

Investor presentation

Updated September 2014

Important information:

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally.

The Storebrand Group assumes no responsibility to update any of the forward looking statements contained in this document or any other forward-looking statements it may make.

Contents

	Page:
1. Storebrand overview and strategy	4
2. Results Q2 2014	17
3. Market and sales in Norway and Sweden	41

Leading Nordic Life and Pension provider

- 40 000 corporate customers
- 1.9 million individuals with pensions in Storebrand
- NOK 93 bn in Unit Linked reserves
- NOK 263 bn in Guaranteed reserves
- 100% of investments assessed by sustainability criteria

Supported by:

Asset Management



NOK 502 billion
in assets under
management

Insurance



NOK 3.6 bn in
written
Premiums

Bank



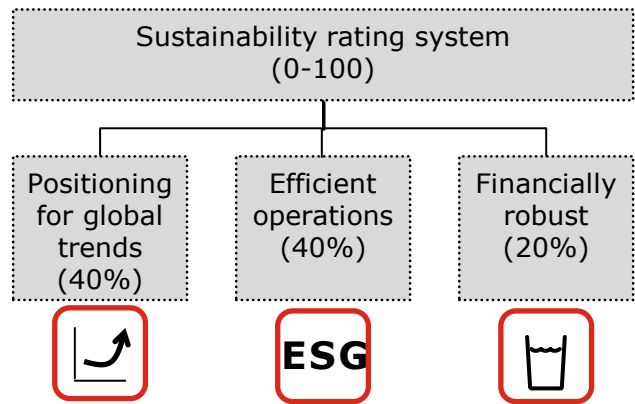
Direct retail
bank
NOK 36 bn in
net lending

A leading position on sustainable investments in Nordic finance

Sustainability is part of our DNA – 100% of investments are sustainable

Sustainability rating system

- > Sustainability rating system:
 - Financially robust
 - Efficient and sustainable operations
 - Positioning for global trends
- > 5 yr target:
Increase sustainability rating of all the Group's life portfolios



Investment universe

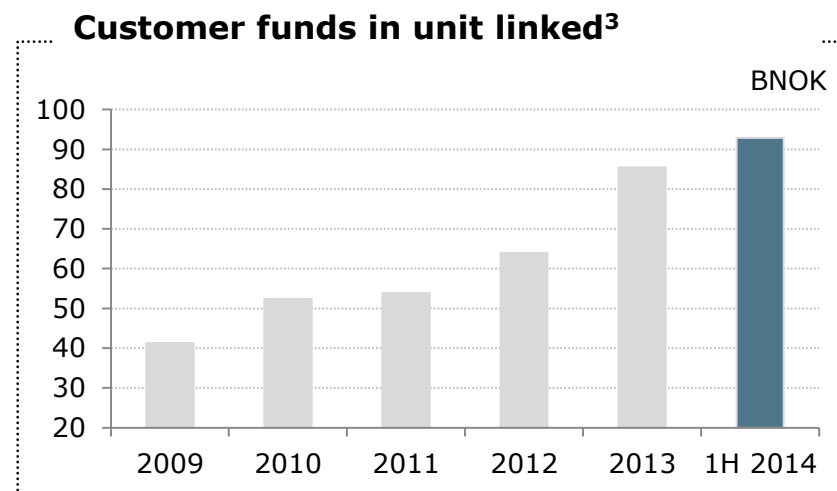
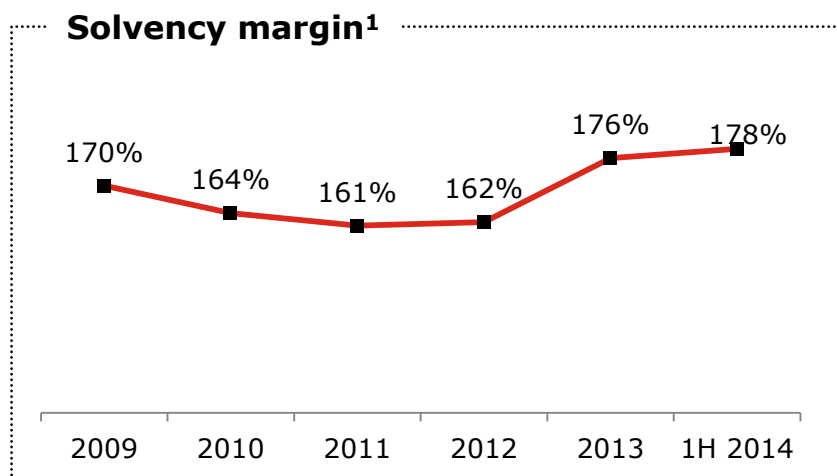
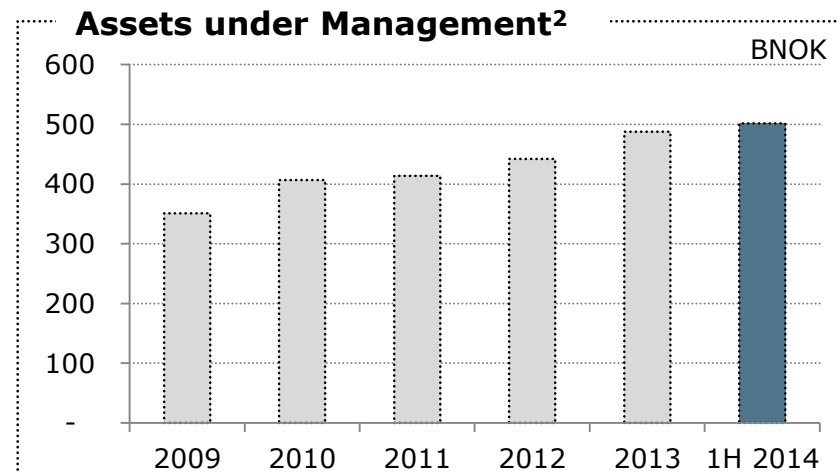
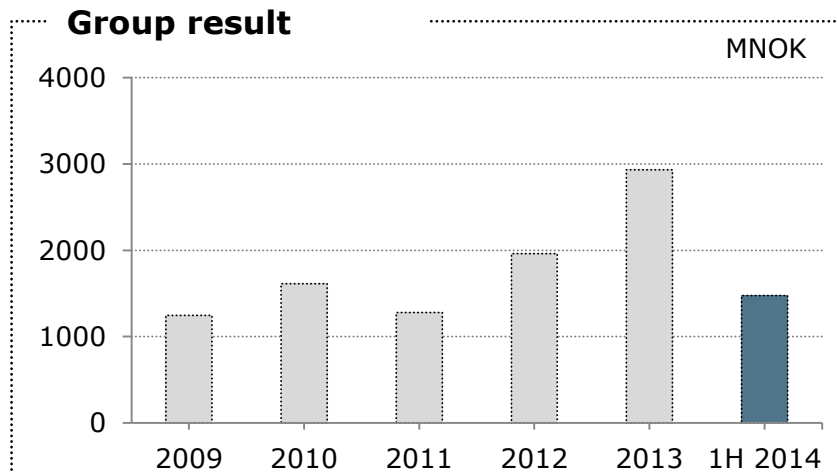
Best performers

High risk exclusion

Examples

- > Retail fund – Storebrand Trippel Smart
 - 100 companies, equally weighted, sector neutral
 - 1 year anniversary, NOK 1 bn AUM
5% ahead of benchmark index
- > Exclusion strategy; currently 171 listed names non-investable
 - 65 based on UN conventions and 23 tobacco
 - 83 sustainability risk based, of which 19 reducing exposure to fossil fuels

Solid, profitable and growing business



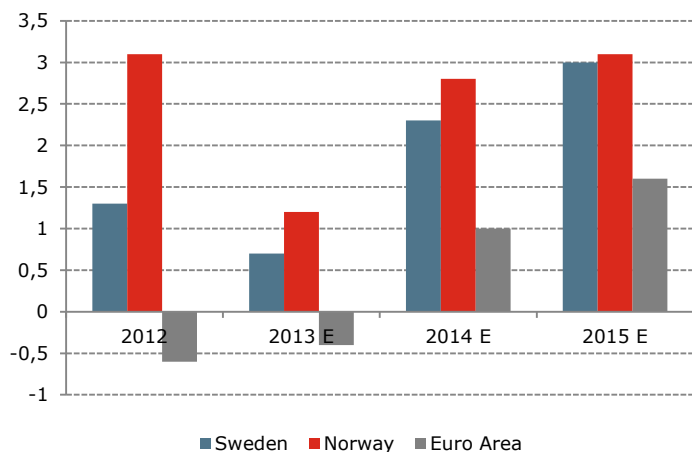
¹ Storebrand Life Group

² Total funds under Management

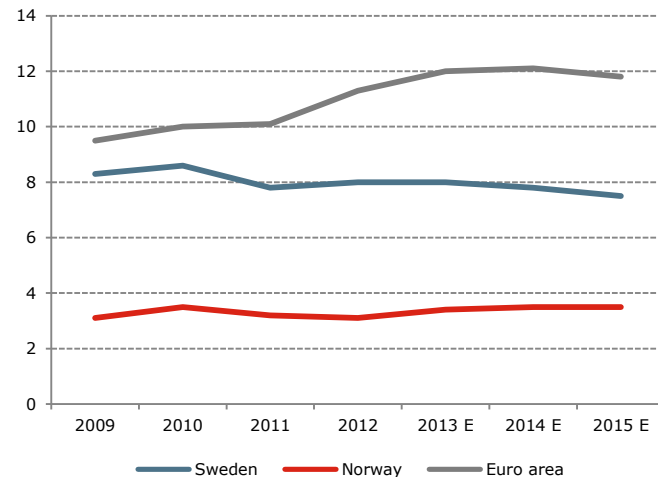
³ Includes customer funds in DC and UL for Storebrand Life Insurance and SPP

Sound Nordic macro environment enables growth in pension savings

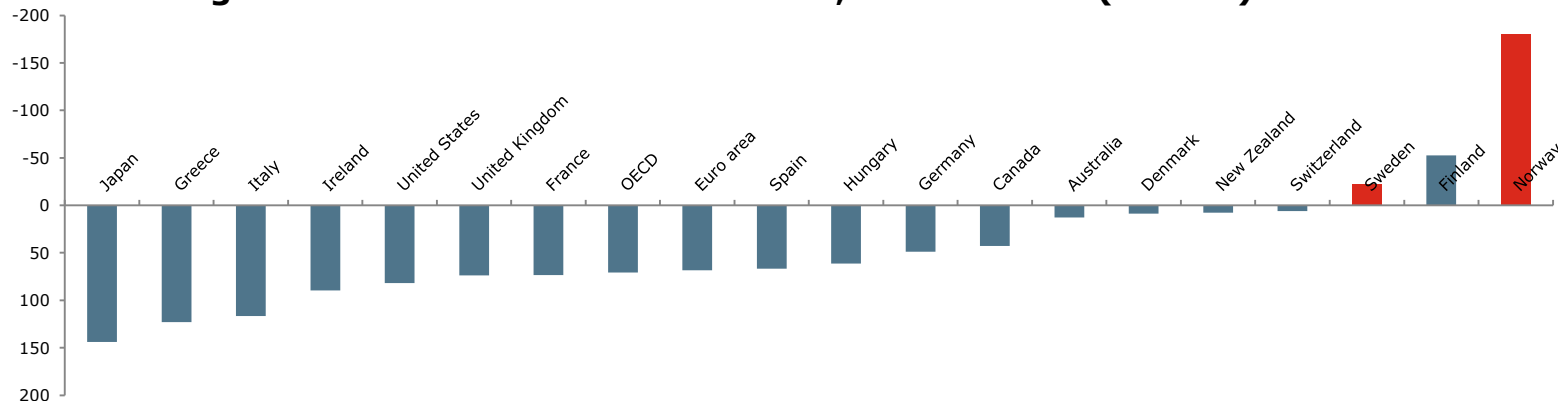
GDP growth¹



Unemployment rates¹



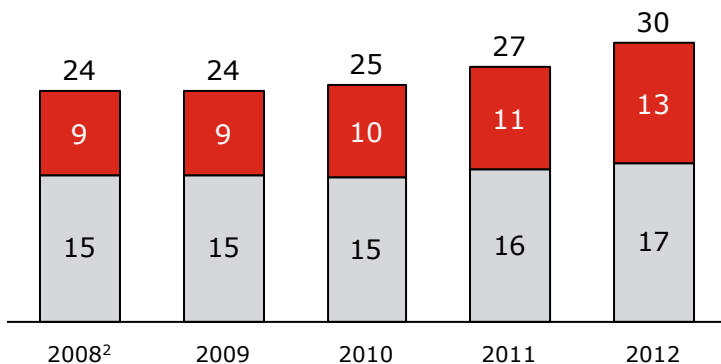
General government net financial liabilities, as % of GDP (2013 E) ¹



Strong growth in savings and pensions

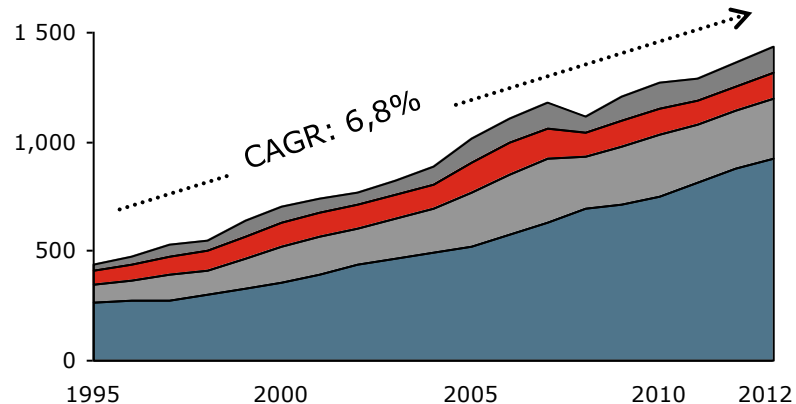
Premiums written in occupational pension private sector Norway^{1,2}

BNOK



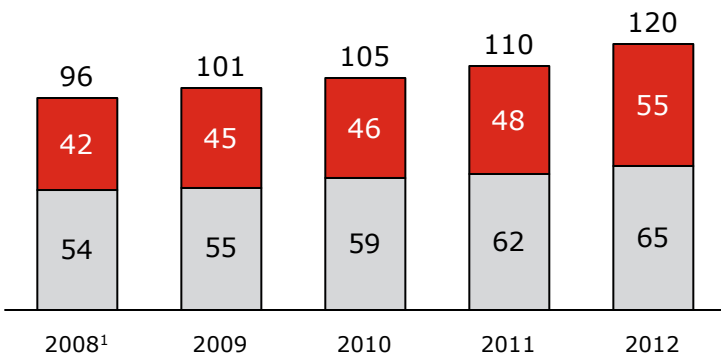
Retail savings Norway⁴

MNOK



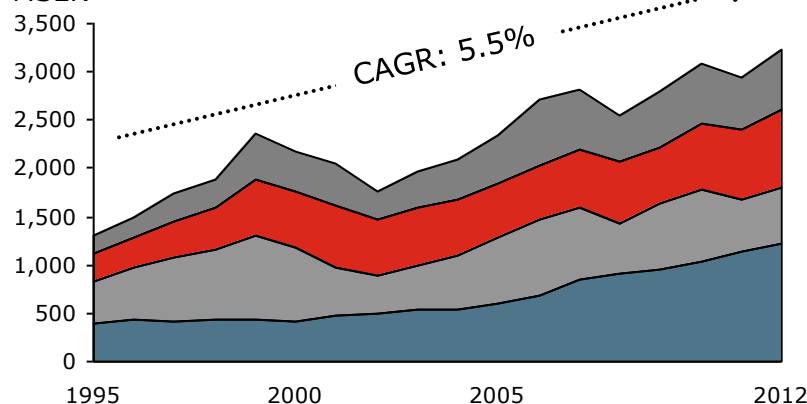
Premiums written in occupational pension private sector Sweden³

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

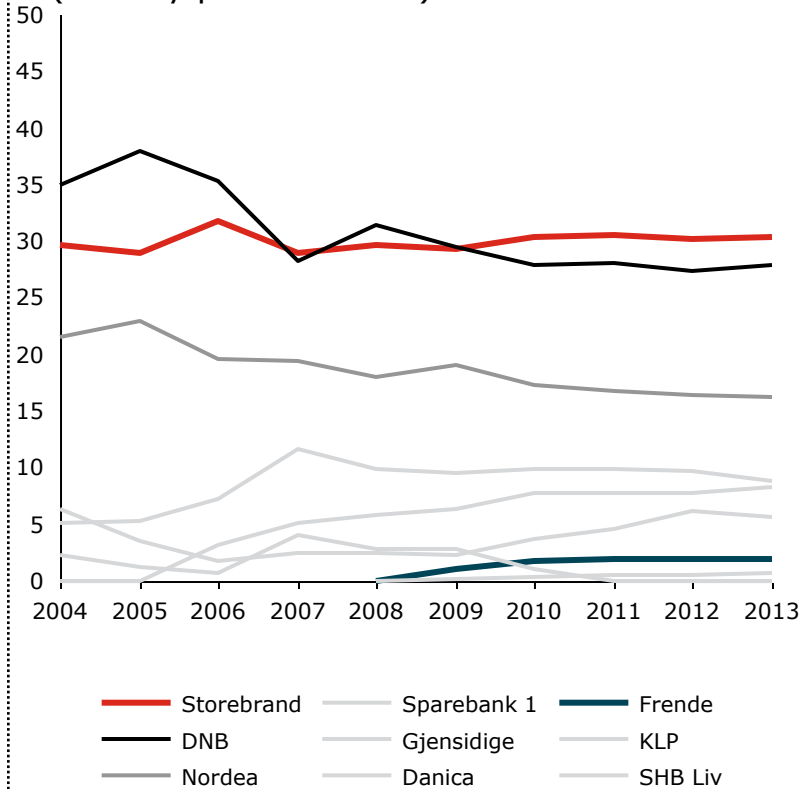
² Sum reduced with KLP (NOK 83 bn)

³ Source: Svensk Försäkring

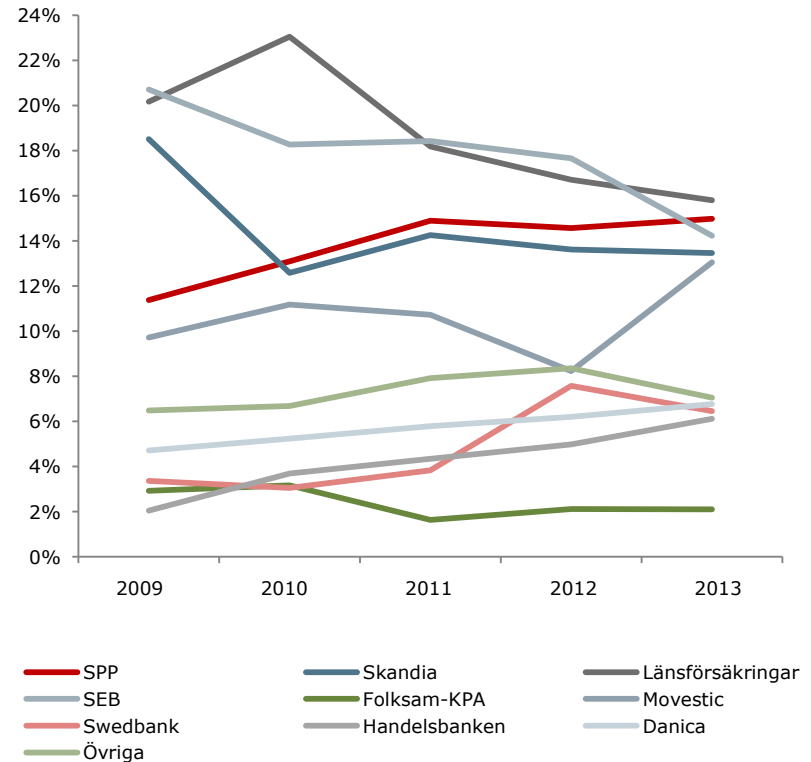
⁴ Statistics Norway and Statistics Sweden, Sector balances households

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)



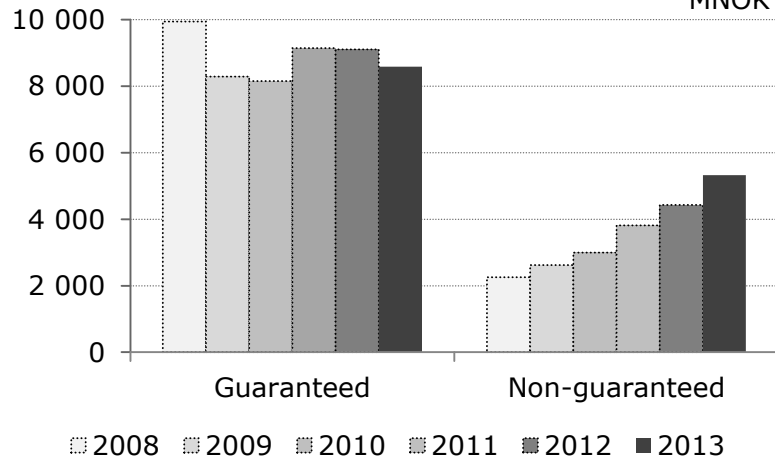
* Measured by premiums, source: Finance Norway, 2014

** Measured by APE, source Svensk Försäkring, 2014

From guaranteed to non-guaranteed savings

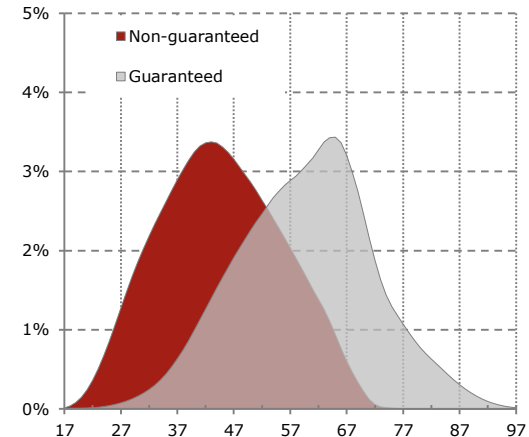
Premium income Storebrand Life Insurance

MNOK



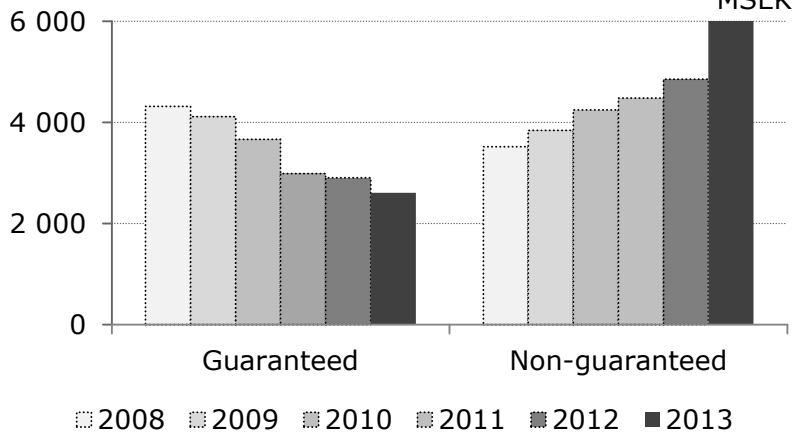
SBL

Share of reserve distributed by age of policy-holder

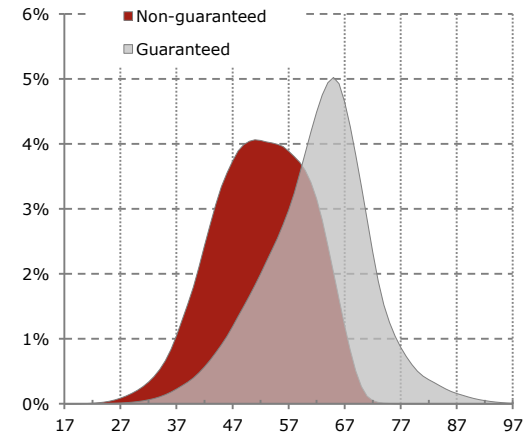


Premium income SPP Life Insurance

MSEK

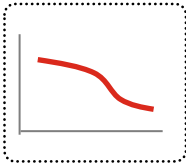


SPP

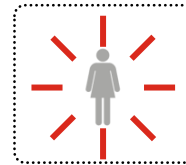


Future pension market - drivers for long term growth

Trends



Low interest rate environment



Individualisation



Demographics



Technology



Regulations



Transparency

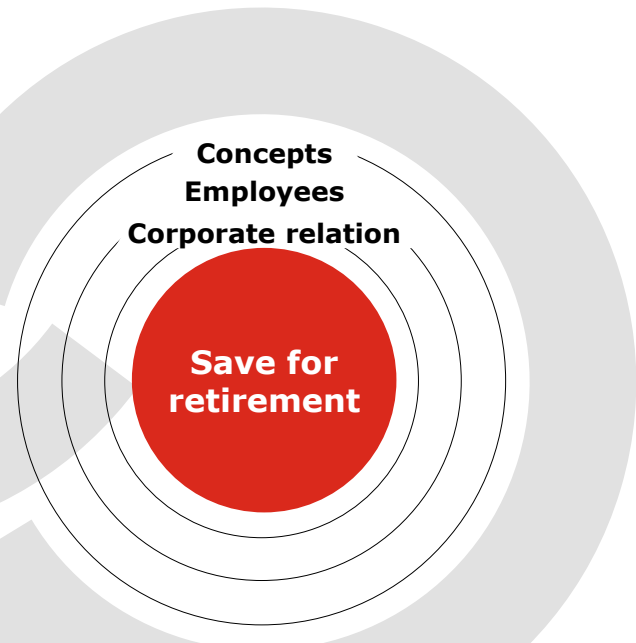
Our strategic response to changing market conditions

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

Managing the balance sheet

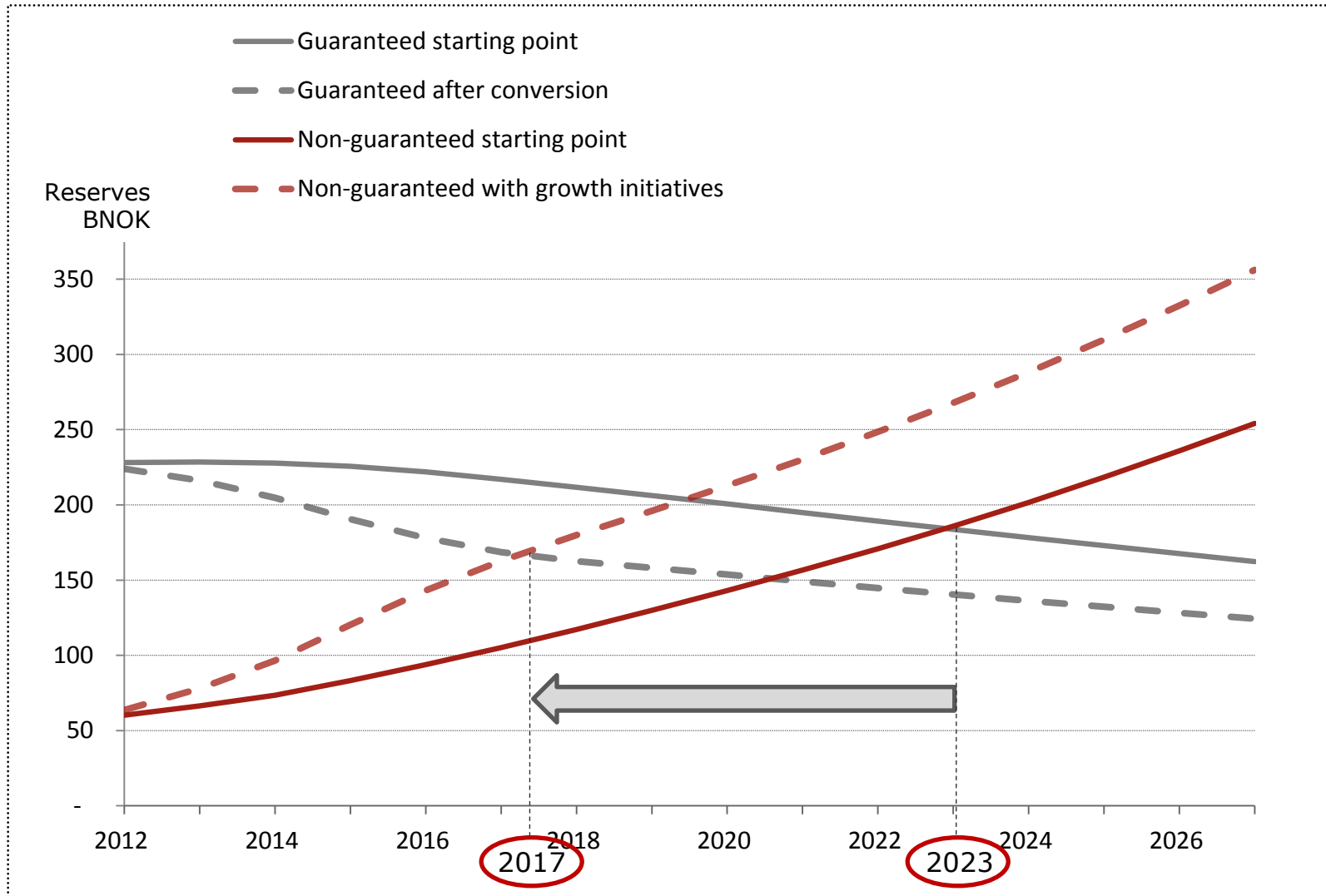


Developing the business



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

ILLUSTRATION

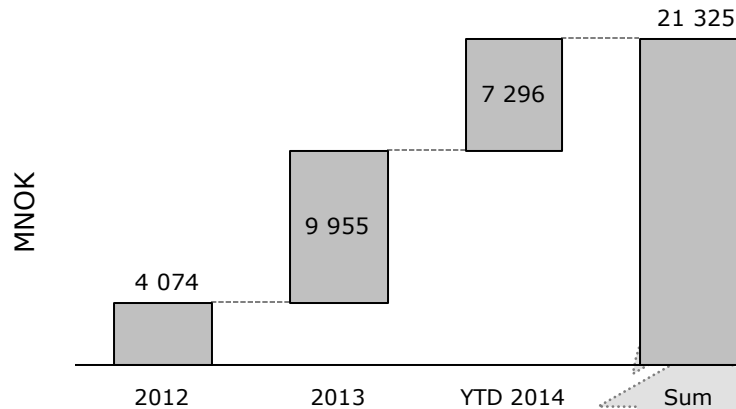


Managing the balance sheet



Capital optimization

Transfer out of guaranteed products



Risk reduction

- Portfolio segmentations
- Reduced real-estate portfolio – sold 7 shopping centers and 5 office buildings in 2013 (18% of real estate portfolio)
- Asset allocation
 - Reduced equity exposure
 - Increased HTM bonds

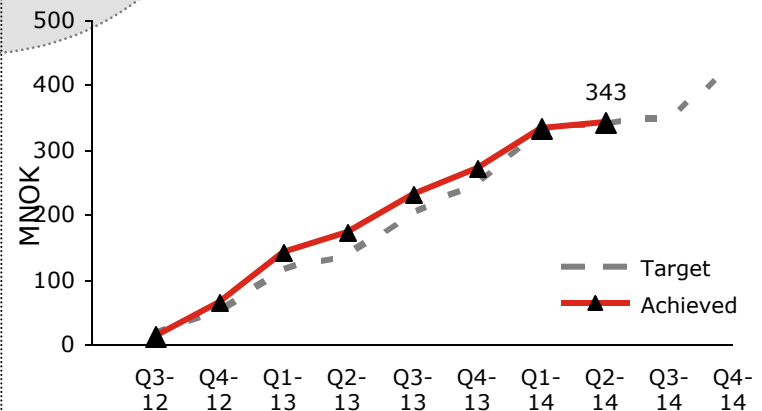
Managing business without raising new equity capital

Product optimisation

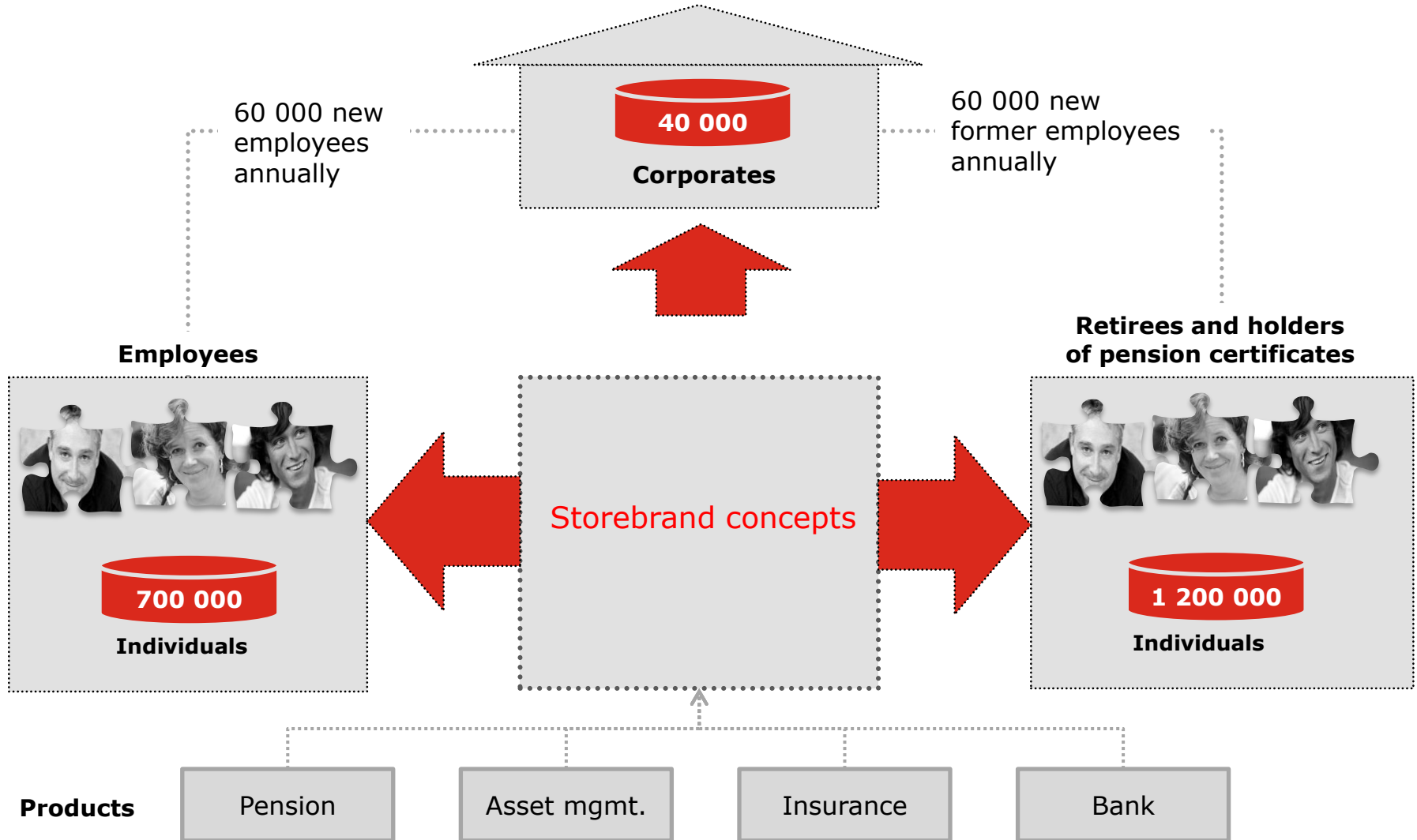
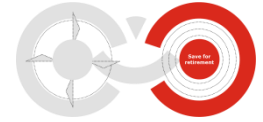
- Completed sales of SPP Pension Services
- Corporate bank exposure reduced by 36% last 12 months
- Price increases guaranteed products

Cost reduction

Accumulated run-rate, annual effects



Leveraging the corporate market place – B2B2C



Summary

- Market leader in Nordic growth market
- Dual strategy:
 - managing traditional guarantees
 - build leadership in life and pension business for the future
- Regulatory uncertainty, but clear action taken:
 - cost reductions
 - capital efficiency
 - risk reduction
 - product optimization

Contents

	Page:
1. Storebrand overview and strategy	4
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Storebrand

Q2 2014

16 July 2014

Odd Arild Grefstad – CEO

Lars Aa. Løddesøl – CFO

Highlights Q2 2014

Result

- Group result of NOK 750 mill in Q2 and 1 477 mill YTD
- Strong investment returns
- Strong profit sharing from guaranteed products SPP: 188 mill in Q2

Operations

- Transition from Guaranteed to Savings continues:
 - Fee and administration income Guaranteed business: -12%
 - Fee and administration income Savings: +13%
- Final rules for conversion to paid-up policies with investment choice

Balance sheet

- Buffer capital and longevity reserve strengthening of 5.8 bn YTD¹
- Longevity reserve strengthening of NOK 2.1 bn² YTD
- NOK 502 bn in AuM in Storebrand Asset Management

¹ See table on page 17 for description

² Consist of unallocated result of 2.0 bn and shareholders direct contribution of 0.2 bn.

Storebrand Group

- strong results



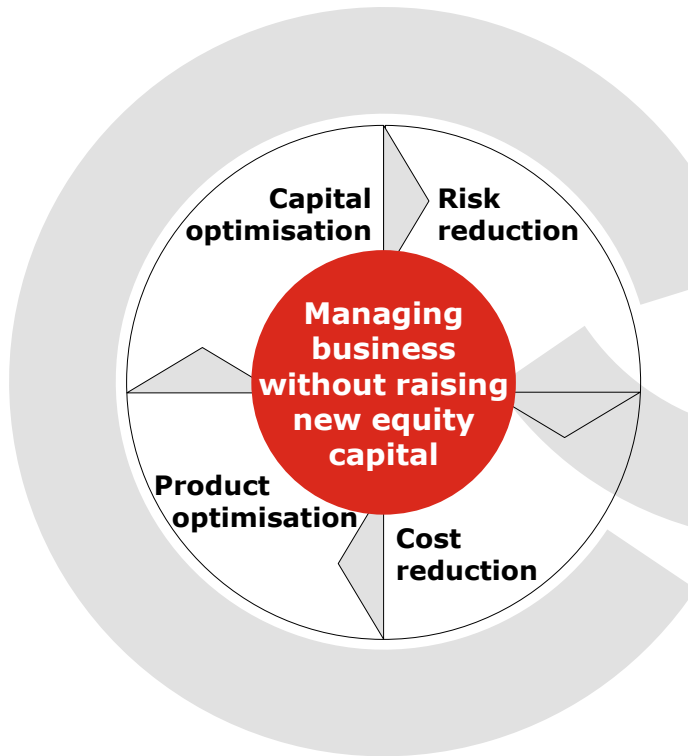
Result

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Fee and administration income	1 028	1 051	2 086	2 072	4 253
Underwriting result	256	268	610	503	1 111
Operational cost (non-recurring items excluded)	-795	-831	-1 580	-1 647	-2 938
Financial result	150	-25	271	-5	97
Result before profit sharing and loan losses	640	463	1 386	923	2 522
Net profit sharing and loan losses	200	56	271	150	416
Shareholder direct equity contribution for longevity	-90	0	-180	0	0
Result before amortisation and write-downs	750	519	1 477	1073	2 938
Amortisation and write downs of intangible assets	-108	-105	-218	-210	-739
Result before tax	642	414	1 259	863	2 199
Tax	-146	125	-253	38	-209
Sold/liquidated business	-0	-2	-0	-2	-4
Profit after tax	496	537	1 006	898	1 987

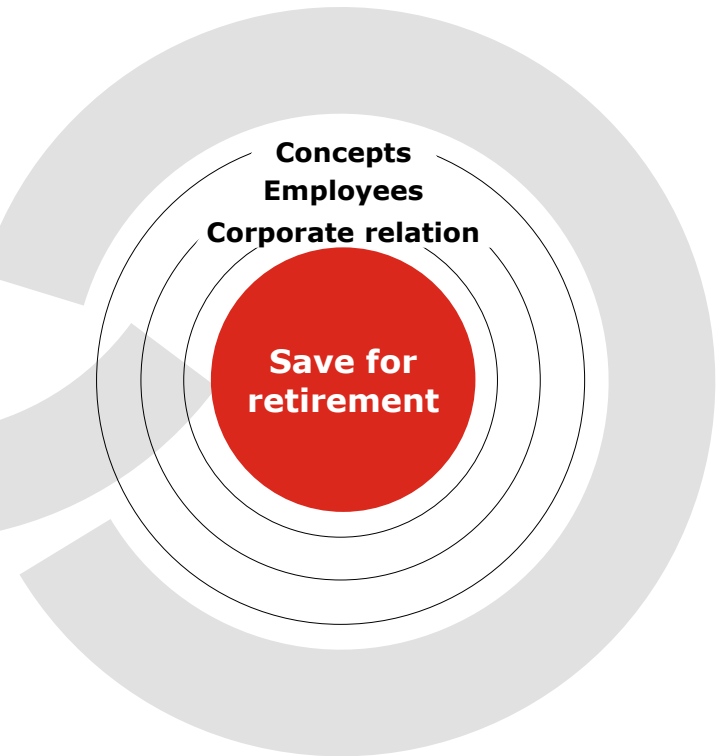
Our strategic response to changing market conditions

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

Managing the balance sheet



Developing the business

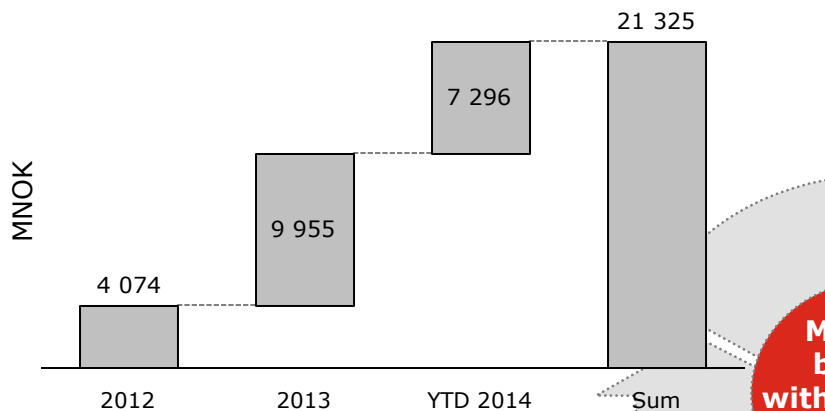


Managing the balance sheet

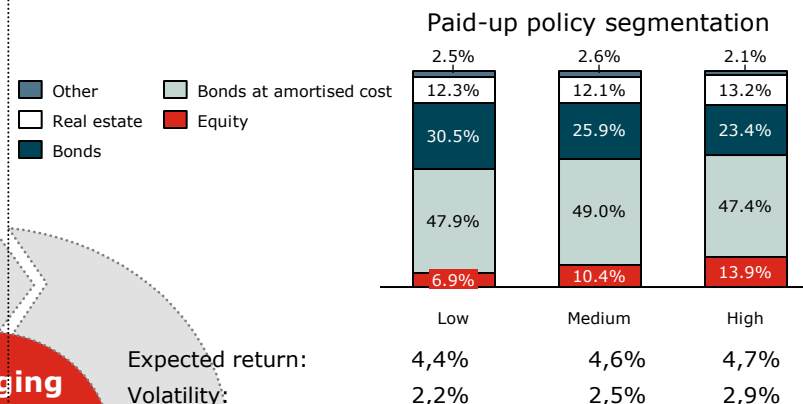


Capital optimization

Transfer out of guaranteed products



Risk reduction

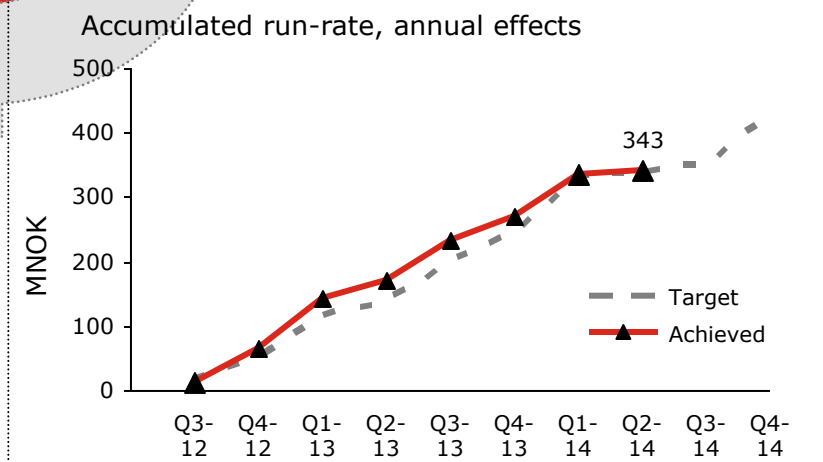


Managing business without raising new equity capital

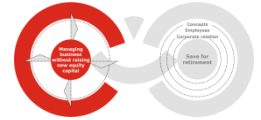
Product optimization

- 85 public sector customers with 5 bn in reserves to be transferred out in 2H 2014
- 7 bn in closed pension fund solutions sold to municipalities in 1H
- Corporate bank exposure reduced by 36% last 12 months

Cost reduction

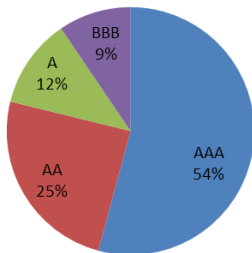


Challenging interest rate environment



Mitigating actions

Norway: Strong hold-to-maturity portfolio



- YTM in portfolio is 4.8%
 - Average rating in portfolio is above AA
 - Average time to maturity in portfolio is 6.7 years
- Last trades YTM 4.0% – 4.5%
- Surplus value of 8.9 bn

Sweden: Strong duration matching of assets and liabilities

Result effects from declining rates

Short term:

- Increased profit sharing in SPP
- Strong returns in company portfolios

Long term:

- Decreased profit sharing from lower returns
- Lower returns from company portfolios

Balance sheet effects

Short term:

- Increased buffer capital
- Increased surplus values in HTM

Long term:

- Lower reinvestment yields

Solvency

Solvency I:

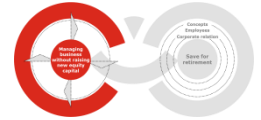
- Norway: unchanged
- Sweden: decrease

Solvency II:

- Reduced solvency II position

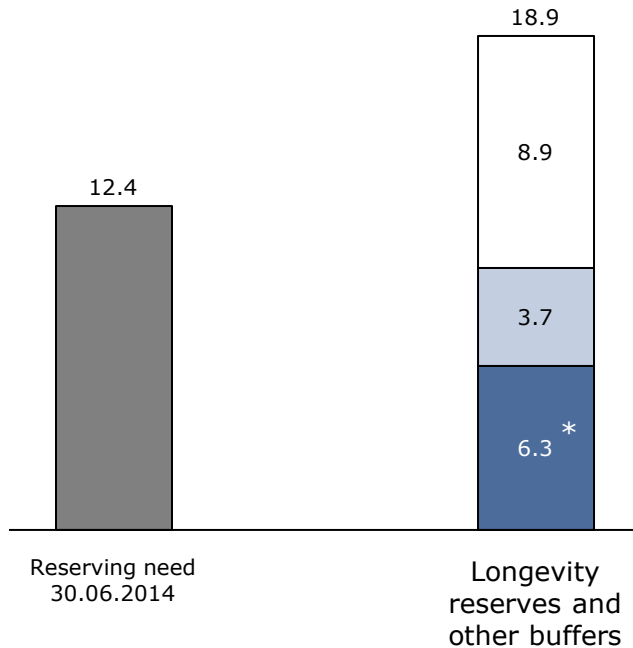
Longevity

- 2.1 bn reserved for longevity YTD



Reserving needs and reserves

- Reserving need
- Excess value Bond at Amortised Cost
- MVAR
- Reserved by 30.06.2014 *



Comments

- Total reserve strengthening need 12.4 bn
- Longevity reserve strengthening of 2.1 bn YTD
- NOK 180 mill YTD in direct contribution from shareholders for longevity reserve strengthening
- Surplus value in Bonds at Amortised cost increased with 2.2 bn in Q2, 3.7 bn YTD

*Includes unallocated customer results as of 30.06.2014 and previously allocated reserves for longevity. Previously allocated reserves are calculated on a solidarity basis. A "no solidarity" principle will reduce the reserves by approximately 500 mill. It also includes shareholders direct contribution of 180 mill



Transition rules:

- Transition rules published on 27th June:
 - A paid-up policy must be fully reserved for longevity before it can be converted to an investment choice solution
 - Technical calculation rate of 3% during the payout phase of the product, will allow for equalization of pension payments
 - Clear rules on customer advise
- Conversion of paid-up policies from 1st September

Storebrand is ready

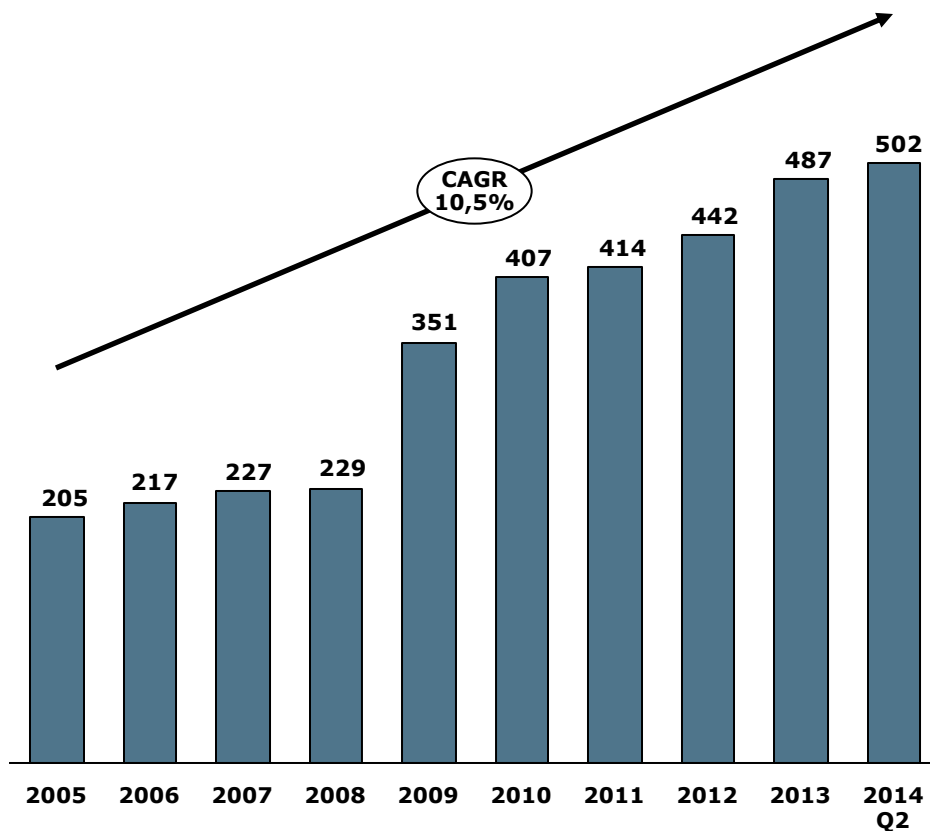
- 29 bn of paid-up policies with a clear value proposition for conversion
- Early conversion may trigger higher contribution from shareholders for longevity reserving

The screenshot shows the Storebrand website with the headline "Nye muligheter for din pensjon". The page is in Norwegian and discusses new pension options for customers. It features two main articles: "Bør jeg bytte til fripolise med investeringsvalg?" and "Passer dette for meg?". Below these are sections for "Hva er fripolise?" and "Hva er fripolise med investeringsvalg?". At the bottom, there is a section titled "Les hva andre skriver" with several quotes from media and a list of links to related press releases.

Storebrand asset management exceeds NOK 500 bn in AuM!



Asset under management:



Transparent customer menu

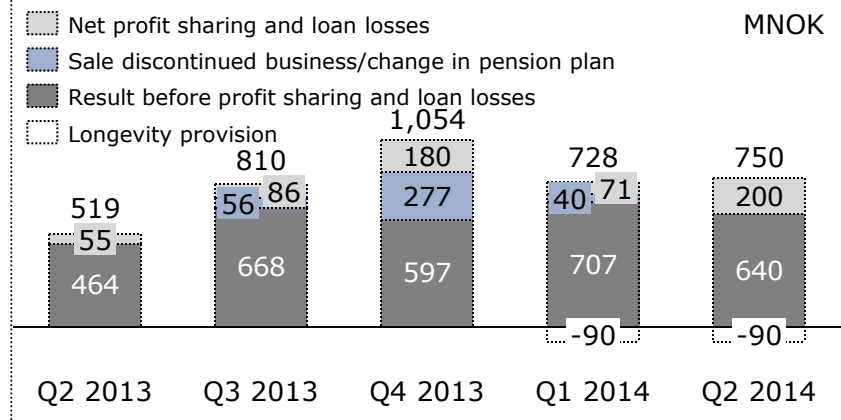
α Active

$\beta+$ Factor funds

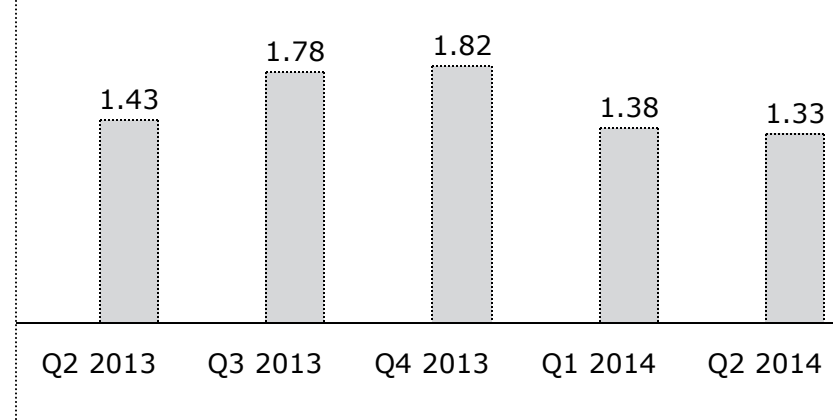
β Index funds

- Transparent fee structure
- Active funds have clear positions from benchmark
- All investments are screened by sustainability criteria

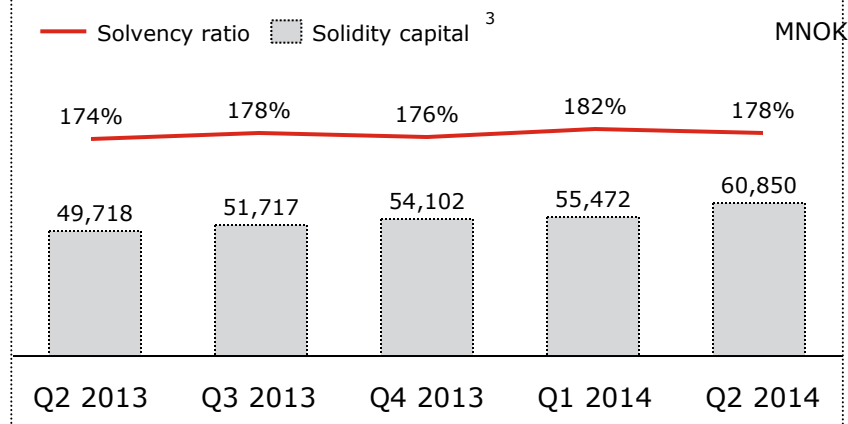
Result development



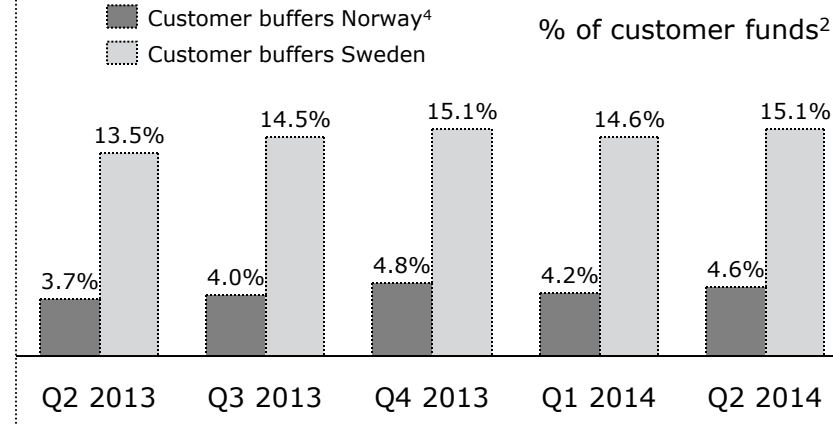
Earnings per share¹



Solvency ratio Storebrand Life Group



Customer buffers development



¹ Earnings per share after tax adjusted for amortisation of intangible assets.

² Customer buffers in Benco of NOK 2.9 bn are not included

³ Solidity capital/customer buffers does not include provisions for future longevity reservations

Storebrand Group

- strong investment returns



Result

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Fee and administration income	1 028	1 051	2 086	2 072	4 253
Underwriting result	256	268	610	503	1 111
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Financial result	150	-25	271	-5	97
Result before profit sharing and loan losses	640	463	1 386	923	2 522
Net profit sharing and loan losses	110	56	91	150	416
Result before amortisation and write-downs	750	519	1 477	1 073	2 938

Result per line of business

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Savings (non-guaranteed)	184	138	370	227	670
Insurance	154	181	381	277	774
Guaranteed pension	313	255	614	635	1 376
Other	99	-55	112	-66	119
Result before amortisation and write-downs	750	519	1 477	1 073	2 938

Savings (non-guaranteed)

- growth and profitability



Result

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Fee and administration income	522	461	1 031	909	1 888
Risk result life & pensions	-7	4	-8	4	7
Operational cost	-325	-322	-646	-657	-1 279
Financial result	-	-	-	-	-
Result before profit sharing and loan losses	191	142	377	256	616
Net profit sharing and loan losses	-6	-5	-7	-29	54
Result before amortisation	184	138	370	227	670

Result per product line

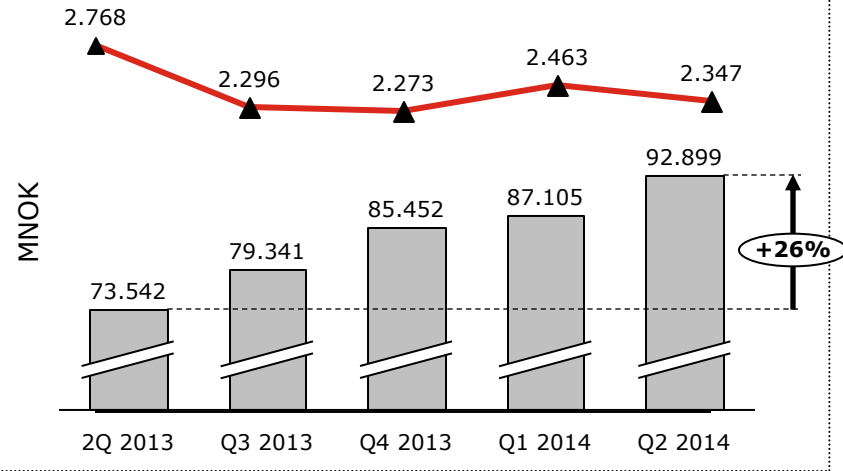
NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Unit Linked Storebrand	32	33	62	49	106
Unit Linked SPP	18	9	55	24	78
Asset Management	86	44	153	90	313
Retail Banking	48	52	100	64	173
Result before amortisation	184	138	370	227	670

Savings (non-guaranteed)

- continued growth



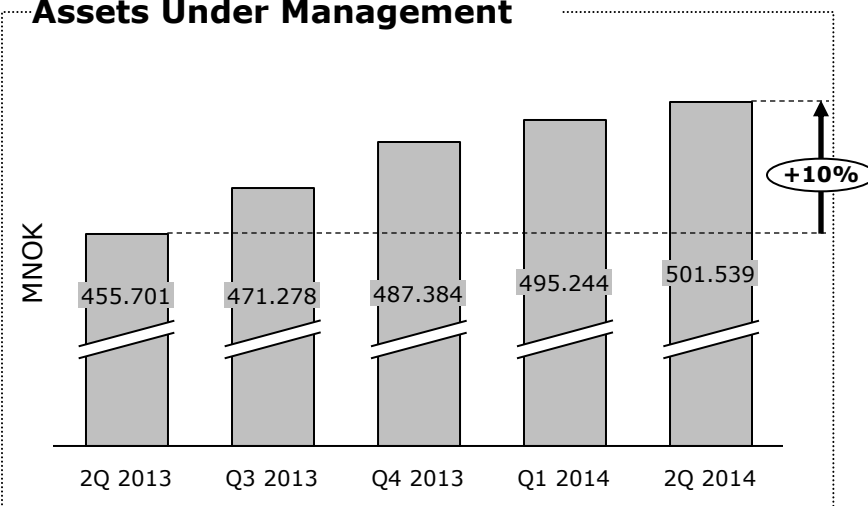
Reserves and premiums Unit Linked



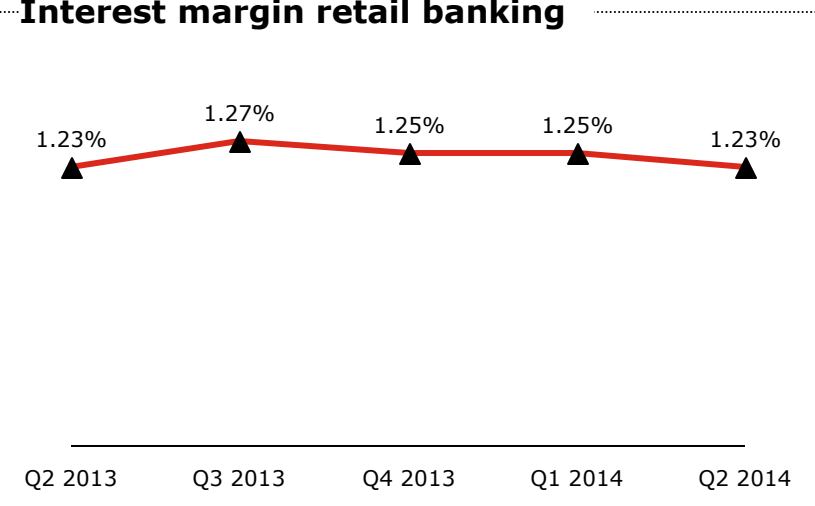
Comments

- Increasing share of saving agreements
- Reduction in premiums in SPP of 13% YTD due to withdrawal from municipality sector

Assets Under Management



Interest margin retail banking



Insurance

- strong group life result



Insurance

Result

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Insurance premiums f.o.a.	770	707	1 540	1 464	3 034
Claims f.o.a.	-558	-430	-1 050	-996	-1 940
Operational cost	-131	-132	-256	-260	-463
Financial result	74	36	147	68	143
Result before profit sharing and loan losses	154	181	381	277	774
Net profit sharing and loan losses	0	0	0	0	0
Result before amortisation	154	181	381	277	774

Result per product line

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
P&C & Individual life*	76	70	145	135	314
Health & Group life**	25	85	73	115	225
Disability insurance***	53	27	163	27	234
Result before amortisation	154	181	381	277	774

* Individual life and disability, property and casualty insurance

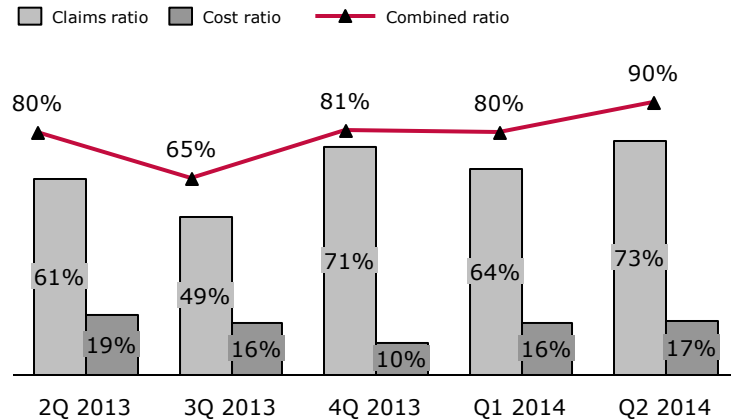
** Group life, workers comp and 50% of result in Storebrand Health insurance

*** DC disability risk result Norwegian line of business and risk result from SPP

Insurance

- reduced growth

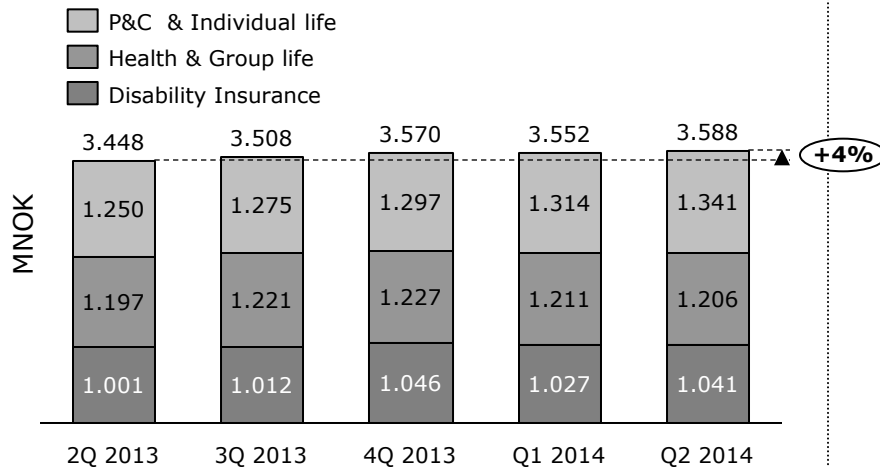
Combined ratio



Comments

- 11% growth and strong results in P&C
- Reduced growth and weaker results within group life
- Weaker disability results from Sweden, as previously announced

Portfolio premiums



Reporting adjustments

- From Q1 2014, SPP risk products are reported under Insurance
- Storebrand Health Insurance (j/v) no longer consolidated
- Historic figures are updated accordingly

Guaranteed pension

- reduced fee and administration income



Result

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Fee and administration income	439	496	913	987	2 013
Risk result life & pensions	48	-19	126	22	7
Operational cost	-281	-275	-562	-545	-1 016
Financial result	-	-	-	-	-
Result before profit sharing and loan losses	206	203	478	463	1 003
Net profit sharing and loan losses	197	52	317	171	373
Longevity provision	-90	-	-180	-	-
Result before amortisation	313	255	614	635	1 376

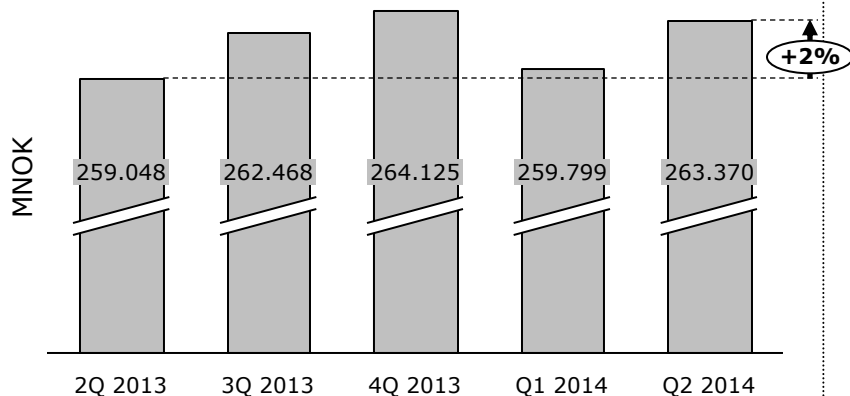
Result per product line

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Defined Benefit (fee based)	135	232	284	457	968
Paid-up policies	-35	-35	-55	-41	19
Traditional individual life and pension	1	0	0	0	21
SPP Guaranteed Products	212	59	385	218	366
Result before amortisation	313	255	614	635	1 376

Guaranteed pension - strengthened buffer capital



Reserves guaranteed products



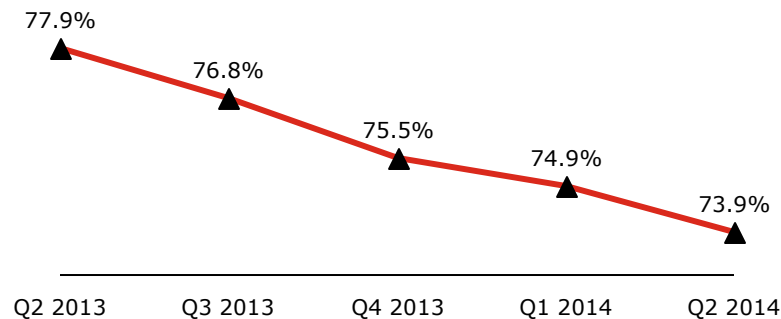
Comments

- Reserve growth due to declining interest rates (Sweden)
- Buffer capital increased with 5.8 bn
- 2.1 bn allocated to longevity reserve strengthening YTD

Buffer capital

NOK million	30.06.2014	31.12.2013	Change in 2014
Market value adjustment reserve	3 701	3 823	-122
Excess value of bonds at amortised cost	8 866	5 160	3 707
Additional statutory reserve	4 310	4 458	-148
Provisions for new mortality tables*	4 196	4 558	-362
Unallocated customer results	2 687	0	2 687
Shareholders direct contribution, provisions for new mortality tables	180	0	180
Conditional bonuses SPP	10 838	11 010	-172
Total	34 778	29 008	5 770

Guaranteed reserves in % of total reserves



*Provisions for new mortality tables are calculated on a solidarity basis. A "no solidarity" principle will reduce the reserves by approximately 500 mill.

Result

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Fee and administration income	67	94	142	176	353
Risk result life & pensions	3	6	2	9	3
Operational cost	-58	-102	-116	-185	-180
Financial result	76	-61	124	-73	-46
Result before profit sharing and loan losses	89	-63	151	-73	129
Net profit sharing and loan losses	9	8	-39	7	-11
Result before amortisation	99	-55	112	-66	119

Result per product line

NOK million	Q2		01.01 - 30.06		Full year
	2014	2013	2014	2013	2013
Corporate Banking	26	15	2	41	113
BenCo	15	9	23	30	46
Holding company costs and net financial results in company portfolios	58	-91	87	-137	-39
Result before amortisation	99	-55	112	-66	119

Summary

- Good results driven by investment returns
- Strong buffers
- Balance sheet transition from guaranteed to non-guaranteed continues
- Operating cost down 5,4% YTD*
- AuM in Storebrand Asset Management: NOK 502 bn

*Currency adjusted

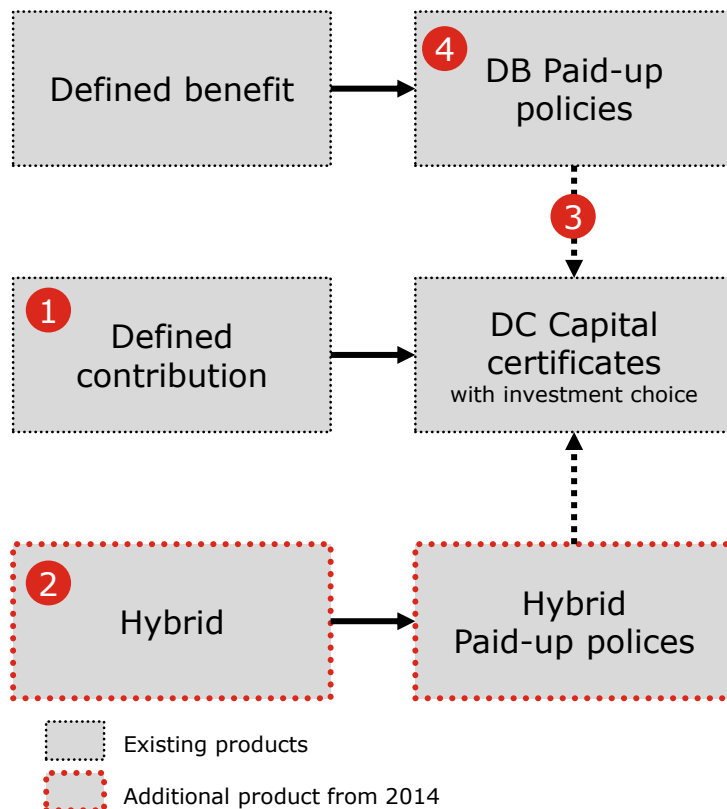
Appendix:

Market impacted by extensive product reform

– important regulatory changes in place



New legal framework for Norwegian occupational pension



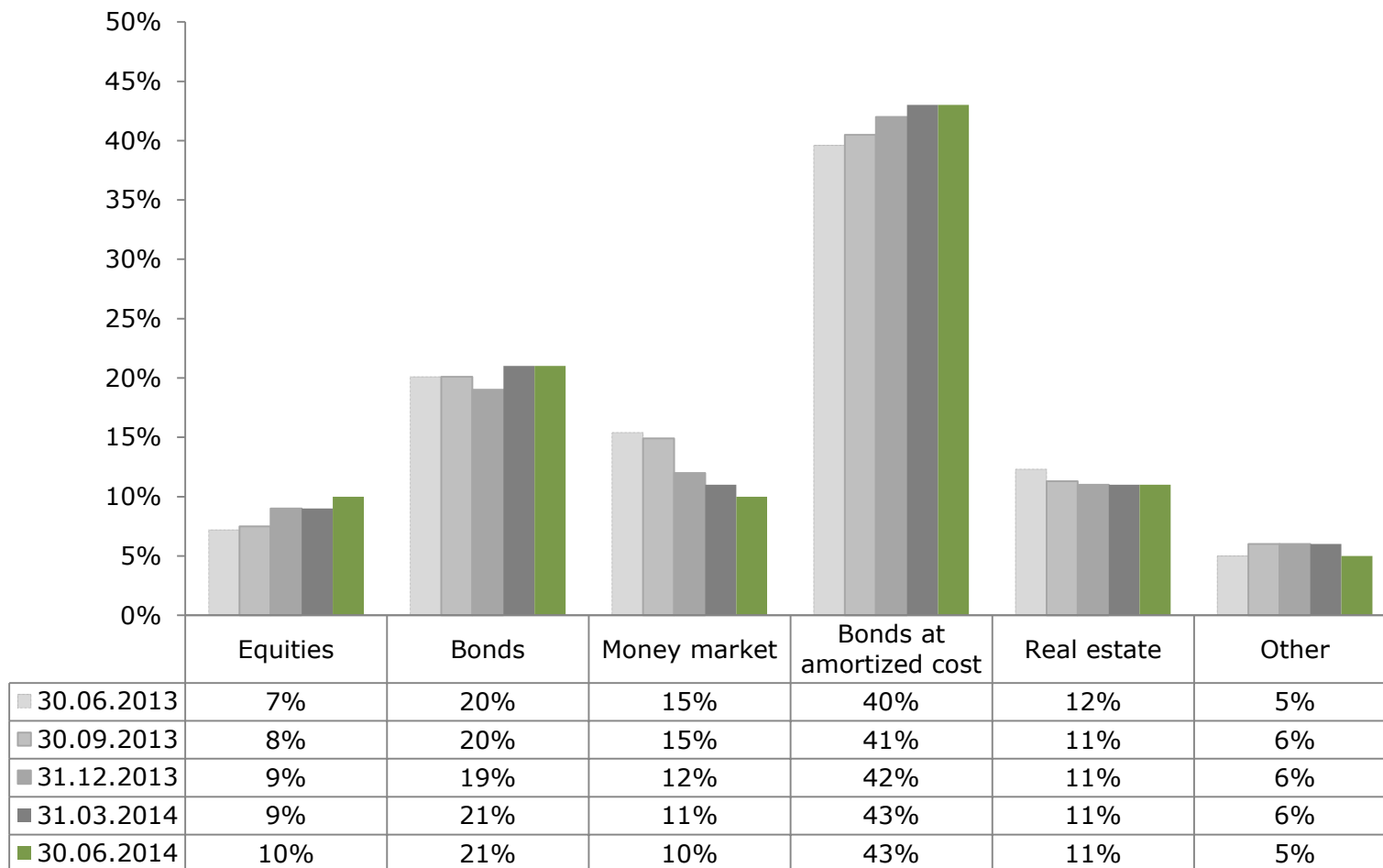
Important changes

1. Increased maximum saving rates in DC schemes, from 1 January 2014
 - Up to 7% for wages up to 7G
 - Up to 25,1% for wages between 7G and 12G *
2. New hybrid occupational pension product from 1 January 2014
3. Clarified transition rules for Paid-up policies to Paid-up policies with investment choice

Next steps

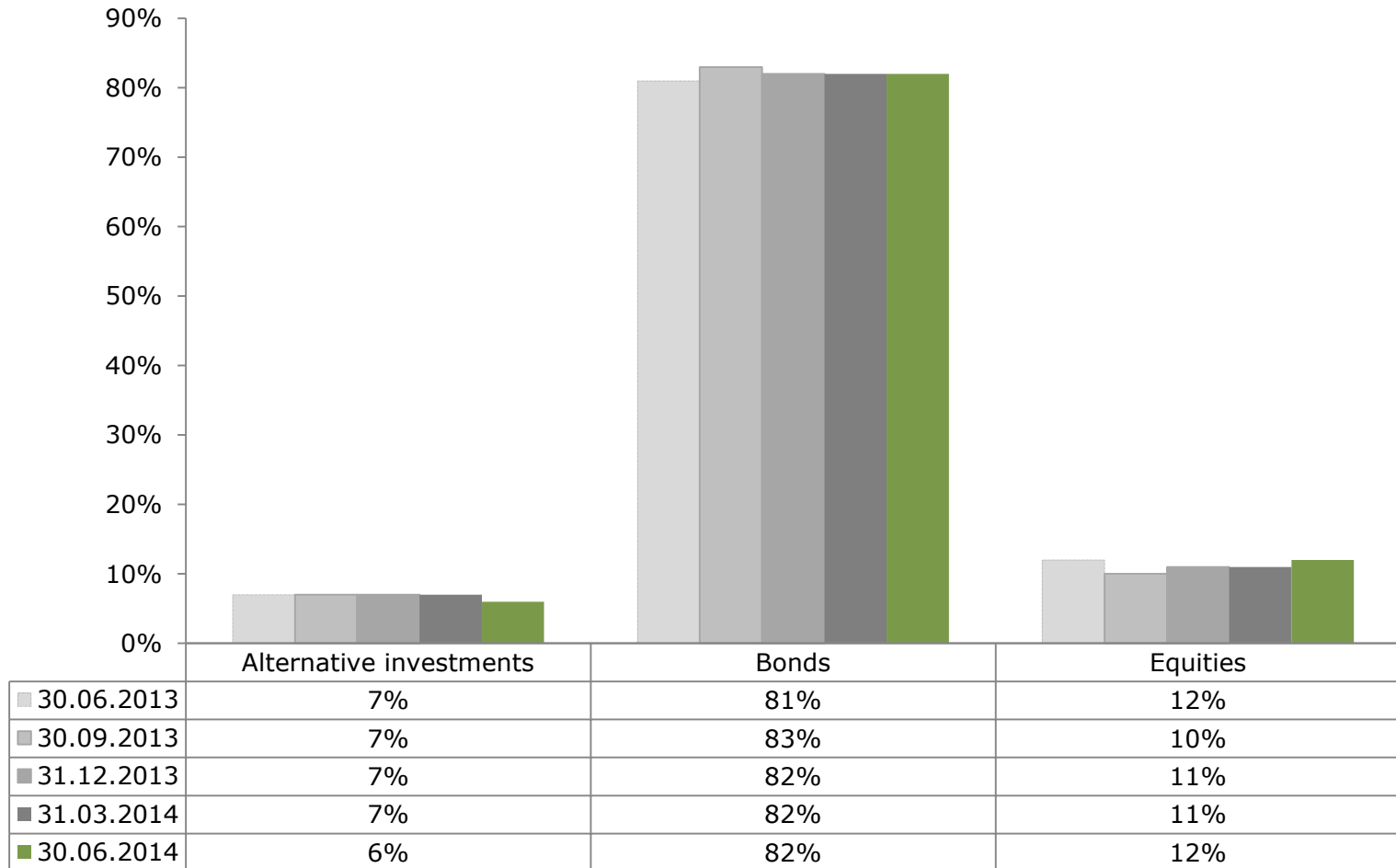
4. Transition rules for guaranteed reserves into Solvency II
5. Introduce tax favorable individual pension

Storebrand Life Insurance asset allocation



¹ The graph shows the asset allocation for all products with an interest rate guarantee in Storebrand Life Insurance Norwegian operations.

SPP asset allocation



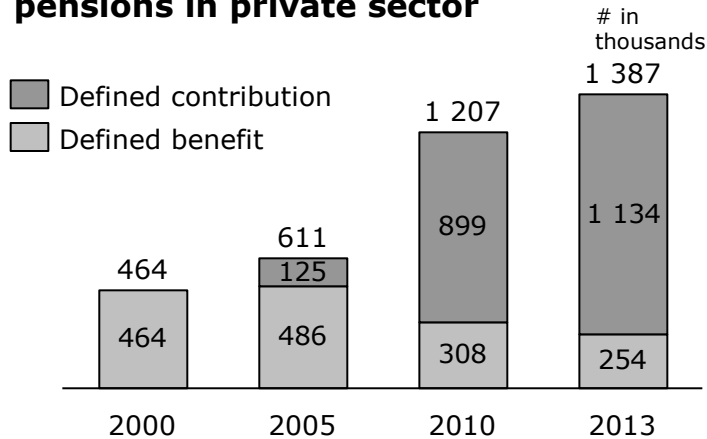
¹ The graph shows the asset allocation for all products with an interest rate guarantee in SPP.

Contents

	Page:
1. Storebrand overview and strategy	4
2. Results Q2 2014	17
3. Market and sales in Norway and Sweden	41

Clear market shift towards defined contribution

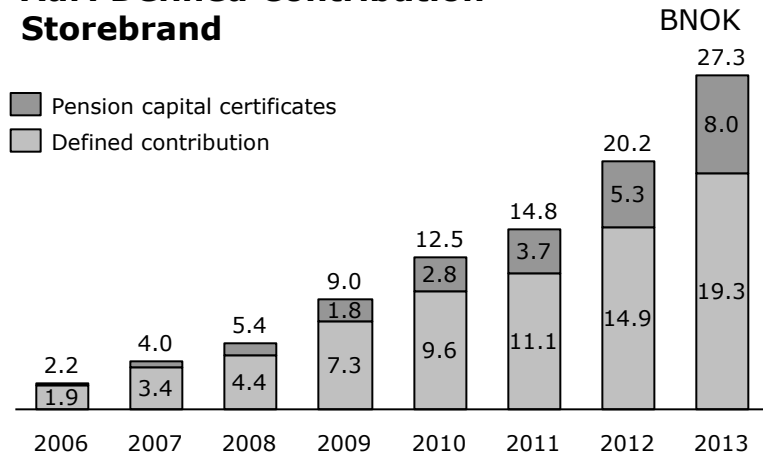
Individuals covered by occupational pensions in private sector



Trends

- Private occupational pensions mandatory from 2006
- Rapid growth in annual premiums and assets under management
- Continued reduction of individuals with a defined benefit pension plan
- Many companies have chosen to close the defined benefit plan for new employees, while existing employees are kept on it. New employees get a defined contribution plan

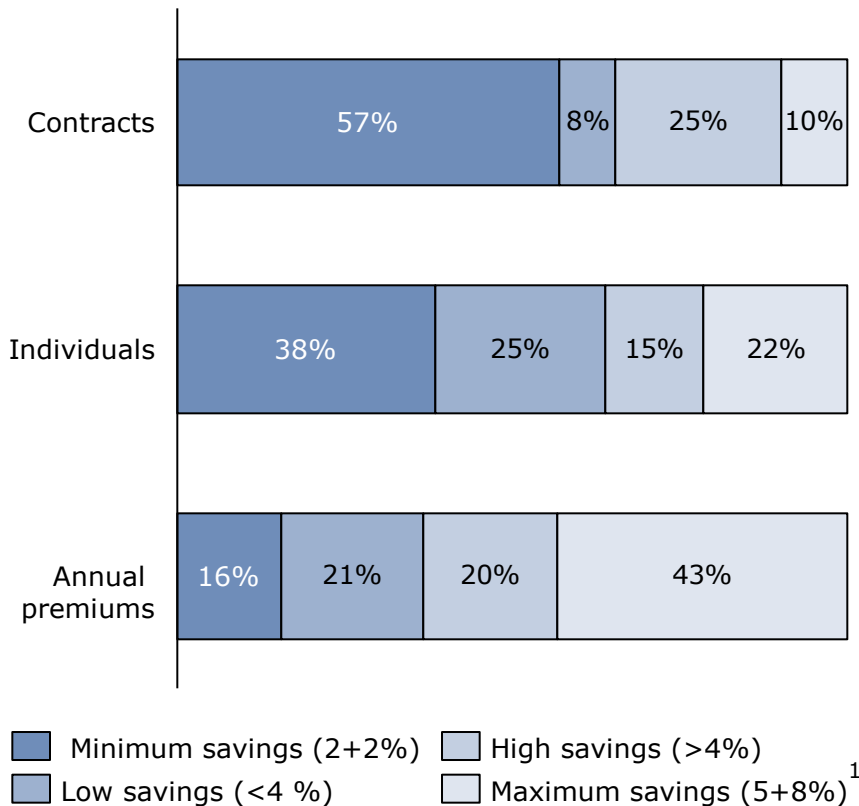
AuM Defined Contribution Storebrand



Source: FNO , Number of policies in private occupational pensions (table 4.1) and FNO market statistics table 3.b

Increased pension savings provide a significant growth opportunity

Distribution of defined contribution premiums in Storebrand as a % of salary



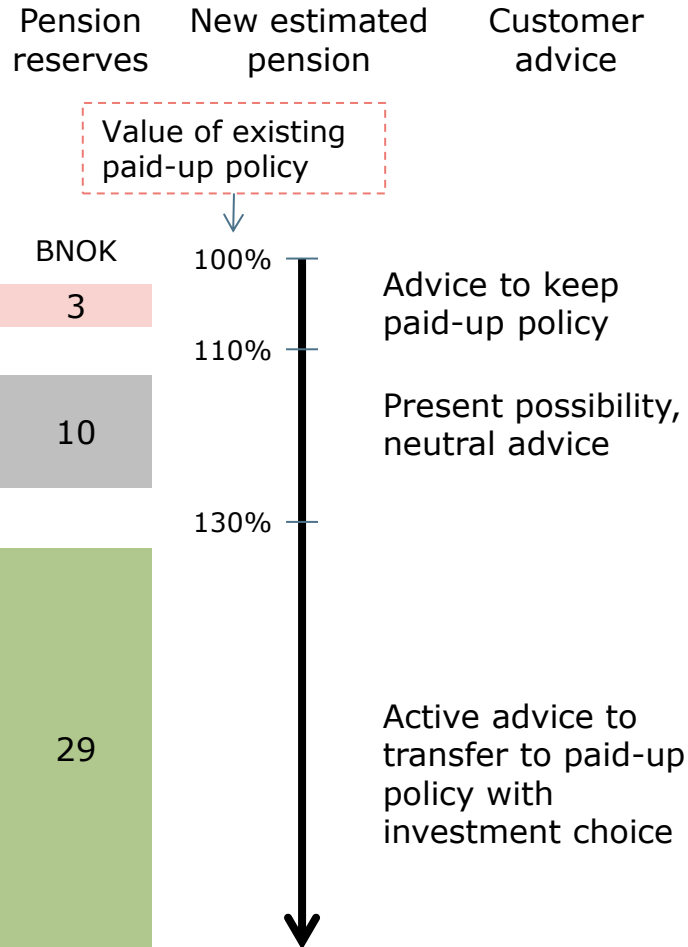
¹ Maximum savings refers to old maximum limits, up until 2014. New maximum is 7%+25%)

Growth opportunities

- 1 percentage point increase in average premiums as a % of salary = 1 BNOK in additional premiums
- Proposed increase in both minimum and maximum rates as a % of salary
- Conversion from defined benefit to defined contribution with high saving rates

Storebrand will tailor transfer message based on a customer value proposition

Customer segment example*



Approach

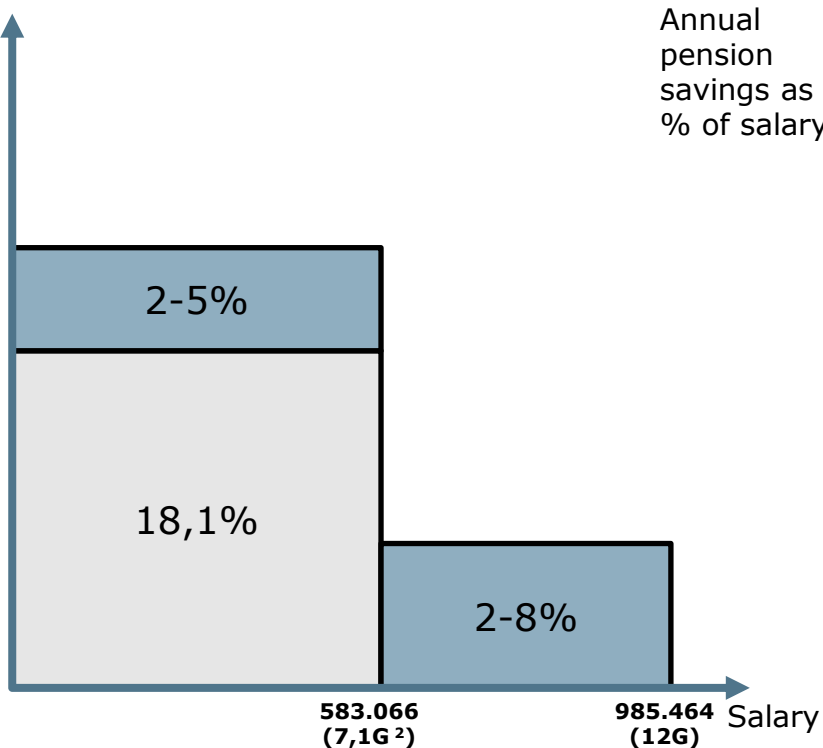
- ~29 BNOK identified as most likely to be transferred
 - Age
 - Size of paid-up policy
- Advice based on sound criteria
 - Active advice with 30 per cent increase in expected pension
 - Estimated investment returns based on industry standards
 - All fees included in calculation

* Segment largely defined as individuals between 24 and 66 years, showing the reserves that can be transferred (i.e. excluding reserves covering disability pensions etc.)

Proposed new pension product provides a significant growth opportunity

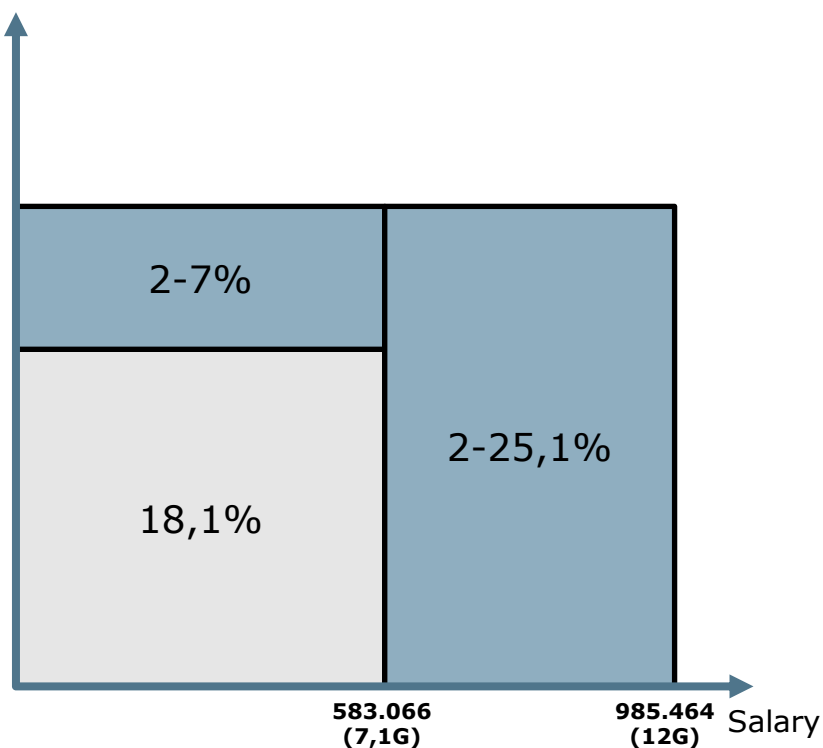
Current defined contribution regulations

Annual pension savings as a % of salary



Proposed new savings rates

Annual pension savings as a % of salary



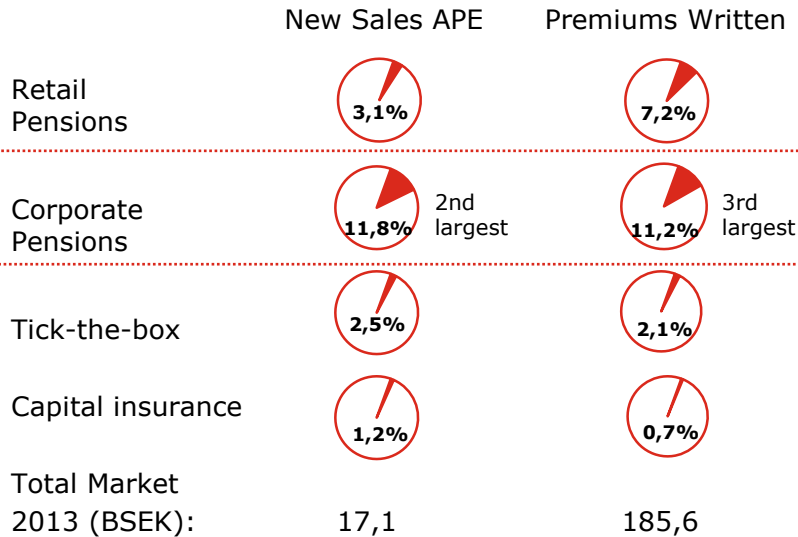
- Covered by public pension system¹
- Occupational pension products

¹ Employees pay 18,1% pension tax on all income

² "G" is used in Norway as a basic unit for measuring pensions and 1G=82.122

Trends in the Swedish pension market

SPP Market Share 2013¹

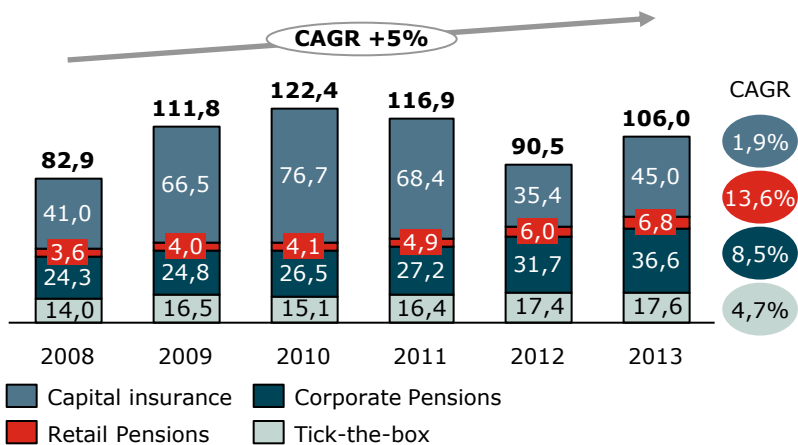


Trends

- SPP is a significant provider of Corporate Pensions
- Corporate Pensions are moving from Guaranteed towards Unit Linked
- Unit Linked premiums grow at a faster pace than Guaranteed premiums
- Unit Linked premiums are robust in turbulent financial markets

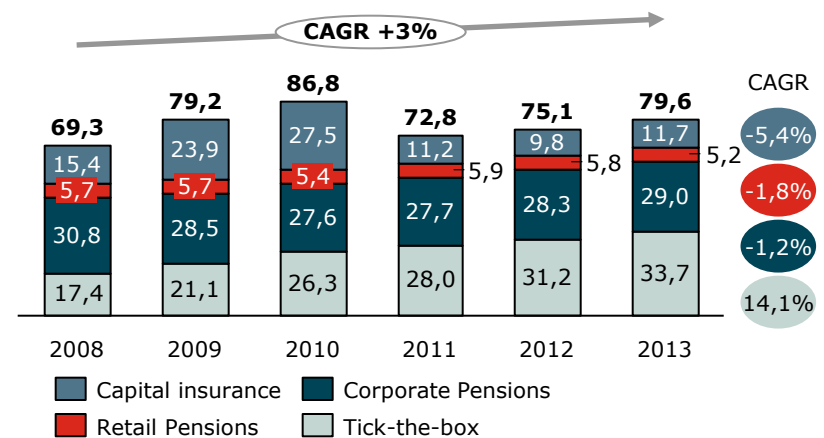
Unit Linked Premiums Written¹

BSEK



Guaranteed Premiums Written¹

BSEK



APE = Annualized Premium Equivalent

¹ Svensk Försäkring, 2014

