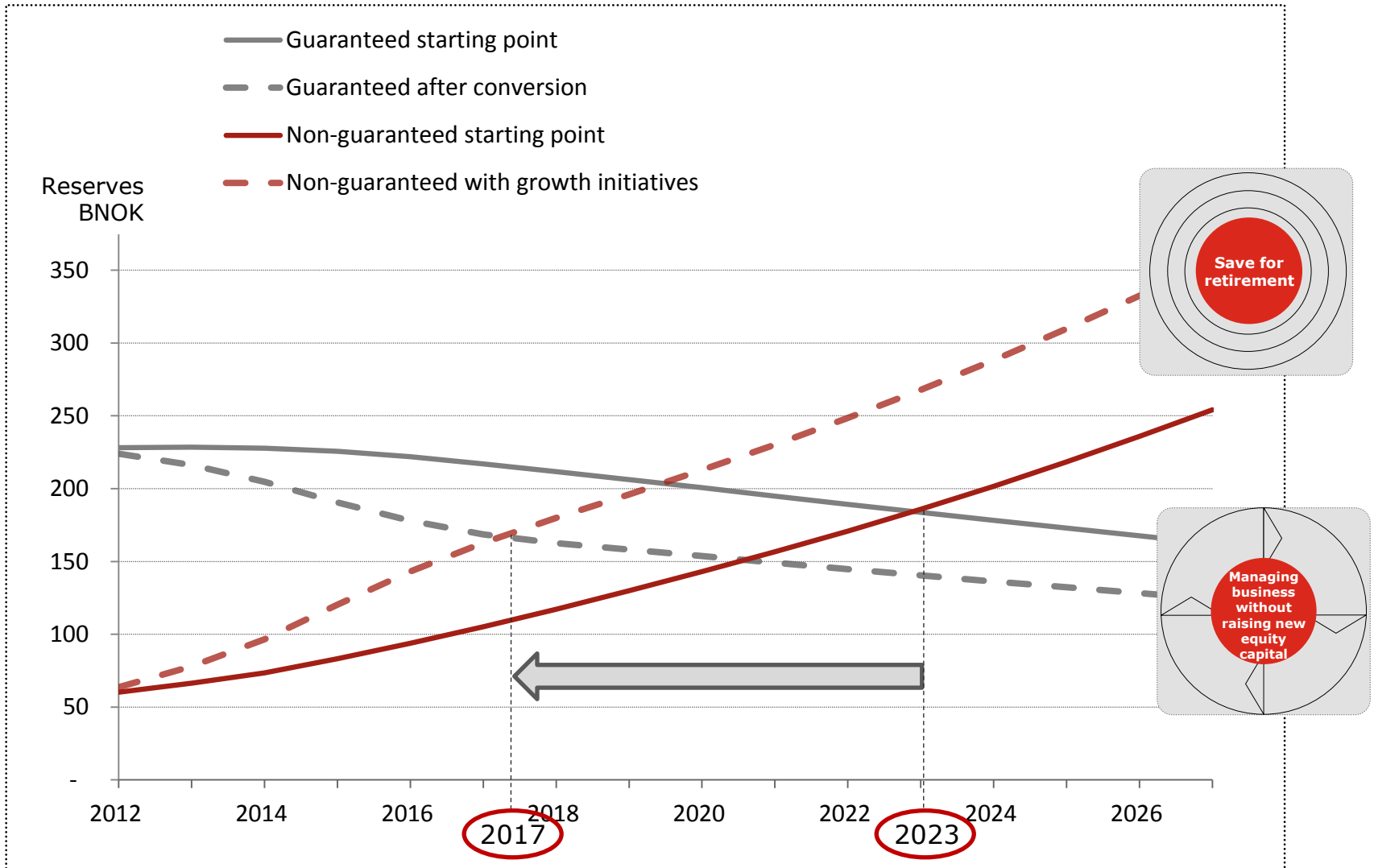
■ Fee based Unit Linked and risk products

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

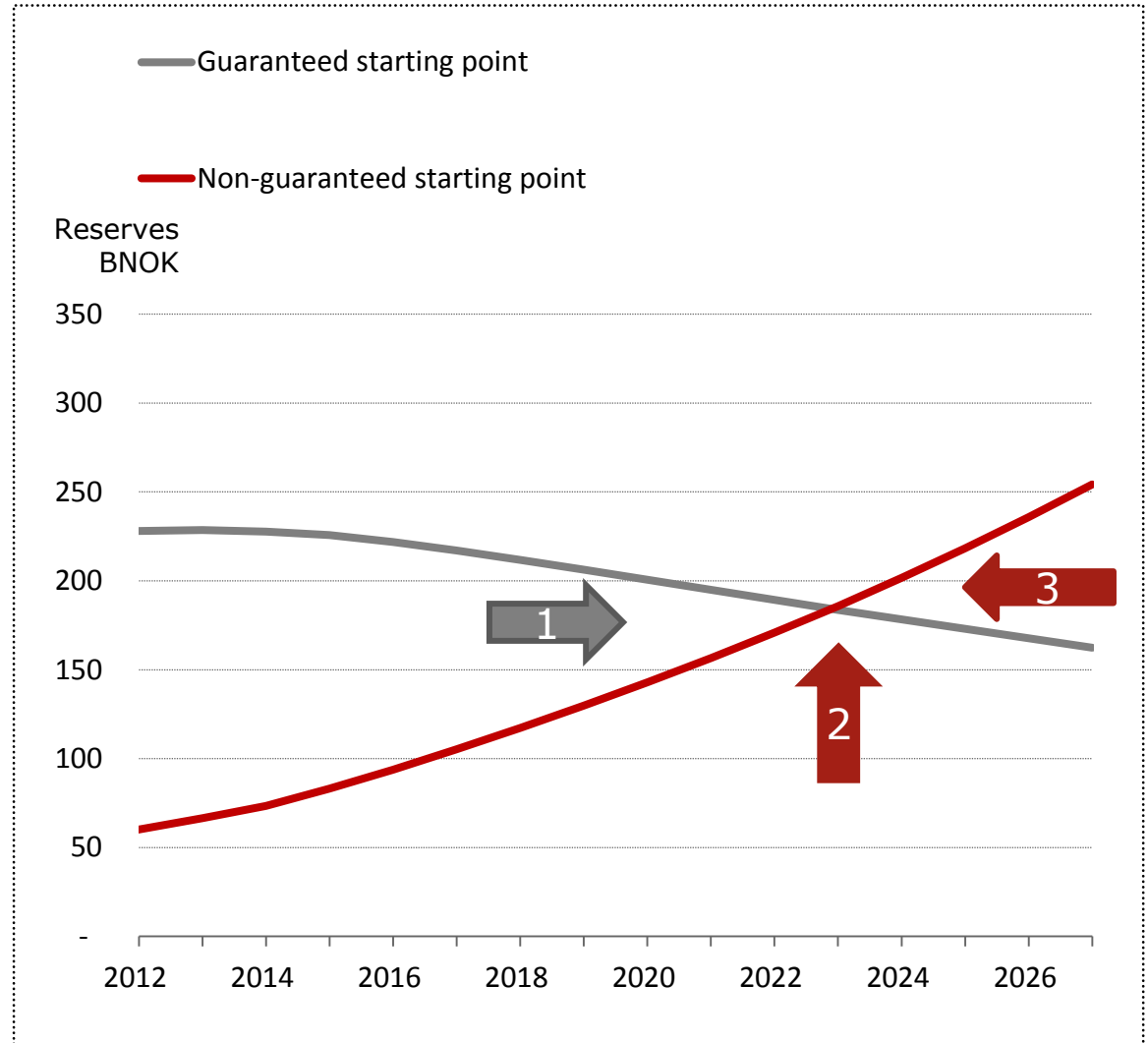


Revenue management in transition period

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

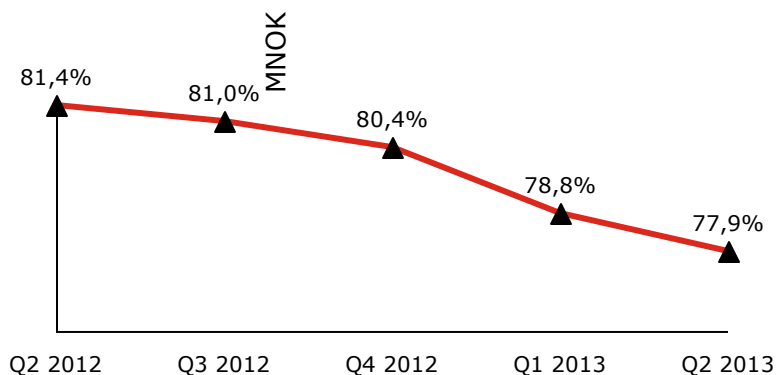


Managing the balance sheet

Guaranteed business - Buffer capital

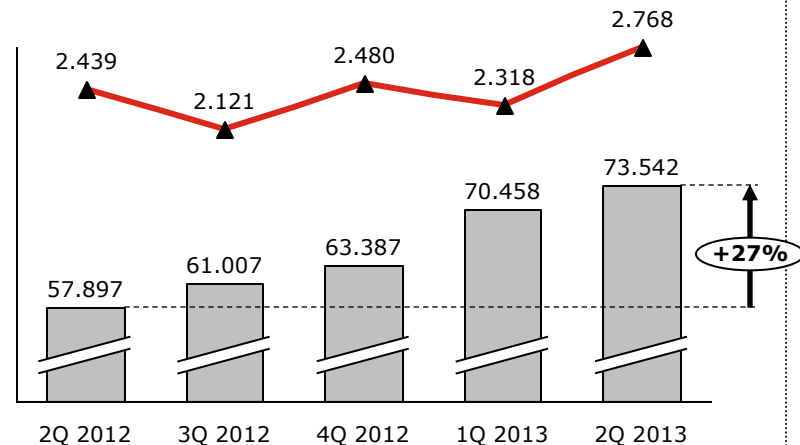
NOK million	30.06.2013	31.12.2012	Change in 2013
Market value adjustment reserve	1 028	1 027	1
Excess value of bonds at amortised cost	4 999	5 225	-226
Additional statutory reserve	5 280	5 746	-466
Provisions for new mortality tables	4 305	4 305	0
Unallocated results	790	0	790
Conditional bonuses SPP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

Guaranteed reserves in % of total reserves

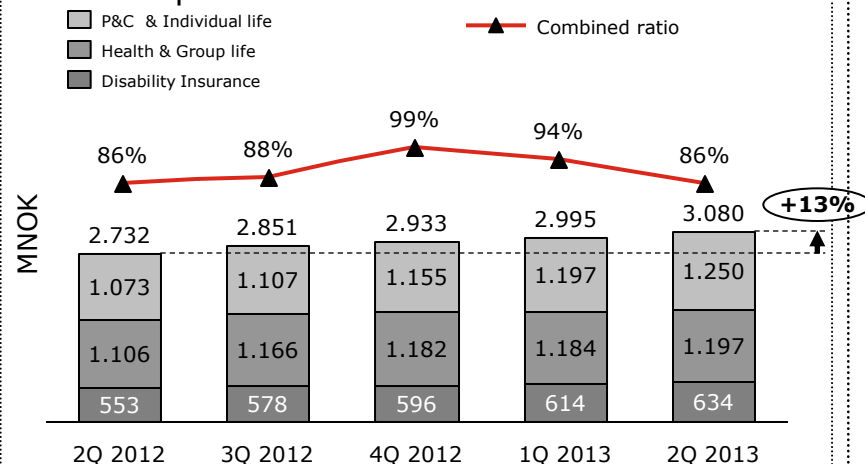


Developing the business

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

