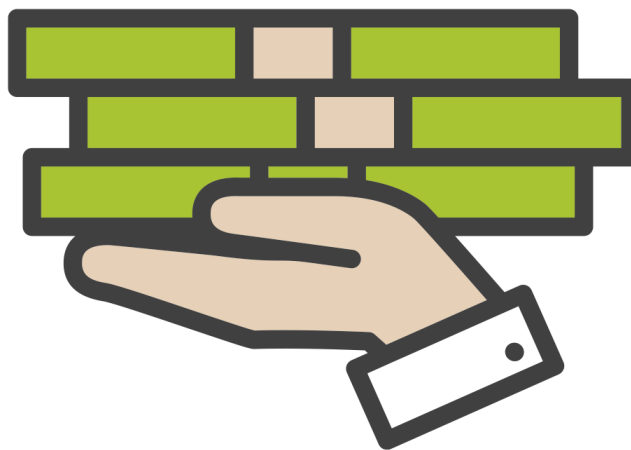


Information on the paid-up policy accounts 2018

An explanation of the contents of the statement of account



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2 Introduction

A paid-up policy is a pension insurance from a current or previous employment relationship.

You have received a statement of account for your paid-up policy. You may have some questions about this statement of account, and here we will give you some answers.

If you have further questions, you are welcome to call our Customer Department at telephone number + 47 22 31 20 40 between 08:00 am and 04:00 pm, Monday – Friday.

This document contains explanations of the various parts of the statement of account and all the items that may appear in the overviews of the accounts. Some of the items may therefore not be applicable to your paid-up policy.

2.1 Have you changed your paid-up policy to a policy with investment choice for your retirement pension?

If you have changed your paid-up policy to a paid-up policy with investment choice, this statement of account includes the paid-up policy's pension benefits for any disability pension and survivor's pensions. In January and in July you will receive another statement of account for the savings for your retirement pension. You will find the explanations for this statement of account also at storebrand.no/utsendelser.

2.2 Do you have other individual life and/or pension insurances in Storebrand?

The explanation of the accounts for these individual life and/or pension insurances are available at storebrand.no/utsendelser.

3 What is the content of the statement of account?

The statement of account gives you an overview of your secured pension benefits. You find this information in the letter from Storebrand. The pension benefits are paid out under certain conditions. You can read more about that in the insurance agreement at storebrand.no/privat/pensjon/fripolise.

In the statement of account you also find:

- Summary of results
- Overview of the policy's total pension assets
- Statement of accounts (overviews) for the pension's assets
 - Premium reserve
 - Additional statutory reserves
 - Any premium fund

Any changes made to your paid-up policy after the end of the accounting period will not be included until the statement of account for next year.

4 Annual pension amounts

4.1 Guaranteed annual pension amounts

The guaranteed annual pension amounts are the annual pension amounts that apply to the paid-up policy. If you pay a premium, the pension amounts only apply if the premium payments continue as agreed. If you stop paying the premium, it is the earned pension amounts that applies.

For most people, the pension benefits stated at the beginning of the accounting period (usually 31 December in the previous year) applied for all of the accounting year.

If the paid-up policy includes a survivor's pension (spouse/cohabitee/child pension), the amounts and payment periods for these are stated in the statement of account. Such pensions are payable according to specific rules and only on the death of the policyholder.

If you are on a long sick leave or have some incapacity for work and the paid-up policy includes disability pension, you may be entitled to disability pension if you:

- receive a work assessment allowance and/or disability pension from the Norwegian Labour and Welfare Scheme (NAV)
- do not receive any benefits from NAV, but your doctor can confirm that you have some incapacity of work – at least with 20 %.

The disability pension is not valid if you previously have received a rejection of an application for disability pension for the same illness.

Note that in §18-6 in the Insurance Contract Act there are provisions on limitations of claims for disability pension.

If you have any questions about disability pension, please contact us on telephone number +47 22 31 11 80. You can also send us a confidential message from securemail.storebrand.

4.2 Secured/earned annual pension amounts

The secured/earned annual pension amounts apply if premium is not paid anymore after the stated dates.

The explanations in paragraph 4.1 above is also valid for paid-up policies when premium is no longer paid.

For paid-up policies with an agreed index link to G, this index linking is included in the stated pension benefits. G is the National Insurance Scheme's basic amount. However, the G index linking which took place after the end of the accounting period is not included in the stated pension benefits.

5 Pension assets

The pension assets equals the sum of premium reserve, additional statutory reserves, premium fund, outstanding/prepaid premium and share of market value adjustment reserve. According to the regulations, the pension assets may only be used for pensions (and costs). The assets can therefore not be paid in cash.

5.1 Premium reserve

The premium reserve consists of pension assets set aside for the paid-up policy to cover future pension benefits and costs. The size of the premium reserve is stated at the beginning and end of the accounting period.

5.2 Additional statutory reserves

Additional statutory reserves are extra pension assets that have been set aside for use if Storebrand achieves a return that is less than the guaranteed return. The additional statutory reserves are financed by the year's and previous years' returns.

The additional statutory reserves may also be paid together with the pension in the form of a higher pension benefit. See the explanation of the item "Additional statutory reserves to increase the annual pension benefits" in the overview of the additional statutory reserves account.

5.3 Premium fund

Some paid-up policies have a premium fund. The premium fund assets must be used to increase the pension benefits at the latest when the member reaches retirement age – or when the member dies - if this is before retirement age.

5.4 Outstanding/prepaid premium

Premium that should have been paid in the accounting year (a negative amount) or premium that has been prepaid for next year (a positive amount).

5.5 Share of market value adjustment reserve

The policy's share of the company's unrealized securities gains.

6 Summary of the results

The summary of the results shows the paid-up policy's profit for the year and how this allocates.

6.1 Achieved return

The achieved return is the book return that is achieved when investing the pension assets during the accounting year.

6.1.1 Return added on the premium reserve

The achieved return on the premium reserve. This return shall initially be used to cover the guaranteed return. See paragraph 6.1.6.1 below.

6.1.2 Return added on the additional statutory reserve

The achieved return on the additional statutory reserve. This return adds to the return on the premium reserve, and therefore contributes to cover the guaranteed return.

6.1.3 Return on premium fund

The achieved return on premium fund. The return is posted to the premium fund – after deduction of costs and transferred amount to Storebrand's equity.

6.1.4 Transferred from additional statutory reserve

If the achieved return is lower than the guaranteed return, the amount lacking is covered from the paid-up policy's additional statutory reserve and eventually from Storebrand's equity. See the next paragraph.

6.1.5 Transferred from Storebrand's equity

If the achieved return is lower than the guaranteed return, the amount lacking is covered from the paid-up policy's additional statutory reserve and eventually from Storebrand's equity. See the previous paragraph.

6.1.6 Return added

The sum of achieved return on the policy's pension assets and any transferred amounts from the additional statutory reserve and Storebrand's equity in the accounting year. This sum is applied as described in the following paragraphs 6.1.6.1 – 6.1.6.6.

If the total return achieved for your paid-up policy is higher than the guaranteed return, this extra return will be allocated to additional statutory reserves and administration/management costs. If there is any return left after this, it will be used to increase the paid-up policy's pension benefits.

6.1.6.1 Premium reserve (guaranteed return)

A guaranteed minimum return is added to pension insurances each year irrespective of fluctuations in the financial markets. This guaranteed return is added to the paid-up policies' pension assets. The pension benefits may only be increased if Storebrand achieves a return that is higher than the guaranteed return. For most contracts, the guaranteed return currently is between 2,5 and 4 per cent.

6.1.6.2 Additional statutory reserves

This amount is used to increase the paid-up policy's additional statutory reserves.

6.1.6.3 Premium fund

The return on the premium fund assets adds to the contract's premium fund.

6.1.6.4 Administration and management

This is the amount used to cover the annual costs for administration and managing the additional statutory reserves and any premium fund for your paid-up policy. The amount is financed by the return added in excess of the guaranteed return.

6.1.6.5 Storebrand's equity

This is the holders' share of the achieved return.

6.1.6.6 Increasing the annual pension benefits

Any return left after the guaranteed return, long-life reserves, additional statutory reserves and administration and management costs have been covered, is used to increase the paid-up policy's pension benefits. The amount is divided among the policy's pension benefits and over the estimated

payment period for the various pension benefits. This amount increases the premium reserve and is shown in the item "To increase the annual benefits" in the overview of the premium reserve account.

6.2 Insurance risk results

The insurance risk results is the paid-up policy's share of Storebrand's insurance risk results (death, long life, incapacity for work, etc.). The paid-up policy's share is calculated in relation to the individual paid-up policy's estimated insurance risk costs/incomes. Refer to the item "Calculated cost for insurance risk" in the overview of the premium reserve account.

Storebrand's insurance risk results indicate what the year's actual insurance risk costs/incomes are compared to the estimated insurance risk costs/incomes according to the scale of premium rates for all paid-up policies in Storebrand.

Positive insurance risk results may be transferred Storebrand's insurance risk equalisation fund, while any remainder will be used to increase the pension benefits.

6.2.1 Insurance risk equalization fund

Up to half of any positive insurance risk results may be transferred to the insurance risk equalization fund. This fund is common to all customers and is used to cover any future negative insurance risk results, among other applications.

6.2.2 Increase in the annual pension benefits

Positive risk result that is used to increase the paid-up policy's pension benefits.

7 Overviews of the accounts

7.1 Overview of the premium reserve account

Balance pr. 31.12.

The amount for the paid-up policy's premium reserve account at the beginning of the accounting year. See paragraph 5.1 for explanation of premium reserve.

Premiums

The premiums that fell due for payment in the accounting year, both paid and outstanding.

Guaranteed return

The guaranteed return that has been added to the premium reserve. We refer to the explanation of the guaranteed return above.

Costs

The financial year's actual administration and management costs that are debited to the paid-up policy. These costs are financed by the premium/premium reserve.

Estimated cost of the insurance risk

The part of the premium and premium reserve that covers the annual insurance risk relating to death and incapacity for work (to be transferred to the insurance community), as well as the annual insurance risk relating to long life and being reported fit for work (to be transferred from the insurance community).

Disbursements

This item contains all the pension payments in the accounting year, including any waiver of premiums in the case of incapacity for work.

Changes to the premium reserve

These are, for example, amounts transferred to/from the pension insurance if an insurance event occurs. This can be a transition to a disability pension or survivor's pension, a change in the level of incapacity for work, etc.

To increase the annual pension benefits

The total amount used to increase the pension benefits.

The amount is financed by:

- return in excess of the guaranteed return (see the explanation of the summary of the results)
- eventually insurance risk result
- eventually additional statutory reserves (see item "To increase the annual benefits" in the overview for the additional statutory reserve)

Balance pr. 31.12.

The amount that was in the paid-up policy's premium reserve account at the end of the accounting year. The amount is basically supposed to cover future pension benefits and costs. See paragraph 5.1 for explanation of premium reserve.

7.2 Overview of the additional statutory reserves account

Balance pr. 31.12.

The balance of the paid-up policy's additional statutory reserves at the beginning of the accounting year.

Changes to the additional statutory reserves

For example, these may be additional statutory reserves that follows a policy transferred to Storebrand from another life insurance company or are due to a merger of Storebrand contracts.

Additional statutory reserves to increase the annual pension benefits

Additional statutory reserves that are freed up and transferred to the premium reserve when the balance of the additional statutory reserves exceeds the maximum limit stipulated for pension insurances (12 percent of the pension insurance's premium reserve). If the pension insurance's total pension assets are reduced, the additional statutory reserves shall be reduced by the same percentage and the surplus amount transferred to the pension scheme's premium reserve. The total amount in this item is used to increase the pension benefits.

Additional statutory reserves used to cover a shortfall in the return

If Storebrand does not achieve the guaranteed return when investing the pension assets, the additional statutory reserves are used to cover the shortfall. If this is the case, this item will state the amount used to cover the shortfall.

Transferred from the return on premium reserve

The part of the year's profit that is used to increase the paid-up policy's additional statutory reserves. Se section 6.1.6.2.

Balance pr. 31.12.

The balance of the paid-up policy's additional statutory reserves at the end of the accounting year.

7.3 Overview of the premium fund account

Balance pr. 31.12.

The balance of the paid-up policy's premium fund at the beginning of the accounting year.

Payments received, transfers and withdrawals

This amount shows the payments into and transfers (waiver of premiums) to the premium fund in the accounting year. This item also shows the amount used for premium payments and/or to increase the pension benefits.

Return added

The return added on the premium fund after deduction of administration and management costs and return transferred to Storebrand's equity.

Balance pr. 31.12.

The balance of the paid-up policy's premium fund at the end of the accounting year.

8 Additional information

8.1 Return added

This part of the statement of account shows the return added on the paid-up policy as a percentage per annum. In addition the average guaranteed yield is shown.

8.2 Storebrand's risk equalization fund

Storebrand's risk equalisation fund is referred to both as an amount and as a percent of the customer's total customer's assets in Storebrand.

8.3 Market value adjustment reserve

The policy's share of market value adjustment reserve is shown.

Notice of disclaimer

Translated from Norwegian. Only the terms and conditions of the insurance agreement in Norwegian are to apply. This document shall not be recognized as legally binding material and has been prepared for the sole purpose of understanding the contractual contents of the Norwegian legal document in force.