




# Storebrand

Results 2<sup>nd</sup> Quarter 2005  
10 August 2005

Analyst Presentation



## Analyst Presentation 2<sup>nd</sup> quarter 2005

	Page #	Slide #
• Storebrand Group Group CEO Idar Kreutzer	2-8	3-16
<b>Back-up:</b>		
• Storebrand Group	9-15	17-30
• Storebrand ASA	16-17	31-34
• Storebrand Life Insurance	18-29	35-58
• Storebrand Investments	30-34	59-68
• Storebrand Bank	35-39	69-78
• Storebrand Non-Life	40-42	79-83



# Storebrand

Results 2<sup>nd</sup> Quarter 2005

10<sup>th</sup> August 2005

Idar Kreutzer  
Group CEO



## Highlights Q2 2005

- Group profit of NOK 392 million compared to NOK 113 million in Q2 2004 (excl. If)
- Good return and continued strong growth in premium income for life insurance activities
- Positive development in results for Storebrand Bank due to lower operating costs and write-back of loan loss provisions
- Market characterised by strong dynamics. New regulatory framework and strong competition drives pace of change, with high levels of activity in the organisation

Q2 2005

4



## Storebrand Group Results

NOK million	Q 2		01.01 - 30.06		01.01-31.12
	2005	2004	2005	2004	2004
Life activities	307	198	562	392	931
Investment activities	14	15	22	32	47
Storebrand Bank	69	15	141	34	121
Other activities*	1	1 263	-19	1 451	1 446
Group profit	392	1 492	706	1 909	2 545

\*) Effect from If Skadeforsikringen on group profit (incl. gain from sale of shares) i 2004 has been booked under Other activities. In Q2 2004 This effect was NOK 1,379 million, and for full year 2004 NOK 1,571 million.

Q2 2005

5

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## Storebrand Life Insurance Results

NOK Million	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Interest result	1,158	566	1,877	1,076	3,094
Risk result	69	37	99	80	206
Administration result	-102	-30	-131	-71	-137
Change in security and premium reserve	-4	2	-4	-1	-181
Operating profit	1,121	574	1,841	1,084	2,982
Transferred to policyholders	-807	-364	-1,273	-674	-2,019
Profit to owner Storebrand Livsforsikring AS	314	210	568	410	963
Profit to owner Storebrand Life Group	315	210	570	412	965
Other life insurance activities	-5	-9	-2	-14	-21
Group profit life	310	202	568	398	945
Effect IFRS	-3	-4	-6	-6	-15
Group profit life IFRS	307	198	562	392	930

Booked and value adjusted return 3.1% and 3.3% respectively year to date

Value adjusted incl.hold to maturity 3.5% year to date

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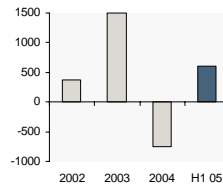
6

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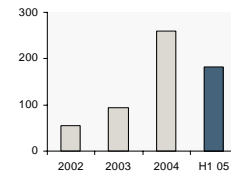
## Storebrand Livsforsikring - still strong growth in premium income

- 53% growth in premium (excl. transfers) for traditional life insurance compared to H1 2004
- Positive net transfer balance of NOK 584 million for group pensions as per 30 June 2005
- 200 new defined contribution pension schemes established year to date
- Premiums written for defined contribution schemes increased by 50% compared to H1 2004

Net transfer balance (NOK million)



Premiums written - defined contribution (NOK million)



Q2 2005

7

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## New law on mandatory occupational pensions

- New legislation on mandatory occupational pensions for private companies expected to be approved in the Norwegian Parliament in October
- Draft legislation includes:
  - Minimum requirement of defined contribution scheme paying in 2% of annual salary above 1G\*, or corresponding defined benefit pension scheme
  - All companies with employees qualifying for membership must set up pension schemes before 31 December 2006, with premiums paid from 1 July 2006
  - Pension schemes to be compliant with Act on Corporate Pensions or Act on Defined Contribution Pension Schemes

\* G=Social Security Fund's base amount, currently NOK 60 699

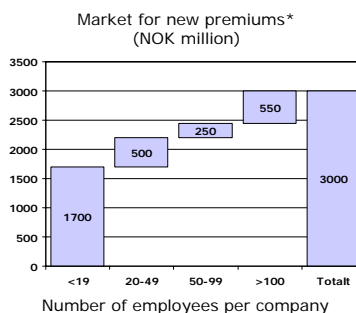
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8

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## Important market for Storebrand

- 509,000 private sector employees without supplementary pension scheme (abt. 67,000 companies)
- Minimum abt. NOK 3 billion in increased annual premiums in implementation of mandatory occupational pensions
- Storebrand expects high levels of activity in this market



\*) Estimated total market measured by annual premium income from companies that do not have pension schemes set up today

Q2 2005 Source: Report to Parliament (Stortingsmelding) no. 12 2004-2005, Storebrand Livsforsikring AS

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## Storebrand – the experienced provider of pensions

- Storebrand has established agreements with trade associations comprising abt. 19,000 companies with abt. 350,000 employees
- Storebrand will offer standardised products, efficient distribution and an attractive service concept
- Storebrand will build on a tried and tested service concept specially adapted for companies with less than 20 employees



Storebrand har rettigheter til alle norske lastbilførere som er medlem i NLF og som har en arbeidstid på minst 1 år. Dette gjelder for alle som har en arbeidstid på minst 1 år. Dette gjelder for alle som har en arbeidstid på minst 1 år. Dette gjelder for alle som har en arbeidstid på minst 1 år.

Vil du vite mer, ring 22 31 21 20 eller se [www.storebrand.no](http://www.storebrand.no)



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10

## Storebrand Bank Result

NOK million	Q2		01.01-30.06		Full year
	2005	2004	2005	2004	2004
Net interest income	112	103	232	211	427
Other income	16	79	40	170	274
Total income	128	181	272	381	701
Operating expenses	-82	-154	-170	-320	-585
Operating profit before losses	46	28	102	61	116
Loan loss provisions	23	-10	22	-24	7
Profit / losses on shares	-	-2	17	-3	-3
Profit before tax	69	15	141	34	121

- Reduced costs and write-back of earlier loan loss provisions gave good results in Q2

Note: Storebrand Bank Group  
Q2 2005

11

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## Storebrand Investments Result

NOK million	Q2		01.01 - 30.06		Full year
	2005	2004	2005	2004	2004
Total income	68	82	135	161	316
Total costs	-60	-68	-120	-132	-278
Net financial income/Other income	6	1	7	4	10
Profit before tax	14	15	22	32	47

- Reduction in income largely due to If transferring it's assets to internal management in Q4 2004
- Cost reduction due to lower staff costs

Q2 2005

12

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## Other activities Result

NOK million	Q2		01.01 - 30.06		01.01-31.12
	2005	2004	2005	2004	2004
Storebrand ASA *)	-14	1 797	584	2 318	2 280
Fair Forsikring	8	0	9	4	14
Storebrand Skadeforsikring	6	-28	0	-27	-16
Other activities	1	-506	-612	-845	-831
<b>Total profit other activities</b>	<b>1</b>	<b>1 263</b>	<b>-19</b>	<b>1 451</b>	<b>1 446</b>

\*) Including group contributions and dividends from subsidiaries

- Positive development in Fair Forsikring
- 99.6% of exchangeable bond converted to shares in Q2, resulting in lower interest costs for Storebrand ASA

## Storebrand continues work to adjust the company's capital structure

- The board plans to hold an EGM to get a new approval for canceling own shares
- On 8 August Moody's upgraded Storebrand Livsforsikring AS to A2 (from A3) and Storebrand ASA to Baa2 (from Baa3)
- Storebrand ASA has given issuers a mandate to arrange a bond issue in the Norwegian market of up to NOK 1.5 billion



## Summary

- Good results and solid financial position
- Changes in framework and strong market dynamics
- Storebrand has ambitious goals and a high level of activity in a growing savings market

Q2 2005 15 



Storebrand shall be the leading and most respected institution in the Norwegian market for long-term savings and life insurance



Q2 2005 16 



## Storebrand Group



## IFRS accounting

Storebrand ASA's group accounts are presented in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union. The effects of the transition to IFRS are described in the notes to the interim report and in a separate note in the Storebrand 2004 Annual Report (page 83). The effects of the implementation of IFRS have been calculated on the basis of the IFRS standards expected to apply at 31 December 2005 and the current interpretation of these standards.

## IFRS accounting (continued)

Restating the opening balance sheet at 1 January 2004 in accordance with IFRS has reduced the group's reported equity by NOK 323 million. The treatment of pensions for employees is the main reason for this change. Restating the balance sheet at 31 December 2004 in accordance with IFRS increases the group's reported equity by NOK 1,315 million, and a major part of this increase relates to the reversal of the provision for dividend. Profit after tax for 2004 restated in accordance with IFRS is NOK 12 million higher. The transition to the international accounting standard for financial instruments (IAS 39) has had only a limited net effect on the group's equity.

## Storebrand Group Group profit by sub-group

NOK million	Q 2		01.01 - 30.06		01.01-31.12
	2005	2004	2005	2004	2004
Life activities	307	198	562	392	931
Investment activities	14	15	22	32	47
Storebrand Bank	69	15	141	34	121
Other activities	1	1 263	-19	1 451	1 446
<b>Group profit</b>	<b>392</b>	<b>1 492</b>	<b>706</b>	<b>1 909</b>	<b>2 545</b>

\*) Effect from If Skadeforsakring in 2004 (incl. gain from sale of shares) has been booked under 'Other activities'. In Q2 2004 this effect was NOK 1,379 million, and for full year 2004 NOK 1,571 million.

## Storebrand Group Operating Profit

NOK million	Q 2		01.01 - 30.06		01.01-31.12
	2005	2004	2005	2004	2004
Net premiums - insurance	4 909	3 428	13 268	9 504	18 740
Interests income	145	148	303	337	574
Financial income	2 725	2 689	4 829	5 244	10 469
Other income	46	171	212	512	648
<b>Operating income</b>	<b>7 825</b>	<b>6 436</b>	<b>18 612</b>	<b>15 597</b>	<b>30 431</b>
Profit associated companies	4	-2	4	193	195
Insurance benefits, reserve allocations	-5 817	-4 170	-15 063	-11 214	-22 258
Interests costs	-6	-90	-80	-154	-246
Loan losses - banking	23	-11	22	-24	7
Operating expenses	-553	-532	-1 087	-1 071	-2 186
Other costs	-23	-164	-71	-205	-326
Costs and expenses	-6 376	-4 967	-16 278	-12 668	-25 008
To (from) market price adjustment reserve	-261	384	-371	-550	-1 078
<b>Operating profit</b>	<b>1 193</b>	<b>1 851</b>	<b>1 967</b>	<b>2 572</b>	<b>4 541</b>

Q2 2005

21

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## Storebrand Group Earnings per share

NOK million	Q 2		01.01. - 30.06		01.01-31.12
	2005	2004	2005	2004	2004
Group profit	392	1 492	706	1 909	2 545
Changes in security reserve etc. - non life	-3	19	5	28	58
Profit before tax	389	1 510	711	1 937	2 603
Tax	-11	-276	-42	-375	-231
Minority interests	-2	0	-2	0	-2
<b>Profit for the year</b>	<b>376</b>	<b>1 235</b>	<b>667</b>	<b>1 562</b>	<b>2 370</b>
- Change in security reserve etc.	2	-13	-4	-20	-42
<b>Earnings</b>	<b>378</b>	<b>1 221</b>	<b>663</b>	<b>1 541</b>	<b>2 329</b>
<b>Earnings per share</b>	<b>1,46</b>	<b>4,39</b>	<b>2,55</b>	<b>5,54</b>	<b>8,53</b>

Q2 2005

22

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## Storebrand Group Balance sheet

NOK million	30.06 2005	Share of totalt assets	31.12 2004	Share of totalt assets
Intangible assets	652	0 %	720	0 %
Shares in associated companies	74	0 %	70	0 %
Loans	24 885	14 %	24 124	14 %
Bonds held to maturity	42 543	23 %	39 352	22 %
Real estate at market value	12 259	7 %	12 208	7 %
Financial assets at market value	87 899	48 %	84 350	48 %
Bank deposits	7 493	4 %	6 003	3 %
Other assets	8 258	4 %	8 243	5 %
<b>Total assets</b>	<b>184 063</b>	<b>100 %</b>	<b>175 069</b>	<b>100 %</b>
Equity	8 827	5 %	10 233	6 %
Subordinated loan capital	3 546	2 %	3 611	2 %
Market value adjustment reserve	3 083	2 %	2 767	2 %
Technical reserves	139 454	76 %	129 081	74 %
Liabilities to financial institutions	13 930	8 %	14 186	8 %
Deposits from and liabilities to customers	11 952	6 %	11 463	7 %
Other allocations and liabilities	3 271	2 %	3 728	2 %
<b>Total liabilities and equity capital</b>	<b>184 063</b>	<b>100 %</b>	<b>175 069</b>	<b>100 %</b>

Q2 2005

23

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## Storebrand Group Group profit by sub-group

NOK million	2005		2004			
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Life activities	307	255	311	228	198	194
Investment activities	14	8	8	7	15	17
Storebrand Bank	69	72	55	32	15	19
Other activities	1	-20	-3	-2	1 263	188
<b>Group profit</b>	<b>392</b>	<b>314</b>	<b>371</b>	<b>265</b>	<b>1 492</b>	<b>417</b>

Q2 2005

24

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## Storebrand Group Capital adequacy

NOK million	Risk weighted assets 30.06.05	Net primary capital 30.06.05	Capital ratio	
			30.06.05	31.12.04
Storebrand ASA	6 650	6 819	102,5 %	89,1 %
Storebrand Life insurance	60 082	7 504	12,5 %	14,4 %
Storebrand Non-life insurance	107	138	129,0 %	97,1 %
Storebrand Bank	17 020	2 084	12,2 %	13,8 %
Storebrand Unit Linked	729	97	13,3 %	15,3 %
<b>Storebrand Group</b>	<b>81 645</b>	<b>11 089</b>	<b>13,6 %</b>	<b>15,3 %</b>

Q2 2005

25

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## Storebrand Group Other activities

NOK million	Q2		01.01 - 30.06		01.01-31.12
	2005	2004	2005	2004	2004
Storebrand ASA *)	-14	1 797	584	2 318	2 280
Fair Forsikring	8	0	9	4	14
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\*) Including group contributions and dividends from subsidiaries

Q2 2005

26

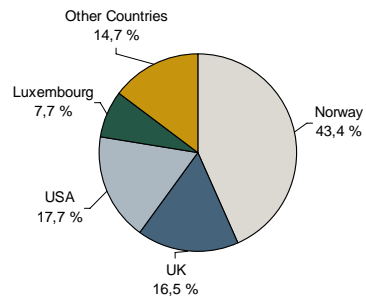
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## Shareholder structure as at 5 August 2005

### 20 largest shareholders

Folketrygdfondet	10,02
Orkla ASA	8,50
Storebrand ASA	7,07
State Street Bank & Co. (NOM)	5,17
Fidelity Funds-Europe	3,89
Euroclear Bank s.a. (NOM)	3,54
JPMorgan Chase Bank (NOM)	2,82
State Street Bank & Co. (NOM)	2,76
JPMorgan Chase Bank (NOM)	2,53
Skandinaviska Enskilda Banken	2,47
Deutsche Bank AG (NOM)	1,96
Other 10	9,76
<b>Total</b>	<b>60,49</b>

### By region



Q2 2005

27

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## Rating for Storebrand as at 10 August 2005

Storebrand ASA	
Moody's:	Baa2 (S)
S&P:	BBB+ (S)

Storebrand Livsforsikring AS	
Moody's:	A2 (S)
S&P:	A (S)

Storebrand Bank ASA	
Moody's:	Baa2 (S)
S&P:	n.a.

P=positive outlook, S=stable outlook, N=negative outlook

Q2 2005

28

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## Storebrand Group Key figures

NOK million	Q2		01.01 - 30.06		01.01 - 31.12
	2005	2004	2005	2004	2004
<b>Group</b>					
Earnings per share	1,46	4,39	2,55	5,54	8,53
Capital ratio	13,1 %	19,4 %	13,1 %	19,4 %	15,3 %
<b>Life Insurance (Storebrand Livsforsikring)</b>					
Policyholders' funds	3 893	1 050	131 092	113 680	121 099
Booked investment return (annualised)	7,1 %	6,0 %	6,4 %	5,7 %	6,4 %
Value adjusted investment return (annualised, excl. HTM)	7,9 %	4,6 %	6,8 %	6,5 %	7,2 %
Risk capital above regulatory minimum (excl.HTM)	971	698	10 526	8 879	10 950
<b>Storebrand Bank</b>					
Interest margin	1,65 %	1,59 %	1,69 %	1,63 %	1,63 %
Cost/income	64 %	85 %	63 %	84 %	84 %
Net lending	23 980	22 344	23 980	22 344	23 474
Gross non-performing and loss-exposed loans	911	1 016	911	1 016	847
<b>Storebrand Investments (asset management)</b>					
Total funds under management	1 435	7 810	172 001	174 021	165 009
Funds under management for external clients	-1 416	2 037	23 590	42 458	25 389
Cost/income	87 %	83 %	89 %	82 %	88 %

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## Storebrand ASA

## Storebrand ASA Profit for the year

NOK million	Q 2		01.01 - 30.06		01.01 - 31.12
	2005	2004	2005	2004	2004
Group contributions and transfers	0	0	611	535	568
Interest income	11	41	29	47	87
Interest expense	-4	-43	-26	-82	-112
Realized/unrealized gains/losses on securities	116	1 863	125	1 920	1 945
Other financial income/costs	-111	-21	-109	-27	-60
Net financial items	12	1 840	19	1 858	1 861
Total operating expenses	-25	-42	-46	-75	-149
Profit before tax	-14	1 798	584	2 318	2 280


## Storebrand ASA Balance sheet

NOK million	30.06.2005	Share of total assets	31.12.2004	Share of total assets
Shares in subsidiaries	5 755	73 %	6 244	58 %
Financial assets at market value	1 459	18 %	4 042	37 %
Other assets	692	9 %	533	5 %
<b>Total assets</b>	<b>7 906</b>	<b>100 %</b>	<b>10 818</b>	<b>100 %</b>
Equity	6 925	88 %	8 417	78 %
Bond loan	503	6 %	1 800	17 %
Other liabilities	478	6 %	601	6 %
<b>Total liabilities and equity capital</b>	<b>7 906</b>	<b>100 %</b>	<b>10 818</b>	<b>100 %</b>

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## Storebrand Life Insurance



## Storebrand Life Group Highlights as at 30.06.2005

- Operating profit in Q2 NOK 1,122 million, an improvement from NOK 574 million in Q2 2004. Operating profit as of Q2 was NOK 1,843 million compared to NOK 1,086 million as of Q2 2004. The period saw high premium income and positive net transfer of new customers
- Booked and value adjusted return on investments of 3.1% (annualised 6.4%) and 3.3% (annualised 6.8%) respectively (year to date)
- If changes in the market value on bonds held to maturity are included, return on investments was 3.5% (annualised 7.2%) (year to date)
- Risk capital increased by NOK 1.0 billion in Q2 due to increases in market value adjustment reserves to stand at NOK 10.6 billion, excl. NOK 4.6 billion in reserves for bonds held to maturity



## Storebrand Life Group Highlights as at 30.06.2005

- Total premium income (excluding transfers to/from) increased by 53% compared to H1 2004
  - Premium income of group pension was in line with last year
  - The sale of personal savings products increased more than 100%
- Premium income in health insurance has increased by 28% compared to H1 2004
- Positive net transfer balance for life insurance in Q2 of NOK 281 million and NOK 598 million for H1 2005

Q2 2005

37

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## Storebrand Life Group Results

NOK mill.	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Storebrand Life Group	312	207	564	406	956
Storebrand Fondsforsikring	-6	-9	-3	-14	-24
Storebrand Helseforsikring (50%)	1	0	1	0	-2
Group profit Life	307	198	562	392	930

Q2 2005

38

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## Storebrand Life Group Profit and loss

NOK Million	Q2		01.01.-30.06.		Full year 2004
	2005	2004	2005	2004	
Premiums written	4,140	2,541	11,081	7,252	15,293
Net transfers of premium reserve	313	-926	642	-938	-588
Net income of financial investments	2,632	1,281	4,565	3,806	8,693
Claims paid	-2,125	-1,668	-3,901	-3,256	-6,849
Change in technical reserves	-3,157	-720	-9,460	-4,635	-11,243
Operating expenses Storebrand Livsforsikring AS	-362	-250	-629	-507	-1,039
Other income/costs	-16	-67	-92	-87	-205
Change in market price adjustment reserve	-304	384	-365	-550	-1,078
Operating profit	1,122	574	1,843	1,086	2,985
Transferred to policyholders	807	364	1,273	674	2,019
Profit to owner Storebrand Life Group	315	210	570	412	966
Other life insurance activities	-5	-9	-2	-14	-21
Group profit life	310	202	568	398	945
Effect IFRS	-3	-4	-6	-6	-15
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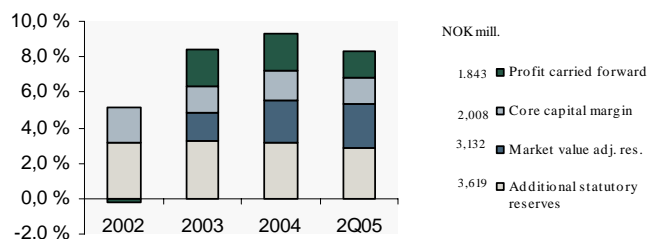
Q2 2005

39

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## Storebrand Livsforsikring AS Satisfactory solidity

- Capital ratio of 12.5%
- Risk capital of NOK 10.6 billion, equivalent to 8.3% of insurance funds excl. additional statutory reserves



Risk capital as % of policyholders funds excl. additional statutory reserves.  
NOK 4.6 billion in reserves for bonds held to maturity is not included in risk capital.

Q2 2005

40

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## Storebrand Livsforsikring AS Allocation and policyholders' funds

Allocation and policyholders' fund	Q2-05	Q1-05	Q4-04	Q3-04	Q2-04	Q1-04	Q4-03	Q3-03
Equity	22 %	22 %	22 %	22 %	20 %	19 %	17 %	16 %
Real estate	9 %	9 %	10 %	10 %	8 %	8 %	8 %	9 %
Money market	11 %	11 %	13 %	13 %	11 %	15 %	20 %	18 %
Bonds held to maturity	30 %	31 %	30 %	30 %	32 %	35 %	37 %	40 %
Bonds	27 %	26 %	24 %	24 %	28 %	23 %	17 %	16 %
Loans	0 %	0 %	0 %	0 %	1 %	1 %	1 %	1 %
Other financial assets	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Equity exposure	21 %	20 %	21 %	18 %	17 %	15 %	13 %	12 %
Policyholders' fund (NOK billion)	131	127	121	116	114	113	109	105

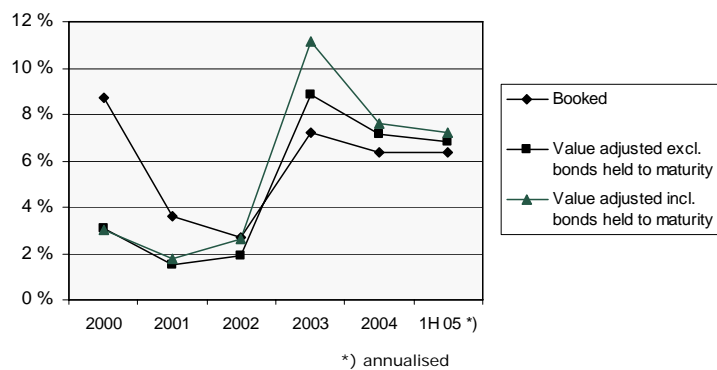
- Real exposure to current bonds is approx. 16% with the difference in money market
- Approx. 74% of equity exposure in foreign shares
- In addition to the financial assets above, the company had NOK 3.5 billion in other assets as at 30 June 2005

Q2 2005

41

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## Storebrand Livsforsikring AS Development in return on capital



- Realised return on investments as at close of H1 of 3.13 % and value adjusted excl. bonds held to maturity of 3.34 %

Q2 2005

42

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## Storebrand Livsforsikring AS Unrealised gains

NOK Million	Q2		01.01.-30.06.		Full year 2004	Change 2005
	2005	2004	2005	2004		
Shares	64	-137	2,435	2,175	2,137	298
Fixed interest investments	197	-247	648	64	576	72
Short term investments	261	-383	3,083	2,239	2,712	371
Bonds held to maturity	770	-1,159	4,630	3,219	4,213	417
<b>Total</b>	<b>1,031</b>	<b>-1,542</b>	<b>7,713</b>	<b>5,458</b>	<b>6,925</b>	<b>788</b>

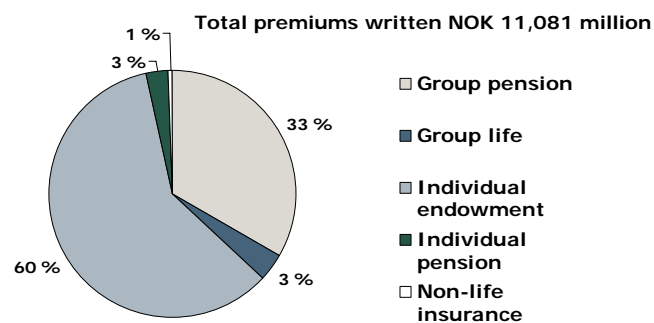
- Q2 columns shows change during the quarter

Q2 2005

43

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## Storebrand Life Group Premiums excl. reserves transferred to the company as at 30.06.2005



Q2 2005

44

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## Storebrand Livsforsikring AS Premiums excl. reserves transferred to the company

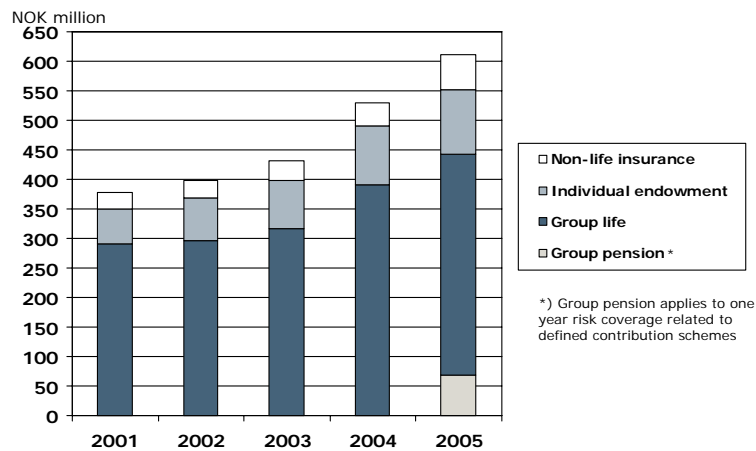
NOK mill.	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Group pension	1,140	873	3,723	3,795	6,326
Group life	79	77	375	391	490
Individual endowment	2,760	1,439	6,660	2,723	7,645
Individual pension	130	133	263	305	753
Non-life insurance	31	19	60	38	79
Sum	4,140	2,541	11,081	7,252	15,293

Q2 2005

45

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## Storebrand Livsforsikring AS -premiums written, products without profit sharing as per 30.06.



Q2 2005

46

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## Storebrand Life Group Net transfers of premium reserves

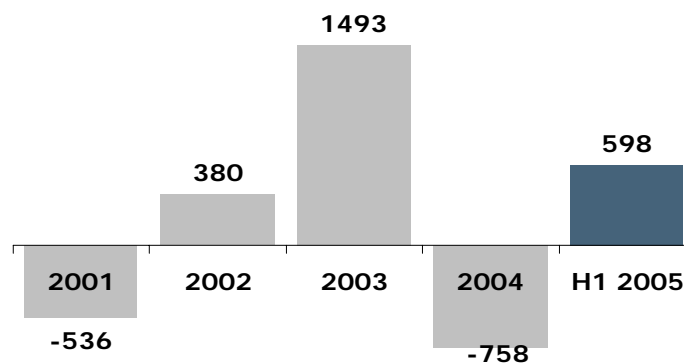
NOK Million	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Premium reserves received					
Group pensions	508	620	1,604	1,677	2,299
Individual life insurance	53	103	114	166	345
<b>Total</b>	<b>561</b>	<b>724</b>	<b>1,718</b>	<b>1,843</b>	<b>2,644</b>
Premium reserves transferred					
Group pensions	-223	-1,609	-1,020	-2,703	-3,103
Individual life insurance	-25	-41	-56	-77	-129
<b>Total</b>	<b>-248</b>	<b>-1,650</b>	<b>-1,076</b>	<b>-2,781</b>	<b>-3,232</b>
<b>Net transfers Storebrand Livsforsikring AS</b>	<b>314</b>	<b>-927</b>	<b>642</b>	<b>-938</b>	<b>-588</b>
Unit Linked	23	23	58	30	90
Unit Linked	-56	-90	-102	-164	-261
<b>Net transfers</b>	<b>-33</b>	<b>-67</b>	<b>-44</b>	<b>-135</b>	<b>-170</b>
<b>Net transfers life insurance</b>	<b>281</b>	<b>-993</b>	<b>598</b>	<b>-1,073</b>	<b>-758</b>

Q2 2005

47

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## Storebrand Life Group Net transfers of premium reserves in NOK million

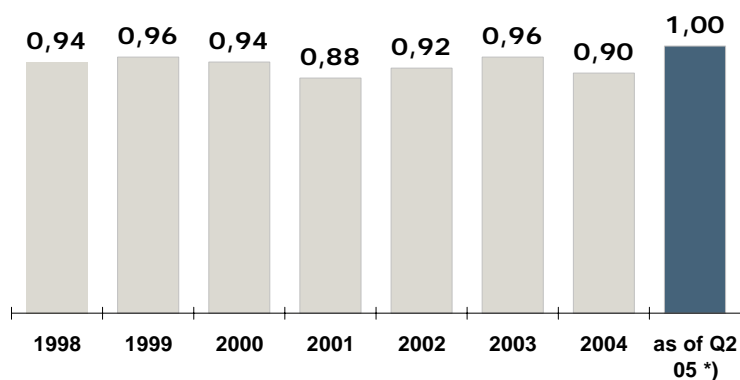


Q2 2005

48

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## Storebrand Livsforsikring AS Operating costs as % of average policyholders funds



Sales of savings-related products to the retail market have now stabilised at a somewhat lower level, and sales costs are therefore expected to be lower in the second half of the year.

\*) annualised

Q2 2005

49

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## Storebrand Livsforsikring AS Profit analysis

NOK Million	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Interest result	1,158	566	1,877	1,076	3,094
Risk result	69	37	99	80	206
Administration result	-102	-30	-131	-71	-137
Change in security and premium reserve	-4	2	-4	-1	-181
Operating profit	1,121	574	1,841	1,084	2,982
Transferred to policyholders	-807	-364	-1,273	-674	-2,019
Profit to owner Storebrand Livsforsikring AS	314	210	568	410	963
Profit to owner Storebrand Life Group	315	210	570	412	965
Other life insurance activities	-5	-9	-2	-14	-21
Group profit life	310	202	568	398	945
Effect IFRS	-3	-4	-6	-6	-15
Group profit life IFRS	307	198	562	392	930

Q2 2005

50

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## Storebrand Livsforsikring AS Profit to owner

NOK Million	Q2	01.01.-30.06		Q2	01.01.-30.06
PROFIT SHARING MODEL	2005		REGULATORY MAXIMUM	2005	
Net return on company capital	165	252			
Management fee charged from policyholders' fund	131	256	35% of profit from products		
Risk margin	12	23	with profit sharing adjusted for		
Products inside profit sharing	142	279	additional statutory allocations	391	630
Profit from products outside of profit sharing	11	42	Profit from products outside of profit sharing	11	42
Other P&L and balance-sheet items	-4	-5			
Total allocated to the owner	315	568	Total	401	671

Q2 2005

51

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## Storebrand Livsforsikring AS Profit analysis -products without profit sharing

NOK Million	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Interest result	16	10	27	20	53
Risk result	52	16	91	50	126
Administration result	-54	-12	-74	-22	-32
Change in security and premium reserve	-2	0	-2	-1	-2
Operating profit	11	14	42	47	145

Q2 2005

52

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## Storebrand Life Group Balance sheet

NOK Million	Share of total assets		Share of total assets	
	30.06.2005	30.06.2005	31.12.2004	31.12.2004
Immaterial assets	33	0 %	42	0 %
Real estate	12,220	8 %	12,167	9 %
Long term shares and interests from group companies	99	0 %	99	0 %
Bonds held to maturity	42,543	30 %	39,352	29 %
Mortgage and other loans	335	0 %	399	0 %
Shares	30,442	21 %	28,579	21 %
Bonds	38,082	26 %	31,786	24 %
Short term debt instruments	10,193	7 %	12,254	9 %
Other financial assets	6,091	4 %	5,461	4 %
Real estate for own use	730	1 %	730	1 %
Other assets	3,446	2 %	3,341	2 %
<b>Total assets</b>	<b>144,214</b>	<b>100 %</b>	<b>134,209</b>	<b>100 %</b>

Q2 2005

53

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## Storebrand Life Group Balance sheet (continued)

NOK Million	Share of total assets		Share of total assets	
	30.06.2005	30.06.2005	31.12.2004	31.12.2004
Equity	5,056	4 %	5,029	3 %
Minority interests' share in equity	14	0 %	13	0 %
Subordinated loan capital	2,894	2 %	2,967	2 %
Market price adjustment reserve	3,083	2 %	2,767	2 %
Premium reserve for own account	121,251	84 %	111,785	83 %
Additional statutory allocations	3,619	3 %	3,706	3 %
Premium/pension adjustment fund	4,510	3 %	5,145	4 %
Claims reserve for own account	315	0 %	314	0 %
Other insurance reserves	98	0 %	81	0 %
Unallocated surplus to policyholders f.o.a.	1,262	1 %		
<i>Insurance fund reserves for own account</i>	<i>131,054</i>	<i>91 %</i>	<i>121,031</i>	<i>90 %</i>
Security reserves	153	0 %	149	0 %
<b>Insurance related reserves for own account</b>	<b>131,207</b>	<b>91 %</b>	<b>121,180</b>	<b>90 %</b>
Other debts	1,960	1 %	2,253	2 %
<b>Total equity and liabilities</b>	<b>144,214</b>	<b>100 %</b>	<b>134,209</b>	<b>100 %</b>

Q2 2005

54

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## Storebrand Livsforsikring AS Key figures

	Q2		01.01.-30.06.		Full year
	2005	2004	2005	2004	2004
Booked return - year-to-date	1.72%	1.47%	3.13%	2.79%	
Booked return - annualised	7.06%	6.01%	6.37%	5.65%	6.39%
Value adjusted return - year-to-date	1.91%	1.12%	3.34%	3.19%	
Value adjusted return - annualised	7.86%	4.56%	6.79%	6.48%	7.17%
Value adjusted return - year-to-date -including bonds held to maturity	2.39%	0.16%	3.54%	2.95%	
Solvency margin			167.3%	171.1%	169.4%
Capital ratio (Storebrand Livsforsikring Group)			12.49%	18.36	14.38%
Operating expenses as % of policyholders funds			1.00%	0.91%	0.90%

Q2 2005

55

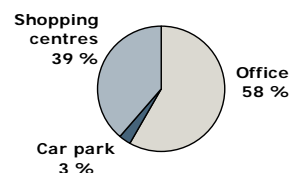
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## Storebrand Livsforsikring AS Real estate fund

Key figures	01.01.-30.06.		01.01.-31.12.
	2005	2004	2004
The real estate fund:			
Growth in value	3.7%	3.6%	9.1%
Booked yield *)	3.6%	3.6%	8.9%
Direct yield	3.6%	3.6%	7.5%
Revaluations	0.0%	0.0%	1.4%
Total m2	824,000	614,300	820,800
Occupancy level	96.3%	95.7%	95.6%

\*) Not included revaluations of foreign real estate funds.

### Portfolio allocation (Market value)



Q2 2005

56

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## Storebrand Fondsforsikring AS Summary profit and loss account

NOK Million	Q2		01.01.-30.06		Full year 2004
	2005	2004	2005	2004	
Premiums written	155	120	357	318	619
Income of financial investments	-24	10	29	25	45
Income - Unit Linked assets	133	30	265	296	409
Claims paid	-109	-126	-215	-240	-422
Change in technical reserves	-155	15	-349	-258	-408
Operating expenses - insurance	-26	-26	-49	-52	-97
Costs - financial investments	31	-2	-9	-9	-14
Financial expense - Unit Linked assets	-12	-29	-33	-94	-156
Profit before tax	-6	-9	-3	-14	-24
Tax payable	0	2	0	4	-31
Profit after tax	-6	-7	-3	-10	-56

Q2 2005

57

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## Storebrand Fondsforsikring AS Balance sheet

NOK Million	30.06.05	Share 30.06.05	30.06.04	Share 30.06.04
Deferred tax allowances		0 %	35	1 %
Bonds and other fixed income securities	90	2 %	107	2 %
Assets - Unit Link	4,838	97 %	4,276	96 %
Cash and bank	66	1 %	29	1 %
Intra group receivables	3	0 %	2	0 %
Other receivables	3	0 %	11	0 %
<b>Total assets</b>	<b>5,000</b>	<b>100 %</b>	<b>4,461</b>	<b>100 %</b>
Share capital	54	1 %	54	1 %
Other equity	43	1 %	92	2 %
<b>Total equity capital</b>	<b>97</b>	<b>2 %</b>	<b>146</b>	<b>3 %</b>
Insurance fund reserves for own account	20	0 %	14	0 %
Insurance fund reserves - Unit Link	4,838	97 %	4,276	96 %
Pension liability	1	0 %		
Intra group liabilities	23	0 %	13	0 %
Other liabilities	21	0 %	11	0 %
Accrued cost	1	0 %	2	0 %
<b>Total equity and liabilities</b>	<b>5,000</b>	<b>100 %</b>	<b>4,461</b>	<b>100 %</b>


Q2 2005

58

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## Storebrand Investments



## Storebrand Investments Highlights Q2 2005

- Some decline in income compared to last year.
- Operating costs develop according to plan.
- NOK 172 billion in assets under management as at 30 June 2005, an increase of NOK 7 billion year to date. Net sales Q2 was NOK –1.7 billion.
- Three out of ten portfolios for Storebrand Life Insurance outperformed their benchmark indexes. 52% of Storebrand's mutual funds (and 45% of equity funds) have outperformed index (measured before management fees). (All year to date)
- Storebrand's mutual funds maintain good rankings from Standard & Poor's.

## Profit before tax for Q2 2005

NOK million	Q2		01.01 - 30.06		Full year
	2005	2004	2005	2004	2004
Total income	68	82	135	161	316
Total costs	-60	-68	-120	-132	-278
Net financial income/Storebrand	6	1	7	4	10
Alternative Investments (SAI)					
Profit before tax	14	15	22	32	47

- The decline in income is due to loss of fees from If as they transferred their assets to internal management in Q4 2004.
- Operating costs reduced compared to Q2 last year due to lower personnel costs

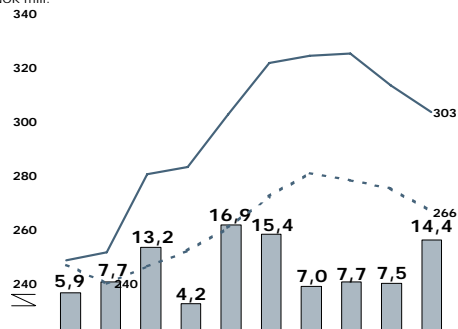
Q2 2005

61

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## Profit development

NOK mill.



- Cost/income ratio is 88% as of Q2, same level as last year
  - Decline in management fees
  - Decline in operating costs

2002 Q1-03 Q2-03 Q3-03 Q4<sup>2)</sup>-03 Q1-04 Q2-04 Q3-04 Q4-04 Q1-05 Q2-05

— Rolling 12 months income<sup>1)</sup>, left axis  
 ..... Rolling 12 months costs<sup>2)</sup>, left axis  
 ■ Quarterly profit before tax Storebrand Investments

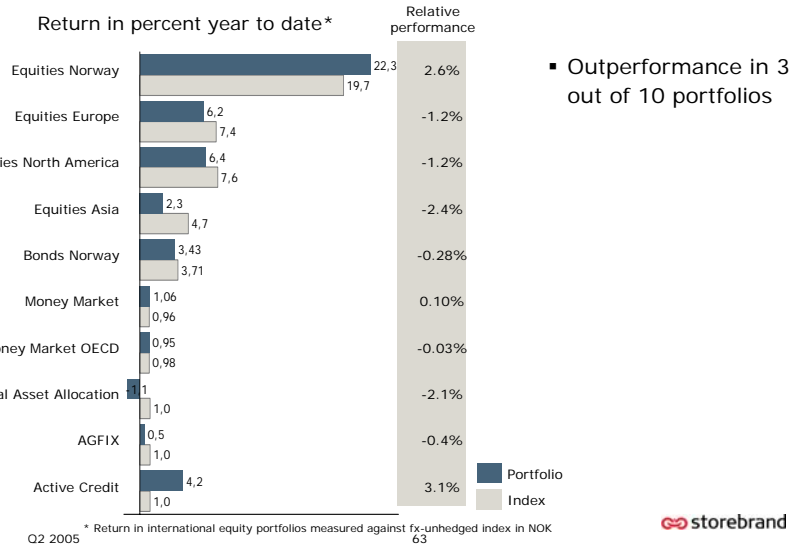
1) Includes net finance and profit before tax from Storebrand Alternative Investments (SAI)  
 2) Total costs / profit adjusted for non-recurring costs of NOK 8.8 million in 2003

Q2 2005

62

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## Contribution to Storebrand Life portfolio performance year to date



## Storebrand's mutual funds Performance / Rating

- 52% (22 out of 42<sup>1</sup>) of Storebrand's mutual funds have outperformed index (gross of management fees)
- According to Standard & Poor's rating<sup>2</sup> 55% of Storebrand's mutual funds are among the top 30% and 84% among the top 50%

Standard & Poor's rating - all mutual funds

Stars	S&P	Storebrand		DnB NOR		Nordea		Odin		Skagen	
		# Fund	Percent	# Fund	Percent	# Fund	Percent	# Fund	Percent	# Fund	Percent
5	★★★★	6	16%	6	9%	2	8%	3	23%	3	23%
4	★★★★	15	39%	14	20%	2	8%	0	0%	0	0%
3	★★★	11	29%	15	22%	5	20%	2	15%	1	8%
2	★★	4	11%	18	26%	12	48%	5	38%	1	8%
1	★	2	5%	16	23%	4	16%	3	23%	0	0%
# of funds		38		69		25		13		5	
Average score		2.87	3.5	2.7		2.4		2.6		4.0	

<sup>1</sup> Storebrand Kapitalforvaltning manages 57 funds, excluding feeder and index funds

<sup>2</sup> Norwegian registered mutual funds as of July 1, 2005

## Market share Norwegian registered mutual funds

All mutual funds (market share in %)

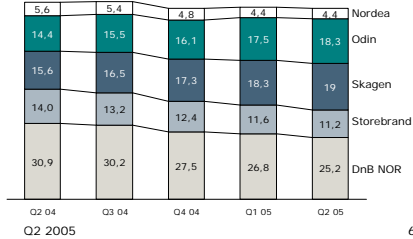


### Market share Storebrand:

As of Q2 (change since last quarter)

Total: 10.8 % (+0.1 percentage points)  
 Equity funds: 11.5 % (-0.4 percentage points)  
 Life cycle funds: 6.7% (-0.1 percentage points)  
 Bond funds: 10.4 % (+1.0 percentage points)  
 Money Market: 10.1 % (+0.7 percentage points)

Equity/life cycle funds (market share in %)



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65

## Sales development

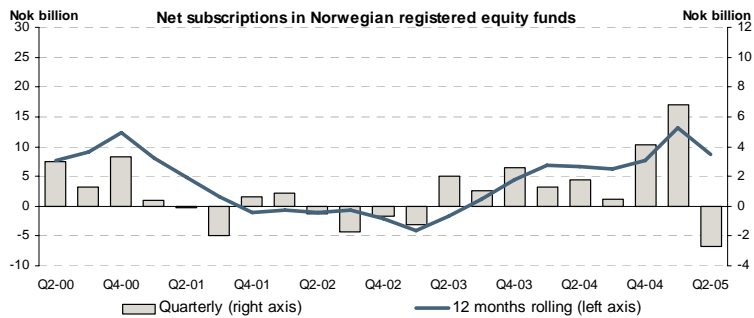
Net sales NOK -1.7 billion in Q2 compared to NOK 0.5 billion last year

### Mutual fund market

- Net subscription ytd (total mutual fund market) Q2 is NOK 8.1 billion compared to NOK 9.7 billion last year
- Storebrand's share of net subscription year to date is 6.9%

### Storebrand (mutual funds and discretionary)

- 8 new institutional customers year to date
- Positive development in margins



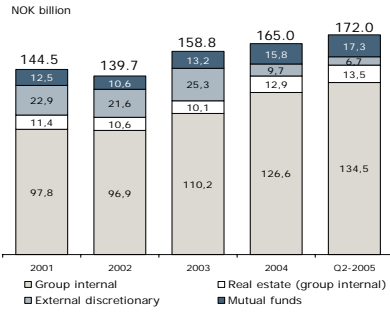
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Q2 2005

66

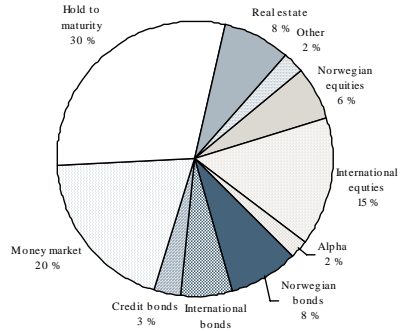
# Storebrand Investments Assets under management

Total assets under management\*



\*Assets from If transferred to internal management in Q4 2004

Asset allocation



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## Storebrand Bank



## Storebrand Bank Highlights Q2 2005

- Storebrand Bank reports a profit of NOK 69 million in Q2 (NOK 15 million in Q2 04)
- Charge-free bank for ordinary retail banking services implemented
- Improved competitiveness on retail mortgages
- Net income from loss provisions of NOK 23 million
- Capital reduction of NOK 399 million completed
- Growth in gross lending of NOK 947 million in Q2

Key Figures	Q2 2005	01.01-30.06	2004
Gross lending (NOK million)	24,506		24,155
Customer deposits (NOK million)	11,952		11,463
Net int. income / avg. total assets	1.63%	1.70%	1.63%
Cost / Income	63.9 %	62.5 %	83.5 %

Note: Storebrand Bank Group

Q2 2005

70



## Profit and loss

NOK million	Q2		01.01-30.06		Full year
	2005	2004	2005	2004	2004
Net interest income	112	103	232	211	427
Other income	16	79	40	170	274
Total income	128	181	272	381	701
Operating expenses	-82	-154	-170	-320	-585
Operating profit before losses	46	28	102	61	116
Loan loss provisions	23	-10	22	-24	7
Profit / losses on shares	-	-2	17	-3	-3
Profit before tax	69	15	141	34	121

Note: Storebrand Bank Group

Q2 2005

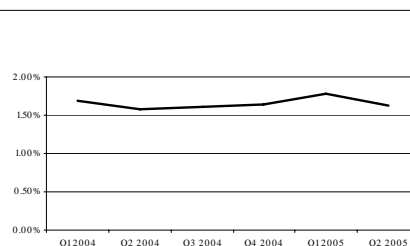
71



## Development in net interest income

- Improved competitiveness on retail mortgages
- Significantly improved risk in corporate portfolio

Net interest income / avg. total assets



Note: Storebrand Bank Group

Q2 2005

72



## Balance sheet

	30.06.05	Share	31.12.04	Share
NOK million				
Loans to central banks / credit institutions	1,680	6%	711	3%
Net lending to customers	23,979	84%	23,539	86%
Assets repossessed	0	0%	0	0%
Securities and bonds	1,449	5%	2,140	8%
Shareholdings in associated / group companies	317	1%	375	1%
Fixed / intangible assets	962	3%	603	2%
<b>Total assets</b>	<b>28,387</b>	<b>100%</b>	<b>27,368</b>	<b>100%</b>
Loans from credit institutions	1,030	4%	2,152	8%
Deposits from and debt to customers	11,952	42%	11,463	42%
Securities issued	12,397	44%	10,399	38%
Other liabilities	726	3%	714	3%
Subordinated loan capital	661	2%	664	2%
Equity capital	1,621	6%	1,976	7%
<b>Total liabilities and equity</b>	<b>28,387</b>	<b>100%</b>	<b>27,368</b>	<b>100%</b>

Note: Storebrand Bank Group

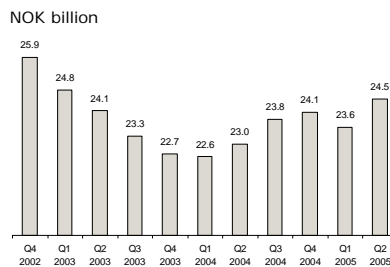
Q2 2005

73

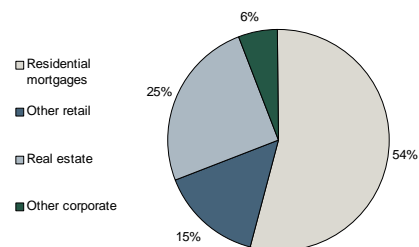


## Development in loan portfolio

Development in gross lending



Gross lending by sector



Finansbanken AS (Denmark) (sold in Q1 2005) had a portfolio of NOK 886 million as at 31.12.04

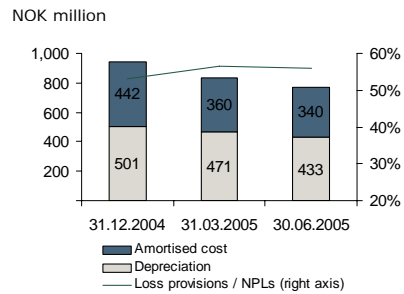
Note: Storebrand Bank Group  
Q2 2005

74



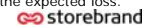
## Development in NPLs and loss provisions

- Further reduction in NPLs (NOK 58 million)
- Individual impairment loss provisions of NOK 433 million gives 56% loss provisions to NPLs (\*)
- Collective impairment loss provisions of NOK 93 million



Note: Storebrand Bank Group

\*): Loss provisions to NPLs is calculated as individual impairment loss provisions / non performing loans. Amortised cost is the present value of the cash flow of the portfolio of NPLs. Depreciation is the expected loss.

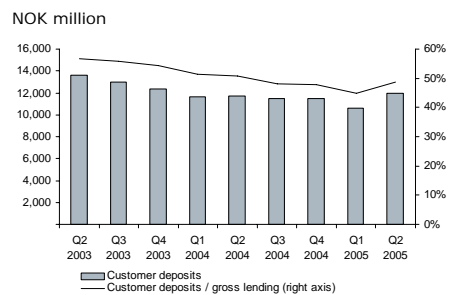


Q2 2005

75

## Development in customer deposits

- Customer deposits is increased by NOK 1.4 billion in Q2
  - Finansbanken AS (Denmark) (sold in Q1 2005) had customer deposits of NOK 774 million as at 31.12.04
- Low interest rates favours other types of investments



Note: Storebrand Bank Group



Q2 2005

76

## Capital adequacy

NOK million and %	30.06.05	31.12.04	Change since 31.12.04
Core capital	1,674	1,990	-316
Subordinated loan capital	410	380	30
<b>Total capital</b>	<b>2,084</b>	<b>2,370</b>	<b>-286</b>
Risk-weighted basis for calculation	17,020	17,172	-152
<b>Capital ratio</b>	<b>12.2 %</b>	<b>13.8 %</b>	<b>-1.6 %</b>
Surplus capital (*)	722	996	-274
<b>Core capital ratio</b>	<b>9.8 %</b>	<b>11.6 %</b>	<b>-1.8 %</b>

\*) Capital above the minimum regulatory requirement of 8% of risk-weighted assets  
Planned capital reduction of NOK 399 million implemented in Q2  
Note: Storebrand Bank Group

Q2 2005

77

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## NPLs and loss provisions

NOK million	31.12.04	01.01.05	31.03.05	30.06.05
NPLs where value reductions are identified	55 668	47 139	89 811	138 175
+ NPLs where value reductions are not identified	790 770	879 893	829 499	771 395
= Total NPLs	846 437	927 032	919 310	909 570
- Individual loan loss provisions	365 780	487 742	470 083	432 363
= Net NPLs	480 657	439 290	449 227	477 207
= Total loss exposed loans	63 027	63 027	1 802	1 646
- Individual loan loss provisions	13 131	13 231	750	750
= Net loss exposed loans	49 896	49 796	1 052	896
= Total net NPLs/loss exposed loans	530 553	489 086	450 279	478 103

Note: Storebrand Bank Group

Q2 2005

78

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## Storebrand Non-Life



### Non-Life Highlights Q2 2005

- Operating income in Q2 was NOK 14 million (loss of NOK 32 million) and YTD NOK 9 million (NOK 166 million). Income adjusted for statutory insurance reserves in Q2 amounts to NOK 12 million (loss of NOK 13 million) and YTD NOK 16 million (NOK 196 million) Result from If YTD was NOK 189 million in 2004
- Result from Fair in Q2 NOK 8 million (NOK 0 million) and YTD NOK 9 million (NOK 4 million). The result is affected by a low claims ratio and a good investment return
- Operating result in Oslo Re in Q2 was NOK 6 million (NOK 7 million) and YTD NOK 1 million (NOK 16 million). The result is due to a good investment return. Insurance result is positive.
- Operating result in Storebrand Skade AS was NOK 0 million (loss of NOK 34 million) in Q2 and YTD minus NOK 1 million (loss of NOK 43 million)

Numbers in brackets as of 30.06.2004

Q2 2005

80



## Non-Life Group Profit and loss

NOK million	Q2		Q1		01.01. - 31.12.
	2005	2004	2005	2004	2004
22.47 % share of result from If Skadeforsikring *)	0	-4	0	189	189
50% share of result from Fair	8	0	9	4	14
<b>Operating result non-life insurance</b>	<b>8</b>	<b>-4</b>	<b>9</b>	<b>193</b>	<b>203</b>
Oslo Reinsurance Company ASA	6	7	1	16	23
Storebrand Skadeforsikring AS	0	-34	-1	-43	6
Eliminations	0	0	0	0	-46
<b>Operating result run-off non life insurance</b>	<b>6</b>	<b>-28</b>	<b>0</b>	<b>-27</b>	<b>-17</b>
<b>Total operating result non life business</b>	<b>14</b>	<b>-32</b>	<b>9</b>	<b>166</b>	<b>186</b>
Change in insurance funds	-2	19	7	30	61
<b>Pre tax result non life business</b>	<b>12</b>	<b>-13</b>	<b>16</b>	<b>196</b>	<b>247</b>

\*)Share of result from If is January - April 2004

Q2 2005

81

 storebrand

## Oslo Re Profit and loss

NOK million	Q2		01.01. - 30.06.		01.01. - 31.12.
	2005	2004	2005	2004	2004
Premiums for own account	1	1	4	2	2
Claims for own account	1	-	-	2	-8
Insurance related operating costs	-8	1	-17	-4	-32
Financial income	13	3	12	12	19
Other income/costs	-1	2	2	4	42
Operating result	6	7	1	16	23
Changes in security reserve etc.	-1	-	-1	-	15
<b>Profit before taxes</b>	<b>5</b>	<b>7</b>	<b>-</b>	<b>16</b>	<b>38</b>

Q2 2005

82

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## Oslo Re Balance sheet

NOK million	30.06.2005	Share		
		30.06.2005	31.12.2004	
Deferred tax asset	14	2 %	13	2 %
Financial assets	491	74 %	514	75 %
Receivables	60	9 %	58	8 %
Other assets	98	15 %	104	15 %
<b>Total assets</b>	<b>663</b>	<b>100 %</b>	<b>689</b>	<b>100 %</b>
Equity	150	23 %	147	21 %
Premium and claims reserve	369	56 %	356	52 %
Security reserve	45	7 %	44	6 %
Other liabilities	99	15 %	142	21 %
<b>Total equity and liabilities</b>	<b>663</b>	<b>100 %</b>	<b>689</b>	<b>100 %</b>