



Storebrand

Result Q3 2010
27 October 2010

Idar Kreutzer - CEO

Odd Arild Grefstad - CFO

Highlights Q3 2010

RESULT

- Group result of NOK 709 mill in Q3, 949 mill YTD
- Good administration and risk results in the life businesses
- Positive development in banking, P&C and asset management results

OPERATIONS

- Delta One and operational improvements ahead of schedule
- Increased premiums and result for defined contribution
- Norwegian FSA notified review of local regulations

BALANCE

- Customer buffers increased by NOK 1.9 bn in Norway and NOK 1.8 bn in Sweden
- Assets under management increased by NOK 12 bn to NOK 396 bn in Storebrand Asset Management

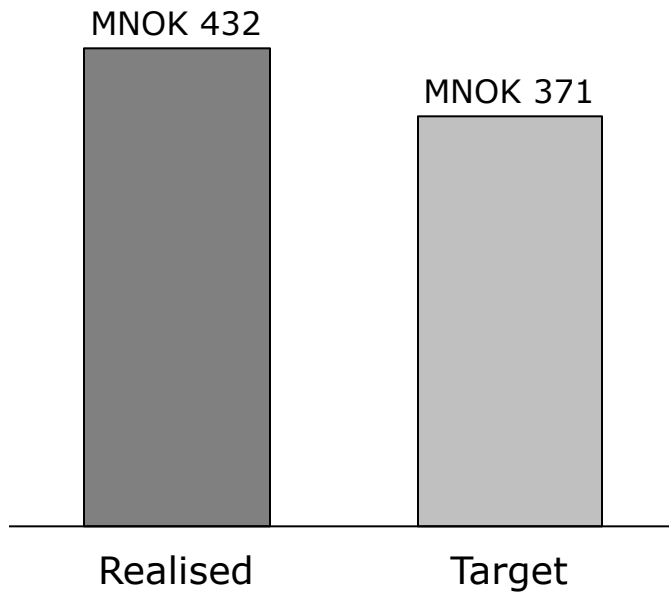
Storebrand Group

NOK mill.	Q3		01.01. - 30.09		Full year
	2010	2009	2010	2009	2009
Life and Pensions Norway	316	409	576	566	759
Life and Pensions Sweden (SPP)	304	484	250	180	487
Asset management	69	37	165	102	240
Storebrand Bank	60	23	123	39	63
P&C and health insurance	14	3	3	-17	-18
Storebrand ASA / other	-55	-49	-169	-191	-255
Group Profit	709	908	949	680	1.276
Amortisation and write-downs of intangible assets	-99	-102	-289	-289	-390
Pre-tax profit	610	806	660	391	887

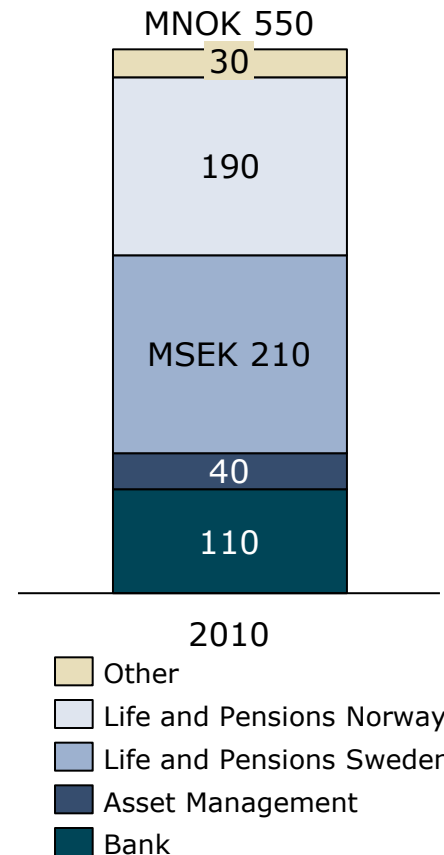
Delta One

- operational improvements in all business areas

Achieved improvement 2010¹



Target improvements in 2010¹



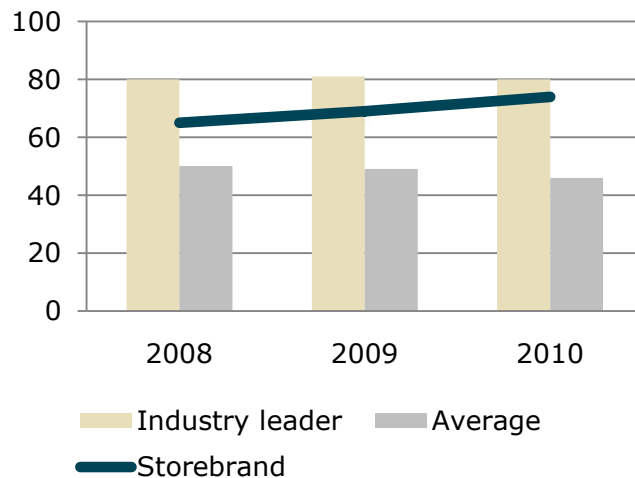
¹ Result improvement, measured against 2009 levels, for the Norwegian and Swedish life business only includes the administration result. Total administration result is included for Life and Pensions Norway (both customer and owner). Result improvements from profit sharing, price on interest rate guarantee, risk and return on shareholder's equity are measured separately.

Storebrand

- value creation through corporate social responsibility



2008-2010 increased score by 9 % against -4 % average



- Qualified for Dow Jones Sustainability Index 12 years running
- 10 % best in every sector – Storebrand the only Nordic insurer
- SRI profile in all investments: NOK 396 bn



Life and Pensions Norway

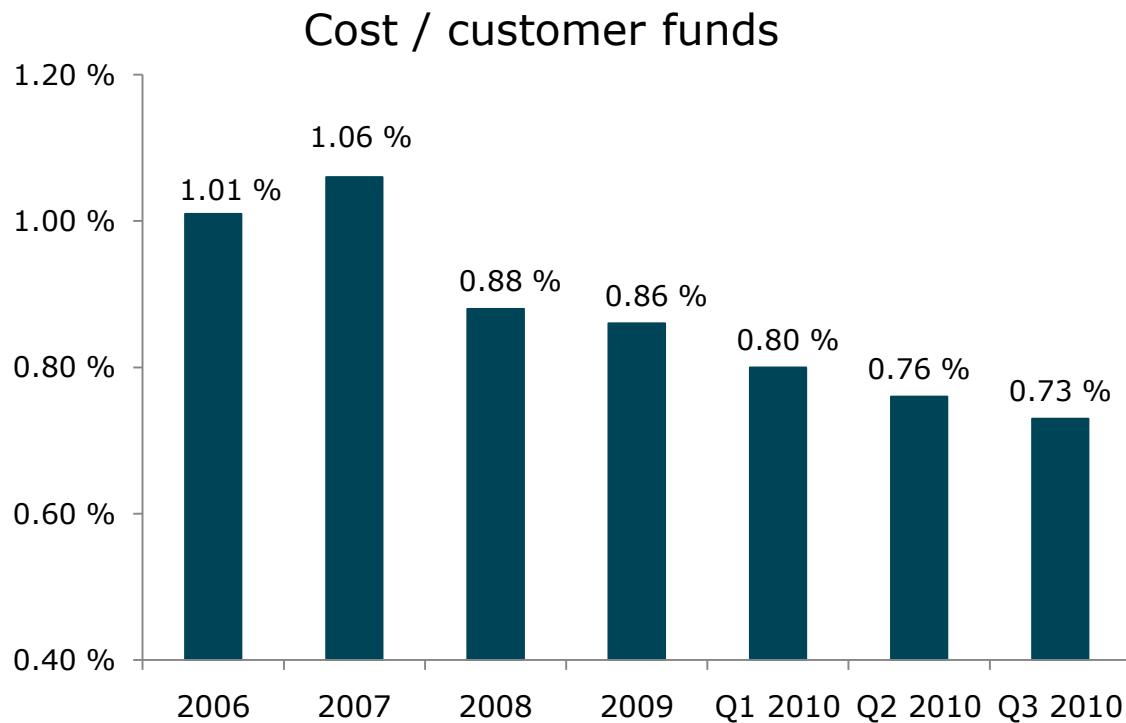
- solid operations and high returns

NOK mill.	Q3		01.01. - 30.09		Full year
	2010	2009	2010	2009	2009
Administration result	8	-38	1	-150	-169
Risk result	60	50	206	167	229
Finance result*	118	255	-16	185	201
Profit from risk and interest rate guarantee	139	118	415	353	478
Other	-8	24	-31	11	20
Profit for Norwegian life insurance	316	409	576	566	759

- Value adjusted return 2.5%
Booked return 1.5%
- Customer buffer capital strengthened by NOK 1.9 bn, of which NOK 1.5 bn in MVAR
- Positive administration results
- Good results for defined contribution

* Includes profit sharing/insufficient ASR and return in company portfolio.

Life and Pensions Norway - good cost development



Life and Pensions Sweden (SPP)

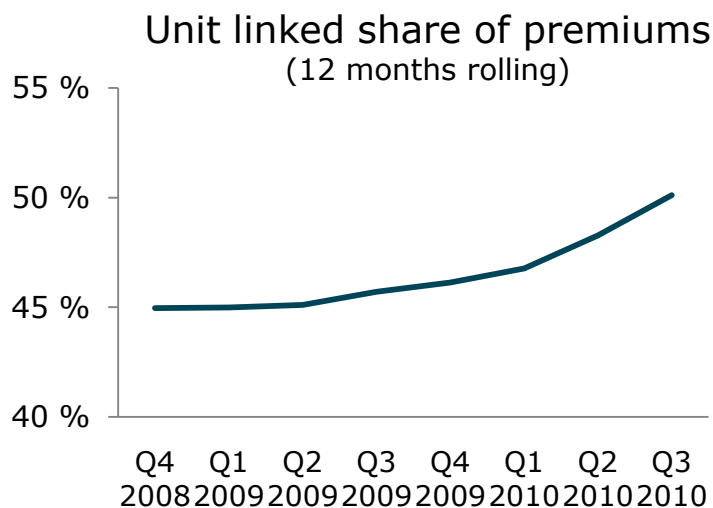
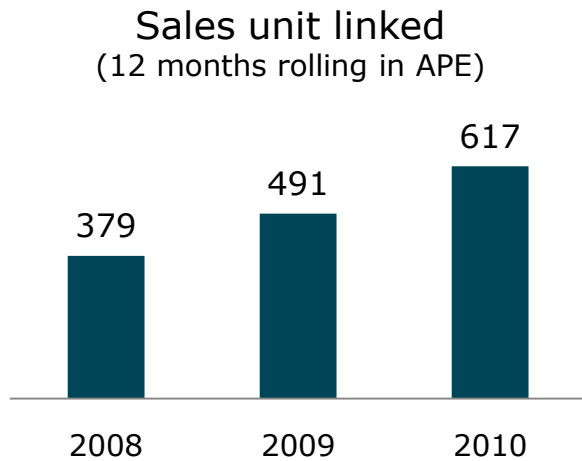
- solid returns and strengthened administration result

NOK mill.	Q3		01.01. - 30.09		Full year
	2010	2009	2010	2009	2009
Administration result	39	-4	73	-64	-101
Risk result	106	59	260	170	253
Finance result	146	372	-106	15	260
Other	13	57	23	60	74
Profit for Swedish life insurance	304	484	250	180	487

- Administration results improved by NOK 137 mill YTD
- Low sick leave rates in Sweden give strong risk results
- Solid returns give profit sharing and reversal of capital contribution

Life and Pensions Sweden (SPP)

- strong sales growth in unit linked



- 28 % increase in unit linked sales YTD measured in APE, 43 % for the quarter
- Premium income from unit linked up 12 % YTD, 10 % for the quarter
- Unit linked comprises half of the premium income in the last 12 months

Storebrand asset management - solid result developments

NOK mill.	Q3		01.01. - 30.09		Full year
	2010	2009	2010	2009	2009
Total income *	113	98	331	295	586
Total costs	-95	-89	-276	-258	-429
Net financial/other	50	28	110	66	83
Result asset management	69	37	165	102	240

- Increased volume based income
- Cost control
- Positive income contributions from real estate administration
- Assets under management increased by NOK 12 bn in the quarter, NOK 45 bn YTD

* Not including performance related fees, which are fully booked in Q4

Storebrand asset management

- market leader in fund selection



- Named the best mutual fund selector in Norway in Nordic survey¹
- Named best unit linked provider 2 years running in Sweden²
- Experienced team of 12 employees within:
 - Private Equity
 - Hedge funds
 - Traditional mutual funds
- 74 external and 41 internal mutual funds on the fund platform for defined contribution/UL pensions

1. Tell Media Group – 8.10.2010
2. Söderberg & Partners – March 2010

Storebrand Bank

- low losses and improved results

NOK mill.	Q3		01.01. - 30.09		Full year
	2010	2009	2010	2009	2009
Net interest income	113	105	344	319	423
Net fee and commission income	20	19	55	56	76
Other income	33	39	66	91	148
Total income	166	164	465	466	647
Operating expenses	-106	-130	-331	-369	-504
Profit before loss	60	34	134	97	144
Loan loss provisions	0	-10	-11	-58	-81
Profit from banking activities	60	23	123	39	63

- Improved market conditions and low losses
- Lower funding costs and improved deposit margins
- Good cost control
- Positive result contributions from real estate brokerage

Storebrand P&C

- continued good growth

NOK mill.	Q3 2010		01.01. - 30.09		Full year
	2010	2009	2010	2009	2009
Premiums earned, net ¹	110	74	293	196	278
Claims incurred, net	-86	-59	-258	-163	-230
Operation costs excl amortization	-22	-22	-65	-65	-94
Investment result	2	0	7	1	2
Operational result before amortization	4	-6	-24	-31	-44
Oslo RE (run off)	1	2	8	15	25
Changes in security reserves	0	0	-3	-2	-4
Storebrand Health	10	6	22	2	6
Result Storebrand P&C and Health insurance	14	3	3	-17	-18

¹ For own account

- Premium income increased by 50 % YTD
- Combined ratio 99% in Q3
- Cost control
- Strengthened operational result in the health insurance division (Storebrand Health)

Life and Pensions Norway

- strengthened results from operational elements

NOK mill.	Group defined benefit *	Defined contribution and unit linked*	Risk products	Individual and paid-up policies**	Company portfolio	Q3	01.01. - 30.09
Administration result	0	7	-8	9		8	1
Risk result	22	-11	40	9		60	206
Finance result ¹	7	44	21	23	22	118	-16
Profit from risk and interest rate guarantees	136	3				139	415
Other	-11		6		-3	-8	-31
Profit for Norwegian life insurance	154	43	59	41	19	316	576

¹) Interest result and profit sharing

Invested assets (NOK billion)	84	19	3	82	8	196	196
Change in invested assets (NOK billion)	1	2	0	1	-1	3	10

* Fee based

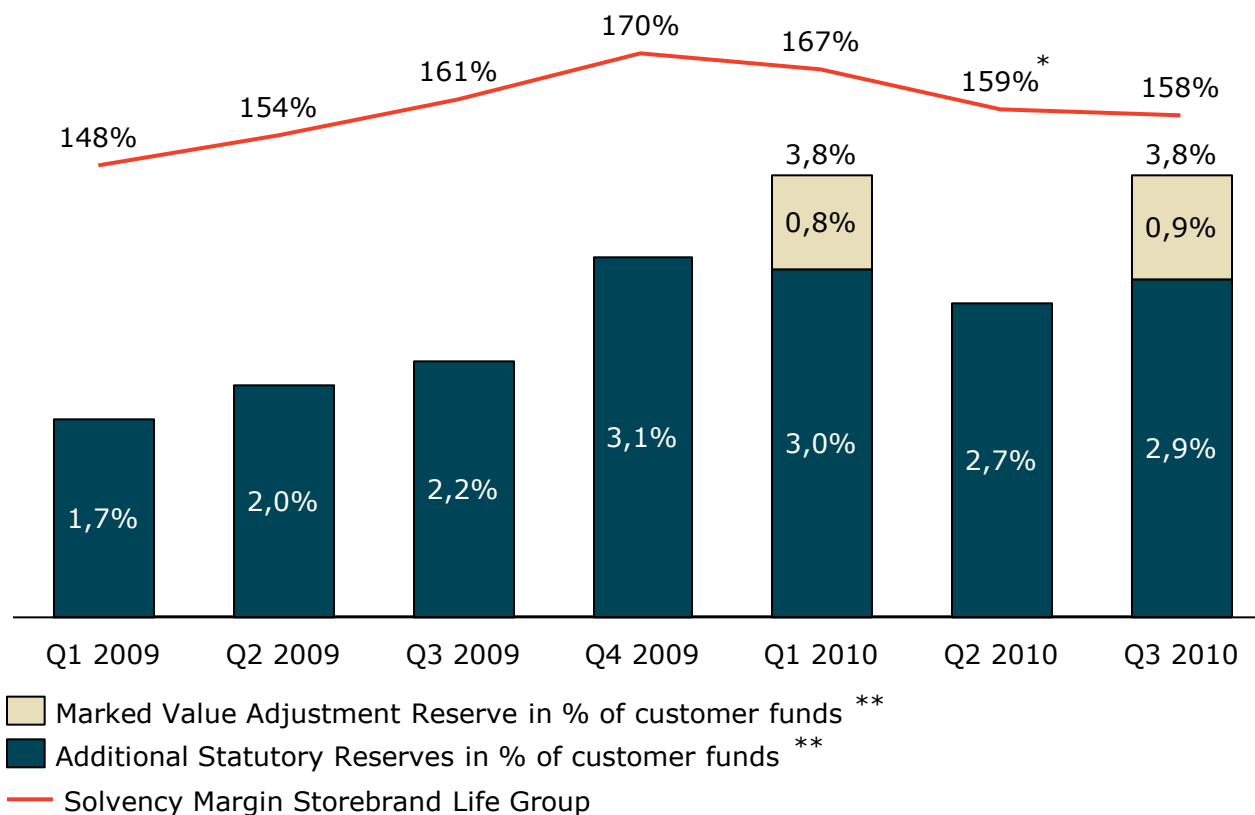
** Profit sharing

- Return¹ 3Q: 2.5 % value adjusted, 1.5 % booked
- Return¹ YTD : 4.1 % value adjusted, 3.2 % booked

¹ All portfolios with interest rate guarantees, average return

Life and Pensions Norway

- strengthened customer buffer capital

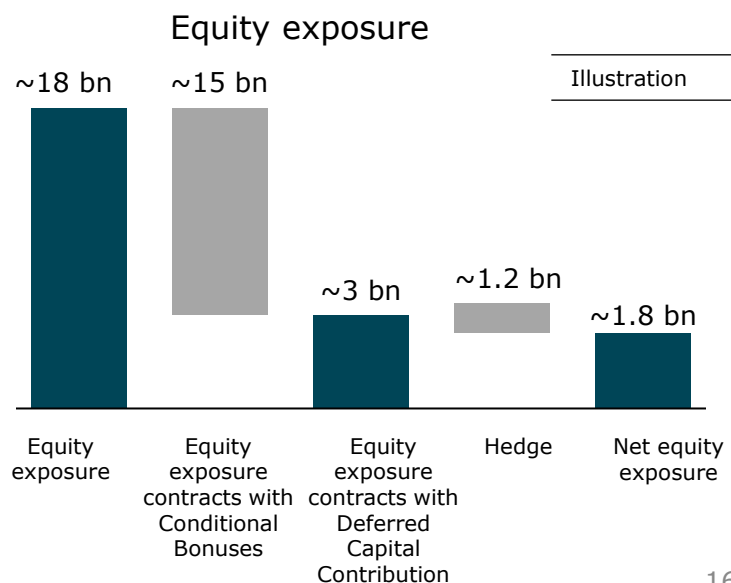
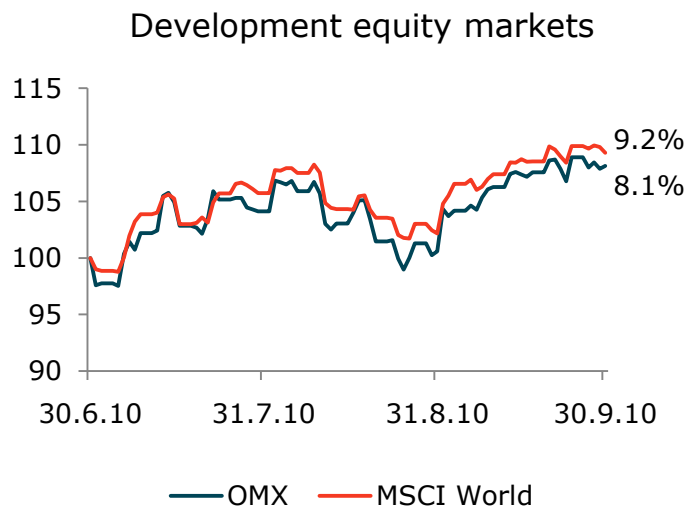


- Additional statutory reserves strengthened by NOK 0.4 bn to NOK 4.6 bn
- Marked value adjustment reserve strengthened by NOK 1.5 bn to NOK 1.5 bn
- Unrealised gains in bonds at amortised cost increased by NOK 0.3 bn to NOK 1.7 bn

* Q2 reporting adjusted. Calculated using wrong data
 **Customer funds with guarantees

Life and Pensions Sweden (SPP)

- active risk management



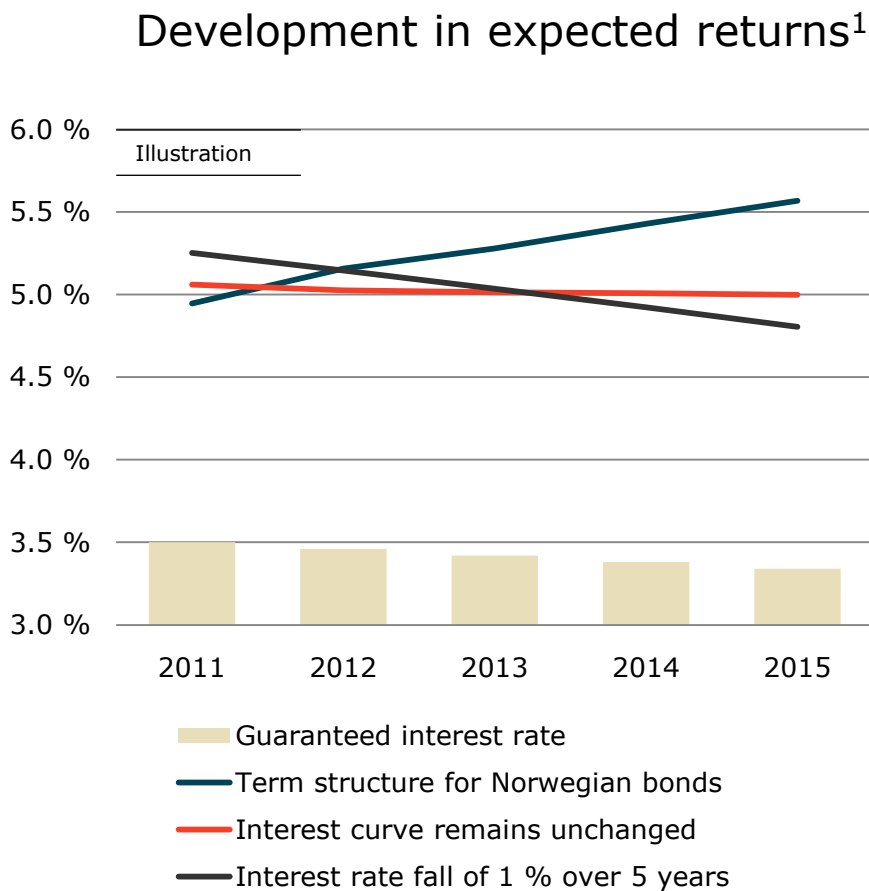
- Financial markets:
 - Strong equity markets
 - Reduced interest rate levels
 - Unchanged SWAP spreads

- Balance sheet effects:
 - Assets increased more than liabilities
 - Customer buffer capital increased by NOK 1.8 bn

- Result effects:
 - Profit sharing
 - Reversal of deferred capital contribution (DCC)
 - Negative hedging result

Life and Pensions Norway

- sensitivity to low interest rates

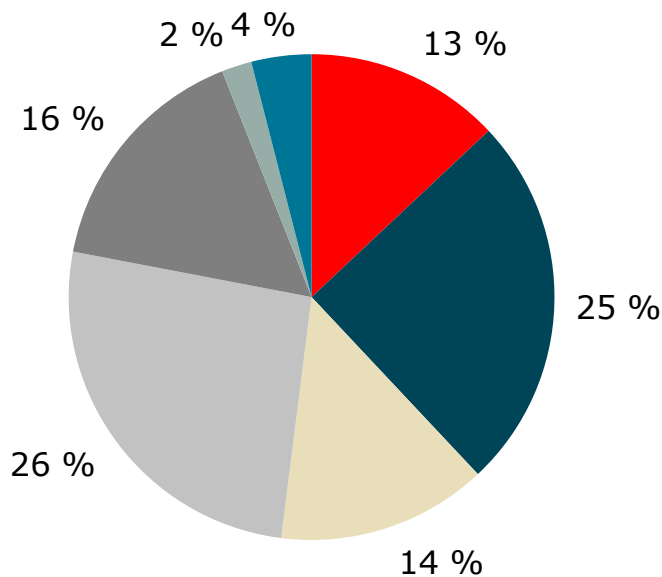


- Good distance between the guaranteed interest rate and expected return
- Current Norwegian interest rate curve indicates increased interest rates going forward
- Storebrand will, even with the current low interest rate levels, maintain an expected return above interest rate guarantees.

¹ The graph is an illustration and builds on a range of assumptions. The most important one is the development in interest rate levels and risk premiums: equity flat return of 7 %, real estate flat return of 7 %, money market NIBOR 3M + 0,5 %, Alpha and Other NIBOR 3M + 2,5%. Reinvestments in the loans and receivables portfolio follow the interest rate curve with current credit spreads. Constant asset allocation is assumed. The graphs does not take into account active risk management and changes in asset allocation that may affect the return materially.

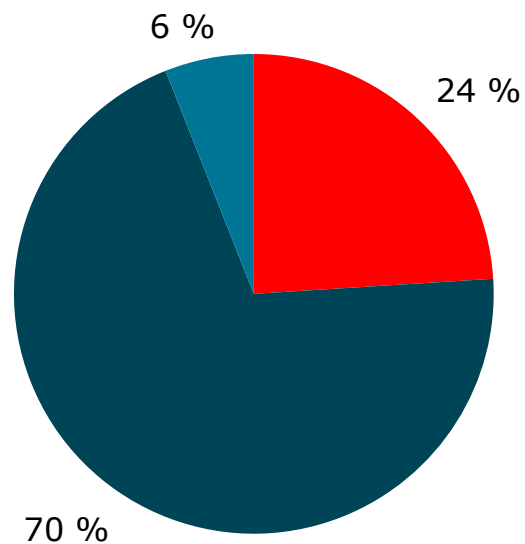
Life and Pensions - risk adjusted asset allocation

Asset allocation guaranteed products
Life and Pensions Norway¹



- Equity
- Bonds
- Money market
- Bonds at amortised cost
- Real estate
- Alpha
- Other

Asset allocation guaranteed products
Life and Pensions Sweden¹



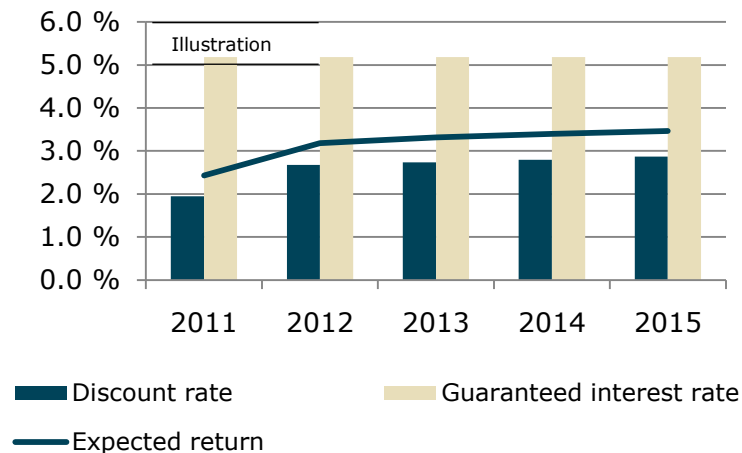
- Equity
- Bonds
- Other

¹ The graph shows the asset allocation for all the products with an interest rate guarantee in Life and Pensions Norway and for all the products with an interest rate guarantee in Life and Pensions Sweden.

Liv and Pensions Sweden

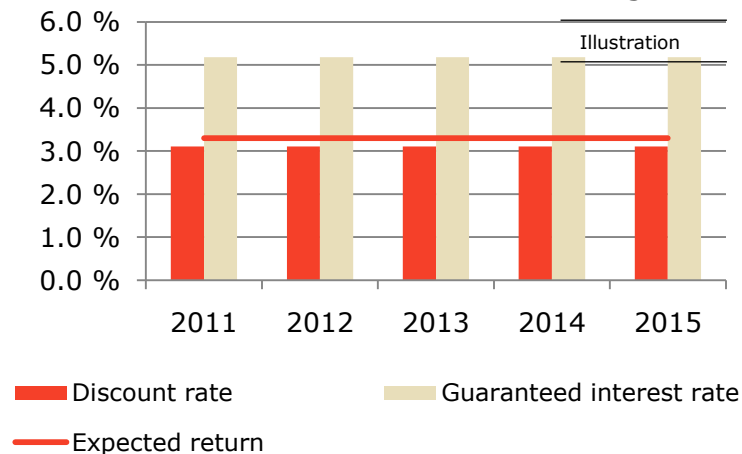
- development in expected return in P520

Term structure Swedish bonds

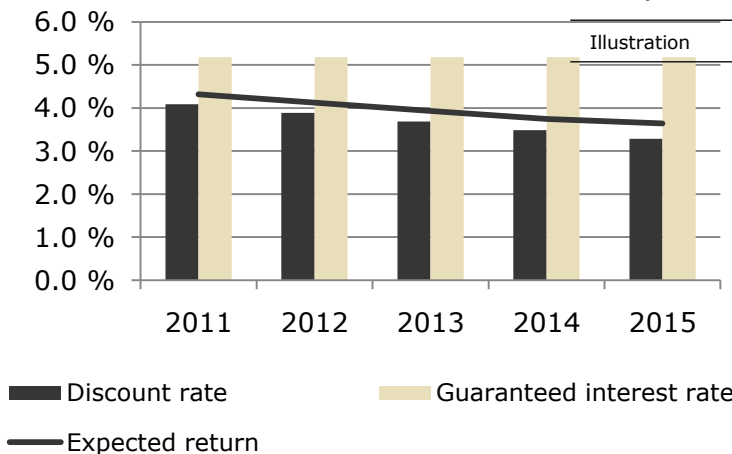


- Current Swedish interest rate curve indicates increased interest rates going forward
- Expected return in the P520 below interest rate guarantee gives no room for profit sharing
- Expected return just above the discount rate allows little flexibility in the asset allocation

Interest rate curve unchanged



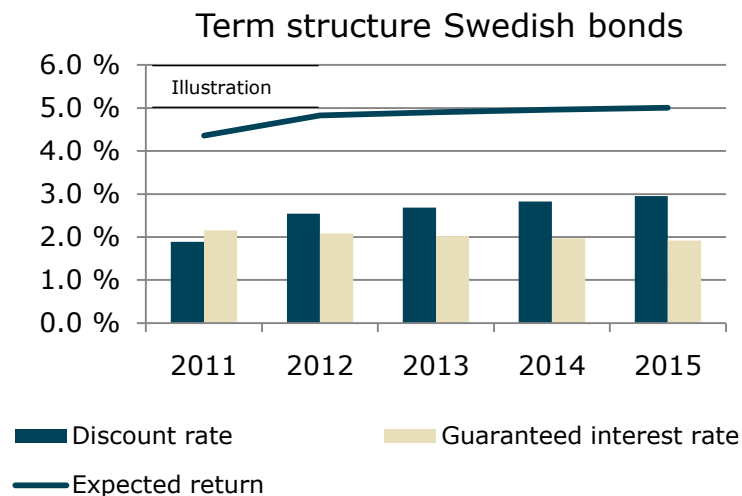
Interest rate down 1 % next 5 years



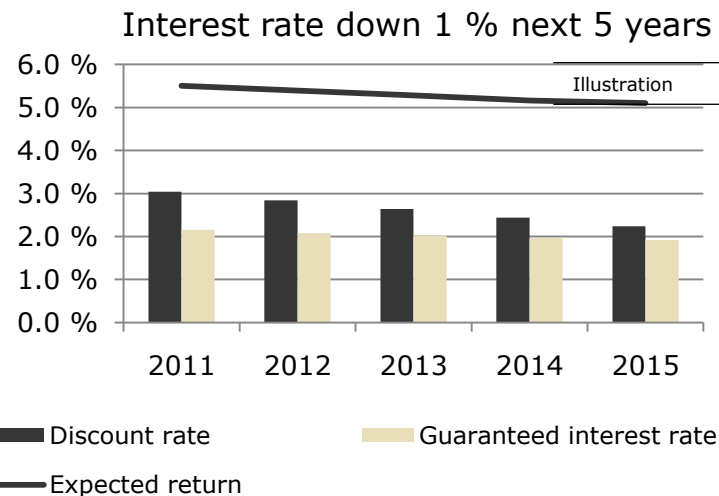
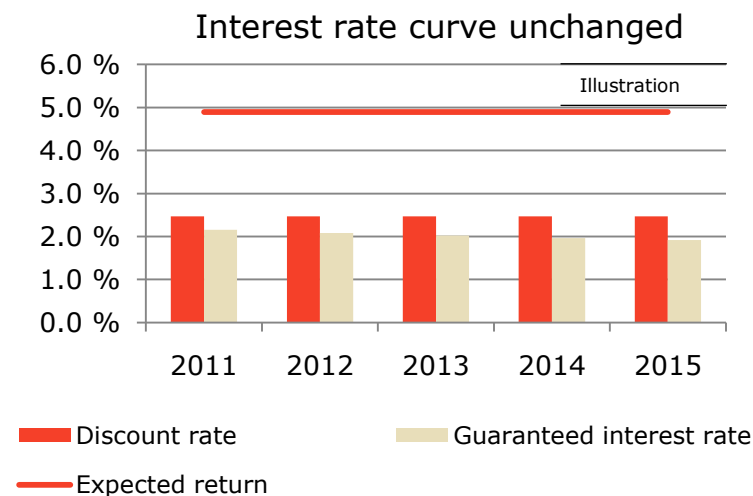
¹The graph are for illustrative purposes, and is based upon a number of assumptions. The most important ones being development in the interest rate as indicated and: flat equity return of 7%, alternative investments STIBOR 3M +2.5% and money market STIBOR +0.5%. The graphs assume constant asset allocation. The graphs does not take into account active risk management and changes in asset allocation that may affect the return materially.

Liv and Pensions Sweden

- development in expected returns in P250



- Current Swedish interest rate curve indicates increased interest rates going forward
- Expected return in the P250 above interest rate guarantee gives room for profit sharing
- Expected return well above discount rate allows flexible asset allocation

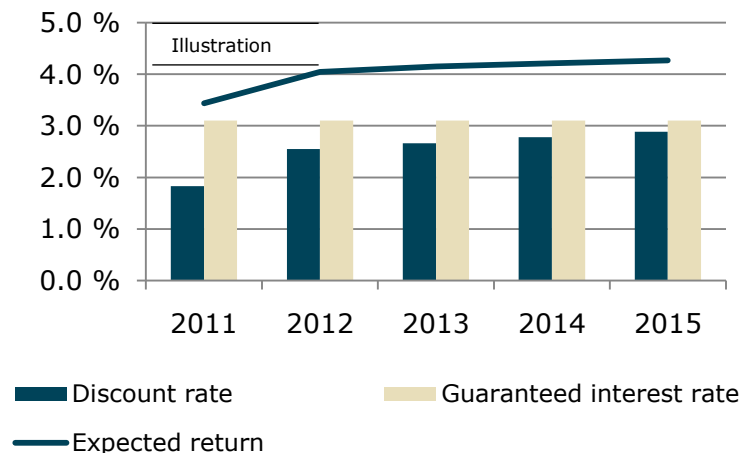


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Liv and Pensions Sweden

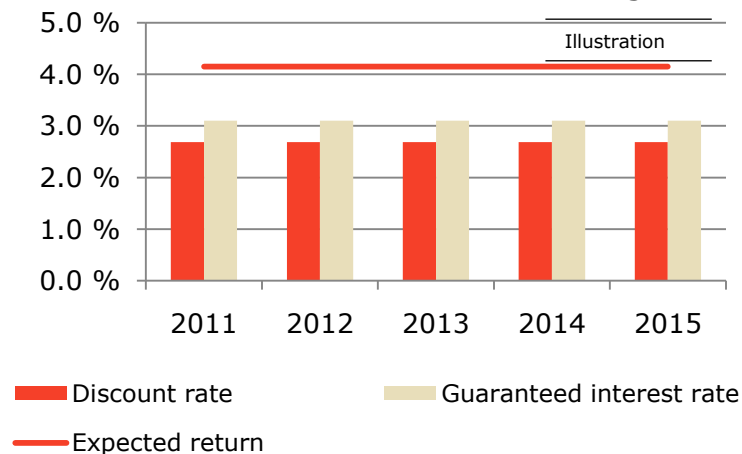
- development in expected return in P300

Term structure Swedish bonds

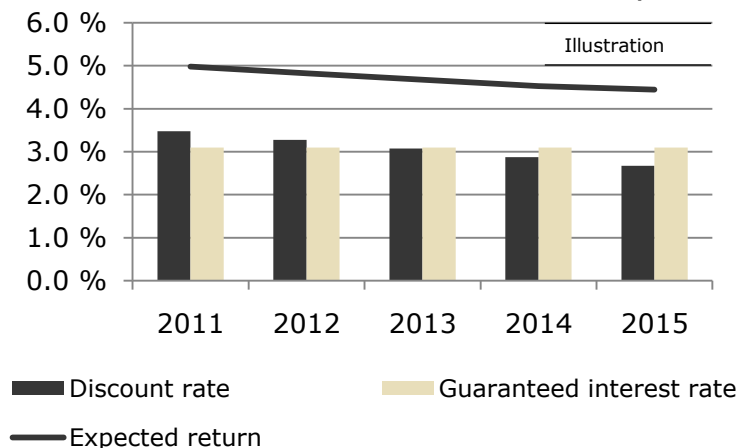


- Current Swedish interest rate curve indicates increased interest rates going forward
- Expected return in the P300 above interest rate guarantee gives room for profit sharing
- Expected return with some margin to the discount rate allows some flexibility in the asset allocation

Interest rate curve unchanged



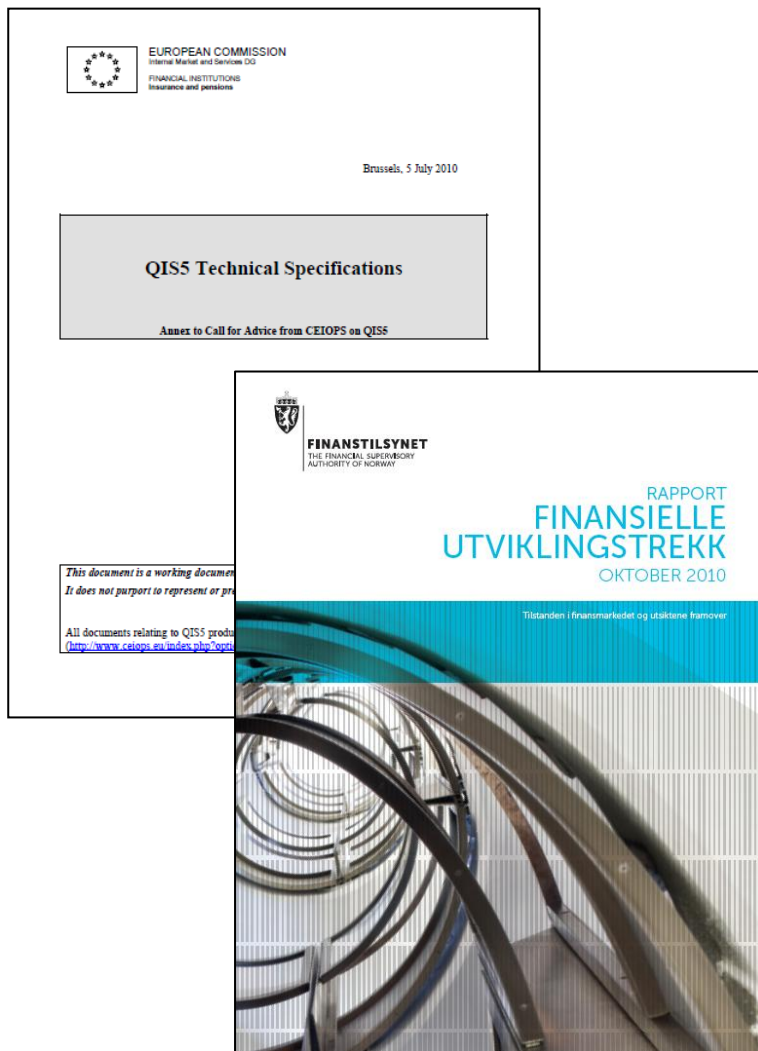
Interest rate down 1 % next 5 years



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Life and Pensions

- new regulation and Solvency II



- Evaluating new regulation:
 - Increased flexibility and usability for buffer capital
 - Introduction of reversible customer allocations
- Capital requirements will depend on:
 - New regulation
 - Adjustments in asset allocation
- Value in Force to be included in available capital
- QIS5 will give further insight into the final stages of completing the Solvency II regulation and the process of adjusting Norwegian regulation

Summary

- Strong returns and improved results
- Operational improvements ahead of schedule
- Continued growth in defined contribution
- Strengthened customer buffer capital

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

