Gjensidige

Interim Report 4th quarter and preliminary 2013

Gjensidige Insurance Group

Group highlights
Fourth quarter and preliminary 2013

In the following, figures in brackets indicate the amount or percentage for the corresponding period the year before.

Full year

Group
- Profit/loss before tax expense: NOK 4,574.1 million (5,633.5)
- Profit per share: NOK 7.34 (8.56)

General insurance
- Earned premiums: NOK 18,736.9 million (17,797.3)
- Underwriting result: NOK 2,019.6 million (2,607.8)
- Combined ratio: 89.2 (85.3)
- Cost ratio: 15.3 (15.5)
- Financial result: NOK 2,480.9 million (3,005.1)

Proposed dividend
- Proposed total dividend: NOK 6,400.0 million (3,425.0)
- Proposed total dividend per share: NOK 12.80 (6.85)
  - Dividend based on profit for the year: NOK 6.80
  - Dividend based on distribution of excess capital: NOK 6.00

Fourth quarter

Group
- Profit/loss before tax expense: NOK 1,283.1 million (1,381.3)
- Profit per share: NOK 2.27 (2.01)

General insurance
- Earned premiums: NOK 4,766.3 million (4,418.2)
- Underwriting result: NOK 375.7 million (602.7)
- Combined ratio: 92.1 (86.4)
- Cost ratio: 15.2 (16.0)
- Financial result: NOK 877.6 million (773.1)

Profit performance group

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
General insurance Private	392.7	339.1	1,305.5	1,439.1
General insurance Commercial	297.7	216.5	992.9	1,012.6
General insurance Nordic	46.6	147.8	342.3	519.9
General insurance Baltics	16.0	7.5	35.7	18.9
Corporate Centre/costs related to owner	(75.5)	(84.8)	(299.4)	(294.3)
Corporate Centre/reinsurance [1]	(301.9)	(23.5)	(357.4)	(88.5)
Underwriting result general insurance [2]	**375.7**	**602.7**	**2,019.6**	**2,607.8**
Pension and Savings	13.6	(1.8)	49.9	18.3
Retail Bank	50.2	37.8	191.0	113.0
Financial result from the investment portfolio [3]	877.6	773.1	2,480.9	3,005.1
Amortisation and impairment losses of excess value – intangible assets	(31.7)	(31.3)	(161.7)	(126.9)
Other items	(2.3)	0.8	(5.5)	16.4
Profit/(loss) for the period before tax expense	**1,283.1**	**1,381.3**	**4,574.1**	**5,633.5**
Key figures general insurance				
Large losses [4]	439.4	14.1	906.6	581.1
Run-off gains/(losses) [5]	124.4	32.1	299.6	342.0
Loss ratio [6]	76.9 %	70.4 %	74.0 %	69.9 %
Cost ratio [7]	15.2 %	16.0 %	15.3 %	15.5 %
Combined ratio [8]	92.1 %	86.4 %	89.2 %	85.3 %

1 Large losses in excess of NOK 30.0 million are charged to the Corporate Centre, while claims of less than NOK 30.0 million are charged to the segment in which the large losses occured. The segment Baltics has a retention level of EUR 0.5 million. Large losses allocated to the Corporate Centre amounted to NOK 373.6 million (111.8) year to date and NOK 259.2 million (1.2) in the quarter. Moreover, accounting items related to written reinsurance and reinstatement premium are included.

2 Underwriting result general insurance = earned premiums - claims incurred etc. - operating expenses

3 Excluding return on financial assets in Pension and Savings and Retail Bank.

4 Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter was NOK 251.0.

5 Run-off gains/(losses) = changes in estimates from earlier periods. Reserving is based on best estimate, and expected run-off result over time is zero.

6 Loss ratio = claims incurred etc./earned premiums

7 Cost ratio = insurance related operating expenses/earned premiums

8 Combined ratio = loss ratio + cost ratio

Solid premium growth and good result in 2013

Profit performance Group

Development during the year

The Group recorded a profit before tax expense of NOK 4,574.1 million (5,633.5). The profit from general insurance operations measured by the underwriting result was NOK 2,019.6 million (2,607.8). For the investment portfolio, the return on financial assets was 4.3 per cent (5.4), corresponding to NOK 2,480.9 million (3,005.1).

The tax expense was NOK 903.5 million (1,353.5), corresponding to an effective tax rate of 19.8 per cent (24.0). The effective tax rate was affected by the recognition of an impairment loss on the investment in Storebrand in the first quarter, in addition to realised and unrealised gains from equity investments in the EEA.

The profit after tax expense was NOK 3,670.6 million (4,280.1), corresponding to NOK 7.34 (8.56) per share.

Satisfactory underlying profitability in the portfolio contributed to a good underwriting result in 2013. The decline in profits from 2012 was primarily due to major weather-related events and a more normal development for frequency claims.

Earned premiums in the Private segment increased by 4.0 per cent from 2012 to 2013, mainly driven by higher premiums. However, higher claims expenses contributed to a slightly weaker underwriting result.

Earned premiums in the Commercial segment increased by 3.8 per cent as a result of growth in both the Norwegian and Swedish portfolios. An increase in claims incurred contributed to a decline in the underwriting result compared with 2012.

Earned premiums developed in a positive direction in the Nordic segment, growing by 14.3 per cent (9.5 per cent in the local currency), primarily as a result of an increase in the number of new commercial customers and the acquisition of Gouda Travel Insurance. The underwriting result was weaker compared with 2012 as a result of lower run-off gains and major weather-related events.

The Baltic segment recorded a positive profit performance as a result of an improvement in the Baltic insurance market. The growth in earned premiums was 16.9 per cent (12.4 per cent in the local currency).

The Retail Bank's profit performance was good in the period, driven by volume growth, lower write-downs and efficient operations. Pension and Savings also recorded a positive profit performance.

The investment portfolio's profit performance was weaker in 2013 than in 2012, largely because of the recognition of an impairment loss of NOK 611.0 million on the investment in Storebrand in the first quarter 2013.

Development during the quarter

The Group recorded a profit before tax expense for the quarter of NOK 1,283.1 million (1,381.3). The profit from general insurance operations measured by the underwriting result was NOK 375.7 million (602.7). For the investment portfolio, the return on financial assets was 1.5 per cent (1.4), or NOK 877.6 million (773.1). The profit after tax expense was NOK 1,134.5 million (1,006.9), corresponding to NOK 2.27 (2.01) per share.

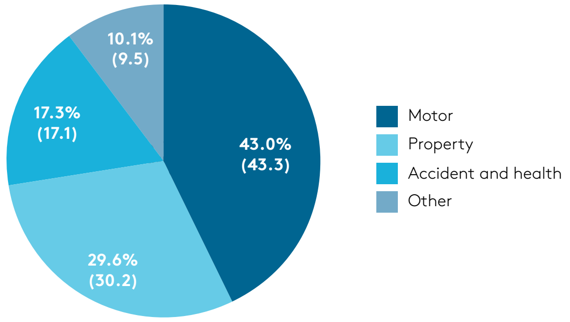
The reduction in the underwriting result was largely due to a higher proportion of weather-related events compared with the same period the year before. There were four storms in the Nordic countries in the quarter adversely affecting the result in the total amount of NOK 369.6 million. In addition, a reinstatement premium relating to reinsurance was charged to the Corporate Centre in the amount of NOK 97.7 million. The underlying development in frequency claims was in line with the corresponding quarter the year before and was affected by mild weather with little percipitation. Both the Retail Bank and Pension and Savings improved their profit performance from the same period in 2012 as a result of good volume growth. The financial result in the quarter was satisfactory.

Equity and capital adequacy

The Group's equity amounted to NOK 26,287.8 million (25,617.7) at the end of the year. The return on equity before tax expense was 18.3 per cent (23.8) in 2013. The capital adequacy was 13.4 per cent (16.8), and the solvency margin was 421.8 per cent (545.1). Both capital adequacy and the solvency margin have been adjusted to take account of the Board's dividend proposal for the 2013 financial year.

Available capital in excess of risk-based capital requirement calculated using the Group's internal risk model constitutes the Group's economic excess capital. In addition, a deduction is made for the higher of the estimated additional capital required to maintain the current rating (including a buffer of five per cent) and the capital required to meet the statutory capital adequacy requirements. The surplus in excess of this constitutes the strategic buffer. At the end of the year strategic buffer constituted NOK 2.1 billion, after the deduction of the Board's proposed dividend for the 2013 financial year.

Product groups Private
Earned premiums 2013 (2012)



General Insurance Private

Development during the year

The underwriting result for 2013 was NOK 1,305.5 million (1,439.1). The combined ratio was 83.3 (80.8). The main reason for the decline in the underwriting result was an increase in claims incurred.

Earned premiums amounted to NOK 7,799.0 million (7,498.5). The increase was due to higher premiums. The number of customers at the end of the year was roughly on a par with 2012.

Gjensidige's distribution agreement with Sparebanken Sogn og Fjordane will be terminated with effect from 1 July 2014. The premium volume in connection with the agreement amounted to approximately NOK 180 million in 2013, and the customers have their policy agreements with Gjensidige directly. Measures will be implemented to ensure new sales and to retain existing customers in the region.

Claims incurred amounted to NOK 5,466.5 million (5,051.7). The loss ratio was 70.1 (67.4). The property product in particular recorded a higher loss ratio than the year before due to several water damage claims early in the year and some large fires and damage caused by precipitation in the third quarter. The total claims incurred were within the bounds of what can normally be expected, while the claims development in 2012 was particularly favourable.

Operating expenses amounted to NOK 1,027.0 million (1,007.7), and the cost ratio was 13.2 (13.4).

Development during the quarter

The underwriting result for the period was NOK 392.7 million (339.1). The combined ratio was 80.0 (81.9). The better result was mainly due to mild weather with little precipitation in the quarter.

Earned premiums amounted to NOK 1,966.3 million (1,876.3). The positive development in earned premiums was due to higher premiums. Earned premiums increased for all product groups.

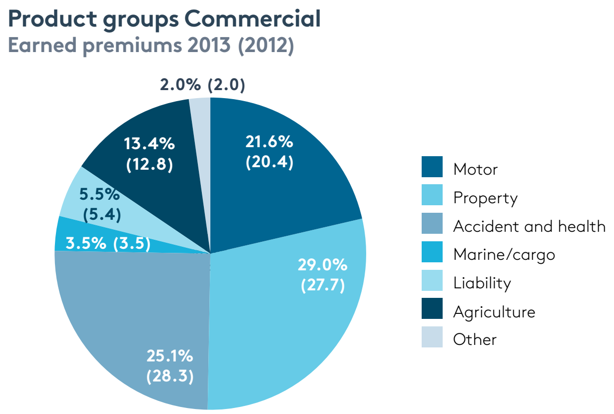
Claims incurred amounted to NOK 1,324.4 million (1,286.0). The loss ratio was 67.4 (68.5). The reduction in the loss ratio was primarily due to an improvement in motor insurance as a result of the favourable weather situation in the quarter, but other product groups also experienced a satisfactory profitability development.

Operating expenses amounted to NOK 249.1 million (251.1). The stable cost development was due to rationalisation of operations and reduced pension provisions. The cost ratio was 12.7 (13.4).

General Insurance Private

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Earned premiums	1,966.3	1,876.3	7,799.0	7,498.5
Claims incurred etc.	(1,324.4)	(1,286.0)	(5,466.5)	(5,051.7)
Operating expenses	(249.1)	(251.1)	(1,027.0)	(1,007.7)
Underwriting result	**392.7**	**339.1**	**1,305.5**	**1,439.1**
Amortisation and impairment losses of excess value – intangible assets	(2.4)	(2.4)	(9.5)	(9.5)
Large losses [1]	25.3		49.9	32.7
Run-off gains/(losses) [2]	21.7	12.8	65.0	67.6
Loss ratio [3]	67.4 %	68.5 %	70.1 %	67.4 %
Cost ratio [4]	12.7 %	13.4 %	13.2 %	13.4 %
Combined ratio [5]	80.0 %	81.9 %	83.3 %	80.8 %

1 Large losses = loss event in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.
2 Run-off gains/(losses) = changes in estimates from earlier periods
3 Loss ratio = claims incurred etc./earned premiums
4 Cost ratio = operating expenses/earned premiums
5 Combined ratio = loss ratio + cost ratio



General Insurance Commercial

Development during the year

The underwriting result amounted to NOK 992.9 million (1,012.6) in 2013. The combined ratio was 85.9 (85.0). The reduction in the underwriting result was largely due to increased claims incurred.

Earned premiums increased to NOK 7,021.8 million (6,764.8). Both the Norwegian and Swedish commercial portfolios showed a positive development, mainly as a result of an increase in the number of products per customer. The growth was negatively affected by the decline in the Swedish municipal portfolio, in addition to the loss of two big accident and health schemes with effect from the second and third quarters, respectively, in 2012.

Claims incurred amounted to NOK 5,207.6 million (4.943.1), which corresponds to a loss ratio of 74.2 (73.1). The effect of a positive claims development in accident and health and property insurance was counteracted by a weaker claims development in agriculture. A higher proportion of large weather-related claims and large losses in agriculture had a negative effect on claims incurred compared with 2012.

Operating expenses amounted to NOK 821.3 million (809.1). The cost increase was partly related to the work on integrating the Swedish units. The cost ratio was 11.7 (12.0).

Development during the quarter

The underwriting result for the period was NOK 297.7 million (216.5), corresponding to a combined ratio of 83.5 (87.0). The good result was due to a strong growth in premiums in combination with good underlying profitability.

Earned premiums increased to NOK 1,800.1 million (1,668.9). Multichannel distribution and industrialised processes have resulted in a high level of activity in the segment, and the competitiveness is good. The development in earned premiums was particularly positive for the property, business interruption and liability products.

Claims incurred amounted to NOK 1,308.8 million (1.245.3), which corresponds to a loss ratio of 72.7 (74.6). Major weather-related events had a negative effect on the result, in addition to a higher proportion of large losses in agriculture. The strong development in earned premiums combined with good underlying profitability nonetheless contributed to a lower loss ratio.

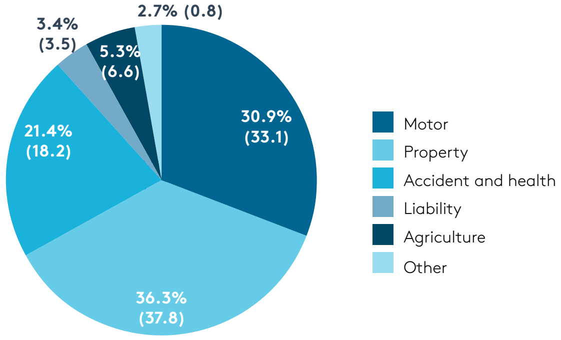
Operating expenses amounted to NOK 193.5 million (207.0). Together with reduced pension provisions, rationalisation of operations contributed to lower costs. The cost ratio was 10.8 (12.4).

General Insurance Commercial

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Earned premiums	1,800.1	1,668.9	7,021.8	6,764.8
Claims incurred etc.	(1,308.8)	(1,245.3)	(5,207.6)	(4,943.1)
Operating expenses	(193.5)	(207.0)	(821.3)	(809.1)
Underwriting result	**297.7**	**216.5**	**992.9**	**1,012.6**
Large losses [1]	75.5	10.6	346.6	341.7
Run-off gains/(losses) [2]	54.6	22.9	120.2	75.2
Loss ratio [3]	72.7 %	74.6 %	74.2 %	73.1 %
Cost ratio [4]	10.8 %	12.4 %	11.7 %	12.0 %
Combined ratio [5]	83.5 %	87.0 %	85.9 %	85.0 %

1 Large losses = loss event in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.
2 Run-off gains/(losses) = changes in estimates from earlier periods
3 Loss ratio = claims incurred etc./earned premiums
4 Cost ratio = operating expenses/earned premiums
5 Combined ratio = loss ratio + cost ratio

Product groups Nordic
Earned premiums 2013 (2012)



General Insurance Nordic

Development during the year

The underwriting result was NOK 342.3 million (519.9) for 2013, corresponding to a combined ratio of 89.7 (82.1). The decline in the underwriting result was largely due to lower run-off gains and a higher proportion of weather-related claims.

Earned premiums increased to NOK 3,326.4 million (2,909.7), of which NOK 128.2 million was due to changes in the exchange rate. The underlying increase was primarily due to an increase in the number of new commercial customers and the acquisition of Gouda Travel Insurance with accounting effect from 1 November 2013. At the time the agreement was signed, annual premiums in the portfolio amounted to approximately NOK 290 million.

Claims incurred amounted to NOK 2,417.0 million (1,883.6). Of the increase NOK 83.5 million was due to changes in the exchange rate. The loss ratio was 72.7 (64.7). The higher loss ratio was mainly due to substantially lower run-off gains, a higher proportion of weather-related claims and a change in the composition of the portfolio, resulting in a higher proportion of accident and health products.

Operating expenses amounted to NOK 567.1 million (506.1). Of the increase NOK 22.3 million was due to changes in the exchange rate. In addition, the expenses increased as a result, among other things, of the acquisition of Gouda Travel Insurance. The cost ratio was 17.0 (17.4).

Development during the quarter

The underwriting result was NOK 46.6 million (147.8), corresponding to a combined ratio of 94.9 (79.2). The decline in the underwriting result was largely due to a higher proportion of weather-related claims and large losses, in addition to the fact that the claims level in the corresponding quarter in 2012 was particularly favourable. Gouda Travel Insurance made a positive contribution to the result.

Earned premiums amounted to NOK 914.8 million (711.5). Of the increase NOK 79.4 million was due to changes in the exchange rate. The underlying increase was mainly due to an increase in the number of new commercial customers. The new cooperation agreement with Nykredit is starting to have positive effects in the private market.

Claims incurred amounted to NOK 695.0 million (430.8). Of the increase NOK 51.3 million was due to changes in the exchange rate. The loss ratio was 76.0 (60.6). A high number of storm-related claims negatively affected the result, while higher run-off gains made a positive contribution. In the corresponding quarter in 2012, claims incurred were positively affected by a particularly favourable claims level.

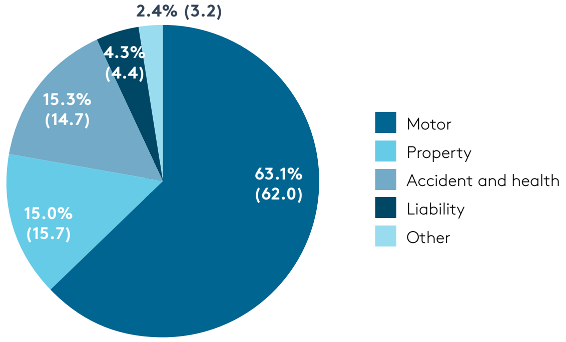
Operating expenses amounted to NOK 173.2 million (132.8). Of the increase NOK 14.0 million was due to changes in the exchange rate. The remaining increase was largely due to the aquisition of Gouda Travel Insurance. The cost ratio was 18.9 (18.7).

General Insurance Nordic

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Earned premiums	914.8	711.5	3,326.4	2,909.7
Claims incurred etc.	(695.0)	(430.8)	(2,417.0)	(1,883.6)
Operating expenses	(173.2)	(132.8)	(567.1)	(506.1)
Underwriting result	**46.6**	**147.8**	**342.3**	**519.9**
Amortisation and impairment losses of excess value – intangible assets	(28.1)	(27.7)	(147.2)	(112.8)
Large losses [1]	79.4		132.8	88.8
Run-off gains/(losses) [2]	50.3	35.5	130.8	221.8
Loss ratio [3]	76.0 %	60.6 %	72.7 %	64.7 %
Cost ratio 4	18.9 %	18.7 %	17.0 %	17.4 %
Combined ratio [5]	94.9 %	79.2 %	89.7 %	82.1 %

1 Large losses = loss event in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.
2 Run-off gains/(losses) = changes in estimates from earlier periods
3 Loss ratio = claims incurred etc./earned premiums
4 Cost ratio = operating expenses/earned premiums
5 Combined ratio = loss ratio + cost ratio

Product groups Baltics
Earned premiums 2013 (2012)



General Insurance Baltics

Development during the year

The underwriting result amounted to NOK 35.7 million (18.9). The combined ratio was 93.0 (95.7). The improvement in profit performance was largely due to a positive development in earned premiums.

Earned premiums amounted to NOK 510.8 million (436.9). Of the increase NOK 17.5 million was due to changes in the exchange rate. Earned premiums in accident and health and motor insurance developed particularly well.

Claims incurred amounted to NOK 342.5 million (292.6). Of the increase NOK 11.7 million was due to changes in the exchange rate. The loss ratio was 67.1 (67.0). Run-off gains were more than halved compared with the year before.

The nominal operating expenses amounted to NOK 132.5 million (125.4). Of the increase NOK 5.0 million was due to changes in the exchange rate. The cost ratio was 25.9 (28.7).

Development during the quarter

The underwriting result amounted to NOK 16.0 million (7.5). The combined ratio was 88.4 (93.4). The improvement in profit performance was due to a positive development in premiums and a more favourable claims development.

Earned premiums amounted to NOK 137.9 million (114.7). Of the increase NOK 11.4 million was due to changes in the exchange rate. The development in earned premiums was especially positive in motor insurance.

Claims incurred amounted to NOK 87.8 million (75.8), corresponding to a loss ratio of 63.7 (66.1). Of the increase NOK 7.6 million was due to changes in the exchange rate. The loss ratio improved as a result of an underlying positive claims development.

The nominal operating expenses amounted to NOK 34.0 million (31.3). Of the increase NOK 3.2 million was due to changes in the exchange rate. The cost ratio was 24.7 (27.3).

General Insurance Baltics

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Earned premiums	137.9	114.7	510.8	436.9
Claims incurred etc.	(87.8)	(75.8)	(342.5)	(292.6)
Operating expenses	(34.0)	(31.3)	(132.5)	(125.4)
Underwriting result	**16.0**	**7.5**	**35.7**	**18.9**
Amortisation and impairment losses of excess value – intangible assets	(1.1)	(1.1)	(4.8)	(4.7)
Large losses [1]		2.2	3.7	6.1
Run-off gains/(losses) [2]	(0.6)	4.0	10.0	20.4
Loss ratio [3]	63.7 %	66.1 %	67.1 %	67.0 %
Cost ratio [4]	24.7 %	27.3 %	25.9 %	28.7 %
Combined ratio [5]	88.4 %	93.4 %	93.0 %	95.7 %

1 Large losses = loss event in excess of NOK 10.0 million. Claims incurred in excess of EUR 0.5 million per event are charged to the Corporate Centre.
2 Run-off gains/(losses) = changes in estimates from earlier periods
3 Loss ratio = claims incurred etc./earned premiums
4 Cost ratio = operating expenses/earned premiums
5 Combined ratio = loss ratio + cost ratio

Pension and Savings

Development during the year

The profit before tax expense was NOK 49.9 million (18.3). The positive development was due to an increase in revenues as a result of growth in the customer portfolio combined with a positive market development. At the start of 2013, Gjensidige Pensjonsforsikring took over two external defined contribution portfolios, which led to an increase in assets under management of more than NOK 800 million.

Net insurance revenue in the period increased to NOK 124.4 million (105.8) as a result of higher administration costs due to growth in the portfolio.

The management income increased to NOK 82.2 million (65.0) as a result of growth in the pension and savings portfolio, and a positive market development.

Operating expenses amounted to NOK 182.0 million (170.4). The increase in expenses was mainly due to higher distribution costs.

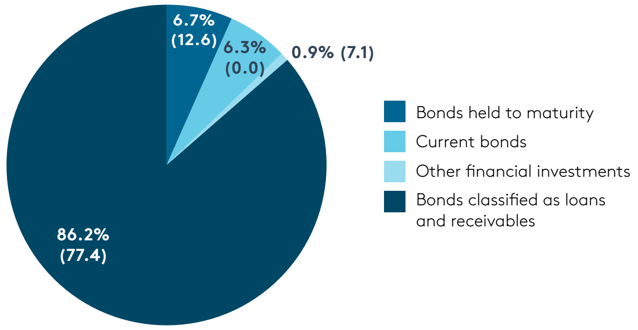
Financial income amounted to NOK 25.3 million (18.0). This includes the return on the group policy portfolio and corporate portfolio. The reason for the growth was a higher return on the corporate portfolio as a result of reinvestments and growth in the rest of the group policy portfolio. The company's share of the financial profit on the paid-up policy portfolio was allocated in its entirety as a provision [1] for higher life expectancy.

At the end of the period, the assets under management in the pension operations amounted to NOK 13,953.8 million (10,408.8). The group policy portfolio accounted for NOK 3,553.2 million (3,163.8) of this amount.

The recognised return on the paid-up policy portfolio was 4.57 per cent (4.76) in the period. The average annual interest guarantee is 3.6 per cent.

Assets under management for the savings operations amounted to NOK 11,896.4 million (10,070.0) at the end of 2013.

Asset allocation the group policy portfolio
At the end of 2013 (2012)



The total assets under management increased by NOK 5,371.3 million (2,731.2), amounting to NOK 25,850.2 million (20,478.9) at the end of 2013.

Development during the quarter

The profit before tax expense was NOK 13.6 million (a loss of NOK 1.8 million).

Net insurance revenue amounted to NOK 31.3 million (21.9). In the second half-year 2012, net insurance revenue was negatively affected by the fact that the provision for claims was strengthened as a result of changes in the estimates of future claims disbursements.

The management income amounted to NOK 22.7 million (17.3). It increased as a result of growth in the portfolio.

Operating expenses amounted to NOK 47.1 million (41.0).

Financial income amounted to NOK 6.7 million (0.0). The financial income for the corresponding quarter in 2012 was negatively affected by the fact that the company's share of the annual financial profit on the paid-up portfolio policy was allocated in its entirety as a provision for higher life expectancy in the fourth quarter. In 2013, the company's share of the financial profit was allocated on an ongoing basis.

1 Total provisions at the end of the year amounted to NOK 114.2 million, and the total provision need up to and including 2018 is approximately NOK 250 million.

Pension and Savings

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Earned premiums	282.4	207.0	904.0	680.7
Claims incurred etc.	(251.1)	(185.1)	(779.7)	(574.9)
Net insurance revenue	**31.3**	**21.9**	**124.4**	**105.8**
Management income etc.	22.7	17.3	82.2	65.0
Operating expenses	(47.1)	(41.0)	(182.0)	(170.4)
Net operating income	**6.9**	**(1.9)**	**24.6**	**0.3**
Net financial income	6.7	0.0	25.3	18.0
Profit/(loss) before tax expense	**13.6**	**(1.8)**	**49.9**	**18.3**
Run-off gains/(losses) [1]		(4.8)		(15.7)
Operating margin [2]	12.75%	(4.78%)	11.89%	0.19%
Recognised return on the paid-up policy portfolio [3]			4.57%	4.76%
Value-adjusted return on the paid-up policy portfolio[4]			4.67%	4.77%

1 Run-off gains/(losses) = changes in estimates from earlier periods
1 Operating margin = net operating income/(net insurance revenue + management income etc.)
2 Recognized return on the paid-up policy portfolio = realised return of the portfolio
3 Value-adjusted return on the paid-up policy portfolio = total return of the portfolio

Retail Bank

Development during the year

Profit before tax expense was NOK 191.0 million (113.0). The positive development was mainly a result of increased net interest income, coming from the growth in customer lending. Cost efficiency and somewhat lower write-down and losses also contributed to the result.

Net interest income was NOK 546.1 million (442.9), primarily driven by lending growth. Net commission income and other income were NOK 53.3 million (44.8). There was an increase in the customer related commission income and the gains from the previously written off portion of the acquired unsecured lending portfolio. This improvement was partially offset by the decrease in income from financial instruments.

Net interest margin was 2.42 percent (2.52). The decline was a result of significant growth in the secured lending in the past 12 months, partially offset by the improved financing costs.

Operating expenses were NOK 341.3 million (306.4). The increase was driven by volume growth and costs related to the newly launched car financing product. Cost/income ratio was 56.9 per cent (62.8). The decline was driven by the increased income and operational efficiency.

Total write-downs and losses were NOK 67.1 million (68.4), primarily related to the unsecured lending portfolio. Annualized write-downs and losses in per cent of average gross lending were 0.32 per cent (0.42). The decline was a result of lower provisioning levels, driven by the improved payments from impaired assets, as well as an increased share of the secured loans in the lending portfolio. The weighted average loan to value [1] was estimated at 64.4 per cent for the mortgage portfolio.

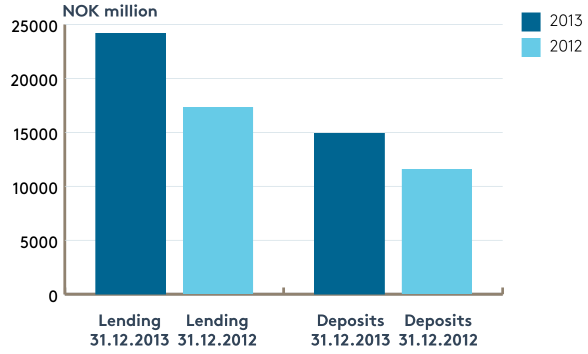
Gross lending increased by 39.7 per cent year over year, amounting to NOK 24,193.9 million (17,324.3) at the end of the year. The bank had an especially high lending growth in the second and third quarter of the year. The bank's deposits increased by 29.0 per cent year over year, reaching NOK 14,938.3 million (11,580.5) at the end of the year. Deposits to loans ratio was 61.7 per cent (66.8).

There is good access to external financing.

Standard & Poor's upgraded Gjensidige Bank's long term rating in the beginning of July from BBB+ to A-, outlook "negative". The upgrade was based on a new assessment of the support the bank receives from the parent company. The covered bonds issued by Gjensidige Bank Boligkreditt are rated AAA.

Deposits and lending

At the end of 2013 (2012)



Following the growth of the business and the new capital requirements from 1 July, the bank received in total NOK 341.0 million in new equity from the parent company during 2013.

Development during the quarter

Profit before tax expense was NOK 50.2 million (37.8). The positive development was mainly a result of increased net interest income.

Net interest income was NOK 147.7 million (124.4), following the customer assets growth. Net commission income and other income amounted to NOK 13.4 million (12.2).

Operating expenses were NOK 92.1 million (85.0). The increase was primarily driven by the business growth and costs related to the newly launched car finance product. Cost/income ratio was 57.2 per cent (62.2).

Total write-downs and losses were NOK 18.8 million (13.9), primarily related to the unsecured lending portfolio. The increase was driven by group provisions, as result of overall portfolio growth, and write-off of customer assets.

Loan growth was NOK 997.6 million (1,006.5) during the quarter while the deposits increased with NOK 1,965.3 million (887.1).

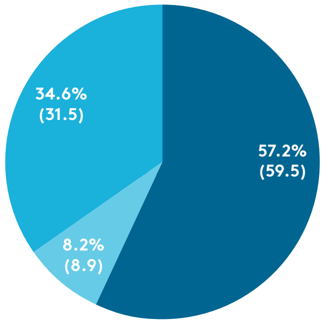
1 The estimate is calculated based on the exposure at the reporting date and the property valuation at the time the loan was approved, including any higher priority pledge(s).

Retail Bank

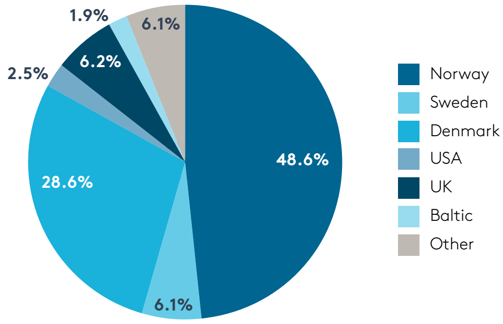
NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Interest income and related income	318.6	247.0	1,135.0	949.7
Interest expenses and related expenses	(170.9)	(122.6)	(588.9)	(506.7)
Net interest income	**147.7**	**124.4**	**546.1**	**442.9**
Net commission income and other income	13.4	12.2	53.3	44.8
Total income	**161.1**	**136.7**	**599.5**	**487.7**
Operating expenses	(92.1)	(85.0)	(341.3)	(306.4)
Write-downs and losses	(18.8)	(13.9)	(67.1)	(68.4)
Profit/(loss) before tax expense	**50.2**	**37.8**	**191.0**	**113.0**
Net interest margin, annualised [1]			2.42%	2.52%
Write-downs and losses, annualised [2]			0.32%	0.43%
Cost/income ratio [3]	57.2%	62.2%	56.9%	62.8%
Capital adequacy [4]			14.6%	13.6%

1 Net interest margin, annualised = net interest income/average total assets
2 Write-downs and losses, annualised = write-downs and losses/avarage gross lending
3 Cost/income ratio = operating expenses/total income
4 Capital adequacy = primary capital/basis of calculation for credit risk, market risk and operational risk. The result of the period is not included in the calculation for the quarters, with the exception of fourth quarter.

Portfolio split
At the end of 2013 (2012)



Geographic distribution match portfolio
At the end of 2013



Management of financial assets and properties
The Group's investment portfolio includes all investment funds in the Group except for investment funds in the Pension and Savings segment and the Retail Bank segment. The investment portfolio consists of three parts: a match portfolio, a free portfolio and associated companies. The match portfolio is intended to correspond to the Group's actuarial provisions. It is invested in fixed-income instruments whose duration is adapted to match the disbursement of the actuarial provisions. The free portfolio consists of various assets. The allocation of assets in this portfolio must be seen in connection with the Group's capitalisation and pertaining risk capacity, as well as the Group's ongoing risk management. Associated companies mainly comprise the holdings in Storebrand and SpareBank 1 SR-Bank.

Development during the year
At the end of 2013, the investment portfolio totalled NOK 58,148.2 million (56,296.0). The financial result was NOK 2,480.9 million (3,005.1), which corresponds to a return on financial assets of 4.3 per cent (5.4). The contribution from current equities was significantly higher than in 2012, while the contribution from other bonds was considerably lower as a result of higher interest rates. The return was also affected by the impairment loss recognised on the investment in Storebrand in the first quarter.

Match portfolio
The match portfolio amounted to NOK 33.2 billion (33.5). The portfolio yielded a return of 3.6 per cent (3.9) excluding changes in the value of the part of the portfolio recognised at amortised cost. Unrealised excess value from bonds valued at amortised cost amounted to NOK 1,032.5 million (1,046.8) at year end.

The average duration of the match portfolio was 3.5 years, the same as the average term to maturity for corresponding insurance debt. The distribution of counterparty risk and credit rating is shown in the charts on pages 11 and 12. Of the securities without an official credit rating, 22.1 per cent were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or government-guaranteed companies. Bonds with a coupon that is adjusted on the basis of the Norwegian consumer price index accounted for 13.0 per cent of the match portfolio.

The geographical distribution [1] of the match portfolio is shown in the above chart. At the end of the year, there were no direct bond investments in the PIIGS countries.

[1] Geographical distribution is related to issuers and does not reflect the actual currency exposure.

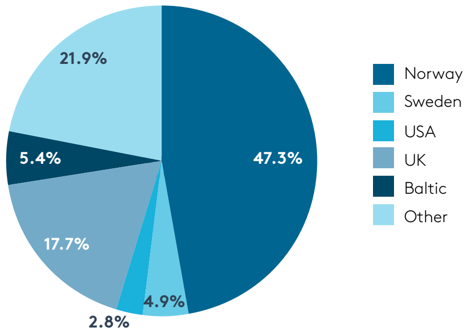
Financial assets and properties

	Result 4 q.		Result 1.1. - 31.12.		Carrying amount 31.12.	
NOK million	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Match portfolio						
Money market	23.3	36.2	86.4	120.9	4,473.4	4,528.3
Bonds at amortized cost	234.3	260.1	1,054.0	1,001.2	19,604.0	21,346.3
Current bonds [1]	48.5	51.6	61.5	113.9	9,160.6	7,648.9
Match portfolio total	**306.2**	**347.8**	**1,201.9**	**1,236.0**	**33,237.9**	**33,523.6**
Associated companies	**303.0**	**79.4**	**192.7**	**441.5**	**4,772.0**	**5,036.1**
Free portfolio						
Money market	22.6	23.5	87.4	146.8	4,911.4	5,141.4
Other bonds [2]	50.6	119.2	121.4	494.4	3,606.5	3,068.0
Convertible bonds [3]	50.4	23.8	161.5	69.5	1,121.0	851.9
Current equities	123.0	54.9	360.9	107.5	2,272.2	1,483.5
PE funds	2.2	85.0	161.3	220.5	1,665.3	1,432.0
Property	81.2	63.5	288.8	253.0	5,097.1	4,914.7
Other [4]	(61.6)	(24.1)	(94.9)	35.9	1,464.8	844.9
Free portfolio total	**268.5**	**345.8**	**1,086.3**	**1,327.6**	**20,138.3**	**17,736.4**
Financial result from the investment portfolio	**877.6**	**773.1**	**2,480.9**	**3,005.1**	**58,148.2**	**56,296.0**
Financial income in Pension and Savings and Retail Bank	14.6	7.4	57.2	50.8		
Net income from investments	**892.2**	**780.5**	**2,538.1**	**3,055.8**		

[1] The item includes the discounting effects of insurance obligations in Denmark and mismatch between interest rate adjustments on the liability side in Denmark, versus the interest rate hedge.
[2] The item consist of total investment grade, high yield and current bonds. Investment grade and high yield are investments in internationally diversified funds externally managed.
[3] Investments in internationally diversified funds externally managed.
[4] The item includes currency hedging of Gjensidige Sverige, Gjensidige Baltic and Gjensidige Danmark, and lendings, paid-in capital in Gjensidige Pensjonskasse and hedge funds.

Geographic distribution fixed income instruments in free portfolio

At the end of 2013



Counterparty risk fixed income instruments

At the end of 2013

Free portfolio

The free portfolio amounted to NOK 20.1 billion (17.7) at the end of 2013. The return was 5.8 per cent (7.0).

Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 9.6 billion (9.1) and yielded a return of 4.0 per cent (6.9). Investment grade bonds and money market instruments in particular yielded a poorer return as a result of higher interest rates, while high yield and convertible bonds yielded a good return also in 2013.

The average duration in the portfolio was approximately 1.9 years at the end of the year. The distribution of counterparty risk and credit rating is shown in the charts on this and the next page. Of the securities without an official rating, 9.7 per cent were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or government-guaranteed companies.

The geographical distribution [1] of the fixed-income instruments in the free portfolio is shown in the chart above. Bond investments in the PIIGS countries through funds amounted to NOK 347.1 million at the end of the period.

Equity portfolio

The total equity exposure at the end of the year (including private equity, but excluding associated companies) was NOK 3.9 billion (2.9). The return on current equities was 18.6 per cent (8.5). This includes the return on derivatives used for hedging purposes. The return on private equity was 10.3 per cent (16.7).

Property portfolio

The property portfolio amounted to NOK 5.1 billion (4.9) at the end of 2013. The property portfolio yielded a return of 5.7 per cent (5.0). The return on directly owned properties was good, while the return on property funds was negative. The general required rate of return in connection with the valuation of the properties was 6.5 per cent (6.6). The individual valuations resulted in a net increase in value of NOK 81.5 million. External valuations were carried out at the end of 2013 of more than 90 per cent of the properties. The portfolio is concentrated in office properties in Oslo, but it also includes office properties in other Norwegian cities and one office building in Copenhagen.

[1] Geographical distribution is related to issuers and does not reflect the actual currency exposure.

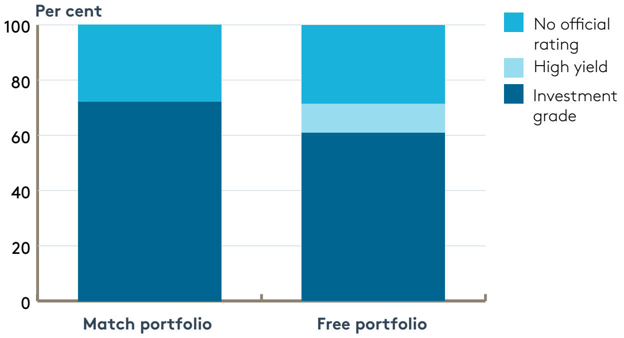
Return per asset class

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Match portfolio				
Money market	0.5	0.8	1.9	3.0
Bonds at amortized cost	1.2	1.2	5.1	5.0
Current bonds [1]	0.5	0.7	0.7	1.5
Match portfolio total	**0.9**	**1.0**	**3.6**	**3.9**
Associated companies	**6.4**	**1.6**	**4.0**	**9.3**
Free portfolio				
Money market	0.4	0.4	1.7	2.4
Other bonds [2]	1.6	3.8	4.1	14.5
Convertible bonds [3]	4.7	3.1	16.5	9.8
Current equities	5.6	3.9	18.6	8.5
PE funds	0.1	6.3	10.3	16.7
Property	1.6	1.3	5.7	5.0
Other [4]	(5.3)	(3.4)	(9.8)	3.6
Free portfolio total	**1.3**	**2.0**	**5.8**	**7.0**
Return on financial assets	**1.5**	**1.4**	**4.3**	**5.4**

[1] The item includes the discounting effects of insurance obligations in Denmark and mismatch between interest rate adjustments on the liability side in Denmark, versus the interest rate hedge.
[2] The item consist of total investment grade, high yield and current bonds. Investment grade and high yield are investments in internationally diversified funds externally managed.
[3] Investments in internationally diversified funds externally managed.
[4] The item includes currency hedging of Gjensidige Sverige, Gjensidige Baltic and Gjensidige Danmark, and lendings, paid-in capital in Gjensidige Pensjonskasse and hedge funds.

Credit rating fixed income instruments

At the end of 2013



Associated companies

Associated companies amounted to NOK 4.8 billion (5.0) at the end of the year. The shareholding in Storebrand was recognised in the amount of NOK 3,306.3 million. The corresponding figure for the investment in SpareBank 1 SR-Bank was NOK 1,423.0 million. The return on associated companies was 4.0 per cent (9.3), which corresponds to NOK 192.7 million (441.5). An impairment loss on the investment in Storebrand was recognised in the amount of NOK 611.0 million in the first quarter. Further the return included a gain amounting to NOK 35.3 million from the later sale of Storebrand shares. Gjensidige's estimated share of Storebrand's profit/loss for the year amounted to a loss of NOK 22.1 million, including the amortisation of excess value. Gjensidige's estimated share of SpareBank 1 SR-Bank's profit/loss for the year amounted to NOK 179.0 million, including the amortisation of excess value.

Development during the quarter

The financial result for the total investment portfolio was NOK 877.6 million (773.1) in the quarter. This resulted in a return on financial assets of 1.5 per cent (1.4).

The return on the match portfolio was 0.9 per cent (1.0), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was 1.3 per cent (2.0). The return on associated companies was 6.4 per cent (1.6), including a positive estimate deviation of NOK 60.3 million from the third quarter and a gain of NOK 35.3 million on the sale of Storebrand shares.

Organisation

The Group had a total of 3,377 employees at the end of the year, compared with 3,232 employees at the end of the third quarter 2013.

The number of employees broke down as follows: 1,987 (1,979) in general insurance operations in Norway, 130 (132) in Gjensidige Bank, 61 (58) in Gjensidige Pensjon og Sparing, 695 (548) in Denmark, 104 (103) in Sweden and 400 (412) in the Baltic States (excluding agents). (The figures in brackets are the number of employees at the end of the third quarter.) The increase in Denmark is related to the acquisition of Gouda Travel Insurance.

Events after the balance sheet date

No significant events have occurred after the end of the period.

Dividend

The Board has proposed a total dividend of NOK 6,400.0 million for the 2013 financial year, corresponding to NOK 12.80 per share. Of this, NOK 6.80 per share is proposed on the basis of the profit after tax for the year and the current dividend policy. As previously communicated, the calculation basis has been adjusted for the effect of the impairment loss on the investment in Storebrand in the first quarter 2013. The remaining NOK 6.00 per share can be ascribed to the distribution of excess capital in accordance with the new capital strategy as communicated on 22 October 2013.

A new dividend policy applies from and including the 2014 accounting year, as communicated on 22 October 2013.

Outlook

In October 2013, Gjensidige communicated a target return on equity after tax expense of 15 per cent with effect from and including 2015. Gjensidige's profitability targets for its general insurance operations remain unchanged. Over time, the annual combined ratio shall be within the corridor 90–93.

Competition remains strong in the Norwegian general insurance market, not least from established financial players that are increasingly focusing on general insurance. Gjensidige's competitiveness is nonetheless regarded as good. This was confirmed by, among other things, a stable customer development in the Private segment throughout 2013, in addition to a good volume development in the renewal processes in the Commercial and Nordic segments at the start of 2014. The work on maintaining and strengthening the customer base and position in the Norwegian market continues unabated, in parallel with continuously assessing new, profitable opportunities for growth in other geographical areas. Optimal utilisation of partnerships and distribution collaborations has high priority.

The group-wide programmes for analytical pricing, customer and risk selection and the simplification of processes and products will continue. Continuous investments are being made in forward-looking digital service solutions in order to meet customer needs. Considerable attention is being devoted to measures aimed at further rationalising operations in order to ensure good competitiveness also in the future. Priority is given to continuous competence-raising measures in order to ensure that Gjensidige will still have the right mix of competencies going forward.

Uncertainty about the international economic situation combined with financial challenges in several key economies remains a source of uncertainty for Gjensidige as well. Gjensidige has a robust investment strategy, however. It is financially sound and has a high proportion of its business in the Norwegian general insurance market.

The macroeconomic situation with respect to the Norwegian general insurance operations is still regarded as good. The Danish property market is showing signs of improvement, and the Baltic economies continue to show positive development.

There is still uncertainty relating to changed framework conditions for the financial sector in Norway and internationally. The Solvency II Regulations are expected to be implemented in Norway in 2016. New Norwegian pension legislation entered into force on 1 January 2014.

The Group has substantial capital buffers in relation to internal risk models, statutory capital adequacy requirements and its target rating. Based on a financial assessment, Gjensidige has decided to increase the Group's retention level related to weather-related events from NOK 100 to NOK 200 million from 2014. By weather-related events is meant storms, floods, avalanches/landslides etc. The remaining reinsurance programme is largely unchanged. The Board considers the Group's capital situation and financial strength to be good.

Other matters

The Board has decided to give employees of Gjensidige Forsikring ASA a collective bonus corresponding to NOK 22,500 including holiday pay per full-time employee. The bonus is based on the combined ratio achieved and on the development in the portfolio and in customer satisfaction in 2013.

The Board wishes to thank all employees for their efforts and their contribution to Gjensidige's good results in 2013.

Oslo, 4 February 2014
The Board of Gjensidige Forsikring ASA

Inge K. Hansen
Chairman

Gunnhild H. Andersen

Trond Vegard Andersen

Hans-Erik F. Andersson

Per Arne Bjørge

Kjetil Kristensen

Gisele Marchand

Gunnar Mjåtvedt

Mari T. Skjærstad

Mette Rostad

Helge Leiro Baastad
CEO

Consolidated income statement

NOK million	Notes	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Operating income					
Earned premiums from general insurance	4	4,766.3	4,418.2	18,736.9	17,797.3
Earned premiums from pension		282.4	207.0	904.0	680.7
Interest income etc. from banking operations		318.6	247.0	1,135.0	949.7
Other income including eliminations		29.2	25.4	108.5	90.0
Total operating income	3	**5,396.5**	**4,897.7**	**20,884.5**	**19,517.7**
Net income from investments					
Results from investments in associates	13	303.0	79.4	192.7	441.5
Operating income from property		80.1	82.4	331.6	335.0
Interest income and dividend etc. from financial assets		326.6	417.0	1,495.6	1,610.1
Net changes in fair value on investments (incl. property)		659.0	36.4	1,006.0	(301.2)
Net realised gain and loss on investments		(419.9)	216.7	(321.0)	1,150.0
Expenses related to investments		(56.7)	(51.4)	(166.7)	(179.5)
Total net income from investments		**892.2**	**780.5**	**2,538.1**	**3,055.8**
Total operating income and net income from investments		**6,288.8**	**5,678.2**	**23,422.6**	**22,573.5**
Claims, loss etc.					
Claims incurred etc. from general insurance	5,6	(3,664.2)	(3,108.5)	(13,859.6)	(12,437.7)
Claims incurred etc. from pension		(251.1)	(185.1)	(779.7)	(574.9)
Interest expenses etc. and write-downs and losses from banking operations		(189.7)	(136.4)	(656.0)	(575.1)
Total claims, interest expenses, loss etc.		**(4,105.0)**	**(3,430.1)**	**(15,295.3)**	**(13,587.7)**
Operating expenses					
Operating expenses from general insurance		(726.4)	(707.0)	(2,857.8)	(2,751.8)
Operating expenses from pension		(47.1)	(41.0)	(182.0)	(170.4)
Operating expenses from banking operations		(92.1)	(85.0)	(341.3)	(306.4)
Other operating expenses		(3.3)	(2.6)	(10.4)	3.3
Amortisation and impairment losses of excess value - intangible assets		(31.7)	(31.3)	(161.7)	(126.9)
Total operating expenses		**(900.7)**	**(866.9)**	**(3,553.2)**	**(3,352.3)**
Total expenses		**(5,005.7)**	**(4,297.0)**	**(18,848.5)**	**(16,940.0)**
Profit/(loss) for the period before tax expense	3	**1,283.1**	**1,381.3**	**4,574.1**	**5,633.5**
Tax expense		(148.7)	(374.3)	(903.5)	(1,353.5)
Profit/(loss) for the period		**1,134.5**	**1,006.9**	**3,670.6**	**4,280.1**
Earnings per share, NOK (basic and diluted)		**2.27**	**2.01**	**7.34**	**8.56**

Consolidated statement of comprehensive income

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Profit/(loss) for the period	**1,134.5**	**1,006.9**	**3,670.6**	**4,280.1**
Components of other comprehensive income				
Items that are not reclassified subsequently to profit or loss				
Actuarial gains and losses on pension	19.6	844.3	19.6	637.3
Share of other comprehensive income from associates	(2.3)	7.1	102.2	(19.8)
Tax on items that are not reclassified to profit or loss	12.5	(236.5)	12.5	(178.5)
Total items that are not reclassified subsequently to profit or loss	**29.8**	**615.0**	**134.3**	**439.1**
Items that may be reclassified subsequently to profit or loss				
Exchange differences from foreign operations	91.1	(21.9)	450.8	(187.4)
Share of exchange differences from associates	41.9	28.4	128.7	13.1
Exchange differences from hedging of foreign operations	(79.3)	12.8	(376.0)	161.2
Tax on items that may be reclassified to profit or loss	2.2	(3.6)	85.3	(45.1)
Total items that may be reclassified subsequently to profit or loss	**55.9**	**15.7**	**288.8**	**(58.2)**
Total components of other comprehensive income	**85.7**	**630.7**	**423.1**	**380.9**
Total comprehensive income for the period	**1,220.2**	**1,637.6**	**4,093.7**	**4,660.9**

Consolidated statement of financial position

NOK million	Notes	31.12.2013	31.12.2012
Assets			
Goodwill		2,562.2	2,267.7
Other intangible assets		1,138.2	1,123.3
Deferred tax assets		5.0	4.1
Investments in associates		4,772.0	5,036.1
Owner-occupied property		288.5	90.5
Plant and equipment		249.5	163.0
Investment properties	8	4,644.3	4,626.7
Financial assets			
Financial derivatives	7	219.9	326.2
Shares and similar interests	7	6,023.4	4,321.2
Bonds and other securities with fixed income	7	22,398.0	19,884.2
Bonds held to maturity	7	5,211.3	9,263.7
Loans and receivables	7	42,692.4	32,396.5
Assets available for sale		-	-
Assets in life insurance with investment options		10,330.6	7,189.7
Reinsurance deposits		0.8	0.6
Reinsurers' share of insurance-related liabilities in general insurance, gross		727.9	673.4
Receivables related to direct operations and reinsurance		4,290.5	4,112.7
Other receivables		509.2	314.9
Prepaid expenses and earned, not received income		153.3	81.2
Cash and cash equivalents		2,729.4	2,331.5
Total assets		**108,946.3**	**94,207.1**
Equity and liabilities			
Equity			
Share capital		999.9	999.9
Share premium		1,430.0	1,430.0
Other equity		23,857.9	23,187.8
Total equity		**26,287.8**	**25,617.7**
Provision for liabilities			
Provision for unearned premiums, gross	10	11,049.2	10,141.6
Claims provision, gross	9	31,749.6	29,562.3
Other technical provisions		139.9	136.6
Pension liabilities		109.8	137.5
Other provisions		164.3	134.0
Financial liabilities			
Financial derivatives	7	347.0	49.4
Deposits from and liabilities to customers	7	14,938.3	11,580.5
Interest-bearing liabilities	7	9,771.6	5,355.5
Other liabilities	7	952.2	978.0
Current tax		726.4	1,367.5
Deferred tax liabilities		1,340.6	1,267.5
Liabilities related to direct insurance	7	654.8	406.0
Liabilities in life insurance with investment options		10,330.6	7,189.7
Accrued expenses and deferred income	7	384.1	283.3
Total liabilities		**82,658.5**	**68,589.4**
Total equity and liabilities		**108,946.3**	**94,207.1**

Consolidated statement of changes in equity

NOK million	Share capital	Own shares	Share premium	Other paid-in capital	Exchange differ-ences	Actuarial gains/loss pension	Other earned equity	Total equity
Equity as at 31.12.2011	**1,000.0**	**(0.1)**	**1,430.0**	**8.4**	**(141.7)**	**(2,476.1)**	**23,408.1**	**23,228.6**
1.1.-31.12.2012								
Profit/(loss) for the period							4,280.1	4,280.1
Components of other comprehensive income								
Items that are not reclassified subsequently to profit or loss								
Actuarial gains and losses on pension						637.3		637.3
Share of other comprehensive income from associates							(19.8)	(19.8)
Tax on items that are not reclassified to profit or loss							(178.5)	(178.5)
Total items that are not reclassified subsequently to profit or loss						**637.3**	**(198.3)**	**439.1**
Items that may be reclassified subsequently to profit or loss								
Exchange differences from foreign operations					(187.6)	0.2		(187.4)
Share of exchange differences from foreign operations							13.1	13.1
Exchange differences from hedging of foreign operations					161.2			161.2
Tax on items that may be reclassified to profit or loss							(45.1)	(45.1)
Total items that may be reclassified subsequently to profit or loss					**(26.4)**		**(32.0)**	**(58.2)**
Total components of other comprehensive income					**(26.4)**	**637.5**	**(230.3)**	**380.9**
Total comprehensive income for the period					**(26.4)**	**637.5**	**4,049.8**	**4,660.9**
Own shares			(0.0)				(2.2)	(2.2)
Paid dividend							(2,274.7)	(2,274.7)
Equity-settled share-based payment transactions				5.2				5.2
Equity as at 31.12.2012	**1,000.0**	**(0.1)**	**1,430.0**	**13.7**	**(168.1)**	**(1,838.6)**	**25,180.9**	**25,617.7**
1.1.-31.12.2013								
Profit/(loss) for the period							3,670.6	3,670.6
Components of other comprehensive income								
Items that are not reclassified subsequently to profit or loss								
Actuarial gains and losses on pension						19.6		19.6
Share of other comprehensive income of associates							102.2	102.2
Tax on items that are not reclassified to profit or loss							12.5	12.5
Total items that are not reclassified subsequently to profit or loss						**19.6**	**114.7**	**134.3**
Items that may be reclassified subsequently to profit or loss								
Exchange differences from foreign operations					451.2	(0.4)		450.8
Share of exchange differences from associates							128.7	128.7
Exchange differences from hedging of foreign operations					(376.0)			(376.0)
Tax on items that may be reclassified to profit or loss							85.3	85.3
Total items that may be reclassified subsequently to profit or loss					**75.2**	**(0.4)**	**214.0**	**288.8**
Total components of other comprehensive income					**75.2**	**19.2**	**328.7**	**423.1**
Total comprehensive income for the period					**75.2**	**19.2**	**3,999.3**	**4,093.7**
Own shares		0.0					(5.3)	(5.3)
Paid dividend							(3,424.5)	(3,424.5)
Equity-settled share-based payment transactions				6.2				6.2
Equity as at 31.12.2013	**1,000.0**	**(0.1)**	**1,430.0**	**19.8**	**(92.9)**	**(1,819.4)**	**25,750.4**	**26,287.8**

Consolidated statement of cash flows

NOK million	**1.1.-31.12.2013**	**1.1.-31.12.2012**
Cash flow from operating activities		
Premiums paid, net of reinsurance	23,080.0	20,523.3
Claims paid, net of reinsurance	(13,554.2)	(13,257.2)
Net payment of loans to customers	(6,869.7)	(2,305.2)
Net payment of deposits from customers	3,357.8	1,804.2
Payment of interest from customers	1,073.0	896.0
Payment of interest to customers	(369.3)	(320.6)
Net receipts/payments on premium reserve transfers	(472.4)	(61.0)
Net receipts/payments from financial assets	(2,534.1)	(2,714.8)
Net receipts/payments from properties	234.8	223.1
Net receipt/payments on sale/aquisition of investment property	(135.7)	861.0
Operating expenses paid, including commissions	(3,639.2)	(3,400.9)
Taxes paid	(1,338.5)	(869.8)
Net other receipts/payments	39.9	29.7
Net cash flow from operating activities	**(1,127.7)**	**1,407.7**
Cash flow from investing activities		
Net receipts/payments from sale/aquisition of subsidiaries and associates	628.8	(165.0)
Net receipts/payments on sale/aquisition of owner-occupied property, plant and equipment	(24.7)	(101.3)
Dividends from investments in associates	39.7	31.1
Net cash flow from investing activities	**643.8**	**(235.2)**
Cash flow from financing activities		
Payment of dividend	(3,424.5)	(2,274.7)
Net receipts/payments on loans to credit institutions	4,433.5	92.9
Net receipts/payments on other short-term liabilities	(13.5)	8.2
Net receipts/payments on interest on funding activities	(153.1)	(163.2)
Net receipts/payments on sale/acquisition of own shares	**(5.3)**	**(2.2)**
Net cash flow from financing activities	**837.2**	**(2,339.0)**
Effect of exchange rate changes on cash and cash equivalents	44.6	(15.2)
Net cash flow for the period	**397.9**	**(1,181.8)**
Cash and cash equivalents at the start of the period	2,331.5	3,513.3
Cash and cash equivalents at the end of the period	2,729.4	2,331.5
Net cash flow for the period	**397.9**	**(1,181.8)**
Specification of cash and cash equivalents		
Deposits with central banks	875.6	55.2
Cash and deposits with credit institutions	1,853.9	2,276.3
Total cash and cash equivalents	**2,729.4**	**2,331.5**

Notes

1. Accounting policies

The consolidated financial statements as of the fourth quarter of 2013, concluded on 31 December 2013, comprise Gjensidige Forsikring and its subsidiaries (collectively referred to as the Group) and the Group's holdings in associated companies. The accounting policies applied in the interim report is the same as those used in the annual report for 2012.

The consolidated financial statements as of the fourth quarter of 2013 have been prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. The interim report does not include all the information required in complete annual report and should be read in conjunction with the annual report for 2012.

The following International Financial Reporting Standards (IFRS) and interpretation statements have been published up until 4 February 2014, without having entered into force or having been implemented early:

Standards that can influence accounting principles

- IFRS 9 Financial Instruments, issued in November 2009 and October 2010, is expected to enter into force on 1 January 2017. This is the first phase of the International Accounting Standards Board's (IASB) three-phase project aimed at replacing IAS 39. It concerns the classification and measurement of financial assets and liabilities. Financial assets will be classified either at fair value or at amortised cost, depending on how they are managed and on what contractual cash flow characteristics they have. Phases two and three concern impairment losses and hedge accounting, respectively. The standard is still being prepared and is not yet completed. Our preliminary assessment is that the standard can result in the reclassification of financial instruments in the consolidated financial statements.

Based on our preliminary assessments and on the basis of Gjensidige's current operations, other amendments to standards and interpretation statements will not have a material effect.

The preparation of interim accounts involves the application of assessments, estimates and assumptions that affect the use of accounting policies and recognised amounts for assets and liabilities, revenues and expenses. The actual results may deviate from these estimates. The most material assessments involved in applying the Group's accounting policies and the most important sources of uncertainty in the estimates are the same in connection with preparing the interim report as in the annual report for 2012.

Comparable figures are based on IFRS. All amounts are shown in NOK million unless otherwise indicated. Due to rounding-off differences, figures and percentages may not exactly add up to the exact total figures.

A complete or limited review of the interim report has not been carried out.

2. Seasonal variations

For some insurance products, seasonal premiums are used. This is because the incidence of claims is not evenly distributed throughout the year, but follows a stable seasonal pattern. Normally, premium income (earned premiums) is accrued evenly over the period of insurance, but for products with a seasonal pattern, premium income must also be allocated according to the incidence of claims. Gjensidige Forsikring has a seasonal premium for the following products: pleasure craft, snowmobiles and motorcycles. For example for motorcycles, earned premiums for the period from April to September amount to a full 85 per cent of the annual premiums.

Another consequence of a seasonal premium is that if the customer cancels the insurance contract before the renewal date, only the portion of the seasonal premium is refunded for which the company did not bear any risk. For motorcycle insurance taken out on 1 April, but cancelled on 1 October, the policyholder will only be refunded 15 per cent of the annual premium, even though the insurance was in effect only for six months.

3. Segment information

The Group´s core operations comprise the segments general insurance Private, Commercial, Nordic and Baltics. The Group also has operations in the Pension and Savings and Retail Bank segments.

The segments are evaluated regularly by Gjensidige´s senior group management based on financial and operational information specially prepared for each segment for the purpose of following up performance and allocating necessary resources.

Segment income is defined as earned premiums for general insurance, earned premiums and management income etc. for Pension and Savings and interest income and related income and other income for Retail Bank.

The segment result is defined as the underwriting result for general insurance, and the profit before tax expense for Pension and Savings and Retail Bank.

The segment structure was changed with effect from 1 January 2013. The Swedish municipal portfolio and the Swedish commercial portfolio have been moved from the Nordic segment to the Commercial segment. In addition, the remaining part of the agricultural portfolio has been moved from the Private segment to the Commercial segment. At the same time, the segment names have been changed from Private Norway and Commercial Norway to Private and Commercial respectively. The comparative figures have been changed correspondingly.

	General insurance															
Fourth quarter	**Private**		**Commercial**		**Nordic**		**Baltics**		**Pension and Savings**		**Retail Bank**		**Eliminations etc. [1]**		**Total**	
NOK million	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Segment income																
Segment income – external	1,966.3	1,876.3	1,800.1	1,668.9	914.8	711.5	137.9	114.7	305.2	224.3	324.1	251.8	(51.7)	50.3	5,396.5	4,897.7
Segment income – group [2]																
Total segment income	**1,966.3**	**1,876.3**	**1,800.1**	**1,668.9**	**914.8**	**711.5**	**137.9**	**114.7**	**305.2**	**224.3**	**324.1**	**251.8**	**(51.7)**	**50.3**	**5,396.5**	**4,897.7**
- Claims, interest expenses, loss etc.	(1,324.4)	(1,286.0)	(1,308.8)	(1,245.3)	(695.0)	(430.8)	(87.8)	(75.8)	(251.1)	(185.1)	(189.7)	(136.4)	(248.1)	(70.5)	(4,105.0)	(3,430.1)
- Operating expenses	(249.1)	(251.1)	(193.5)	(207.0)	(173.2)	(132.8)	(34.0)	(31.3)	(47.1)	(41.0)	(92.1)	(85.0)	(111.5)	(118.6)	(900.7)	(866.9)
+ Net income from investments									6.7	0.0	7.9	7.4	877.6	773.1	892.2	780.5
Segment result/profit/(loss) before tax expense	**392.7**	**339.1**	**297.7**	**216.5**	**46.6**	**147.8**	**16.0**	**7.5**	**13.6**	**(1.8)**	**50.2**	**37.8**	**466.3**	**634.3**	**1,283.1**	**1,381.3**

	General insurance															
1.1.-31.12.	**Private**		**Commercial**		**Nordic**		**Baltics**		**Pension and Savings**		**Retail Bank**		**Eliminations etc. [1]**		**Total**	
NOK million	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Segment income																
Segment income – external	7,799.0	7,498.5	7,021.8	6,764.8	3,326.4	2,909.7	510.8	436.9	986.3	745.7	1,156.5	961.6	83.8	200.5	20,884.5	19,517.7
Segment income – group [2]																
Total segment income	**7,799.0**	**7,498.5**	**7,021.8**	**6,764.8**	**3,326.4**	**2,909.7**	**510.8**	**436.9**	**986.3**	**745.7**	**1,156.5**	**961.6**	**83.8**	**200.5**	**20,884.5**	**19,517.7**
- Claims, interest expenses, loss etc.	(5,466.5)	(5,051.7)	(5,207.6)	(4,943.1)	(2,417.0)	(1,883.6)	(342.5)	(292.6)	(779.7)	(574.9)	(656.0)	(575.1)	(425.9)	(266.8)	(15,295.3)	(13,587.7)
- Operating expenses	(1,027.0)	(1,007.7)	(821.3)	(809.1)	(567.1)	(506.1)	(132.5)	(125.4)	(182.0)	(170.4)	(341.3)	(306.4)	(481.9)	(427.1)	(3,553.2)	(3,352.3)
+ Net income from investments									25.3	18.0	31.9	32.8	2,480.9	3,005.1	2,538.1	3,055.8
Segment result/profit/(loss) before tax expense	**1,305.5**	**1,439.1**	**992.9**	**1,012.6**	**342.3**	**519.9**	**35.7**	**18.9**	**49.9**	**18.3**	**191.0**	**113.0**	**1,656.8**	**2,511.7**	**4,574.1**	**5,633.5**

1 Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment.

2 There is no significant income between the segments at this level in 2013 and 2012.

4. Earned premiums from general insurance

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Gross premiums written	4,315.5	3,929.5	19,631.4	18,559.3
Ceded reinsurance premiums	(115.6)	(39.4)	(567.2)	(480.7)
Premiums written, net of reinsurance	**4,199.8**	**3,890.0**	**19,064.2**	**18,078.5**
Change in gross provision for unearned premiums	677.1	632.4	(323.7)	(285.2)
Change in provision for unearned premiums, reinsurers´ share	(110.7)	(104.2)	(3.6)	3.9
Total earned premiums from general insurance	**4,766.3**	**4,418.2**	**18,736.9**	**17,797.3**

5. Claims incurred etc. from general insurance

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Gross paid claims	(3,580.3)	(3,155.7)	(12,758.7)	(13,030.4)
Paid claims, reinsurers' share	71.1	88.0	332.8	665.1
Change in gross provision for claims	(421.3)	91.6	(1,283.4)	446.7
Change in provision for claims, reinsurers' share	310.0	(125.3)	44.4	(337.3)
Premium discounts and other profit agreements	(43.6)	(7.1)	(194.8)	(181.8)
Total claims incurred etc. from general insurance	**(3,664.2)**	**(3,108.5)**	**(13,859.6)**	**(12,437.7)**

6. Run-off gain/(loss) from general insurance

NOK million	4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Earned premiums from general insurance	4,766.3	4,418.2	18,736.9	17,797.3
Run-off gain/(loss) for the period, net of reinsurance [1]	124.4	32.1	299.6	342.0
In per cent of earned premiums from general insurance	2.6	0.7	1.6	1.9

[1] Run-off gains/(losses) from general insurrance includes run-off from the general insurance segments in addition to run-off on Corporate Centre/reinsurance.

7. Financial assets and liabilities

Fair value

Financial assets and liabilities measured at fair value are carried at the amount each asset/liability can be settled to in an orderly transaction between market participants at the measurements date.

Different valuation techniques and methods are used to estimate fair value depending on the type of financial instruments and to which extent they are traded in active markets. Instruments are classified in their entirety in one of three valuation levels in a hierarchy on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Below the different valuation levels and which financial assets/ liabilities are included in the respective levels are accounted for.

Quoted prices in active markets

Quoted prices in active markets are considered the best estimate of an asset/liability's fair value. A financial asset/liability is considered valued based on quoted prices in active markets if fair value is estimated based on easily and regularly available prices and these prices represent actual and regularly occurring transactions at arm's length distance. Financial assets/liabilities valued based on quoted prices in active markets are classified as level one in the valuation hierarchy.

The following financial assets/liabilities are classified as level one in the valuation hierarchy

- Listed shares
- Norwegian government/government backed bonds and other fixed income securities
- Exchange traded funds

Valuation based on observable market data

When quoted prices in active markets are not available, the fair value of financial assets/ liabilities is preferably estimated on the basis of valuation techniques based on observable market data.

A financial asset/liability is considered valued based on observable market data if fair value is estimated with reference to prices that are not quoted, but are observable either directly (as prices) or indirectly (derived from prices).

The following financial assets/liabilities are classified as level two in the valuation hierarchy

- Currency futures, equity options, forward rate agreements and currency swaps, in which fair value is derived from the value of underlying instruments. These derivatives are valued using common valuation techniques for derivatives (option pricing models etc.).
- Equity funds, bond funds, hedge funds and combination funds, in which fair value is estimated based on the fair value of the underlying investments of the funds.
- Bonds, certificates or index bonds that are unlisted, or that are listed but where transactions are not occurring regularly. The unlisted instruments in this category are valued based on observable yield curves and estimated credit spreads where applicable.
- Interest-bearing liabilities (banking activities) measured at fair value. These liabilities are valued based on observable credit spreads.

Valuation based on non-observable market data

When neither quoted prices in active markets nor observable market data is available, the fair value of financial assets/liabilities is estimated based on valuation techniques which are based on non-observable market data.

A financial asset/liability is considered valued based on non-observable market data if fair value is estimated without being based on quoted prices in active markets or observable market data. Financial assets/liabilities valued based on non-observable market data are classified as level three in the valuation hierarchy.

The following financial assets are classified as level three in the valuation hierarchy

- Unlisted private equity-investments. The private equity investments that are not organized as funds are valued using cash flow analysis, price multiples and recent market transactions. The private equity investments that are organized as funds are valued based on NAV values (Net Asset Value) as reported by the fund administrators in accordance with IPEV guidelines (International Private Equity and Venture capital Valuation) set out by the Equity Venture Capital Association. The NAV values are estimated by the fund administrators by using the valuation techniques best suited to estimate fair value, given the actual circumstances of each underlying investment. Because of late reporting from the funds, the NAV values from the previous quarterly reporting are used in estimating fair value. These values are then adjusted for known events since the last reporting date. The typical known event is the increase/decrease in value on listed shares owned by a fund.
- Real estate funds. The real estate funds are valued based on reported NAV values as reported by the fund administrators. Because of late reporting from the funds, the NAV values from the previous quarterly reporting are used in estimating fair value.
- Gjensidige's paid-in capital in Gjensidige Pensjonskasse. The paid-in capital is valued at nominal value.

The valuation process for financial assets classified as level three

In consultation with the Investment Performance and Risk Measurement department, the Chief Investment Officer decides which valuation models will be used when valuing financial assets classified as level three in the valuation hierarchy. The models are evaluated as required. The fair value and results of the investments and compliance with the stipulated limits are reported weekly to the Chief Financial Officer and Chief Executive Officer, and monthly to the Board.

Sensitivity financial assets level three

The sensitivity analysis for financial assets that are valued on the basis of non-observable market data shows the effect on profits of realistic and plausible market outcomes. General market downturns or a worsening of the outlook can affect expectations of future cash flows or the applied multiples, which in turn will lead to a reduction in value. A fall in value of ten per cent is deemed to be a realistic and plausible market outcome for both equities and units and bonds and other securities with a fixed return that are included in level three of the valuation hierarchy.

NOK million	Carrying amount as at 31.12.2013	Fair value as at 31.12.2013
Financial assets		
Financial derivatives		
Financial derivatives at fair value through profit or loss	219.9	219.9
Financial assets at fair value through profit of loss, initial recognition		
Shares and similar interests	6,023.4	6,023.4
Bonds and other fixed income securities	22,398.0	22,398.0
Financial assets held to maturity		
Bonds held to maturity	5,211.3	5,447.7
Loans and receivables		
Bonds and other fixed income securities classified as loans and receivables	18,441.3	19,399.1
Loans	24,251.1	24,262.4
Receivables related to direct operations and reinsurance	4,290.5	4,290.5
Other receivables	509.2	509.2
Prepaid expenses and earned, not received income	153.3	153.3
Cash and cash equivalents	2,729.4	2,729.4
Total financial assets	**84,227.3**	**85,432.8**
Financial liabilities		
Financial derivatives		
Financial derivatives at fair value through profit or loss	270.7	270.7
Financial derivatives subject to hedge accounting	76.3	76.3
Financial liabilities at amortised cost		
Deposits from and liabilities to customers, bank	14,938.3	14,938.3
Interest-bearing liabilities	9,771.6	9,822.8
Other liabilities	952.2	952.2
Liabilities related to direct insurance	654.8	654.8
Accrued expenses and deferred income	384.1	384.1
Total financial liabilities	**27,048.0**	**27,099.2**
Gain/(loss) not recognized in profit or loss		**1,154.3**

Valuation hierarchy

The table shows a valuation hierarchy where financial assets/liabilities measured at fair value through profit or loss are divided into three levels based on the method of valuation.

NOK million	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non-observable market data	Total
Financial assets				
Financial derivatives				
Financial derivatives at fair value through profit or loss		219.9		219.9
Financial derivatives subject to hedge accounting				
Financial assets at fair value through profit or loss, initial recognition				
Shares and similar interests	31.5	3,686.5	2,305.4	6,023.4
Bonds and other fixed income securities	10,256.9	12,139.9	1.2	22,398.0
Financial assets at amortised cost				
Bonds held to maturity	532.6	4,915.1		5,447.7
Bonds and other fixed income securities classified as loans and receivables	228.3	19,169.8	1.0	19,399.1
Loans			24,262.4	24,262.4
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss	142.2	128.5		270.7
Financial derivatives subject to hedge accounting		76.3		76.3
Financial liabilities at fair value through profit or loss, initial recognition				
Interest-bearing liabilities at fair value through profit or loss				
Financial liabilities at amortised cost				
Interest-bearing liabilities			9,822.8	9,822.8

Reconciliation of financial assets valued based on non-observable market data (level 3)

NOK million	As at 1.1.2013	Net realised/ unrealised gains recognised in profit or loss	Purch- ases	Sales	Settle- ments	Transfers into/out of level 3	As at 31.12. 2013	Amount of net realised/unrealised gains recognised in profit or loss that are attributable to instruments held as at 31.12.2013
Shares and similar interests	1,859.3	281.2	545.6	(211.5)	(186.1)	16.9	2,305.4	10.5
Bonds and other fixed income securities	26.8	16.2	0.4	(42.2)	0.0	0.0	1.2	0.0
Total	**1,886.1**	**297.4**	**546.0**	**(253.8)**	**(186.1)**	**16.9**	**2,306.6**	**10.5**

[1] In 2013, we received pricing information for an equity fund less frequently, which caused its transfer from level 2 to level 3.

Sensitivity of financial assets valued based on non-observable market data (level 3)

NOK million		Sensitivity
Shares and similar interests	Decrease in value 10 %	230,5
Bonds and other fixed income securities	Decrease in value 10 %	0,1
Total		**230,7**

8. Investment properties

The Group's valuation model is developed by the subsidiary Oslo Areal AS over multiple years. The valuation model has been used both in the quarterly financial statements and at year end. In addition, by half year and year end independent valuations from external advisors are gathered for selected parts of the portfolio. The assumptions in the model are reconciled against external observable property transactions.

The Group's valuation model values each property separately. The valuation model relies on a semi-annually in arrears cash flow method. The most important inputs are yield, market rent, contractual rent, potentially vacant premises, the properties' long-term normalized operating costs and any investment requirements. The method maps all incomes and all expenses in a given investment horizon so that the net cash flow is given yearly for each property. Thereafter, the present value is calculated using this cash flow based on real yield adjusted for expected inflation. The present value of the cash flow and the present value of the remaining value compose the cash flow value of the property, and this is considered as the market value, as it would appear in an orderly transaction between market participants at the measurement date under current market conditions.

Yield is determined based on a normal required rate of return adjusted for the location of the property, type, technical standard and the contracts. The normal required rate of return is determined from the required rate of return that can be derived from transactions in the market, and expectations of interest level and risk adjustment. The market rent is determined from existing contracts on the property and comparable properties, observations from contractual negotiations, requests for offers and information from realtors and Eiendomsverdi's database. For the fourth quarter of 2013 parameters used for the portfolio are presented in the table below.

Determination of parameters implies a significant level of judgment. Emphasis is put on this judgment being consistent with that observed in the market and that the judgment is applied consistently from period to period. The table below shows how the sensitivity of the yield and the market rent affects the value of the portfolio, as it stands as at 31 December 2013.

The yield and market rent are the two most significant parameters with regard to the valuation. If the yield increases with 0.25 percentage points, the total property value is reduced by NOK 182.4 million. If the market rent is reduced by ten per cent, total property value is reduced by NOK 395.8 million.

Investment properties (level 3)

NOK million	31.12.2013
As at 1 January	4,626.7
Additions	130.9
Additions through business combinations	300.8
Disposals	(352.7)
Net gains/(losses) from fair value adjustments	81.7
Transfer to owner-occupied property	(160.7)
Exchange differences	17.6
As at 31 December	**4,644.3**

Parameters

NOK	Yield	Average market rent	Average contractual rent	Average value per sqm.
Office	6.5%	1,567.0	1,501.0	25,541.0

Sensitivity (level 3)

NOK million	Merket rent reduced by 10%	Market rent as at 31.12.2013	Market rent increased by 10%
Yield increases by 0.25 percentage points	4,084.2	4,461.8	4,839.4
Yield 6.5 per cent	4,248.5	4,644.3	5,035.4
Yield decreases by 0.25 percentage points	4,426.4	4,837.0	5,247.5

9. Claims provision, gross

NOK million	31.12.2013	31.12.2012
General insurance		
Claims provision, gross, as at 1 January	29,260.5	29,785.7
Additions from acquisitions	77.8	161.5
Claims for the year	14,348.9	12,771.8
Claims incurred in prior years, gross	(336.6)	(188.2)
Claims paid	(12,728.9)	(13,030.4)
Discounting of claims provisions	81.9	83.7
Change in discounting rate	(296.1)	67.8
Other changes		
Exchange differences	924.7	(391.4)
Claims provision, gross, at the end of the period	**31,332.1**	**29,260.5**
Pension		
Claims provision, gross, as at 1 January	301.8	175.9
Claims for the year	779.7	559.2
Claims incurred in prior years, gross	1.0	58.8
Claims paid	(212.5)	(157.8)
Transfer of pension savings	(452.4)	(334.3)
Claims provision, gross, at the end of the period	**417.5**	**301.8**
Group		
Claims provision, gross, as at 1 January	29,562.3	29,961.6
Additions from acquisitions	77.8	161.5
Claims for the year	15,128.6	13,331.1
Claims incurred in prior years, gross	(335.6)	(129.4)
Claims paid	(12,941.4)	(13,188.2)
Discounting of claims provisions	81.9	83.7
Change in discounting rate	(296.1)	67.8
Transfer of pension savings	(452.4)	(334.3)
Other changes		
Exchange differences	924.7	(391.4)
Claims provision, gross, at the end of the period	**31,749.6**	**29,562.3**
Discounted claims provision, gross - Gjensidige's workers' compensation insurance in Denmark	4,138.8	3,781.0
Undiscounted claims provision, gross - Gjensidige's workers' compensation insurance in Denmark	5,203.0	4,517.0

The claims provisions shall cover future claims payments. The claims provisions for Gjensidige's workers' compensation insurance in Denmark are converted to present value (discounted), whereas other provisions are undiscounted.

The reason why the claims provisions for Gjensidige's workers' compensation insurance in Denmark are discounted is that this portfolio consists exclusively of Danish workers' compensation business with very long payment flows and substantial future interest income.

The claims for occupational injuries in Denmark are paid either as annuities or as lump-sum indemnities (which are calculated mainly as discounted annuities). Therefore, it is most expedient to regard the whole portfolio as annuities.

The discount rate used is the swap rate, which improves consistency between the valuation of assets and liabilities. Previously, a discount rate determined by Finanstilsynet (the Financial Supervisory Authority) in Denmark was used, but this was changed when Gjensidige Arbejdsskadeforsikring was set under supervision by Norwegian authority in the fourth quarter. The applied swap rate is consistent with market practice for the valuation of liabilities..

10. Provision for unearned premiums, gross

NOK million	31.12.2013	31.12.2012
General insurance	7,984.6	7,343.7
Pension and Savings	3,064.6	2,797.9
Provision for unearned premiums, gross	**11,049.2**	**10,141.6**

11. Contingent liabilities

NOK million	31.12.2013	31.12.2012
Guarantees and committed capital		
Gross guarantees	0.1	0.1
Committed capital, not paid	1,100.6	1,158.3

As part of its ongoing financial management the company has undertaken to invest up to NOK 1,100.6 million (1,158.3) in various private equity and real estate investments, over and above the amounts recognized in the balance sheet. Investments in private equity and real estate funds totalled NOK 1,829.3 million (1,629.2) at the end of the period.

There are contractual commitments regarding developing of investment properties amounting to NOK 232.0 million (312.0). The liability will fall due during the period until December 2014.

Gjensidige Forsikring is liable externally for any insurance claim arising in the cooperating mutual fire insurers' fire insurance operations.

According to the agreement with Gjensidige Pensjonskasse the return, if not sufficient to cover the pension plans guaranteed interest rate, should be covered from the premium fund or through contribution from Gjensidige Forsikring.

12. Related parties

There have not been any significant transactions with related parties other than ordinary current agreements conducted at arm's length distance.

13. Recognition of impairment loss on the Storebrand investment

As of 31 March 2013, Gjensidige Forsikring ASA owned 24,3 per cent of Storebrand ASA. The investment was recognized in the balance sheet in the amount of NOK 3,750.6 million at the beginning of the first quarter.

If there are objective indications that an investment is impaired, the investment shall be tested for a fall in value by calculating the recoverable amount and comparing it with the carrying amount. The recoverable amount is the higher of value in use and fair value reduced by sales costs.

The fair value defined as the stock market value at the end of the first quarter amounted to NOK 2,481.4 million based on a market price of NOK 22.67 per share. Therefore an objective indication of fall in value was present.

The investment was therefore tested in the first quarter, as in some previous quarters, for impairment loss by calculating the value in use and comparing it with the carrying amount on the reporting date (31 March 2013). The value in use was calculated to be NOK 30.00 per share, which amounted to NOK 3,283.7 million in total.

This resulted in the recognition of an impairment loss of NOK 611.0 million in the first quarter.

The recognition of an impairment loss was mainly based on new information from the FSA regarding an updated mortality basis for group pension schemes in Norway. The FSA has suggested that provisions will be increased over a period of five years from 2014 and that at least 20 per cent of the necessary increase should be covered by the pension schemes themselves.

The new information was incorporated in the calculation of value in use and was regarded as material resulting in a lower value than calculated in previous quarters. The impairment loss is included in the item Results from investments in associated companies.

The calculated value in use is based on several assumptions and judgments, and is therefore encumbered with uncertainty. There is also still uncertainty attached to the final framework conditions for the life insurance industry.

Key figures

		4 q. 2013	4 q. 2012	1.1.-31.12. 2013	1.1.-31.12. 2012
Gjensidige Insurance Group					
Return on financial assets	%	1.5	1.4	4.3	5.4
Equity	NOK million			26,287.8	25,617.7
Return on equity, annualised	%			18.3	23.8
Equity per share	NOK			52.6	51.2
Capital adequacy ratio	%			13.4	16.8
Solvency margin capital Gjensidige Forsikring [4]	NOK million			12,843.5	16,288.6
Solvency margin Gjensidige Forsikring [5]	%			421.8	545.1
Share capital					
Issued shares, at the end of the period	Number			500,000,000	500,000,000
Earnings per share in the period, basis and diluted [6]	NOK	2.27	2.01	7.34	8.56
General insurance					
Market share non-marine insurance Norway (Finance Norway) per Q3 13	%			25.4	25.3
Gross premiums written					
Private	NOK million	1,783.3	1,706.7	8,013.8	7,669.0
Commercial	NOK million	1,632.9	1,498.8	7,416.5	7,096.0
Nordic	NOK million	772.4	608.4	3,505.0	3,144.8
Baltics	NOK million	126.4	115.6	532.7	473.0
Corporate Centre/reinsurance	NOK million	0.5	0.0	163.4	176.5
Total	NOK million	4,315.5	3,929.5	19,631.4	18,559.3
Premiums, net of reinsurance [7]	%			97.1	97.4
Earned premiums					
Private	NOK million	1,966.3	1,876.3	7,799.0	7,498.5
Commercial	NOK million	1,800.1	1,668.9	7,021.8	6,764.8
Nordic	NOK million	914.8	711.5	3,326.4	2,909.7
Baltics	NOK million	137.9	114.7	510.8	436.9
Corporate Centre/reinsurance	NOK million	(52.6)	46.9	78.9	187.5
Total	NOK million	4,766.3	4,418.2	18,736.9	17,797.3
Loss ratio [8]					
Private	%	67.4	68.5	70.1	67.4
Commercial	%	72.7	74.6	74.2	73.1
Nordic	%	76.0	60.6	72.7	64.7
Baltics	%	63.7	66.1	67.1	67.0
Total	%	76.9	70.4	74.0	69.9
Cost ratio [9]					
Private	%	12.7	13.4	13.2	13.4
Commercial	%	10.8	12.4	11.7	12.0
Nordic	%	18.9	18.7	17.0	17.4
Baltics	%	24.7	27.3	25.9	28.7
Total	%	15.2	16.0	15.3	15.5
Combined ratio [10]					
Private	%	80.0	81.9	83.3	80.8
Commercial	%	83.5	87.0	85.9	85.0
Nordic	%	94.9	79.2	89.7	82.1
Baltics	%	88.4	93.4	93.0	95.7
Total	%	92.1	86.4	89.2	85.3
Combined ratio discounted [11]	%	88.9	83.0	85.9	81.7

		4 q. 2013	4 q. 2012	1.1.-31.12.2013	1.1.-31.12.2012
Pension and Savings					
Assets under management pension, at the end of the period	NOK million			13,953.8	10,408.8
of which the group policy portfolio	NOK million			3,553.2	3,163.8
Assets under management savings, at the end of the period	NOK million			11,896.4	10,070.0
Operating margin [12]	%	12.75	(4.78)	11.89	0.19
Recognized returun on the paid-up policy portfolio [13]	%			4.57	4.76
Value-adjusted return on the paid-up policy portfolio [14]	%			4.67	4.77
Customers with insurance agreements at the end of the period	%			84.6	84.6
Return on equity, annualised [2]	%			6.8	3.2
Retail Bank					
Gross lending, addition in the period	NOK million	997.6	1,006.5	6,869.7	2,305.2
Deposits, addition in the period	NOK million	1,965.3	887.1	3,357.8	1,804.2
Gross lending, at the end of the period	NOK million			24,193.9	17,324.3
Deposits, at the end of the period	NOK million			14,938.3	11,580.5
Deposits-to-loan ratio at the end of the period [15]	%			61.7	66.8
Net interest margin, annualised [16]	%			2.42	2.52
Write-downs and losses, annualised [17]	%			0.32	0.43
Cost/income ratio [18]	%	57.2	62.2	56.9	62.8
Customers with insurance agreements, at the end of the period	%			44.6	46.2
Capital adequacy [19]	%			14.6	13.6
Return on equity, annualised [2]	%			12.0	8.7

1 Return on financial assets = net financial income in per cent of average financial assets including property, excluding Pension and Savings and Retail Bank

2 Return on equity, annualised = profit before tax expense for the period/average equity for the period

3 Capital adequacy ratio = net subordinated capital/risk-weighted calculation basis, calculated on the basis of NGAAP for the Group. The result for the period is not included in the calculation for the quarters, with the exception of fourth quarter.

4 Solvency margin capital is the sum of primary capital, according to the capital ratio calculation, and other solvency margin capital, which in Gjensidige Forsikring is security provision above 55 per cent of minimum requirement, 25 per cent of natural perils fund and a deduction for relevant discounting effects in claims provision. The result of the period is not included in the calculation quarterly, except in the fourth quarter.

5 Solvency margin is solvency margin capital in per cent of solvency margin minimum requirement, where solvency margin minimum requirement is a measure of the inherent risk in the insurance related liabilities (in the company).

6 Earnings per share in the period = the shareholders' share of the profit or loss for the period/average number of outstanding shares in the period

7 Premiums, net of reinsurance = gross premiums written, net of reinsurance/gross premiums written (general insurance)

8 Loss ratio = claims incurred etc./earned premiums

9 Cost ratio = operating expenses/earned premiums

10 Combined ratio = loss ratio + cost ratio

11 Combined ratio discounted = combined ratio if claims provisions had been discounted

12 Operating margin = operating result/(net insurance-related income + management income etc.)

13 Recognized return on the paid-up policy portfolio = realised return of the portfolio

14 Value-adjusted retun on the paid-up policy portfolio = total return of the portfolio

15 Deposit-to-loan ratio = deposits as a per centage of gross lending

16 Net interest margin, annualised = net interest income/average total assets

17 Write-downs and losses, annualised = write-downs and losses/average gross lending

18 Cost/income ratio = operating expenses/total income

19 Capital adequacy = primary capital/basis of calculation for credit risk, market risk and operational risk. The result of the period is not included in the calculation for the quarters, with the exception of fourth quarter.

Quarterly earnings performance

NOK million	4 q. 2013	3 q. 2013	2 q. 2013	1 q. 2013	4 q. 2012	3 q. 2012	2 q. 2012	1 q. 2012	4 q. 2011
Earned premiums from general insurance	4,766.3	4,866.9	4,646.6	4,457.2	4,418.2	4,571.7	4,453.9	4,353.5	4,371.6
Other income	630.2	513.8	516.7	486.9	479.5	419.3	383.0	438.7	399.3
Total operating income	**5,396.5**	**5,380.6**	**5,163.3**	**4,944.1**	**4,897.7**	**4,991.0**	**4,836.9**	**4,792.2**	**4,771.0**
Total net income from investments	**892.2**	**846.0**	**615.6**	**184.2**	**780.5**	**851.6**	**503.1**	**920.5**	**691.7**
Total operating income and net income from investments	**6,288.8**	**6,226.6**	**5,778.8**	**5,128.3**	**5,678.2**	**5,842.6**	**5,340.0**	**5,712.7**	**5,462.6**
Claims incurred etc. from general insurance	(3,664.2)	(3,293.7)	(3,487.3)	(3,414.4)	(3,108.5)	(3,116.6)	(3,050.4)	(3,162.2)	(3,457.2)
Other claims, interest expenses, loss etc.	(440.8)	(332.8)	(343.2)	(318.9)	(321.6)	(294.3)	(234.1)	(300.0)	(277.5)
Total claims, interest expenses, loss etc.	**(4,105.0)**	**(3,626.5)**	**(3,830.5)**	**(3,733.3)**	**(3,430.1)**	**(3,410.9)**	**(3,284.5)**	**(3,462.2)**	**(3,734.7)**
Operating expenses from general insurance	(726.4)	(720.6)	(710.8)	(699.9)	(707.0)	(674.7)	(685.0)	(685.1)	(728.4)
Other operating expenses	(174.2)	(206.1)	(160.6)	(154.5)	(159.9)	(150.1)	(152.6)	(137.9)	(185.2)
Total operating expenses	**(900.7)**	**(926.7)**	**(871.4)**	**(854.4)**	**(866.9)**	**(824.8)**	**(837.6)**	**(823.0)**	**(913.6)**
Total expenses	**(5,005.7)**	**(4,553.3)**	**(4,701.9)**	**(4,587.6)**	**(4,297.0)**	**(4,235.7)**	**(4,122.1)**	**(4,285.2)**	**(4,648.3)**
Profit/(loss) for the period before tax expense	**1,283.1**	**1,673.3**	**1,076.9**	**540.7**	**1,381.3**	**1,606.9**	**1,217.9**	**1,427.5**	**814.4**
Underwriting result general insurance	**375.7**	**852.5**	**448.5**	**342.9**	**602.7**	**780.3**	**718.5**	**506.2**	**186.0**

NOK million	3 q. 2011	2 q. 2011	1 q. 2011	4 q. 2010	3 q. 2010	2 q. 2010	1 q. 2010	4 q. 2009	3 q. 2009
Earned premiums from general insurance	4,537.8	4,414.0	4,224.6	4,426.8	4,535.9	4,289.4	3,811.2	3,925.5	4,022.6
Other income	418.7	523.5	492.0	455.8	426.5	462.5	382.7	303.7	222.2
Total operating income	4,956.5	4,937.5	4,716.6	4,882.6	4,962.3	4,751.9	4,193.9	4,229.2	4,244.7
Total net income from investments	240.9	652.4	790.6	803.0	803.9	294.9	846.4	648.6	1,060.1
Total operating income and net income from investments	5,197.4	5,589.9	5,507.2	5,685.6	5,766.3	5,046.8	5,040.3	4,877.8	5,304.8
Claims incurred etc. from general insurance	(3,278.5)	(3,059.5)	(3,454.1)	(3,383.2)	(3,260.0)	(3,269.3)	(3,544.1)	(3,025.3)	(3,111.3)
Other claims, interest expenses, loss etc.	(254.8)	(239.1)	(216.6)	(191.9)	(187.0)	(215.4)	(148.7)	(123.7)	(81.4)
Total claims, interest expenses, loss etc.	**(3,533.3)**	**(3,298.6)**	**(3,670.6)**	**(3,575.2)**	**(3,447.0)**	**(3,484.7)**	**(3,692.8)**	**(3,149.0)**	**(3,192.7)**
Operating expenses from general insurance	(689.1)	(739.6)	(720.8)	(728.7)	(714.4)	(731.5)	(635.8)	(757.8)	(652.3)
Other operating expenses	(201.9)	(306.8)	(300.7)	(313.7)	(292.9)	(300.9)	(367.5)	(387.2)	(215.5)
Total operating expenses	**(891.0)**	**(1,046.4)**	**(1,021.5)**	**(1,042.4)**	**(1,007.3)**	**(1,032.4)**	**(1,003.3)**	**(1,145.0)**	**(867.8)**
Total expenses	**(4,424.3)**	**(4,345.0)**	**(4,692.2)**	**(4,617.5)**	**(4,454.3)**	**(4,517.1)**	**(4,696.0)**	**(4,294.0)**	**(4,060.5)**
Profit/(loss) for the period before tax expense	**773.1**	**1,244.9**	**815.0**	**1,068.1**	**1,311.9**	**529.7**	**344.3**	**583.9**	**1,244.3**
Underwriting result general insurance	**570.2**	**615.0**	**49.7**	**314.9**	**561.5**	**288.6**	**(368.7)**	**142.4**	**259.0**

Gjensidige is a leading Nordic insurance group built by customers, for customers. The Group has been listed on the Oslo Stock Exchange since 2010. For nearly 200 years, we have worked passionately to secure the lives, health and assets of our customers. We have about 3,200 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer retail bank, pension and savings. Operating income was NOK 19.5 billion in 2012, while total assets was NOK 94,2 billion.

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