



**Offer to acquire Finansbanken ASA**

***6 January 1999***

## **The Offer**

**Storebrand offers NOK 40,- in cash per share. The offer includes all outstanding shares as well as new shares resulting from the conversion of the convertible bond.**

**8 % interest p.a. will be paid from the date the accept of the offer is registered to the settlement date.**

**Dividends will be subtracted from the offer price.**

**The offer price is 29% above yesterday's closing share price in Finansbanken and represents a 58% premium on book equity as of September 30, 1998. The offer values Finansbanken to around NOK 1.6 billion on a fully diluted basis.**

# Conditions

**The offer is conditioned on:**

- **Due-diligence**
- **At least 90% bid acceptance from existing shareholders**
- **Concession on acceptable terms**
- **An Extraordinary General Meeting decides to give the Board an authorization to increase Storebrand ASA's share capital with up to 10%.**
- **"No material adverse change" clause**

**Storebrand has the right to cancel any or all of the bid conditions.**

## **Background and Rationale**

**Through the acquisition of Finansbanken, Storebrand is positioning itself in the growing and attractive private banking market.**

**The private banking market includes lending and investment management for the upper segments of the mass market wealthy individuals as well as selected commercial customers.**

**Storebrand's strong position in asset management and long-term savings market are going to be key success factors in developing Finansbanken to a leading Norwegian private bank.**

**Finansbanken provides a good fit to Storebrand's other business areas. Finansbanken will continue to focus on selected market segments based on its strong niche position.**

**The proposed transaction is expected to increase the value of Finansbanken, while at the same time strengthening Storebrand's position in other market segments.**

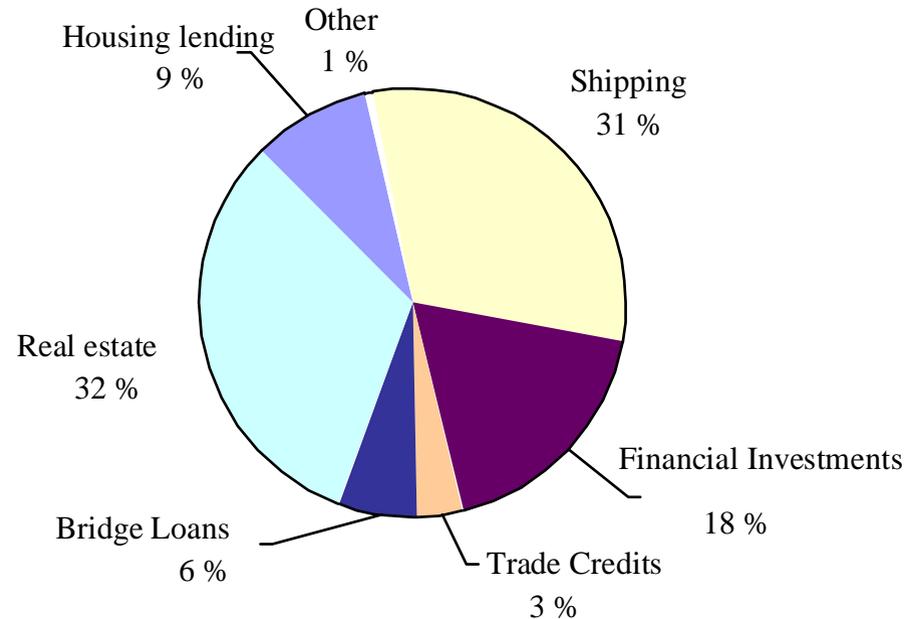
# The Role of Finansbanken within Storebrand

- **Finansbanken will have a separate role and be a independent unit within Storebrand.**
- **Finansbanken will have an important role in Storebrand regarding product and service development.**
- **Growth and development of Finansbanken is more important than cost synergies with Storebrand's other business areas.**
- **Personell development and incentive strucure in Finansbanken will continue to be decided by the bank itself.**
- **Finansbanken and Storebrand Bank are not going to be integrated.**

# Facts about Finansbanken

- Today's Finansbanken is a result of the merger between "old" Finansbanken and IS-Banken
- Finansbanken is a niche bank for upper segments of the mass market as well as commercial customers.
- The loan portfolio is around NOK 11,5 billion, of which shipping and real estate constitutes the largest portions.
- Finansbanken is a cost-effective and innovative bank

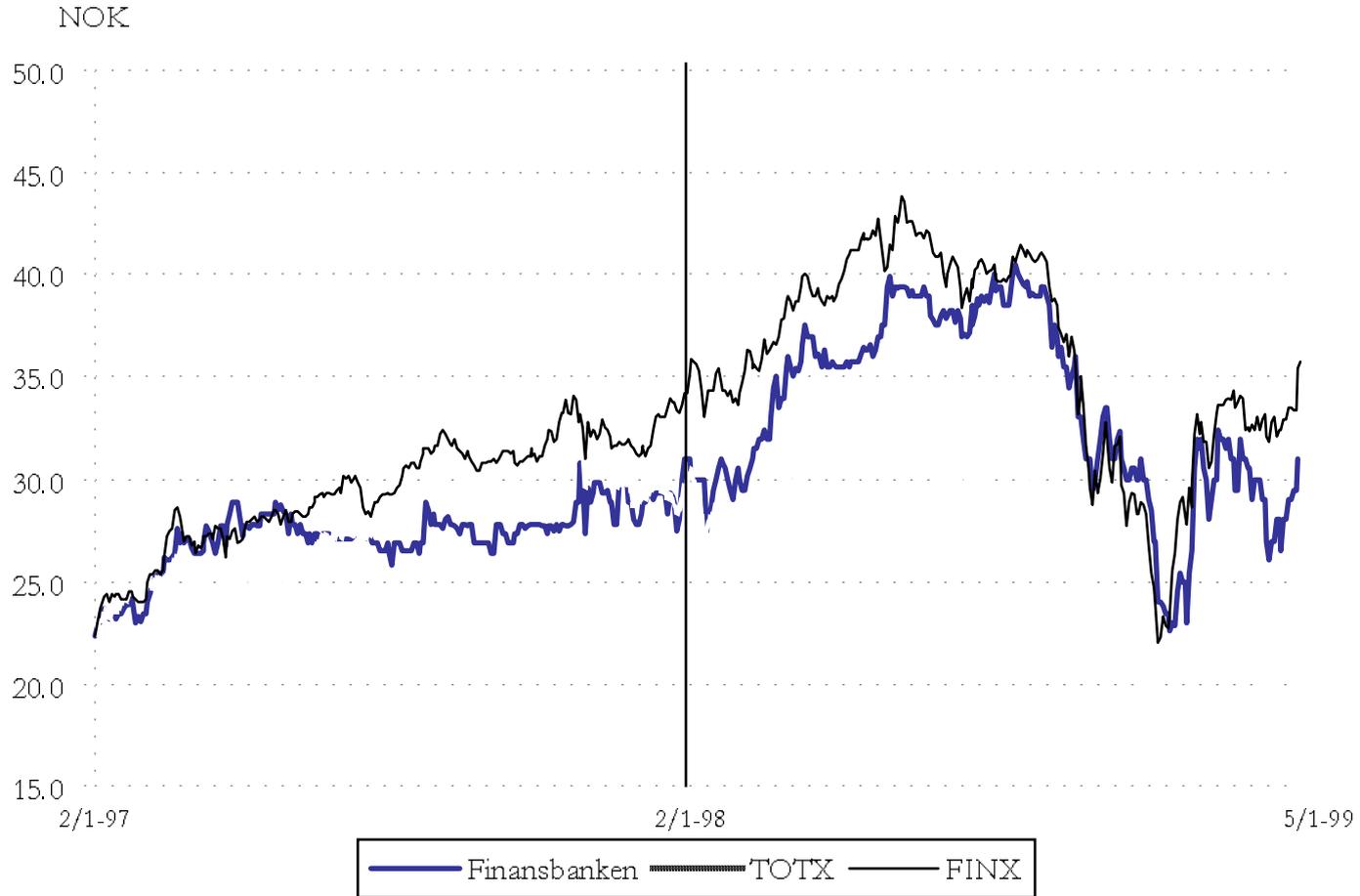
Loan Portfolio as of September 30, 1998



# Financial Summary Finansbanken

(NOK millions)	1/1 - 30/9 1998	1/1 - 30/9 1997	1997	1996
<b>Income Statement:</b>				
Net interest income	230,5	175,2	250,3	164,6
Other operating income	11,9	10,8	20,3	71,1
Operating expenses	<u>-87,2</u>	<u>-82,7</u>	<u>-123,1</u>	<u>-219,0</u>
<b>Profit before losses and writedowns</b>	<b>155,2</b>	<b>103,3</b>	<b>147,5</b>	<b>16,8</b>
Loan losses	-14,2	-12,9	-16,1	-89,9
Writedowns	<u>-10,0</u>	<u>0,0</u>	<u>0,0</u>	<u>-5,8</u>
<b>Pre-tax profit</b>	<b>131,0</b>	<b>90,4</b>	<b>131,3</b>	<b>-79,0</b>
<b>Net profit after tax</b>	<b>91,4</b>	<b>67,0</b>	<b>123,2</b>	<b>-67,1</b>
<b>Balance Sheet:</b>				
Total assets	12.940,7	12.536,7	12.900,4	11.714,6
Gross loans	11.542,6	11.491,3	11.645,7	10.325,1
Equity	899,7	637,4	693,2	569,7
<b>Key ratios per share:</b>				
Stock price (NOK)	30,0	27,8	30,5	22,5
Equity per share (NOK)	25,9	21,2	23,0	19,0
Price / Book	1,16	1,31	1,32	1,19
Earnings per share (NOK)	2,66	2,23	4,09	-2,81

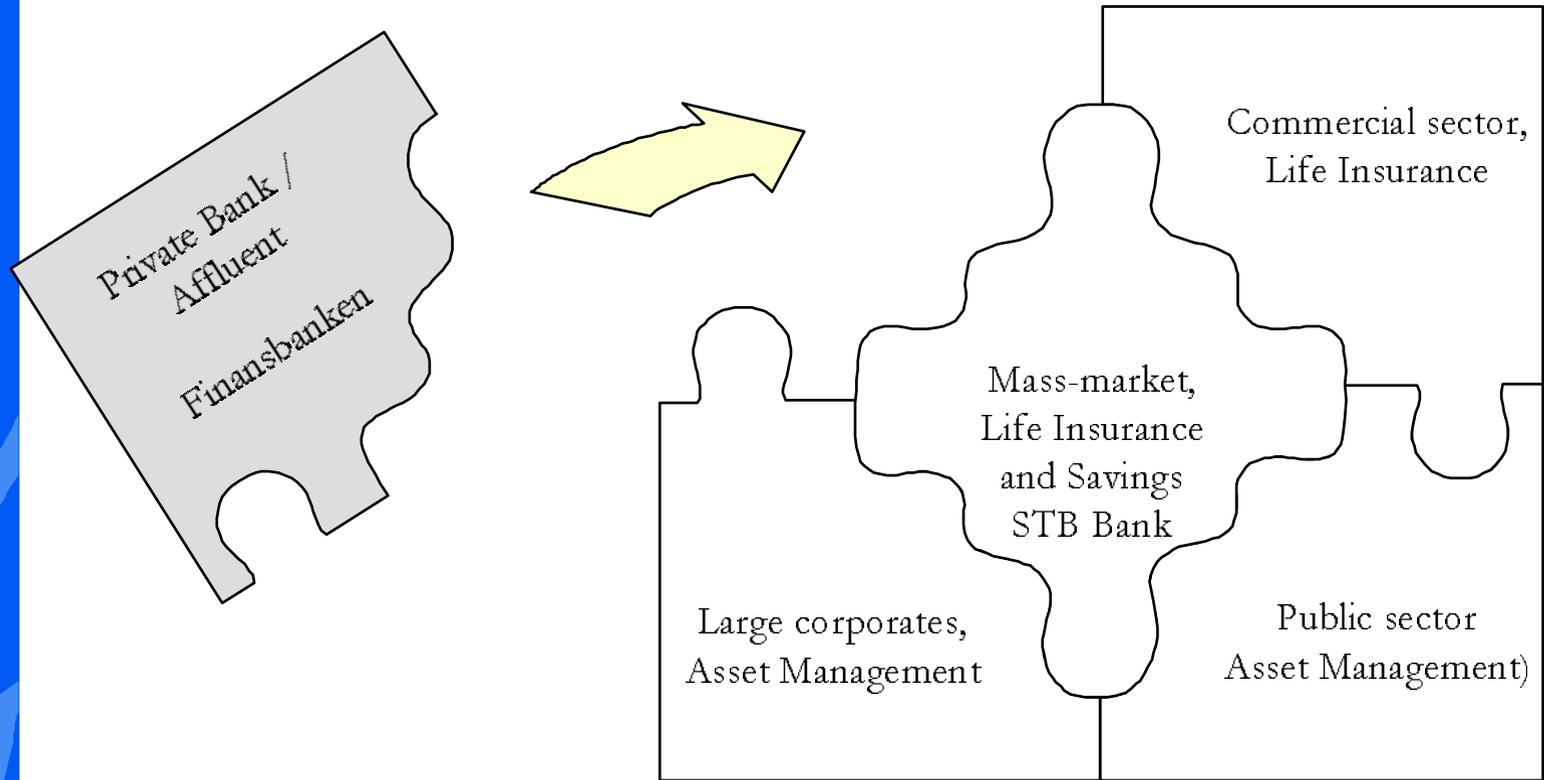
# Shareprice development, Finansbanken



# Shareholderstructure, Finansbanken

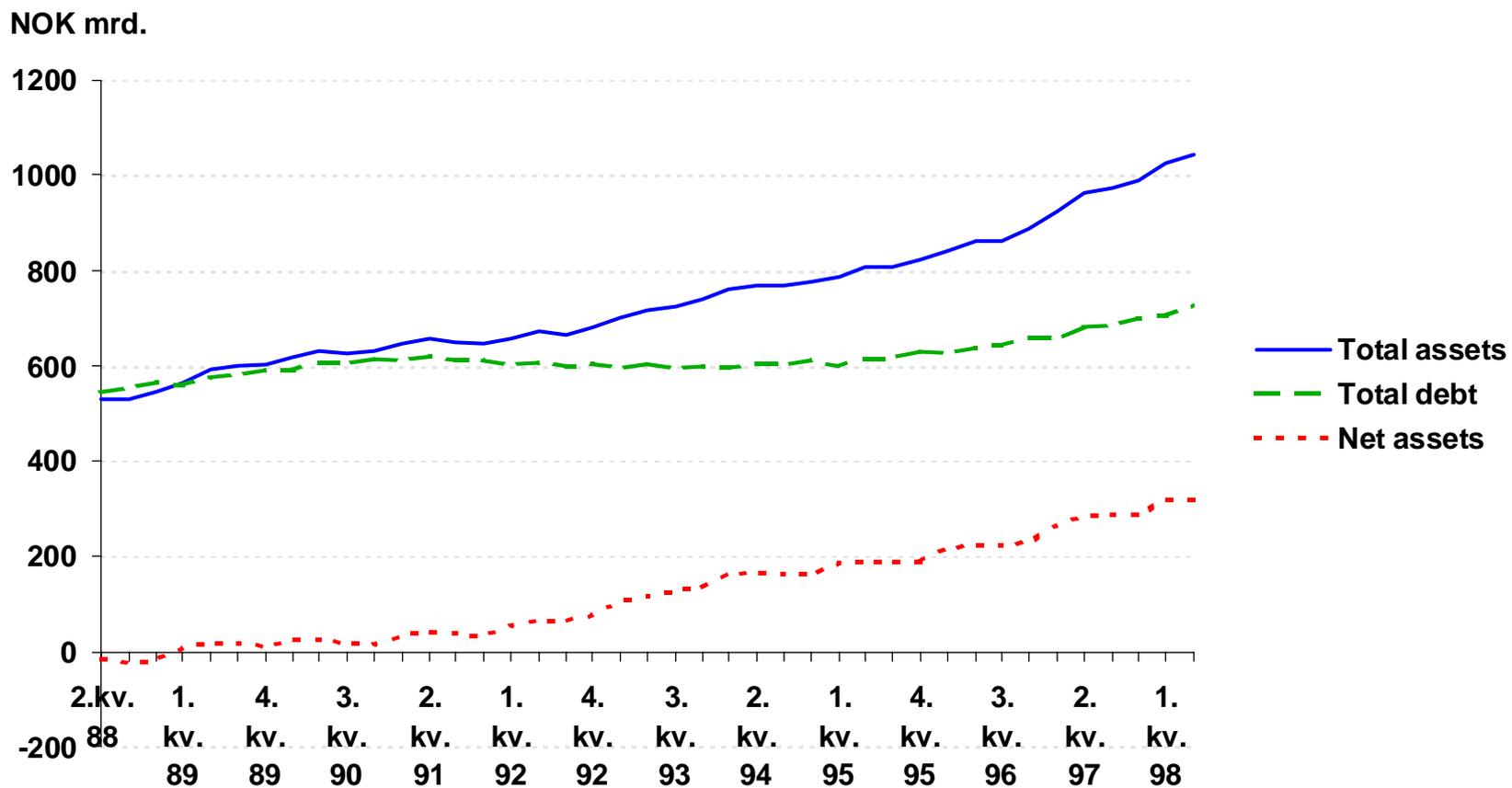
Owner	Number of shares	Share of total
Morgan Stanley & Co, nominee	3.718.760	10,7 %
Goldman Sachs International, nominee	3.500.000	10,1 %
Chase Manhattan Bank, nominee	3.250.000	9,4 %
Klingenberg Eiendom AS	2.805.928	8,1 %
Meieribrukets Pensjonskasse	997.800	2,9 %
Industrifinans Aktiv	985.245	2,8 %
Canica AS	850.000	2,4 %
Verdipapirfondet Avanse	791.400	2,3 %
Hartog & Co A/S	775.000	2,2 %
Sundal Collier & Co	690.000	2,0 %
Anders Wilhelmsen AS	632.000	1,8 %
Verdipapirfondet Delphi	625.000	1,8 %
Statoils Pensjonskasse	585.000	1,7 %
Storebrand AMS	575.170	1,7 %
SE-Banken, nominee	504.616	1,5 %
Verdipapirfondet Avanse	351.289	1,0 %
Verdipapirfondet Avanse	341.658	1,0 %
Vesta AMS	334.800	1,0 %
Gjensidige Invest	329.069	0,9 %
Vesta Forsikring AS	315.540	0,9 %
Sum 20 største aksjonærer	22.958.275	66,1 %
Øvrige aksjonærer	11.753.305	33,9 %
Sum	34.711.580	100,0 %

# Completes Storebrand's product range towards the extended savings market



# Development in households net assets

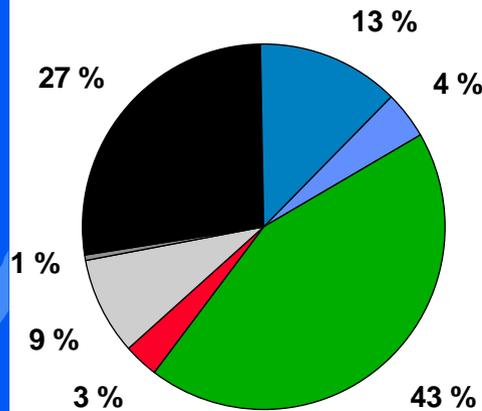
## 2. quarter 1988 - 2. quarter 1998



# Composition of households net financial assets

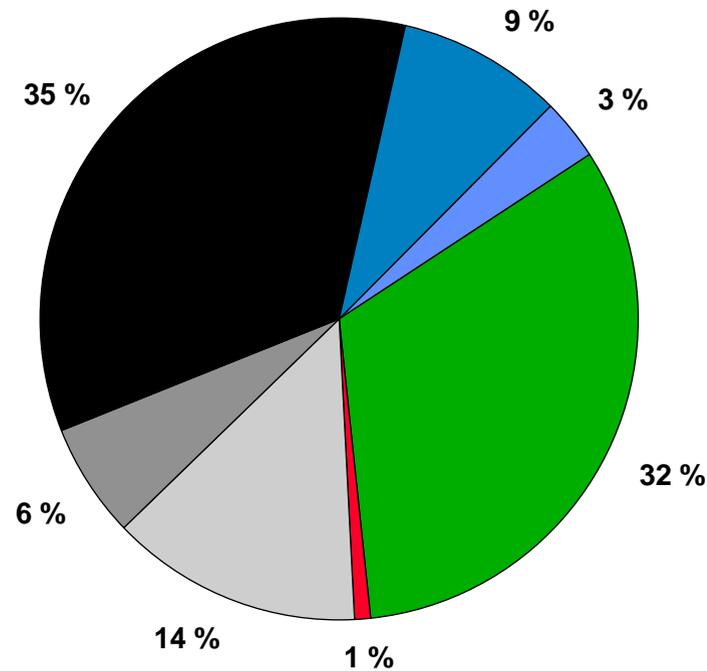
**2. quarter 1988**

100% = 529 bill.nok



**2. quarter 1998**

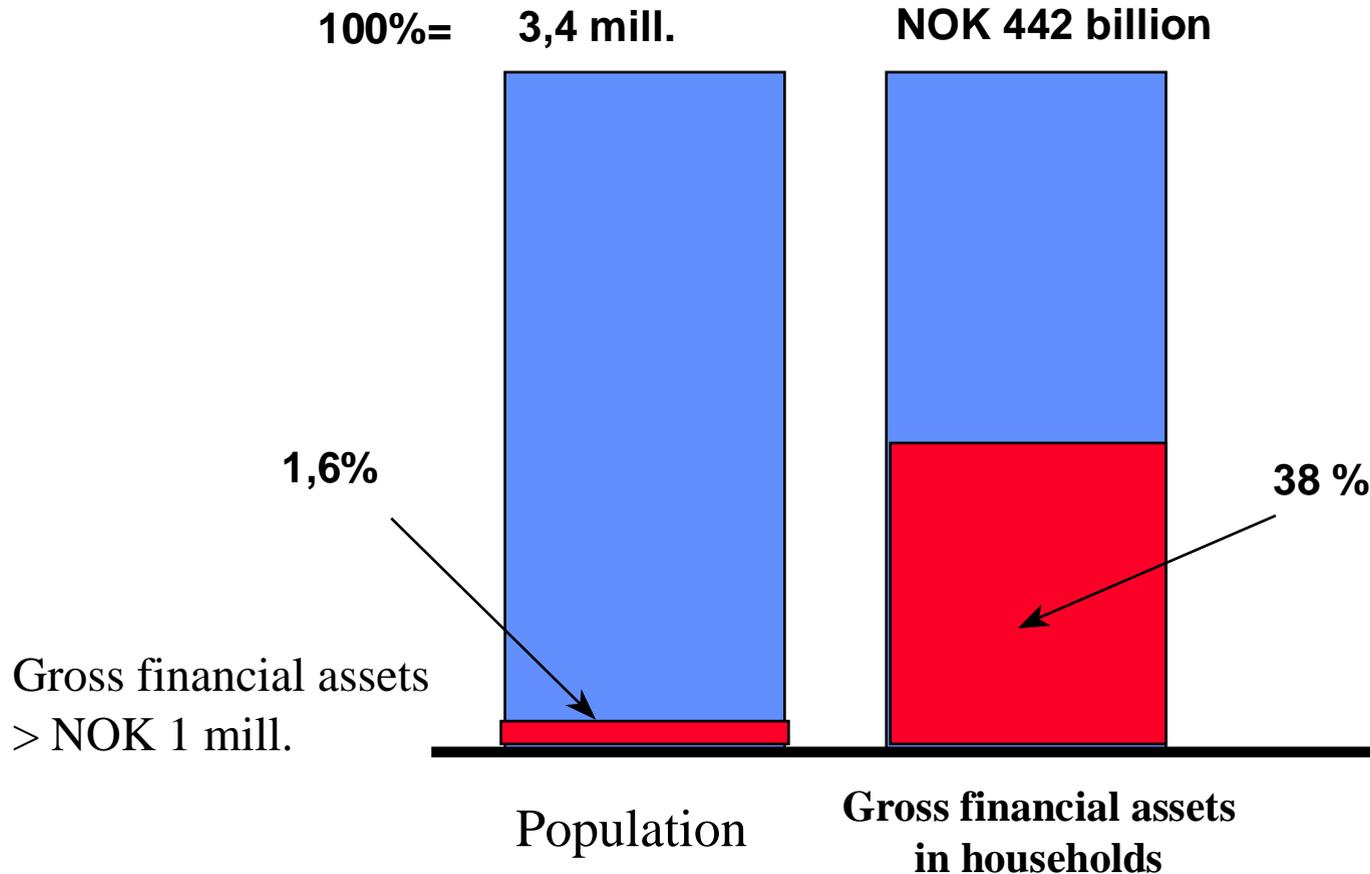
100% = 1045 bill.nok



- Cash/Bank
- Deposits
- Bonds etc.
- Shares
- Mutual funds
- Insurance claims
- Loans and other assets

Source: Norges Bank

# Importance of the private bank segment

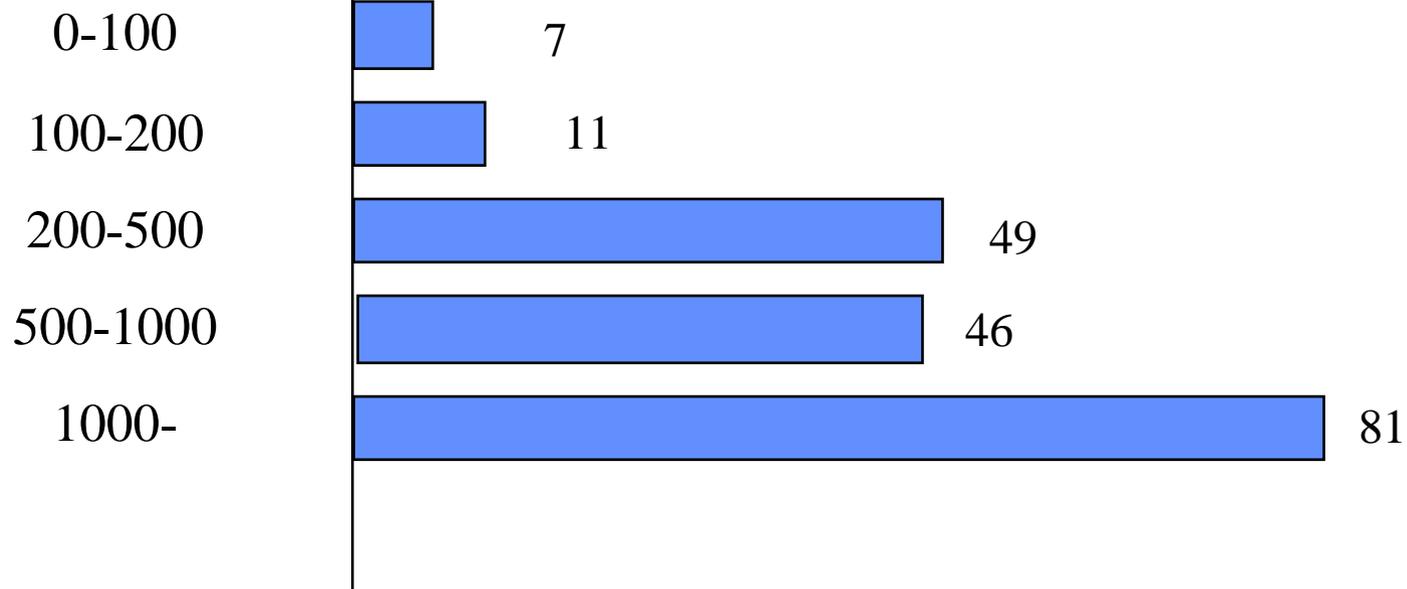


Source: Central Bureau of Statistics, 1996

# Real growth in net assets\* , 1987-1995

Percent

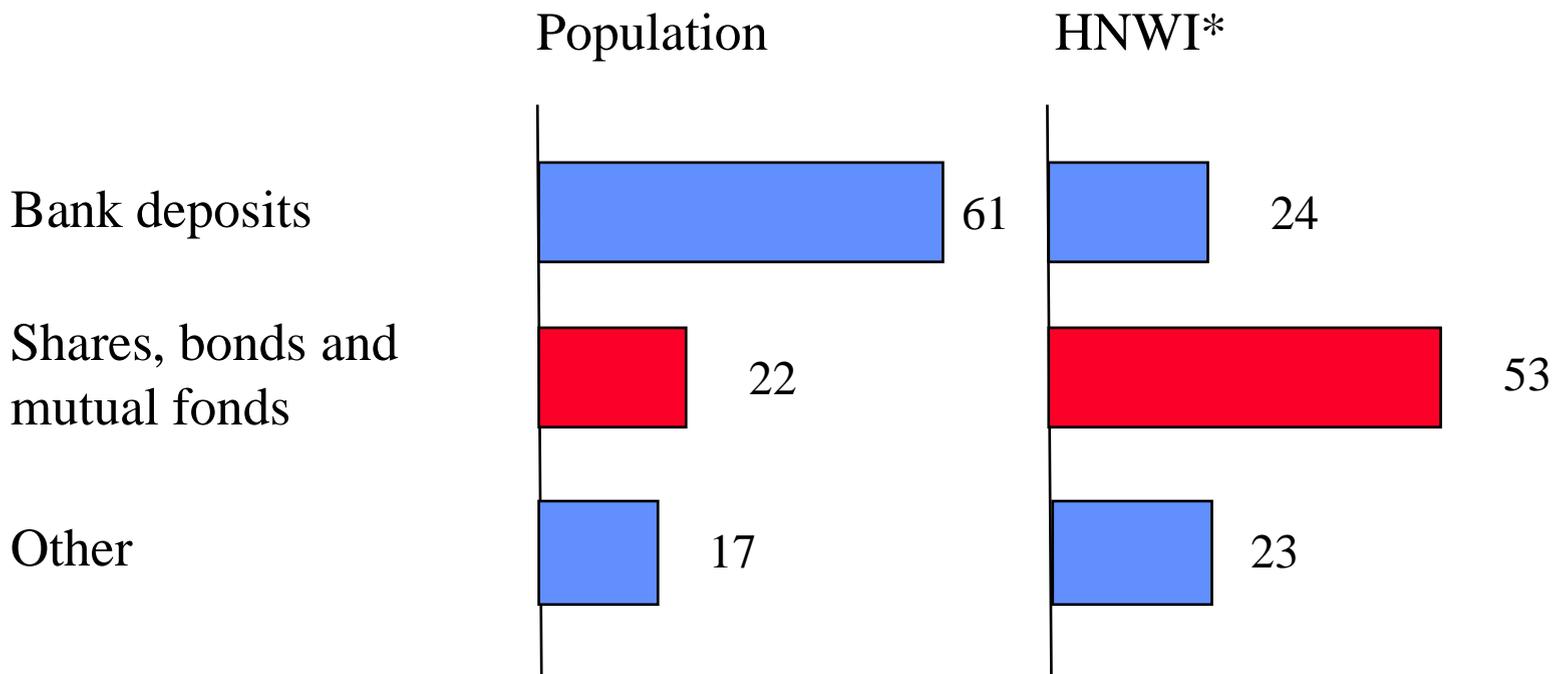
Net assets,  
NOK '000



\* Estimated at taxable valunes, net of debt

Source: Central bureau of Statistics

# Distribution of net assets



\* Net income above NOK 200.000 and gross financial assets above NOK 1 mill.

Source: Central Bureau of Statistics, 1996

# Storebrand Strengthens Finansbanken's Position

## Finansbanken

- ▶ Strong niche position in attractive market
- ▶ Cost-effective and innovative bank.
- ▶ Highly competent employees as well as a proven and strong management team

## Storebrand Provides

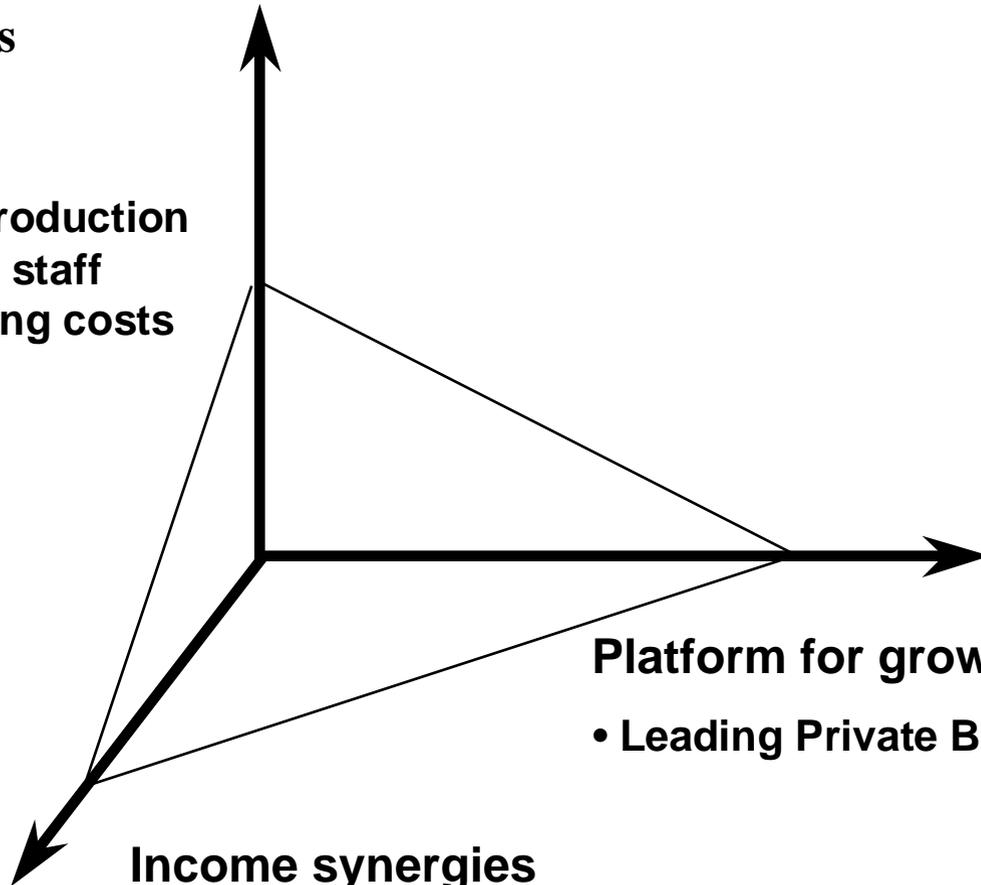
- ▶ Strengthened advisory capacity and quality through cooperation with Norway's leading asset management environment.
- ▶ Better access to asset management products.
- ▶ Increasing competence through Finansbanken's important role in Storebrand's product and service development.
- ▶ Coordination of production of standard financial products.

**A Leading  
Private Bank**

# Sources of value creation after a merger

## Cost synergies

- Coordinate production
- Share central staff
- Reduce funding costs



## Platform for growth

- Leading Private Bank

## Income synergies

### Cross-sales:

- Mutual Funds
- Individual Life and pension products
- Loans
- Other asset management products

# Authorization to issue share capital

- **Authorization to issue new share capital, limited to 10% of existing share capital**
- **The authorization is limited to this transaction**
- **The authorization will be valid to the ordinary general meeting in year 2000**

## **Time schedule**

**Extraordinary general meeting in Storebrand in which the board asks for authorization to issue**

**End January**

**Distribution of tender documents**

**End January/  
Early February**

**Tender periode**

**Two weeks**