

1st quarter 2015: Top line growth and good customer returns

- **Group result of NOK 450 million for 1st quarter**
- **13 per cent premium growth in Insurance**
- **Customers choose paid-up policies with investment choice**

– We deliver a result this quarter influenced by growth in the retail market and strong building of customer buffers. We have welcomed 7,000 new P&C customers since new year. We have also built reserves worth of NOK 1.2 billion for higher life expectancy this quarter, says Group CEO Odd Arild Grefstad.

Sustainable investments give better pensions

We have experienced a growing interest in sustainable savings during the last months, both from companies and retail customers. This month, the Swedish Söderberg & Partners gave Storebrand and SPP their highest score in their report on sustainable fund savings. Moreover, the Norwegian NGO Framtiden i våre hender highlighted Storebrand as a frontrunner in their latest report on sustainable savings.

– A growing number of our customers are interested in sustainable savings. We welcome this trend and see sustainable investments as a prerequisite for better long-term returns. That is why we invest more of our customers' savings in sustainable companies and less in the least sustainable. We expect that this will give our customers both better pensions and a better world in which to enjoy retirement, says Grefstad.

Storebrand's defined contribution customers have received good returns on their pension savings this quarter. A milestone has also been reached as more than 100,000 customers have chosen our innovative new savings profile called Recommended pension. In this profile, the equity exposure is adjusted to the age of each customer.

– During the last three years, the majority of our pension customers have received an annual average return of 12 per cent. The annual return for the last ten years has been seven per cent. That means that the customers have received great returns over a long period with low interest rates and inflation, says Grefstad.

Growing number of insurance customers

Last Autumn, Storebrand signed a contract with The Federation of Norwegian Professional Associations (Akademikerne) to deliver insurance to 11 of the Federation's 13 associations. The agreement covers around 110.000 members and ensures Storebrand a solid position in the union market.

– We experience a solid top line growth driven by good sales this quarter, with a 13 per cent increase in premium income in insurance in general and 23 per cent growth in the P&C business. The agreement with Akademikerne contributes considerably to the sales growth and shows that we succeed with our new customer oriented cooperation as well as competitive products, says Grefstad.

Our customers choose paid-up policies with investment choice

– We experience growth in the retail savings market as well. About 2,800 customers have moved their paid-up policy to a paid-up policy with investment choice in the first quarter. Since October 2015, a total of 9,000 customers have converted to investment choice. They can now expect a better pension, as saving with higher equity allocation lead to higher expected returns, says Grefstad.

Solid solvency II margin and longevity reserves strengthening ahead of plan

Storebrand needs to strengthen its reserves for longevity by NOK 12.4 billion. At year-end 2014, Storebrand had set aside NOK 6.2 billion, and in the first quarter this year an addition NOK 1.2 billion was set aside, resulting in a total provision of NOK 7.4 billion.

– We are highly satisfied that we have strengthened our reserves for longevity with more than NOK 1.2 billion this quarter. We have given priority to this reserve strengthening at the expense of short term results, but believe this is the right priority. This means that over 60 per cent of our reserve strengthening need is already finished, says Grefstad.

In 2016, the new solvency regulation, Solvency II, will be implemented. Storebrand's ambition is a solvency margin of 130 per cent including transition rules. At the end of the 1st quarter 2015 the estimated solvency margin under the Solvency II rules was 152 per cent.

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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, Guaranteed pension and Other.