

Storebrand

Result Q1 2011

11 May 2011

Idar Kreutzer – CEO

Lars Aa. Løddesøl - CFO

Highlights Q1 2011

RESULT

- Group result of NOK 514 mill in Q1
- Strong result contribution from Swedish operations
- Increased quality of earnings

OPERATIONS

- Business transformation to more fee based business
- New group organisation implemented – insurance activities reported as separate segment

BALANCE SHEET

- Higher interest rates reduce economic value of liabilities
- Strengthened customer buffers in Norway and Sweden
- Life group solvency ratio: 161%

Storebrand Group

NOK mill.	Q1		Full year
	2011	2010	2010
Storebrand Life Insurance	139	153	730
SPP	281	113	464
Asset management	77	54	333
Bank	49	28	158
Insurance	33	-15	155
Storebrand ASA / other	-66	-59	-231
Group Profit	514	274	1 608
Amortisation and write-downs of intangible assets	-100	-93	-390
Pre-tax profit	414	181	1 217

Storebrand Life Insurance

- improved administration result

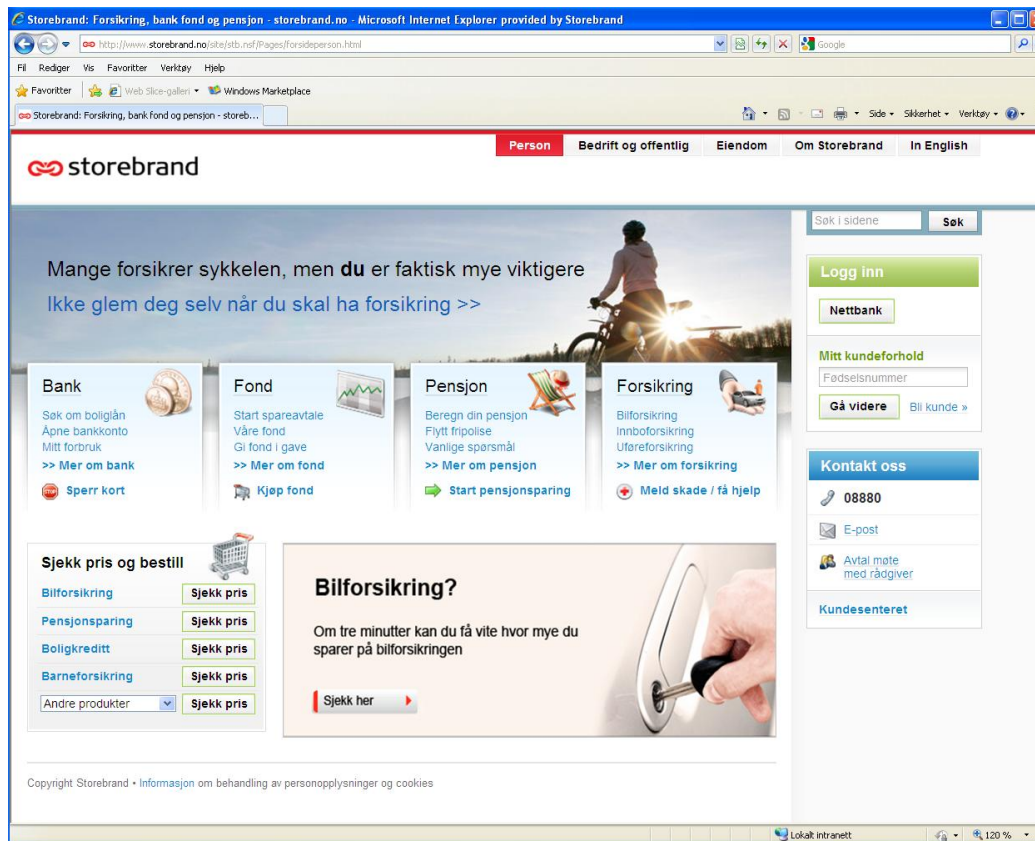
NOK mill.	Q1		Full year
	2011	2010	2010
Administration result	8	-7	58
Risk result	-1	40	131
Finance result*	4	-8	26
Profit from risk and interest rate guarantee	134	138	557
Other	-5	-10	-43
Profit for Norwegian life insurance	139	153	730

- Improvements in administration result from increased revenues and strict cost control
- Claims handling in DC portfolio affect risk result negatively
- Negative transfer balance of 2.4 bn following 2010 municipality decisions

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

Increasing strategic importance of digital channels

- storebrand.no key numbers Q1 2011



1 785 000
visitors

0,48
conversion rate

78%
of customers used electronic
signature while buying mutual
funds online (BankID)

SPP

- strong development

NOK mill.	Q1		Full year
	2011	2010	2010
Administration result	44	7	84
Risk result	76	80	311
Finance result	121	15	31
Other	40	11	38
Profit for SPP	281	113	464

- Administration result strengthened by increased fees and cost control
- Strong risk results
- Indexation fee in the DB portfolio
- Increased interest rates gives higher return on company capital

SPP

- best unit linked provider in Sweden 3rd year in a row¹

- Premium income from unit linked products increased 12% from Q1 2010
- Sales² in unit linked unchanged from Q1 2010, up 30% measured on 12 months rolling
- Market share of new sales unit linked up 7%-points to 12% from 2007 to 2010



¹ According to independent broker Söderberg & Partners

² Measured in APE – annual premium equivalent

Asset Management

- steady result improvement

NOK mill.	Q1		Full year
	2011	2010	2010
Operating revenue	166	154	645
Operating cost	-118	-101	-450
Operational result	48	53	195
Net performance fees	28	-2	122
Net financial income	1	3	16
Profit from Asset Management	77	54	333

- Positive one off effects of 18 mill in Q1:
 - New fee structure + 28 mill
 - Accrual effects operating revenue -10 mill

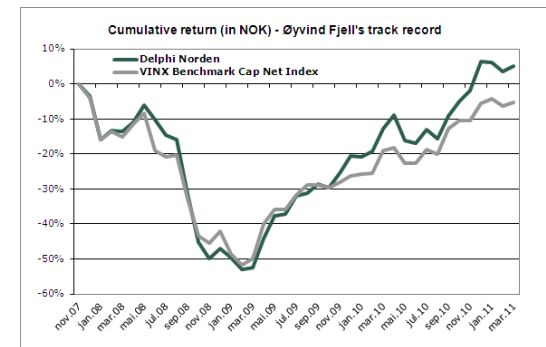
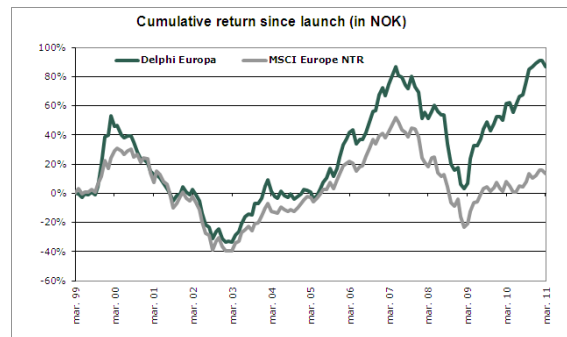
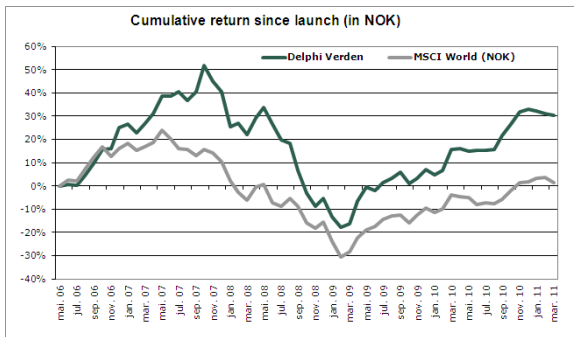
- Cost level affected by investments in automatisisation and expanding of value chain

Asset Management

- international recognition for Delphi funds



Fund	Standard & Poor's Qualitative rating	Citywire (performance 3 years)	Fondmarknaden	Lipper Fund Awards
Delphi Verden				
Delphi Europa			Best European Fund 2009	
Delphi Norden			Best Nordic fund 2010	



Sr. Portfolio Manager
Stig Tønder
 Delphi Verden



Sr. Portfolio Manager
Espen K. Furnes
 Delphi Europa



Portfolio Manager
Øyvind Fjell
 Delphi Norden

Bank

- improved operating margins

NOK mill.	Q1		Full year
	2011	2010	2010
Net interest income	116	106	457
Net fee and commission income	20	18	74
Other operating income	35	20	101
Total income	171	144	632
Operational cost	-117	-114	-445
Profit before loan losses	53	29	186
Loan loss provisions	-4	-1	-29
Profit from banking activities	49	28	158

- Net interest margin 1,21%
- Stable gross lending
- Low loan losses

Insurance

- stable profitable growth

NOK mill.	Q1		Full year
	2011	2010	2010
Premiums earned, net ¹	424	386	1 651
Claims incurred, net	-335	-341	-1 278
Operation costs excl amortization	-80	-86	-331
Insurance result	10	-41	42
Net financial result	24	27	113
Profit Insurance activities	33	-15	155

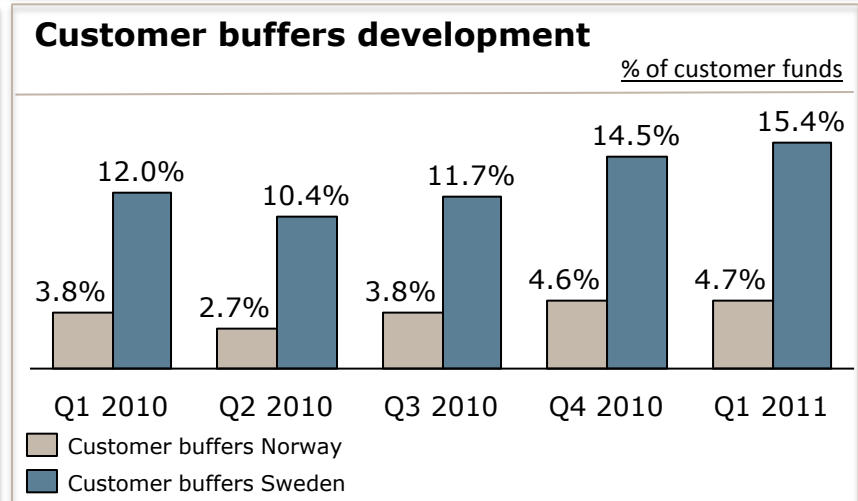
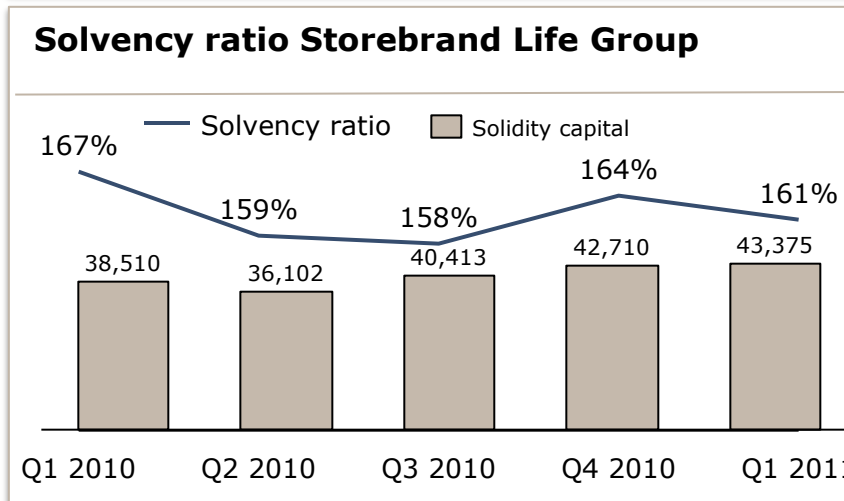
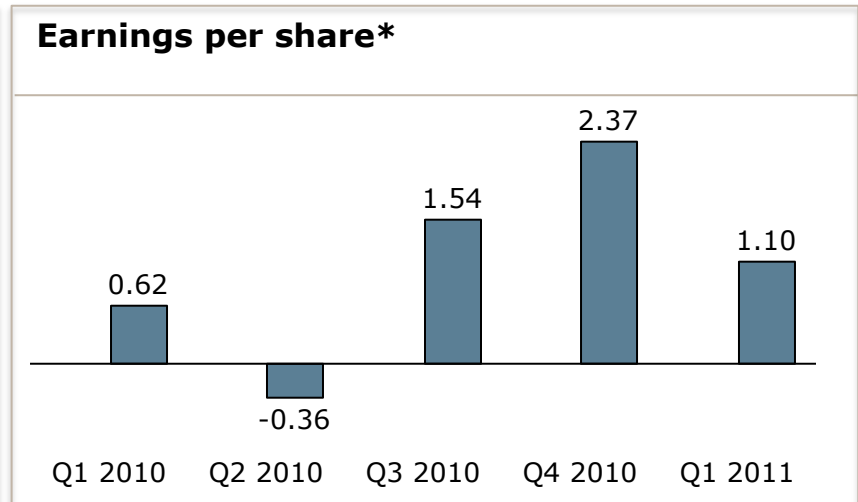
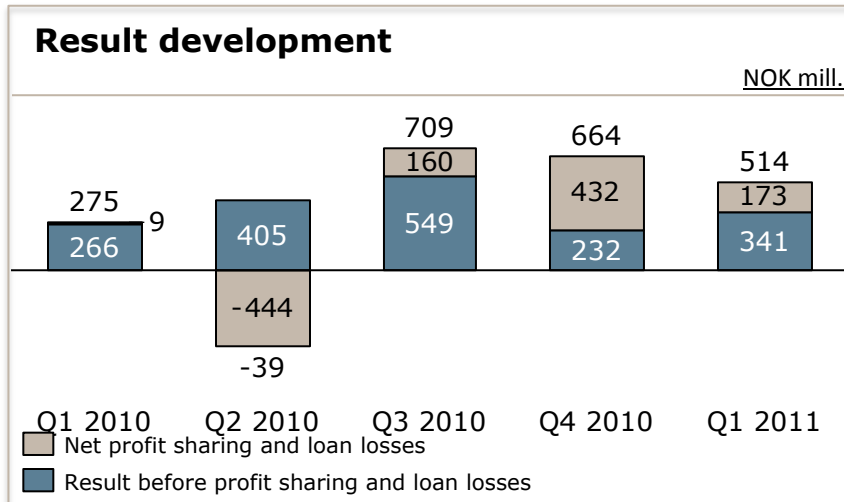
- New business unit from Q1 2011
- Winter related claims reduced
- Claims ratio 79%, cost ratio 19%

Storebrand Group – operational reporting

NOK mill.	Q1		Full year
	2011	2010	2010
Fee and administration income	1 014	904	3 856
Operational cost	-727	-681	-2 753
Fee and administration result	287	224	1 104
Risk and insurance	108	105	597
Holding company and company portfolios	-54	-64	-249
Result before profit sharing and loan losses	341	266	1 452
Net profit sharing and loans losses	173	9	156
Group profit	514	274	1 608

- Group profit doubled
- Fee and administration income increased with 12%, costs increased with 7%
- Improvement in net profit sharing and loan losses due to strong investment returns

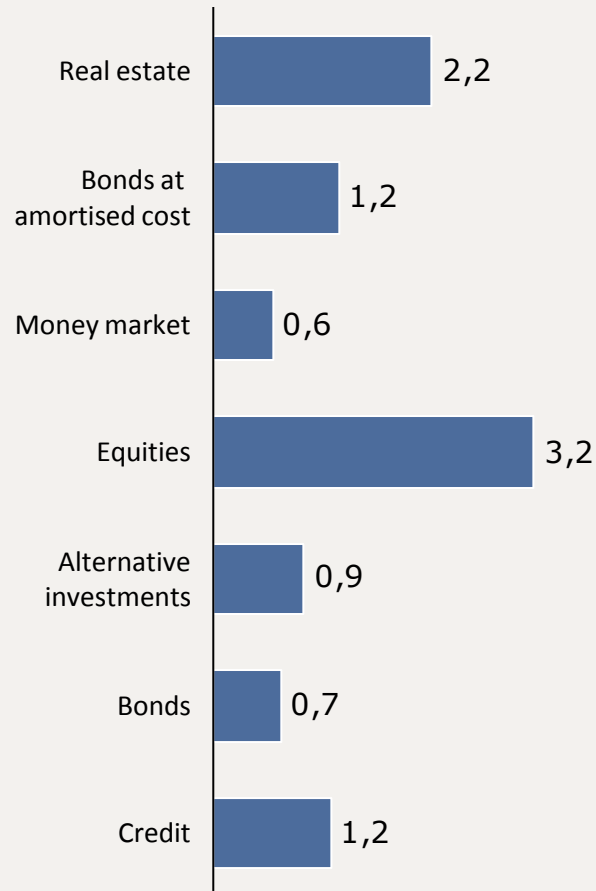
Key figures



Storebrand Life Insurance

- competitive returns

Return asset class Q1 (%)



Return Defined Benefit portfolios

	Value adjusted returns	Booked returns	Equity proportion
DB - High	1.7 %	1.8 %	25%
DB - Standard	1.6%	1.4 %	19%
DB - Low	1.4%	1.4 %	10%
Individual	1.5 %	1.3 %	12%*
Paid up Policies	1.4 %	1.3 %	11%*

* Average numbers, underlying sub portfolios with different asset allocation

Return Defined Contribution standard profiles

	Value adjusted returns
DC – high equity profile	1.2%
DC – balanced equity profile	1.0%
DC – low equity profile	0.7%

Storebrand Life Insurance

NOK mill.	Group defined benefit *	Defined contribution and unit linked*	Individual and paid-up policies**	Company portfolio	Result Q1 2011	Result Q12010	Full year 2010
Administration result	-24	22	9		8	-7	58
Risk result	43	-63	19		-1	40	131
Finance result ¹			32	-29	4	-8	26
Profit from risk and interest rate guarantees	130	4			134	138	557
Other	-4			-1	-5	-10	-43
Profit for Norwegian life insurance	145	-37	60	-29	139	153	730

¹) Interest result and profit sharing

Invested assets (NOK billion)	84	22	84	8	199	193	197
Change in invested assets (NOK billion)	-1	2	1	0	2		

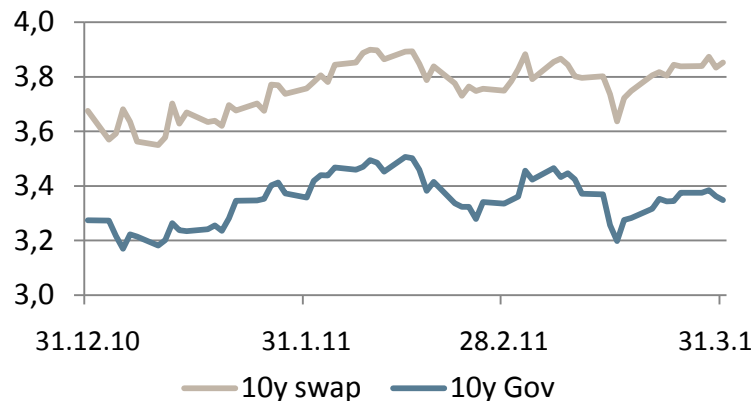
* Fee based

** Profit sharing

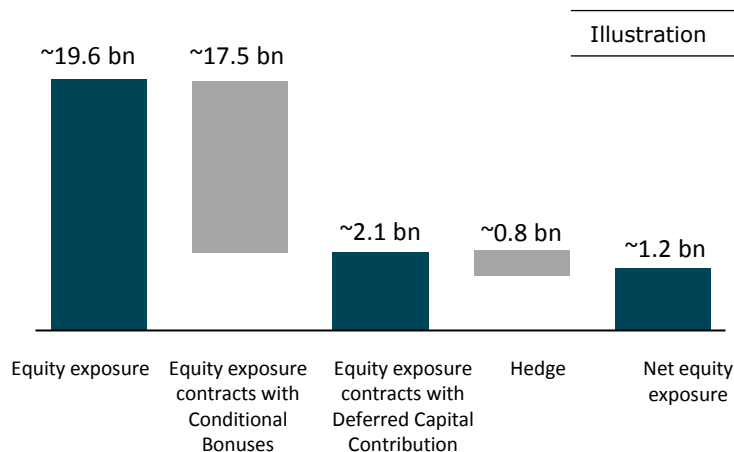
SPP

- swap spread widening gives positive result contribution

Swedish interest rates



Equity exposure

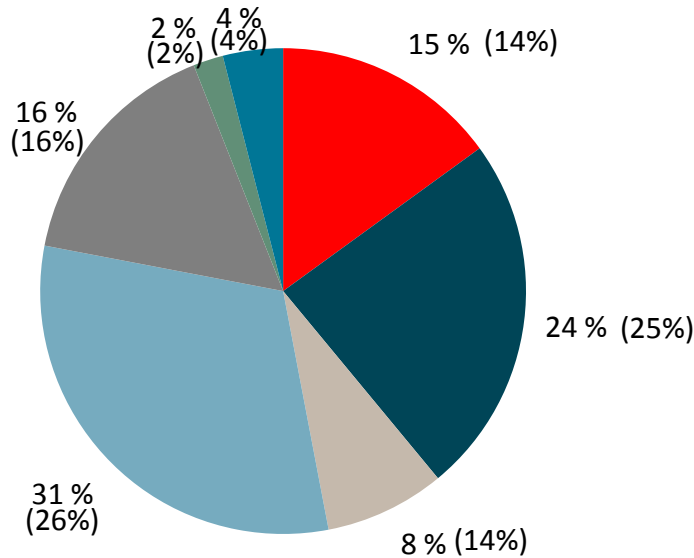


- Financial markets:
 - Flat equity markets
 - Increased interest rate levels
 - Increased swap spreads
- Result effects:
 - Increasing swap spreads → reversal of deferred capital contribution (DCC)
 - Small effects from equity market movements
 - NOK 27 mill in indexation fee from DB portfolio
- Balance sheet effects:
 - Customer buffer capital increased by NOK 0.7 bn
 - Unchanged risk exposure to equity markets

Life and Pensions

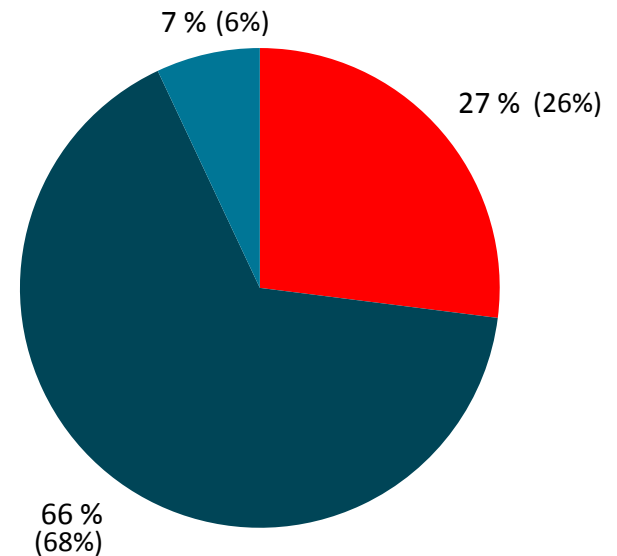
- increased allocation to bonds at amortised cost

Asset allocation guaranteed products
Life and Pensions Norway¹



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

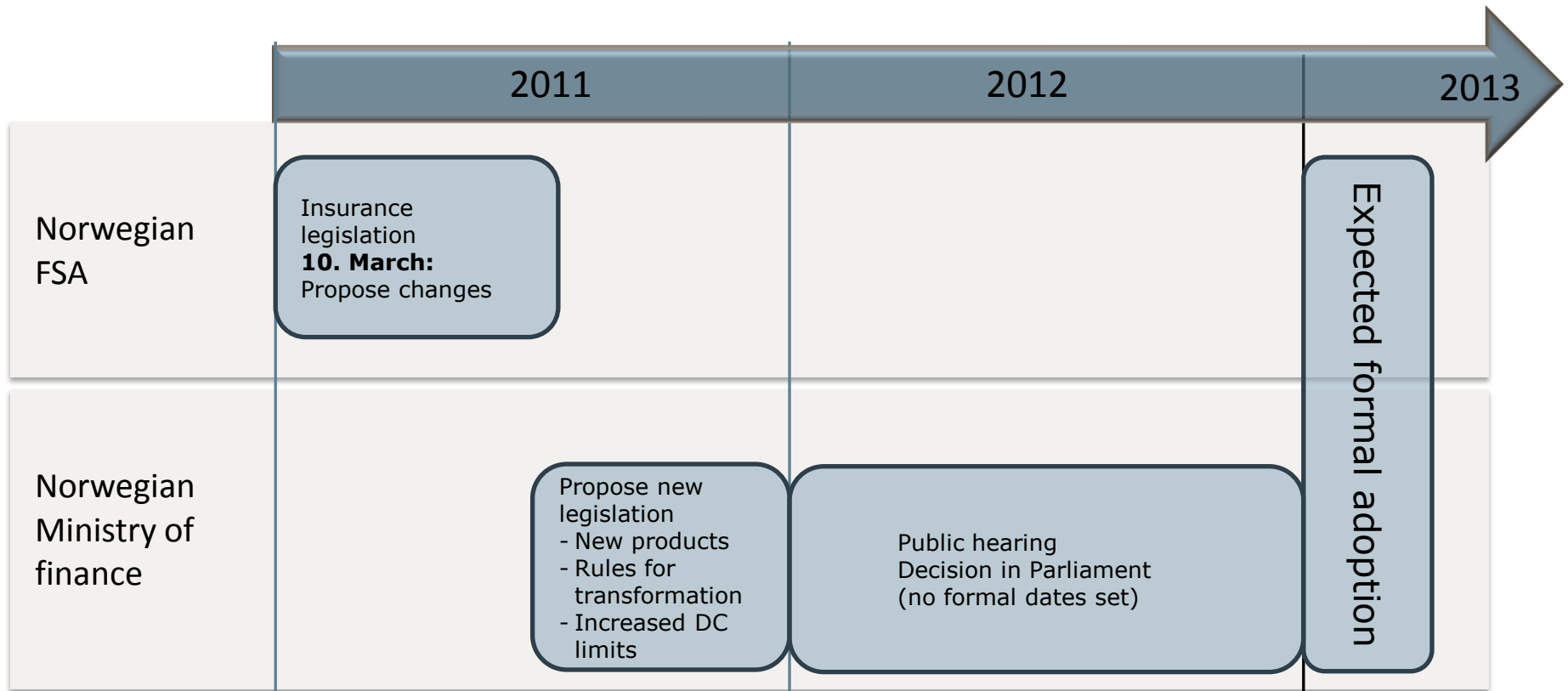
Asset allocation guaranteed products
Life and Pensions Sweden¹



- 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.

Solvency II and Pension reform part II in Norway



Summary

- Strong result improvement from Q1 2010
- Business transformation on track
- Sound capital position - increased buffer capital

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