

Storebrand ASA 3Q 2013: Solid top line growth and cost control

- **Group result of NOK 810 million in third quarter and NOK 1,880 million year to date**
- **Growth in fee and administration income of 10 per cent year to date**
- **Nominal cost reductions of 2 per cent year to date**

Storebrand's group profit was NOK 810 million for the third quarter 2013, an increase of NOK 352 million compared to the same period last year.

Strengthened results and good cost control

- With good underlying growth in pension funds and efficient operations, Storebrand delivers a solid result in the third quarter, says Storebrand CEO Odd Arild Grefstad

Unit linked funds have increased by 25 per cent so far this year, and gives a solid contribution to the 10 per cent growth in fee and administration income. In the same period, Insurance premiums have grown with 15 per cent.

The cost programme measures that will reduce the Group's cost by NOK 400 million by the end of 2014 are being implemented according to plan.

- We are succeeding with our cost reduction measures and they contribute significantly to the result improvements in the quarter, says Grefstad.

Good sales and market development

The shift from products with guaranteed interest rate to unit linked insurance products continues. The Group's premium income from guaranteed products is reduced by 3 per cent year to date, while premium income from non-guaranteed pension products increased by 20 per cent in the quarter and 16 per cent year to date.

Strong returns to our pension customers

- Storebrand delivers very strong returns to customers in Norway and Sweden. The unit linked customers in Norway with the most common investment profile with a 50 per cent equity exposure have received 10.8 per cent year to date, says Grefstad.

Assets under management have increased by 15 billion in the quarter to NOK 471 billion at the end of the third quarter. The increase is largely due to a strengthening of the Swedish krona, good development in the financial markets, excess returns and new sales.

Need for clarity around future occupational pensions

The occupational pension legislation in Norway is undergoing a series of changes in order to adapt it to the National Insurance reforms. On 4 October of this year, the government submitted a draft law to the Parliament (Stortinget) about a new occupational pension product. The product is defined contribution based and allows saving rates of up to 7 per cent of salaries up to 7.1G and 25.1 per cent of salaries between 7.1 and 12 G. It is proposed that the law enter into effect at the start of 2014.

- If this proposal passes it remains to ensure that companies that have chosen or will choose the current defined contribution product also receive the option to save within the same new maximum savings rates. By allowing this, the occupational pension products in the private sector become equal. This will ensure that employees do not experience that the size of the contribution is defined by which product the company chooses. We also expect that the government will act quickly in resolving the legislation for paid-up policies with investment options and implement improved retail pension savings solutions, adds Grefstad.

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Storebrand's ambition is to be the best provider of pension savings. The group offers a broad range of products within life insurance, property and casualty insurance, asset management and banking, to companies, public sector entities and private individuals. The group is divided into the segments Savings, Insurance and Guaranteed pension and Other.