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## CMD: Business review and strategic priorities towards 2018

**Continuing to deliver superior customer experiences, analytically-driven processes and operating efficiencies will ensure sustainable competitiveness and growth for Gjensidige Forsikring ASA, Norway's leading and also the second-largest general insurance company in the Nordic region. Hosting its first Capital Markets Day in London today, Gjensidige outlines how it will maintain customer loyalty and deliver stable returns to shareholders in a highly competitive market.**

At the event, Helge Leiro Baastad, Chief Executive Officer of Gjensidige, and key members of the Group management team will discuss Gjensidige's operational strategies, including customer loyalty initiatives, multi-channel distribution model, claims handling, risk selection and tariff programmes.

"We have been looking forward to giving investors and financial analysts a detailed update on our business, outlining how we aim to retain our competitive positioning across the Nordic region, as well as growing profitably in the years ahead. Our key priority is to deliver superior customer experiences, while at the same time maintaining strict cost discipline and creating shareholder value," says Baastad.

### Ambitious financial targets

Gjensidige aims to pay out high and stable dividends to shareholders from 2014, with a pay-out ratio over time of at least 70 percent of profit after tax. The Group targets a return on equity of 15 percent after tax from 2015.

As confirmed when presenting third-quarter results 21 October, Gjensidige maintains a combined ratio target of 90-93 towards 2018. Annual claims costs will be reduced by MNOK 400-500 by 2018 in order to maintain competitiveness and secure a combined ratio in the lower part of the target range. However, unexpected high levels of large losses and weather events represent the main contributors to loss ratio volatility and could push the annual CR towards and above the higher end of the target range.

### Market leading position

Gjensidige will focus on further strengthening its market-leading position in Norway, while continuing to pursue strategic development opportunities in the Nordic and Baltic countries. Partnership agreements will continue to be an integral part of Gjensidige's distribution model, together with an increasingly cost-efficient, seamless multi-channel operation. The Group intends to increase investments in IT and initiatives to further strengthen brand value and organizational capabilities. In total, Gjensidige will spend NOK 1.9 billion related to these initiatives during the coming four-year period, representing more than 40 per cent increase compared to the previous four-year period. Gjensidige however targets a stable cost ratio of around 15 per cent.

Customer satisfaction rates have improved steadily. Gjensidige now raises the bar further and announces a targeted customer satisfaction level of 77 by 2018, up from 73.6 in 2013. The Group also announces ambitious targets for the share of digital customers and frequency claims reported online.

Baastad underlines that analytically-driven processes and customer relationship management (CRM) will be critical to delivering on Gjensidige's ambitions:

"Gjensidige has come a long way, but we see significant potential to leverage technology, data and predictive analytics in our risk assessment, pricing and marketing activities. At the same time, we will further automate claims handling and improve digital customer services. "We will continue shifting from a predominantly product-based customer offering to developing value-added services designed to help our customers in their daily lives."

The presentation from the Capital Markets Day is available at [gjensidige.no/cmd](http://gjensidige.no/cmd). The

Capital Markets Day will be webcast live from 13.00 GMT to 17.00 GMT. The webcast will subsequently be available at [gjensidige.no](http://gjensidige.no).

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