

gjensidige.com



GJENSIDIGE

INTERIM REPORT
FIRST QUARTER
2012

GJENSIDIGE INSURANCE GROUP

GROUP HIGHLIGHTS – FIRST QUARTER 2012

In the following text, figures in parentheses indicate the amount or per cent for the equivalent period last year.

THE GROUP

- Profit before tax expense: NOK 1,427.5 million (815.0)

GENERAL INSURANCE

- Earned premiums: NOK 4,353.5 million (4,224.6)
- Underwriting result: NOK 506.2 million (49.7)
- Combined ratio: 88.4 (98.8)
- Cost ratio: 15.7 (17.1)
- Return on financial assets: NOK 908.8 million (779.0).

SPECIAL FACTORS AND EVENTS

- A mild winter resulted in low claims incurred
- Limited proportion of large losses
- Ordinary dividend 2011 approved: NOK 2,275.0 million, corresponding to NOK 4.55 per share

RESULT PERFORMANCE GROUP	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
General insurance Private Norway	286.0	96.1	1,185.7
General insurance Commercial Norway	212.1	52.5	394.4
General insurance Nordic	72.2	(22.9)	75.6
General insurance Baltics	(4.1)	(6.2)	3.0
Corporate Centre/costs related to owner	(64.5)	(41.7)	(165.9)
Corporate Centre/reinsurance ¹	4.5	(28.1)	(71.9)
Underwriting result general insurance ²	506.2	49.7	1,421.0
Pension and savings	8.7	12.8	15.1
Retail bank	20.8	14.5	66.8
Return on financial assets ³	908.8	779.0	2,331.3
Amortisation and impairment losses of excess value – intangible assets	(32.5)	(45.7)	(181.5)
Other items ⁴	15.4	4.7	(5.3)
Profit/(loss) for the period before tax expense	1,427.5	815.0	3,647.4
Key figures general insurance			
Loss ratio ⁵	72.6 %	81.8 %	75.5 %
Cost ratio ⁶	15.7 %	17.1 %	16.4 %
Combined ratio ⁷	88.4 %	98.8 %	91.9 %
¹ Large losses in excess of NOK 30.0 million are charged to the Corporate Centre, while claims incurred of less than NOK 30.0 million are charged to the segment in which the large losses occurred. The segment Baltics has a retention level of EURO 0.5 million. 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 Health care services is included in Other items in 2011. ⁵ Loss ratio = claims incurred etc./earned premiums ⁶ Cost ratio = insurance-related operating expenses/earned premiums ⁷ Combined ratio = loss ratio + cost ratio			

The general insurance segments offer general and accident and health insurance products. Private Norway and Commercial Norway also offer pure risk insurance products in the area of life insurance with duration of no longer than one year.

STRONG GROUP PERFORMANCE IN THE FIRST QUARTER

GROUP PROFIT PERFORMANCE

The Group recorded a profit before tax expense for the quarter of NOK 1,427.5 million (815.0). The profit from general insurance operations measured by the underwriting result amounted to NOK 506.2 million (49.7). For the investment portfolio, the return on financial assets was 1.6 per cent (1.5) or NOK 908.8 million (779.0).

The tax expense for the quarter was NOK 336.9 million (163.4), corresponding to an effective tax rate of 23.6 per cent (20.1). Among other things, the effective tax rate is affected by realised and unrealised gains from share investments in the EEA area and profit/loss from associated companies. The increase in the effective tax rate in relation to last year is mainly due to lower profits from associated companies. The profit after tax expense was NOK 1,090.5 million (651.6).

The increase in the profit before tax expense is mainly due to a substantial improvement in general insurance operations in both Norway and the Nordic countries. A mild winter without prolonged periods of frost resulted in a significant reduction in claims incurred compared with the same period last year. Private Norway tripled its underwriting result, mainly as a result of a favourable claims trend, but also because of new and more precise premium rates and cost-cutting measures. Commercial Norway increased its earned premiums by 4.3 per cent compared with the corresponding quarter last year. The introduction of a multi-channel distribution model and new premium rates based on the same model as is used for Private Norway resulted in greater selling and distribution power in this segment. Fewer large losses and a reduction in paid claims also made a positive contribution to the strong underwriting result for Commercial Norway. The improved performance in the Nordic segment is due to improved risk pricing and more cost-efficient operation.

The support areas also developed positively in the quarter, with both Pension and savings and Retail bank recording positive results. The return on the investment portfolio was positively influenced by a strong development in the stock market during the period, in addition to a good return on corporate bonds.

EQUITY AND CAPITAL ADEQUACY

The Group's equity amounted to NOK 24,292.3 million at the end of the period. The return on equity before tax expense was 24.1 per cent (13.9). At the end of the period, the capital adequacy was 15.9 per cent (15.4). The solvency margin was 533.6 (581.5).

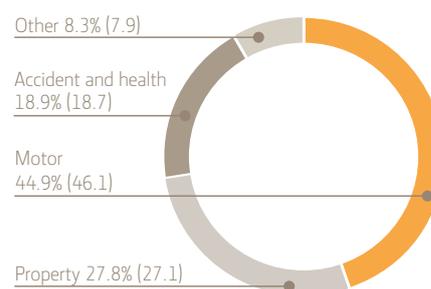
In addition to testing the capital in relation to statutory requirements, a calculation is carried out quarterly of the economic capital requirements and the requirements for maintaining an A rating from Standard and Poor's. The calculation of the economic capital requirements is performed using the Group's internal risk model, which is based on an economic valuation of assets and liabilities. Available capital in excess of this amount constitutes the Group's excess capital. To arrive at the final excess capital, a deduction is made for the estimated additional capital required to maintain the current rating and meet the statutory capital adequacy requirements. At the end of the period, the excess capital was estimated to be NOK 4.7 billion, adjusted for the approved 2011 dividend of NOK 2.3 billion.

OTHER MATTERS

Work on the Solvency II regulations is continuing in the EU. In March, it was decided to postpone the EU parliament's vote on the Omnibus II Directive, which was previously scheduled for July 2012, until September 2012. Gjensidige is preparing for implementation of the Solvency II regulations with effect for the companies from 1 January 2014.

PRODUCT GROUPS PRIVATE NORWAY

Earned premiums year to date (same period last year)



GENERAL INSURANCE – PRIVATE NORWAY

The underwriting result for the quarter was NOK 286.0 million (96.1). The combined ratio was 85.2 (94.9). The main reason for the improvement in the underwriting result was a reduction in claims incurred, but growth in earned premiums and lower operating expenses also made a positive contribution. The reduction in claims incurred was the result of fewer winter-related claims relating to the property product and a good trend in the motor product. New tariffs and increased use of pricing on a micro-segment basis have resulted in a general improvement in risk selection and profitability for these product groups.

Earned premiums amounted to NOK 1,932.3 million (1,898.0). The increase is due to premium increases. The number of customers was somewhat lower in the first quarter this year compared with the corresponding quarter last year.

The agreement with the Norwegian Automobile Federation (NAF) concerning breakdown insurance expired, as previously communicated, at the turn of the year 2011/2012. The agreement was originally part of the former collaboration with NAF and contributed earned premiums of NOK 31.5 million in the first quarter 2011. The agreement entailed that this insurance policy would break even over time.

According to the latest official quarterly statistics (Finance Norway – FNO, as of the fourth quarter 2011), Gjensidige is still the largest insurance company in the Norwegian private market, with a market share of 23.8 per cent. The positive trend in relation to the reduction in the loss of customers has continued in 2012, and the net loss of customers in the first quarter was very small. The competition situation is assessed continuously, and continuous measures are implemented to strengthen our selling power and retain good customers.

Claims incurred during the quarter amounted to NOK 1,382.1 million (1,494.2). The loss ratio was 71.5¹ (78.7). The proportion of winter-related claims was considerably lower during the first months of the year than in the same period in 2011, and the claims trend for both the property product and the motor product showed a substantial improvement. Correspondingly, the level of compensation for travel and accident and health insurance was also lower than in the same period last year.

Operating expenses in the quarter amounted to NOK 264.2 million (307.7). The cost ratio was 13.7¹ (16.2). The new distribution strategy communicated in the fourth quarter 2011 and the pertaining restructuring of the office channel resulted in a reduction of approximately NOK 5 million in expenses for staffing and office premises in the quarter compared with the corresponding quarter in 2011.

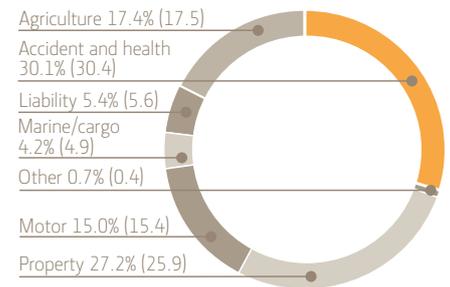
¹ Effect reclassification indirect claims handling costs: 1.3 percentage points

GENERAL INSURANCE PRIVATE NORWAY	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
Earned premiums	1,932.3	1,898.0	8,082.8
Claims incurred etc.	(1,382.1)	(1,494.2)	(5,670.9)
Operating expenses	(264.2)	(307.7)	(1,226.2)
Underwriting result	286.0	96.1	1,185.7
Amortisation and impairment losses of excess value – intangible assets	(2.4)	(2.4)	(9.5)
Large losses ¹			15.0
Run-off gains/(losses) ²	33.5	81.4	114.5
Loss ratio ³	71.5%	78.7%	70.2%
Cost ratio ⁴	13.7%	16.2%	15.2%
Combined ratio ⁵	85.2%	94.9%	85.3%

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 NORWAY

Earned premiums year to date (same period last year)



GENERAL INSURANCE – COMMERCIAL NORWAY

The underwriting result for the quarter was NOK 212.1 million (52.5). The combined ratio was 84.4 (96.0). The improvement is due to a high proportion of policies being renewed at the turn of the year, and increased sales activity during the period. An improved risk profile, especially in accident and health and motor insurance, combined with fewer winter-related claims and few large losses, made a positive contribution to the result.

Earned premiums increased to NOK 1,362.9 million (1,306.6) in the quarter. The increase mainly came from agriculture, property, assets and the accident and health products. Several large contracts were entered into for accident and health insurance at the beginning of the year. The other product areas also developed positively. The segment showed a positive trend in premiums and additional sales to existing customers.

Claims incurred amounted to NOK 974.9 million (1,064.5), which corresponds to a loss ratio of 71.5² (81.5). The product group property and business interruption contributed in particular to the reduction in claims incurred, with a significantly reduced loss ratio as a result of the absence of large losses in the quarter related to this product group. Agriculture and property also developed positively in relation to claims incurred, and had fewer claims. New tariff and changes in the portfolio resulted in considerable improvements in motor insurance. In addition, the level of accident and health claims remained low. Systematic risk management and customer selection made a positive contribution to all products.

Operating expenses in the quarter amounted to NOK 175.9 million (189.6). The cost ratio was 12.9² (14.5). The Commercial Norway segment has continuous focus on cost-efficient operation.

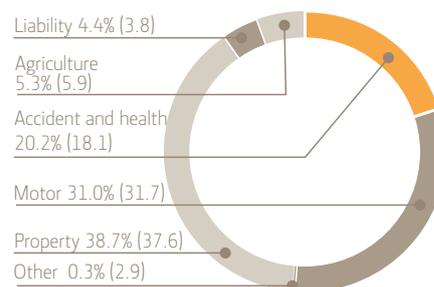
² Effect reclassification indirect claims handling costs: 1.2 percentage points

GENERAL INSURANCE COMMERCIAL NORWAY	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
Earned premiums	1,362.9	1,306.6	5,411.9
Claims incurred etc.	(974.9)	(1,064.5)	(4,283.4)
Operating expenses	(175.9)	(189.6)	(734.1)
Underwriting result	212.1	52.5	394.4
Large losses ¹	29.8	63.8	281.6
Run-off gains/(losses) ²	21.5	12.8	71.2
Loss ratio ³	71.5 %	81.5 %	79.1 %
Cost ratio ⁴	12.9 %	14.5 %	13.6 %
Combined ratio ⁵	84.4 %	96.0 %	92.7 %

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 NORDIC

Earned premiums year to date (same period last year)



GENERAL INSURANCE – NORDIC

The underwriting result for the quarter was NOK 72.2 million (a loss of NOK 22.9 million). The combined ratio was 92.0 (102.5). The improvement was due to good development in underlying profitability driven by improved risk pricing, the absence of large winter and weather-related claims and the effect of the cost-cutting measures implemented in 2011. The Danish business contributed particularly to the positive trend.

Earned premiums amounted to NOK 902.5 million (916.0). Exchange rate effects had a negative impact corresponding to NOK 20.8 million on earned premiums. The underlying business thereby developed positively, despite the relatively high loss of customers as a result of ongoing restructuring and price measures aimed at improving the profitability of the portfolio. Some loss of customers is still expected in the portfolio. There is a strong general focus

on compensating for the loss of customers by increasing activities aimed at selling new agreements with good profitability.

Claims incurred totalled NOK 690.1 million (791.5). This resulted in a loss ratio of 76.5 for the period (86.4). Exchange rate effects had a positive impact on claims incurred, corresponding to NOK 17.9 million. There was a positive development in claims incurred, mainly as a result of the mild winter. At the same time, however, claims incurred were negatively affected by a somewhat greater proportion of large losses than in the corresponding quarter last year. Run-off gains amounted to NOK 47.7 million (11.9).

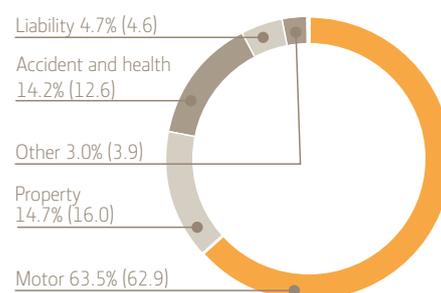
Operating expenses amounted to NOK 140.2 million (147.4). The cost ratio was 15.5 (16.1). Changes in exchange rates account for NOK 3.5 million of the nominal reduction in expenses.

GENERAL INSURANCE NORDIC	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
Earned premiums	902.5	916.0	3,635.0
Claims incurred etc.	(690.1)	(791.5)	(2,933.3)
Operating expenses	(140.2)	(147.4)	(626.1)
Underwriting result	72.2	(22.9)	75.6
Amortisation and impairment losses of excess value – intangible assets	(28.9)	(34.4)	(142.0)
Large losses ¹	44.8	29.5	132.4
Run-off gains/(losses) ²	47.7	11.9	160.8
Loss ratio ³	76.5 %	86.4 %	80.7 %
Cost ratio ⁴	15.5 %	16.1 %	17.2 %
Combined ratio ⁵	92.0 %	102.5 %	97.9 %

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

PRODUCT GROUPS BALTICS

Earned premiums year to date (same period last year)



GENERAL INSURANCE – BALTICS

The underwriting result for the quarter was a loss of NOK 4.1 million (a loss of NOK 6.2). The combined ratio was 104.0 (106.4). The profit performance in the quarter was affected by a major fire loss, a high number of winter-related claims and several medium-sized claims.

Earned premiums amounted to NOK 100.9 million (96.2). The positive development was the result of an improved trend in the Baltic insurance market. In order to increase the growth in earned premiums, intensive sales training will be given in 2012, the broker channel in Lithuania will be strengthened and cross-sales activity increased.

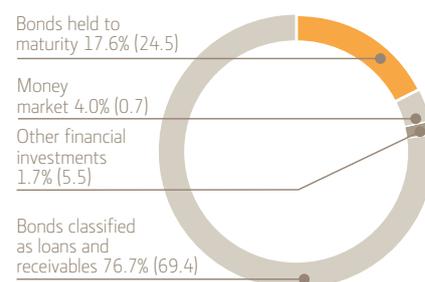
Claims incurred amounted to NOK 74.1 million (71.4). This corresponded to a loss ratio of 73.5 (74.3). The claims incurred were positively affected by a significant run-off gain, both in the quarter and in the corresponding quarter in 2011.

The nominal operating expenses amounted to NOK 30.8 million (30.9), corresponding to a cost ratio of 30.5 per cent (32.1). The implementation of cost-cutting measures contributed to stable operating expenses, despite the increase in direct and indirect taxes. The focus on internet and call centre sales will be prioritised in order to reduce operating expenses in the time ahead.

GENERAL INSURANCE BALTICS	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
Earned premiums	100.9	96.2	395.8
Claims incurred etc.	(74.1)	(71.4)	(270.7)
Operating expenses	(30.8)	(30.9)	(122.2)
Underwriting result	(4.1)	(6.2)	3.0
Amortisation and impairment losses of excess value – intangible assets	(1.2)	(1.5)	(5.5)
Large losses ¹	3.8		3.9
Run-off gains/(losses) ²	16.9	15.5	19.8
Loss ratio ³	73.5 %	74.3 %	68.4 %
Cost ratio ⁴	30.5 %	32.1 %	30.9 %
Combined ratio ⁵	104.0 %	106.4 %	99.2 %
¹ Large losses = loss event in excess of NOK 10.0 million. Claims incurred in excess of EUR 0.5 million 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			

ASSET ALLOCATION THE GROUP POLICY PORTFOLIO

At the end of the period (same period last year)



PENSION AND SAVINGS

The profit before tax expense for the quarter was NOK 8.7 million (12.8). The result for the first quarter last year included VAT reimbursement for payment transfer services of NOK 7.9 million. Adjusted for this, the profit before tax expense increased, largely as the result of growth in the customer portfolio, and particularly in the pension segment.

Earned premiums in the quarter amounted to NOK 185.2 million (106.5). The growth is due to an increase in the customer portfolio and non-recurring effects in connection with a portfolio transfer relating to an external distributor. The profit margin for savings was 0.08 per cent in the quarter, compared with 0.16 per cent in the same period last year. The reduction in margins is mainly due to an increasing proportion of large customers with lower margins.

Total operating expenses amounted to NOK 42.6 million (32.4). NOK 30.9 million (20.5) of this amount was related to the insurance operations. Corrected for the above-mentioned VAT reimbursement of NOK 7.9 million, expenses increased moderately due to increased sales commission as a result of an increase in the number of external distributors.

Assets under management in the pension operations increased by NOK 849.6 million during the quarter (452.4). The increase is due to a portfolio transfer from an external distributor, new sales and a positive market development.

At the end of the period, the pension capital amounted to NOK 9,038.6 million (7,126.5). The group policy portfolio accounted for NOK 2,717.2 million (2,265.3) of this amount.

The recognised return on the paid-up policy portfolio was 1.16 per cent (1.63) in the quarter. The reduction was mainly due to the realisation of gains in 2011 relating to equity and high yield funds. This is a satisfactory return seen in relation to the risk exposure, which reflects a conservative investment profile. The annual average interest-rate guarantee is 3.6 per cent. Also in 2012, Gjensidige intends to apply to the Financial Supervisory Authority for approval of the transfer of all or large parts of the return on financial assets over and above guaranteed interest to the risk buffer for higher life expectancy. In the first quarter, the owner's share of the return on financial assets over and above guaranteed interest amounted to approximately NOK 1.2 million.

Assets under management in the savings operations were unchanged in the quarter. This lack of growth is due to generally lower sales as a result of reduced sales capacity, and the fact that a major customer has sold out. Assets under management for the savings operations totalled NOK 9,558.0 million at the end of the quarter (5,956.6).

Total assets under management increased by NOK 848.9 million during the quarter (711.8) and amounted to NOK 18,596.5 million as of 31 March 2012 (13,083.1).

PENSION AND SAVINGS	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
Earned premiums	185.2	106.5	532.7
Claims incurred etc.	(152.9)	(82.2)	(438.0)
Operating expenses	(30.9)	(20.5)	(104.3)
Underwriting result	1.5	3.8	(9.6)
Management income	7.3	9.5	31.3
Net financial income	3.7	6.2	18.7
Other income	8.0	5.1	22.0
Other expenses	(11.7)	(11.8)	(47.3)
Profit/(loss) before tax expense	8.7	12.8	15.1
Profit margin savings, in per cent ¹	0.08	0.16	0.41
Recognised return on the paid-up policy portfolio ²	1.16	1.63	5.33
Value-adjusted return on the paid-up policy portfolio ³	1.20	1.25	4.96

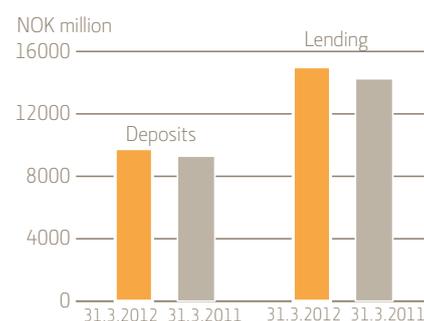
¹ Profit margin savings, in per cent = management income/average assets under management, savings

² Recognised return on the paid-up policy portfolio = realised return of the portfolio

³ Value-adjusted return on the paid-up policy portfolio = total return of the portfolio

DEPOSITS AND LENDING

At the end of the period (same period last year)



RETAIL BANK

The profit before tax expense for the quarter was NOK 20.8 million (14.5). The increase was mainly due to reduced impairment losses and losses on loans.

Net interest and credit commission income in the quarter was NOK 105.3 million (105.9). Net financial income and other income amounted to NOK 9.4 million (9.3). Customer-related commission income increased, while the effect of fair value adjustment on investments was negative.

Net interest income seen in relation to average assets under management amounted to 2.53 per cent (2.72) for the quarter. The reduction is mainly due to increased interest expenses, in addition to a greater proportion of loans being secured by a residential mortgage than during the corresponding period last year. Increased volume in the loan portfolio compensated for the reduction in income as a result of the decrease in the interest margin.

Operating expenses in the quarter amounted to NOK 75.0 million (75.2). The agreement for the purchase of support services from Sparebanken Sogn og Fjordane was not renewed when it expired on 31 December 2011. This had a positive effect on the bank's expenses, while the ongoing rating process of Gjensidige Bank and Gjensidige Bank Boligkreditt contributed to increased expenses. The cost/income ratio was 65.4 per cent (65.3).

The bank expensed NOK 18.9 million (25.6) in impairment losses and losses on loans in the quarter. The improvement compared with the same quarter last year is the result of an increase of payments received on previously written-off loans. Annualised credit losses and provisions as a percentage of gross lending were 0.51 per cent (0.73) in the quarter. This reduction is due both to a positive development in the total loan portfolio and to the higher proportion of loans secured by mortgage. The loss situation is in line with expectations.

Gross lendings increased by 5.9 per cent from the corresponding period last year, and at the end of the period they amounted to NOK 15,090.7 million (14,247.9). Deposits increased by 8.9 per cent, and at the end of the period, deposits amounted to NOK 10,115.0 million (9,290.5). The deposit-to-loan ratio was 67.0 per cent (65.2).

There is good access to external financing.

For further information about the bank's profit performance, see the interim report for Gjensidige Bank at www.gjensidige.com.

RETAIL BANK	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
NOK million			
Interest income and related income	233.5	214.7	886.7
Interest expenses and related expenses	(128.2)	(108.8)	(455.8)
Net interest and credit commission income	105.3	105.9	430.8
Net financial income and other income	9.4	9.3	39.0
Total income	114.7	115.2	469.8
Operating expenses	(75.0)	(75.2)	(308.9)
Impairment losses and losses on loans	(18.9)	(25.6)	(94.2)
Profit/(loss) before tax expense	20.8	14.5	66.8
Net interest income in per cent, annualised ¹	2.53	2.72	2.71
Annualised credit losses and provisions as a percentage of gross lending	0.51	0.73	0.65
Cost/income ratio ²	65.4	65.3	65.7
Capital adequacy ³	14.2	14.8	15.0

¹ Net interest income in per cent, annualised = net interest and credit commission income/average assets under management

² Cost/income ratio = operating expenses/total income

³ Capital adequacy = primary capital/basis of calculation for credit risk, market risk and operational risk

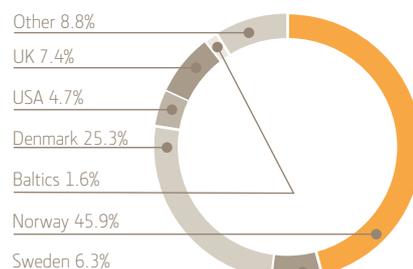
PORTFOLIO SPLIT

At the end of the period (same period last year)



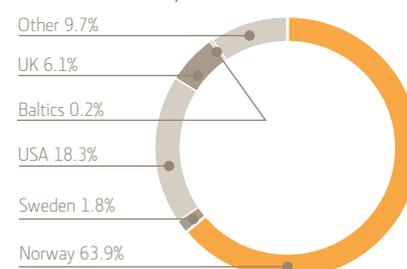
GEOGRAPHIC DISTRIBUTION MATCH PORTFOLIO

At the end of the period



GEOGRAPHIC DISTRIBUTION FIXED INCOME INSTRUMENTS IN FREE PORTFOLIO

At the end of the period



MANAGEMENT OF FINANCIAL ASSETS AND PROPERTIES

The Group's investment portfolio includes all investment funds in the Group except for investment funds in the Pension and savings segment and the Retail bank segment. The investment portfolio consists of three parts: a match portfolio, a free portfolio and associated companies. The match portfolio should correspond to the group's actuarial provisions, and it is invested in fixed-income instruments whose duration is adapted to disbursement of the actuarial provisions. The free portfolio consists of various assets. The allocation of assets in this portfolio must be seen in connection with the Group's capitalisation and pertaining risk capacity. Associated companies mainly comprise the holdings in Storebrand and SpareBank1 SR-Bank.

At the end of the period, the investment portfolio totalled NOK 56,148.9 million (54,274.8). The return amounted to NOK 908.8 million (779.0), which corresponds to a return on financial assets of 1.6 per cent (1.5). The increased return from the portfolio is largely due to a strong development in the stock markets and a good return on corporate bonds.

MATCH PORTFOLIO

The match portfolio amounted to NOK 31.4 billion (30.7) at the end of the period. The portfolio yielded a return of 1.0 per cent excluding changes in

the value of the part of the portfolio valued at amortised cost. Unrealised excess value from bonds valued at amortised cost amounted to NOK 540.8 million at the end of the period.

The average duration of the match portfolio was 3.4 years, while the average term to maturity for corresponding insurance debt was 3.7 years. See the distribution of counterparty risk and credit rating in the charts on the next page. Of the securities without an official credit rating, 18.5 per cent were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or government-guaranteed companies. Bonds with a coupon that is adjusted on the basis of the Norwegian consumer price index accounted for 12.4 per cent of the match portfolio.

The geographic distribution of the match portfolio is shown in the above chart. Bond investments in the so-called PIIGS countries amounted to NOK 360.2 million at the end of the quarter. Of this amount, NOK 296.5 million was invested in Spanish bonds issued by credit institutions that are government-guaranteed, while NOK 63.7 million was invested in Italian senior bank loans. These bond investments were part of the portfolio of bonds valued at amortised cost. No impairment losses have been recognised for these bonds during the quarter.

FINANCIAL ASSETS AND PROPERTIES	Result 1.1.-31.3.		Carrying amount 31.3.	
	2012	2011	2012	2011
NOK million				
<i>Match portfolio</i>				
Money market	20.9	25.9	3,728.8	3,503.5
Bonds at amortized cost	251.9	201.4	19,801.2	18,377.4
Current bonds ¹	30.3	8.8	7,906.0	8,791.5
Match portfolio total	303.0	236.1	31,436.1	30,672.4
Associated companies	123.9	232.3	4,571.1	4,452.5
<i>Free portfolio</i>				
Money market	55.8	31.3	8,000.9	5,891.3
Other bonds ²	171.0	106.1	3,395.3	2,135.1
Convertible bonds ³	35.4	15.1	695.4	742.0
Current equities	109.0	15.6	1,155.0	1,610.9
PE funds	29.7	72.6	1,309.2	1,277.9
Property	69.3	107.7	4,363.9	6,472.9
Other ⁴	11.8	(37.8)	1,222.1	1,019.9
Free portfolio total	481.9	310.6	20,141.7	19,149.9
Financial profit/(loss) on the investment portfolio	908.8	779.0	56,148.9	54,274.8
Financial income in Pension and savings and Retail bank	11.7	11.6		
Net income from investments	920.5	790.6		

¹ The item includes the discounting effects of insurance obligations in Denmark and mismatch between interest rate adjustments on the liability side in Denmark versus the interest rate hedge.

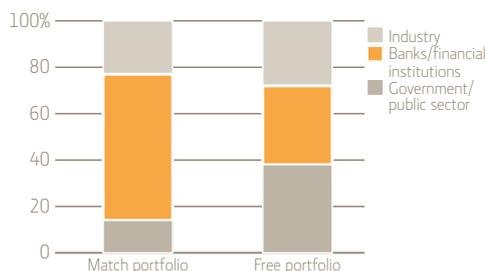
² The item consist of total investment grade, high yield and current bonds. Investment grade and high yield are investments in international diversified funds externally managed.

³ Investments in international diversified funds externally managed.

⁴ The item includes currency hedging of Gjensidige Sverige, Gjensidige Baltic and Gjensidige Denmark, and lendings, deposits in Gjensidige Pensjonskasse and hedge funds.

COUNTERPARTY RISK FIXED INCOME INSTRUMENTS

At the end of the period



FREE PORTFOLIO

The free portfolio amounted to NOK 20.1 billion (19.1) at the end of the period. The return from the portfolio was 2.3 per cent.

Interest-bearing instruments

The fixed-income instruments yielded a return of 2.2 per cent during the period. Convertible bonds and high yield bonds in particular yielded a strong return. The general interest rate level in the quarter was stable to falling, and the credit margins were reduced.

The average duration in the portfolio was approximately 1.1 years at the end of the period. See the distribution of counterparty risk and credit rating in the charts above. Of the securities without an official credit rating, 15.3 per cent were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or government-guaranteed companies. For geographic portfolio distribution, see chart on previous page.

Equity portfolio

At the end of the period, total equity exposure (excluding associated companies) was NOK 2.5 billion (2.9). The return on the equity portfolio was 5.9 per cent in the quarter. The return from current equities was 10.3 per cent, which was about on a par with the general market return.

CREDIT RATING FIXED INCOME INSTRUMENTS

At the end of the period



Property portfolio

The property portfolio yielded a return of 1.3 per cent. There was a good return on properties owned directly, while the value of real estate funds decreased by NOK 28.2 million. The general required rate of return in connection with the valuation of the properties was 6.6 per cent. The individual valuations resulted in a write-up of approximately NOK 16.6 million as a result of adjustments for certain individual properties. No external valuations of individual properties were carried out in the first quarter.

The portfolio is concentrated in office properties in Oslo, but it also includes office properties in other Norwegian cities and two office buildings in Copenhagen. In addition, a small part of the portfolio is invested in international property funds. Four shopping centres were transferred to new owners during the quarter in accordance with agreements entered into in December 2011.

ASSOCIATED COMPANIES

Associated companies amounted to NOK 4.6 billion (4.5) at the end of the period. The shareholding in Storebrand was recognised in the amount of NOK 3,549.9 million. The corresponding figure for the investment in SpareBank1 SR-Bank was NOK 990.3 million.

The return on associated companies was 2.7 per cent in the quarter, amounting to NOK 123.9 million. NOK 95.0 million of this amount was Gjensidige's estimated

RETURN PER ASSET CLASS	1.1.-31.3. 2012	1.1.-31.3. 2011	1.1.-31.12. 2011
Per cent			
<i>Match portfolio</i>			
Money market	0.6 %	0.7 %	3.6 %
Bonds at amortized cost	1.3 %	1.1 %	4.9 %
Current bonds ¹	0.4 %	0.1 %	2.0 %
Match portfolio total	1.0 %	0.8 %	3.9 %
Associated companies	2.7 %	5.3 %	9.8 %
<i>Free portfolio</i>			
Money market	0.7 %	0.6 %	2.9 %
Other bonds ²	4.9 %	4.8 %	3.7 %
Convertible bonds ³	5.2 %	2.4 %	(6.3 %)
Current equities	10.3 %	1.0 %	(14.9 %)
PE-funds	2.3 %	6.1 %	14.5 %
Property	1.3 %	1.7 %	6.7 %
Other ⁴	0.9 %	(2.9 %)	8.1 %
Free portfolio total	2.3 %	1.7 %	3.8 %
Financial profit/(loss) on the investment portfolio	1.6 %	1.5 %	4.4 %

¹ The item includes the discounting effects of insurance obligations in Denmark and mismatch between interest rate adjustments on the liability side in Denmark versus the interest rate hedge.

² The item consist of total investment grade, high yield and current bonds. Investment grade and high yield are investments in international diversified funds externally managed.

³ Investments in international diversified funds externally managed.

⁴ The item includes currency hedging of Gjensidige Sverige, Gjensidige Baltic and Gjensidige Denmark, and lendings, deposits in Gjensidige Pensjonskasse and hedge funds.

share of Storebrand's profit for the quarter, including the amortisation of excess value. Gjensidige's estimated share of Sparebanken1 SR-Bank's profit for the quarter amounted to NOK 28.9 million, including the amortisation of excess value.

ORGANISATION

The Group had a total of 3,120 employees at the end of the period, compared with 3,116 employees at the end of 2011.

The number of employees broke down as follows: 1,981 employees in general insurance operations in Norway (1,969), 121 employees in Gjensidige Bank (125), and 51 employees in Gjensidige Pensjon og Sparing (50). The Gjensidige Group had 449 (449) employees in Denmark at the end of the quarter, 91 (90) in Sweden and 427 (433) (excluding agents) in the Baltics. (The figures in brackets refer to the number of employees at the end of 2011.)

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors' proposal of a dividend of NOK 2,275.0 million was approved by the annual general meeting on 19 April 2012. No other significant events have occurred after the end of the period.

OUTLOOK

There is still uncertainty attached to the changed framework conditions for the financial sector in Norway and abroad. Combined with uncertainty about the

international economic situation and financial challenges in several key economies, the situation means uncertainty for Gjensidige as well. Gjensidige has a robust investment strategy, it is financially sound and it has a significant part of its business in the Norwegian general insurance market.

The macro situation for the Norwegian general insurance operations is deemed to be good. In Denmark, the property market is still weak. An improvement in this market would have a positive impact on the company's earned premiums. In the Baltics, the economy is developing in a positive direction, which is expected to have a positive effect on earned premiums.

The underwriting result in the first quarter was influenced by the unusually mild winter. Gjensidige's profitability targets remain unchanged and profitability is prioritised above growth.

Efforts to retain customers continue with full force. Combined with the training of employees and continuous work on further developing price models, new customer-oriented improvement measures are expected to result in more satisfied customers and good competitiveness.

Gjensidige has substantial capital buffers in relation to both internal risk models and statutory capital adequacy requirements. The Board considers the Group's capital situation and financial strength to be good.

Sollerud, 3 May 2012

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

Cisele Marchand

Gunnar Mjåtvedt

Mari T. Skjærstad

Randi B. Sætershagen

Helge Leiro Baastad
CEO

CONSOLIDATED INCOME STATEMENT

NOK million	Notes	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
Operating income				
Earned premiums from general insurance		4,353.5	4,224.6	17,548.1
Earned premiums from pension		185.2	106.5	532.7
Interest income and credit commission income from banking operations		233.5	214.7	886.7
Other income including eliminations		19.9	170.7	414.1
Total operating income	3	4,792.2	4,716.6	19,381.5
Net income from investments				
Income from investments in associates		123.9	232.3	431.6
Net operating income from property		89.9	113.1	419.9
Interest income and dividend etc. from financial assets		399.7	399.6	1,449.2
Net changes in fair value on investments (incl. property)		89.3	(190.5)	(112.2)
Net realised gain and loss on investments		261.6	274.3	379.7
Expenses related to investments		(43.9)	(38.3)	(192.6)
Total net income from investments		920.5	790.6	2,375.6
Total operating income and net income from investments		5,712.7	5,507.2	21,757.1
Claims, loss etc.				
Claims incurred etc. from general insurance	5, 6	(3,162.2)	(3,454.1)	(13,249.3)
Claims incurred etc. from pension		(152.9)	(82.2)	(438.0)
Interest expenses etc. and loss on loans/quarantees from banking operations		(147.1)	(134.4)	(550.0)
Total claims, interest expenses, loss etc.		(3,462.2)	(3,670.6)	(14,237.2)
Operating expenses				
Operating expenses from general insurance		(685.1)	(720.8)	(2,877.9)
Operating expenses from pension		(30.9)	(20.5)	(104.3)
Operating expenses from banking operation		(75.0)	(75.2)	(308.9)
Other operating expenses		0.5	(159.3)	(399.9)
Amortisation and impairment losses of excess value - intangible assets		(32.5)	(45.7)	(181.5)
Total operating expenses		(823.0)	(1,021.5)	(3,872.5)
Total expenses		(4,285.2)	(4,692.2)	(18,109.7)
Profit/(loss) for the period before tax expense	3	1,427.5	815.0	3,647.4
Tax expense		(336.9)	(163.4)	(899.5)
PROFIT/(LOSS) FOR THE PERIOD		1,090.5	651.6	2,747.9
Earnings per share, NOK (basic and diluted)		2.18	1.30	5.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK million	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
Profit/(loss) for the period	1,090.5	651.6	2,747.9
Components of other comprehensive income			
Exchange differences	(11.7)	20.9	(5.9)
Share of other comprehensive income of associates	0.8		(48.2)
Actuarial gains and losses on pension			(339.8)
Tax on other comprehensive income	(16.2)	8.5	89.8
Total components of other comprehensive income	(27.1)	29.4	(304.2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,063.4	680.9	2,443.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	Notes	31.3.2012	31.3.2011	31.12.2011
ASSETS				
Goodwill		2,266.2	2,587.4	2,374.8
Other intangible assets		1,187.7	1,355.9	1,201.7
Deferred tax assets		5.3		7.4
Investments in associates		4,571.1	4,452.5	4,478.2
Owner-occupied property		266.1	318.4	270.7
Plant and equipment		228.8	325.9	238.4
Investment properties		3,884.6	5,922.0	5,248.1
Financial assets				
Financial derivatives		495.8	120.8	547.4
Shares and similar interests		5,000.1	5,039.7	4,021.7
Bonds and other securities with fixed income		22,134.0	18,420.1	19,747.1
Bonds held to maturity		10,184.8	14,364.1	11,693.4
Loans and other receivables		27,449.8	20,611.4	24,456.5
Assets in life insurance with investment options		6,279.5	4,826.9	5,542.1
Reinsurance deposits		0.6	0.7	0.8
Reinsurers' share of insurance-related liabilities in general insurance, gross		958.3	829.4	1,022.8
Receivables related to direct operations and reinsurance		5,106.7	4,977.1	3,791.1
Other receivables		360.6	523.6	227.6
Prepaid expenses and earned, not received income		106.7	68.0	108.9
Cash and cash equivalents		2,276.9	3,446.5	3,513.3
TOTAL ASSETS		92,763.7	88,190.4	88,491.9
EQUITY AND LIABILITIES				
Equity				
Share capital		999.9	999.9	999.9
Premium reserve		1,430.0	1,430.0	1,430.0
Other equity		21,862.4	21,388.9	20,798.7
Total equity		24,292.3	23,818.9	23,228.6
Provision for liabilities				
Provision for unearned premiums, gross	8	12,327.7	11,892.8	9,531.4
Claims provision, gross	7	29,491.3	28,618.5	29,961.6
Other technical provisions		134.9	128.2	126.9
Pension liabilities		937.9	727.9	951.6
Other provisions		150.5	131.6	174.9
Financial liabilities				
Financial derivatives		81.0	22.3	69.4
Deposits from and liabilities to customers		10,115.0	9,290.5	9,776.2
Interest-bearing liabilities		5,233.5	4,899.6	5,263.4
Other liabilities		776.8	1,160.6	1,172.6
Deferred tax liabilities		1,162.5	537.9	950.3
Liabilities related to direct insurance		886.8	1,108.3	1,003.6
Accrued dividend		551.1	693.1	477.1
Liabilities in life insurance with investment options		6,279.5	4,826.9	5,542.1
Accrued expenses and deferred income		343.1	333.4	262.2
Total liabilities		68,471.4	64,371.5	65,263.4
TOTAL EQUITY AND LIABILITIES		92,763.7	88,190.4	88,491.9

Sollerud, 3 May 2012

The Board of Gjensidige Forsikring ASA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK million	Share capital	Own shares	Premium reserve	Exchange differences	Actuarial gains/losses pension	Other paid in capital	Other earned equity	Total equity
Equity as at 31.12.2010	1,000.0	(0.1)	1,430.0	(134.8)	(2,124.0)	7.5	22,959.1	23,137.8
1.1.-31.12.2011								
Profit/(loss) for the period							2,747.9	2,747.9
Components of other comprehensive income								
Exchange differences				(7.0)	1.0			(5.9)
Share of other comprehensive income of associates							(48.2)	(48.2)
Actuarial gains and losses on pension					(339.8)			(339.8)
Tax on other comprehensive income							89.8	89.8
Total components of other comprehensive income				(7.0)	(338.8)		41.5	(304.2)
Total comprehensive income for the period				(7.0)	(338.8)		2,789.4	2,443.7
Own shares		(0.1)					(3.9)	(4.0)
Paid dividend							(2,349.9)	(2,349.9)
Actuarial gains and losses on sold companies					(13.3)		13.3	
Equity-settled share-based payment transactions						1.0		1.0
Equity as at 31.12.2011	1,000.0	(0.1)	1,430.0	(141.7)	(2,476.1)	8.4	23,408.1	23,228.6
1.1.-31.3.2012								
Profit/(loss) for the period							1,090.5	1,090.5
Components of other comprehensive income								
Exchange differences				(11.7)				(11.7)
Share of other comprehensive income and expenses of associates							0.8	0.8
Tax on other comprehensive income							(16.2)	(16.2)
Total components of other comprehensive income				(11.7)			(15.4)	(27.1)
Total comprehensive income for the period				(11.7)			1,075.1	1,063.4
Equity-settled share-based payment transactions						0.3		0.3
Equity as at 31.3.2012	1,000.0	(0.1)	1,430.0	(165.1)	(2,476.1)	8.7	24,467.8	24,292.3
1.1.-31.3.2011								
Profit for the period							651.6	651.6
Other comprehensive income								
Exchange differences				20.9				20.9
Tax on other comprehensive income							8.5	8.5
Total other comprehensive income				20.9			8.5	29.4
Total for the period				20.9			660.0	681.0
Own shares							0.2	0.2
Equity as at 31.3.2011	1,000.0	(0.1)	1,430.0	(113.8)	(2,124.0)	7.5	23,619.3	23,818.9

CONSOLIDATED STATEMENT OF CASH FLOWS

NOK million	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
Cash flow from operating activities			
Premiums paid, net of reinsurance	6,352.4	6,552.8	20,380.9
Claims paid, net of reinsurance	(3,860.0)	(3,523.4)	(13,307.5)
Net payment of loans to customers	(57.7)	(747.9)	(857.8)
Net payment of deposits from customers	338.7	170.5	656.2
Payment of interest from customers	223.7	205.2	848.3
Payment of interest to customers	(1.1)	(0.2)	(281.5)
Net receipts/payments on premium reserve transfers	(60.5)	(134.7)	(235.5)
Net receipts/payments from financial assets	(4,261.1)	(872.9)	(2,095.0)
Net receipts/payments from properties	1,200.3	84.5	1,131.3
Operating expenses paid, including commissions	(682.7)	(920.3)	(3,540.1)
Taxes paid	(138.6)	(12.3)	(364.5)
Net other receipts/payments	13.4	161.2	381.2
Net cash flow from operating activities	(933.0)	962.6	2,716.1
Cash flow from investing activities			
Net receipts/payments from sale/aquisition of subsidiaries and associated companies	(13.7)	(32.0)	229.6
Net receipts/payments on sale/aquisition of owner-occupied property, plant and equipment	113.9	(31.3)	(56.9)
Dividends from associated companies	31.1		177.4
Net cash flow from investing activities	131.3	(63.3)	350.1
Cash flow from financing activities			
Payment of dividend			(2,349.9)
Net receipts/payments on loans to credit institutions	(378.7)	(320.0)	61.4
Net receipts/payments on other short-term liabilities	(8.0)	9.0	14.0
Net receipts/payments on interest on funding activities	(41.0)	(36.9)	(169.6)
Net cash flow from financing activities	(427.8)	(347.9)	(2,444.2)
Effect of currency exchange rate changes on cash and cash equivalents	(6.8)	5.2	1.3
Net cash flow for the period	(1,236.4)	556.6	623.3
Cash and cash equivalents at the start of the period	3,513.3	2,889.9	2,889.9
Cash and cash equivalents at the end of the period	2,276.9	3,446.5	3,513.3
Net cash flow for the period	(1,236.4)	556.6	623.3
Specification of cash and cash equivalents			
Cash and deposits with central banks	1,305.3	3,036.5	3,151.4
Deposits with credit institutions	971.6	410.0	361.9
Total cash and cash equivalents	2,276.9	3,446.5	3,513.3

NOTES

1. ACCOUNTING POLICIES

The consolidated financial statements as of the first quarter of 2012, which ended on 31 March 2012, include Gjensidige Forsikring and its subsidiaries (together referred to as the Group) and the Group's holdings in associated companies. The accounting policies used in this interim report are the same as those used in the annual report for 2011.

The consolidated financial statements as of the first quarter of 2012 have been prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information required in complete annual financial statements and should be read with reference to the annual report for 2011.

The following International Financial Reporting Standards (IFRS) and interpretation statements have been published up until 3 May 2012, without them having entered into force or having been implemented early:

Standards that can influence accounting principles

- Amendments to IAS 12 *Income Taxes*, which enter into force on 1 January 2012, but have not yet been approved by the EU, will not have any significant effect.
- IFRS 9 *Financial Instruments*, issued in November 2009 and October 2010, is expected to enter into force on 1 January 2015. This is the first phase of the International Accounting Standards Board's (IASB) three-phase project aimed at replacing IAS 39. It concerns the classification and measurement of financial assets and liabilities. Financial assets will be classified either at fair value or at amortised cost, depending on how they are managed and on what contractual cash flow characteristics they have. Phases two and three concern impairment losses and hedge accounting, respectively. The standard is still being prepared and is not yet completed. Our preliminary assessment is that the standard can result in the reclassification of financial instruments in the consolidated financial statements.
- Based on our preliminary assessments and on the basis of Gjensidige's current operations, neither IFRS 10 *Consolidated Financial Statements* nor IFRS 11 *Joint Arrangements*, which enter into force on 1 January 2013, but which it is uncertain whether the EU will have approved by that date, will have a significant effect on our accounting items.

- Based on our preliminary assessments and on the basis of Gjensidige's current operations, IFRS 13 *Fair Value Measurements*, which enters into force on 1 January 2013, will not have any significant effect.
- Amendments to IAS 19 *Employee Benefits*, which enter into force on 1 January 2013, will, using the same interest rate to calculate the expected return on the pension assets as for discounting the pension commitments, entail higher recognised pension costs, but it is not expected that this change will be significant for the overall group profit/loss. The other amendments will not have any significant effect for Gjensidige.

Standards that will affect disclosure requirements

- Several amendments have been made to IFRS 7 *Disclosure – Financial Instruments* with different commencement dates, and to IFRS 12 *Disclosure of Interests in Other Entities*, which enters into force on 1 January 2013, but which it is uncertain when the EU will approve. All these will entail additional disclosure requirements for us.

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

Preparation of interim financial statements involves the use of assessments, estimates and assumptions that affect the use of accounting policies and recognised amounts for assets and liabilities, revenues and expenses. Actual results may deviate from these estimates. The most material assessments connected with the use of the Group's accounting policies and the key sources of uncertainty in the estimates are the same in preparing the interim financial statements as in the annual report for 2011.

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

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

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 activities consist of the segments general insurance – Private Norway, Commercial Norway, Nordic and Baltics. In addition, the Group has operations in the segments Pension and savings and Retail bank.

The segments are evaluated regularly by Gjensidige's Senior Group Management on the basis of financial and operational information prepared especially 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, management income and other income for Pension and savings and interest and credit commission income and other income for Retail bank.

Segment result is defined as underwriting result for general insurance and profit before tax expense for Pension and savings and Retail bank.

1.1.-31.3. NOK million	GENERAL INSURANCE														Total	
	Private Norway		Commercial Norway		Nordic		Baltics		Pension and savings		Retail bank		Eliminations etc. ¹		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Segment income																
Segment income – external	1,932.3	1,898.0	1,362.9	1,306.6	902.5	916.0	100.9	96.2	200.5	121.1	234.9	218.7	58.2	159.9	4,792.2	4,716.6
Segment income – group ²																
Total segment income	1,932.3	1,898.0	1,362.9	1,306.6	902.5	916.0	100.9	96.2	200.5	121.1	234.9	218.7	58.2	159.9	4,792.2	4,716.6
- Claims, interest expenses, loss etc.	(1,382.1)	(1,494.2)	(974.9)	(1,064.5)	(690.1)	(791.5)	(74.1)	(71.4)	(152.9)	(82.2)	(147.1)	(134.4)	(41.0)	(32.4)	(3,462.2)	(3,670.6)
- Operating expenses	(264.2)	(307.7)	(175.9)	(189.6)	(140.2)	(147.4)	(30.8)	(30.9)	(42.6)	(32.4)	(75.0)	(75.2)	(94.3)	(238.3)	(823.0)	(1,021.5)
+ Net income from investments									3.7	6.2	8.0	5.3	908.8	779.0	920.5	790.6
Segment result/profit/(loss) before tax expense	286.0	96.1	212.1	52.5	72.2	(22.9)	(4.1)	(6.2)	8.7	12.8	20.8	14.5	831.8	668.2	1,427.5	815.0

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

² There is no significant income between the segments at this level in 2012 and 2011.

4. EARNED PREMIUMS FROM GENERAL INSURANCE

NOK million	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
Gross premiums written	7,246.7	7,059.9	18,111.9
Ceded reinsurance premiums	(388.2)	(347.6)	(517.2)
Premiums written, net of reinsurance	6,858.5	6,712.2	17,594.7
Change in gross provision for unearned premiums	(2,788.8)	(2,692.7)	(32.3)
Change in provision for unearned premiums, reinsurers' share	283.8	205.1	(14.2)
Total earned premiums from general insurance	4,353.5	4,224.6	17,548.1

5. CLAIMS INCURRED ETC. FROM GENERAL INSURANCE

NOK million	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
Gross paid claims	(3,690.1)	(3,294.1)	(13,101.8)
Paid claims, reinsurers' share	266.8	14.9	485.2
Change in gross provision for claims	460.9	(234.8)	(1,023.8)
Change in provision for claims, reinsurers' share	(156.8)	100.0	545.1
Premium discounts and other profit agreements	(43.0)	(40.1)	(154.0)
Total claims incurred etc. from general insurance	(3,162.2)	(3,454.1)	(13,249.3)

From and including the fourth quarter 2011, the classification of indirect claims settlement costs in the Norwegian part of the business has been changed. Indirect claims settlement costs such as part of ICT, management and rent have previously not been classified as claims settlement costs.

6. RUN-OFF GAIN/(LOSS)

NOK million	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.12.2011
General insurance			
Earned premiums from general insurance	4,353.5	4,224.6	17,548.1
Run-off gain/(loss) for the period, net of reinsurance	119.7	121.6	366.3
In per cent of earned premiums from general insurance	2.7	2.9	2.1

7. CLAIMS PROVISION, GROSS

NOK million	31.3.2012	31.3.2011	31.12.2011
General insurance			
Claims provision, gross, 1.1.	29,785.7	28,214.4	28,214.4
Additions from acquisitions	161.2	5.6	
Claims for the year	3,295.5	3,638.1	14,490.4
Claims incurred in prior years, gross	(66.3)	(109.2)	(364.9)
Claims paid	(3,690.1)	(3,294.1)	(13,101.8)
Discounting of claims provisions	22.7	29.5	114.7
Change in discounting rate	(99.7)	(24.2)	453.0
Exchange differences	(143.9)	41.6	(20.2)
Claims provision, gross, at the end of the period	29,265.1	28,501.7	29,785.7
Pension			
Claims provision, gross, 1.1.	175.9	124.9	124.9
Claims for the year	152.9	82.2	438.0
Claims paid	(35.6)	(24.3)	(108.2)
Transfer of pension savings	(67.0)	(66.0)	(278.9)
Claims provision, gross, at the end of the period	226.2	116.8	175.9
Group			
Claims provision, gross, 1.1.	29,961.6	28,339.3	28,339.3
Additions from acquisitions	161.2	5.6	
Claims for the year	3,448.4	3,720.3	14,928.4
Claims incurred in prior years, gross	(66.3)	(109.2)	(364.9)
Claims paid	(3,725.8)	(3,318.4)	(13,209.9)
Discounting of claims provisions	22.7	29.5	114.7
Change in discounting rate	(99.7)	(24.2)	453.0
Transfer of pension savings	(67.0)	(66.0)	(278.9)
Exchange differences	(143.9)	41.6	(20.2)
Claims provision, gross, at the end of the period	29,491.3	28,618.5	29,961.6
Discounted claims provision, gross - Gjensidiges Arbejdsskadeforsikring A/S	3,783.9	3,535.9	3,960.9
Undiscounted claims provision, gross - Gjensidiges Arbejdsskadeforsikring A/S	4,869.3	5,091.5	5,011.9

The claims provisions shall cover future claims payments. The claims provisions for Gjensidiges Arbejdsskadeforsikring A/S are converted to present value (discounted), whereas other provisions are undiscounted.

The reason why the claims provisions for Gjensidiges Arbejdsskadeforsikring A/S 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 that is used has been determined by Finanstilsynet (the Financial Supervisory Authority) in Denmark pursuant to Danish accounting standards (Danish GAAP).

8. PROVISION FOR UNEARNED PREMIUMS, GROSS

NOK million	31.3.2012	31.3.2011	31.12.2011
General insurance	9,890.2	9,789.0	7,132.0
Pension and savings	2,437.5	2,103.9	2,399.4
Provision for unearned premiums, gross	12,327.7	11,892.8	9,531.4

9. CONTINGENT LIABILITIES

NOK million	31.3.2012	31.3.2011	31.12.2011
Guarantees and committed capital			
Gross guarantees	0.1	0.6	0.1
Committed capital, not paid	718.6	689.9	746.0

As part of its ongoing financial management the Company has undertaken to invest up to NOK 718.6 million in various private equity and real estate investments, over and above the amounts recognised in the balance sheet. Investments in private equity and real estate funds totalled NOK 1,506.4 million at the end of the period.

There are contractual commitments regarding developing of investment properties amounting to NOK 48.0 million, and a commitment to invest NOK 15.0 million in a residential development project. The latter commitment will fall due during the period from 2012 to 2013, depending on the project's progress.

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

10. 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

		1.1.-31.3. 2012	1.1.-31.3. 2011	1.1.-31.12. 2011
GJENSIDIGE INSURANCE GROUP				
Return on financial assets ¹	%	1.6	1.5	4.4
Equity	NOK million	24,292.3	23,818.9	23,228.6
Return on equity, annualised ²	%	24.1	13.9	15.9
Equity per share	NOK	48.6	47.6	46.5
Capital adequacy ratio ³	%	15.9	15.4	16.2
Solvency margin Gjensidige Forsikring ⁴	%	533.6	581.5	535.2
SHARE CAPITAL				
Issued shares, at the end of the period	Number	500,000,000	500,000,000	500,000,000
Earnings per share in the period (basic and diluted) ⁵	NOK	2.18	1.30	5.50
GENERAL INSURANCE				
Market share non-marine insurance Norway (Fincance Norway) per Q4 11	%	26.3	27.9	26.3
Gross premiums written				
Private	NOK million	2,480.7	2,441.7	8,216.9
Commercial	NOK million	2,501.6	2,514.5	5,658.1
Nordic	NOK million	1,966.3	1,993.6	3,807.3
Baltics	NOK million	121.5	110.0	429.5
Corporate Centre/reinsurance	NOK million	176.5		
Total	NOK million	7,246.7	7,059.9	18,111.9
Premiums, net of reinsurance ⁶	%	94.6	95.1	97.1
Earned premiums				
Private	NOK million	1,932.3	1,898.0	8,082.8
Commercial	NOK million	1,362.9	1,306.6	5,411.9
Nordic	NOK million	902.5	916.0	3,635.0
Baltics	NOK million	100.9	96.2	395.8
Corporate Centre/reinsurance	NOK million	55.0	7.8	22.6
Total	NOK million	4,353.5	4,224.6	17,548.1
Loss ratio ⁷				
Private	%	71.5	78.7	70.2
Commercial	%	71.5	81.5	79.1
Nordic	%	76.5	86.4	80.7
Baltics	%	73.5	74.3	68.4
Total	%	72.6	81.8	75.5
Cost ratio ⁸				
Private	%	13.7	16.2	15.2
Commercial	%	12.9	14.5	13.6
Nordic	%	15.5	16.1	17.2
Baltics	%	30.5	32.1	30.9
Total	%	15.7	17.1	16.4
Combined ratio ⁹				
Private	%	85.2	94.9	85.3
Commercial	%	84.4	96.0	92.7
Nordic	%	92.0	102.5	97.9
Baltics	%	104.0	106.4	99.2
Total	%	88.4	98.8	91.9
Combined ratio discounted ¹⁰	%	84.1	93.6	87.1

		1.1.-31.3. 2012	1.1.-31.3. 2011	1.1.-31.12. 2011
PENSION AND SAVINGS				
Assets under management pension, addition in the period	NOK million	849.6	452.4	1,514.9
Assets under management savings, addition in the period	NOK million	(0.7)	259.4	3,861.5
Assets under management pension at the end of the period	NOK million	9,038.6	7,126.5	8,188.9
of which the group policy portfolio	NOK million	2,717.2	2,265.3	2,620.6
Assets under management savings at the end of the period	NOK million	9,558.0	5,956.6	9,558.7
Profit margin savings, in per cent ¹¹	%	0.08	0.16	0.41
Recognised return on the paid-up policy portfolio, in per cent ¹²	%	1.16	1.63	5.33
Value-adjusted return on the paid-up policy portfolio, in per cent ¹³	%	1.20	1.25	4.96
Number of customers (pension), at the end of the period	Number	87,948	70,727	80,796
Number of customers (savings), at the end of the period	Number	5,054	5,385	5,145
Customers (pension) with insur. agreem. at the end of the per.	Number	74,756	60,118	68,677
Customers (savings) with insur. agreem. at the end of the per.	Number	3,791	4,036	4,219
Return on equity, annualised ²	%	5.9	10.9	3.1
RETAIL BANK				
Gross lending, addition in the period	NOK million	71.6	128.4	899.5
Deposits, addition in the period	NOK million	338.7	170.5	656.2
Gross lending, at the end of the period	NOK million	15,090.7	14,247.9	15,019.0
Deposits, at the end of the period	NOK million	10,115.0	9,290.5	9,776.2
Deposits-to-loan ratio at the end of the period ¹⁴	%	67.0	65.2	65.1
Net interest income in per cent, annualised ¹⁵	%	2.53	2.72	2.71
Annualised credit losses and provisions as a percentage of gross lending	%	0.51	0.73	0.65
Cost/income ratio ¹⁶	%	65.4	65.3	65.7
Customers, at the end of the period	Number	100,530	92,402	98,183
Customers with insurance agreements, at the end of the period	Number	47,715	44,850	47,396
Capital adequacy ¹⁷	%	14.2	14.8	15.0
Return on equity, annualised ²	%	6.6	4.5	5.2

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

⁴ The solvency margin is calculated at the company level and in accordance with the rules of the Financial Supervisory Authority of Norway

⁵ 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

⁶ Premiums, net of reinsurance = gross premiums written, net of reinsurance/gross premiums written (general insurance)

⁷ Loss ratio = claims incurred etc./earned premiums

⁸ Cost ratio = operating expenses/earned premiums

⁹ Combined ratio = loss ratio + cost ratio

¹⁰ Combined ratio discounted = combined ratio if claims provisions had been discounted

¹¹ Profit margin savings, in per cent = management income/average assets under management, savings

¹² Recognised return on the paid-up policy portfolio = realised return of the portfolio

¹³ Value-adjusted return on the paid-up policy portfolio = total return of the portfolio

¹⁴ Deposit-to-loan ratio = deposits as a percentage of gross lending

¹⁵ Net interest income in per cent, annualised = net interest and credit commission income/average assets under management

¹⁶ Cost/income ratio = operating expenses/total income

¹⁷ Capital adequacy = primary capital/basis of calculation for credit risk, market risk and operational risk

QUARTERLY EARNINGS PERFORMANCE

NOK million	1 q. 2012	4 q. 2011	3 q. 2011	2 q. 2011	1 q. 2011	4 q. 2010	3 q. 2010	2 q. 2010	1 q. 2010
Earned premiums from general insurance	4,353.5	4,371.6	4,537.8	4,414.0	4,224.6	4,426.8	4,535.9	4,289.4	3,811.2
Other income	438.7	399.3	418.7	523.5	492.0	455.8	426.5	462.5	382.7
Total operating income	4,792.2	4,771.0	4,956.5	4,937.5	4,716.6	4,882.6	4,962.3	4,751.9	4,193.9
Total net income from investments	920.5	691.7	240.9	652.4	790.6	803.0	803.9	294.9	846.4
Total operating income and net income from investments	5,712.7	5,462.6	5,197.4	5,589.9	5,507.2	5,685.6	5,766.3	5,046.8	5,040.3
Claims incurred etc. from general insurance	(3,162.2)	(3,457.2)	(3,278.5)	(3,059.5)	(3,454.1)	(3,383.2)	(3,260.0)	(3,269.3)	(3,544.1)
Other claims, interest expenses, loss etc.	(300.0)	(277.5)	(254.8)	(239.1)	(216.6)	(191.9)	(187.0)	(215.4)	(148.7)
Total claims, loss etc.	(3,462.2)	(3,734.7)	(3,533.3)	(3,298.6)	(3,670.6)	(3,575.2)	(3,447.0)	(3,484.7)	(3,692.8)
Operating expenses from general insurance	(685.1)	(728.4)	(689.1)	(739.6)	(720.8)	(728.7)	(714.4)	(731.5)	(635.8)
Other operating expenses	(137.9)	(185.2)	(201.9)	(306.8)	(300.7)	(313.7)	(292.9)	(300.9)	(367.5)
Total operating expenses	(823.0)	(913.6)	(891.0)	(1,046.4)	(1,021.5)	(1,042.4)	(1,007.3)	(1,032.4)	(1,003.3)
Total expenses	(4,285.2)	(4,648.3)	(4,424.3)	(4,345.0)	(4,692.2)	(4,617.5)	(4,454.3)	(4,517.1)	(4,696.0)
Profit/(loss) for the period before tax expense	1,427.5	814.4	773.1	1,244.9	815.0	1,068.1	1,311.9	529.7	344.3
Underwriting result general insurance	506.2	186.0	570.2	615.0	49.7	314.9	561.5	288.6	(368.7)

NOK million	4 q. 2009	3 q. 2009	2 q. 2009	1 q. 2009	4 q. 2008	3 q. 2008	2 q. 2008	1 q. 2008
Earned premiums from general insurance	3,925.5	4,022.6	3,923.2	3,789.2	3,935.7	4,021.7	3,887.9	3,636.6
Other income	303.7	222.2	239.7	244.7	298.9	247.2	236.0	207.4
Total operating income	4,229.2	4,244.7	4,162.9	4,033.9	4,234.7	4,268.9	4,123.8	3,844.0
Total net income from investments	648.6	1,060.1	798.2	281.0	(751.6)	925.3	66.3	(498.7)
Total operating income and net income from investments	4,877.8	5,304.8	4,961.1	4,314.8	3,483.1	5,194.2	4,190.1	3,345.3
Claims incurred etc. from general insurance	(3,025.3)	(3,111.3)	(2,919.5)	(3,014.9)	(3,060.6)	(3,055.0)	(2,971.4)	(2,896.8)
Other claims, interest expenses, loss etc.	(123.7)	(81.4)	(86.1)	(99.1)	(119.4)	(105.8)	(94.5)	(73.6)
Total claims, loss etc.	(3,149.0)	(3,192.7)	(3,005.7)	(3,114.0)	(3,180.0)	(3,160.8)	(3,065.9)	(2,970.4)
Operating expenses from general insurance	(757.8)	(652.3)	(684.6)	(676.9)	(710.0)	(621.1)	(646.5)	(660.7)
Other operating expenses	(387.2)	(215.5)	(228.8)	(227.7)	(246.5)	(213.0)	(219.2)	(211.5)
Total operating expenses	(1,145.0)	(867.8)	(913.4)	(904.6)	(956.4)	(834.1)	(865.7)	(872.2)
Total expenses	(4,294.0)	(4,060.5)	(3,919.1)	(4,018.5)	(4,136.5)	(3,994.9)	(3,931.6)	(3,842.5)
Profit/(loss) for the period before tax expense	583.9	1,244.3	1,042.1	296.3	(653.3)	1,199.3	258.6	(497.3)
Underwriting result general insurance	142.4	259.0	319.1	97.4	165.2	345.7	269.8	79.1



GJENSIDIGE

gjensidige.com

Gjensidige is a leading Nordic insurance group built by customers, for customers. The Group has been listed on the Oslo Stock Exchange since 2010. For nearly 200 years, we have worked passionately to secure the lives, health and assets of our customers. We have about 3,100 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 19.4 billion in 2011, while total assets was NOK 88.5 billion.

MAIN OFFICE

GJENSIDIGE
Drammensveien 288
P.O. Box 276, 1326 Lysaker
Phone +47 22 96 80 00