Company Participants

- Catharina Hellerud, EVP Finance, CFO
- Helge Leiro Baastad, CEO
- Janne Flessum, Head of IR

Other Participants

- Daniel Do-Thoi, Analyst
- David Andrich, Analyst
- Gianandrea Roberti, Analyst
- Jakob Brink, Analyst
- Vinit Malhotra, Analyst

Presentation

Janne Flessum {BIO 19368607 <GO>}

Welcome to this presentation of the Fourth Quarter and preliminary full-year results for Gjensidige. My name is Janne Flessum and I'm Head of Investor Relations.

This time we assume that you have read the material that we have posted on our website this morning, so we try to do this in a bit shorter time than normal and spend some more time on the Q&A session.

So we'll start with our CEO, Helge Leiro Baastad, commenting briefly on the full-year highlights. Then our CFO, Catharina Hellerud, will comment also briefly on the Fourth Quarter results. Then, again, we spend most of the time on the Q&A session; so, Helge, please.

Helge Leiro Baastad {BIO 5865247 <GO>}

Thank you, Janne; and welcome to the call.

As Janne said, I will give you -- give some few comments related to the full-year 2013 and the dividend.

As you have seen, we delivered solid premium growth of 5.3% and a good result for 2013. We reported a pre-tax profit of NOK4.6 billion, of which the underwriting result contributed just about NOK2 billion. This corresponds to a combined ratio, 89.2%.

The frequency claims development was more normal this year compared to 2012, and was on a satisfactory level overall. However, we have had more weather-related events this year, both in the Second Quarter and the Fourth Quarter, as you will hear shortly afterwards.

The financial result was NOK2.5 billion for the year, corresponding to a return of 4.3%. However, adjusted for a write-down of Storebrand in the First Quarter, the return was 5.4%, on par with last year's return.

The Board proposes a total dividend for 2013 of NOK6.4 billion, representing NOK12.80 per share. This includes NOK6 per share in special dividends, relating to the distribution of excess capital, which was proposed in October last year.

The other NOK6.80 per share is, hence, relating to our profit for the year. This part corresponds to 79.4% of the profit after tax, adjusted for the impairment loss of Storebrand investment, and is based on the current dividend policy of 50% to 80% of the profit after tax. And it's important to mention that, as communicated in October, the new dividend policy will apply from, and including, 2014 financial year.

On the operational side, we saw record high customer satisfaction in 2013, peaking for the second year in a row. The biggest improvement was seen among customers who have experienced a claim. This is important, as we believe that good and efficient claims handling will be a key factor in the competition for customers going forward.

We saw good premium growth in all segments, driven mainly by premium increases in the private segment, and volume growth in the commercial and Nordic segments.

Our competitive position is strong. We are entering 2014 with a good momentum, seeing a good volume development in the renewal of agreements in the commercial portfolios, in both the commercial and the Nordic segments.

Through 2013, we have continued our efforts to work simplification, automation and self-serving. 60% of our customers say that they would be glad to buy or manage their own insurance policies, or report claims online. We have seen a clear increase in the use of self-service solutions. One of the four private customers in Norway now report their claims online, while a little more than a year ago the corresponding figure was 13%.

Our unique customer dividend model has shown to influence people's choice of insurance companies. A recent survey shows that 7 out of 10 customers say that the customer dividend makes them want to continue as customers. 4 out of 10 non-customers say that they would consider becoming a customer of Gjensidige, because of the customer dividend.

And only 50% of non-customers Gjensidige know about the model. So it's still a great potential, an increased communication marketing of the model.

A solid customer dividend is expected also this year, and it's important to comment that this is only then based on the ordinary dividend presented today, NOK6.80.

Finally, I would also like to mention that we are planning a Capital Markets Day towards the end of the year, on November 25, and that will probably be in London. And the purpose is to give an update on operations. And more information will follow later this year. But please take a note of that date.

Finally, before Catharina gives you some more information about the Fourth Quarter, it's important to comment the dramatic fires that have been experienced in Norway over the past few weeks.

Luckily, no lives have been lost, but it has been dramatic for the local communities and for all the people who have been affected. And it's important for us to assist our customers in the best possible way. This is a reminder to the whole organization about the important of a core business.

Finance Norway, the common organization for the insurance companies in Norway, has estimated the total market loss for the fires in Laerdal and Flatanger to be NOK350 million and these are two separate events.

So Catharina, please?

Catharina Hellerud {BIO 17276650 <GO>}

Thank you. We are very satisfied with the profit performance in the quarter. Despite many storms, we are delivering (inaudible), in addition to the fact that the investments portfolio made a positive contribution to the profit.

The reported growth in premiums for the Group was (7.9%) in the quarter and the growth includes positive exchange rates effects corresponding to 2.4%, in addition to the fact that Gouda Travel Insurance contributed with growth of 1.2%.

In addition to that, the corporate sector makes a negative contribution of NOK100 million to the growth in quarter, and this is due to the high proportion of large losses that led to reinsurance reinstatement premiums totaling NOK98 million in the quarter, which of course then has a negative effect on the top line, corresponding to 2.2%.

Adjusted for these three effects, the Gouda Travel Insurance exchange rate and reinstatement premiums, the underlying growth in the quarter was as high as 6.5%. The underwriting result amounted to NOK376 million, which is a considerable reduction from the corresponding quarter the year before.

And the combined ratios then ended at 92.1%. The lower result is primarily due to the four storms that were charged to the underwriting result in the amount of NOK370 million. And that is in addition to the mentioned reinstatement premiums of NOK98 million, which also affected the underwriting result for the quarter and due to the storms.

In addition to the storms, we also had another NOK70 million of large losses in the quarter.

In total the large losses then affected the combined ratio by 9.2percentage points. In comparison, there were no weather-related events in the Fourth Quarter of 2013 and only a minor proportion of the losses.

The run-off gain in the quarter was NOK124 million, corresponding to a positive effect on the combined ratio of 2.6percentage points. And this compares to 0.7percentage points in the corresponding quarter in 2012. Part of the run-off gain is related to positive effects for the accident and health products.

The underlying profitability in the portfolio was good in the quarter with a development in frequency claims on par with what we saw in the Fourth Quarter in 2012. There was the mild winter during the quarter, which resulted in a lower claims frequency compared with what we would normally expect in the Fourth Quarter.

The Nordic region experienced a great deal of extreme weather in both 2011 and 2013, and this also has had an effect on the reinsurance prices related to weather-related events.

Based on an assessment of reinsurance costs versus the expected results from the reinsurance program, Gjensidige has decided to increase the Group's retention level relating to weather-related events from NOK100 million to NOK200 million from 2014. And the rest of the reinsurance program is more or less unchanged.

The investment portfolio yielded good return of 1.5% in the quarter, up somewhat on the corresponding quarter in 2012. The financial result in the quarter was influenced by a continued good return on (tactical) assets, such as equities and convertible bonds.

In the bond portfolio the high yield yielded a good return in the quarter while the investment grade yielded a weaker return.

The associated companies give us a return of 6.4% in the quarter. You also have to remember then that this includes an estimate deviation of (NOK63 million) from the Third Quarter, in addition to NOK35 million in gains from the sale of over NOK90 million of the shares in Storebrand in the Fourth Quarter.

The total risk-based capital requirement amounted to NOK11.4 billion at the end of 2013, and this is down by around NOK600 million from the end of the Third Quarter. The main reason for the reduction was the annual update of the internal model carried out in the Fourth Quarter.

In relation to the rating requirement from S&P, the strategic buffer was NOK2.1 billion at the end of 2013, and this is up from NOK1.6 billion at the end of the Third Quarter. And the main driver for the change is the inclusion of the tough result for the year, and also the adjustment for a proposed dividend.

Operator, we are then ready to take questions.

Questions And Answers

Operator

(Operator Instructions) David Andrich, Morgan Stanley.

Q - David Andrich {BIO 15414075 <GO>}

Just two questions on my side. First of all, in terms of the strategic buffer, it looks like you're now giving an explicit number for it of NOK2.1 billion. And I was just wondering; can you give us a bit more guidance on how you are thinking about that number in terms of a percent of the rating-based required capital, or percent of reserves, or how you come to that figure? That would be helpful.

Then second of all, I was just wondering if there were any areas of the business where you're seeing any increased activity or pickup in competition? Thank you.

A - Catharina Hellerud {BIO 17276650 <GO>}

Okay, I'll start by trying to answer the question regarding the strategic buffer. As we commented at the -- in connection with the Third Quarter report, the strategic buffer is intended to ensure financial flexibility, so it's there to support any negative effect due to, (say), working conditions; so a change in (internal) conditions. It's there to support organic growth and minor acquisitions, as we are not able to finance by retained earnings, and it's also that -- just that stabilized ordinary dividend over time. So the size of the strategic buffer, it reflects the buildup of capital year during 2013 in relation to the proposed dividend.

I think it's important that you remember the new financial target of the Group, which is to deliver a post-tax ROE of 15%. So the strategic buffer is there to give us some strategic flexibility, but the new ROE target will also make sure that we have -- that we focus on the capital discipline as well.

Q - David Andrich {BIO 15414075 <GO>}

Okay.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

The second question is about if we can see increased activity or competition; three comments. In general, it's hard competition all over the Nordic area, but we have seen for a period now increased competition within the municipality segments and that's both for the Norwegian and the Danish market.

And in connection with the renewals January 1, we have reduced our exposure into the municipality segments, because the rates are too low actually. Secondly, it's still strong competition in the Norwegian private segments. We have seen that for years.

Lately, we have also seen the new communication from DNB related to non-life insurance. In general, I would say that our reaction is actually to just continue to be better within that area that Gjensidige has had a strong track record and experience within (target). We have long and (proven) use history to develop continuously better tariffs, to price (inaudible) continuously better.

Regarding car and motor insurance, we have also launched the best solution for car finance in the market and in combination with insurance through car dealers. So we have a very modern and, I would say, the best in the market now, digital solution for the car salesmen on the floors.

We continue to develop CRM activities. We have a large customer base and we base all of our activities against -- towards the customers, based on better and improved and the analysis based on modern CRM.

We have also strong affinity agreements. Last year we increased with two new organizations with -- in combination, they had 365,000 members.

Lately, it's important to focus on claims handling. We saw, in connection with the big storms in Fourth Quarter and the fires in Norway, now in First Quarter, that it's the difference between the main insurance players and the smaller players in the Norwegian market.

We have a network with repair -- we have infrastructure that can secure the customers not only cash claims, but we can help the customers from A to Z, actually, during the claims handling process. So that's also important to continue with.

So that was maybe long answer. But to sum up, hard competition all over the place; increasingly competition and lower rates within municipality segment and still strong competition in the private segment and we have seen communication from DNB related to their non-life business.

Q - David Andrich {BIO 15414075 <GO>}

Great, thank you very much.

Operator

Jakob Brink, ABG.

Q - Jakob Brink {BIO 7556154 <GO>}

I have some questions regarding your high retention level on the re-insurance program. Could you maybe give us some -- your considerations around why have you raised it to NOK200 million?

And secondly, what does this imply for what you were saying normal re-insurance costs in a year, i.e., that you'd take higher risk yourself?

And thirdly, regarding this also, how is your considerations been regarding this and the strategic capital buffer? I guess this means that you have to hold more capital than otherwise.

Then finally, also regarding capital, could you maybe just give us some guidance on the new dividend regime of more than 70% payout compared to this year's 80%. What should we expect, going forward? Could you give us any more guidance on this please? Thank you.

A - Catharina Hellerud {BIO 17276650 <GO>}

Yes. I can start with the reinsurance question. As I said, we have seen that there has been an increase in the reinsurance crisis related to weather-related events due to what has happened in the Nordic region in 2011 and 2013.

So when we calculate -- or when we look at the costs for reinsurance and we calculate the expected results of the reinsurance program, we see that we are not able to actually calculate our costs -- our property result from continuing to keep the reinsurance -- or the retention level on NOK100 million on the weather-related claims.

So it's our conclusion that it's the best solution, based on calculation, also made in our internal model, and that -- when you look at the total reinsurance program, we expect to spend almost the same amount in 2014 that we spent in 2013.

So the amount of reinsurance that we buy is more or the less on the same level. But we have then chosen to increase (the potential) level on one part of the program to be able to offer or to actually have the same price level as some of our (inaudible).

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes. And then it was a question related to dividend. I will divide that into two. You have seen that this year's dividend is based on the present dividend policy, 50% to 80%, and that's the current dividend policy. That's based on result, just adjusted for impairment loss in Storebrand.

And as you have heard, it's a good result for 2013. Buffer considered, it's sufficient and the payout ratio is something like 79.4%, adjusted for the impairment of Storebrand.

Going forward, 2014, when you are going to calculate or try to find out the route going forward, you have to expect organic growth in line with GDP growth. You have seen slightly higher growth in 2013, due to both currency and some small acquisitions and general good conditions in the marketplace.

You have to take into consideration that we will maybe have somewhat lower risk appetite in the investment portfolio, in the three portfolios; tax estimated to 27%. And as we have said, from 2014, the new dividend policy is minimum 70% over time and it's high and stable.

We do not comment or guide or discuss any starting point. That's the discussion for the Board of Directors, when we are having the final 2014 year.

Q - Jakob Brink {BIO 7556154 <GO>}

Okay, but just if I can follow up on that last answer, please; if you would expect a, let's say, 5% premium growth and that you would have to capitalize that with around 50%, that could basically mean that you could pay out 90% of your profit and without using up the strategic buffer. Is that an accurate calculation or is that the same way you look at it?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes, I can't directly follow your calculation, but what I would say is minimum 70% and then we do not have any ceiling, so that's the dividend policy.

Q - Jakob Brink {BIO 7556154 <GO>}

Okay. Thank you very much.

Operator

Gianandrea Roberti, Carnegie.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

I have three questions. I was trying to understand; what is your top line in terms of Group premiums; I think the reported one it's NOK18,740 million or something like that? But I'd like to get that number, excluding currency effect and the Gouda acquisition and I seem to calculate a number that is approximately NOK200 million lower.

So if I look at the Group number, I would have a top line growth around 4% -- just above 4% versus 5.3%. Is NOK200 million a number close enough when stripping out currencies and Gouda? That's the first question.

The second -- sorry.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

I can start to take that, Gianandrea, and the reported growth is 7 -- no, you're talking a full year?

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Full year, yes.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes. The reported is 5.3% and just only for currency, it's 4.3%. And if you have just for currency and Gouda, which came into our figures November 1, that means two months, and it was NOK53.4 million.

And if you also adjust for the reinstatement in Fourth Quarter related to the storms, which is NOK97.7 million, it's 4.6%. So that's the really underlying growth adjusted for currency, two months with Gouda and reinstatement of almost NOK100 million.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Great, that's very helpful. The second question I have is on the capital position. I think the asset charge was NOK5.9 billion at the end of the Third Quarter and it's 6.3% at the end of -- well, for the full year and probably, there is some balance sheet growth in there.

But I just have the impression that it's quite a big jump and I don't know if something had changed in the underlying, if you can give me some clue on why it's NOK400 million higher at the end of the full year.

A - Catharina Hellerud {BIO 17276650 <GO>}

Can you just repeat that please? I'm not quite sure if I followed your question there. You're starting with the number of NOK6 billion?

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Yes. It's on slide 16, you show the capital charge for asset risk at NOK6.3 billion at the end of the full year. I think the same slide was showing NOK5.9 billion at the end of the Third Quarter, so there is a jump of NOK400 million there, which is somewhat high in my view. I understand there is some balance sheet growth between Q3 and Q4, but I'm just trying to figure out if something has changed or whatever happened there.

A - Catharina Hellerud {BIO 17276650 <GO>}

So you're quite right in that. It's mainly based on a growth in the balance sheet; that's correct.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Okay. So there isn't really any -- well, because I didn't spot any substantial equities, higher equity exposure or anything like that, so that's just balance sheet. Okay. Thanks.

The NOK2.1 billion here -- it's because the reception is somewhat bad, so I just want to make sure; the NOK2.1 billion, which is the excess on the (retail) requirement, that is already including the full-year earnings and the dividend for 2013, is that correctly understood, right?

A - Catharina Hellerud {BIO 17276650 <GO>}

Yes. Yes. That's correct.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Super. The last question that I have is that if you have given some thoughts on putting some sub-debt on your balance sheet. I think many of your competitors are looking to add something considering the current level of rates and everything and you, obviously, have a capital structure that is entirely made up of equity, or almost.

So is it something that you have been considering or what is your thought on that point?

A - Catharina Hellerud {BIO 17276650 <GO>}

Yes. When we look at our new financial target, the new ROE target, we look at the different ways of being more capital-lite listing or have more listing on the capital side, and that is also one of the things that we can consider during 2014 to look at the capital structure. That's quite (inaudible), different measures that we are looking into and considering.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Okey. Appreciate that. If I can just take the last question, sorry for being long. You mentioned the competitive position, Helge, in Norway and you give us some good input there. I'm just wondering.

I know you only have 5% in Denmark, but you're probably seeing a barrage of new entrants in the market in the last six months, including what I call the first real aggregator here in the market.

I know there is a similar aggregator in Norway. I understand that it doesn't really move much in the market, but what is your feeling on that? Thanks.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes, yes. Are you talking about my feelings related to Denmark or Norway?

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Well mostly Denmark and then what has been the situation with the (inaudible) which I understand is really the aggregator in Norway; if that has moved anybody at all or nobody cares basically .

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes. No, related to Denmark and competition in Denmark in general, I could give a general comment. It's we increase our competitiveness in some segments and we see some changes; Top is more aggressive; Tryg, somewhat more defensive, related to their financial targets I guess.

From our side and in general in the market, it's increased focus on car dealers and distribution channels. And we are also seeing (Autocar) with lower-priced products on motor.

Related to the aggregators, we haven't any special, actually, experience or feeling. We are a small player, as you said, Gianandrea. So we are following that.

As I have commented before, I do not see aggregators as a big and huge game change for inter-Scandinavian markets at all. We have seen slightly different situation in Sweden, but we do not expect or see aggregators as a game changer either in the Norwegian or the Danish market.

Related to (inaudible), that's owned by (Schibsted), and Schibsted, they have a very strong history for many, many years, within -- in Norway. So we should actually be aware of the development related to (inaudible).

We haven't seen any big things related to the Norwegian finance portal (spoken in Norwegian). That's controlled by the government, as you know, and that hasn't been, I would say, successful so far.

But potentially, (inaudible) should be more dangerous. But so far, it's very small activity actually.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Thank you very much.

Operator

Daniel Do-Thoi, JPMorgan.

Q - Daniel Do-Thoi {BIO 17019775 <GO>}

Just three questions on my side. The first one was following up on the comments on competition. In your outlook statement, you made a comment on the established players increasing competition from those. You've mentioned DNB and the banks. I was just wondering if you've seen any pickup in competition from the life insurers. That's my first question.

Then secondly, on your new car finance product, could you just briefly run us through the rationale for launching this, at this point in time? And maybe give us some details on the revenue synergies that we can expect from the general insurance business?

Then lastly on the tax rate, just wanted to confirm that the lower than usual tax rate, which I calculate at about 15% if I take out the associate holdings for the quarter, was that driven entirely by the unrealized gains on equities? And that's all. Thanks.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

First, related to the life insurance (company), we have commented that the core related to the personal (life). I would say in average, it's slightly less competition from the life insurance compared to previous quarters. That can be related to all the regulations coming in for life insurance companies.

We see Storebrand is not that aggressive as before and that maybe the main reason for saying that, in average, we can see that it's slightly less competition from the life insurance companies on the personal (life) side.

Car finance, as you know, we have some years ago -- in 2006, we launched a bank, Gjensidige Bank, and we have seen a very successful development during 2013, as you have seen from the figures.

We did that to mainly secure our customer base on the non-life side. So we launched a defined contribution based in a life company. The products from the life company was actually to give our present SME non-life customers a broader product offering to secure that customer relation with Gjensidige.

The same rationale on the private side, we launched a bank only for the price segment to give our present non-life private customers a broader product offering to securing that relationship.

So it has been a natural development from the Bank so the car finance products, it's launched by our Bank and it's a natural line extension. As you know, non-life in Norway and in the Scandinavian market, it's much about car motor insurance, so we can see that through the dealers, it's important for us to combine car finance, and car or motor insurance. So it has been, actually, to secure our position to the car dealers and that distribution channel.

We have also seen that in the Norwegian market, it's mainly 2 players, actually 2.5 players, within that car finance segment, Storebrand and Santander, and also (inaudible). So we think that it's absolutely possible for Gjensidige to take a significant share in that channel.

Revenue synergies, I think it's too early. I can't, from my side here, comment that.

And tax rate, I can see that Catharina has calculated now, (the strategic comments on) -- please, Catharina.

A - Catharina Hellerud {BIO 17276650 <GO>}

The main difference between the (Company's) tax rate in Norway which is 28% and the actual tax rate of 19.8% is, of course, the gain on associates and on the associated companies. So that's the main reason why there is a deviation there.

I also just want to mention that the tax rate in Norway has changed to 27% next year, which means that we have also reduced the amount of deferred tax liabilities.

It's now based on 25% tax rate and not the 28% tax rate, which also gives you a (inaudible) factor there, of course, of the positives and negatives affecting them. But I think that those are the two main governmental tax regulations.

Q - Daniel Do-Thoi {BIO 17019775 <GO>}

Okay, so it's the deferred tax liabilities and the unrealized gains that are the two main drivers in the Fourth Quarter?

A - Catharina Hellerud {BIO 17276650 <GO>}

Main driver on the Fourth Quarter, yes, and also for the year as well, of course.

Q - Daniel Do-Thoi {BIO 17019775 <GO>}

Okay. Thank you.

Operator

(Operator Instructions) Vinit Malhotra, Goldman Sachs.

Q - Vinit Malhotra {BIO 16184491 <GO>}

Just some questions from my side, firstly focusing on the capital requirement, I notice that the commercial insurance in your own model -- the internal economic model, that is slide 15, the commercial insurance has actually gone down on the required capital. And again, I'm just trying to put in context of both the S&P model where it hasn't really changed on the insurance risk.

Also, you mentioned that you gained some customers and are growing in the commercial area. So I just wanted to -- is there any model change?

Also in this context if you are increasing retentions, do these numbers already include some impact from higher retention, because that obviously increases the insurance risk? So that's one or two questions depending on how you look at it.

Secondly, I'm sorry I have to come back to this competition issue. I thought the customer dividend -- and given the visibility of your dividend this year, I thought the customer dividend was such a powerful tool. So if you have to mention competition in the outlook, then is there some pressure on pricing that you foresee in the coming year, is that something you're trying to highlight as well, or wanted to get back to?

And lastly, just a point of clarification, you mentioned that in the Nordic segment you have an increase in number of new commercials customers. I've seen it even in the Tryg's disclosure; customer retention in Denmark is increasing on commercial.

So is this new customer segment related to the car dealership, just to clarify that question? Thank you.

A - Catharina Hellerud {BIO 17276650 <GO>}

I think I shall start with (how we) changed the region and we also changed --- update of the model every year, and we did last year as well. So that's the main reason for the change, for the change in the allocated capital.

And I think -- so the main difference that has been -- (and always), has been how we use that curve, the interest rate curve, instead of the (State care) -- interest care. And it's also a change in how we look at inflation going forward.

So that's the main reason why there is a recent reduction in the capital requirement for the commercial segment, as well as for the other segments; and then (calculation statement) on the current -- or not the current, but the 2013 reinsurance cover.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Okay back to the competition, yes, customer dividend is a very strong tool, and as you know we had last year a 15% back date on premium paid to the customers.

It's the Foundation deciding what they're going to pass through to the customers this year. But based on the figures, you can see that it will be a very strong and solid customer dividend this year as well.

So when mentioning the competition in outlook, I think we have done that for many, many quarters, because it's high competition in the market. It's a profitable situation and, of course, it's high competition.

I do not see any specific change compared to last quarter. But one thing I commented was the Capital Market Day from DNB where they commented non-life specific. We haven't seen any dramatic change from DNB in competition regarding prices, but we have seen more communication from DNB related to non-life in the Norwegian market.

So that's actually, that's more what we have seen during -- from the competitors or heard from the competitors last quarter. But as you know, DNB is also a listed company, so I guess they will continue in a rational way.

New commercial customers in Denmark, it's not related to any new segments, it's more that we have increased activity levels; we have increased our corporation -- or improved our corporation in life products.

So in general, it's increased activity levels and slightly better competitive (net) in the Danish market and, therefore, we have also increased volumes in Denmark.

Q - Vinit Malhotra {BIO 16184491 <GO>}

Sure, all right. Thank you.

Operator

(Operator Instructions) Gianandrea Roberti, Carnegie.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Sorry, if I just jump back again, Helge, I just want to elaborate -- if you could elaborate a bit more on the sentence when you mentioned that you will be looking to reduce the asset risk. I think that's not exactly the word you say, but I think that's what you mentioned going into 2014.

I'm just wondering if that sentence referred to the big chunk of unrated, or not officially fixed income instruments, or if you're thinking about reducing the equity exposure on the balance sheet. What is it exactly that you have in mind there? Thanks.

A - Catharina Hellerud {BIO 17276650 <GO>}

I think first and foremost what we -- it's a follow-up on the communication regarding (inaudible) undertaken, including (inaudible), it's now a part of the investment portfolio.

We have stated very clearly that the stake is too large, so it's we are looking at taking the stake down. We do not communicate anything else regarding a time perspective, but we have the capital to hold on to that (position) and to have a value-optimizing look at how we are going to take (inflation) down, but it's first and foremost related to that stake.

Q - Gianandrea Roberti {BIO 6786731 <GO>}

Thank you.

Operator

We have no further questions.

A - Janne Flessum {BIO 19368607 <GO>}

Okay, then thank you for participating in this call. We hope, of course, to see many of you in London tomorrow, where we have a lunch presentation.

Thank you. And good bye.

Operator

That will conclude today's conference call. Thank you for your participation, ladies and gentlemen. You may now disconnect.