



Storebrand

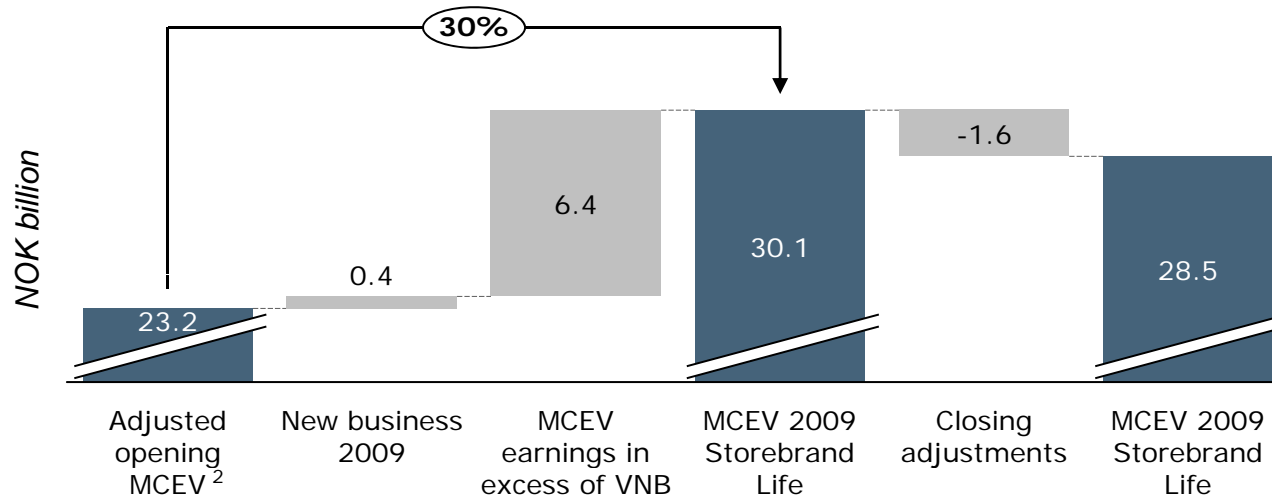
Embedded Value 2009

March 2010

Analyst presentation

Highlights MCEV 2009

- 2009 embedded value earnings of NOK 6.9 billion¹, 30% return on opening embedded value
- VNB of 421 million
- Trend towards increased proportional value of non-guaranteed business
- Reduced sensitivities to financial market movements
- Group MCEV of 68.2 pr share

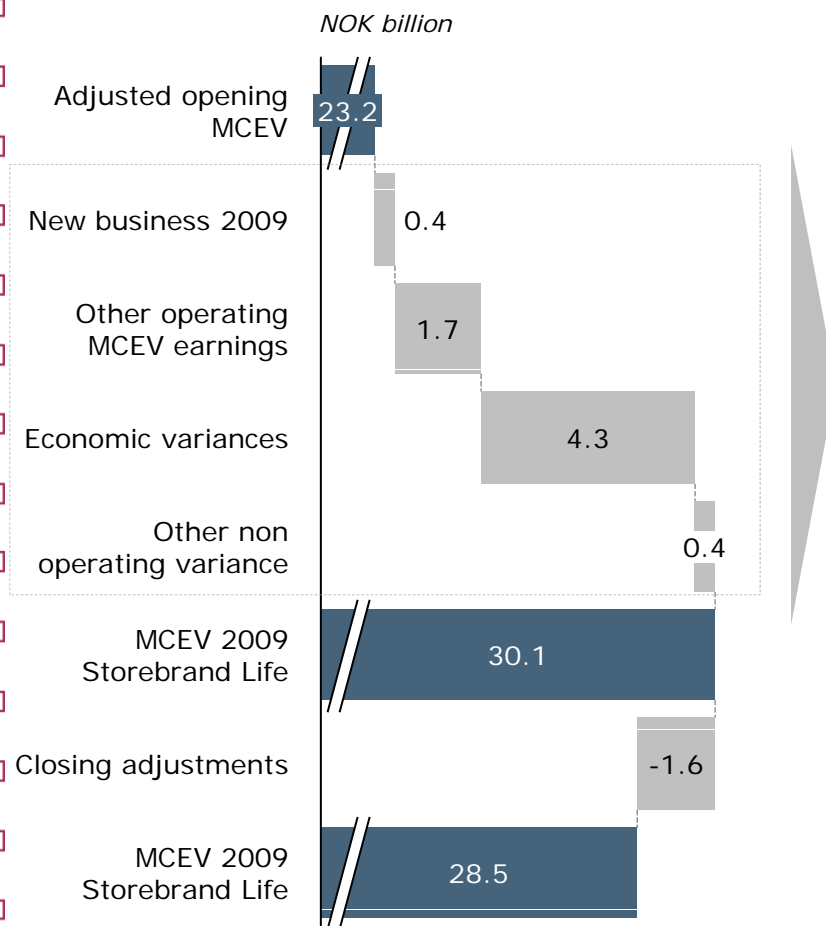


1) EV earnings: change in EV plus any dividends paid and less any capital injections

2) Opening adjustment of 135 MNOK added to MCEV 2008

Storebrand Life Group

- EV earnings of NOK 6.9 bn → 30% RoEV



- Strong development in MCEV for SBL and stable values at SPP
- VNB of 348 mill in SBL and 73 mill in SPP
- Operating return of 9.4%
- Economic variances influenced by good returns and building of buffer capital

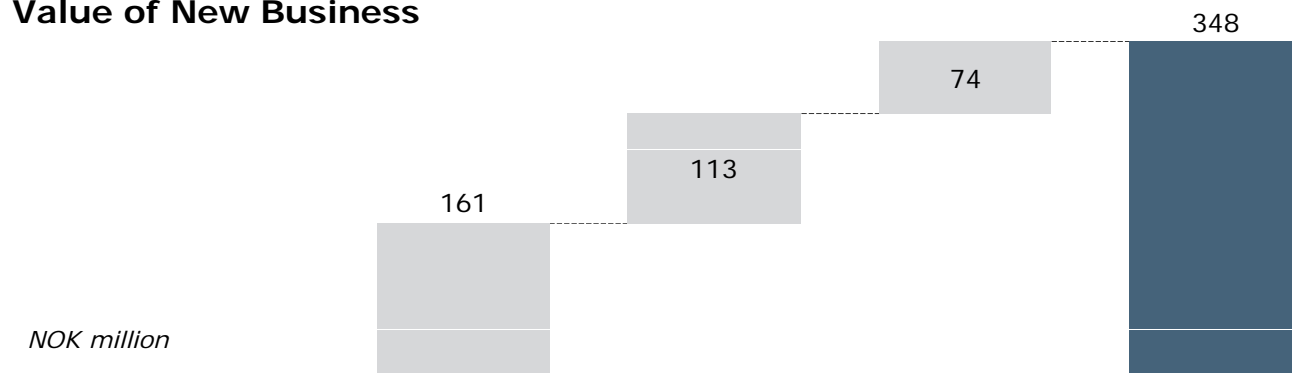
¹ Opening MCEV adjusted for new holding structure for BenCo of 135 million



Storebrand Life

- Value of New Business

Value of New Business



NOK million	Fee based and traditional business	DC & Unit Linked	Risk	Total VNB
APE (NOK mill)	386	535	104	1,026
	(863)	(528)	(192)	(1,583)
APE margin (%)	42%	21%	71%	34%
				(32%)
PVNBP	5,311	5,362	372	11,044
				(16,992)
Margin on PVNBP	3.0%	2.1%	19.9%	3.2%
				(3.0%)
IRR				17.6%

Numbers in brackets are corresponding 2008 figures

VNB - Value of New Business

APE – Annual Premium Equivalent = Annual regular premium + 10% of single premium

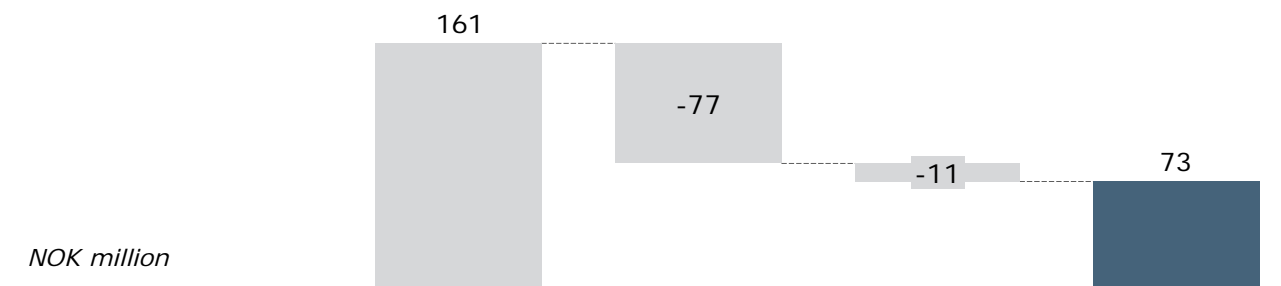
PVNBP – Present value of new business premiums



SPP

- improved new business margins

Value of New Business



NOK million	Unit Linked	Traditional products	Risk	Total VNB
APE (NOK mill)	468 (340)	178 (156)	23 (21)	670 (516)
APE margin (%)	34%	-40%	-48%	11% (-21%)
PVNBP	3,063	1,058	130	4,251 (3,318)
Margin on PVNBP	5.3%	-7.1%	-8.4%	1.7% (-3.3%)
IRR				8.6%

Numbers in brackets are corresponding 2008 figures

VNB - Value of New Business
 APE – Annual Premium Equivalent = Annual regular premium + 10% of single premium
 PVNBP – Present value of new business premiums



SPP

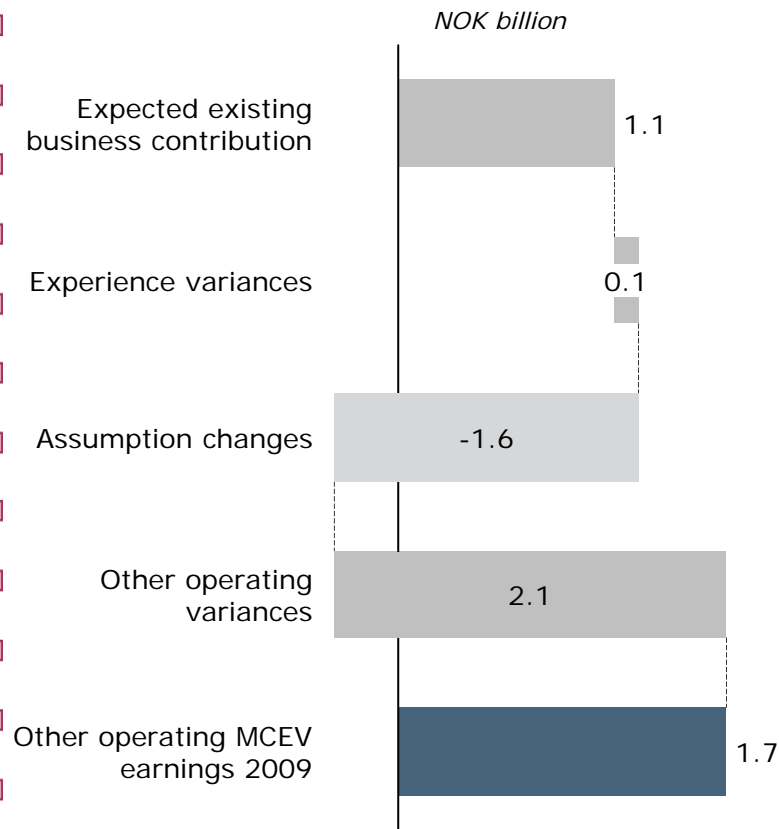
- improved new business margins

- New business margins positively affected by:
 - Increased sales
 - Change in terms Unit Linked
 - Reduced guaranteed rate of interest for DC
 - Improved acquisition cost modelling

- Further improvements in VNB will come from:
 - Increased cost efficiency
 - New broker commission model, lower internal sales costs
 - Price and margin adjustments

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- other operating MCEV earnings of 1.7 bn



Assumption changes	
SPP	SBL
<ul style="list-style-type: none"> Reduction in replacement rates and increased transition to paid up -1.0 bn 	<ul style="list-style-type: none"> Dynamic mortality tables - 0.6 bn
<ul style="list-style-type: none"> Present value of increase in maintenance expenses -0.5 bn 	<ul style="list-style-type: none"> Present value of lower cost level +0.6 bn

Other operating variances	
SPP	SBL
<ul style="list-style-type: none"> Changed terms and margins in Unit linked and DB +1.5 bn 	<ul style="list-style-type: none"> Improved margins in DB fee based product +0.9 bn
<ul style="list-style-type: none"> Change in cost allocation -0.6 bn 	<ul style="list-style-type: none"> Model improvements +0.3 bn



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- economic variances of 4.3 bn

1. Higher than expected returns in 2009
 - SBL +0.3 bn
 - SPP +0.7 bn
 2. Increased buffer capital
 3. Increased interest rates
- } - SBL +2.2 bn
 } - SPP +0.2 bn
4. Effects from hedging SBL ownership of SPP +0.9 bn

¹ The positive effect from hedging SBLs holding of SPP of approximately 0.9 bn is offset in the closing adjustment

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- Embedded Values 2008 – 2009

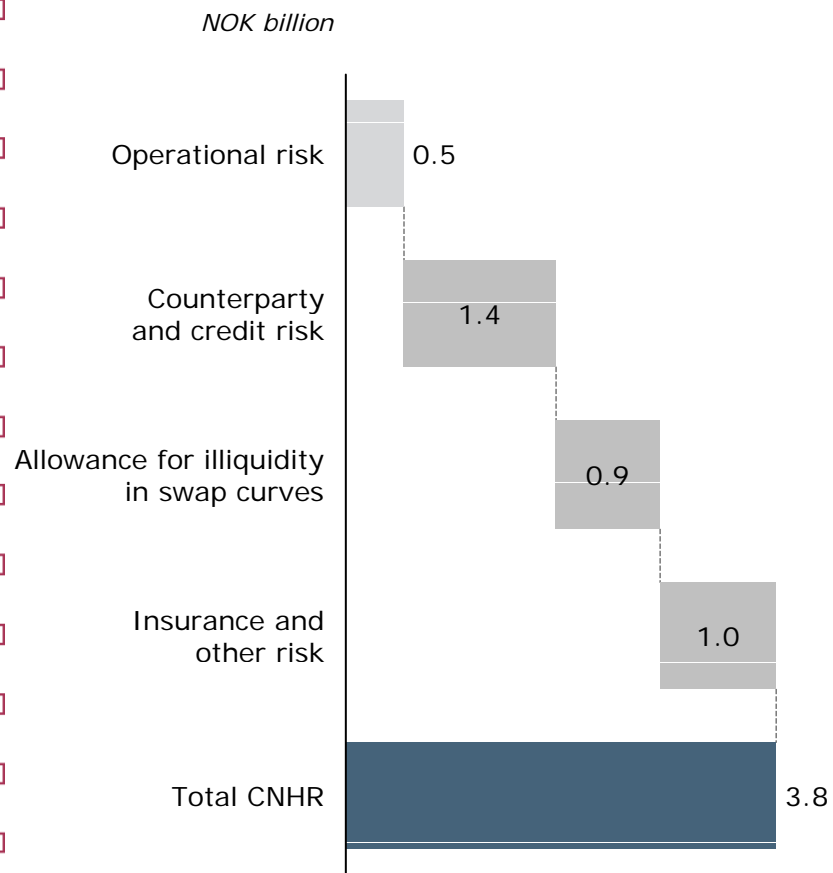
NOK million	MCEV 2008	MCEV 2009
Total shareholder surplus at market value comprising	8,431	8,896
- <i>required capital</i>	7,550	6,904
- <i>free surplus</i>	882	1,992
Present value of future profits	23,893	30,405
Time value of financial options and guarantees	-5,183	-6,847
Frictional cost of required capital	-236	-162
Cost of residual non hedgeable risks	-3,864	-3,808
Embedded Value	23,041	28,484
Look through value included in the PVFP	4,022	3,495

PVFP – Present value of future profits
 TVOG – Time value of financial options and guarantees
 FCRC – Frictional costs of required capital
 CNHR – Cost of residual non hedgeable risk

- Shareholders free surplus of 2.0 bn (170% solvency margin at year end)
- Required capital release due to increased buffer capital
- FCRC low due to no tax position
- CNHR makes allowance for operational and model risk

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- cost of residual non-hedgeable risk (CNHR)



- CNHR allows for risk that is not taken into account elsewhere
- Risk capital based on QIS4 capital requirements
- Includes risk of illiquidity of the Norwegian and Swedish swap market

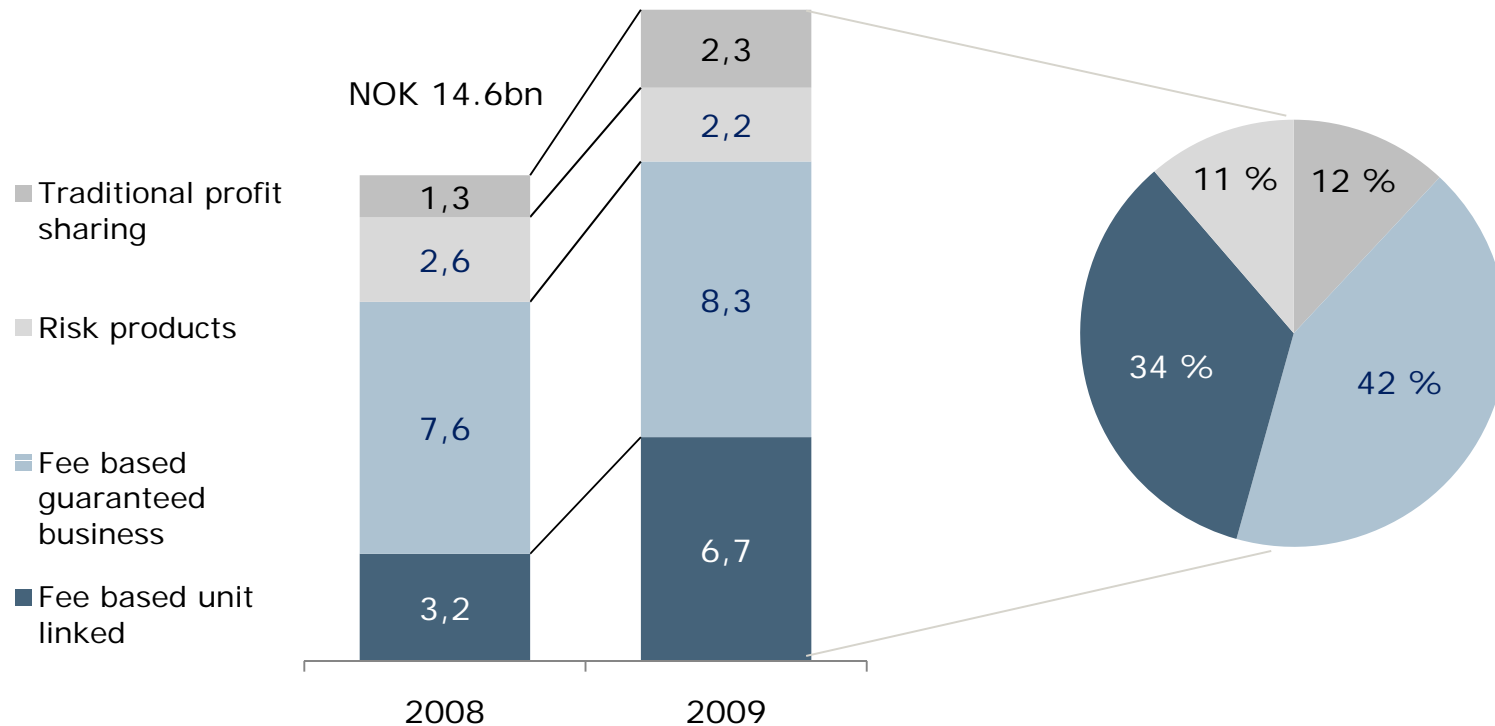
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- trend towards increased proportional value of non-guaranteed business

Value of in-force per product group (NOK bn)

NOK 19.6bn

Proportion of total value of in-force 2009





SPP

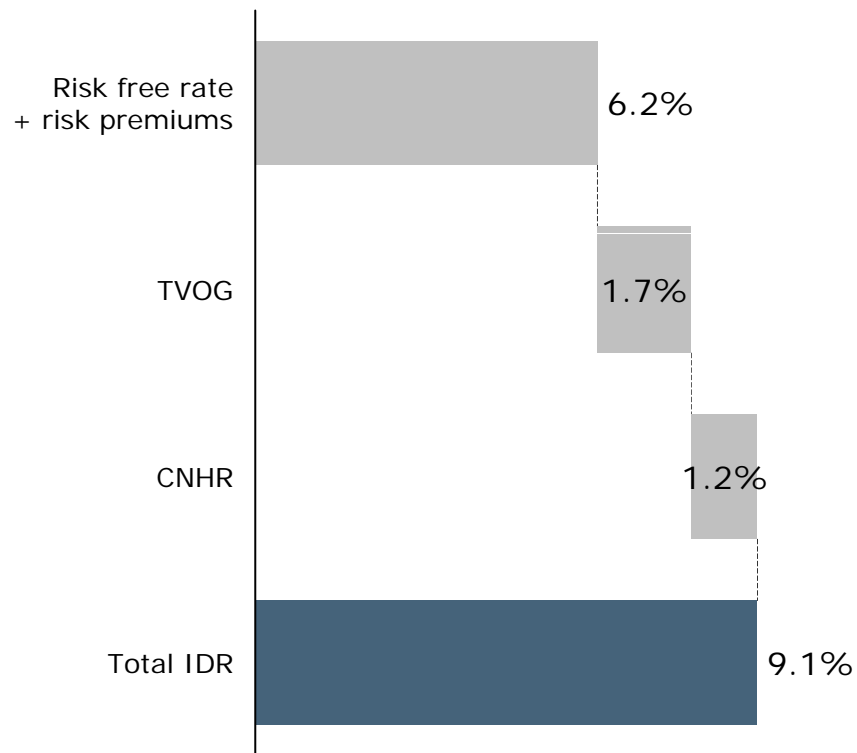
- improving market share in unit linked

- Appointed best unit linked provider in the Swedish market second year in a row by Söderberg & Partners'
- Top score on all criteria in unit linked ranking
- SPPs market share of new sales increased by 2.2 percentage points to 9.5% in 2009



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- implied discount rate of 9.1%

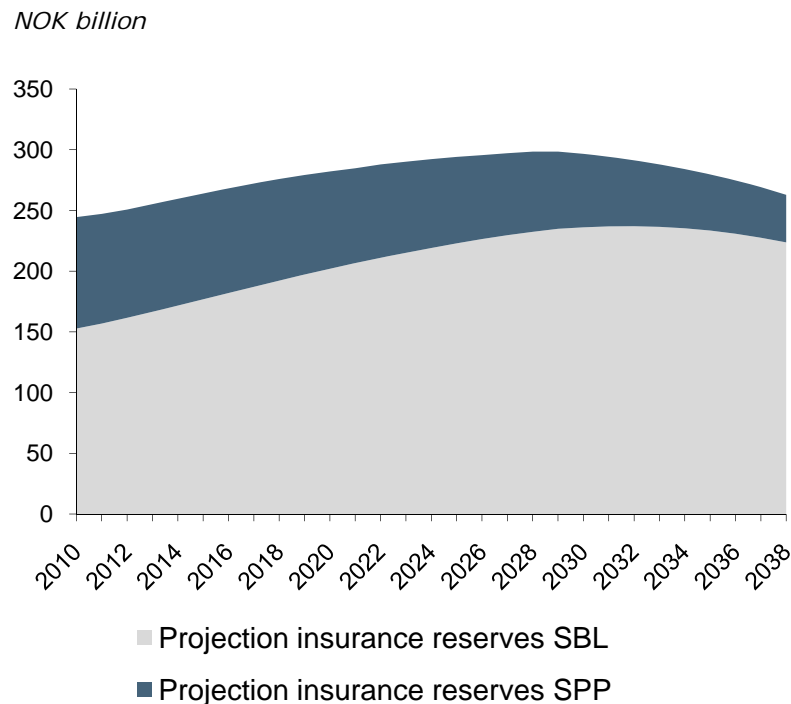


- IDR calculated on the basis of what discount rate would give the same EV using “real world” economic assumptions
- Can be viewed as the required rate of return
- 8.9% IDR for SBL
- 9.8% IDR for SPP

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- implied value of life insurance asset management (look through value) of 3.5 bn

Reserves projections



- 2,743 millions in look through value in SBL
- 752 millions in look through value in SPP
- Reserves projected to increase over the next 18 years
- Higher expenses in 2009, reduces Look through value by 527 million

MCEV sensitivities 2009

- Storebrand life group

NOK million	MCEV 2008	MCEV 2009
Base	23,041	28,484
100 basis points increase in the interest rate	13 %	7 %
100 basis points decrease in the interest rate	-23 %	-20 %
10% decrease in equities/property capital	-16 %	-10 %
10% decrease in equities	-6 %	-4 %
25% increase in equity/property implied volatilities	-6 %	-7 %
25% increase in swaption implied volatilities	-8 %	-6 %
10% decrease in maintenance expenses	8 %	8 %
10% proportionate decrease in lapse rates	2 %	3 %
Mortality rates -5% - annuity business	-4 %	-4 %
Mortality rates -5% - life business	0 %	0 %
Salary and expense inflation + 0.5%	1 %	1 %
Required capital equal to minimum level of solvency capital	0 %	0 %

Storebrand Group 2009

-EV per share of 68.2 NOK

NOK million	31.12.2008 Group	31.12.2009 Group
Shareholder surplus	8,431	8,896
PVFP ¹	23,893	30,405
Cost of holding capital	-236	-162
Cost of volatility	-5,183	-6,847
Cost of residual non hedgeable risks	-3,864	-3,808
Total MCEV Storebrand Life	23,041	28,484
IFRS equity other businesses ²	1,319	1,914
Storebrand Group Embedded value	24,361	30,398
Embedded value per share ³	NOK 54.7	NOK 68.2

Notes:

- 1 PVFP including look-through in 2008 and 2009 of 4022 and 3495 respectively
- 2 IFRS shareholders' equity for businesses not included in the MCEV analysis
- 3 Based on 445,3m shares for 2008, 445,9m shares for 2009



Summary

- Strong increase in MCEV
- Positive value of new business in SPP
- Trend towards increased proportional value of non-guaranteed business
- Reduced sensitivities to financial market movements

External opinion 2009

Storebrand has performed its embedded value calculations with regard to the European Embedded Value Principles using a market consistent approach as described in the supplementary disclosure document. Towers Watson has reviewed Storebrand's methodology, assumptions and results and has provided the following opinion.

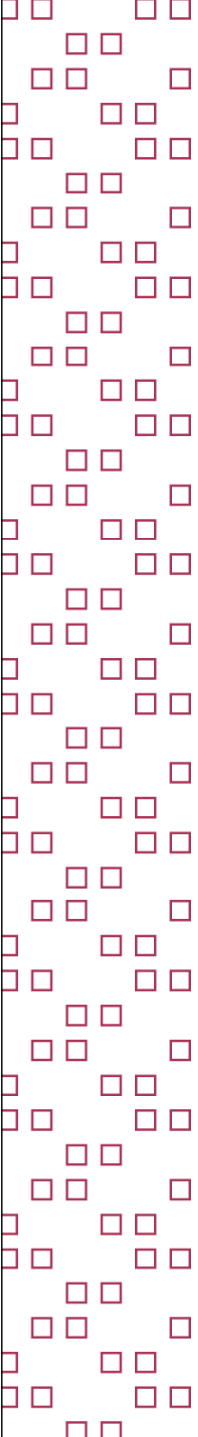
"Towers Watson has reviewed the methodology and assumptions used to determine the 2009 embedded value results. The review covered the European Embedded Value as at 31 December 2009, the value of 2009 new business, the analysis of 2009 embedded value earnings and the sensitivities of the embedded value and new business value.

Towers Watson has concluded that the methodology and assumptions used comply with the EEV Principles and Guidance, and in particular that:

- the methodology makes allowance for the aggregate risks in the covered business through the methodology as described in the supplementary disclosure document, which includes a stochastic allowance for the cost of financial options and guarantees, and a level of required capital based on regulatory and internal capital requirements and an allowance for the cost of non-hedgeable risks;
- the operating assumptions have been set with appropriate regard to past, current and expected future experience;
- the economic assumptions used are internally consistent and consistent with observable market data and where no deep and liquid markets exist are appropriately modelled; and
- for participating business, the assumed bonus rates and the allocation of profit between policyholders and shareholders are consistent with the projection assumptions, established company practice and local market practice.

Towers Watson has also performed limited high-level checks on the results of the calculations and has confirmed that any issues discovered do not have a material impact on the disclosed embedded values as at 31 December 2009 and the 2009 new business values. Towers Watson has not, however, performed detailed checks on the models and processes involved.

In arriving at these conclusions, Towers Watson has relied on data and information provided by Storebrand ASA. This opinion is made solely to Storebrand ASA in accordance with the terms of Towers Watson's engagement letter. To the fullest extent permitted by applicable law, Towers Watson does not accept or assume any responsibility, duty of care or liability to anyone other than Storebrand ASA for or in connection with its review work, the opinions it has formed, or for any statement set forth in this opinion."



Storebrand's objective is to be the leading and most respected institution in the Nordic market for long-term savings and insurance

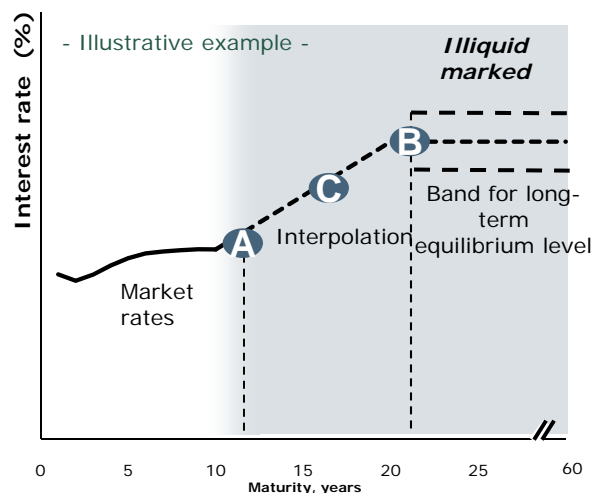




Appendix

- MCEV assumptions
- Additional sensitivities
- Projected VIF release

Economic assumptions



Comments

- Storebrand does not consider the quoted swap rates for NOK and SEK as a robust basis for embedded value calculations or other valuations.
- Storebrand have hence introduced an alternative method to discount liabilities above 10 years

Spot Yield curve applied in the MCEV calculations

- A** Market interest rates
 - Applied to the liquid part of the interest rate curve up to 10 years
- B** Long-term equilibrium level
 - Applied where no functioning market exists
 - Based on assumptions for growth in real economy, inflation and risk premium
- C** Interpolation between A and B
 - Linear interpolation used between 10 and 20 years

Year	2009				2008			
	NOK mark to market	mark to model	SEK mark to market	mark to model	NOK mark to market	mark to model	SEK mark to market	mark to model
1	2.7%	2.7%	0.8%	0.8%	2.8%	2.8%	1.8%	1.8%
2	3.5%	3.5%	1.6%	1.6%	2.9%	2.9%	2.0%	2.0%
3	3.9%	3.9%	2.2%	2.2%	3.1%	3.1%	2.4%	2.4%
5	4.3%	4.3%	2.9%	2.9%	3.9%	3.9%	2.9%	2.9%
10	4.8%	4.8%	3.7%	3.7%	4.7%	4.7%	3.2%	3.2%
20	5.0%	5.1%	4.1%	4.4%	4.7%	5.1%	3.2%	4.3%
30	4.9%	5.1%	4.1%	4.4%	4.4%	5.1%	2.8%	4.3%

Frictional cost of holding required capital

- The amount of required capital for Storebrand Life has been set as the greater of
 - Norwegian regulatory requirement
 - Banking requirement (Basel I)
 - EU minimum solvency (Solvency I)
 - internal requirement based on obtaining a targeted rating
- For SPP, the required capital has been set as 150% of the EU minimum requirement

Capital requirement	Regulatory requirement	Internal requirement
2007 Storebrand Life	NOK 4.3 bn	NOK 3.9 bn
2008 Storebrand Life	NOK 3.4 bn	NOK 4.7 bn
2009 Storebrand Life	NOK 3.3 bn	NOK 4.3 bn
2007 SPP	NOK 3.9 bn	NOK 5.3 bn
2008 SPP	NOK 4.1 bn	NOK 5.8 bn
2009 SPP	NOK 1.9 bn	NOK 3.5 bn

- The cost of holding required capital is calculated as the frictional cost on capital
 - due to an effective tax rate of 0%, the cost of capital only reflects the cost of future asset management expenses on required capital

Cost of volatility

- modelled using stochastic simulations

Implied volatilities for option on 10 year swaps at the money

Duration	2009		2008	
	NOK	SEK	NOK	SEK
1	17.9%	22.9%	13.8%	13.7%
5	14.0%	17.8%	11.9%	12.5%
10	12.2%	15.2%	11.1%	12.2%

Comments

- The stochastic scenarios have been calibrated to implied volatilities of swaptions at the money per 31.12.09
- Various equity indices are considered in the stochastic models
 - equity volatilities are based on implied volatilities of equity options at the money
 - 2009 volatilities are based on implied volatility per 31.12.09
 - real estate volatility is based on historic market data

Implied Equity Volatilities

Duration	2009				2008			
	Storebrand Life			SPP	Storebrand Life			SPP
	International Equities	Domestic Equities	Real Estate	Int. and domestic equities	International Equities	Domestic Equities	Real Estate	Int. and domestic equities
1	22.8%	25.0%	7.0%	22.7%	23.0%	32.0%	7.0%	23.7%
10	28.6%	28.5%	6.5%	27.8%	26.0%	28.0%	6.5%	25.8%

Storebrand life group

- MCEV sensitivities new business 2009

NOK million	VNB 2008	VNB 2009
Base	395	421
100 basis points increase in the interest rate	31 %	5 %
100 basis points decrease in the interest rate	-73 %	-16 %
10% decrease in equities/property capital	-9 %	-11 %
10% decrease in equities	-10 %	-5 %
25% increase in equity/property implied volatilities	-10 %	-6 %
25% increase in swaption implied volatilities	-15 %	-6 %
10% decrease in maintenance expenses	14 %	10 %
10% proportionate decrease in lapse rates	14 %	16 %
Mortality rates -5% - annuity business	-2 %	-1 %
Mortality rates -5% - life business	3 %	1 %
Salary and expense inflation + 0.5%	3 %	1 %
Required capital equal to minimum level of solvency capital	5 %	0 %

Storebrand Life Group

- additional sensitivities to interest rate assumptions

	Topic	Description / solution	MCEV effect
1	Not a long liquid swap market	Using macroeconomic extrapolation methodology	Using observed market quotes instead of macroeconomic extrapolation will decrease MCEV by 4%
2	SWAP versus government rates	Stress testing MCEV effect of using government rates instead of swap rates	Using government rates instead of swap rates will decrease MCEV by 7%

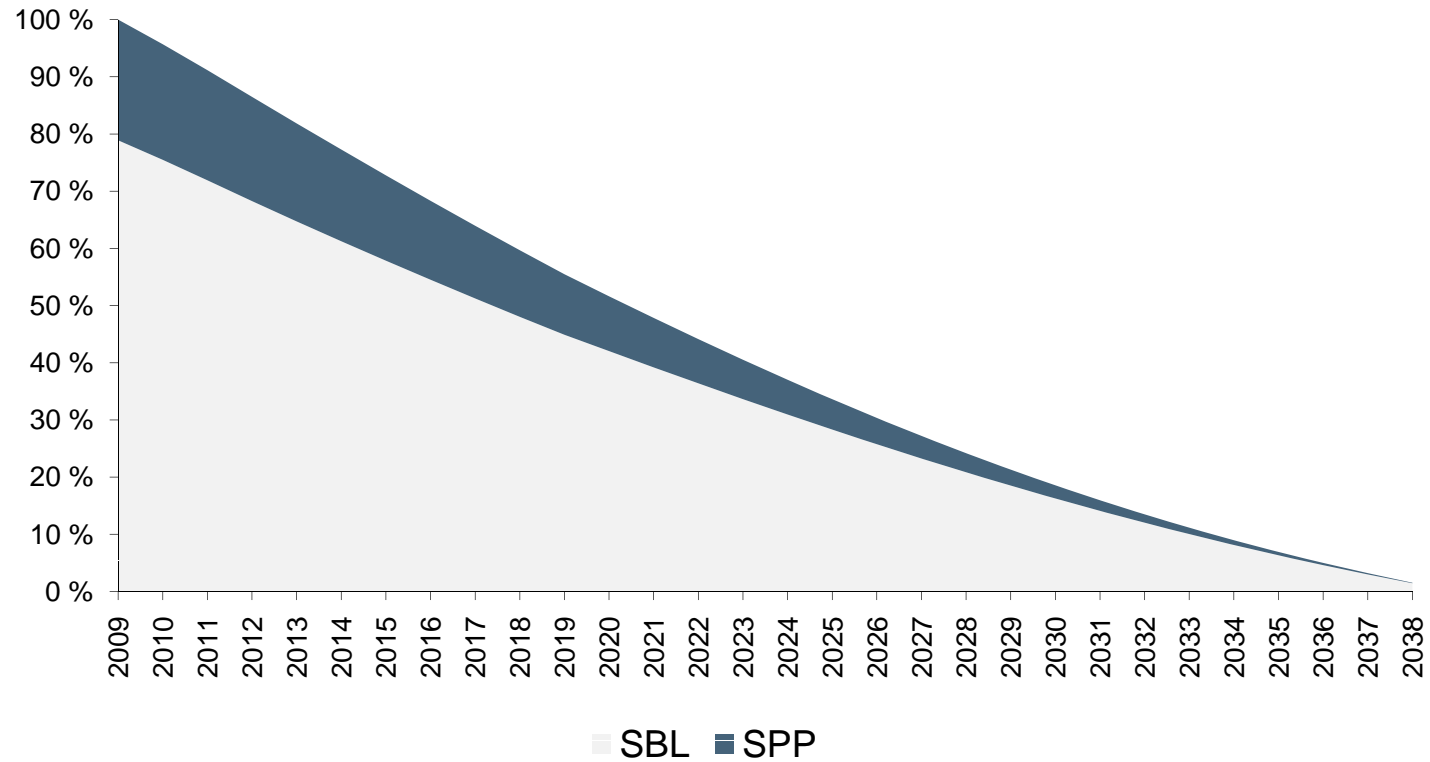
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- VIF release pr product group

Product group	VIF (mill NOK)	1-5 years	6-10 years	11-15 years	16-20 years	>20 years
Unit Link	6.730	17 %	20 %	19 %	18 %	26 %
Fee based	8.295	26 %	22 %	18 %	15 %	19 %
Traditional	2.346	10 %	21 %	23 %	21 %	25 %
Risk	2.217	43 %	25 %	14 %	9 %	9 %
Total	19.588	23 %	22 %	18 %	16 %	21 %

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- Expected VIF release divided on SBL and SPP

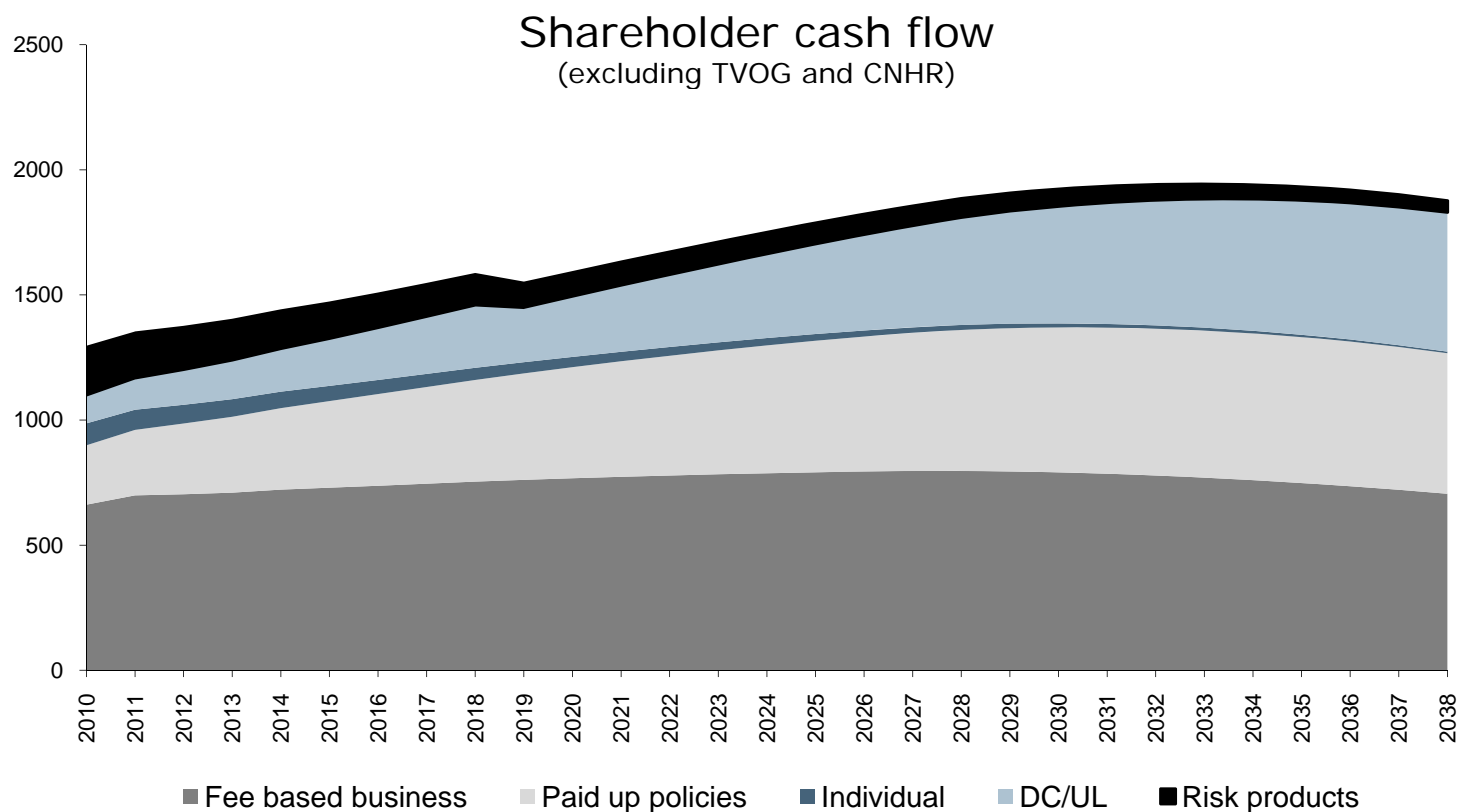




Storebrand Life

- present value of future profits 24.6 bn

NOK million

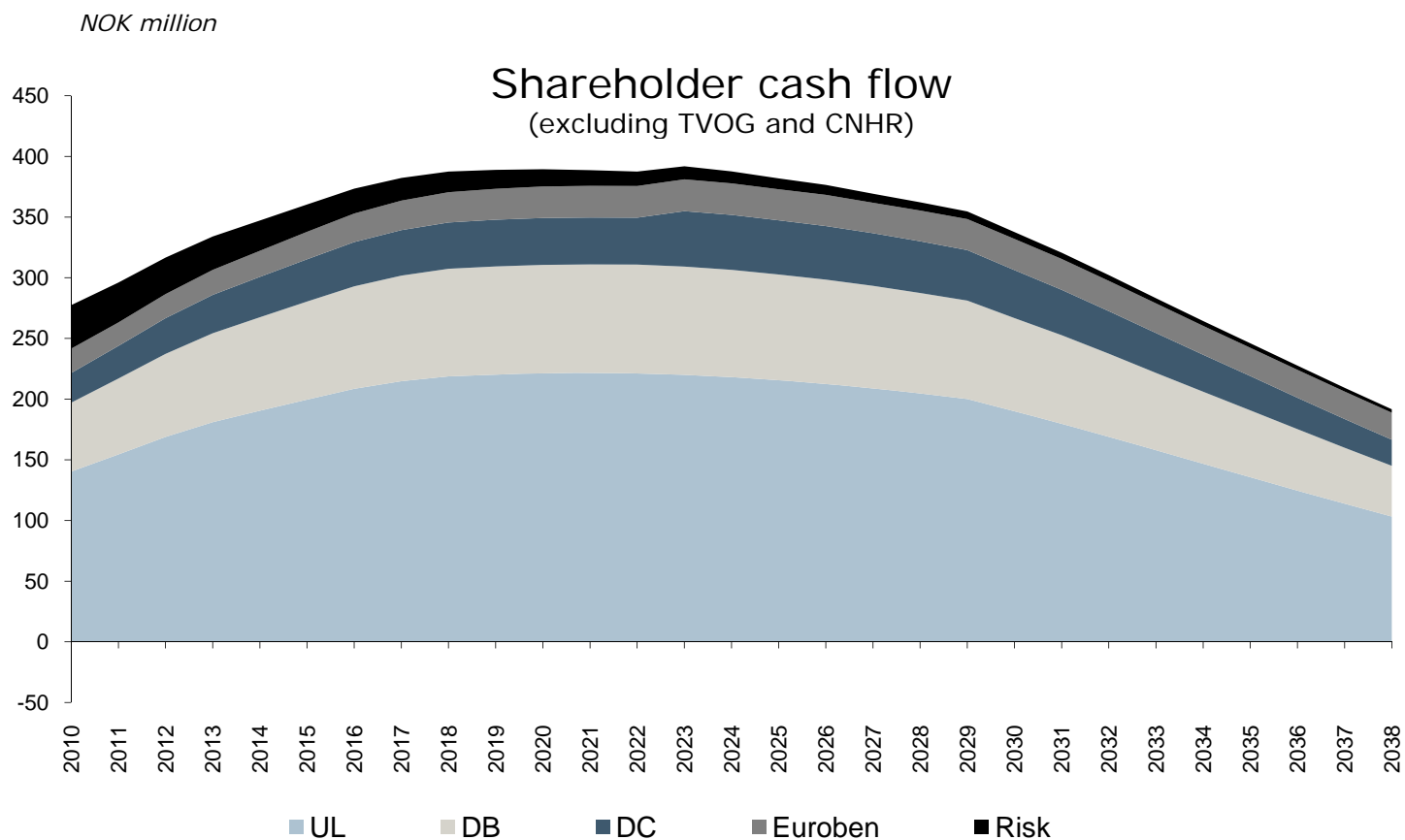


The graph shows shareholder cash flow year by year in nominal NOK

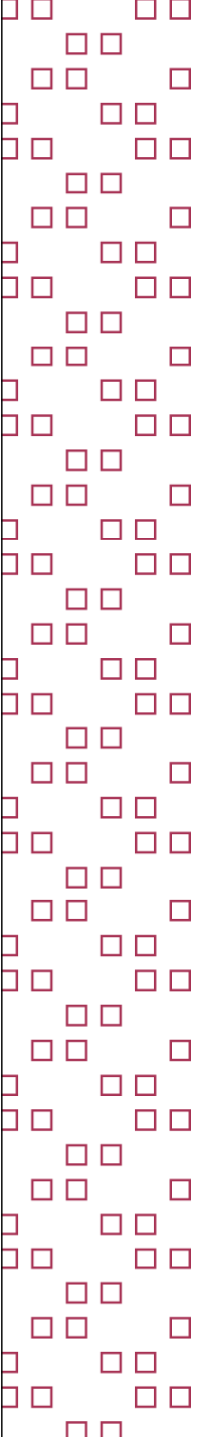


SPP

- present value of future profits 5.8 bn



The graph shows shareholder cash flow year by year in nominal NOK



Storebrand's objective is to be the leading and most respected institution in the Nordic market for long-term savings and insurance

