

## 3rd quarter 2014: Healthy profits and growth within non-guaranteed savings

- **Group result of NOK 632 million for 3<sup>rd</sup> quarter and NOK 2,110 million year to date**
- **Strong earnings growth and customer returns within non-guaranteed savings**
- **Nominal cost down 3.9 per cent year to date**

– We deliver a good result this quarter. We confirm our position as market leader in the Norwegian market for defined contribution, and I am very satisfied with the growth we experience in non-guaranteed savings. Our pension customers receive high and sustainable returns in Norway and Sweden, says Group CEO Odd Arild Grefstad.

Storebrand's Group result was NOK 632 million in the third quarter 2014 and NOK 2 110 million year to date. The result development is strongest within Savings (non-guaranteed savings and retail banking), improving the result with 64 per cent compared to last year. This improvement is mainly due to the strong increase in assets under management.

Storebrand Asset Management has delivered excess returns to the customers of NOK 397 million in the third quarter and NOK 1.8 billion year to date. So far, the most common defined contribution profile in Norway have delivered 7,5 per cent return.

The Group result is also strengthened by cost reduction of 3.9 per cent compared to the same period last year.

### **Moving away from guarantees**

– An increasing number of companies transfer their defined benefit pension plan to a defined contribution plan. The main reasons are a demand for more predictable pension costs and increased expected pensions to the employees. This is also the case for Storebrand. Today, all Storebrand's employees hired before 2011 are part of a defined benefit scheme. This will only last another two months. From 2015 all employees in Norway will be part of a defined contribution pension plan with increased savings rates, says Group CEO Odd Arild Grefstad.

The shift from products with guarantees to non-guaranteed savings products continue in the pensions market. As of September 1<sup>st</sup>, new regulation made it possible for about one million people in Norway with paid-up policies to decide how they want their pension to be invested.

– The new regulation is important for our customers. We therefore opened up for our customers to move their traditional paid-up policies to paid-up policies with investment choice from mid-October, says Grefstad.

The new product has been well received by our customers. Many of our paid-up policies have visited our internet pages and used the paid-up policy calculator. Around 700 customers with approximately NOK 160 million in paid-up policy reserves have chosen to move to the investment choice alternative.

– We emphasize good advices and recommendations based on the customer's situation in our customer dialogue. For many customers, moving away from the annual guarantee will mean better pensions, since a more long-term investment strategy will give higher expected returns and thus higher pension payments, says Grefstad.

### **Longevity reserve strengthening follows plan**

Due to increased life expectancy in Norway, Storebrand needs to build up reserves of NOK 12.4 billion by the end of 2020. In total, NOK 6,3 billion is set aside for increased longevity by the end of the 3rd quarter.

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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.*