

2nd quarter 2015: Strong sales and strengthened solidity

- **Group result of NOK 459 million for 2nd quarter and NOK 909 million year to date**
- **23 per cent premium growth in fund based savings year to date**
- **Reached a milestone with more than 100 000 P&C insurance customers**

– We deliver a satisfying result characterised by solid growth in savings and P&C insurance. A growing number of people with occupational pensions in Storebrand chose to place their own savings, take up loans or buy insurances from us. We are very happy with this development, says Group CEO Odd Arild Grefstad.

Saving for retirement

The defined contribution (DC) market in Norway has been growing rapidly over the last few years, soon covering 9 out of 10 employers in the private sector. Storebrand is the market leader in the Norwegian market with a market share above 30 per cent. In Sweden, SPP is the third largest provider in the unit linked insurance market.

– The shift from guaranteed to non-guaranteed savings among companies as well as retail customers continues this quarter. Storebrand's ambition is to be the best provider of pension savings, and it is therefore satisfying to see that we succeed in delivering strong sales results and delivering good and sustainable returns to our customers, says Grefstad.

From the 4th quarter of 2014, the customers were given an offer to convert from paid-up policies to paid-up policies with investment choice.

– During 2nd quarter, customers have transferred NOK 1.2 billion into paid-up policies with investment choice. So far, more than 10 000 customers have changed to investment choice. They can now expect a better pension, as savings with higher equity allocation lead to higher expected returns, says Grefstad.

Strong loan and P&C sales

– We strive to deliver competitive and relevant products and services to our P&C insurance and bank customers. The competition is tough and customer demands are changing fast. During the 2nd quarter, we had the pleasure of welcoming P&C customer number 100 000. Moreover, competitive loan terms and successful marketing and communication resulted in loan sales of more than NOK 700 million this quarter, says Grefstad.

The new agreement with Akademikerne (Federation of Norwegian Professional Associations) that came into force on January 1st contributes to a P&C premium growth of 16 per cent during the first half of 2015 and secures Storebrand a robust position in the union market.

Strengthened solidity and longevity reserves ahead of plan

Storebrand needs to build longevity reserves of NOK 12.4 billion. This must be completed by the end of 2020. As of June 30th 2015, NOK 8.1 billion is allocated to meet this requirement, leaving a remaining reservation need of NOK 4.3 billion.

– We are highly satisfied that we have strengthened our reserves for longevity with more than NOK 700 million 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 two thirds of our total reserve strengthening 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 2nd quarter 2015 the estimated solvency margin under the Solvency II rules was 154 per cent.

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Contact persons:

Communications Director Elin M. Myrmel-Johansen: Mobile (+47) 93 48 05 38

Head of IR Kjetil Ramberg Krøkje: kjetil.r.krokje@storebrand.no eller (+47) 934 12 155

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.