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**Gjensidige
Insurance Group
Q4 and preliminary
2009**



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I. Highlights

II. Financial Performance

III. Investment Performance

IV. Provisions

V. Outlook

Supplementary Information





General insurance

- Satisfactory and stable development in underwriting results
- Cost performance in keeping with the objectives that were set for reduction of operating expenses and claims expenses
- Continued demanding market condition in the Norwegian insurance market

Investment portfolio

- Continued solid performance in the investment portfolio

Other business areas

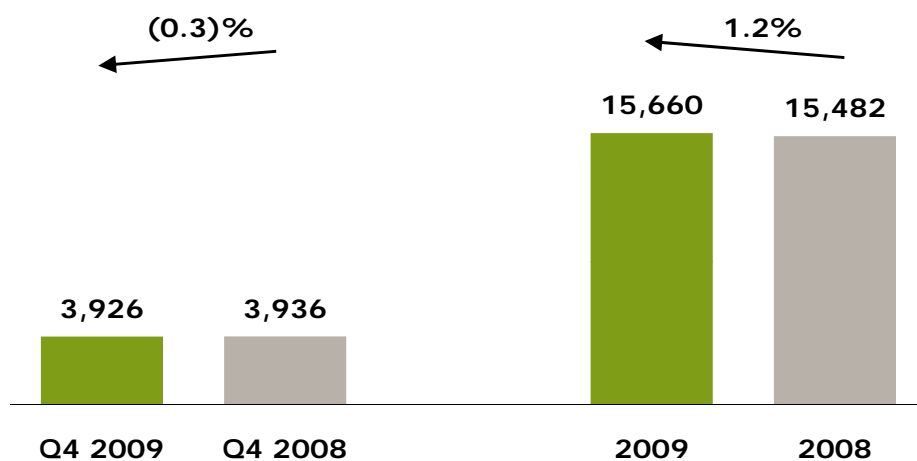
- The acquisition of Citibank's Norwegian consumer financing business has strengthened the bank's market position, and is expected to yield synergies related to through cross-sales, product development and cost savings
- Assets under management in the Pension and savings business exceeded MNOK 6,000 at the end of 2009

Value creation

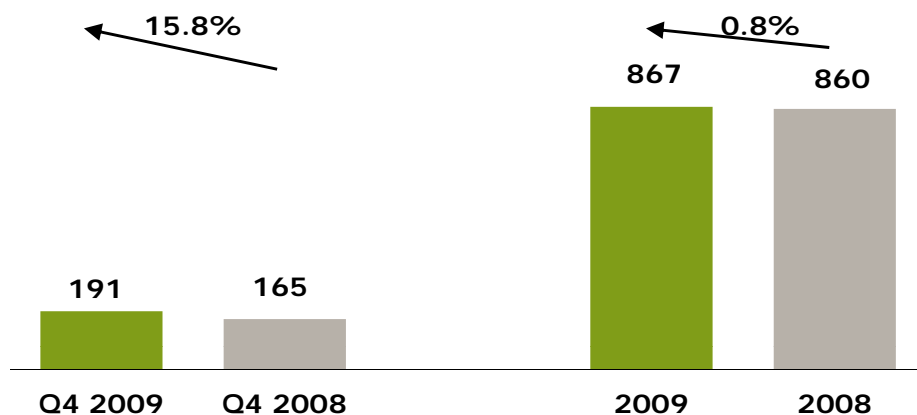
- 15,5 per cent pretax return on equity
- The Board of Directors recommends that MNOK 1,650 be paid in dividends for 2009



Earned premiums – General insurance, net of reinsurance



Underwriting result – General insurance



Fourth quarter

- Strong profit performance. Profit before tax expense of MNOK 634 (negative MNOK 653)
- Adjusted for non-recurring provisions of MNOK 72, the cost ratio amounted to 16.2 in the quarter (18.0 in Q4 2008).
- Likewise, the combined ratio amounted to 93.3 in the quarter (95.8 in Q4 2008)



Dividend Policy

- Dividend payable on the Company's net income
 - Total dividend split between Equity Certificates owners and policy holders based on relative ownership (25/75)
 - Dividend to individual policy holders based on premium size
- Dividend policy target between 50 per cent and 80 per cent of annual profit over the cycle, subject to capital requirements, goals and strategic plans

2009 Dividend distribution

- The Board of Directors recommends that MNOK 1,650 be paid in dividends for 2009
 - Corresponding to 70 per cent of the Group's preliminary profit for the year after tax of MNOK 2,341
- 75 per cent - MNOK 1,237.5 - to be distributed to the policy holders in Norway
 - 9.7 per cent dividend yield based on 2009 earned premiums in the Norwegian insurance operation
- 25 per cent - MNOK 412.5 - to be distributed to the equity certificate holders



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Dividend to Norwegian policyholders

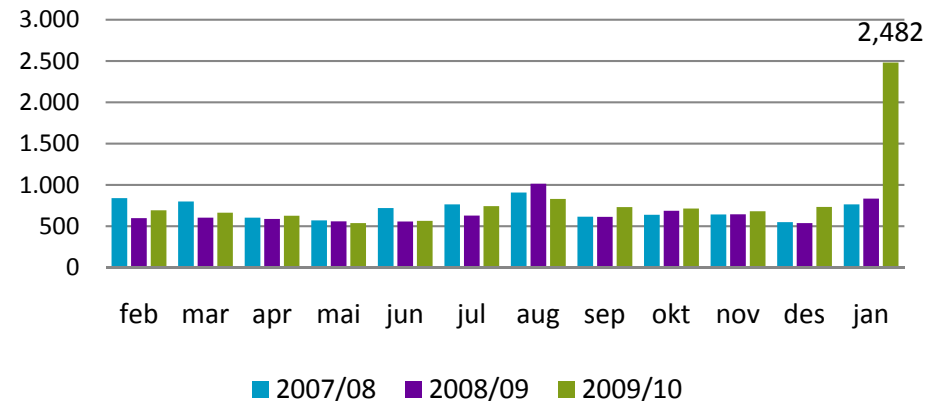




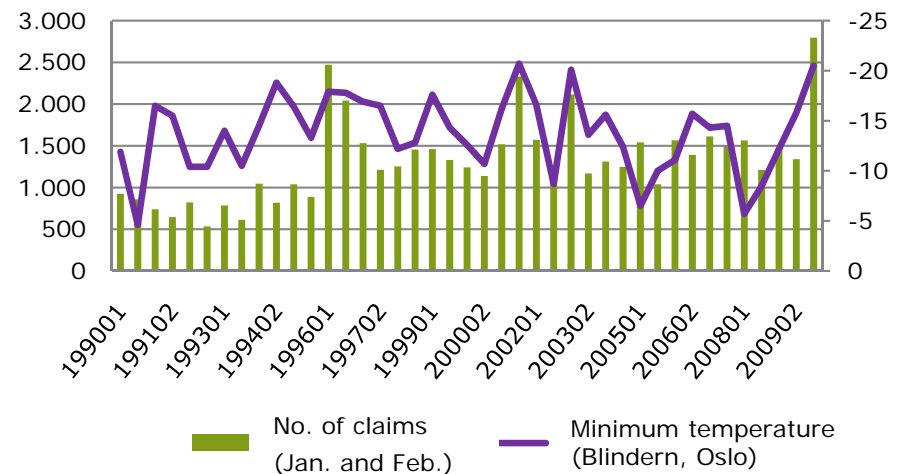
- More than 3,500 water related claims handled from the end of December until the beginning of February
 - Approx. 25/75 split between Commercial and Private (private houses and cottages)
- Approx. three times the normal level of claims



Private Norway - property
No. of claims related to water



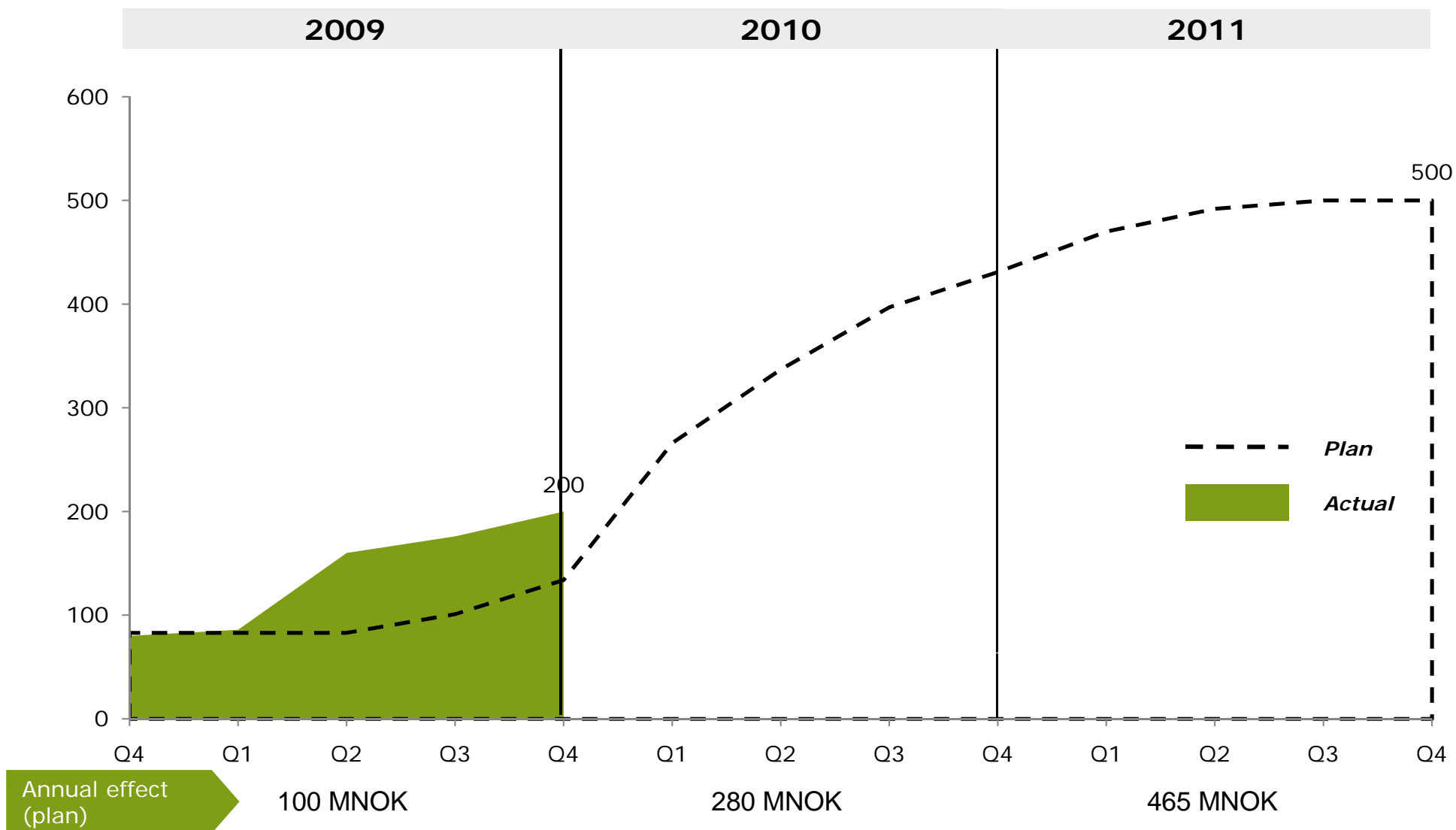
Private Norway - property
No. of claims (water and fire) vs. minimum temperature





Cost reductions ahead of plan

- MNOK 128 realized in 2009
- Costs of MNOK 2,442* in 2009, outperforming target of MNOK 2,452*
- New cost reduction initiatives in 2010 and full-year effect of 2009 implemented initiatives will ensure the planned cost reduction of MNOK 300-400 by year end 2010



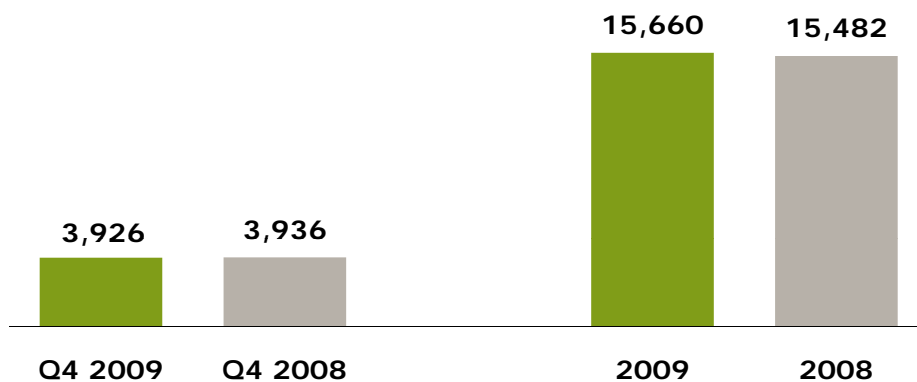


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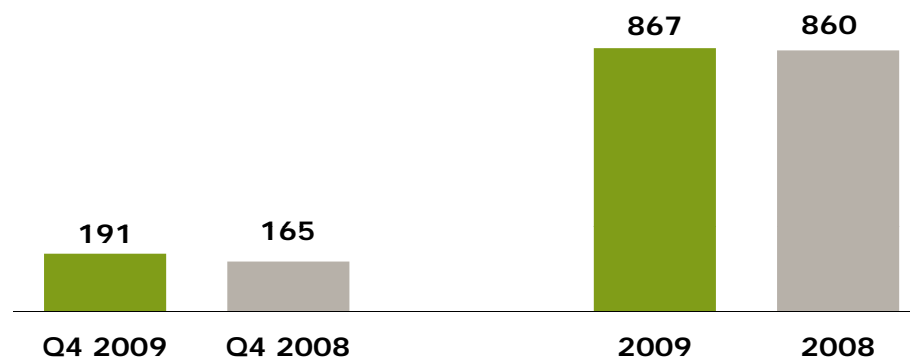
Financial Performance



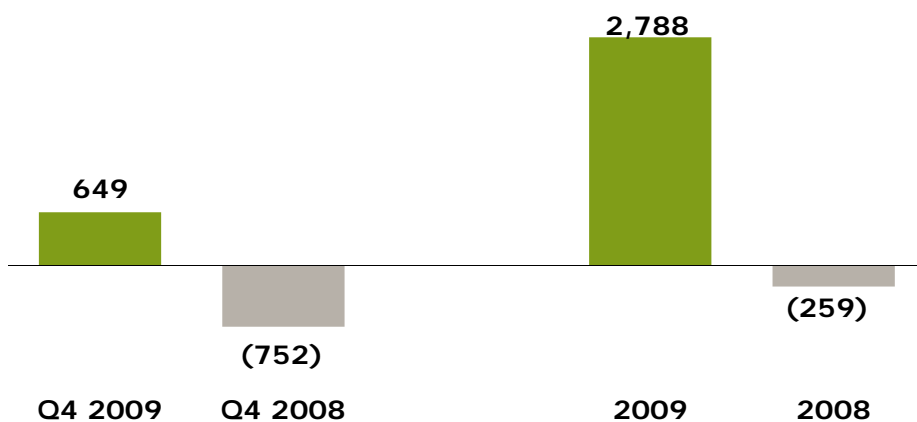
Earned premiums – General insurance, net of reinsurance



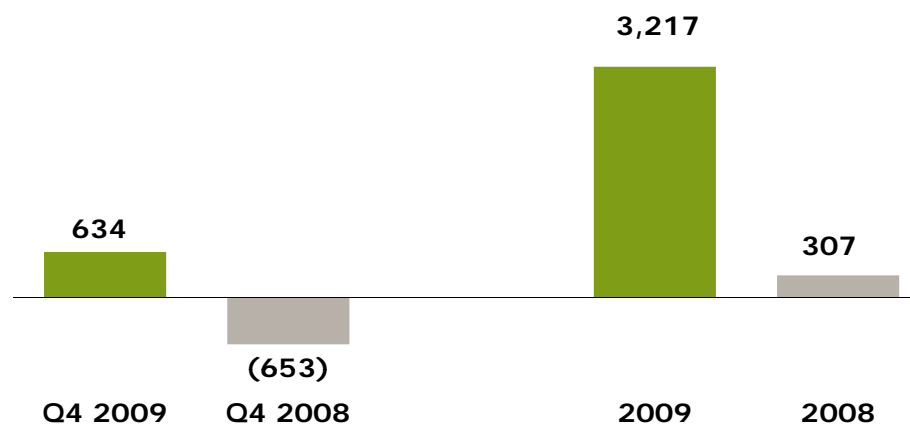
Underwriting result – General insurance



Net income from investments

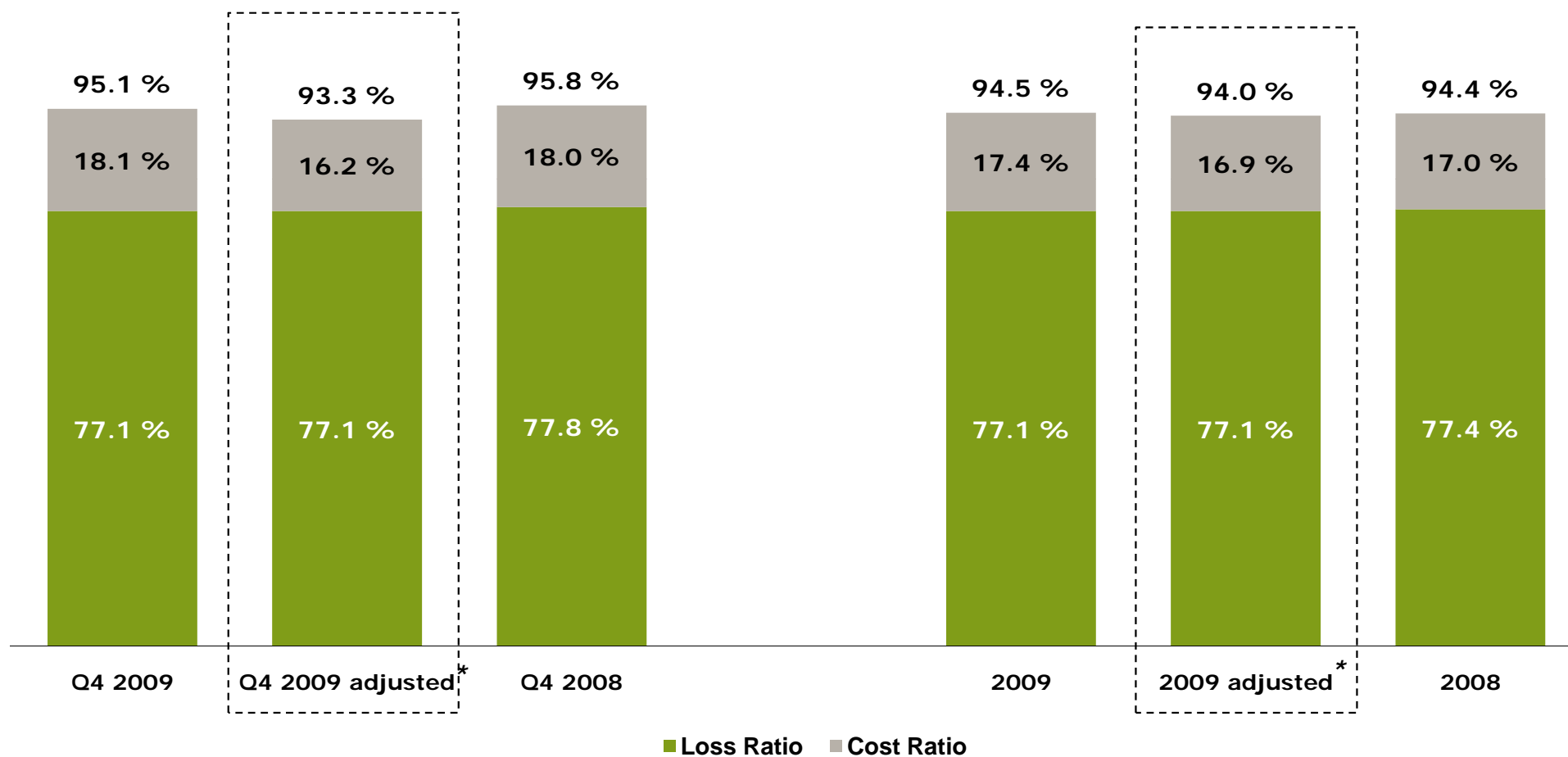


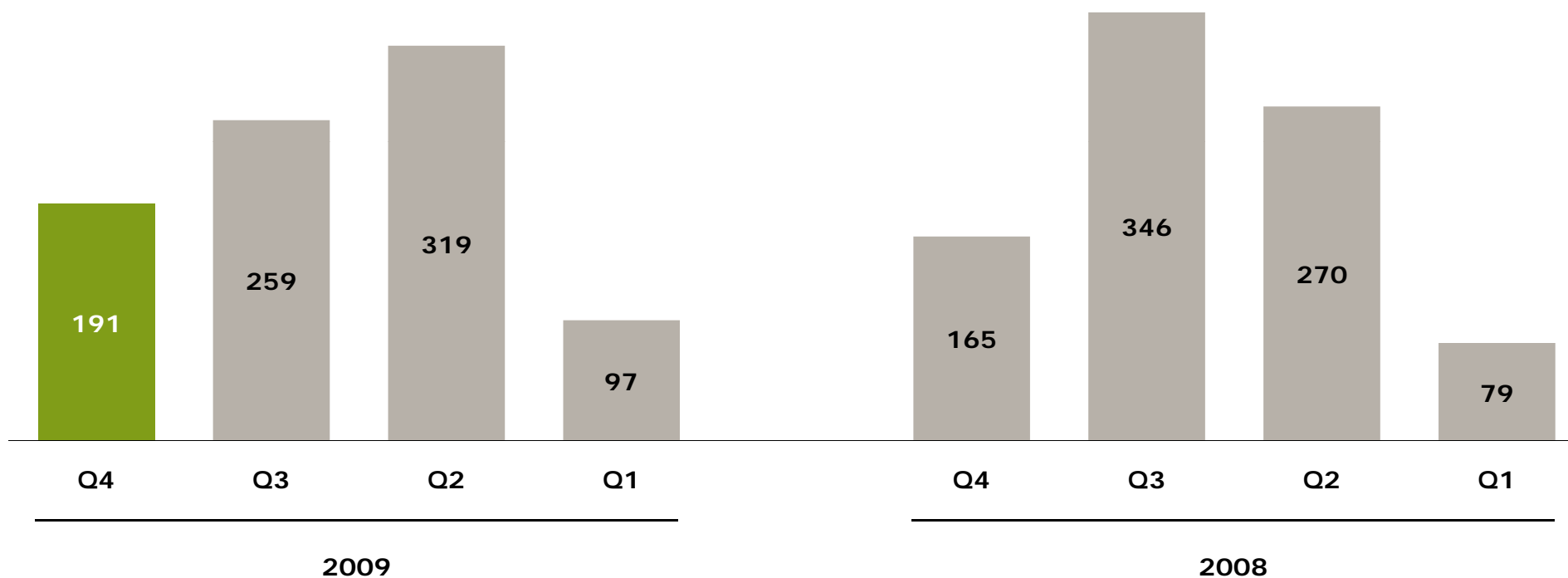
Profit before tax expenses





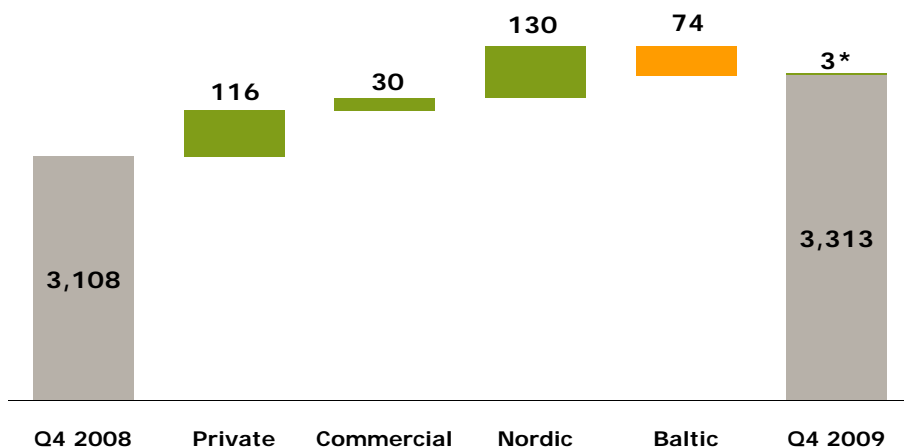
MNOK	Q4 2009	Q4 2008	2009	2008
Private Norway	195	221	552	775
Commercial Norway	53	(51)	305	60
Nordic	34	14	153	113
Baltic	6	16	41	37
Corporate Centre	(97)	(35)	(184)	(125)
Underwriting result	191	165	867	860
Pension and savings	(29)	(31)	(108)	(133)
Online retail banking	(17)	(20)	(72)	(85)
Health care services	15	11	33	41
Return on financial assets	621	(753)	2,723	(276)
Amort. of excess value	(141)	(28)	(217)	(107)
Other items	(8)	(1)	(9)	8
Profit/(loss) before tax exp.	634	(653)	3,217	307



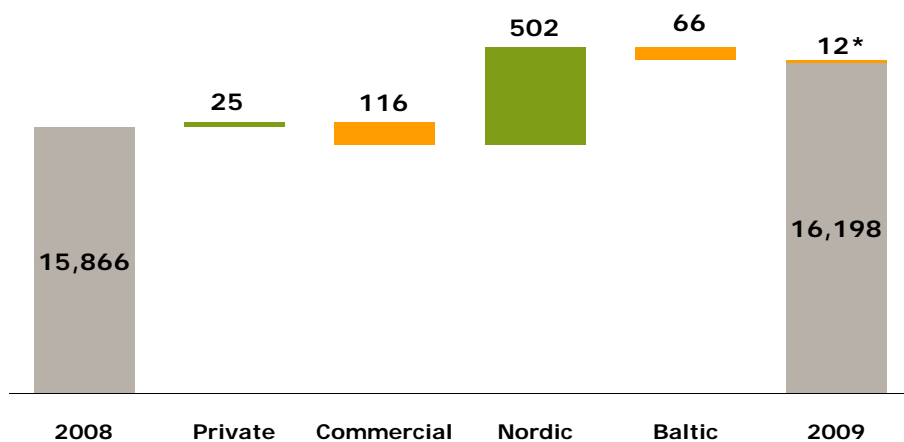




GPW development – General insurance
Q4 2008 – Q4 2009



GPW development – General insurance
FY 2008 – FY 2009



Growth in gross premiums written of 6.6 per cent in Q4 2009 vs. Q4 2008

- Increase in Private influenced by new motor tariff
- Increase in premiums within Commercial due to focus on profitability in connection with renewals, especially within Personal and Motor
- Increased organic growth in the Nordic segment, especially within the Swedish and Danish commercial market
- Decrease within the Baltic segment due to market contraction

Growth in gross premiums written of 2.1 per cent FY 2009 vs. FY 2008

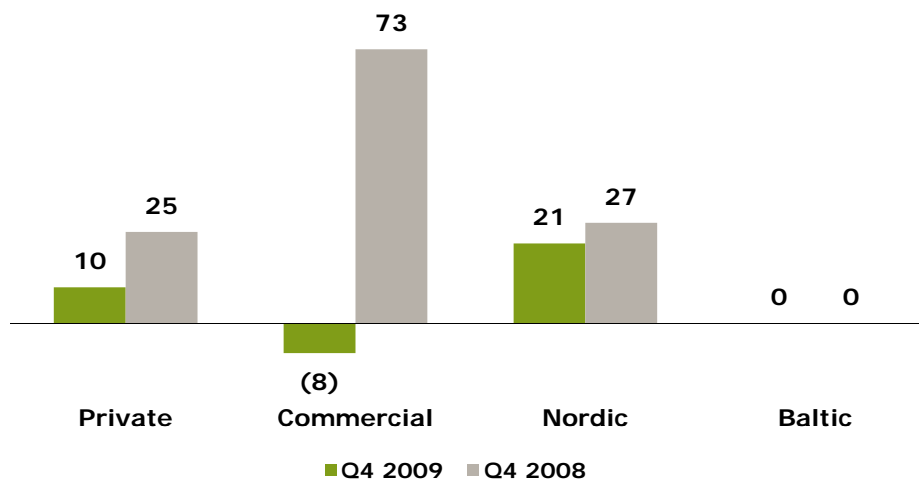
* Group adjustments/ internal reinsurance



Q4 2009 (Q4 2008)

	Reported claims figures	Expected large losses	Actual large losses
Claims	MNOK 3,025 (MNOK 3,061)	MNOK 120	MNOK 23 (MNOK 125)
Loss ratio	77.1% (77.8%)	3.1%	0.6% (3.2%)

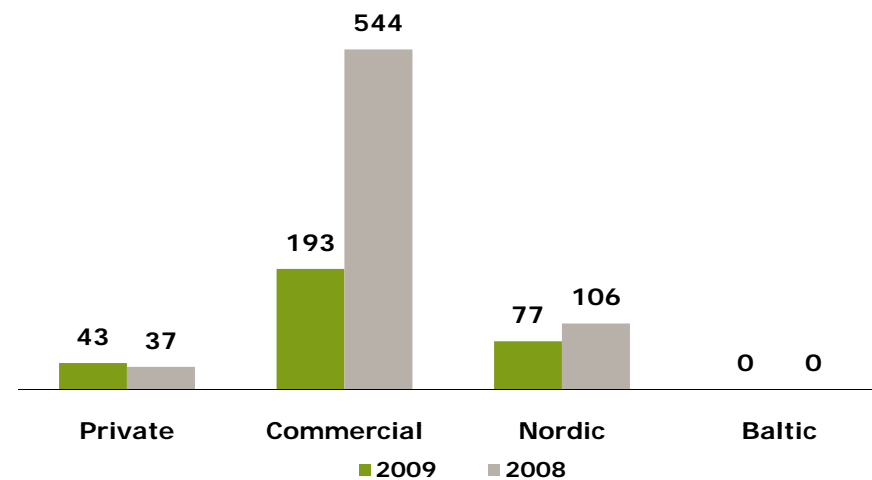
Actual large losses – by business area

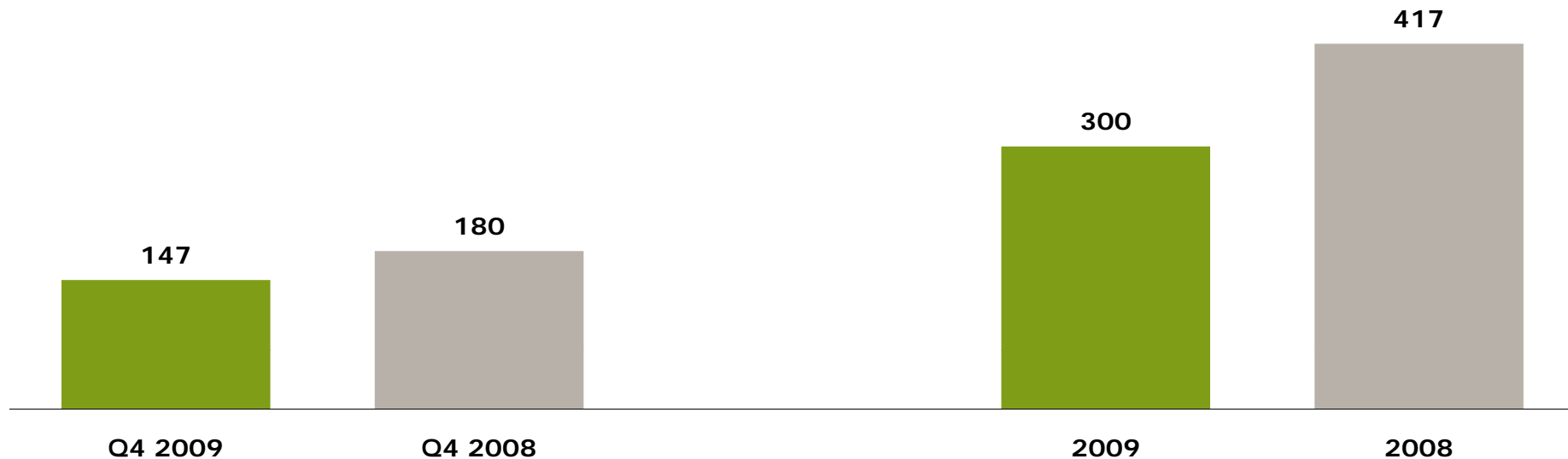


2009 (2008)

	Reported claims figures	Expected large losses	Actual large losses
Claims	MNOK 12,071 (MNOK 11,984)	MNOK 525	MNOK 313 (MNOK 687)
Loss ratio	77.1% (77.4%)	3.4%	2.0% (4.4%)

Actual large losses – by business area

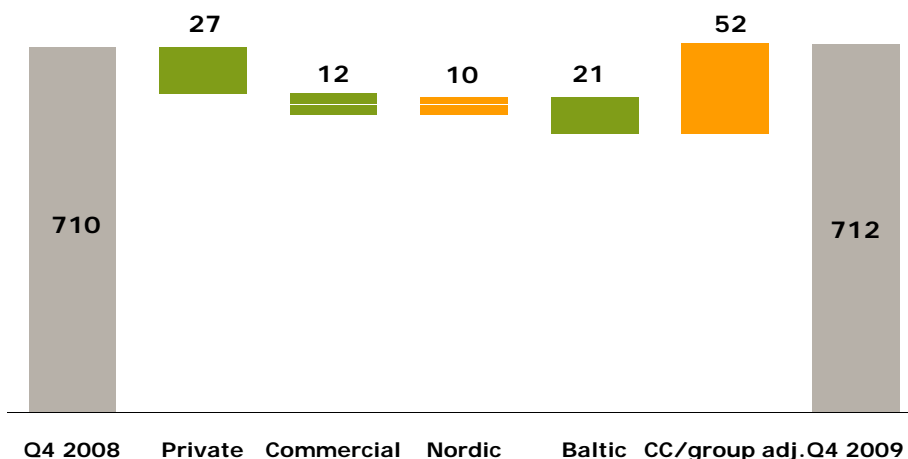




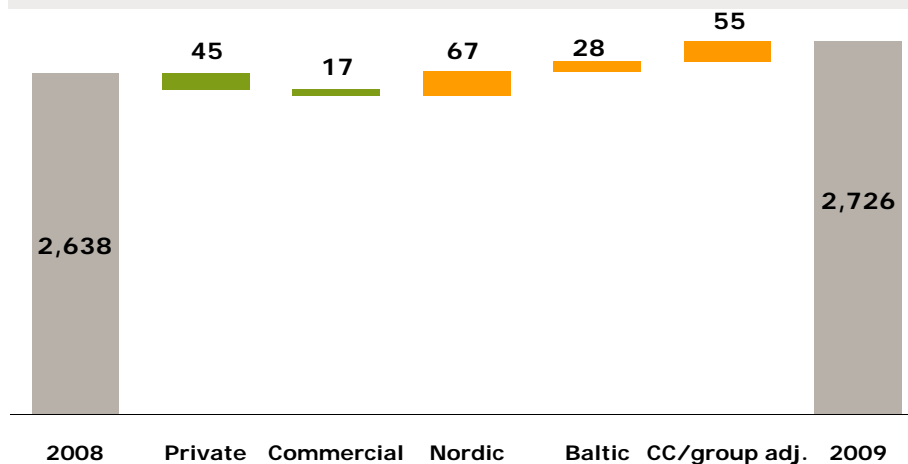
- Run-off gain in Q4 2009 of MNOK 147 and FY 2009 of MNOK 300
- Run-off gain in 2009 due to:
 - Stable and positive development of previous claims in motor (BI) in Norway
 - Stable and positive claims development within parts of the personal lines in Norway
 - Accident- and health insurance
 - Group life insurance
 - Positive development of large fire claims in Norway
 - Strengthening of reserves for previous years for Child insurance (sickness and disability) in Norway
 - Necessary changes in terms will be put in force from next renewal
 - Positive effect on previous claims years in KommuneForsikring
 - Liability insurance
 - Child insurance



Cost development general insurance Q4 2008 – Q4 2009



Cost development general insurance FY 2008 – FY 2009



Cost decrease of 0.2 per cent Q4 2009 vs. Q4 2008

- Positive development in the Norwegian segments in Q4 due to cost reducing initiatives
- Increase in Nordic due to growth, especially within the Swedish commercial business and the white label business
- Positive development in Baltic in Q4, mainly due to cost reducing measures implemented through 2009
- Non-recurring provisions of MNOK 72 affecting Corporate Center / Group adjustments

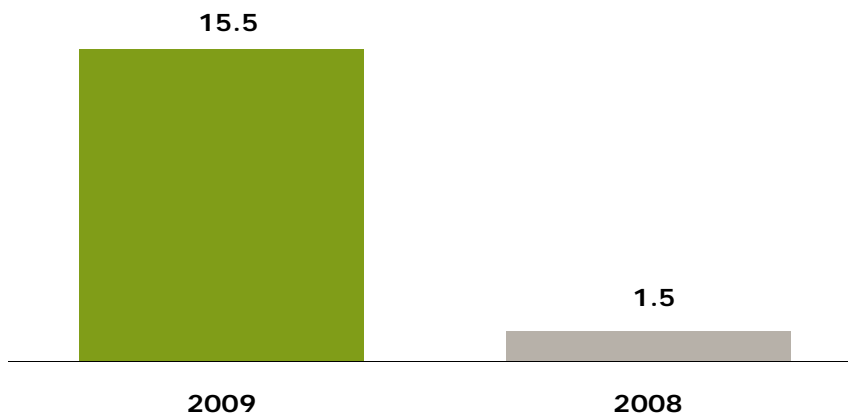
Cost increase of 3.2 per cent FY 2009 vs. FY 2008



Equity (MNOK)

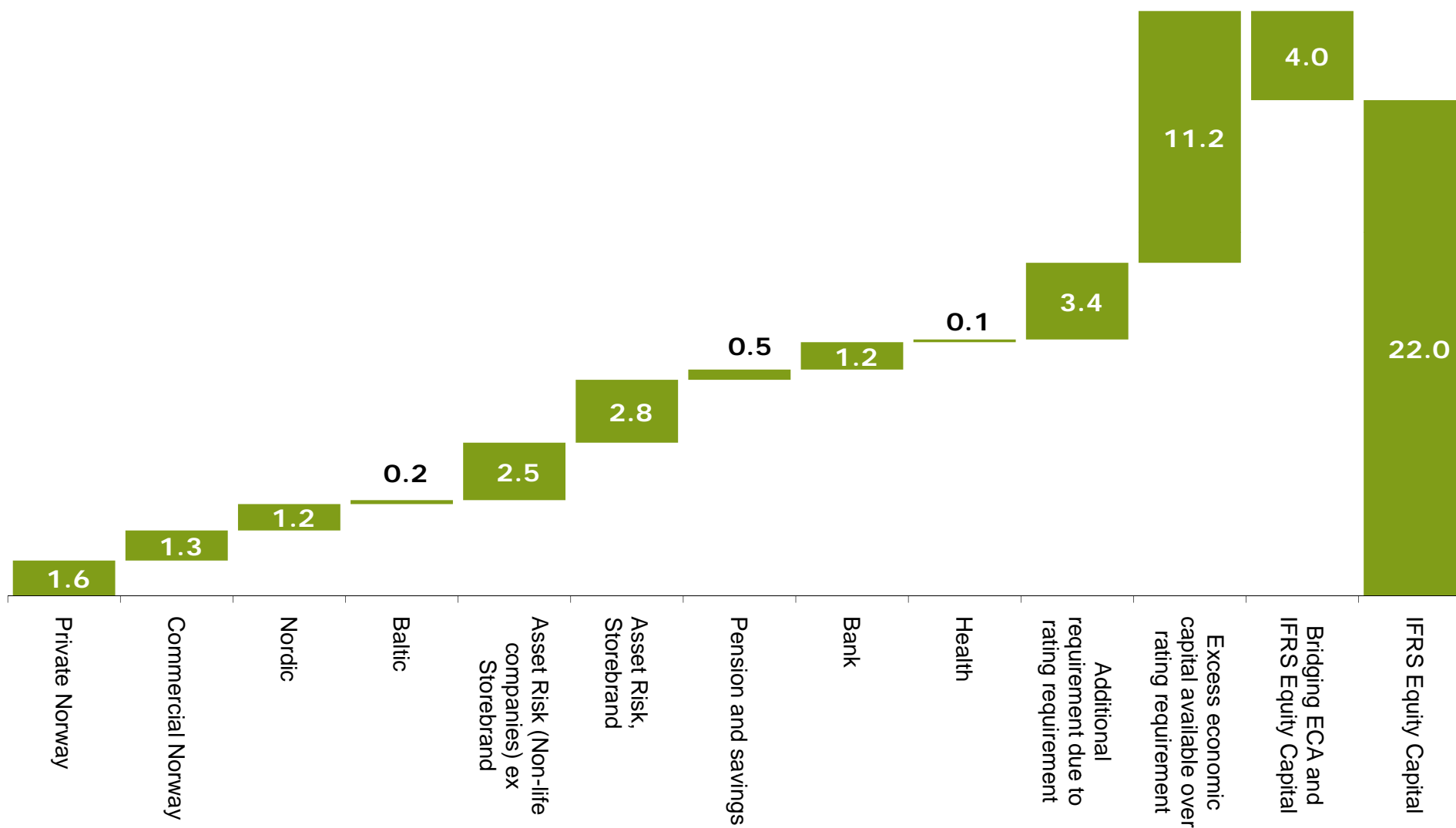


Pre-tax Return on Equity (%)



- Capital adequacy of 19.1 per cent (21.6* per cent year end 2008)
- Solvency margin of 706.9 per cent (666.7* per cent year end 2008)

* Restated





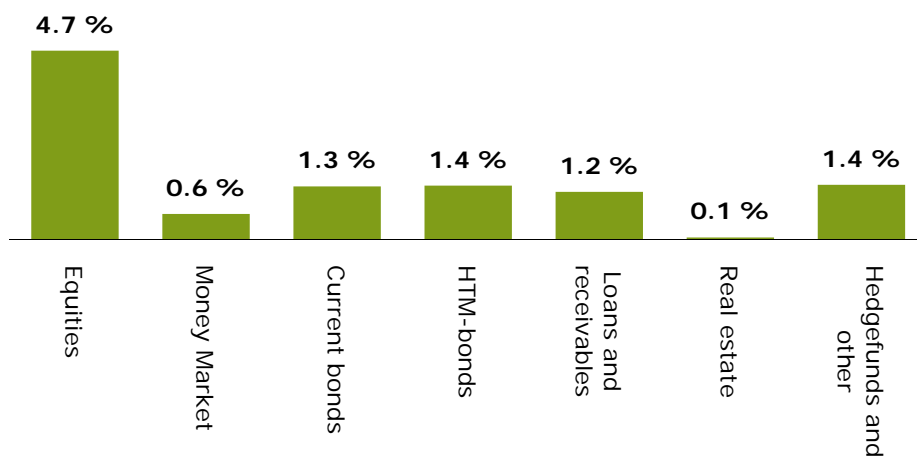
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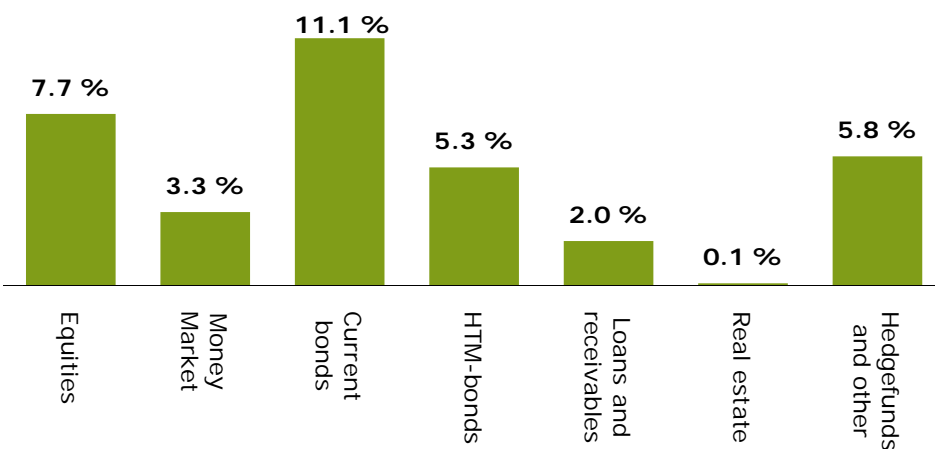
Investment Performance



Return Q4 2009 Per Asset Class



Return FY 2009 Per Asset Class

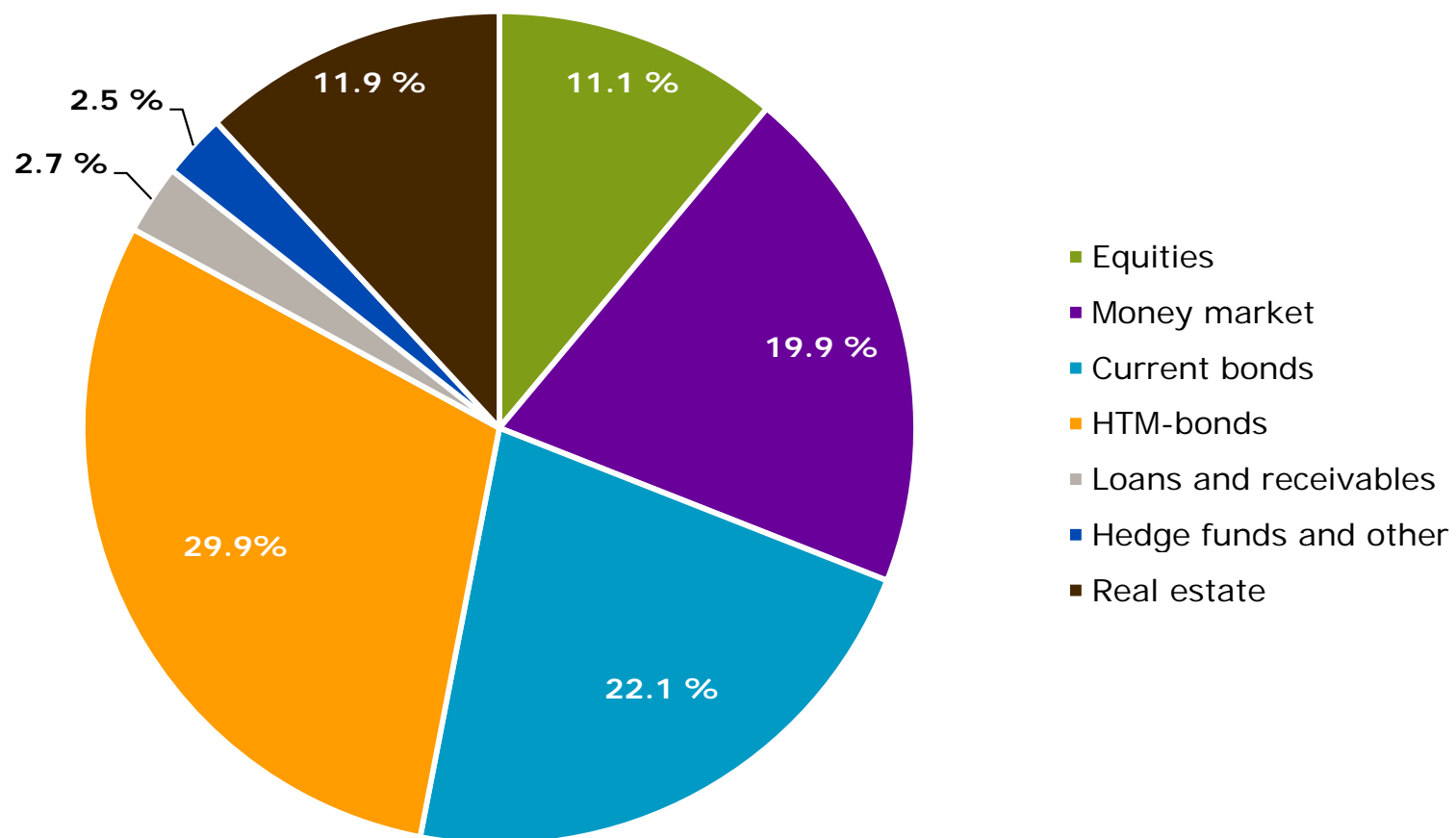


Highlights – fourth quarter

- Total investment portfolio of MNOK 50,699 as at 31 December 2009
- Positive return on the investment portfolio in Q4 2009 of 1.3 per cent (negative 1.6 per cent)
- Good return on the fixed-income portfolio of 1.2 per cent
- Positive result of MNOK 118 from Storebrand and MNOK 11 from SpareBank 1 SR-Bank (both based on Gjensidige's own estimate)
- Positive return in the Private Equity portfolio of MNOK 5
- Decline in value of the real estate portfolio of MNOK 61 due to reassessment of two properties
- Impairment of international real estate funds of MNOK 2



Asset Allocation Dec 31, 2009





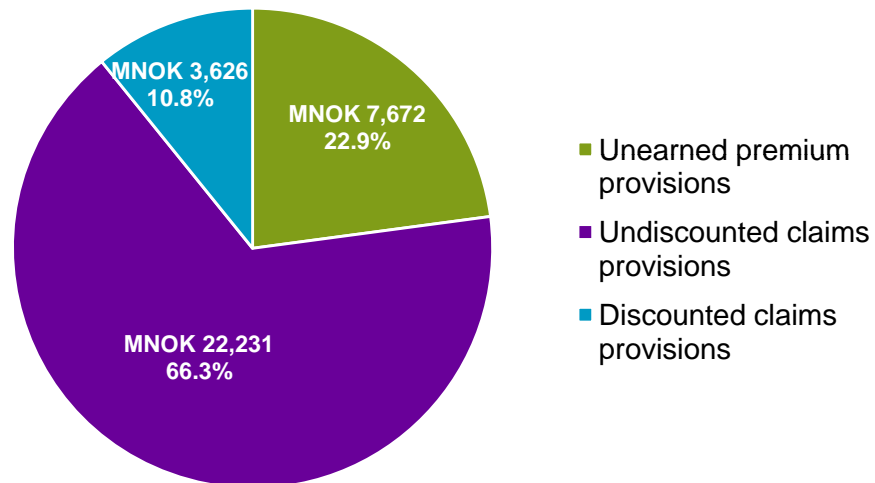
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Provisions



Provisions as at Dec 31, 2009



Premium provision

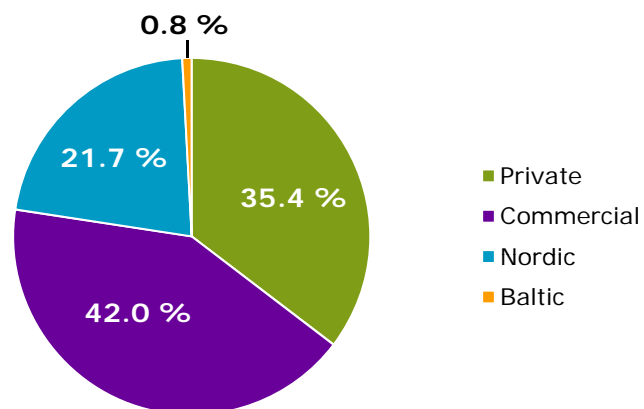
- Accrual of written premium
- No deduction for expenses before the premiums are accrued
- Sufficient to cover expected claims and expenses

Loss provision

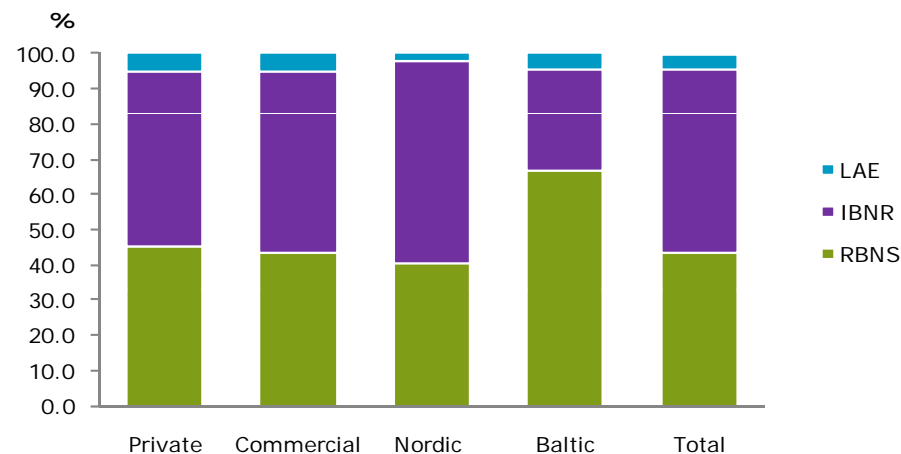
- Best estimate
- Loss adjustment expenses included
- No discounting, except annuity provisions in Denmark (Workers comp.)



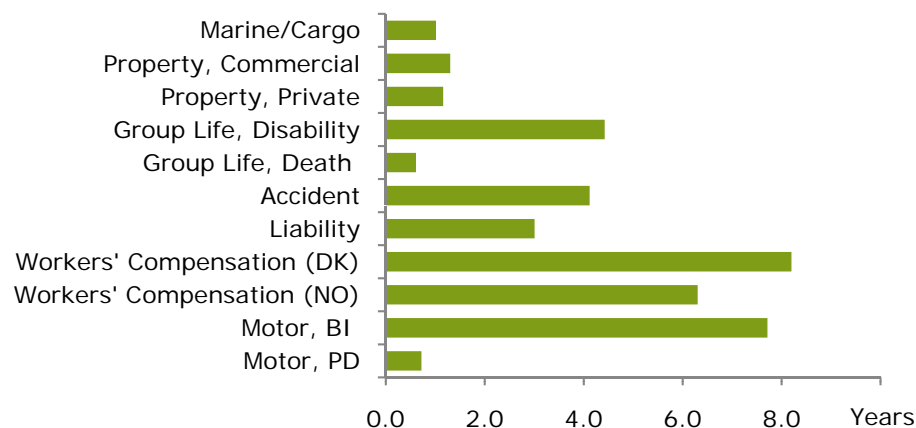
Loss provisions per non-life segment



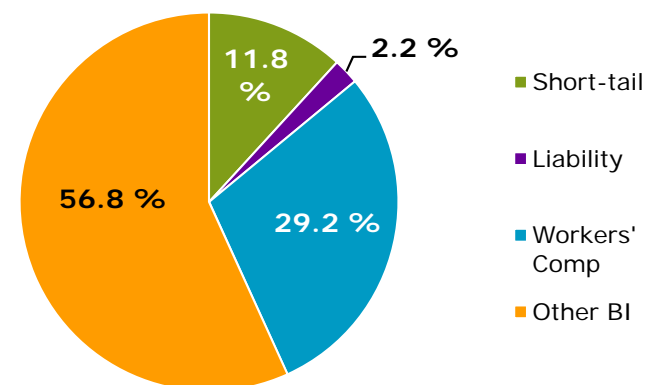
Split of loss provision per non-life segment¹⁾



Average duration per line of business²⁾



Loss provisions per line of business²⁾





- Group Chief Actuary is responsible for technical provisions
- Quarterly internal review and report to the Board
- Link between reserving and pricing actuaries
- Regularly external review of provisions level

- Data Warehouse
- Monthly updates of steering information for the insurance activities
 - Monthly calculation of IBNR
 - Development discussed with heads of business units and Product underwriting
 - Use of standard actuarial methods
- Special attention to LoB:
 - Workers' Comp.
 - Disability/Diseases/Sickness
 - Motor Bodily Injuries

Group level

Norway

Nordic

Baltics

Calculations by lines of business

Standard actuarial methods

Monthly updates



Main risks

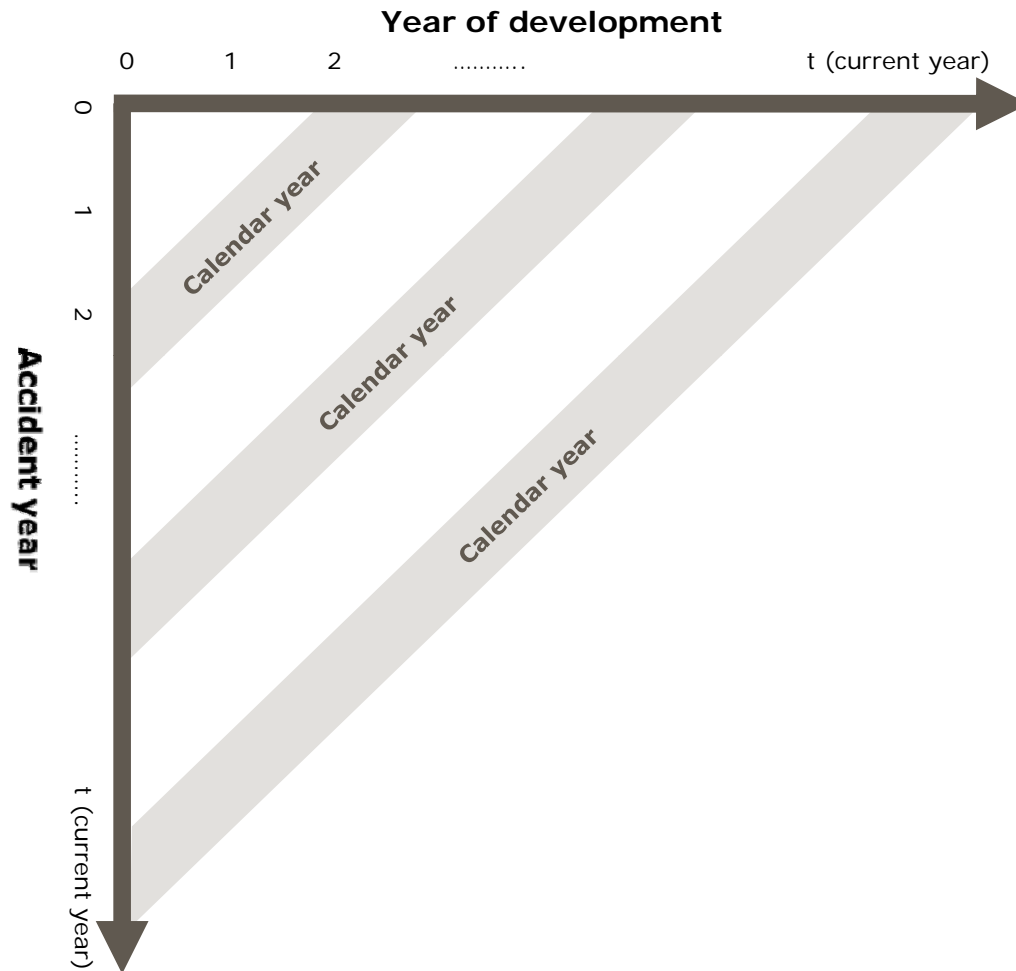
- Loss frequency
 - Weather conditions
 - Freeze
 - Fire
 - Development of new claims
- Average claim
 - Property
 - CPI/ building cost indexes
 - Bodily injuries
 - Social security index
 - Development of new claims/ diseases
 - Law changes
- Claims settlement
 - Case provisions
- Large claims

Measures

- Loss frequency
 - Monitored by monthly update of steering information
 - Development discussed with heads of Business Units and PuW
- Average claim
 - Monthly monitored by LOB and type of claim
 - Deviation from expected increase
 - Monitor court rewards
 - Development of new claims/ diseases etc
 - Law changes
- Claims settlement
 - Monthly supervision of run-off
- Large claims
 - Specialized teams



Provisions and run-off Development of incurred claims



Incurred losses develop over time, and are affected by:

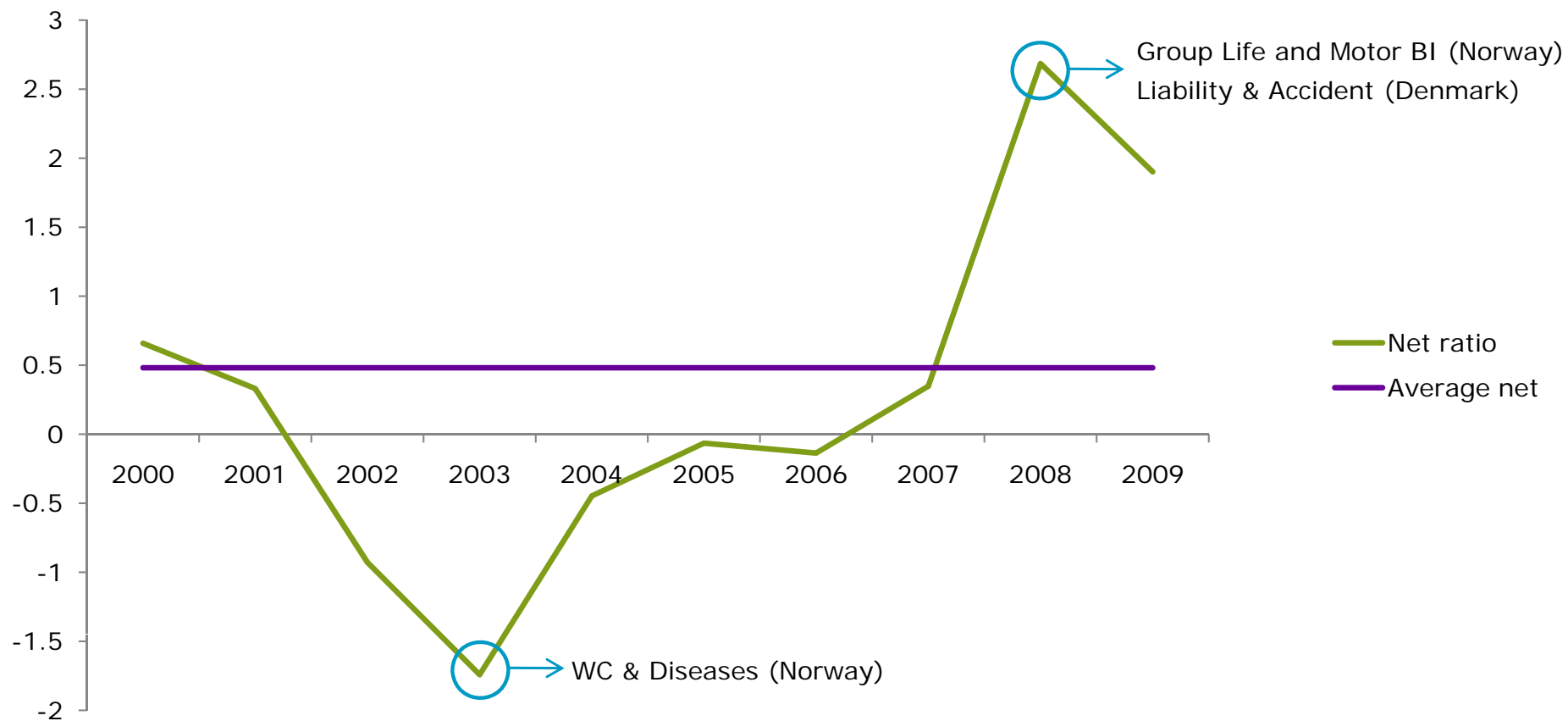
- Inflation
- Portfolio development
- Product terms
- Court practice
- Claims handling procedures

Captured by monitoring development of:

- Number of claims
- Average claim
- Incurred losses

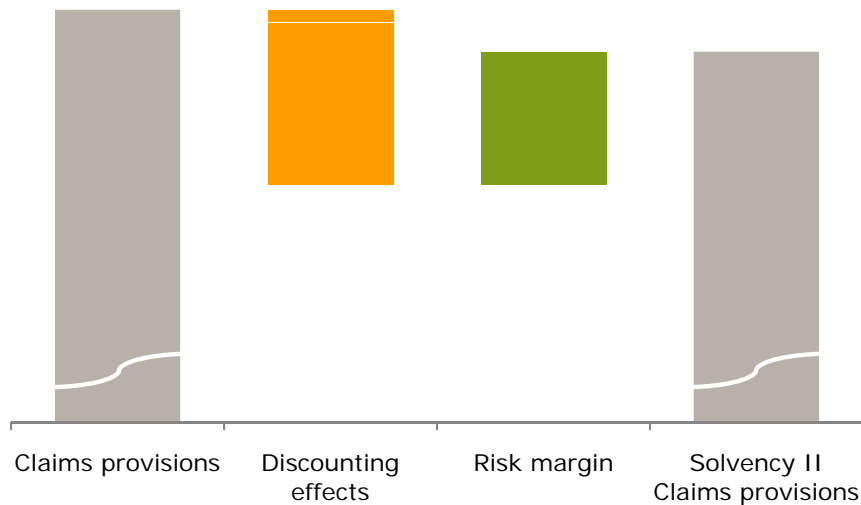


Run-off, % of earned premium





Solvency II market value*



Summary

- Provisions based on best estimates
 - Undiscounted provisions (with exception of workers' comp. in Denmark)
- Reserving level confirmed as adequate
- Strong focus on Solvency II framework and improving procedures accordingly
 - Actuarial function
 - Reserving principles
 - Reporting
 - Discounting
 - According to market practice
 - Improve market transparency
 - Increase volatility in results and size of provisions



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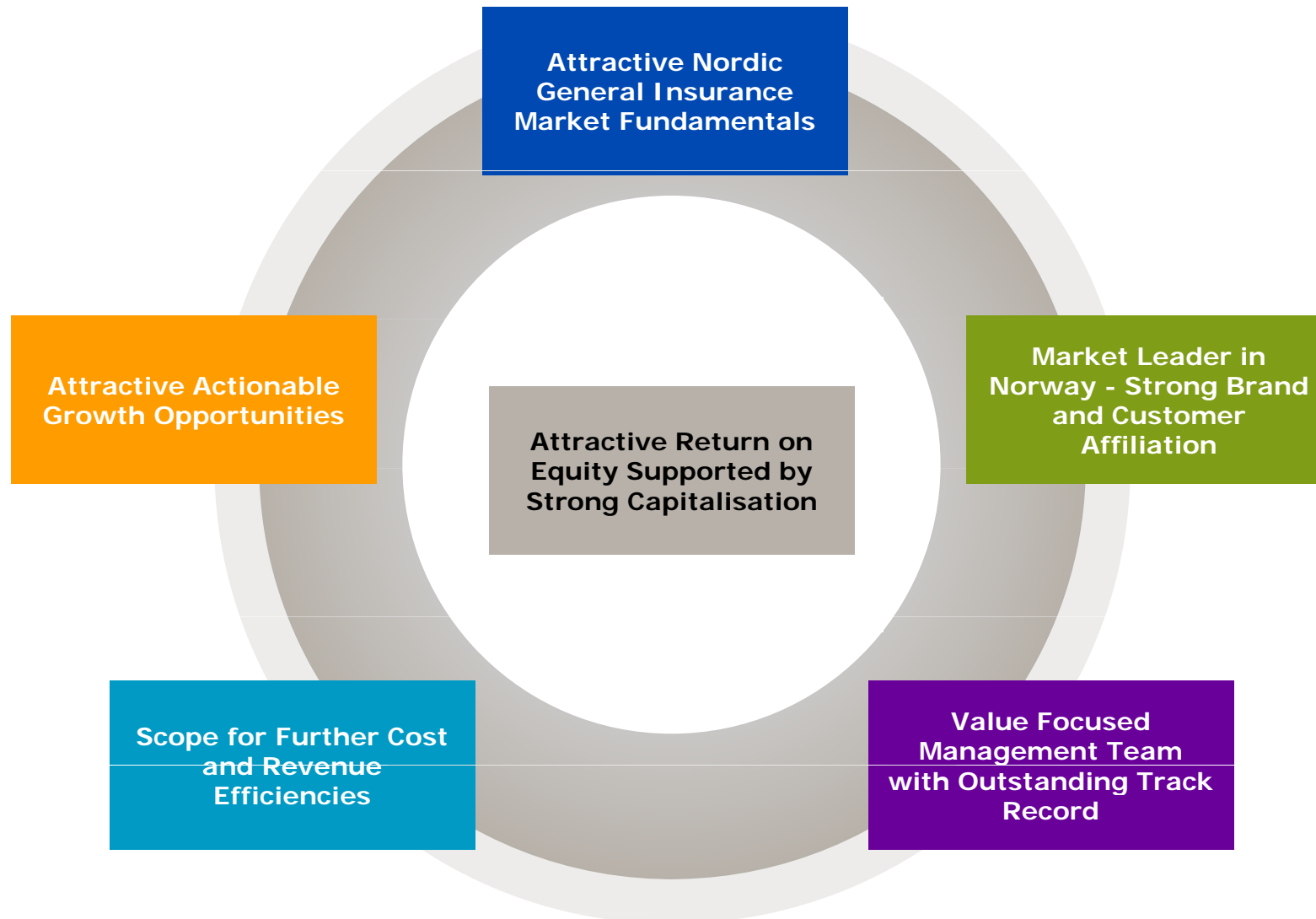


Outlook



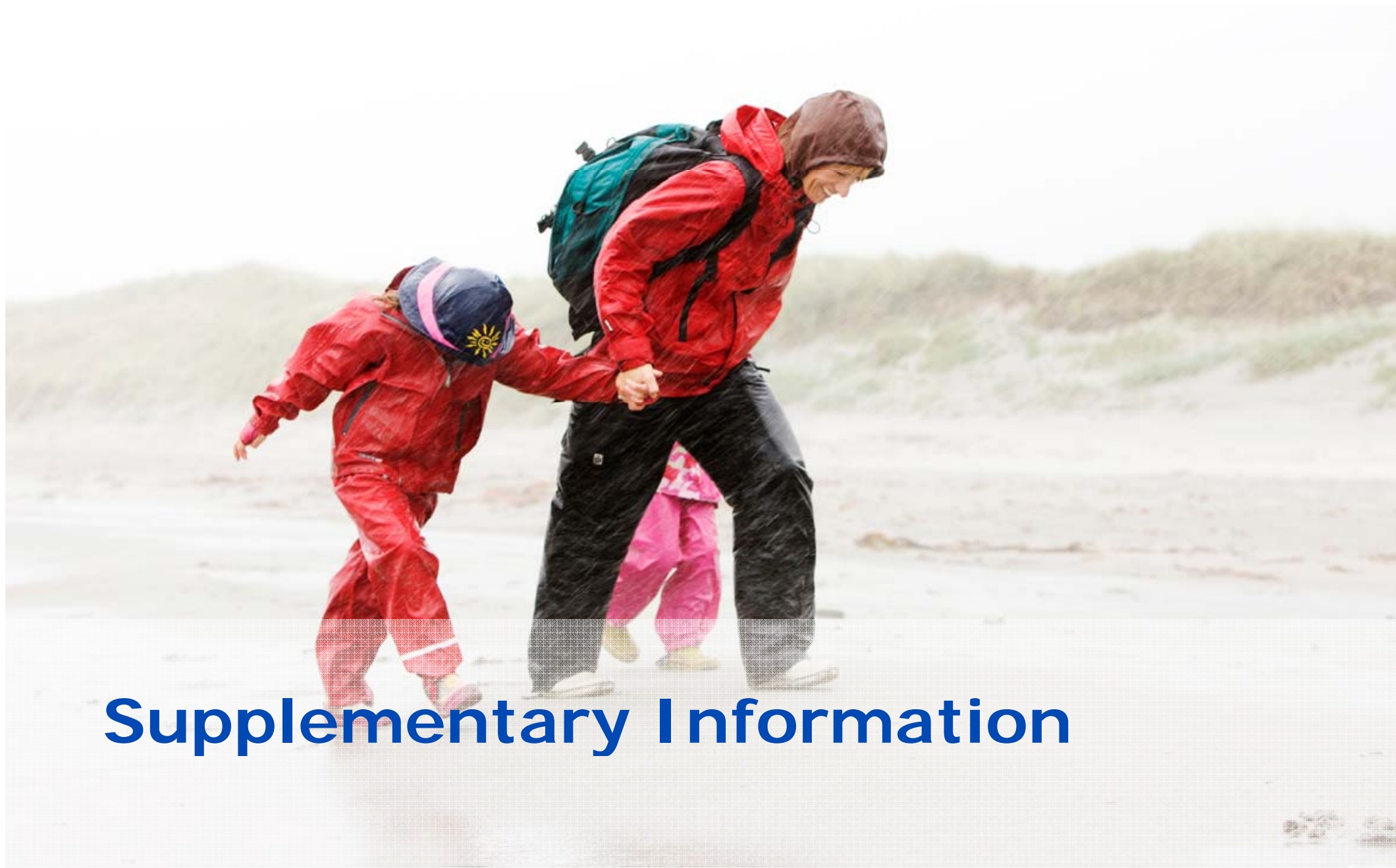
- The market condition in the Norwegian insurance market will continue to be demanding going forward
- Cost measures to improve risk margin and reduce operating expenses is expected to contribute to continued positive underwriting results
- The Pension and savings and Bank operations have developed according to expectations, and will strengthen Gjensidige's position and contribute to future growth in the Norwegian market going forward
- The financial markets have been challenging hitherto in 2010. There is uncertainty as to whether the positive development in 2009 will continue through 2010.
- The Group's capital situation and financial solidity is strong







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Supplementary Information



MNOK	Q4 2009	Q4 2008	2009	2008
Gross premiums written, total	3,794	3,476	18,276	17,429
Loss ratio, Gen. ins.	77.1%	77.8%	77.1%	77.4%
Cost ratio, Gen. ins.	18.1%	18.0%	17.4%	17.0%
UW result, Gen. ins.	191	165	867	860
Net income from inv.	649	(752)	2,788	(259)
Profit/(loss) before tax exp.	634	(653)	3,217	307
Profit for the period	431	(885)*	2,341	252*



Equity exposure

- Main equity exposures are the stakes in Storebrand and SpareBank 1 SR-Bank, private equity and current shares



Fixed income exposure

- Non-public rated issuers are mainly Norwegian savings banks, municipals, credit institutions and power producers and distributors

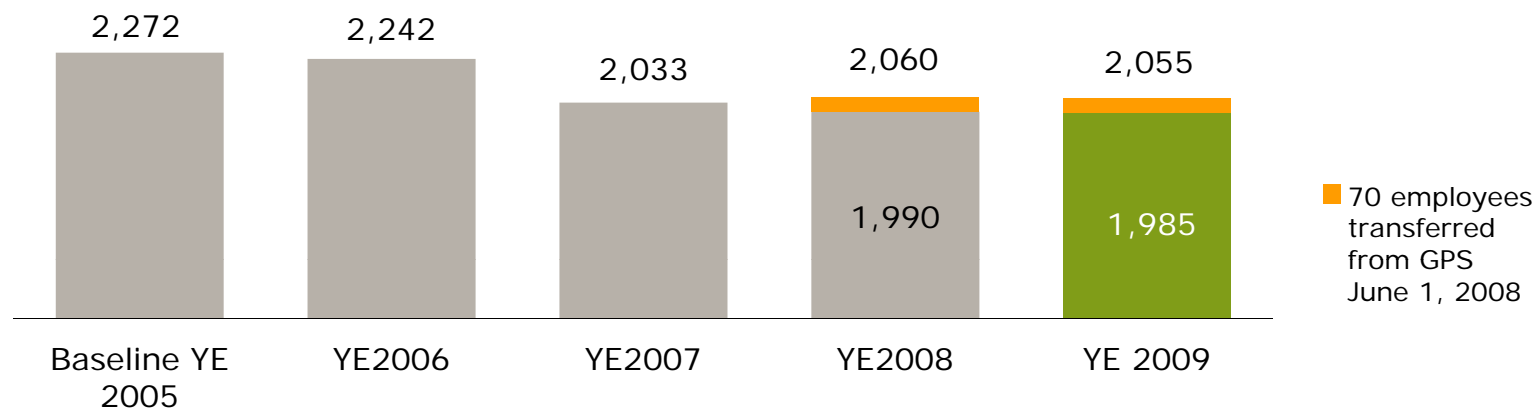
Split of fixed income portfolio	MNOK	%
Money market instruments	10.122	26,7 %
Bonds:		
<i>Bonds held to maturity</i>	15.178	40,1 %
<i>Loans and receivables</i>	1.365	3,6 %
<i>Bonds held for trading</i>	7.959	21,0 %
<i>Investment grade bond (international)</i>	2.105	5,6 %
<i>High yield bond funds (international)</i>	1.130	3,0 %
Total bonds	27.737	73,3 %
Sum	37.859	100,0 %

Rating	MNOK	%
Investment grade	28.310	74,8 %
High yield	1.516	4,0 %
Non rated	8.033	21,2 %
Sum	37.859	100,0 %

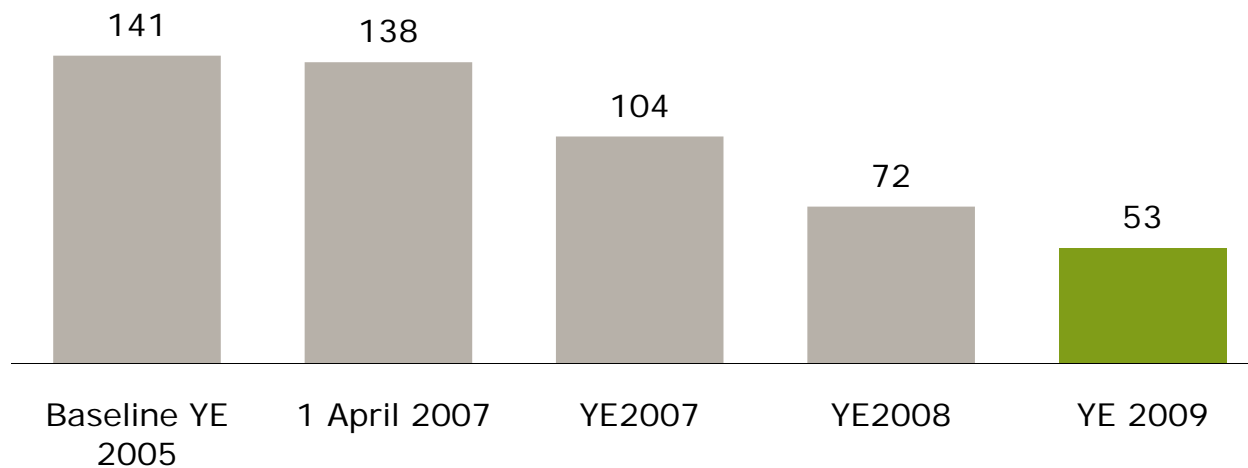
Rating - including internal rating by Storebrand	MNOK	%
Investment grade	34.511	91,2 %
High yield	1.516	4,0 %
Non rated	1.831	4,8 %
Sum	37.859	100,0 %



Employees general insurance Norway

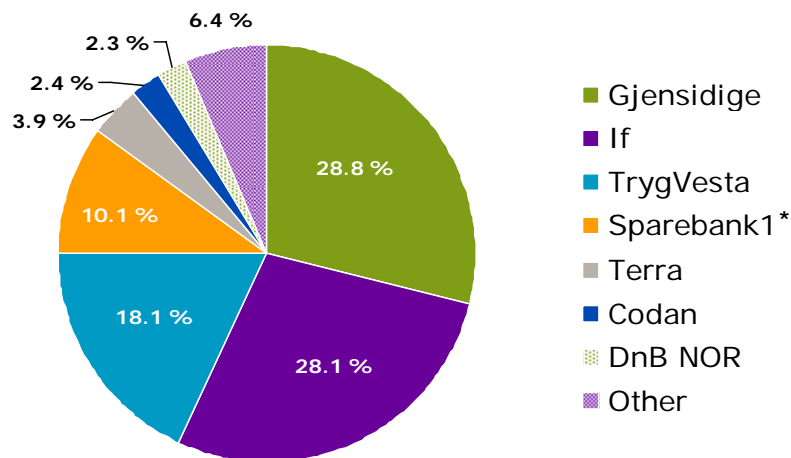


Branch offices general insurance Norway

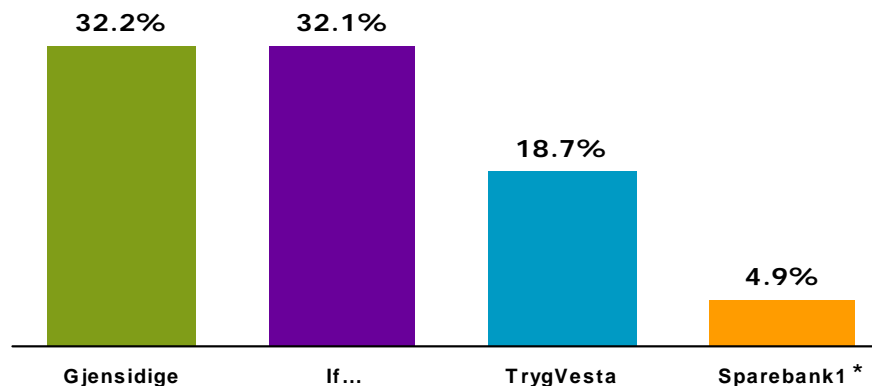




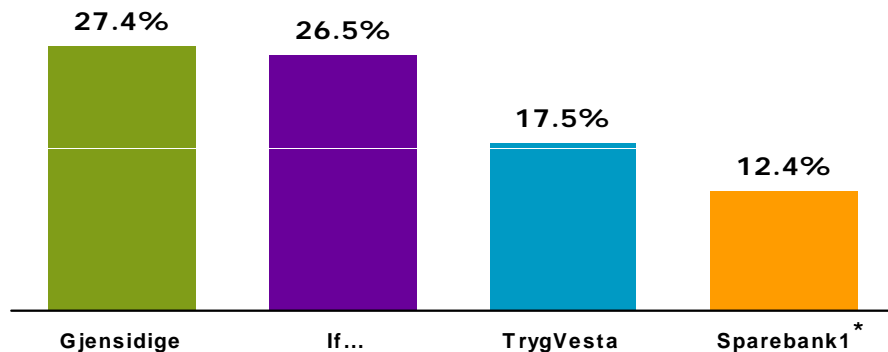
Market shares – Total market



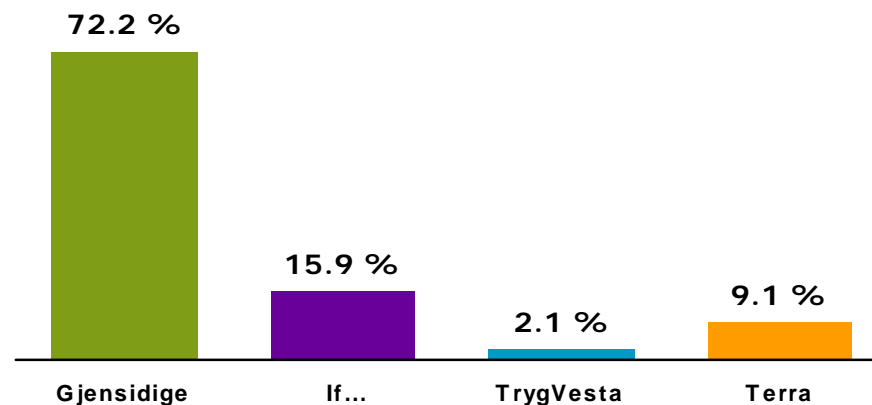
Market share - Commercial



Market share - Private



Market share – Agriculture
(Part of Private)



Source: FNH, general insurance, 30 September 2009. The definition of Private and Commercial is adjusted to reflect Gjensidige's business model.

* Sparebank1 non-life and Sparebank1 life report separately to FNH. In this illustration the Sparebank1 figures have been joined.



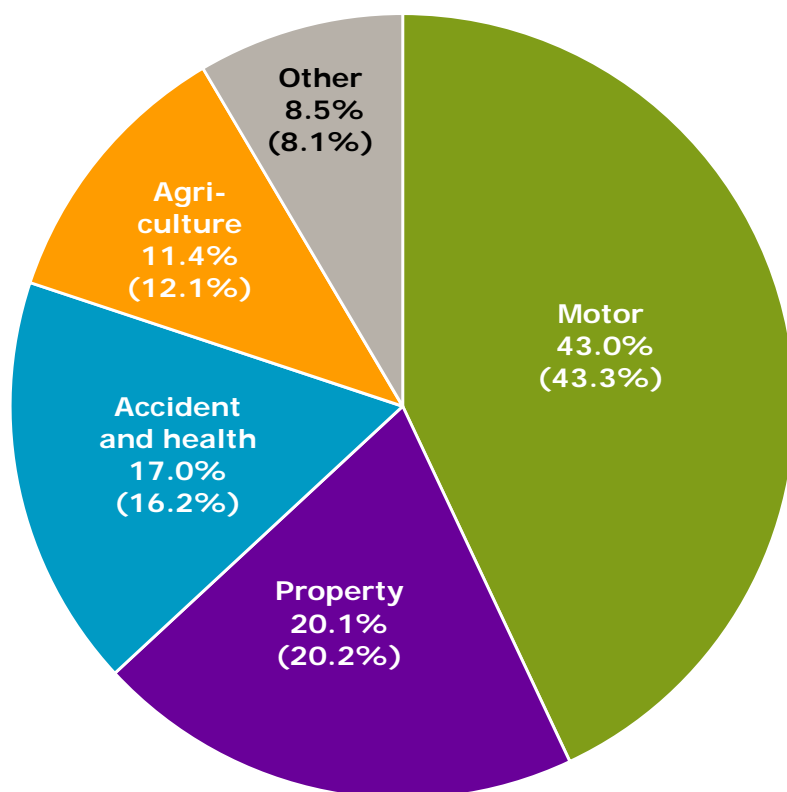
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General Insurance
Private Norway



Product Lines Dec 31, 2009 (Dec 31, 2008)

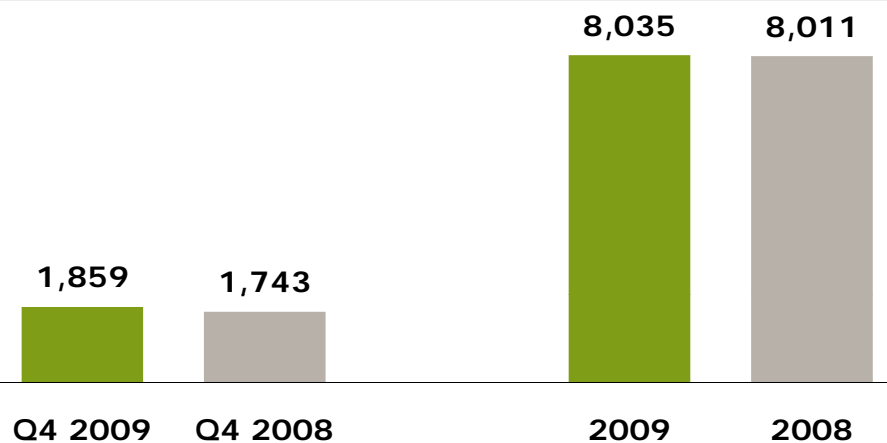


Highlights – fourth quarter

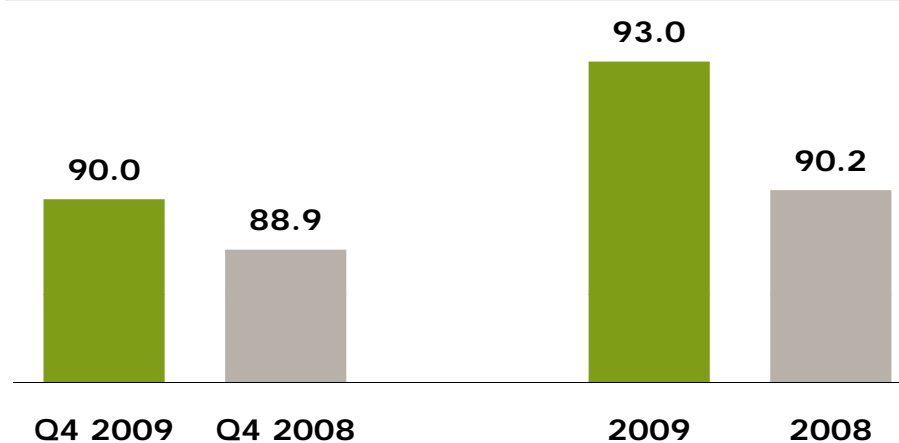
- Flat development in earned premiums, net of reinsurance from Q4 2008 to Q4 2009, in a market influenced by greater competition from new market players
- Minor decrease in underwriting result of MNOK 195 in Q4 2009 compared to MNOK 221 in Q4 2008, mainly due to increased claims incurred
- Decrease in the level of large losses from MNOK 25 in Q4 2008 to MNOK 10 in Q4 2009, whilst the run-off gain almost unchanged in Q4 2009 compared to Q4 2008
- Positive development in cost ratio; 15.8 in Q4 2009 against 17.0 in Q4 2008. A decrease in nominal costs of MNOK 27 in Q4 2009 against Q4 2008
- Combined ratio of 90.0 in Q4 2009 (88.9 in Q4 2008)



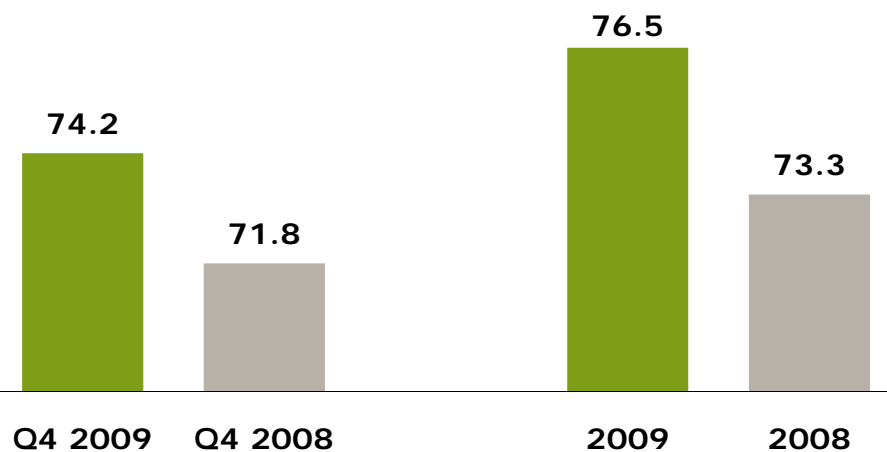
Gross Premiums Written (MNOK)



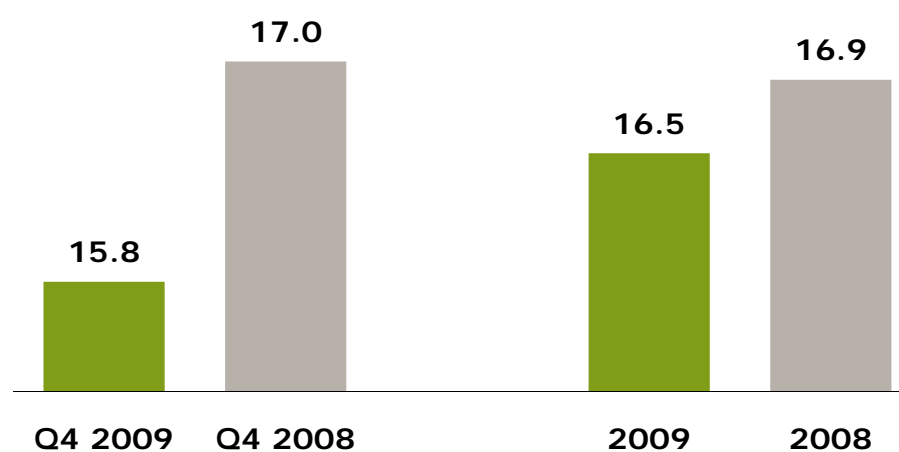
Combined Ratio (%)



Net Loss Ratio (%)



Cost Ratio (%)





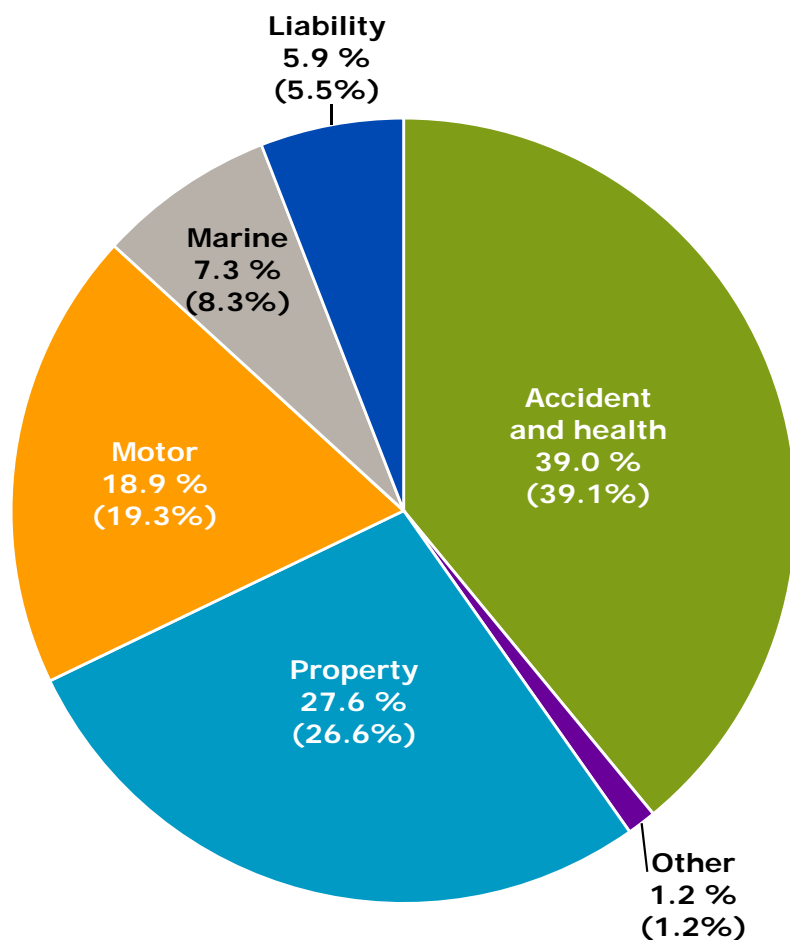
GJENSIDIGE

General Insurance

Commercial Norway



Product Lines Dec 31, 2009
(Dec 31, 2008)

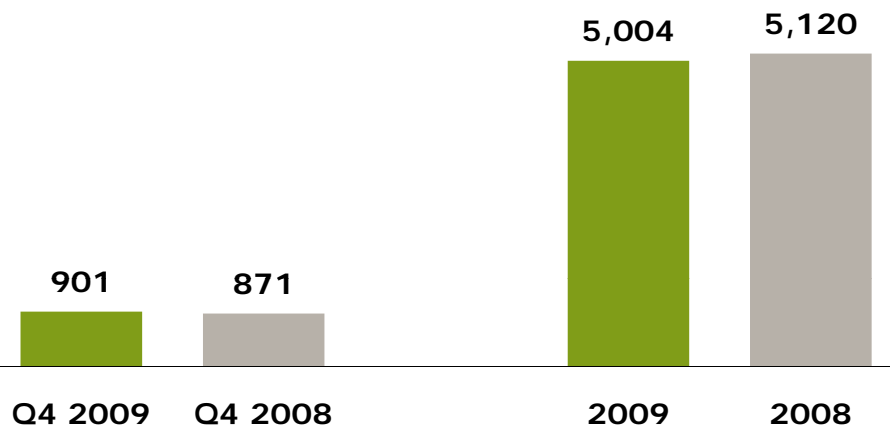


Highlights – fourth quarter

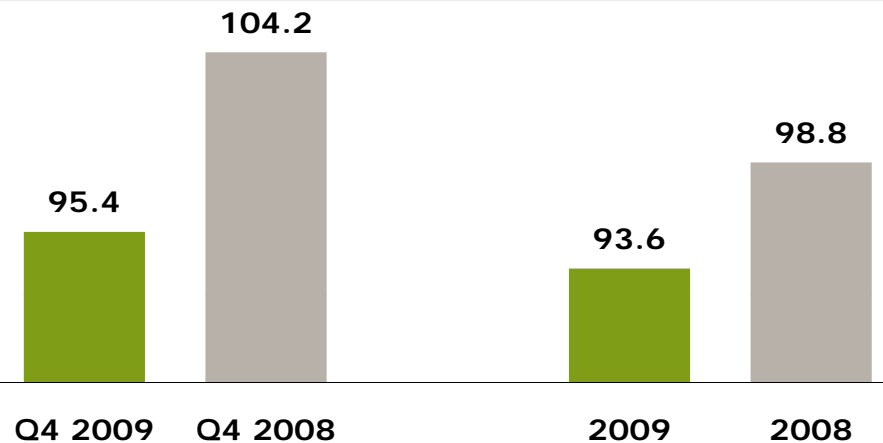
- Earned premiums, net of reinsurance, fell by 4.1 per cent in Q4 2009 compared to Q4 2008, to MNOK 1,161. Profitability is given priority over growth
- Improved underwriting result, mainly attributed to reduced claims incurred and reduced large losses. Underwriting result of MNOK 53 in Q4 2009 against negative MNOK 51 in Q4 2008
- Large losses in Q4 2009 of negative MNOK 8 against MNOK 73 in Q4 2008, whilst there is a decrease in run-off gain from Q4 2008 to Q4 2009
- Cost ratio of 12.6 in Q4 2009 against 13.1 in Q4 2008. Nominal costs decreased with MNOK 12 in Q4 2009 against Q4 2008
- Combined ratio of 95.4 in Q4 2009, a strong improvement from 104.2 in Q4 2008



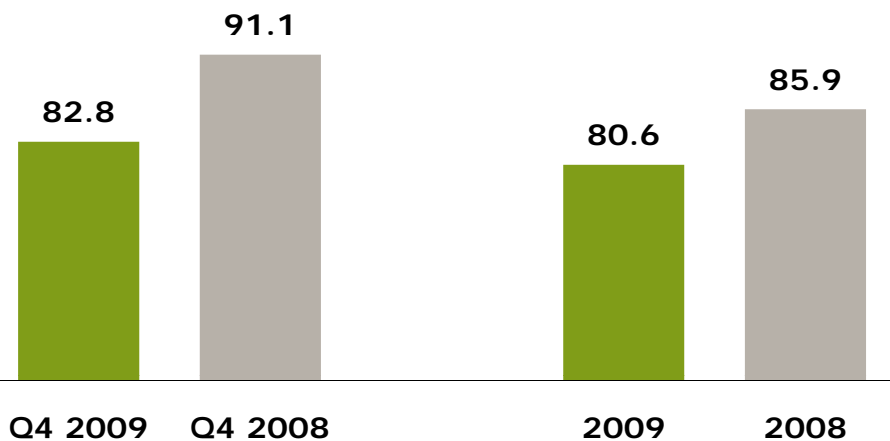
Gross Premiums Written (MNOK)



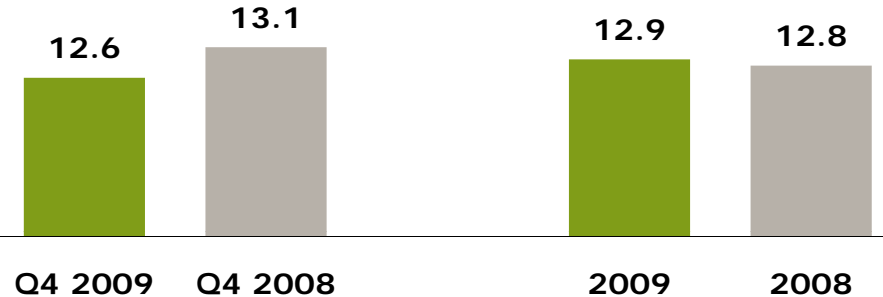
Combined Ratio (%)



Net Loss Ratio (%)



Cost Ratio (%)





GJENSIDIGE

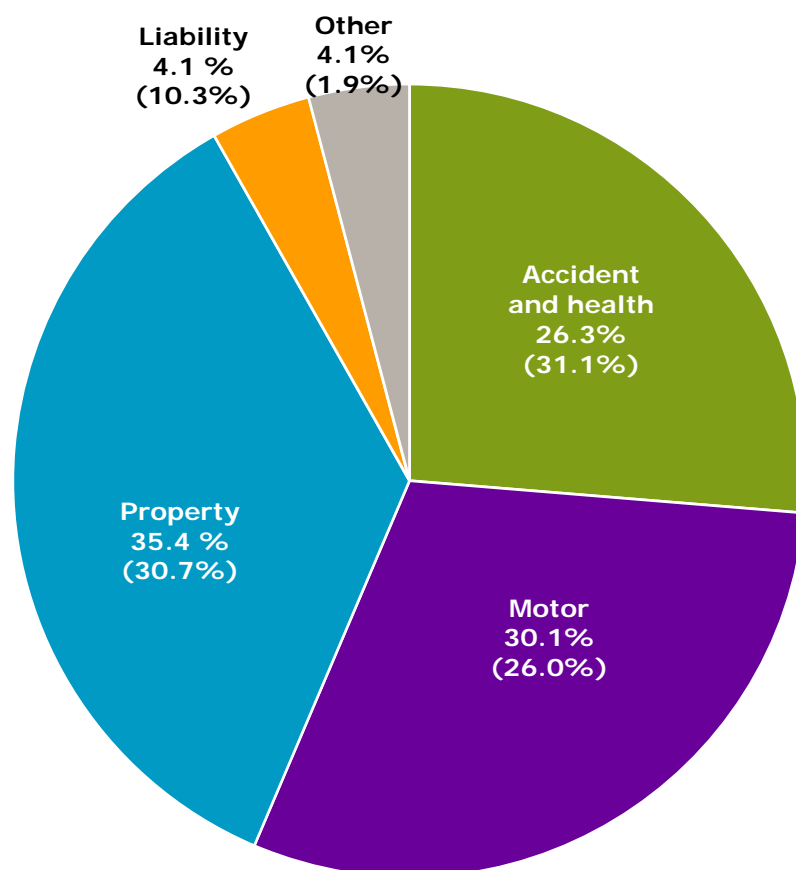


General Insurance

Nordic



Product Lines Dec 31, 2009
(Dec 31, 2008)

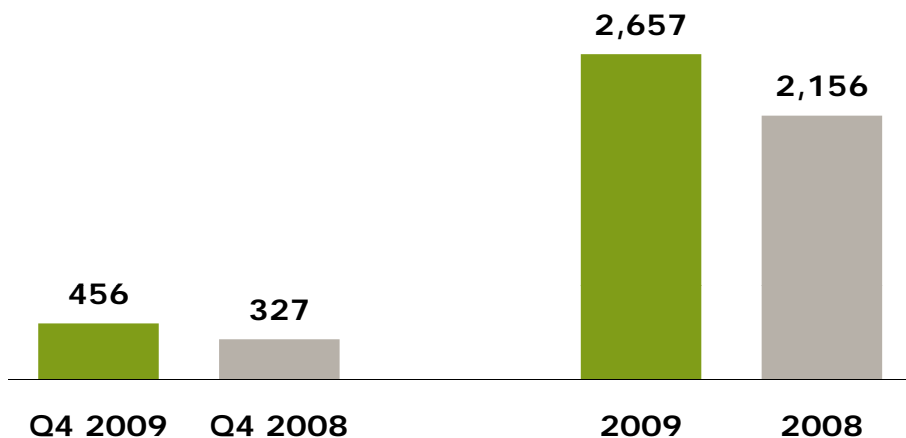


Highlights – fourth quarter

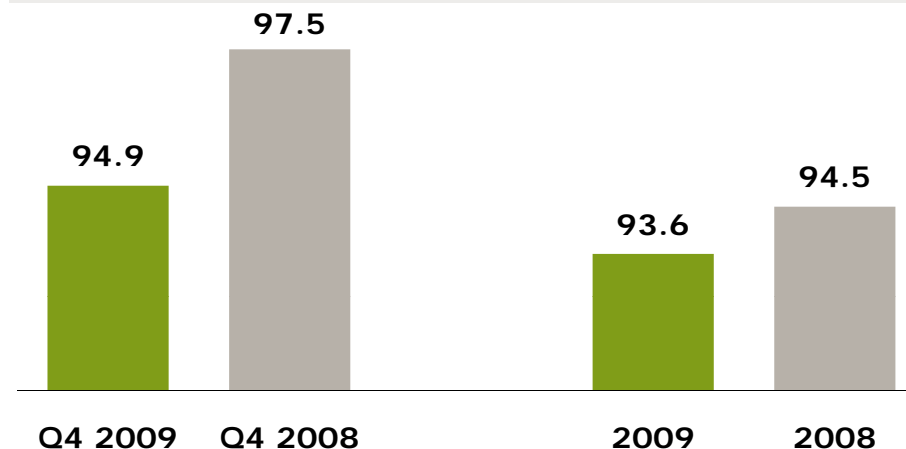
- Earned premiums, net of reinsurance increased with 19.4 per cent, from MNOK 548 in Q4 2008 to MNOK 654 in Q4 2009. The increase is mainly due to growth within the commercial operation in Denmark and Sweden, and the white label operations in Norway
- Improved underwriting result of MNOK 34 in Q4 2009 against underwriting result of MNOK 14 in Q4 2008
- A slight decrease in large losses in Q4 2009 compared to Q4 2008. The run-off gains in Q4 2009 is somewhat lower than in Q4 2008
- Cost ratio improved from 19.9 in Q4 2008 to 18.2 in Q4 2009. Nominal costs increased with MNOK 10 in Q4 2009 against Q4 2008, due to expenses related to the growth in Sweden and an increased share of partner-distributed business in Norway
- Combined ratio in Q4 2009 of 94.9 (97.5 in Q4 2008)



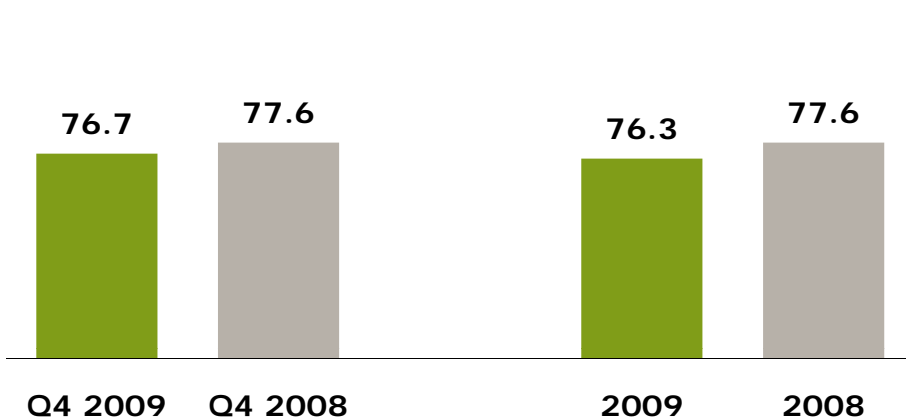
Gross Premiums Written (MNOK)



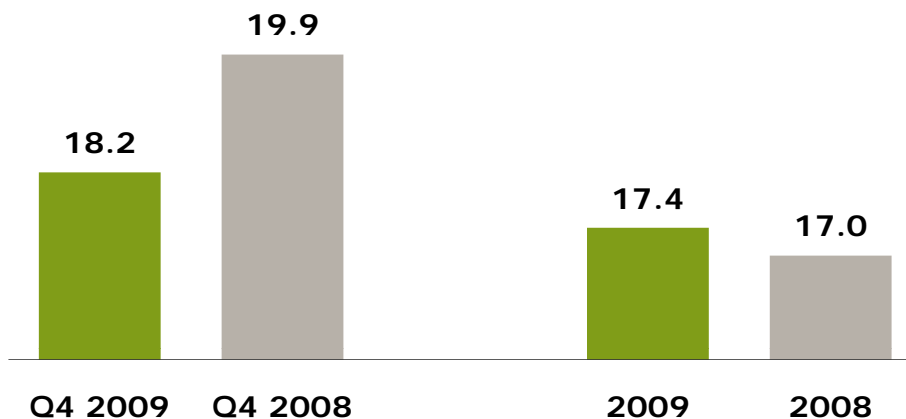
Combined Ratio (%)



Net Loss Ratio (%)



Cost Ratio (%)





GJENSIDIGE

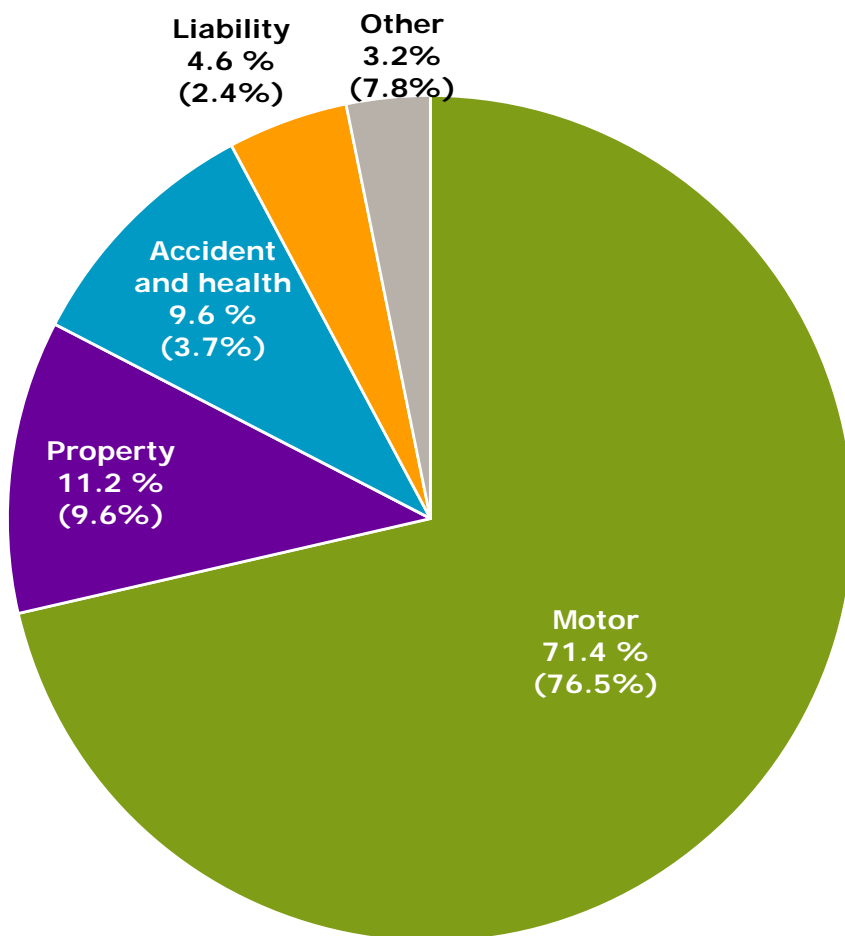


General Insurance

Baltic



Product Lines Dec 31, 2009
(Dec 31, 2008)

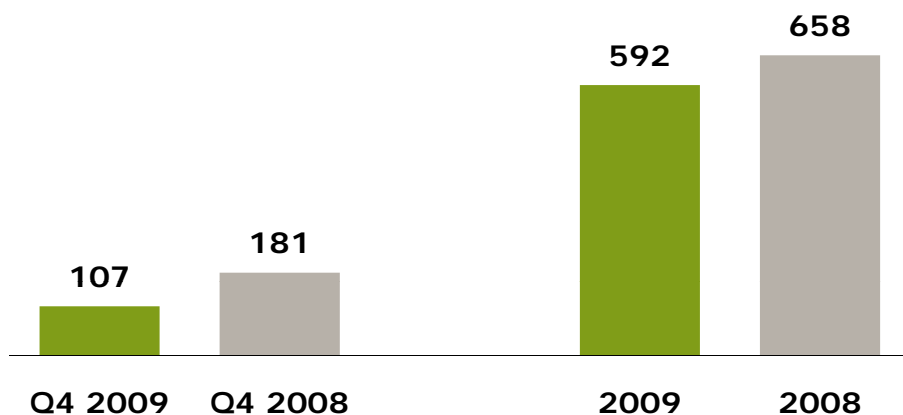


Highlights – fourth quarter

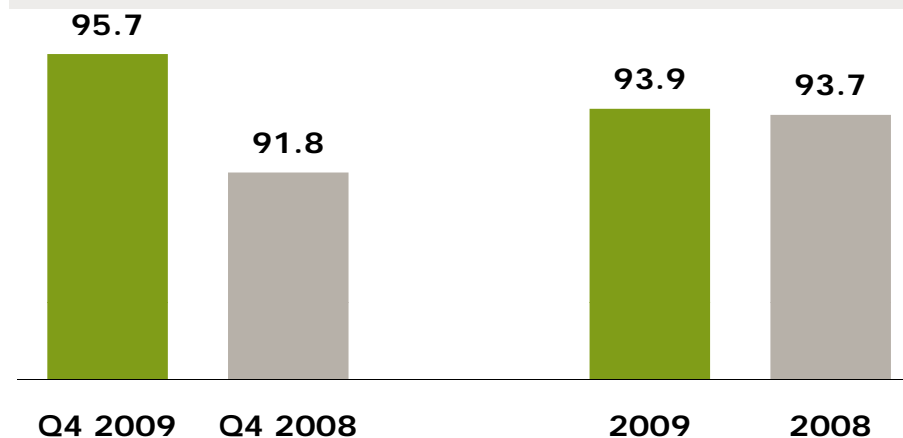
- A decrease in earned premiums, net of reinsurance, of 22.8 per cent from Q4 2008 to Q4 2009. The total Baltic market has decreased substantially in 2009, 24 per cent as of the end of October
- Underwriting result of MNOK 6 in Q4 2009 against MNOK 16 in Q4 2008. So far the effect of the financial crisis has been a reduction in the number of claims and a price drop in damage repairs
- No large losses. Run-off gain in Q4 2009 against run-off loss in Q4 2008
- Cost ratio of 28.1 in Q4 2009 (32.6 in Q4 2008)
- Combined ratio in Q4 2009 of 95.7 against 91.8 in Q4 2008
- Acquisition of Länsförsäkringar's operations in Latvia and Lithuania was closed in November 2009. Related to the acquisition, a negative goodwill of MNOK 15 was recognized as income in Q4 2009



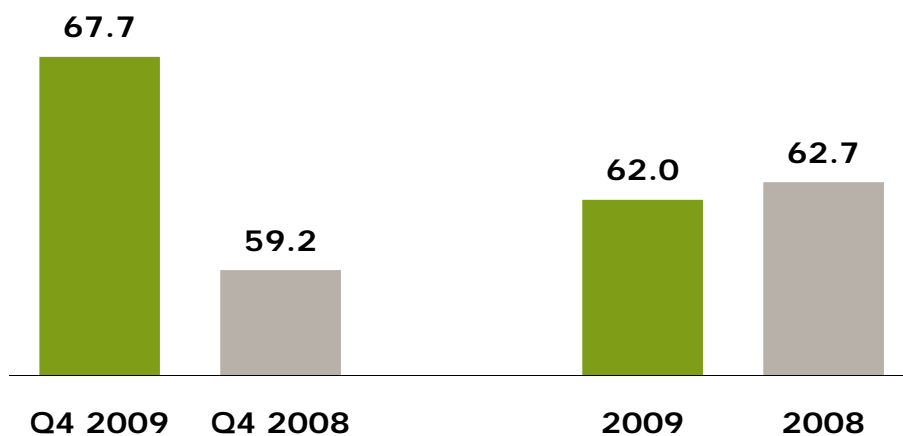
Gross Premiums Written (MNOK)



Combined Ratio (%)



Net Loss Ratio (%)



Cost Ratio (%)





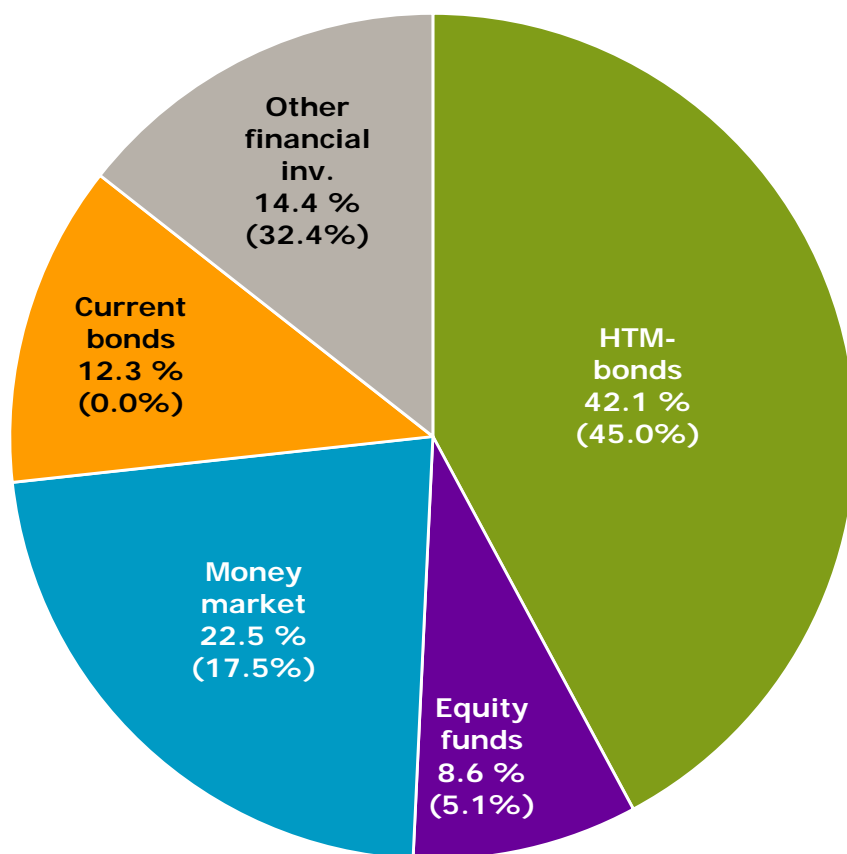
GJENSIDIGE



Pension and savings



Assets Allocation Group Policy Portfolio (MNOK) Dec 31, 2009 (Dec 31, 2008)

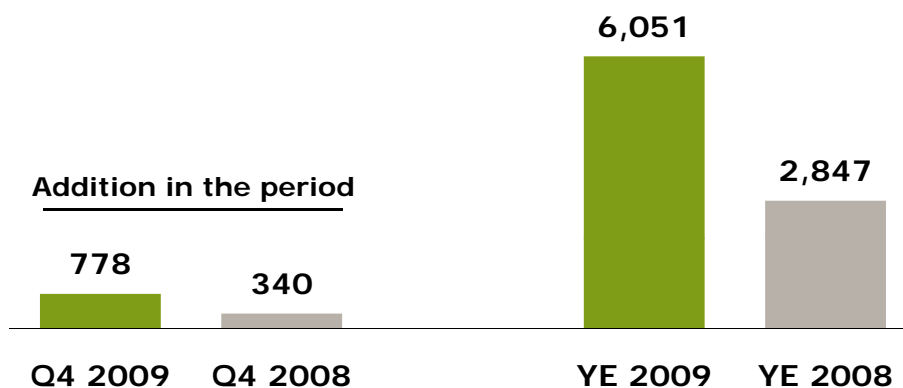


Highlights – fourth quarter

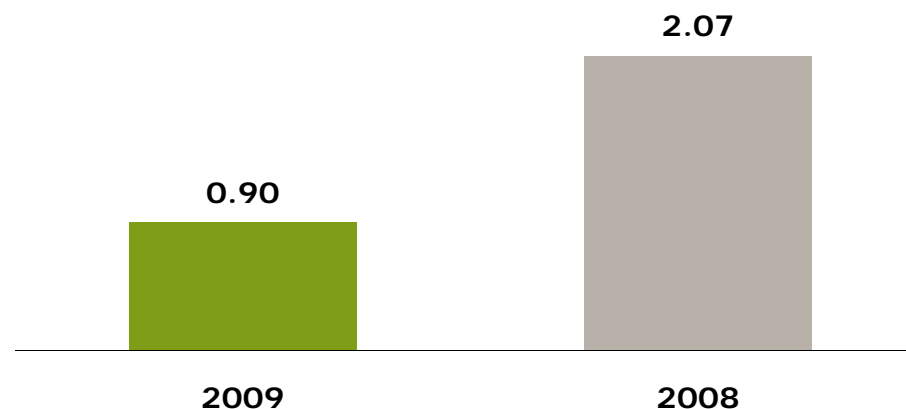
- Total AUM growth in Q4 2009 of MNOK 778, to MNOK 6,051 as at 31 December, 2009
- Profit margin savings of 0.90 per cent in 2009, a reduction from 2.07 per cent in 2008
- Loss before tax for Q4 2009 of MNOK 29 compared to MNOK 31 in Q4 2008. The improvement is attributed to a strong growth in revenues and a positive return on the group portfolio
- Net increase of 7,388 new customers in Q4 2009
- 84.6 per cent of the customers at the end of the quarter were also insurance customers
- Transfer of Handelsbanken's portfolio to Gjensidige from Q1 2010



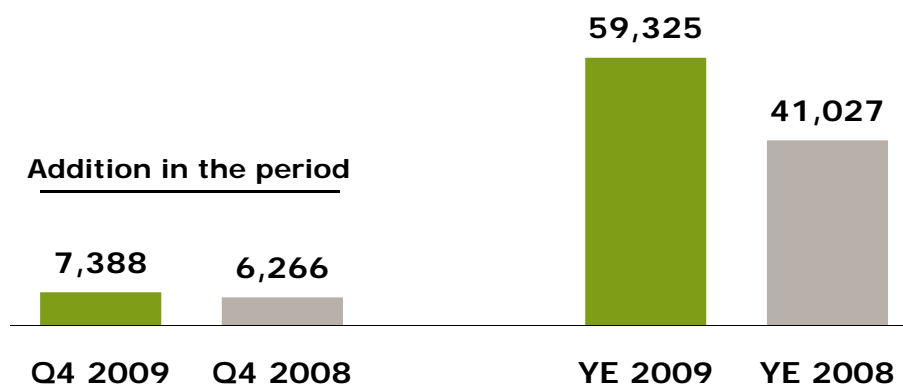
Assets Under Management (MNOK)



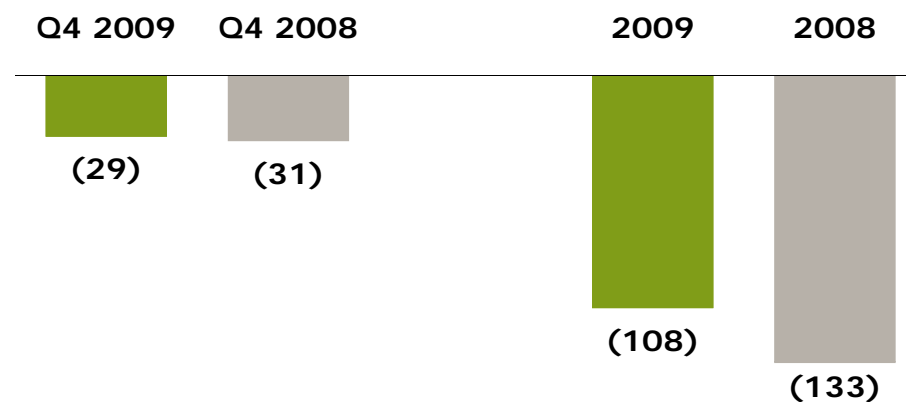
Profit Margin Savings (%)¹



Customer Development



Profit before tax





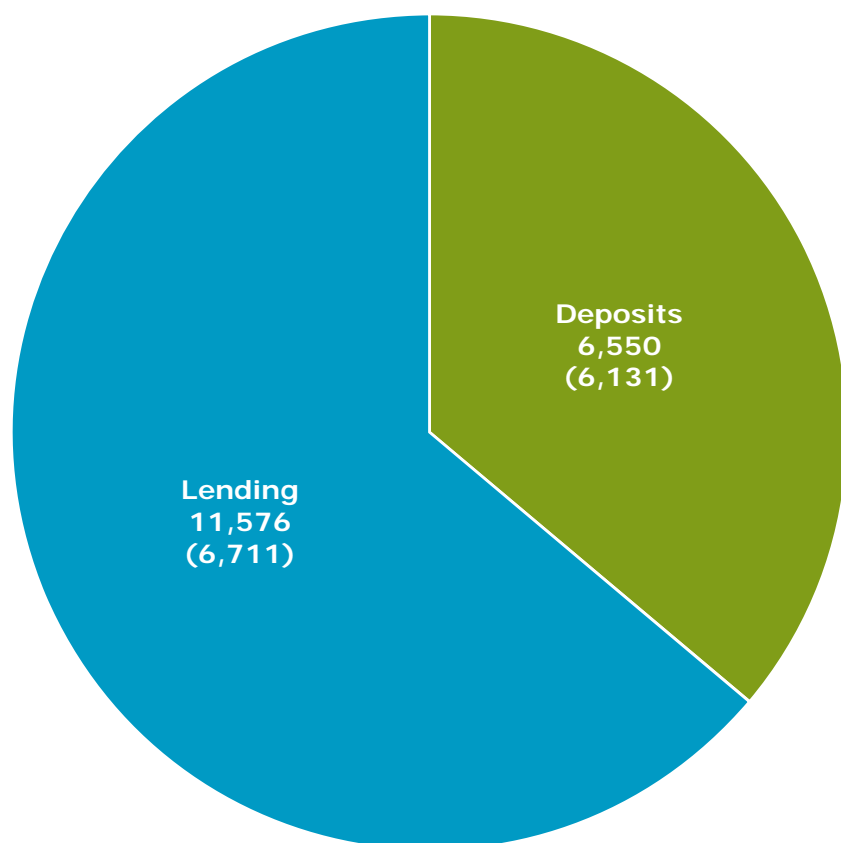
GJENSIDIGE



Online retail banking



Lending and Deposits (MNOK) Dec 31, 2009 (Dec 31, 2008)

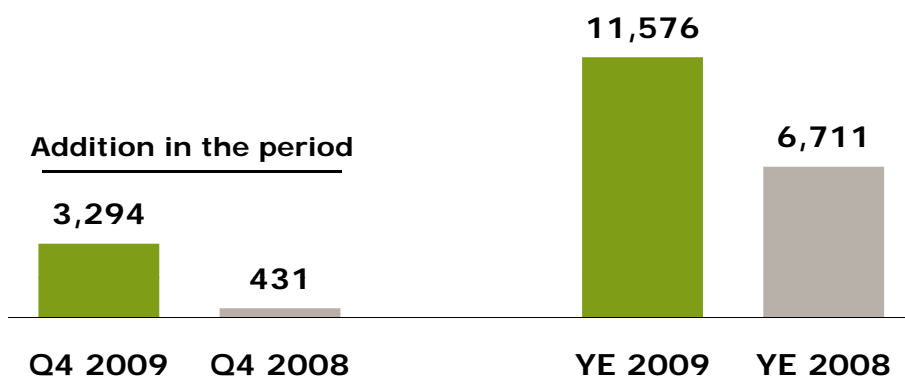


Highlights – fourth quarter

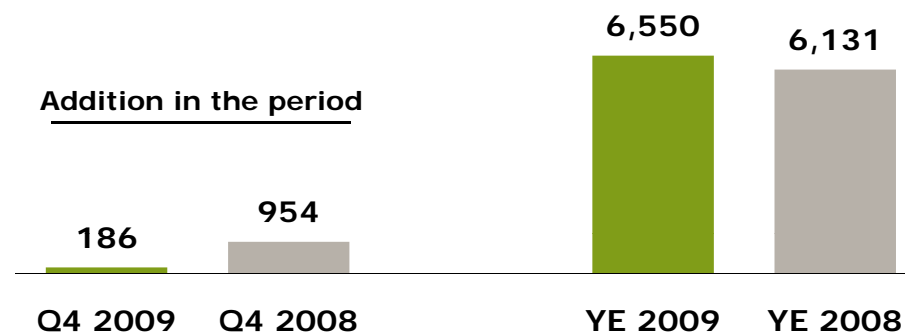
- Loan book growth of MNOK 3,294 in Q4 2009, of which MNOK 2,672 was due to the acquisition of Citibank's consumer finance business. Total loan book of MNOK 11,576 as at Dec 31, 2009
- Deposits increased with MNOK 186 in Q4 2009 to a total of MNOK 6,550
- Deposits-to-loan ratio of 56.6 per cent as at December 31, 2009
- Loss before tax for Q4 2009 of MNOK 17 compared to MNOK 20 in Q4 2008. The improvement is mainly attributed to higher net interest income and credit commission income
- The number of registered customers increased with 27,434 in Q4 2009, mainly due to the acquisition of Citibank's consumer finance business
- 39.3 per cent shared customers with General Insurance Norway at the end of Q4 2009
- The consumer finance business acquired from Citibank was consolidated from mid December



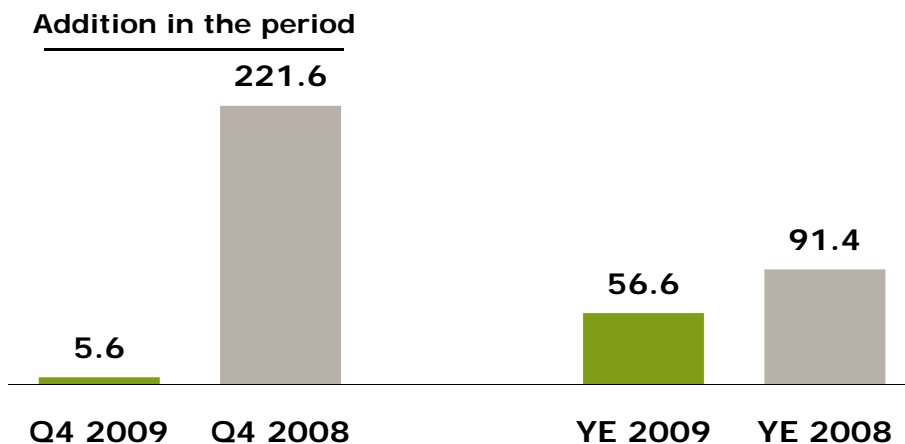
Loans (MNOK)



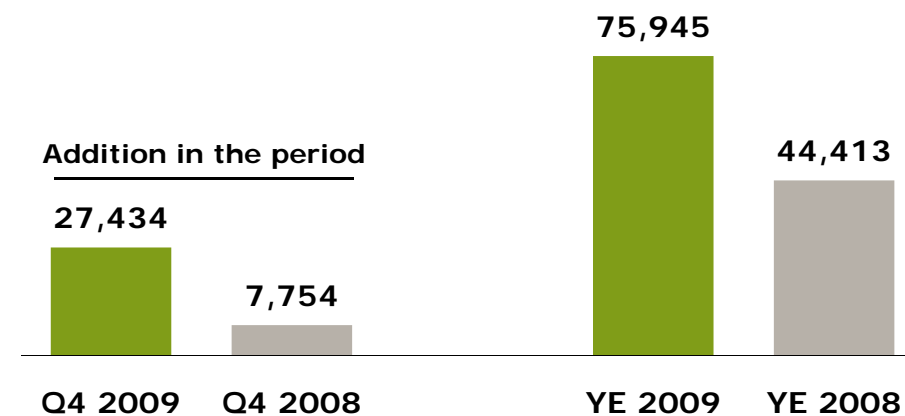
Deposits (MNOK)



Deposit Ratio (%)



Customer Development





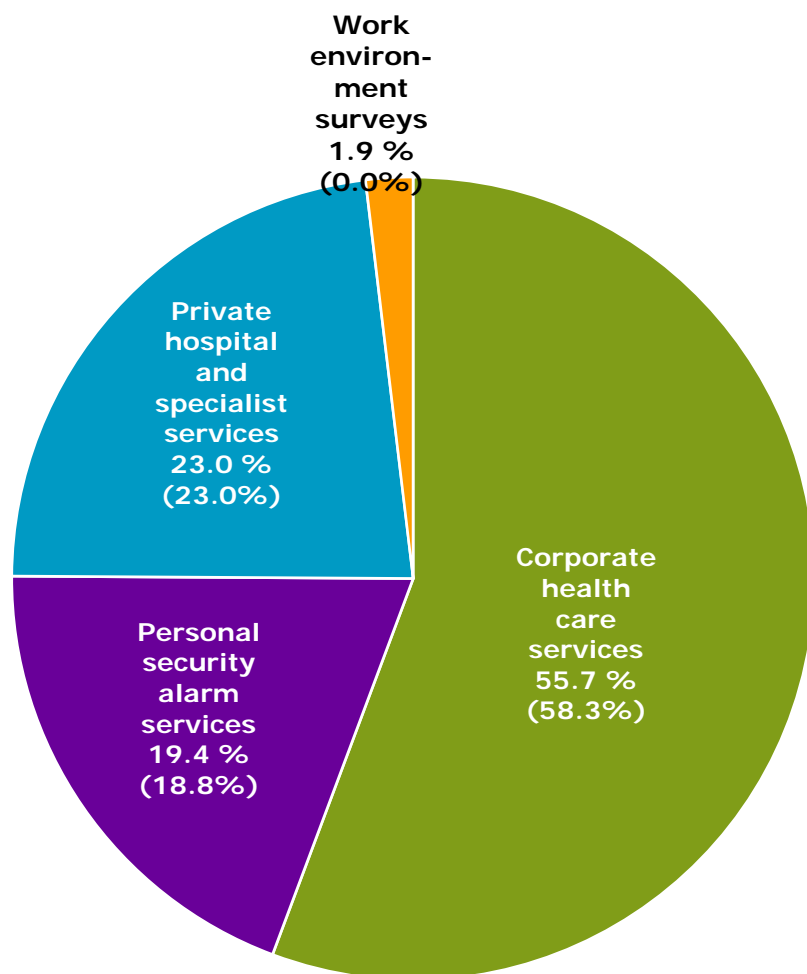
GJENSIDIGE



Health care services



Revenue Split Health care services Dec 31, 2009 (Dec 31, 2008)

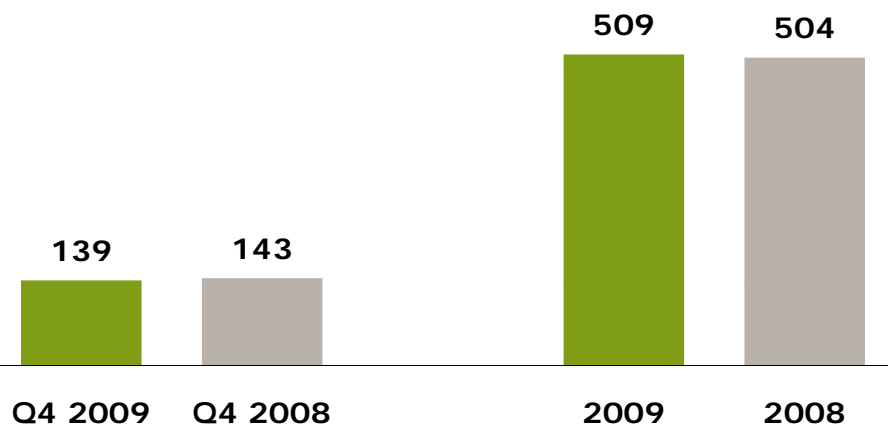


Highlights – fourth quarter

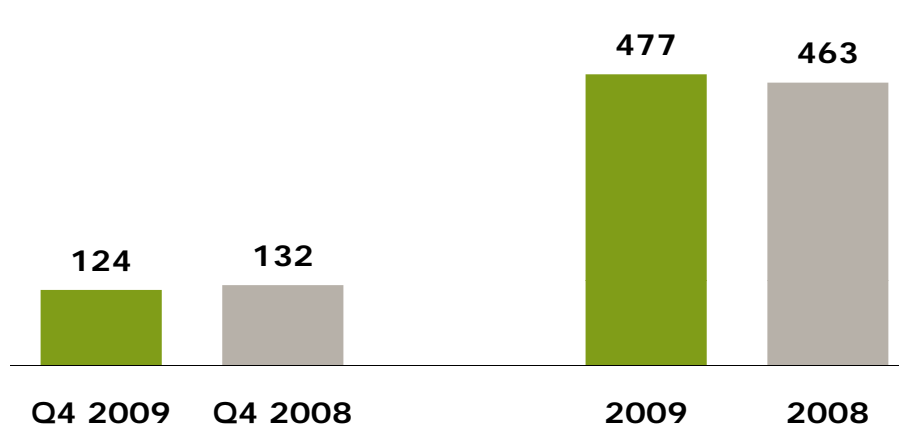
- Slight decrease in operating income, MNOK 139 in Q4 2009 and MNOK 143 in Q4 2008, mainly due to reduced sales in occupational health services and work environment surveys
- Operating costs decreased to MNOK 124 in Q4 2009 (MNOK 132 in Q4 2008). The decrease is mainly attributed to the effect of cost reducing measures initiated earlier in 2009
- EBITA-margin of 11.0 per cent in Q4 2009, against 7.8 per cent in Q4 2008



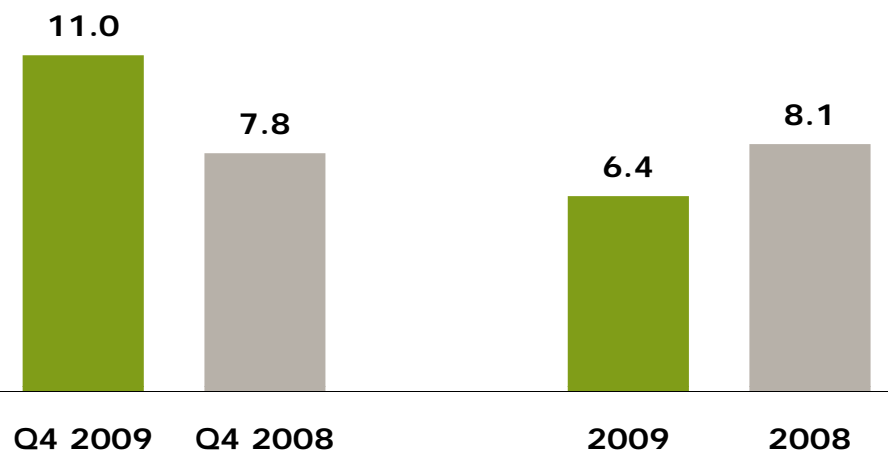
Revenues (MNOK)



Costs (MNOK)



EBITA Margin (%)



EBITA (MNOK)

