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Fourth quarter and preliminary results 2013: Solid growth in premiums and good profit performance in 2013

Gjensidige Forsikring ASA recorded a profit before tax expense of NOK 1,283.1 million (1,381.3) in the fourth quarter 2013. Premiums grew by as much as 7.9 per cent in the quarter. The profit from general insurance operations measured by the underwriting result was NOK 375.7 million (602.7). For the investment portfolio, the return on financial assets was 1.5 per cent (1.4), or NOK 877.6 million (773.1). The profit after tax expense was NOK 1,134.5 million (1,006.9), corresponding to NOK 2.27 (2.01) per share.

'We are very pleased with the results, which reflect a sound growth in premiums in all market segments, good quality in our customer portfolios and efficient operations,' says CEO Helge Leiro Baastad. 'Satisfaction among our customers also developed very positively throughout the year, confirming that our continuous work on customer orientation is paying off,' says Baastad.

The reduction in the underwriting result in the fourth quarter was largely due to a higher proportion of weather-related events compared with the same period the year before. There were several storms in the Nordic countries in the quarter. Claims were charged to profit/loss in the total amount of NOK 369.6 million. In addition, a reinstatement premium relating to reinsurance was charged to the Corporate Centre in the amount of NOK 97.7 million. The underlying frequency claims development was on a par with the same period the year before and was influenced by mild weather and little precipitation. The financial result in the quarter was satisfactory.

The preliminary profit before tax expense for the year amounted to NOK 4,574.1 million (5,633.5) in 2013. The profit from general insurance operations measured by the underwriting result was NOK 2,019.6 million (2,607.8). For the investment portfolio, the return on financial assets was 4.3 per cent (5.4), corresponding to NOK 2,480.9 million (3,005.1). The profit after tax expense was NOK 3,670.6 million (4,280.1), corresponding to NOK 7.34 (8.56) per share. The growth in premiums for the year was a strong 5.3 per cent. Satisfactory underlying profitability in the portfolio contributed to a good underwriting result in 2013. The decline in profits from 2012 is primarily due to major weather-related events and a more normal development for frequency claims. The investment portfolio's profit performance was weaker in 2013 than in 2012, largely because of the recognition of an impairment loss of NOK 611.0 million on the investment in Storebrand in the first quarter.

The Board of Directors proposes a total dividend of NOK 6.4 billion (3.4), corresponding to NOK 12.80 (6.85) per share. Of this amount, NOK 6.80 per share is proposed on the basis of the profit for the year after tax expense and the current dividend policy. The remaining NOK 6.00 per share can be ascribed to the distribution of excess capital in accordance with the new capital strategy as communicated on 22 October 2013.

Highlights fourth quarter 2013 (fourth quarter 2012)

- Profit/loss before tax expense: NOK 1,283.1 million (1,381.3)
- Profit per share: NOK 2.27 (2.01)
- Earned premiums: NOK 4,766.3 million (4,418.2)
- Underwriting result: NOK 375.7 million (602.7)
- Combined ratio: 92.1 (86.4)
- Cost ratio: 15.2 (16.0)
- Financial result: NOK 877.6 million (773.1)

Highlights 2013 (2012)

- Profit/loss before tax expense: NOK 4,574.1 million (5,633.5)
- Profit per share: NOK 7.34 (8.56)
- Earned premiums: NOK 18,736.9 million (17,797.3)
- Underwriting result: NOK 2,019.6 million (2,607.8)
- Combined ratio: 89.2 (85.3)
- Cost ratio: 15.3 (15.5)
- Financial result: NOK 2,480.9 million (3,005.1)

Proposed dividend:

Total proposed dividend: NOK 6.4 billion (3.4) corresponding to NOK 12.80 (6.85) per share.

This information is subject to disclosure under the Norwegian Securities Act section §5-12.

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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 19.5 billion in 2012, while total assets was NOK 94.2 billion.