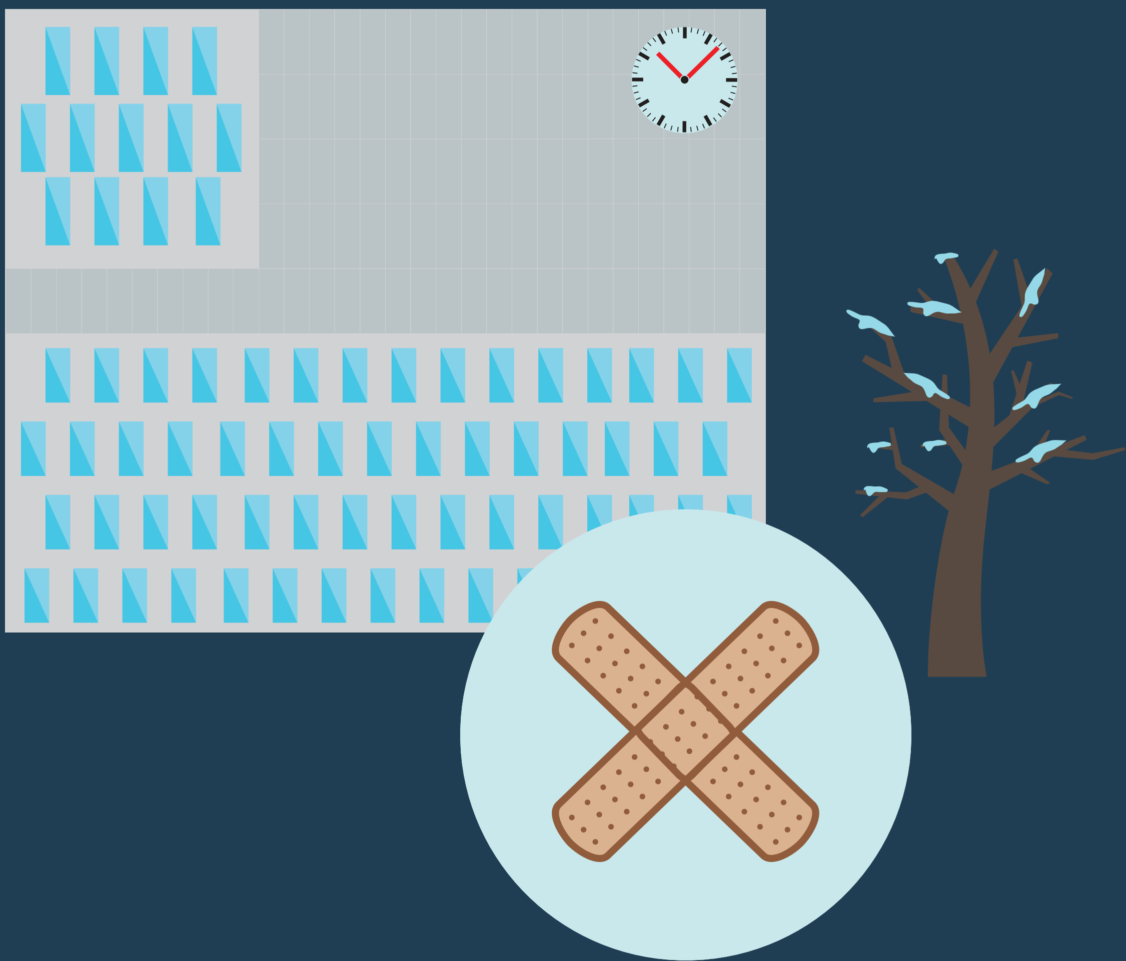
Gjensidige

Interim Report 4th quarter and preliminary result 2014

Gjensidige Insurance Group



Group highlights
Fourth quarter and preliminary result 2014

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

Full year

Group

- Profit/loss before tax expense: NOK 5,399.6 million (4,574.1)
- Profit per share: NOK 8.38 (7.34)

General Insurance

- Earned premiums: NOK 20,386.8 million (18,736.9)
- Underwriting result: NOK 2,862.3 million (2,019.6)
- Combined ratio: 86.0 (89.2)
- Cost ratio: 15.0 (15.3)
- Financial result: NOK 2,426.3 million (2,480.9)

Proposed dividend

- Proposed dividend: NOK 2,950 million (8,400 [1])
- Proposed dividend per share: NOK 5.90 (16.80 [1])

[1] The dividend for 2013 consisted of the following: NOK 3,400 million (NOK 6.80 per share) of dividends based on the ordinary annual result and former dividend policy, NOK 3,000 million (NOK 6.00 per share) pay-out of excess capital in May and further NOK 2,000 million (NOK 4.00 per share) pay-out of excess capital in November.

Fourth quarter

Group

- Profit/loss before tax expense: NOK 1,159.0 million (1,283.1)
- Profit per share: NOK 1.93 (2.27)

General Insurance

- Earned premiums: NOK 5,214.4 million (4,766.3)
- Underwriting result: NOK 807.2 million (375.7)
- Combined ratio: 84.5 (92.1)
- Cost ratio: 15.3 (15.2)
- Financial result: NOK 367.3 million (877.6)

Profit performance Group

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
General Insurance Private	449.1	392.7	1,624.0	1,305.5
General Insurance Commercial	264.7	297.7	1,140.3	992.9
General Insurance Nordic	165.9	46.6	529.4	342.3
General Insurance Baltics	(3.4)	16.0	0.6	35.7
Corporate Centre/costs related to owner	(79.2)	(75.5)	(311.4)	(299.4)
Corporate Centre/reinsurance [1]	10.2	(301.9)	(120.5)	(357.4)
Underwriting result general insurance [2]	**807.2**	**375.7**	**2,862.3**	**2,019.6**
Pension and Savings	(16.4)	13.6	43.9	49.9
Retail Bank	48.6	50.2	253.5	191.0
Financial result from the investment portfolio [3]	367.3	877.6	2,426.3	2,480.9
Amortisation and impairment losses of excess value – intangible assets	(39.1)	(31.7)	(170.0)	(161.7)
Other items	(8.7)	(2.3)	(16.5)	(5.5)
Profit/(loss) for the period before tax expense	**1,159.0**	**1,283.1**	**5,399.6**	**4,574.1**
Key figures general insurance				
Large losses [4]	198.1	439.4	823.3	906.6
Run-off gains/(losses) [5]	234.0	124.4	493.7	299.6
Loss ratio [6]	69.2%	76.9%	71.0%	74.0%
Cost ratio [7]	15.3%	15.2%	15.0%	15.3%
Combined ratio [8]	84.5%	92.1%	86.0%	89.2%

[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, as a main rule, a retention level of EUR 0.5 million. Large losses allocated to the Corporate Centre amounted to NOK 207.2 million (373.6) for the year and NOK 89.1 million (259.2) 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 were NOK 266.0 million.
[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 growth in premiums and good profit development in 2014

Group profit performance

Development during the year

The Gjensidige Insurance Group recorded a profit before tax expense of NOK 5,399.6 million (4,574.1). The profit from general insurance operations measured by the underwriting result was NOK 2,862.3 million (2,019.6). For the investment portfolio, the return on financial assets was 4.3 per cent (4.3), corresponding to NOK 2,426.3 million (2,480.9).

The tax expense was NOK 1,210.0 million (903.5), corresponding to an effective tax rate of 22.4 per cent (19.8). The effective tax rate is influenced to a large extent by realised and unrealised gains from equity investments in the EEA.

The profit after tax expense was NOK 4,189.6 million (3,670.6), corresponding to NOK 8.38 (7.34) per share.

The underwriting result for 2014 was positively influenced by a solid growth in premiums of 8.8 per cent and good underlying frequency claims development, among other things as a result of a favourable weather situation, as well as good control of customer and risk selection and risk pricing. A lower proportion of large losses and higher run-off gains also made a positive contribution to the profit performance compared with the year before.

Earned premiums in the Private segment increased by 4.2 per cent in 2014, mainly as a result of premium increases. The underwriting result was positively influenced by a good frequency claims development for Motor insurance, and run-off gains relating, among other things, to a somewhat lower capitalisation interest rate than expected.

Earned premiums in the Commercial segment increased by 4.5 per cent as a result of growth in both the Norwegian and Swedish portfolios. A good underlying frequency claims development, primarily in Norway, also contributed to an increase in the underwriting result.

In the Nordic segment, earned premiums increased by 28.4 per cent (20.2 per cent in local currency), primarily as a result of new portfolios (Gouda Reiseforsikring and Solid), which were acquired in 2013, and good growth in the number of commercial customers. The underwriting result was better than the year before as a result of good underlying growth in premiums and profitability, and higher run-off gains.

The growth in premiums in the Baltics segment was 2.4 per cent (minus 4.4 per cent in local currency), negatively affected by the loss of a large commercial customer. The underwriting result was weaker than in the year before, largely as a result of a weaker run-off result.

The retail bank's profit performance was good during the period, driven by volume growth and efficient operations. Pension and Savings recorded a positive profit performance, but the profit for the year was reduced because NOK 28.6 million was charged to income as a result of a decision by the tax authorities. The decision concerns the levying in arears of VAT relating to IT services delivered from abroad. The company disagrees with the decision, which will be appealed.

The investment portfolio yielded a satisfactory return, on a par with 2013.

Development during the quarter

The Group recorded a profit before tax expense for the quarter of NOK 1,159.0 million (1,283.1). The profit from general insurance operations measured by the underwriting result was NOK 807.2 million (375.7). For the investment portfolio, the return on financial assets was 0.7 per cent (1.5), or NOK 367.3 million (877.6). The profit after tax expense was NOK 964.1 million (1,134.5), corresponding to NOK 1.93 (2.27) per share.

The underwriting result was driven by a solid growth in premiums and a good underlying frequency claims development. The proportion of large losses was lower than in the corresponding period the year before and lower than is normally expected. The large losses in the quarter include the flooding in Norway in October, which was charged to income in the amount of NOK 95 million. The run-off gain was higher than in the corresponding period the year before, among other things as a result of run-off gains allocated from the Natural Perils Pool, and of a somewhat higher capitalisation interest rate than expected. Both the Retail Bank and Pension and Savings showed an improvement in underlying profit performance compared with the same period the year before as a result of growth in volume, but Pension and Savings' profit was reduced because NOK 28.6 million was charged to income as a result of the above-mentioned decision by the tax authorities. The financial result in the quarter was satisfactory given the challenging interest rate situation and the weak development of cyclical assets, including, in particular, the investment in SpareBank 1 SR-Bank.

Equity and capital adequacy

The Group's equity amounted to NOK 21,656.8 million (26,287.8) at the end of the year. The annualised return on equity before tax expense was 23.3 per cent (18.3). The capital adequacy was 18.1 per cent (13.4), and the solvency margin was 366.5 per cent (423.8). The year's figures for capital adequacy and the solvency margin have been adjusted to take account of the Board's dividend proposal for the 2014 financial year.

Available capital in excess of the risk-based requirement calculated using the Group's internal model constitutes the Group's economic excess capital. In addition, a deduction is made for the higher of the calculated supplementary capital required to maintain the current rating (including a five per cent buffer) and the capital required to meet the statutory capital adequacy requirements. Any additional capital represents a strategic buffer. At year end, the strategic buffer amounted to NOK 1.3 billion, after deducting the Board's proposed dividend for the 2014 financial year.

After the balance sheet date, two acquisitions are made that in total will reduce the buffer in the amount of NOK 0.8 billion. Further, Standard & Poor's has confirmed that the internal model can be given quantitative credit in the rating-based capital model. The isolated contribution to the buffer level, based on Gjensidige's understanding, assumptions and use of the model, is an increase in the amount of NOK 0.8 billion. Both numbers are calculated based on the capital situation as at 31 December 2014.

Other matters

Changed capitalisation interest rate

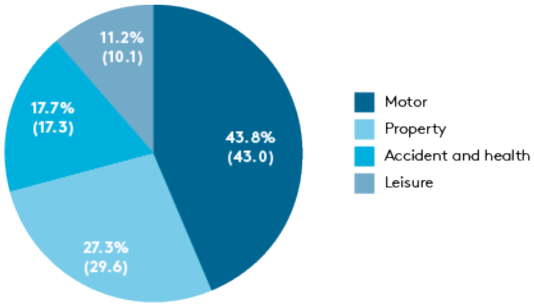
In December 2014, the Norwegian Supreme Court pronounced judgment in a case concerning the level of the capitalisation interest rate used when calculating the present value of claims for future losses. The interest rate was reduced from 5 per cent to 4 per cent. Gjensidige had used a somewhat more conservative estimate of the capitalisation interest rate.

Letter from the Financial Supervisory Authority of Norway concerning Solvency II

In a letter of 19 June 2014, the Financial Supervisory Authority informed the Ministry of Finance about some of its assessments concerning the implementation of the Solvency II Directive in Norwegian law. Among other things, the letter contains assessments relating to the special Norwegian provisions arrangements, i.e. the natural perils fund, the guarantee scheme and security provisions. Reference is made to a more detailed discussion of the Financial Supervisory Authority's letter in the interim report for the second quarter. The questions raised by the Financial Supervisory Authority have yet to be clarified. There is therefore still uncertainty attached to these issues.

Product groups Private

Earned premiums 2014 (2013)



General Insurance Private

Development during the year

The underwriting result amounted to NOK 1,624.0 million (1,305.5). The main reason for the increase was the growth in premiums, combined with a favourable frequency claims development and a higher run-off gain. The combined ratio was 80.0 (83.3).

Earned premiums increased to NOK 8,124.1 million (7,799.0), driven by premium increases. The number of customers at year end was at approximately the same level as at the end of the same period in 2013, and the competitiveness was good in a market characterised by strong competition.

Claims incurred amounted to NOK 5,468.5 million (5,466.5). The loss ratio was 67.3 (70.1). The motor product in particular had a lower loss ratio than in the year before, partly as a result of the favourable weather situation during the period, but also because of an underlying lower frequency level than expected, particularly in the first quarter. The property product had a somewhat weaker claims development, among other things as a result of a higher proportion of weather-related claims and fires. The leisure insurance and accident and health products showed a better claims development than in 2013. Partly as a result of a somewhat higher capitalisation interest rate than expected, the run-off gain also contributed to a lower loss ratio.

Operating expenses amounted to NOK 1,031.5 million (1,027.0), and the cost ratio was 12.7 (13.2).

Development during the quarter

The underwriting result for the period was NOK 449.1 million (392.7). The increase was largely due to a higher run-off gain. The combined ratio was 78.0 (80.0).

Earned premiums amounted to NOK 2,044.1 million (1,966.3). The positive development in earned premiums was due to premium increases. Earned premiums increased in all product areas.

Claims incurred amounted to NOK 1,332.4 million (1,324.4). The loss ratio was 65.2 (67.4). The overall claims development for the private products was better during the period than is normally expected in a fourth quarter, largely because of a favourable weather situation. Compared with the same period the year before, the claims development for the motor and property products showed a slight increase in the loss ratio, while the leisure insurance and accident and health products showed a lower loss ratio. Partly as a result of a somewhat higher capitalisation interest rate than expected, the run-off gain also contributed to a lower loss ratio.

Operating expenses amounted to NOK 262.6 million (249.1), and the cost ratio was 12.8 (12.7). The cost increase was primarily due to impairment losses on ICT systems and increased marketing costs.

In the fourth quarter, Gjensidige signed a cooperation agreement with the Norwegian Automobile Federation (NAF), which has around 500,000 members. NAF and Gjensidige will cooperate on insurance and car financing for NAF's members. The agreement means that Gjensidige will also take over an insurance portfolio with premium volume corresponding to approximately NOK 95 million. The portfolio will be converted during 2015 and full effect will be seen from 2016.

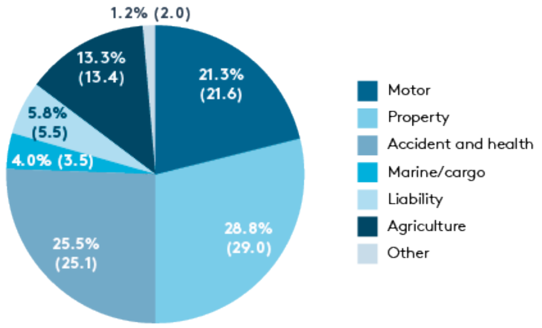
Changed structure in a partner agreement will lead to reduced annual premiums in the amount of approximately NOK 120 million from 1 January 2015. The change will have no impact on the profitability.

General Insurance Private

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Earned premiums	2,044.1	1,966.3	8,124.1	7,799.0
Claims incurred etc.	(1,332.4)	(1,324.4)	(5,468.5)	(5,466.5)
Operating expenses	(262.6)	(249.1)	(1,031.5)	(1,027.0)
Underwriting result	**449.1**	**392.7**	**1,624.0**	**1,305.5**
Amortisation and impairment losses of excess value – intangible assets	(3.0)	(2.4)	(34.6)	(9.5)
Large losses [1]	40.8	25.3	81.6	49.9
Run-off gains/(losses) [2]	106.3	21.7	181.9	65.0
Loss ratio [3]	65.2%	67.4%	67.3%	70.1%
Cost ratio [4]	12.8%	12.7%	12.7%	13.2%
Combined ratio [5]	78.0%	80.0%	80.0%	83.3%

[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 Commercial
Earned premiums 2014 (2013)



General Insurance Commercial

Development during the year

The underwriting result amounted to NOK 1,140.3 million (992.9). The increase in the result was largely due to good growth in premiums, and to a good underlying frequency claims development in Norway. The combined ratio was 84.5 (85.9).

Earned premiums increased to NOK 7,337.7 million (7,021.8). Both the Norwegian and the Swedish portfolios showed positive development. The development in earned premiums was particularly positive for the accident and health, liability and property products in Norway, and for the property and motor products in Sweden. The growth was negatively affected by a deliberate reduction of the municipal portfolio.

Claims incurred amounted to NOK 5,349.9 million (5,207.6) and the loss ratio ended at 72.9 (74.2). A good underlying frequency claims development for most of the main products in Norway was partly outweighed by a weaker development in Sweden.

Operating expenses amounted to NOK 847.5 million (821.3), which correspond to a cost ratio of 11.5 (11.7). The cost increase was largely due to higher payroll expenses as a result of the establishment of a sales organisation in Sweden.

Development during the quarter

The underwriting result for the quarter was NOK 264.7 million (297.7). The reduction was primarily due to lower run-off gains and higher operating expenses. The combined ratio was 85.8 (83.5).

Earned premiums increased to NOK 1,862.1 million (1,800.1). The growth was particularly positive for the property, accident and health, motor and liability products in Norway.

Claims incurred amounted to NOK 1,378.5 million (1,308.8), which corresponds to a loss ratio of 74.0 (72.7). The increase in the loss ratio was partly due to a higher proportion of run-off gains during the same period in 2013. The underlying loss ratio was better than a level normally expected in a fourth quarter. This is largely due to the favourable weather situation in the quarter. The development of the loss ratio in Norway was positive for all the main products, while the development was weaker in the Swedish portfolio, among other things as a result of a significant large loss event in the quarter.

Operating expenses amounted to NOK 218.9 million (193.5), and the cost ratio was 11.8 (10.8). The cost increase was due to the establishment of a sales organisation in Sweden and the signing of new cooperation agreements.

General Insurance Commercial

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Earned premiums	1,862.1	1,800.1	7,337.7	7,021.8
Claims incurred etc.	(1,378.5)	(1,308.8)	(5,349.9)	(5,207.6)
Operating expenses	(218.9)	(193.5)	(847.5)	(821.3)
Underwriting result	**264.7**	**297.7**	**1,140.3**	**992.9**
Large losses [1]	68.1	75.5	399.6	346.6
Run-off gains/(losses) [2]	26.4	54.6	91.3	120.2
Loss ratio [3]	74.0%	72.7%	72.9%	74.2%
Cost ratio [4]	11.8%	10.8%	11.5%	11.7%
Combined ratio [5]	85.8%	83.5%	84.5%	85.9%

[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 Nordic

Development during the year

The underwriting result amounted to NOK 529.4 million (342.3). The improvement in the result was largely due to good underlying growth in premiums and profitability, combined with an increase in run-off gains. The acquisition of the Gouda portfolio made a positive contribution to the result, while the Solid portfolio made a negative contribution, as expected. Work on integrating the business is ongoing. The combined ratio was 87.6 (89.7).

Earned premiums increased to NOK 4,272.4 million (3,326.4). Of the increase, NOK 227.9 million was due to changes in the exchange rate. The increase in premiums over and above exchange rate effects was primarily due to the acquisition of the Gouda and Solid portfolios, and an increase in the number of new commercial customers. Earned premiums from the two acquired portfolios amounted to NOK 554.1 million for the year. The integration and optimisation of the two portfolios is expected to contribute to somewhat lower earned premiums going forward.

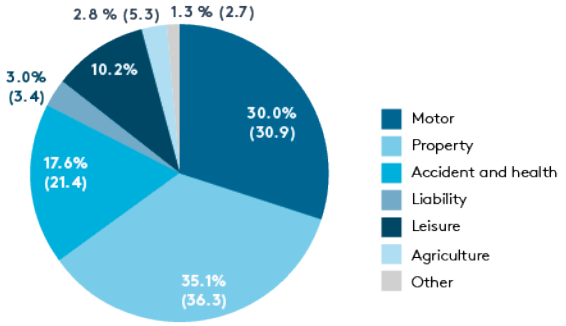
Claims incurred amounted to NOK 3,031.0 million (2,417.0). Of the increase, NOK 177.8 million was due to changes in the exchange rate. The loss ratio was 70.9 (72.7). The lower loss ratio was due to a general improvement in the underlying frequency claims development, for both commercial and private products. There were fewer weather-related claims and the run-off gains were higher than the year before. The Solid portfolio is in an integration phase, and, as expected, it delivered a weaker loss ratio than the rest of the portfolio.

Operating expenses were NOK 712.1 million (567.1). Of the increase, NOK 38.8 million was due to changes in the exchange rate. The cost ratio was 16.7 (17.0). The distribution model in Gouda entails commission expenses that have a negative effect on the cost ratio.

Development during the quarter

The underwriting result amounted to NOK 165.9 million (46.6). The improvement in the result was due to good underlying growth in premiums and profitability, and to the absence of large losses. The combined acquired portfolio made a marginally negative contribution to the result. The combined ratio was 85.5 (94.9).

Product groups Nordic
Earned premiums 2014 (2013)



Earned premiums amounted to NOK 1,145.8 million (914.8). Of the increase, NOK 52.2 million was due to changes in the exchange rate. The increase in premiums over and above exchange rate effects is primarily due to the Gouda and Solid portfolios, and to an increase in the number of new commercial customers. Moreover, earned premiums in the corresponding quarter in 2013 were affected by reinstatement premiums. Of the increase in earned premiums, the acquired portfolios contributed with NOK 99.7 million in the quarter. In addition, the conversion of one product in the Gouda portfolio from net to gross recognition had a one-off effect in the quarter of around NOK 39 million, of which NOK 29 million was due to a correction for previous quarters in 2014.

Claims incurred amounted to NOK 779.5 million (695.0). Of the increase, NOK 52.7 million was due to changes in the exchange rate. The loss ratio was 68.0 (76.0). The lower loss ratio was due to a better underlying frequency claims development for the property and commercial products in general, among other things as a result of fewer weather-related claims, and the absence of large losses.

Operating expenses amounted to NOK 200.5 million (173.2). Changes in the exchange rate amounted to NOK 10.2 million. The cost ratio was 17.5 (18.9) and the underlying cost development was good.

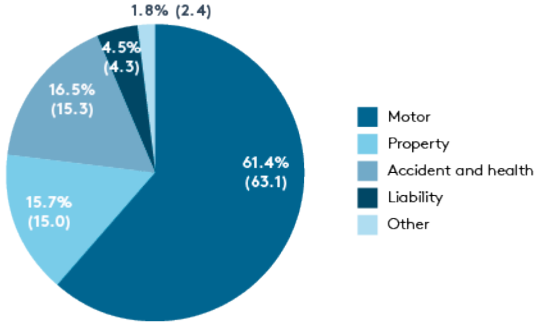
Continuous focus on improved profitability means long-tailed personal insurance with an annual premium volume of around NOK 100 million is not renewed by 1 January 2015.

General Insurance Nordic

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Earned premiums	1,145.8	914.8	4,272.4	3,326.4
Claims incurred etc.	(779.5)	(695.0)	(3,031.0)	(2,417.0)
Operating expenses	(200.5)	(173.2)	(712.1)	(567.1)
Underwriting result	**165.9**	**46.6**	**529.4**	**342.3**
Amortisation and impairment losses of excess value – intangible assets	(34.7)	(28.1)	(130.2)	(147.2)
Large losses [1]		79.4	133.3	132.8
Run-off gains/(losses) [2]	42.8	50.3	194.7	130.8
Loss ratio [3]	68.0%	76.0%	70.9%	72.7%
Cost ratio [4]	17.5%	18.9%	16.7%	17.0%
Combined ratio [5]	85.5%	94.9%	87.6%	89.7%

[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 2014 (2013)



General Insurance Baltics

Development during the year

The underwriting result was NOK 0.6 million (35.7). The reduction in the underwriting result was largely due to a weaker run-off result. The combined ratio was 99.9 (93.0).

Earned premiums amounted to NOK 523.0 million (510.8). Of the increase, NOK 36.1 million was due to changes in the exchange rate. This means an underlying reduction in premiums. The development in earned premiums was negatively affected by the loss of a large commercial customer.

Claims incurred amounted to NOK 377.2 million (342.5). Of the increase, NOK 24.2 million was due to changes in the exchange rate. The loss ratio was 72.1 (67.1). The increase in the loss ratio was mainly due to a run-off loss in 2014 compared with a run-off gain in 2013. The profitability of the commercial portfolio was generally good, while the profitability of the private portfolio was weaker.

The nominal operating expenses amounted to NOK 145.1 million (132.5). Of the increase, NOK 9.4 million was due to changes in the exchange rate. The cost ratio was 27.8 (25.9).

Gjensidige sees a potential for growth and better profitability in the Baltic portfolio over time. The Group has therefore decided to strengthen its efforts in this market going forward, among other things by increasing investments in IT systems and in areas such as product development and tariff setting, distribution, CRM and claims settlement. In addition, an acquisition in Lithuania was made after the balance sheet date, contributing to Gjensidige getting a significant position in the Baltic market going forward. The acquisition of PZU Lietuva contributes to a critical mass in a market with growth potential and potential for improved profitability going forward. See page 12 for a more detailed description.

Development during the quarter

The underwriting result in the quarter was a loss of NOK 3.4 million (profit of NOK 16.0 million). The reduction was due to a combination of negative growth in premiums and weaker profitability. The combined ratio was 102.6 (88.4).

Earned premiums fell to NOK 129.7 million (137.9). In addition, changes in the exchange rate amounted to NOK 8.5 million. The loss of a major commercial customer in the first quarter had a negative effect on earned premiums. Earned premiums from accident and travel insurance showed a positive development, while earned premiums from motor insurance showed a weaker development.

Claims incurred amounted to NOK 93.9 million (87.8). Of the increase, NOK 5.4 million was due to changes in the exchange rate. The loss ratio was 72.4 (63.7). The loss ratio was affected by a substantial amount of motor claims.

Operating expenses were NOK 39.2 million (34.0). Changes in the exchange rate resulted in an increase of NOK 2.1 million. The cost ratio was 30.2 (24.7).

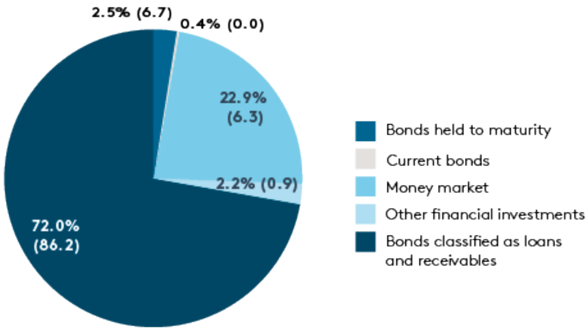
General Insurance Baltics

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Earned premiums	129.7	137.9	523.0	510.8
Claims incurred etc.	(93.9)	(87.8)	(377.2)	(342.5)
Operating expenses	(39.2)	(34.0)	(145.1)	(132.5)
Underwriting result	**(3.4)**	**16.0**	**0.6**	**35.7**
Amortisation and impairment losses of excess value – intangible assets	(1.3)	(1.1)	(5.2)	(4.8)
Large losses [1]			1.7	3.7
Run-off gains/(losses) [2]	(2.8)	(0.6)	(11.8)	10.0
Loss ratio [3]	72.4%	63.7%	72.1%	67.1%
Cost ratio [4]	30.2%	24.7%	27.8%	25.9%
Combined ratio [5]	102.6%	88.4%	99.9%	93.0%

[1] Large losses = loss event in excess of NOK 10.0 million. Claims incurred in excess of EUR 0.5 million per event are, as a main rule, 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

Asset allocation the group policy portfolio

At the end of 2014 (2013)



Pension and Savings

Development during the year

The profit before tax expense was NOK 43.9 million (49.9). The business showed positive development, with an underlying improvement in profit performance driven by higher revenues as a result of growth in the customer portfolio and assets under management.

The reduction in profits was due to a decision by the tax authorities to levy VAT in arrears on IT services delivered from abroad to Gjensidige Pensjonsforsikring AS for the years 2011, 2012 and 2013. The VAT payment was charged to profit/loss in the fourth quarter in the amount of NOK 28.6 million, which comprises the payment in arears with interest, and VAT incurred for 2014. The company disagrees with the decision, which will be appealed. Net insurance revenue in the period amounted to NOK 136.0 million (124.4). The increase was due to increased administration revenues as a result of growth in the portfolio for defined contribution pensions.

Management revenues increased to NOK 98.1 million (82.2) as a result of growth in assets under management, in both the pensions and savings areas.

Operating expenses were NOK 221.4 million (182.0). The cost increase was due to VAT levied in arears and an increase in the amount of business.

Financial income amounted to NOK 31.2 million (25.3). This includes the return on the group policy portfolio and corporate portfolio. The reason for the increase was a higher return on the rest of the group policy portfolio as a result of increased claims provisions and the realisation of gains on bonds. The Company's share of the financial profit on the paid-up policy portfolio, which amounted to NOK 30.1 million, was allocated in its entirety as a provision for higher life expectancy. The total increase in provisions thereby amounted to NOK 127.2 million, while the total need for provisions is now expected to be NOK 210 million.

At year end, the assets under management in the pension operations amounted to NOK 17,196.3 million (13,953.8). Of this amount, the group policy portfolio accounted for NOK 4,186.8 million (3,553.2).

The recognised return on the paid-up policy portfolio was 4.63 per cent (4.57) for the year. The average annual interest guarantee was 3.6 per cent.

Assets under management for the savings operations amounted to NOK 15,018.2 million (11,896.4) at year end.

The total assets under management increased by NOK 6,364.3 million (5,371.3), amounting to NOK 32,214.5 million (25,850.2) at year end.

Development during the quarter

The profit/loss before tax expense was a loss of NOK 16.4 million (profit of 13.6) as a result of the VAT of NOK 28.6 million levied in arears. Net insurance revenue amounted to NOK 32.5 million (31.3). The management revenues amounted to NOK 25.6 million (22.7).

Operating expenses were NOK 79.8 million (47.1). The increase was due to VAT, increased IT costs as a result of the increased amount of business and increased distribution costs because of the strengthening of sales capacity for pensions. Financial income amounted to NOK 5.3 million (6.7). The reduction was due to the company's contribution (20 per cent) to increasing the provisions for higher life expectancy due to the use of former earned and reserved risk result.

Pension and Savings

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Earned premiums	455.8	282.4	1,262.4	904.0
Claims incurred etc.	(423.3)	(251.1)	(1,126.4)	(779.7)
Net insurance revenue	**32.5**	**31.3**	**136.0**	**124.4**
Management income etc.	25.6	22.7	98.1	82.2
Operating expenses	(79.8)	(47.1)	(221.4)	(182.0)
Net operating income	**(21.7)**	**6.9**	**12.7**	**24.6**
Net financial income	5.3	6.7	31.2	25.3
Profit/(loss) before tax expense	**(16.4)**	**13.6**	**43.9**	**49.9**
Operating margin [2]	(37.36%)	12.75%	5.43%	11.89%
Recognised return on the paid-up policy portfolio [3]			4.63%	4.57%
Value-adjusted return on the paid-up policy portfolio [4]			4.63%	4.67%

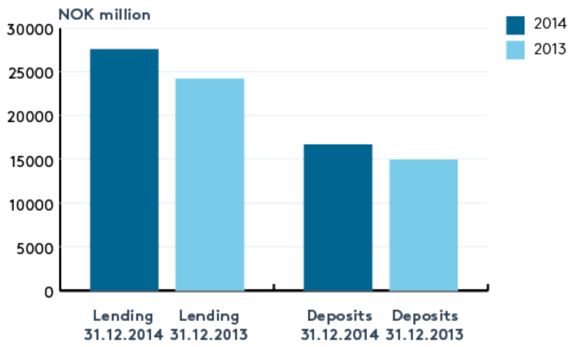
[1] Run-off gains/(losses) = changes in estimates from earlier periods

[2] Operating margin = net operating income/(net insurance revenue + management income etc.)

[3] Recognized return on the paid-up policy portfolio = realised return of the portfolio

[4] Value-adjusted return on the paid-up policy portfolio = total return of the portfolio

Deposits and lending
At the end of 2014 (2013)



Retail Bank

Development during the year

Profit before tax expense was NOK 253.5 million (191.0). The positive development was mainly a result of increased net interest income, coming primarily from customer lending growth.

Net interest income was NOK 613.8 million (546.1). This was primarily driven by customer lending growth. Net commission income and other income were NOK 49.4 million (53.3). The decrease was driven by lower gains from financial instruments.

Net interest margin was 2.17 percent (2.42). The decline was a result of strong growth in the secured lending in the past 12 months.

Operating expenses were NOK 357.9 million (341.3). The increase was driven by volume growth and running costs related to the car financing product launched during 2013. The increase in expenses was also driven by fixed assets write off related to systems replacements and changes in the contract with the bank's systems and technology provider. Cost/income ratio was 54.0 per cent (56.9), driven by the increased income.

Total write-downs and losses were NOK 51.8 million (67.1), predominantly related to the unsecured lending portfolio. The decrease was a result of improved impairment levels and lower provision requirements on loans. Lower portfolio growth as compared to prior year had also a positive impact on the level of write-downs. Annualised write-downs and losses in per cent of average gross lending were 0.20 per cent (0.32). The decline was driven by an increased share of the secured loans in the total lending portfolio and the improved credit quality.

The weighted average loan to value [1] was estimated at 62.4 per cent (61.8) for the mortgage portfolio.

Gross lending increased by 13.9 per cent year over year, amounting to NOK 27,546.5 million (24,193.9) at the end of the year. Deposits increased by 11.8 per cent year over year, reaching NOK 16,703.4 million (14,938.3) at the end of the year. Deposits to loans ratio was 60.6 per cent (61.7).

Standard & Poor's upgraded the outlook for Gjensidige Bank ASA and Gjensidige Bank Boligkreditt AS from "negative" to "stable" and kept the long term rating unchanged to A-. The amendment was based on their assessment of the strategic position the bank has within Gjensidige Group. The outlook for the covered bonds portfolio issued by Gjensidige Bank Boligkreditt AS was also changed to 'stable' as a result while the long term-rating rating remained AAA. There is good access to external financing.

The Bank issued a subordinated bond of NOK 250.0 in second quarter, among other to comply with more stringent capital requirements from 1 July 2014.

Development in the quarter

Profit before tax expense was NOK 48.6 million (50.2) in the quarter. Higher income and lower write-down and losses were offset by the increase in expenses generated primarily by fixed assets write-off and business growth.

Net interest income was NOK 173.0 million (147.7). The increase was driven by customer lending growth and reclassification of income from liquidity reserve placements amounting to NOK 9.1 million from previous quarters. These were previously classified as Net commission income and other income. Net commission income and other income were negative NOK 5.6 million (positive 13.4). The decrease was a result of reclassification income and decreased gains from financial instruments.

Operating expenses were NOK 108.3 million (92.1) during the quarter. The increase was driven by business growth and fixed assets write off related to systems replacements and changes in the contract with the bank's systems and technology provider. Cost/income ratio was 64.7 per cent (57.2).

Total write-downs and losses were NOK 10.5 million (18.8), predominantly related to the unsecured lending portfolio.

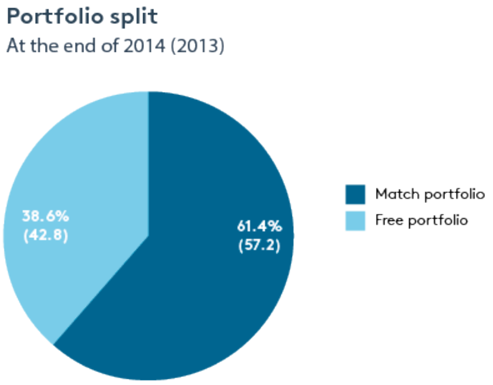
Gross lending growth was NOK 1,124.9 million (997.6) while the movement in the deposits was NOK 83.6 million (1,965.3).

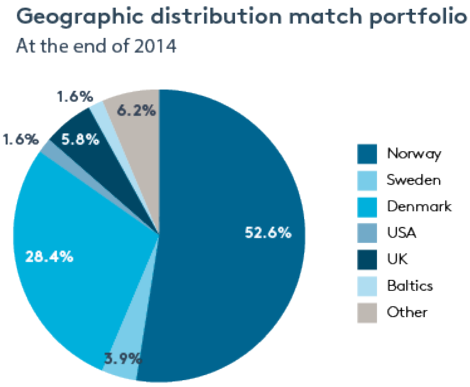
[1] The Loan to value estimate is calculated based on the exposure at the reporting date and the property valuation, including any higher priority pledge(s), at the time the loan was approved.

Retail Bank

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Interest income and related income	343.3	318.6	1,327.9	1,135.0
Interest expenses and related expenses	(170.2)	(170.9)	(714.1)	(588.9)
Net interest income	**173.0**	**147.7**	**613.8**	**546.1**
Net commission income and other income	(5.6)	13.4	49.4	53.3
Total income	**167.4**	**161.1**	**663.2**	**599.5**
Operating expenses	(108.3)	(92.1)	(357.9)	(341.3)
Write-downs and losses		(18.8)	(51.8)	(67.1)
Profit/(loss) before tax expense	**48.6**	**50.2**	**253.5**	**191.0**
Net interest margin, annualised [1]			2.17%	2.42%
Write-downs and losses, annualised [2]			0.20%	0.32%
Cost/income ratio [3]	64.7%	57.2%	54.0%	56.9%

[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





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 and Retail Bank segments. The investment portfolio consists of two parts: a match portfolio and a free portfolio. The match portfolio is intended to correspond to the Group's technical provisions. It is invested in fixed-income instruments whose duration is adapted to match the disbursement of the technical 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.

Development during the year

At the end of the year, the total investment portfolio amounted to NOK 56,5 billion (58.1). The reduction in the portfolio must be seen in conjunction with the disbursement of excess capital (dividend) in May and November. The financial result was NOK 2,426.3 million (2,480.9), which corresponds to a return on financial assets of 4.3 per cent (4.3).

Match portfolio

The match portfolio amounted to NOK 34.7 billion (33.2). The portfolio yielded a return of 3.2 per cent (3.6) 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 2,193.8 million (1,032.5) at year end.

The average duration of the match portfolio was 3.4 years. The average term to maturity for the corresponding insurance debt was 3.8 years. The distribution of counterparty risk and credit rating is shown in the charts on pages 11 and 12. Securities without an official credit rating amounted to NOK 11.0 billion (9.3). Of these securities, 16.5 per cent (22.1) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or government-guaranteed companies. A third-party internal rating existed for 71.5 per cent (76.3) of the portfolio without an official rating. Bonds with a coupon that is adjusted on the basis of the development in the Norwegian consumer price index accounted for 12.5 per cent (13.0) of the match portfolio.

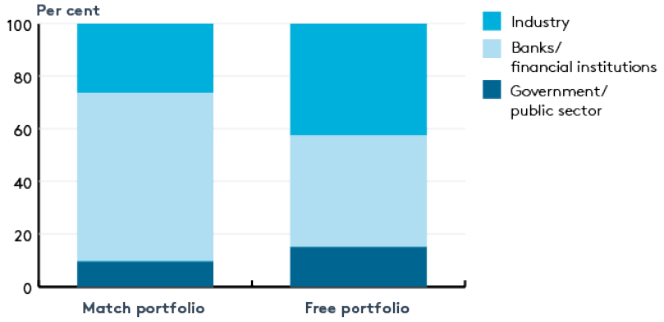
The geographical distribution [1] of the match portfolio is shown in the above chart.

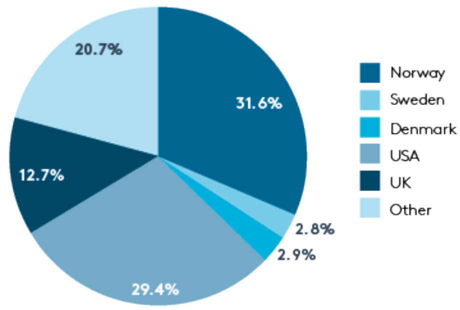
[1] The geographical distribution is related to issuers and does not reflect the actual currency exposure.

Financial assets and properties

	Result 4 q.		Result 1.1.-31.12.		Carrying amount 31.12.	
NOK million	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Match portfolio						
Money market	28.7	23.3	119.8	86.4	6,144.1	4,473.4
Bonds at amortized cost	214.6	234.3	893.0	1,054.0	18,760.5	19,604.0
Current bonds [1]	(29.6)	48.5	58.3	61.5	9,784.8	9,160.6
Match portfolio total	**213.7**	**306.2**	**1,071.2**	**1,201.9**	**34,689.3**	**33,237.9**
Free portfolio						
Money market	17.1	22.6	94.0	87.4	3,570.9	4,911.4
Other bonds [2]	16.2	50.6	147.3	121.4	3,964.0	3,606.5
Convertible bonds [3]	17.4	50.4	34.7	161.5	790.9	1,121.0
Current equities [4]	(108.8)	426.0	286.8	553.6	3,832.7	7,044.2
PE funds	4.0	2.2	259.7	161.3	1,710.9	1,665.3
Property	237.5	81.2	547.2	288.8	6,516.2	5,097.1
Other [5]	(29.9)	(61.6)	(14.5)	(94.9)	1,463.8	1,464.8
Free portfolio total	**153.6**	**571.5**	**1,355.1**	**1,279.0**	**21,849.5**	**24,910.3**
Financial result from the investment portfolio	**367.3**	**877.6**	**2,426.3**	**2,480.9**	**56,538.8**	**58,148.2**
Financial income in Pension and Savings and Retail Bank	(5.2)	14.6	58.9	57.2		
Interest expenses subordinated loan Gjensidige Forsikring ASA	(9.5)		(9.5)			
Net income from investments	**352.5**	**892.2**	**2,475.6**	**2,538.1**		

[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 consists 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 the investment in SpareBank 1 SR-Bank and effect on profit of the sale of shares in Storebrand.
[5] The item includes currency hedging of Gjensidige Sverige, Gjensidige Baltic and Gjensidige Danmark, and lendings, paid-in capital in Gjensidige Pensjonskasse, profit or loss effects from total return swaps with Gjensidige Pensjonskasse and Gjensidige Pensjonsforsikring AS, hedge funds and finance related expenses.





Free portfolio
The free portfolio amounted to NOK 21.8 billion (24.9) at year end. The return was 5.8 per cent (5.4).

Fixed-income instruments
The fixed-income instruments in the free portfolio amounted to NOK 8.3 billion (9.6). The portfolio yielded a return of 2.7 per cent (4.0). High yield and convertible bonds were negatively affected by increased credit margins.

The average duration in the portfolio was approximately 0.6 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. Securities without an official credit rating amounted to NOK 1.7 billion (2.8). Of these securities, 1.1 per cent (9.7) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or government-guaranteed companies. A third-party internal rating existed for 71.2 per cent (79.0) of the portfolio without an official rating.

The geographical distribution [1] of the fixed-income instruments in the free portfolio is shown in the chart above.

Equity portfolio
The total equity exposure at the end of the period was NOK 5.5 billion (8.7), of which NOK 3.8 billion (7.0) consisted of current equities and NOK 1.7 billion (1.7) of PE funds. The reduction in current equities must be seen in conjunction with the reduction in the shareholding in Storebrand. The return on current equities was 6.7 per cent (8.2). This includes the return on derivatives used for hedging purposes. The shareholding in SpareBank 1 SR-Bank was recognised at market value from the second quarter. Gjensidige is no longer represented on the bank's board and the bank is no longer defined as an associated company for accounting purposes. The market value of the investment amounted to NOK 1,390.4 million at year end. The return on PE funds was 15.1 per cent (10.3).

Property portfolio
At the end of the period, the property portfolio amounted to NOK 6.5 billion (5.1). The property portfolio yielded a return of 9.9 per cent (5.7). The general required rate of return in connection with the valuation of the properties was reduced to 6.2 per cent (6.5). The individual valuations resulted in a net increase in value of NOK 279.3 million. External valuations of 21 individual properties were carried out at year end. The portfolio is concentrated in office properties in Oslo, but it also includes a few office properties in other Norwegian towns and cities.

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

Return per asset class

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Match portfolio				
Money market	0.5	0.5	2.3	1.9
Bonds at amortized cost	1.2	1.2	4.7	5.1
Current bonds [1]	(0.3)	0.5	0.6	0.7
Match portfolio total	**0.6**	**0.9**	**3.2**	**3.6**
Free portfolio				
Money market	0.4	0.4	1.8	1.7
Other bonds [2]	0.4	1.6	3.6	4.1
Convertible bonds [3]	2.3	4.7	5.0	16.5
Current equities [4]	(2.8)	6.1	6.7	8.2
PE funds	0.2	0.1	15.1	10.3
Property	4.0	1.6	9.9	5.7
Other [5]	(2.6)	(5.3)	(0.8)	(9.8)
Free portfolio total	**0.7**	**2.3**	**5.8**	**5.4**
Return on financial assets	**0.7**	**1.5**	**4.3**	**4.3**

[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 consists 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 the investment in SpareBank 1 SR-Bank and effect on profit of the sale of shares in Storebrand.
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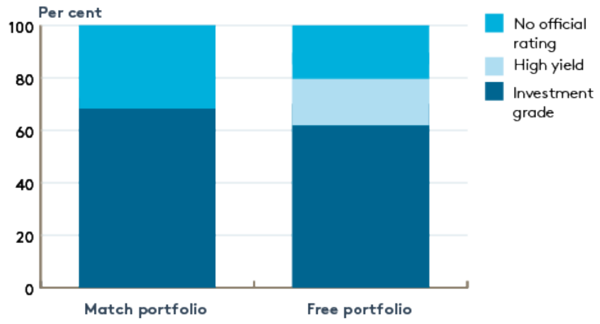
Credit rating fixed income instruments

At the end of 2014



Development during the quarter

The financial result for the total investment portfolio was NOK 367.3 million (877.6) in the quarter. This resulted in a return on financial assets of 0.7 per cent (1.5).

The return on the match portfolio was 0.6 per cent (0.9), excluding changes in the value of the portfolio valued at amortised cost. The reduction in the return was largely due to a weak return on the current bond portfolio, which primarily reflects the low interest rate in Denmark. The return on the free portfolio was 0.7 per cent (2.3). The reduction was primarily due to a weaker development of the share price of SpareBank 1 SR-Bank. In addition, convertible bonds and high yield bonds showed weak development. The weak development for equities and bonds was partly counteracted by a positive development for property.

Organisation

The Group had a total of 3,525 employees at the end of the year, compared with 3,479 at the end of the third quarter.

The number of employees broke down as follows: 2,082 (2,093) in general insurance operations in Norway, 134 (132) in Gjensidige Bank, 68 (66) in Gjensidige Pensjon og Sparing, 651 (636) in Denmark, 207 (170) in Sweden and 383 (382) in the Baltic states (excluding agents). The increase in Sweden is primarily due to the establishment of a sales organisation and to the acquisition of two smaller businesses with effect from the fourth quarter. The figures in brackets refer to the number of employees at the end of the third quarter 2014.

Events after the balance sheet date

On 3 February Gjensidige announced the acquisition of 99.88 per cent of the share in PZU Lietuva from PZU SA at EUR 54 million. The acquisition is in line with Gjensidige's strategy for growth in the Nordic region and the Baltics. PZU Lietuva is a general insurance company mainly offering motor, property and personal insurance products in Lithuania. The company also has operations in Estonia and Latvia, but these will be separated out before final closing and is not part of the transaction. Gross premiums written for the operation bought in Lithuania was approximately EUR 50 million in 2014. Gjensidige's market share in the Baltics will increase from around 7 per cent to around 13 per cent, and the acquisition of PZU Lietuva contributes to a critical mass in a market with growth potential and potential for improved profitability going forward. Closing is expected in the beginning of the third quarter, contingent upon approval from the relevant authorities.

In addition, at the beginning of 2015, Gjensidige acquired the Mondux group in Denmark. Mondux is an agency company that offers insurance in the private market in Denmark. Among other things, the company will strengthen Gjensidige's position in the motor insurance market and give greater insight into the product insurance market. The company is expected to be taken over at the end of the second quarter 2015. The premium volume in 2014 was slightly below DKK 250 million.

In an integration phase some reduction in the acquired portfolios is expected. The portfolios have higher cost ratios than current operation and will be sought absorbed over time.

Dividend

The Board has proposed a dividend of NOK 2,950 million for the 2014 financial year, corresponding to NOK 5.90 per share. This is 70 per cent of the Group's profit after tax expense, and it is based on the adopted dividend policy that applies from the 2014 financial year. Gjensidige's goal is to distribute high and stable dividends to its shareholders, and at least 70 per cent of the profit after tax expense over time.

In addition, any future excess capital over and above the capitalisation target will be distributed to the owners over time. By capitalisation target is meant capitalisation that is adapted to Gjensidige's strategic targets and appetite for risk at all times. The Group shall maintain its financial flexibility, without this being at the expense of capital discipline.

For the financial year 2013 the dividend payment was 79 per cent based on net profit after tax (adjusted for the write-down of the Storebrand investment). The level of the proposed dividend for 2014 has to be seen in relation to a more optimal capital structure as of 31 December 2014 and the new dividend policy emphasizing future stability in the dividend stream.

Outlook

As earlier communicated, in autumn 2014, the Board decided to keep the financial targets. Throughout 2014, Gjensidige took various measures to optimise the balance sheet and capital structure. This means that, at the start of 2015, the Group has a balance sheet and capital structure that supports the target of a 15 per cent return on equity after tax from and including 2015.

Over time, organic growth is expected to be on a par with growth in GDP in Gjensidige's market areas in Norway, the Nordic countries and the Baltic states. Further profitable growth will come through pursuing a disciplined acquisition strategy. The annual combined ratio shall be in the range of 90–93, corresponding to ~87–90 on a discounted basis. Moreover, the cost ratio shall be around 15 per cent. A reduction is expected in the underlying cost ratio and loss ratio, but Gjensidige will endeavour to strike a balance between good profitability and increased investments in order to ensure strong competitiveness in future. In the short and medium term, it is expected that the combined ratio will be in the lower half of the target range. However, extraordinary circumstances relating to the weather and the proportion of large losses, and to run-off effects from previous years, can bring the combined ratio outside the target range in both directions.

Gjensidige's amition is to take the position as the most customer-oriented general insurance company in the Nordic region, based on profitable operations and a leading position.

The Board has defined five strategic focus areas for the period up until 2018.

- Enhance and expand multi-channel distribution
- Develop value-adding services for loyalty and preference
- Further digitalise business and customer processes
- Strengthen business intelligence and analytics
- Build dynamic organisational capabilities

In order to ensure strong competiveness in future, investments will primarily be increased in the fields of IT, competence development, brand strength and marketing in order to support the five focus areas.

The competition in the Norwegian general insurance market is strong, particularly from established financial players that are focusing on general insurance. Gjensidige's competitiveness is regarded as good, with a solid growth in premiums and volume combined with good profitability and high customer satisfaction. The work of retaining and strengthening the customer base and the company's position in the Norwegian market will be given priority. At the same time, new, profitable opportunities for growth are continuously considered in the Nordic region and the Baltics in order to ensure good utilisation of a scalable business model and best practice. Great emphasis is placed on further developing cooperation with partners and distributors.

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

The macroeconomic picture for the Norwegian general insurance business is still regarded as good, despite a fall in oil prices and somewhat higher uncertainty in some sectors of Norwegian business and industry. Gjensidige has very limited direct exposure to the oil sector. There is little to indicate a substantial and rapid increase in unemployment, and, in combination with a persistent low interest rate level, this is not expected to result in a significant weakening of the housing market. The Danish housing market is improving, but with considerable regional differences. There is also positive development in the Baltic economies.

There is still uncertainty relating to changes to the framework conditions for the financial sector in Norway and internationally. The Solvency II regulations are expected to be implemented in Norway in 2016. Gjensidige is endeavouring to achieve acceptance for use of its own internal model, and is now expecting to apply during 2015. Further, efforts are made to gain acceptance for inclusion of the natural perils fund and guarantee provision as solvency capital. This matter is expected to be clarified during 2015.

The Group has satisfactory capital buffers in relation to internal risk models, statutory capital adequacy requirements and its target rating. The Board considers the Group's capital situation and financial strength to be good.

Other matters

The Board has decided to pay employees of Gjensidige Forsikring ASA a collective bonus corresponding to NOK 24,500, 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 2014.

The Board wishes to thank all employees for their efforts and their contribution to Gjensidige's good results in 2014.

Oslo, 3 February 2015
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	Tine G. Wollebekk	Mette Rostad
				Helge Leiro Baastad CEO

Consolidated income statement

NOK million	Notes	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Operating income					
Earned premiums from general insurance	4	5,214.4	4,766.3	20,386.8	18,736.9
Earned premiums from pension		455.8	282.4	1,262.4	904.0
Interest income etc. from banking operations		343.3	318.6	1,327.9	1,135.0
Other income including eliminations		30.9	29.2	121.6	108.5
Total operating income	3	**6,044.5**	**5,396.5**	**23,098.7**	**20,884.5**
Net income from investments					
Results from investments in associates		(0.3)	303.0	192.0	192.7
Operating income from property		96.2	80.1	348.7	331.6
Interest income and dividend etc. from financial assets		360.1	326.6	1,351.6	1,495.6
Net changes in fair value on investments (incl. property)		589.6	659.0	685.8	1,006.0
Net realised gain and loss on investments		(633.9)	(419.9)	96.8	(321.0)
Expenses related to investments		(59.2)	(56.7)	(199.3)	(166.7)
Total net income from investments		**352.5**	**892.2**	**2,475.6**	**2,538.1**
Total operating income and net income from investments		**6,397.0**	**6,288.8**	**25,574.3**	**23,422.6**
Claims, loss etc.					
Claims incurred etc. from general insurance	5,6	(3,607.9)	(3,664.2)	(14,470.4)	(13,859.6)
Claims incurred etc. from pension		(423.3)	(251.1)	(1,126.4)	(779.7)
Interest expenses etc. and write-downs and losses from banking		(180.7)	(189.7)	(765.9)	(656.0)
Total claims, interest expenses, loss etc.		**(4,211.9)**	**(4,105.0)**	**(16,362.8)**	**(15,295.3)**
Operating expenses					
Operating expenses from general insurance		(799.3)	(726.4)	(3,054.0)	(2,857.8)
Operating expenses from pension		(79.8)	(47.1)	(221.4)	(182.0)
Operating expenses from banking operations		(108.3)	(92.1)	(357.9)	(341.3)
Other operating expenses		0.4	(3.3)	(8.7)	(10.4)
Amortisation and impairment losses of excess value - intangible		(39.1)	(31.7)	(170.0)	(161.7)
Total operating expenses		**(1,026.0)**	**(900.7)**	**(3,812.0)**	**(3,553.2)**
Total expenses		**(5,238.0)**	**(5,005.7)**	**(20,174.8)**	**(18,848.5)**
Profit/(loss) for the period before tax expense	3	**1,159.0**	**1,283.1**	**5,399.6**	**4,574.1**
Tax expense		(194.9)	(148.7)	(1,210.0)	(903.5)
Profit/(loss) for the period		**964.1**	**1,134.5**	**4,189.6**	**3,670.6**
Earnings per share, NOK (basic and diluted)		**1.93**	**2.27**	**8.38**	**7.34**

Consolidated statement of comprehensive income

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Profit/(loss) for the period	**964.1**	**1,134.5**	**4,189.6**	**3,670.6**
Components of other comprehensive income				
Items that are not reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability/asset	(90.2)	19.6	(410.2)	19.6
Share of other comprehensive income from associates		(2.3)	(50.9)	102.2
Tax on items that are not reclassified to profit or loss	24.4	12.5	110.8	12.5
Total items that are not reclassified subsequently to profit or loss	**(65.8)**	**29.8**	**(350.3)**	**134.3**
Items that may be reclassified subsequently to profit or loss				
Exchange differences from foreign operations	364.8	91.1	281.2	450.8
Share of exchange differences from associates		41.9	(142.4)	128.7
Exchange differences from hedging of foreign operations	(305.3)	(79.3)	(237.0)	(376.0)
Tax on items that may be reclassified to profit or loss	31.8	2.2	27.3	85.3
Total items that may be reclassified subsequently to profit or loss	**91.3**	**55.9**	**(70.9)**	**288.8**
Total components of other comprehensive income	**25.5**	**85.7**	**(421.2)**	**423.1**
Total comprehensive income for the period	**989.6**	**1,220.2**	**3,768.4**	**4,093.7**

Consolidated statement of financial position

NOK million	Notes	31.12.2014	31.12.2013
Assets			
Goodwill		2,819.0	2,562.2
Other intangible assets		1,123.5	1,138.2
Deferred tax assets		5.0	5.0
Investments in associates		44.3	4,772.0
Owner-occupied property		280.7	288.5
Plant and equipment		321.0	249.5
Investment properties	8	6,104.0	4,644.3
Pension assets		71.8	
Financial assets			
Financial derivatives	7	470.2	219.9
Shares and similar interests	7	7,499.8	6,023.4
Bonds and other securities with fixed income	7	23,748.3	22,398.0
Bonds held to maturity	7	2,955.9	5,211.3
Loans and receivables	7	46,969.5	42,692.4
Assets in life insurance with investment options		12,950.3	10,330.6
Reinsurance deposits		0.8	0.8
Reinsurers' share of insurance-related liabilities in general insurance, gross		551.8	727.9
Receivables related to direct operations and reinsurance		4,629.8	4,290.5
Other receivables		823.6	509.2
Prepaid expenses and earned, not received income		209.0	153.3
Cash and cash equivalents		2,403.8	2,729.4
Total assets		**113,982.0**	**108,946.3**
Equity and liabilities			
Equity			
Share capital		999.9	999.9
Share premium		1,430.0	1,430.0
Other equity		19,226.9	23,857.9
Total equity		**21,656.8**	**26,287.8**
Subordinated loan		1,447.1	
Provision for liabilities			
Premium reserve in life insurance		3,408.3	3,064.6
Provision for unearned premiums, gross, in general insurance		8,536.3	7,984.6
Claims provision, gross	9	32,926.9	31,749.6
Other technical provisions		168.0	139.9
Pension liabilities		590.4	109.8
Other provisions		247.6	164.3
Financial liabilities			
Financial derivatives	7	527.2	347.0
Deposits from and liabilities to customers	7	16,703.4	14,938.3
Interest-bearing liabilities	7	10,300.3	9,771.6
Other liabilities	7	1,006.5	952.2
Current tax		1,172.6	726.4
Deferred tax liabilities		1,289.1	1,340.6
Liabilities related to direct insurance	7	626.3	654.8
Liabilities in life insurance with investment options		12,950.3	10,330.6
Accrued expenses and deferred income	7	424.9	384.1
Total liabilities		**92,325.2**	**82,658.5**
Total equity and liabilities		**113,982.0**	**108,946.3**

Consolidated statement of changes in equity

NOK million	Share capital	Own shares	Share premium	Other paid-in capital	Exchange differ-ences	Remeasure-ment of the net defined benefit liab./asset	Other earned equity	Total equity
Equity as at 31.12.2012	**1,000.0**	**(0.1)**	**1,430.0**	**13.7**	**(245.3)**	**(1,323.7)**	**24,743.2**	**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								
Remeasurement of the net defined liability/asset						19.6		19.6
Share of other comprehensive income from associates							102.2	102.2
Tax on items that are not reclassified to profit or loss						(23.7)	36.2	12.5
Total items that are not reclassified subsequently to profit or loss						**(4.1)**	**138.4**	**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 foreign operations							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					**160.5**	**(0.4)**	**128.7**	**288.8**
Total components of other comprehensive income					**160.5**	**(4.5)**	**267.1**	**423.1**
Total comprehensive income for the period					**160.5**	**(4.5)**	**3,937.7**	**4,093.7**
Own shares							(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**	**(84.8)**	**(1,328.2)**	**25,251.1**	**26,287.8**
1.1.-31.12.2014								
Profit/(loss) for the period							4,189.6	4,189.6
Components of other comprehensive income								
Items that are not reclassified subsequently to profit or loss								
Remeasurement of the net defined liability/asset						(410.2)		(410.2)
Share of other comprehensive income of associates							(50.9)	(50.9)
Tax on items that are not reclassified to profit or loss						110.8		110.8
Total items that are not reclassified subsequently to profit or loss						**(299.4)**	**(50.9)**	**(350.3)**
Items that may be reclassified subsequently to profit or loss								
Exchange differences from foreign operations					281.3	(0.1)		281.2
Share of exchange differences from associates							(142.4)	(142.4)
Exchange differences from hedging of foreign operations					(237.0)			(237.0)
Tax on items that may be reclassified to profit or loss					27.3			27.3
Total items that may be reclassified subsequently to profit or loss					**71.6**		**(142.4)**	**(70.9)**
Total components of other comprehensive income					**71.6**	**(299.6)**	**(193.2)**	**(421.2)**
Total comprehensive income for the period					**71.6**	**(299.6)**	**3,996.4**	**3,768.4**
Own shares							(6.3)	(6.3)
Paid dividend							(8,398.8)	(8,398.8)
Equity-settled share-based payment transactions				5.8				5.8
Equity as at 31.12.2014	**1,000.0**	**(0.1)**	**1,430.0**	**25.6**	**(13.2)**	**(1,627.8)**	**20,842.3**	**21,656.8**

Consolidated statement of cash flows

NOK million	1.1.-31.12.2014	1.1.-31.12.2013
Cash flow from operating activities		
Premiums paid, net of reinsurance	24,091.4	23,080.0
Claims paid, net of reinsurance	(15,127.2)	(13,554.2)
Net payment of loans to customers	(3,352.6)	(6,869.7)
Net payment of deposits from customers	1,765.1	3,357.8
Payment of interest from customers	1,251.5	1,073.0
Payment of interest to customers	(472.3)	(369.3)
Net receipts/payments on premium reserve transfers	(598.7)	(472.4)
Net receipts/payments from financial assets	1,028.4	(2,534.1)
Net receipts/payments from properties	297.6	234.8
Net receipt/payments on sale/aquisition of investment property	(1,190.5)	(135.7)
Operating expenses paid, including commissions	(3,460.9)	(3,639.2)
Taxes paid	(852.7)	(1,338.5)
Net other receipts/payments	49.3	39.9
Net cash flow from operating activities	**3,428.3**	**(1,127.7)**
Cash flow from investing activities		
Net receipts/payments from sale/aquisition of subsidiaries and associates	3,198.6	628.8
Net receipts/payments on sale/aquisition of owner-occupied property, plant and equipment	(285.9)	(24.7)
Dividends from investments in associates	42.4	39.7
Net cash flow from investing activities	**2,955.1**	**643.8**
Cash flow from financing activities		
Payment of dividend	(8,348.9)	(3,424.5)
Net receipts on subordinated loans Gjensidige Forsikring ASA	1,197.1	
Net receipts/payments on loans to credit institutions	635.5	4,433.5
Net receipts/payments on other short-term liabilities	(26.8)	(13.5)
Net receipts/payments on interest on funding activities	(195.9)	(153.1)
Net receipts/payments on sale/acquisition of own shares	(6.3)	(5.3)
Net cash flow from financing activities	**(6,745.3)**	**837.2**
Effect of exchange rate changes on cash and cash equivalents	36.2	44.6
Net cash flow for the period	**(325.6)**	**397.9**
Cash and cash equivalents at the start of the period	2,729.4	2,331.5
Cash and cash equivalents at the end of the period	2,403.8	2,729.4
Net cash flow for the period	**(325.6)**	**397.9**
Specification of cash and cash equivalents		
Deposits with central banks	79.7	875.6
Cash and deposits with credit institutions	2,324.1	1,853.9
Total cash and cash equivalents	**2,403.8**	**2,729.4**

Notes

1. Accounting policies

The consolidated financial statements as of the fourth quarter 2014, concluded on 31 December 2014, comprise Gjensidige Forsikring and its subsidiaries (collectively referred to as the Group) and the Group's holdings in associated companies. With the exception of the changes described below, the accounting policies applied in the interim report is the same as those used in the annual report for 2013.

The consolidated financial statements as of the fourth quarter 2014 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 2013.

Changes in accounting principles

Gjensidige has implemented the following new standards and changes to standards, including any improvements in other standards, with effect from 1 January 2014.

- IFRS 10 Consolidated Financial Statements (2012)
- IFRS 12 Disclosure of interests in other entities
- IAS 32 Financial Instruments – presentation

The content of and effects of the changes are explained below.

IFRS 10 Consolidated Financial Statements (2012)

IFRS 10 (2012) changes the accounting principle for deciding whether control exists and, consequently, whether other entities are to be consolidated. IFRS 10 (2012) introduces a new control model that focuses on whether the group has control of an investment object, exposure or rights to a variable return on its investment object and the ability to use its control to influence this return. The change has not had any significant effect on Gjensidige's accounts.

IFRS 12 Disclosure of interests in other entities

As a result of IFRS 12, Gjensidige is required to disclose more information about its interests in subsidiaries for accounting periods starting on or after 1 January 2014. One of the most significant changes is that information must be provided about the assessments that form the basis for the decision regarding whether the group has control of another entity.

IAS 32 Financial instruments – presentation

The changes clarify when financial assets and liabilities are to be presented net. The change has no significant bearing on Gensidige's accounts.

Other changes to standards and interpretation statements have not had any significant effects.

There have been no other significant changes to accounting principles in 2014 compared with the annual accounts for 2013.

New standards and interpretations not yet adopted

A number of new standards, changes to standards and interpretations have been issued for financial years beginning after 1 January 2014. They have not been applied when preparing these consolidated financial statements. Those that may be relevant to Gjensidige are mentioned below. Gjensidige does not plan early implementation of these standards.

IFRS 9 Financial instruments (2014)

IFRS 9 introduces new requirements for the classification and measurement of financial assets, including a new expected loss model for the recognition of impairment losses, and changed requirements for hedge accounting.

IFRS 9 contains three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income, and fair value through profit or loss. Financial assets will be classified as either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss, depending on how they are managed and which contractual cash flow properties they have. IFRS 9 introduces a new requirement in connection with financial liabilities earmarked at fair value: to generally present changes in fair value that can be attributed to the liabilities' credit risk in other comprehensive income rather than over profit or loss. IFRS 9 replaces an 'accrued loss model' with an 'expected loss model', which means that the loss no long has to have been incurred for it to be recognised as an impairment loss. The expected loss model is a two-step measurement model where the provision for loss is either measured as the 12-month expected loss or as the lifetime expected loss, depending on whether there has been a significant increase in the credit risk since it was first recognised. IFRS 9 introduces new requirements for hedge accounting that are more in accordance with the actual risk management. This means that the documentation requirements in IFRS are less rigid and that more hedging instruments and objects can qualify for hedge accounting. IFRS 9 will enter into force on 1 January 2018. Our provisional assessment is that the standard is expected to have an effect on Gjensidige's financial statements.

IFRS 15 Revenue from contracts with customers (2014)

IFRS 15 covers all contracts with customers, but insurance contracts, among others, are exempted. Insofar as such contracts cover the provision of several services, this may have a bearing on how Gjensidige recognises revenues in its accounts. The change is not expected to have any significant effect, however.

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 the amounts recognised 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 2013.

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.

	General insurance															
Fourth quarter	Private		Commercial		Nordic		Baltics		Pension and Savings		Retail Bank		Eliminations etc. [1]		Total	
NOK million	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Segment income																
Segment income – external	2,044.1	1,966.3	1,862.1	1,800.1	1,145.8	914.8	129.7	137.9	481.4	305.2	348.2	324.1	33.1	(51.7)	6,044.5	5,396.5
Segment income – group [2]																
Total segment income	**2,044.1**	**1,966.3**	**1,862.1**	**1,800.1**	**1,145.8**	**914.8**	**129.7**	**137.9**	**481.4**	**305.2**	**348.2**	**324.1**	**33.1**	**(51.7)**	**6,044.5**	**5,396.5**
- Claims, interest expenses, loss etc.	(1,332.4)	(1,324.4)	(1,378.5)	(1,308.8)	(779.5)	(695.0)	(93.9)	(87.8)	(423.3)	(251.1)	(180.7)	(189.7)	(23.6)	(248.1)	(4,211.9)	(4,105.0)
- Operating expenses	(262.6)	(249.1)	(218.9)	(193.5)	(200.5)	(173.2)	(39.2)	(34.0)	(79.8)	(47.1)	(108.3)	(92.1)	(116.8)	(111.5)	(1,026.0)	(900.7)
+ Net income from investments									5.3	6.7	(10.6)	7.9	357.8	877.6	352.5	892.2
Segment result/profit/(loss) before tax expense	**449.1**	**392.7**	**264.7**	**297.7**	**165.9**	**46.6**	**(3.4)**	**16.0**	**(16.4)**	**13.6**	**48.6**	**50.2**	**250.5**	**466.3**	**1,159.0**	**1,283.1**

	General insurance															
1.1.-31.12.	Private		Commercial		Nordic		Baltics		Pension and Savings		Retail Bank		Eliminations etc. [1]		Total	
NOK million	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Segment income																
Segment income – external	8,124.1	7,799.0	7,337.7	7,021.8	4,272.4	3,326.4	523.0	510.8	1,360.6	986.3	1,349.6	1,156.5	131.4	131.4	23,098.7	20,884.5
Segment income – group [2]																
Total segment income	**8,124.1**	**7,799.0**	**7,337.7**	**7,021.8**	**4,272.4**	**3,326.4**	**523.0**	**510.8**	**1,360.6**	**986.3**	**1,349.6**	**1,156.5**	**131.4**	**131.4**	**23,098.7**	**20,884.5**
- Claims, interest expenses, loss etc.	(5,468.5)	(5,466.5)	(5,349.9)	(5,207.6)	(3,031.0)	(2,417.0)	(377.2)	(342.5)	(1,126.4)	(779.7)	(765.9)	(656.0)	(243.8)	(243.8)	(16,362.8)	(15,295.3)
- Operating expenses	(1,031.5)	(1,027.0)	(847.5)	(821.3)	(712.1)	(567.1)	(145.1)	(132.5)	(221.4)	(182.0)	(357.9)	(341.3)	(496.5)	(496.5)	(3,812.0)	(3,553.2)
+ Net income from investments									31.2	25.3	27.7	31.9	2,416.8	2,416.8	2,475.6	2,538.1
Segment result/profit/(loss) before tax expense	**1,624.0**	**1,305.5**	**1,140.3**	**992.9**	**529.4**	**342.3**	**0.6**	**35.7**	**43.9**	**49.9**	**253.5**	**191.0**	**1,807.9**	**1,807.9**	**5,399.6**	**4,574.1**

[1] Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment. Interest on subordinated loan is includede in Net income from investments.

[2] There is no significant income between the segments at this level in 2014 and 2013.

4. Earned premiums from general insurance

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Gross premiums written	4,561.4	4,315.5	21,163.8	19,631.4
Ceded reinsurance premiums	(33.5)	(115.6)	(493.7)	(567.2)
Premiums written, net of reinsurance	**4,527.9**	**4,199.8**	**20,670.1**	**19,064.2**
Change in gross provision for unearned premiums	783.8	677.1	(296.0)	(323.7)
Change in provision for unearned premiums, reinsurers´ share	(97.2)	(110.7)	12.6	(3.6)
Total earned premiums from general insurance	**5,214.4**	**4,766.3**	**20,386.8**	**18,736.9**

5. Claims incurred etc. from general insurance

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Gross paid claims	(3,893.0)	(3,580.3)	(14,618.2)	(12,758.7)
Paid claims, reinsurers' share	88.8	71.1	425.1	332.8
Change in gross provision for claims	345.4	(421.3)	155.4	(1,283.4)
Change in provision for claims, reinsurers' share	(90.0)	310.0	(356.6)	44.4
Premium discounts and other profit agreements	(59.2)	(43.6)	(76.2)	(194.8)
Total claims incurred etc. from general insurance	**(3,607.9)**	**(3,664.2)**	**(14,470.4)**	**(13,859.6)**

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

NOK million	4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Earned premiums from general insurance	5,214.4	4,766.3	20,386.8	18,736.9
Run-off gain/(loss) for the period, net of reinsurance [1]	234.0	124.4	493.7	299.6
In per cent of earned premiums from general insurance	4.5	2.6	2.4	1.6

[1] Run-off gains/(losses) from general insurance 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
- Listed subordinated debt

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 31.12.2014	Fair value as at 31.12.2014	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	470.2	470.2	219.9	219.9
Financial assets at fair value through profit or loss, initial recognition				
Shares and similar interests	7,499.8	7,499.8	6,023.4	6,023.4
Bonds and other fixed income securities	23,748.3	23,748.3	22,398.0	22,398.0
Shares and similar interests in life insurance with investment options	11,725.2	11,725.2	9,230.2	9,230.2
Bonds and other fixed income securities in life insurance with investment options	1,225.1	1,225.1	1,100.4	1,100.4
Financial assets held to maturity				
Bonds held to maturity	2,955.9	3,185.7	5,211.3	5,447.7
Loans and receivables				
Bonds and other fixed income securities classified as loans and receivables	19,596.2	21,911.7	18,441.3	19,399.1
Loans	27,373.2	27,402.8	24,251.1	24,262.4
Receivables related to direct operations and reinsurance	4,629.8	4,629.8	4,290.5	4,290.5
Other receivables	823.6	823.6	509.2	509.2
Prepaid expenses and earned, not received income	209.0	209.0	153.3	153.3
Cash and cash equivalents	2,403.8	2,403.8	2,729.4	2,729.4
Total financial assets	**102,660.2**	**105,235.0**	**94,557.9**	**95,763.4**
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss	317.9	317.9	270.7	270.7
Financial derivatives subject to hedge accounting	209.3	209.3	76.3	76.3
Financial liabilities at amortised cost				
Subordinated debt	1,447.1	1,448.6		
Deposits from and liabilities to customers, bank	16,703.4	16,703.4	14,938.3	14,938.3
Interest-bearing liabilities	10,300.3	10,405.6	9,771.6	9,822.8
Other liabilities	1,006.5	1,006.5	952.2	952.2
Liabilities related to direct insurance	626.3	626.3	654.8	654.8
Accrued expenses and deferred income	424.9	424.9	384.1	384.1
Total financial liabilities	**31,035.7**	**31,142.4**	**27,048.0**	**27,099.2**
Gain/(loss) not recognized in profit or loss		**2,468.1**		**1,154.3**

Valuation hierarchy 2014

The table shows a valuation hierarchy where financial assets/liabilities 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		470.2		470.2
Financial assets at fair value through profit or loss, initial recognition				
Shares and similar interests	1,450.3	3,918.0	2,131.5	7,499.8
Bonds and other fixed income securities	10,607.0	12,735.2	406.1	23,748.3
Shares and similar interests in life insurance with investment options	11,716.3	8.9		11,725.2
Bonds and other fixed income securities in life insurance with investment options	1,212.0	13.1		1,225.1
Financial assets at amortised cost				
Bonds held to maturity	556.6	2,629.1		3,185.7
Bonds and other fixed income securities classified as loans and receivables		21,910.6	1.1	21,911.7
Loans			27,402.8	27,402.8
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss	19.6	298.3		317.9
Financial derivatives subject to hedge accounting		209.3		209.3
Financial liabilities at amortised cost				
Subordinated debt	1,448.6			1,448.6
Interest-bearing liabilities		10,405.6		10,405.6

Valuation hierarchy 2013

The table shows a valuation hierarchy where financial assets/liabilities 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 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
Shares and similar interests in life insurance with investment options	3,537.8	5,692.4		9,230.2
Bonds and other fixed income securities in life insurance with investment options	761.6	338.8		1,100.4
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 amortised cost				
Interest-bearing liabilities			9,822.8	9,822.8

Reconciliation of financial assets valued based on non-observable market data (level 3) 2014

NOK million	As at 1.1.2014	Net realised/ unrealised gains recognised in profit or loss	Purch-ases	Sales	Settle-ments	Transfers into/out of level 3	As at 31.12.2014	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 31.12.2014
Shares and similar interests	2,305.4	68.7	279.2	(521.9)			2,131.5	(85.7)
Bonds and other fixed income securities	1.2	(5.4)	410.3				406.1	
Total	**2,306.6**	**63.4**	**689.6**	**(521.9)**			**2,537.6**	**(85.7)**

Sensitivity of financial assets valued based on non-observable market data (level 3) 2014

NOK million		Sensitivity
Shares and similar interests	Decrease in value 10%	213.2
Bonds and other fixed income securities	Decrease in value 10%	40.6
Total		**253.8**

Reconciliation of financial assets valued based on non-observable market data (level 3) 2013

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]	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)			1.2	
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) 2013

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. As of 31 December 2014 there were obtained value assessments from two independent parties for more than 90 percent of property values. 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 quarterly 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 Arealstatistikk's database. For the fourth quarter of 2014 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 2014.

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 250.6 million. If the market rent is reduced by ten per cent, total property value is reduced by NOK 528.9 million.

Investment properties (level 3)

NOK million	31.12.2014	31.12.2013
As at 1 January	4,644.3	4,626.7
Additions	767.5	130.9
Additions through business combinations	565.9	300.8
Disposals	(150.0)	(352.7)
Net gains/(losses) from fair value adjustments	279.5	81.7
Transfer from/(to) owner-occupied property	(3.2)	(160.7)
Exchange differences		17.6
As at 31 December	**6,104.0**	**4,644.3**

Parameters

NOK	Yield	Average market rent	Average contractual rent	Average value per sqm.
Office	6.2%	1,695.0	1,596.0	29,668.0

Sensitivity (level 3)

NOK million	Merket rent reduced by 10%	Market rent as at 31.12.2014	Market rent increased by 10%
Yield increases by 0.25 percentage points	5,345.7	5,853.4	6,361.1
Yield 6.20 per cent	5,575.1	6,104.0	6,634.6
Yield decreases by 0.25 percentage points	5,824.5	6,378.2	6,931.9

9. Claims provision, gross

NOK million	31.12.2014	31.12.2013
General insurance		
Claims provision, gross, as at 1 January	31,332.1	29,260.5
Additions from acquisitions	184.3	77.8
Claims for the year	14,960.9	14,348.9
Claims incurred in prior years, gross	(498.2)	(336.6)
Claims paid	(14,618.2)	(12,728.9)
Discounting of claims provisions	80.7	81.9
Change in discounting rate	182.8	(296.1)
Exchange differences	621.9	924.7
Claims provision, gross, at the end of the period	**32,246.5**	**31,332.1**
Pension		
Claims provision, gross, as at 1 January	417.5	301.8
Claims for the year	1,179.8	779.7
Claims incurred in prior years, gross	(22.5)	1.0
Claims paid	(267.3)	(212.5)
Transfer of pension savings	(627.2)	(452.4)
Claims provision, gross, at the end of the period	**680.4**	**417.5**
Group		
Claims provision, gross, as at 1 January	31,749.6	29,562.3
Additions from acquisitions	184.3	77.8
Claims for the year	16,140.8	15,128.6
Claims incurred in prior years, gross	(520.7)	(335.6)
Claims paid	(14,885.4)	(12,941.4)
Discounting of claims provisions	80.7	81.9
Change in discounting rate	182.8	(296.1)
Transfer of pension savings	(627.2)	(452.4)
Exchange differences	621.9	924.7
Claims provision, gross, at the end of the period	**32,926.9**	**31,749.6**
Discounted claims provision, gross - Gjensidige's workers' compensation insurance in Denmark	4,844.4	4,138.8
Undiscounted claims provision, gross - Gjensidige's workers' compensation insurance in Denmark	5,458.6	5,203.0

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. Contingent liabilities

NOK million	31.12.2014	31.12.2013
Guarantees and committed capital		
Gross guarantees	0.1	0.1
Committed capital, not paid	2,278.6	1,100.6

As part of its ongoing financial management the Company has undertaken to invest up to NOK 2,278.6 million (1,100.6) in bond funds and various private equity and real estate investments, over and above the amounts recognized in the balance sheet.

There are contractual commitments regarding developing of investment properties amounting to NOK 59.0 million (286.0). The liability will fall due during the period until December 2017.

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.

11. Related parties

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

Key figures

		4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Gjensidige Insurance Group					
Return on financial assets	%	0.7	1.5	4.3	4.3
Equity	NOK million			21,656.8	26,287.8
Return on equity, annualised	%			23.3	18.3
Equity per share	NOK			43.3	52.6
Capital adequacy ratio	%			18.1	13.4
Solvency margin capital Gjensidige Forsikring [4]	NOK million			8,953.6	12,905.2
Solvency margin Gjensidige Forsikring [5]	%			366.5	423.8
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	1.93	2.27	8.38	7.34
General insurance					
Market share non-marine insurance Norway (Finance Norway) per Q3 14	%			25.2	25.4
Gross premiums written					
Private	NOK million	1,793.7	1,783.3	8,296.3	8,013.8
Commercial	NOK million	1,689.5	1,632.9	7,772.6	7,416.5
Nordic	NOK million	956.8	772.4	4,439.1	3,505.0
Baltics	NOK million	121.3	126.4	512.5	532.7
Corporate Centre/reinsurance	NOK million		0.5	143.3	163.4
Total	NOK million	4,561.4	4,315.5	21,163.8	19,631.4
Premiums, net of reinsurance [7]	%			97.7	97.1
Earned premiums					
Private	NOK million	2,044.1	1,966.3	8,124.1	7,799.0
Commercial	NOK million	1,862.1	1,800.1	7,337.7	7,021.8
Nordic	NOK million	1,145.8	914.8	4,272.4	3,326.4
Baltics	NOK million	129.7	137.9	523.0	510.8
Corporate Centre/reinsurance	NOK million	32.7	(52.6)	129.6	78.9
Total	NOK million	5,214.4	4,766.3	20,386.8	18,736.9
Loss ratio [8]					
Private	%	65.2	67.4	67.3	70.1
Commercial	%	74.0	72.7	72.9	74.2
Nordic	%	68.0	76.0	70.9	72.7
Baltics	%	72.4	63.7	72.1	67.1
Total	%	69.2	76.9	71.0	74.0
Cost ratio [9]					
Private	%	12.8	12.7	12.7	13.2
Commercial	%	11.8	10.8	11.5	11.7
Nordic	%	17.5	18.9	16.7	17.0
Baltics	%	30.2	24.7	27.8	25.9
Total	%	15.3	15.2	15.0	15.3
Combined ratio [10]					
Private	%	78.0	80.0	80.0	83.3
Commercial	%	85.8	83.5	84.5	85.9
Nordic	%	85.5	94.9	87.6	89.7
Baltics	%	102.6	88.4	99.9	93.0
Total	%	84.5	92.1	86.0	89.2
Combined ratio discounted [11]	%	82.9	88.9	83.4	85.9

		4 q. 2014	4 q. 2013	1.1.-31.12.2014	1.1.-31.12.2013
Pension and Savings					
Assets under management pension, at the end of the period	NOK million			17,196.3	13,953.8
of which the group policy portfolio	NOK million			4,186.8	3,553.2
Assets under management savings, at the end of the period	NOK million			15,018.2	11,896.4
Operating margin [12]	%	(37.36)	12.75	5.43	11.89
Recognized returun on the paid-up policy portfolio [13]	%			4.63	4.57
Value-adjusted return on the paid-up policy portfolio [14]	%			4.63	4.67
Customers with insurance agreements at the end of the period	%			84.6	84.6
Return on equity, annualised [2]	%			7.8	9.7
Retail Bank					
Gross lending, addition in the period	NOK million	1,124.9	997.6	3,352.6	6,869.7
Deposits, addition in the period	NOK million	83.6	1,965.3	1,765.1	3,357.8
Gross lending, at the end of the period	NOK million			27,546.5	24,193.9
Deposits, at the end of the period	NOK million			16,703.4	14,938.3
Deposits-to-loan ratio at the end of the period [15]	%			60.6	61.7
Net interest margin, annualised [16]	%			2.17	2.42
Write-downs and losses, annualised [17]	%			0.20	0.32
Cost/income ratio [18]	%	64.7	57.2	54.0	56.9
Customers with insurance agreements, at the end of the period	%			45.7	44.6
Capital adequacy [19]	%			15.9	14.6
Core capital adequacy [20]	%			14.1	14.6
Return on equity, annualised [2]	%			13.2	12.0

[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. The calculation for the third quarter 2014 is adjusted for dividend approved 20 October 2014 and subordinated loan issued. The capital adequacy ratio is calculated to 15,4 per cent (15.9) without the adjustment for subordinated loan issued.

[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. The calculation for the third quarter 2014 is adjusted for dividend approved 20 October 2014 and subordinated loan issued. The solvency margin capital is calculated to 9.587,2 per cent (16.055,3) without the adjustment of subordinated loan issued .

[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). The calculation for the third quarter 2014 is adjusted for dividend approved 20 October 2014 and subordinated loan issued. The solvency margin is calculated to 295,7 per cent (537,0) without the adjustment of subordinated loan issued .

[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.

[20] Core capital adequacy = core capital/basis of calculation for credit risk, market risk and operational risk. The result for the period is not included in the calculation for the quarters, with the exception of fourth quarter.

Quarterly earnings performance

NOK million	4 q. 2014	3 q. 2014	2 q. 2014	1 q. 2014	4 q. 2013	3 q. 2013	2 q. 2013	1 q. 2013	4 q. 2012
Earned premiums from general insurance	5,214.4	5,203.6	5,061.5	4,907.2	4,766.3	4,866.9	4,646.6	4,457.2	4,418.2
Other income	830.1	600.5	645.2	636.1	630.2	513.8	516.7	486.9	479.5
Total operating income	**6,044.5**	**5,804.1**	**5,706.8**	**5,543.4**	**5,396.5**	**5,380.6**	**5,163.3**	**4,944.1**	**4,897.7**
Total net income from investments	**352.5**	**574.3**	**765.3**	**783.5**	**892.2**	**846.0**	**615.6**	**184.2**	**780.5**
Total operating income and net income from investments	**6,397.0**	**6,378.4**	**6,472.1**	**6,326.8**	**6,288.8**	**6,226.6**	**5,778.8**	**5,128.3**	**5,678.2**
Claims incurred etc. from general insurance	(3,607.9)	(3,695.3)	(3,357.9)	(3,809.3)	(3,664.2)	(3,293.7)	(3,487.3)	(3,414.4)	(3,108.5)
Other claims, interest expenses, loss etc.	(604.0)	(399.3)	(448.3)	(440.7)	(440.8)	(332.8)	(343.2)	(318.9)	(321.6)
Total claims, interest expenses, loss etc.	**(4,211.9)**	**(4,094.7)**	**(3,806.2)**	**(4,249.9)**	**(4,105.0)**	**(3,626.5)**	**(3,830.5)**	**(3,733.3)**	**(3,430.1)**
Operating expenses from general insurance	(799.3)	(753.2)	(752.5)	(748.9)	(726.4)	(720.6)	(710.8)	(699.9)	(707.0)
Other operating expenses	(226.7)	(193.8)	(165.4)	(172.0)	(174.2)	(206.1)	(160.6)	(154.5)	(159.9)
Total operating expenses	**(1,026.0)**	**(947.1)**	**(917.9)**	**(921.0)**	**(900.7)**	**(926.7)**	**(871.4)**	**(854.4)**	**(866.9)**
Total expenses	**(5,238.0)**	**(5,041.7)**	**(4,724.2)**	**(5,170.9)**	**(5,005.7)**	**(4,553.3)**	**(4,701.9)**	**(4,587.6)**	**(4,297.0)**
Profit/(loss) for the period before tax expense	**1,159.0**	**1,336.7**	**1,747.9**	**1,155.9**	**1,283.1**	**1,673.3**	**1,076.9**	**540.7**	**1,381.3**
Underwriting result general insurance	**807.2**	**755.0**	**951.0**	**349.1**	**375.7**	**852.5**	**448.5**	**342.9**	**602.7**

NOK million	3 q. 2012	2 q. 2012	1 q. 2012	4 q. 2011	3 q. 2011	2 q. 2011	1 q. 2011	4 q. 2010	3 q. 2010
Earned premiums from general insurance	4,571.7	4,453.9	4,353.5	4,371.6	4,537.8	4,414.0	4,224.6	4,426.8	4,535.9
Other income	419.3	383.0	438.7	399.3	418.7	523.5	492.0	455.8	426.5
Total operating income	**4,991.0**	**4,836.9**	**4,792.2**	**4,771.0**	**4,956.5**	**4,937.5**	**4,716.6**	**4,882.6**	**4,962.3**
Total net income from investments	**851.6**	**503.1**	**920.5**	**691.7**	**240.9**	**652.4**	**790.6**	**803.0**	**803.9**
Total operating income and net income from investments	**5,842.6**	**5,340.0**	**5,712.7**	**5,462.6**	**5,197.4**	**5,589.9**	**5,507.2**	**5,685.6**	**5,766.3**
Claims incurred etc. from general insurance	(3,116.6)	(3,050.4)	(3,162.2)	(3,457.2)	(3,278.5)	(3,059.5)	(3,454.1)	(3,383.2)	(3,260.0)
Other claims, interest expenses, loss etc.	(294.3)	(234.1)	(300.0)	(277.5)	(254.8)	(239.1)	(216.6)	(191.9)	(187.0)
Total claims, interest expenses, loss etc.	**(3,410.9)**	**(3,284.5)**	**(3,462.2)**	**(3,734.7)**	**(3,533.3)**	**(3,298.6)**	**(3,670.6)**	**(3,575.2)**	**(3,447.0)**
Operating expenses from general insurance	(674.7)	(685.0)	(685.1)	(728.4)	(689.1)	(739.6)	(720.8)	(728.7)	(714.4)
Other operating expenses	(150.1)	(152.6)	(137.9)	(185.2)	(201.9)	(306.8)	(300.7)	(313.7)	(292.9)
Total operating expenses	**(824.8)**	**(837.6)**	**(823.0)**	**(913.6)**	**(891.0)**	**(1,046.4)**	**(1,021.5)**	**(1,042.4)**	**(1,007.3)**
Total expenses	**(4,235.7)**	**(4,122.1)**	**(4,285.2)**	**(4,648.3)**	**(4,424.3)**	**(4,345.0)**	**(4,692.2)**	**(4,617.5)**	**(4,454.3)**
Profit/(loss) for the period before tax expense	**1,606.9**	**1,217.9**	**1,427.5**	**814.4**	**773.1**	**1,244.9**	**815.0**	**1,068.1**	**1,311.9**
Underwriting result general insurance	**780.3**	**718.5**	**506.2**	**186.0**	**570.2**	**615.0**	**49.7**	**314.9**	**561.5**

Income statement

Gjensidige Forsikring ASA

NOK million	1.1.-31.12.2014	1.1.-31.12.2013
Premiums		
Gross premiums written	20,458.1	18,964.7
Ceded reinsurance premiums	(494.1)	(565.4)
Premiums written, net of reinsurance	**19,964.1**	**18,399.3**
Change in gross provision for unearned premiums	(311.7)	(322.6)
Change in provision for unearned premiums, reinsurers' share	12.6	(3.6)
Total earned premiums, net of reinsurance	**19,665.1**	**18,073.1**
Allocated return on investments transferred from the non-technical accounts	589.4	651.7
General insurance claims		
Gross paid claims	(14,209.1)	(12,360.5)
Paid claims, reinsurers' share	446.9	331.6
Change in gross provision for claims	103.9	(1,304.8)
Change in provision for claims, reinsurers' share	(351.0)	45.9
Total claims incurred, net of reinsurance	**(14,009.3)**	**(13,287.8)**
Premium discounts and other profit agreements	(76.2)	(194.8)
Insurance-related operating expenses		
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(2,888.6)	(2,750.2)
Received commission for ceded reinsurance and profit share	5.8	4.1
Total insurance-related operating expenses	**(2,882.8)**	**(2,746.1)**
Profit/(loss) of tehnical account before security provisions	**3,286.2**	**2,496.2**
Change in security provisions etc.		
Change in security provision	(53.1)	(318.9)
Total change in security provisions etc.	**(53.1)**	**(318.9)**
Profit/(loss) of technical account general insurance	**3,233.1**	**2,177.3**
Net income from investments		
Income from investments in subsidiaries and associates	1,407.5	479.8
Impairment losses investments in subsidiaries and associates	(47.5)	
Interest income and dividend etc. from financial assets	1,500.5	1,589.9
Net operating income from property	14.8	15.6
Changes in fair value on investments	790.8	878.8
Realised gain and loss on investments	66.7	(416.1)
Administration expenses related to investments, including interest expenses	(324.6)	(257.9)
Total net income from investments	**3,408.3**	**2,290.1**
Allocated return on investments transferred to the technical accounts	(589.4)	(651.7)
Other income	20.6	19.8
Other expenses	(4.9)	(8.0)
Profit/(loss) of non-technical account	**2,834.5**	**1,650.2**
Profit/(loss) before tax expense	**6,067.6**	**3,827.5**
Tax expense	(946.3)	(666.8)
Profit/(loss) before components of other comprehensive income	**5,121.3**	**3,160.7**
Components of other comprehensive income		
Items that are not reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/asset	(403.1)	19.3
Tax on items that are not reclassified to profit or loss	108.8	12.7
Total items that are not reclassified subsequently to profit or loss	**(294.2)**	**32.0**
Items that may be reclassified subsequently to profit or loss		
Exchange differences from foreign operation	144.3	257.6
Exchange differences from hedging of foreign operation	(142.5)	(233.4)
Tax on items that may be reclassified to profit or loss	1.8	45.4
Total items that may be reclassified subsequently to profit or loss	**3.6**	**69.5**
Total comprehensive income	**4,830.7**	**3,262.3**

Statement of financial position

Gjensidige Forsikring ASA

NOK million	31.12.2014	31.12.2013
Assets		
Goodwill	1,568.6	1,388.7
Other intangible assets	795.5	763.0
Total intangible assets	**2,364.1**	**2,151.7**
Investments		
Buildings and other real estate		
Investment properties	169.7	177.3
Owner-occupied property	79.2	84.4
Subsidiaries and associates		
Shares in subsidiaries	6,344.7	6,376.4
Shares in associates	5.5	3,149.8
Interest bearing receivables within the group	3,430.5	2,365.9
Financial assets measured at amortised cost		
Bonds held to maturity	2,421.7	4,567.0
Loans and receivables	16,089.9	15,004.1
Financial assets measured at fair value		
Shares and similar interests (incl. shares and similar interests measured at cost)	7,469.5	6,016.4
Bonds and other fixed-income securities	19,888.5	19,646.8
Financial derivatives	324.4	216.8
Reinsurance deposits	577.4	643.9
Total investments	**56,801.1**	**58,248.9**
Reinsurers' share of insurance-related liabilities in general insurance, gross		
Reinsurers' share of provision for unearned premiums, gross	28.7	15.5
Reinsurers' share of claims provision, gross	501.0	694.6
Total reinsurers' share of insurance-related liabilities in general insurance, gross	**529.7**	**710.1**
Receivables		
Receivables related to direct operations	4,362.7	4,073.5
Receivables related to reinsurance	64.8	31.1
Receivables within the group	133.2	164.9
Other receivables	669.3	359.5
Total receivables	**5,230.0**	**4,629.0**
Other assets		
Plant and equipment	312.3	243.8
Cash and cash equivalents	1,652.1	1,002.2
Deferred tax assets	31.2	
Pension assets	70.5	
Total other assets	**2,066.0**	**1,246.0**
Prepaid expenses and earned, not received income		
Earned, not received interest income	14.1	
Other prepaid expenses and earned, not received income	36.7	12.6
Total prepaid expenses and earned, not received income	**50.8**	**12.6**
Total assets	**67,041.7**	**66,998.3**

NOK million	31.12.2014	31.12.2013
Equity and liabilities		
Paid in equity		
Share capital	1,000.0	1,000.0
Own shares	0.1	(0.1)
Share premium	1,430.0	1,430.0
Other paid in equity	22.8	17.1
Total paid in equity	**2,452.9**	**2,446.9**
Retained equity		
Funds etc.		
Natural perils fund provision	2,305.3	2,215.5
Guarantee scheme provision	596.9	582.4
Other retained earnings	10,809.1	11,038.3
Total retained earnings	**13,711.3**	**13,836.1**
Total equity	**16,164.2**	**16,283.1**
Subordinated loan	1,197.1	
Insurance-related liabilities in general insurance, gross		
Provision for unearned premiums, gross	7,836.7	7,325.1
Claims provision, gross	31,981.9	31,046.8
Provision for premium discounts and other profit agreements	69.9	68.8
Security provision	2,818.0	2,764.9
Total insurance-related liabilities in general insurance, gross	**42,706.5**	**41,205.6**
Provision for liabilities		
Pension liabilities	558.6	87.0
Current tax	1,030.1	663.3
Deferred tax liabilities		212.7
Other provisions	245.5	161.3
Total provision for liabilities	**1,834.2**	**1,124.2**
Liabilities		
Liabilities related to direct insurance	330.1	253.9
Liabilities related to reinsurance	137.0	184.6
Financial derivatives	506.3	321.5
Accrued dividend	2,950.0	6,400.0
Other liabilities	883.2	833.8
Liabilities to subsidiaries and associates	57.4	153.9
Total liabilities	**4,864.1**	**8,147.6**
Accrued expenses and deferred income		
Other accrued expenses and deferred income	275.6	237.8
Total accrued expenses and deferred income	**275.6**	**237.8**
Total equity and liabilities	**67,041.7**	**66,998.3**

Statement of changes in equity

Gjensidige Forsikring ASA

NOK million	Share capital	Own shares	Share premium	Other paid-in capital	Exchange differences	Remeasure-ment of the net defined benefit liab./asset	Other earned equity	Total equity
Equity as at 31.12.2012	**1,000.0**	**(0.1)**	**1,430.0**	**11.3**	**(12.5)**	**(1,314.2)**	**18,398.9**	**19,513.6**
1.1.-31.12.2013								
Profit/(loss) before components of other comprehensive income							3,160.7	3,160.7
Components of other comprehensive income								
Items that are not reclassified subsequently to profit or loss								
Remeasurement of the net defined benefit liability/asset						19.3		19.3
Tax on items that are not reclassified to profit or loss						(23.5)	36.2	12.7
Total items that are not reclassified subsequently to profit or loss						**(4.1)**	**36.2**	**32.0**
Items that may be reclassified subsequently to profit or loss								
Exchange differences from foreign operations					256.6	1.0		257.6
Exchange differences from hedging of foreign operations					(233.4)			(233.4)
Tax on items that may be reclassified to profit or loss					45.4			45.4
Total items that may be reclassified subsequently to profit or loss					**68.5**	**1.0**		**69.5**
Total components of other comprehensive income					**68.5**	**(3.2)**	**36.2**	**101.6**
Total comprehensive income for the period					**68.5**	**(3.2)**	**3,196.9**	**3,262.3**
Own shares							(5.3)	(5.3)
Accrued dividend							(6,399.5)	(6,399.5)
Equity-settled share-based payment transactions				5.7				5.7
Effect of merger							(93.8)	(93.8)
Equity as at 31.12.2013	**1,000.0**	**(0.1)**	**1,430.0**	**17.0**	**56.1**	**(1,317.3)**	**15,097.3**	**16,283.1**
1.1.-31.12.2014								
Profit/(loss) before components of other comprehensive income							5,121.3	5,121.3
Components of other comprehensive income								
Items that are not reclassified subsequently to profit or loss								
Remeasurement of the net defined benefit liability/asset						(403.1)		(403.1)
Tax on items that are not reclassified to profit or loss						108.8		108.8
Total items that are not reclassified subsequently to profit or loss						**(294.2)**		**(294.2)**
Items that may be reclassified subsequently to profit or loss								
Exchange differences from foreign operations					143.9	0.4		144.3
Exchange differences from hedging of foreign operations					(142.5)			(142.5)
Tax on items that may be reclassified to profit or loss					1.8			1.8
Total items that may be reclassified subsequently to profit or loss					**3.2**	**0.4**		**3.6**
Total components of other comprehensive income					**3.2**	**(293.9)**		**(290.7)**
Total comprehensive income for the period					**3.2**	**(293.9)**	**5,121.3**	**4,830.7**
Own shares							(6.3)	(6.3)
Accrued and paid dividend							(4,948.9)	(4,948.9)
Equity-settled share-based payment transactions				5.7				5.7
Equity as at 31.12.2014	**1,000.0**	**(0.1)**	**1,430.0**	**22.7**	**59.3**	**(1,611.2)**	**15,263.4**	**16,164.2**

Gjensidige is a leading Nordic insurance group built by customers, for customers. The Group is listed on the Oslo Stock Exchange. For nearly 200 years, we have worked passionately to secure the lives, health and assets of our customers. We have about 3,400 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer banking, pension and savings. Operating income was NOK 21 billion in 2013, while total assets was NOK 109 billion.

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