

4th quarter 2014: Strong earnings growth and good customer returns

- **Group result of NOK 923 million for 4th quarter and NOK 3 032 million for 2014**
- **Strong earnings growth and customer returns within non-guaranteed savings**
- **Cost reductions of NOK 400 million delivered**

– We deliver a good annual result for 2014. We experience strong growth within unit linked-based pension and savings combined with high and sustainable returns to our pension customers. An increasing number of customers are interested in the opportunity to move traditional paid-up policies to paid-up policies with investment choice. In addition, cost reduction and powerful Solvency II-adaption are highlights from 2014, says Group CEO Odd Arild Grefstad.

Moving away from guarantees

– Storebrand's ambition is to be the best provider of pension savings. During 2014 we strengthened our position as market leader in the Norwegian market for defined contribution in Norway. The growth in defined contribution both in Norway and Sweden is driven by customer growth, good returns and the fact that many businesses choose higher savings rates for their employees. I am very satisfied to report that the customers experienced very good returns also in 2014, says Grefstad.

The majority of the Norwegian pension customers received 10.9 per cent return last year. Storebrand Asset Management has delivered excess returns to the customers of close to NOK 2.2 billion for 2014.

Major contracts provide growth opportunities

In the fourth quarter 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 about 110.000 members and ensures Storebrand a solid position in the union market. The contract entered into force 1.1.2015 and will contribute to growth within insurance.

– This is a significant deal that doubles our volume in the union area. Akademikerne is an attractive target group for Storebrand and we will do our best to get their members to choose and recommend us in the future, says Grefstad.

In December, Statoil and Storebrand signed a Letter of intent to deliver defined contribution pension to all of Statoil's 13.400 employees with more than 15 years left to retirement.

– We are very proud that Statoil has chosen to enter into final negotiations with Storebrand as provider for their future occupational pension scheme. This is by far the largest defined contribution scheme in the Norwegian market. This confirms our leading market position within private sector occupational pension, says Grefstad.

Increasing interest for pension in the retail market

– We also experience growth in the retail pension market. More than 100.000 of our customers have already established their pension number on our website, where we now also shows pension agreements from other companies. Here they get an overview and insight into what they can do to receive the pension they want, says Grefstad.

In addition, about 3.500 customers with close to NOK 1 billion have moved their paid-up policy to a paid-up policy with investment choice in the fourth quarter. Many of our customers will receive a better pension by choosing investment choice, since saving with higher equity allocation lead to higher expected returns.

Powerful adaptation to low interest rates and Solvency II

– We have implemented powerful measures on both the cost- and capital side to adapt to Solvency II and to low interest rates. This has produced solid results, and neutralized the effect of lower interest rates in the fourth quarter. For 2014, the Solvency II margin, using transition rules, is estimated to 148 per cent, says Grefstad.

- Furthermore, we have completed our cost program and thus reduced the cost base by NOK 400 million from mid-2012 until the end of 2014, says Grefstad.

- We are now half way in building reserves increased life expectancy. It now remains NOK 6.2 billion of the total NOK 12.4 billion which must be completed by 2021, says Grefstad.

Throughout the year we have built buffer capital of about NOK 10 billion

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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.