



Gjensidige

Gjensidige Insurance Group

4th quarter and preliminary 2013

5 February 2014



Agenda

Highlights

Financial performance

Priorities and outlook

Appendix



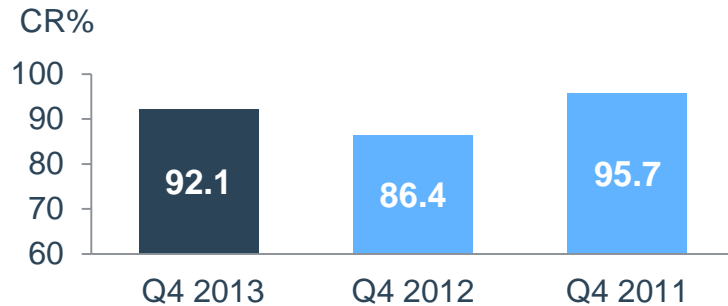
Norwegian local communities on fire – focus on helping customers and handling claims



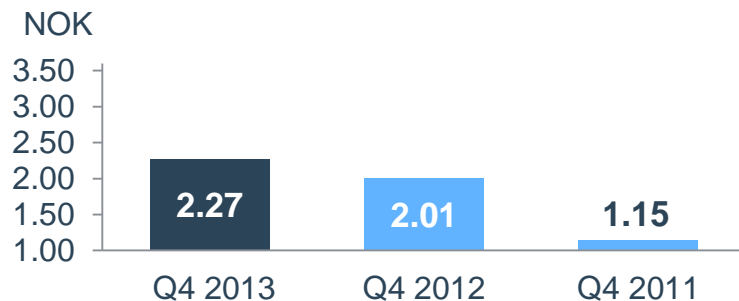


Good quarter despite significant weather-related events

CR development



Earnings per share



- Pre-tax profit NOK 1,283m
- Underwriting result NOK 376m
 - Solid underlying premium growth
 - Substantial impact from weather-related claims
 - Good cost control
- Financial result NOK 878m (1.5%)
- 18.3% pre-tax ROE*



Solid premium growth and good result in 2013

- Pre-tax profit NOK 4,574m
- Underwriting result NOK 2,020m
 - Solid underlying premium growth
 - Satisfactory frequency claims development
 - Good cost control
- Financial result NOK 2,481m (4.3%)
- Earnings per share NOK 7.34
- Proposed total dividend NOK 6,400m, NOK 12.80 per share

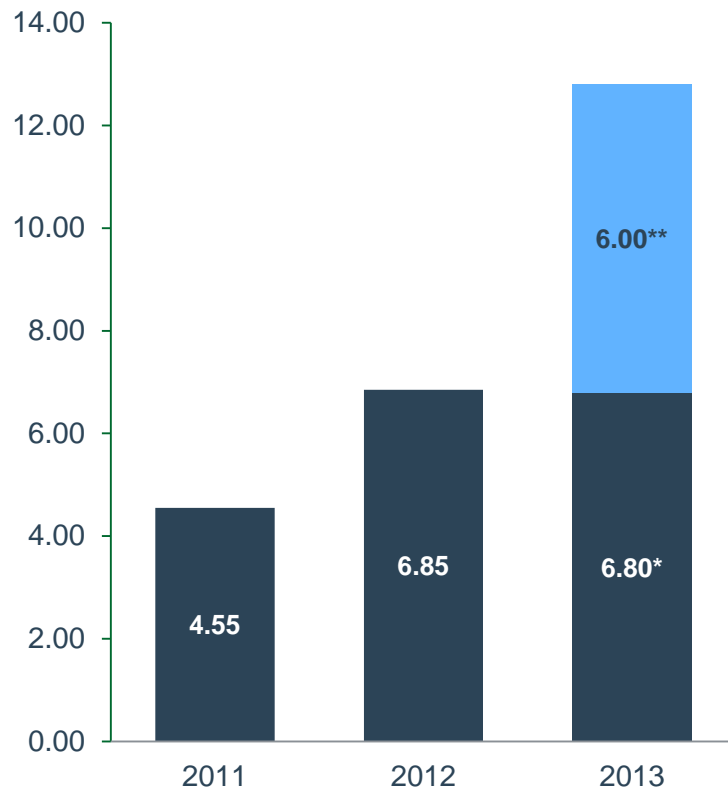
| Financial targets for 2013 | Actual 2013 |
|----------------------------|-------------|
| CR 90-93 | 89.2 |
| Pre-tax ROE > 15% | 18.3% |
| S&P A-rating | A |
| Dividend 50-80% | 79.4%* |

* Proposed payout ratio related to the profit for the accounting year 2013. The basis for calculation is adjusted for the Storebrand impairment in Q1. In addition, distribution of NOK 6.00 per share, related to release of excess capital, has been proposed earlier. This is not included when calculating the payout ratio.



Proposed total dividend NOK 12.80 per share

Dividend per share (NOK)



Dividend policy

Accounting year 2013

- 50-80% of profit after tax
- Basis for calculation adjusted for Storebrand impairment

Accounting year 2014 and onwards

- High and stable ordinary dividends – over time at least 70% of profit after tax
- Over time, excess capital above the targeted capitalisation will be paid out as extraordinary dividends

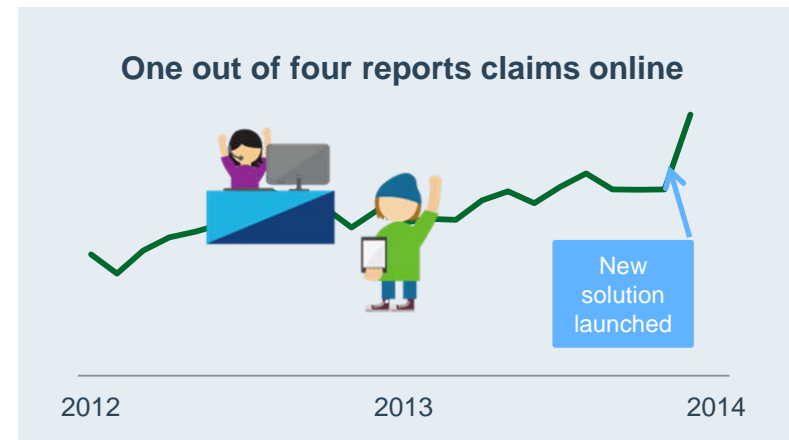
* Proposed dividend related to the profit for the accounting year 2013

** Proposed dividend related to distribution of excess capital (communicated 22 October 2013)

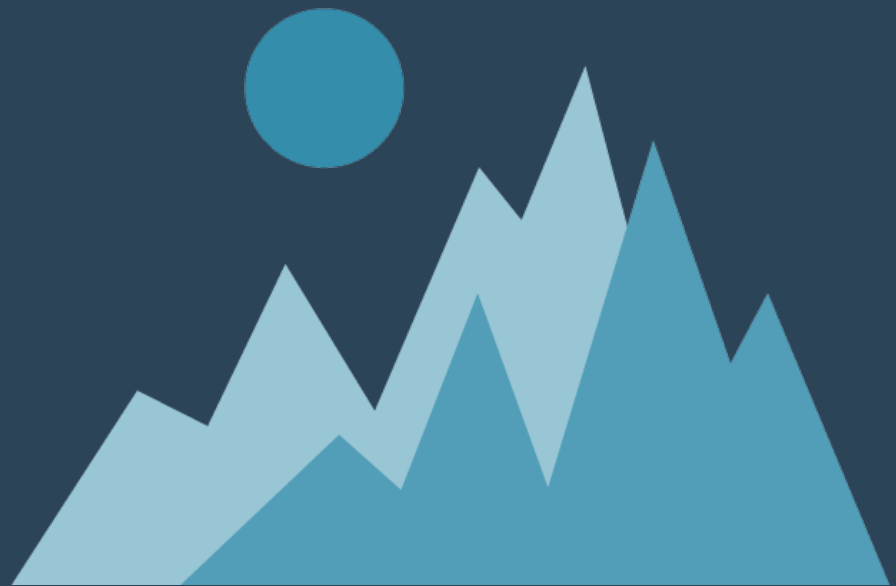
Increased customer satisfaction and good competitiveness in 2013



- Stable customer development in Private
- Industrialised processes in Commercial
- Increased distribution power in Nordic
- Good renewal of contracts entering 2014
- Acquisitions in Denmark and Sweden
- Increase in self-servicing
- The customer dividend model effective



Financial performance





Performance per segment

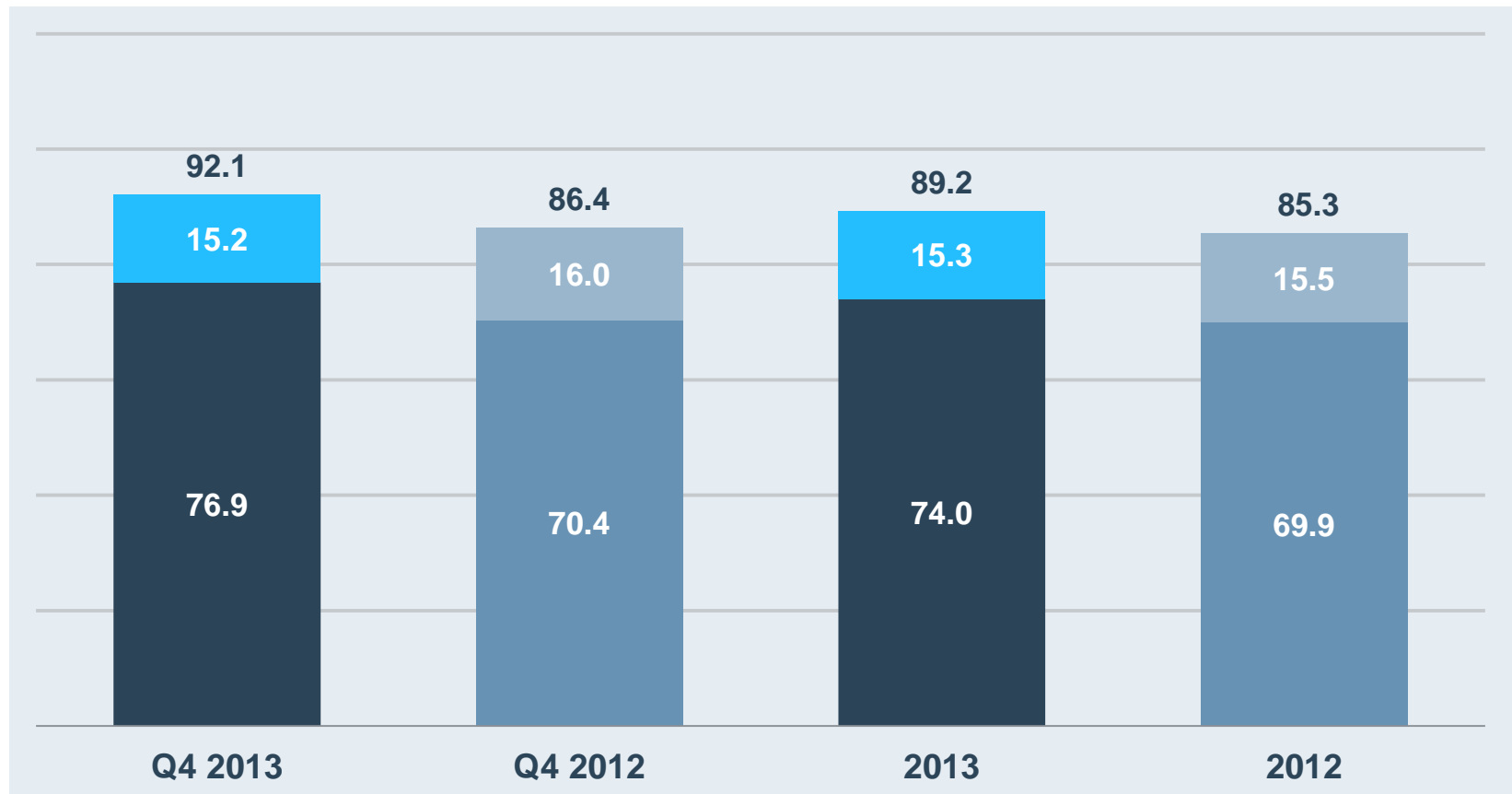
| NOKm | Q4 2013 | Q4 2012 | 2013 | 2012 |
|--|--------------|--------------|--------------|--------------|
| Private | 393 | 339 | 1 305 | 1 439 |
| Commercial | 298 | 217 | 993 | 1 013 |
| Nordic | 47 | 148 | 342 | 520 |
| Baltics | 16 | 8 | 36 | 19 |
| Corporate Centre/ Costs related to owner | (75) | (85) | (299) | (294) |
| Corporate Centre/ Reinsurance | (302) | (24) | (357) | (88) |
| Underwriting result | 376 | 603 | 2 020 | 2 608 |
| Pension and Savings | 14 | (2) | 50 | 18 |
| Retail Bank | 50 | 38 | 191 | 113 |
| Financial result | 878 | 773 | 2 481 | 3 005 |
| Amortisation and impairment losses of excess value | (32) | (31) | (162) | (127) |
| Other items | (2) | 1 | (6) | 16 |
| Profit/ (loss) before tax expenses | 1 283 | 1 381 | 4 574 | 5 634 |

Combined ratio

General insurance



Combined ratio (%) – split loss ratio and cost ratio

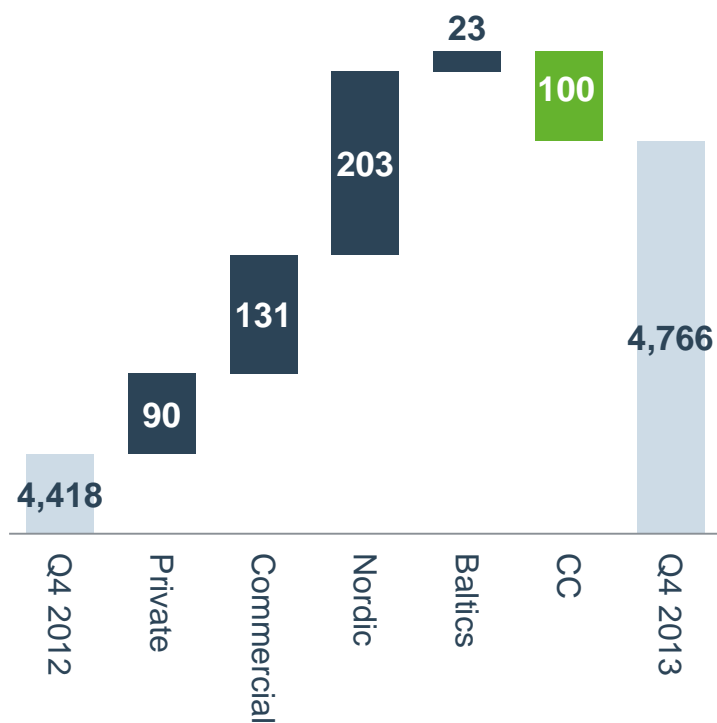


Premium development

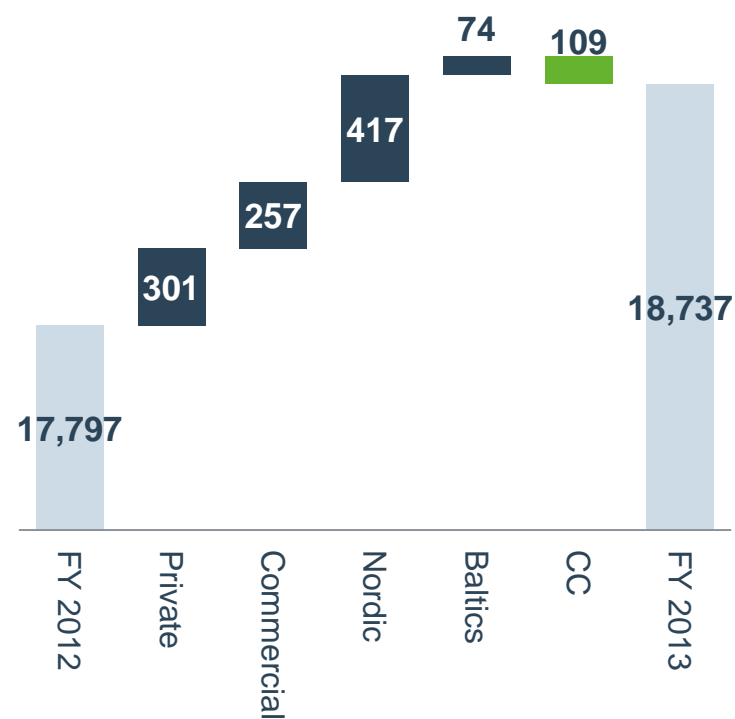
General insurance



Q4 2012 - Q4 2013



FY2012 - FY2013



NOKm

Large losses* (net)

General insurance

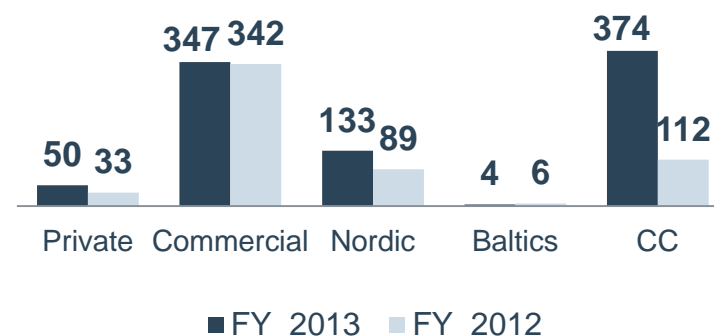
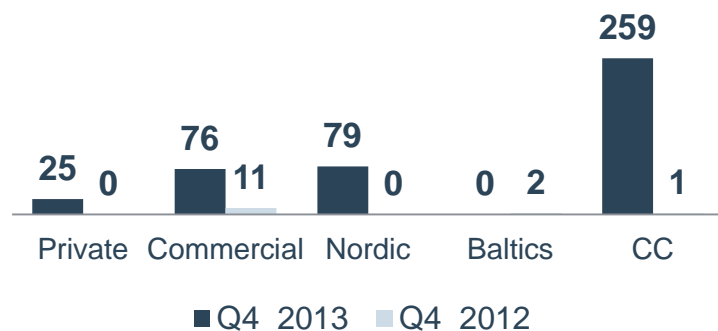


Q4 2013 (Q4 2012)

| NOKm | Reported claims figures | Expected large losses | Reported large losses |
|------------|-------------------------|-----------------------|-----------------------|
| Claims | 3,664 (3,108) | 251 | 439 (14) |
| Loss ratio | 76.9% (70.4%) | 5.3% | 9.2% (0.3%) |

FY 2013 (FY 2012)

| NOKm | Reported claims figures | Expected large losses | Reported large losses |
|------------|-------------------------|-----------------------|-----------------------|
| Claims | 13,860 (12,438) | 996 | 907 (581) |
| Loss ratio | 74.0% (69.9%) | 5.3% | 4.8% (3.3%) |

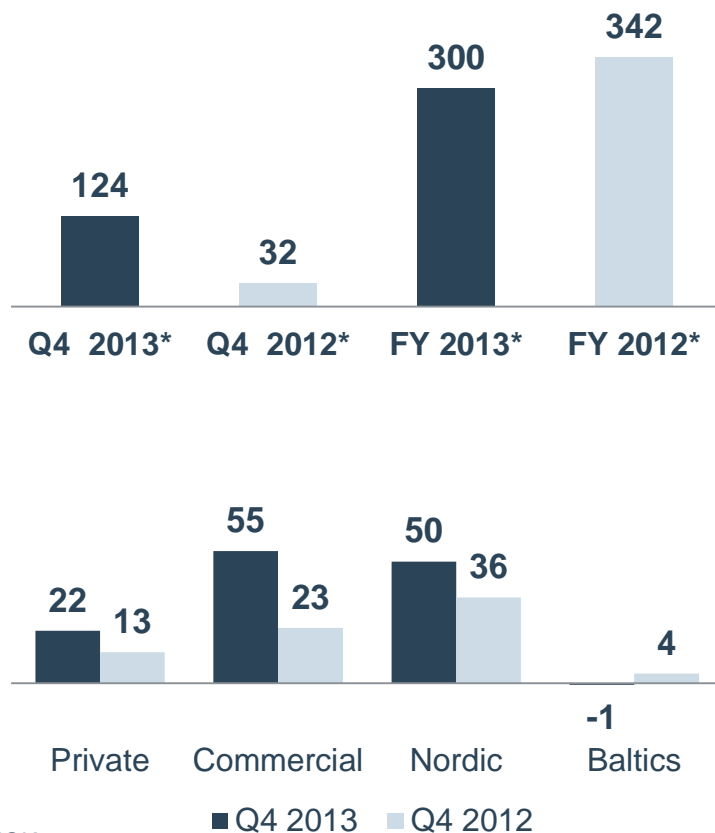


* Loss event in excess of NOK 10m



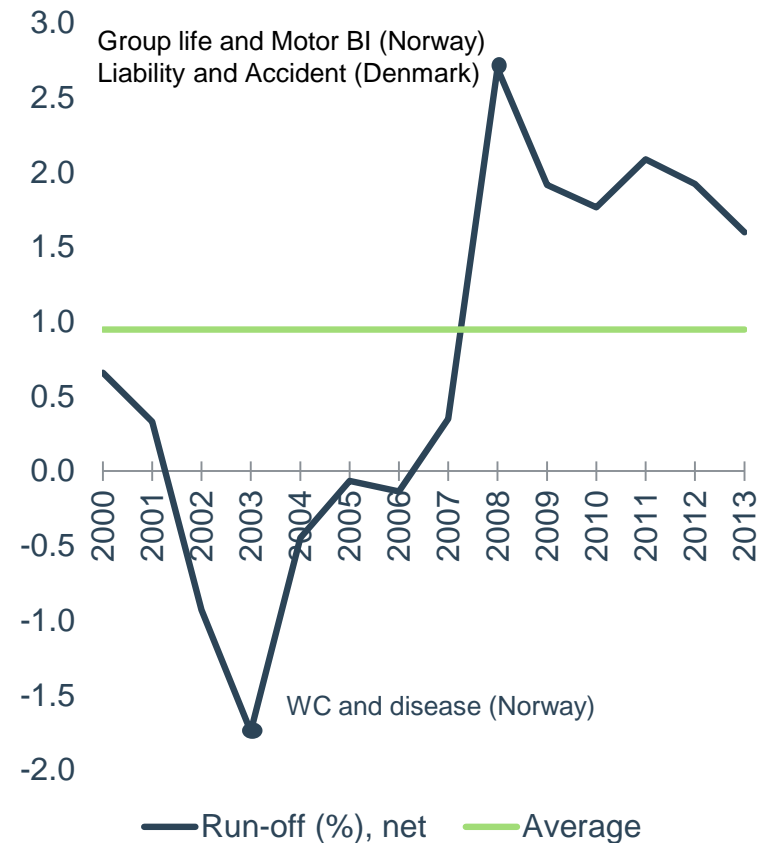
Run-off (net)

General insurance



NOKm

Run-off % of earned premium



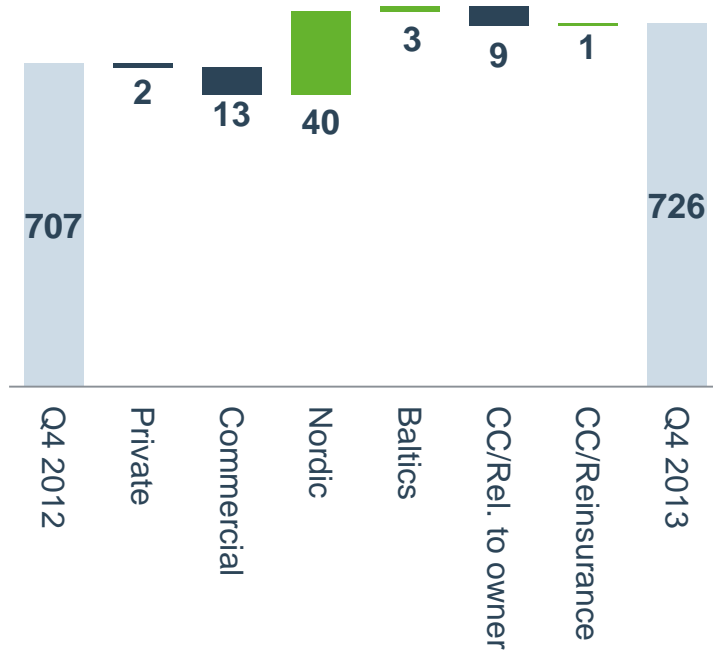
* Includes run-off from general insurance segments and run-off on corporate centre/ reinsurance

Cost development

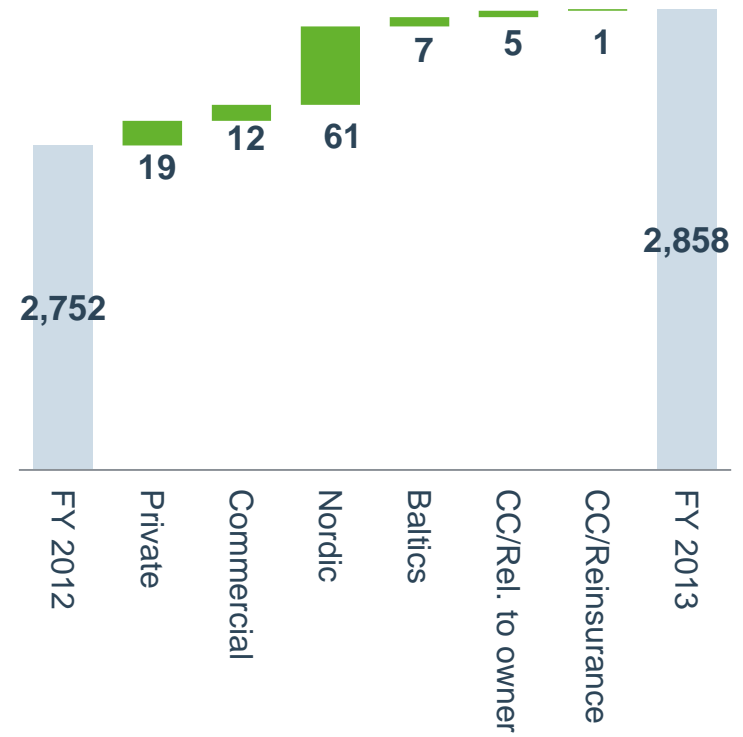
General insurance



Q4 2012 - Q4 2013



FY 2012 - FY 2013

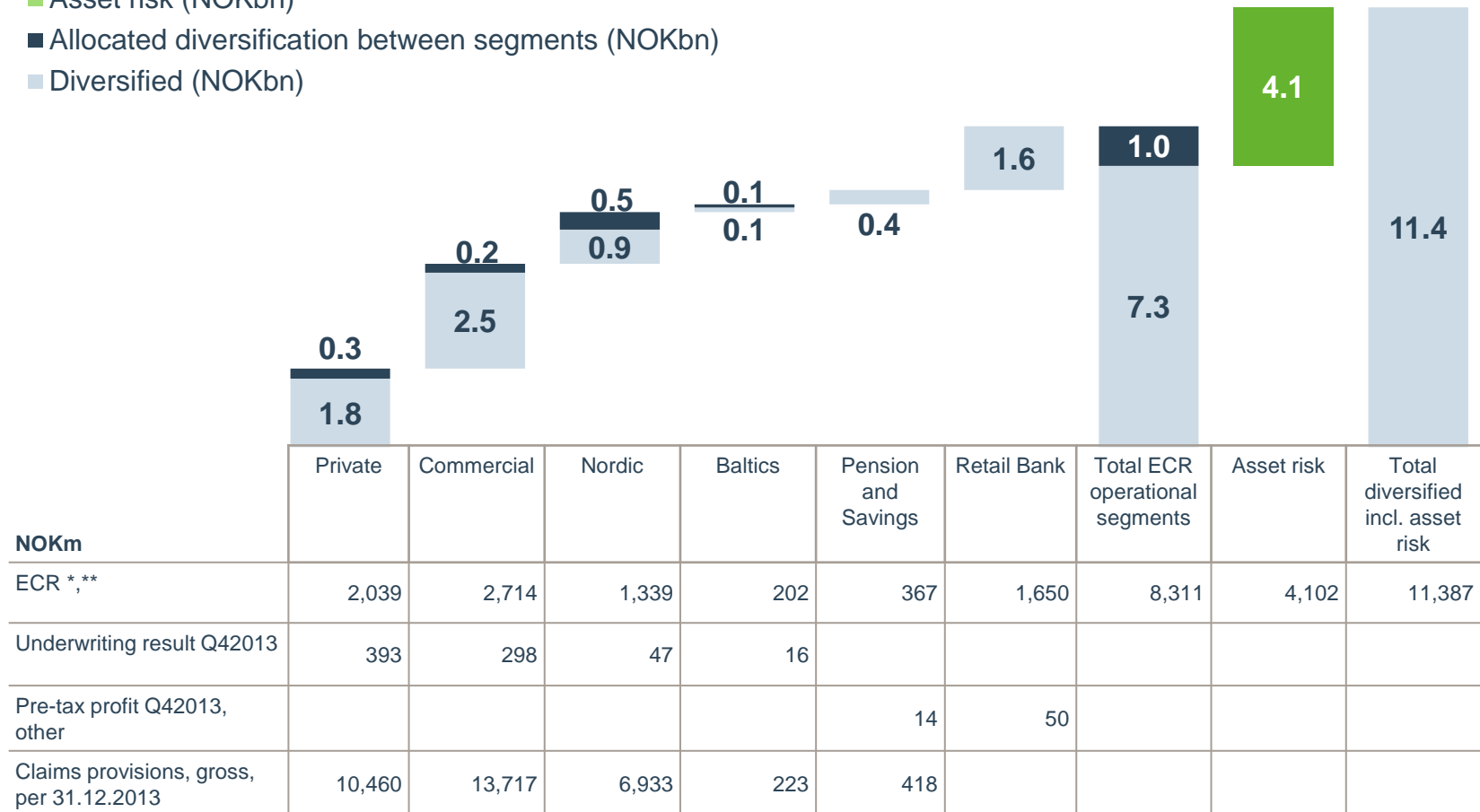




Economic capital allocation

Internal, risk-based requirement per 31.12.2013

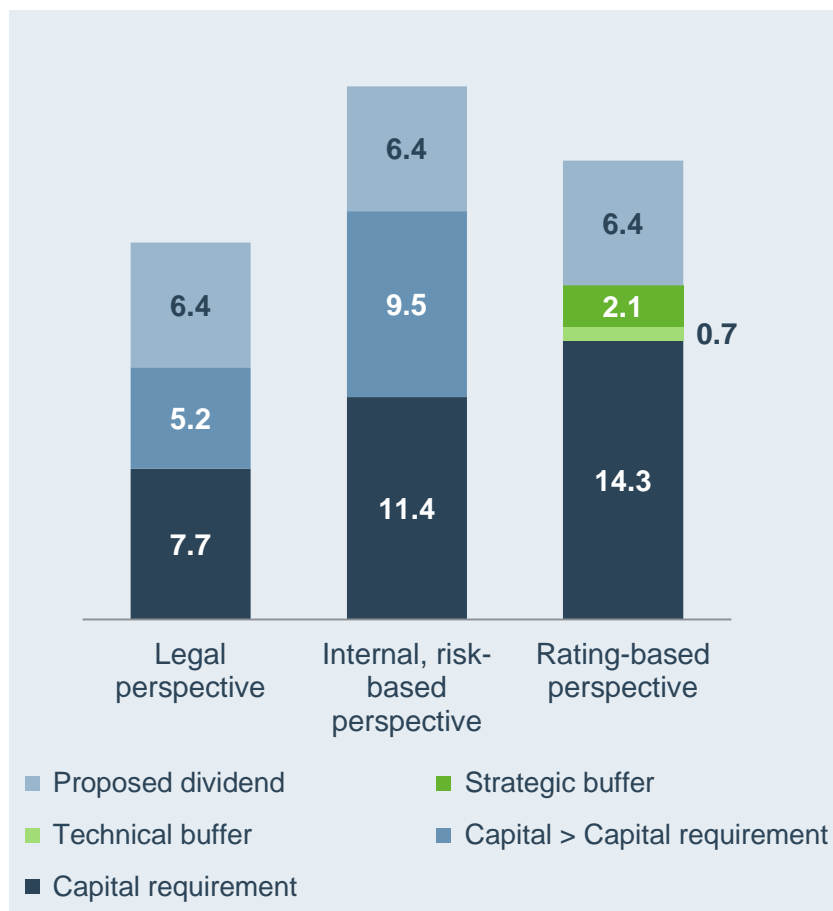
- Asset risk (NOKbn)
- Allocated diversification between segments (NOKbn)
- Diversified (NOKbn)



* Allocation of economic capital to general insurance segments is calculated using Gjensidige's internal model. The allocation reflects capital requirements based on internal assessments of insurance risk and market risk. Market risk is intended to be minimized due to the assumption of a replicating portfolio of financial instruments, appropriate to the term, nature and currency of the liability cashflows. The internal model is being developed to be Solvency II compliant. The allocation also reflects operational risk and reinsurer counterparty risk, in line with the current proposal for the Solvency II standard model.

**Allocation of capital to Pension and Savings and Retail Bank is based on 10 per cent and 13.5 per cent capital adequacy, respectively.

Group capital position per 31.12.2013

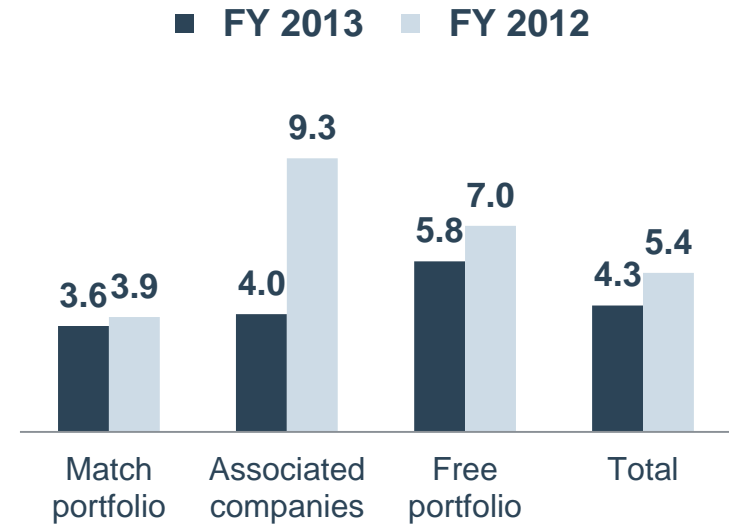
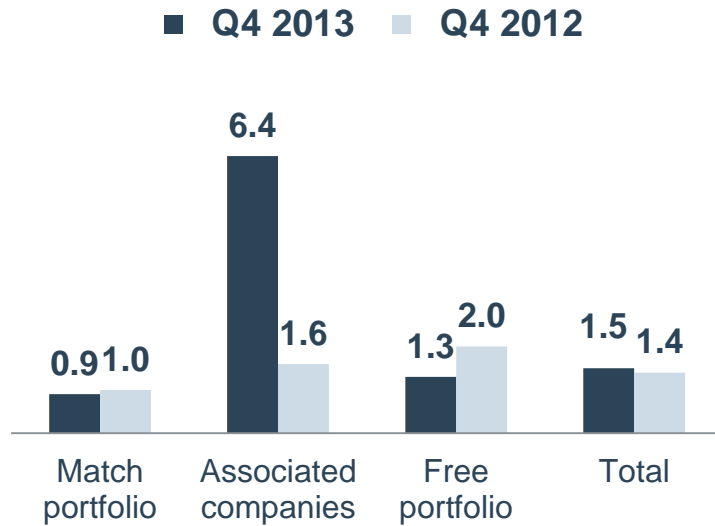


| S&P model | NOKbn |
|---|-------|
| Capital > A-rating requirement (incl. technical buffer) | 2.1 |
| Total available capital (TAC) | 17.1 |
| Total capital charge for asset risk | 6.3 |
| Total capital charge for insurance risk | 9.1 |
| Total gain diversification | -1.1 |
| Total capital requirement A-rating | 14.3 |
| Technical buffer 5% | 0.7 |

NOKbn



Investment return (%)





Priorities and outlook

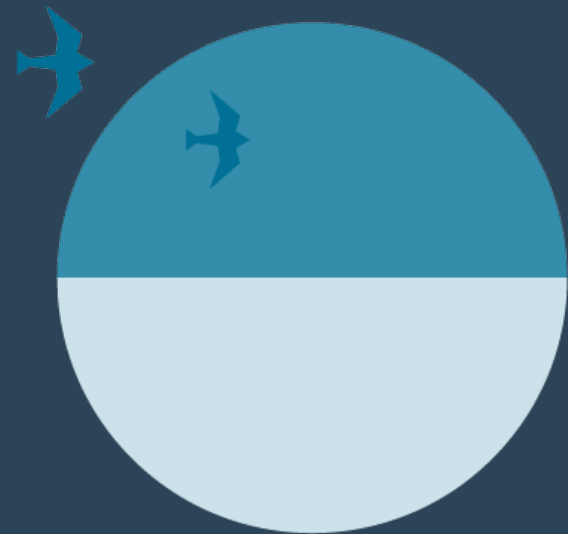
Distribution and partner agreements

Operational efficiency

Continued exploration of growth opportunities

Capital discipline

Capital markets day 25 November 2014



Appendix



Key figures

Group



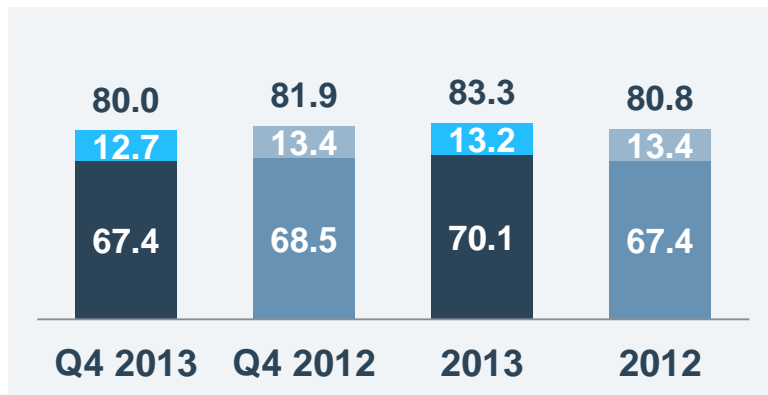
| NOKm | Q4 2013 | Q4 2012 | 2013 | 2012 |
|--|---------|---------|--------|--------|
| Earned premiums, total | 5 049 | 4 625 | 19 641 | 18 478 |
| Loss ratio, general insurance | 76,9 | 70,4 | 74,0 | 69,9 |
| Cost ratio, general insurance | 15,2 | 16,0 | 15,3 | 15,5 |
| Underwriting result, general insurance | 376 | 603 | 2 020 | 2 608 |
| Net income from investments | 892 | 781 | 2 538 | 3 056 |
| Profit/ (loss) before tax | 1 283 | 1 381 | 4 574 | 5 634 |
| Profit/ (loss) for the period | 1 134 | 1 007 | 3 671 | 4 280 |



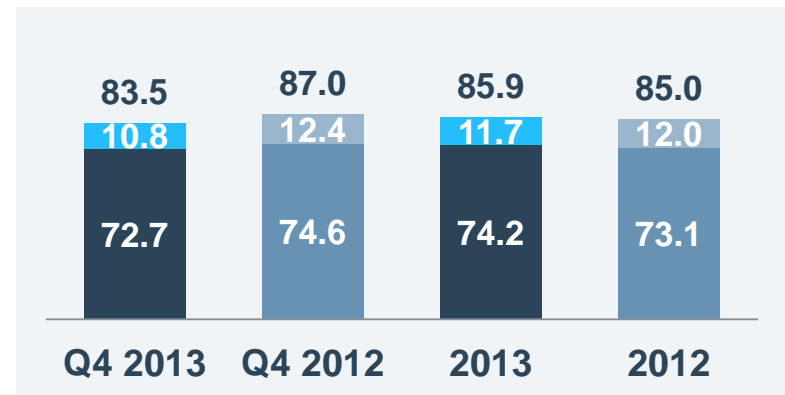
Combined ratio (%)

General insurance – split by cost ratio and loss ratio per segment

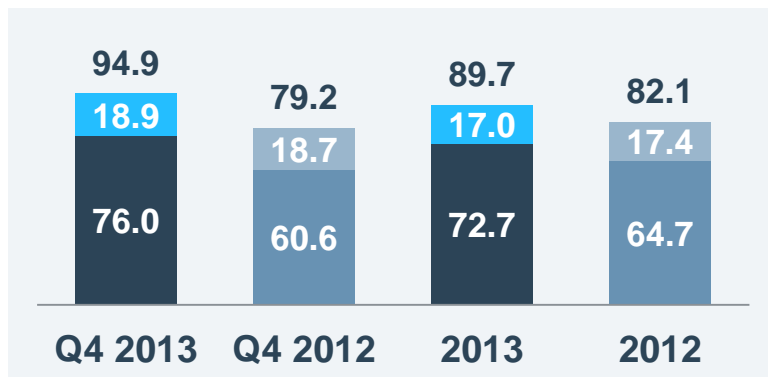
Private



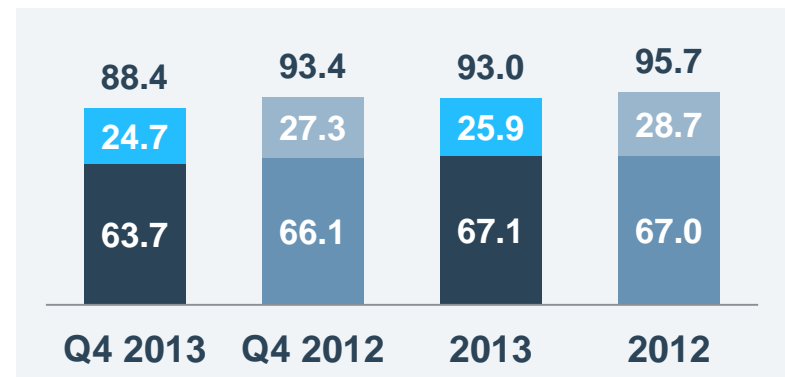
Commercial



Nordic



Baltics

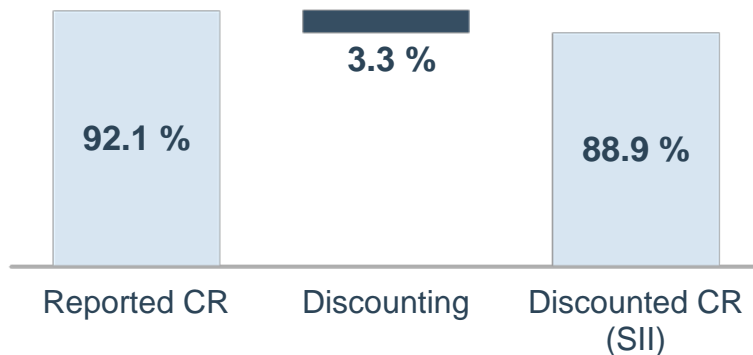




Effect of discounting of loss provisions

Assumed Solvency II regime

Effect of discounting on CR Q4 2013

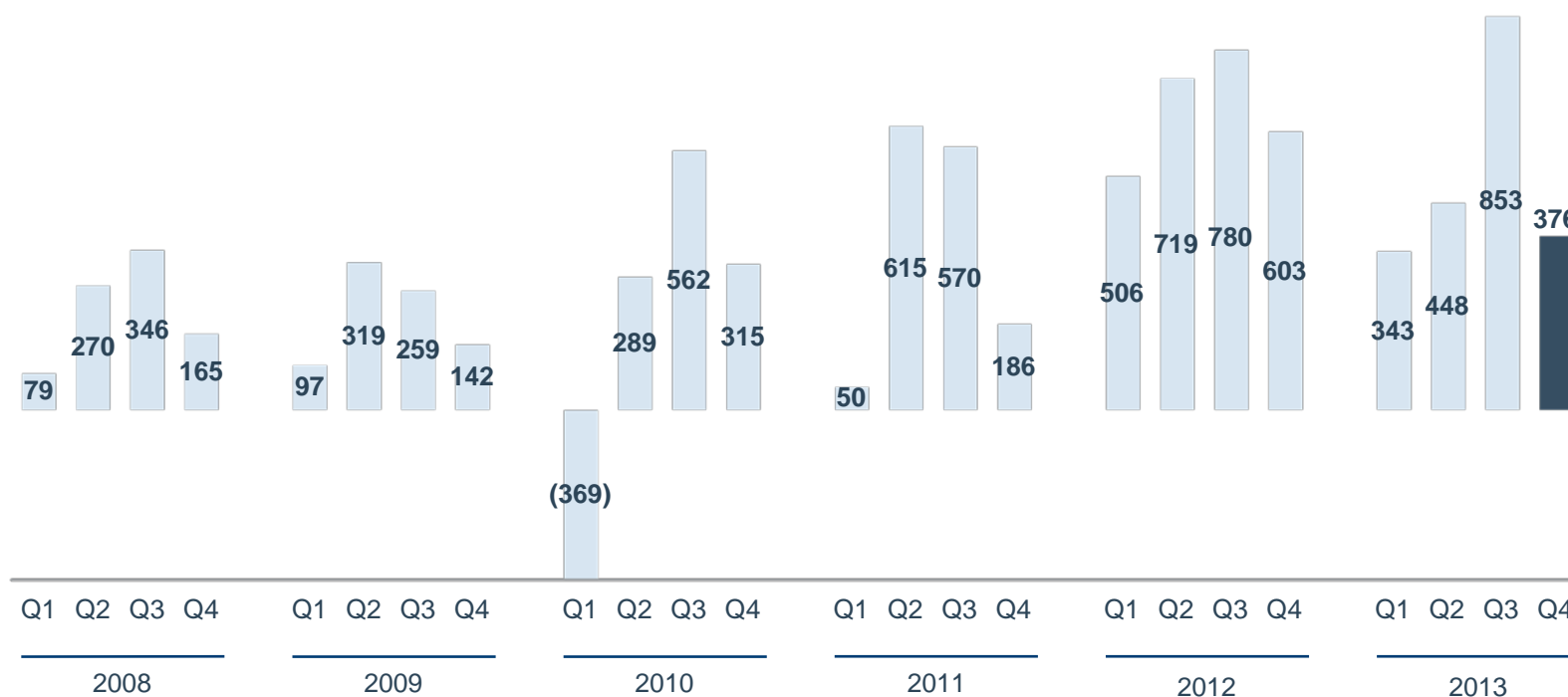


Assumptions

- Only loss provisions are discounted (i.e. premium provisions are undiscounted)
- Swap rates in Norway, Sweden, and for Danish Workers Compensation
- Interest rate set by the Danish FSA for other Danish business
- Euroswap rates in the Baltic countries

Quarterly underwriting results

General insurance



NOKm

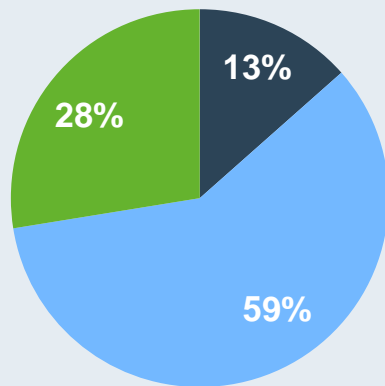
Asset allocation

per 31.12.2013



Match portfolio

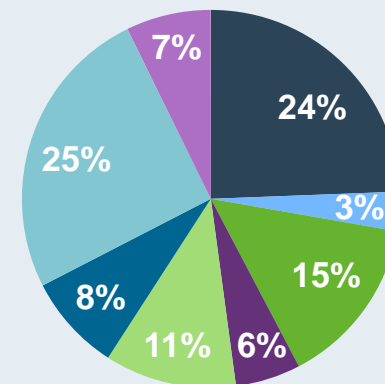
- Carrying amount: NOK 33.2bn
- Average duration: 3.5 years



- Money market
- Bonds at amortized cost
- Current bonds

Free portfolio

- Carrying amount: NOK 20.1bn
- Average duration fixed income instruments: 1.9 years



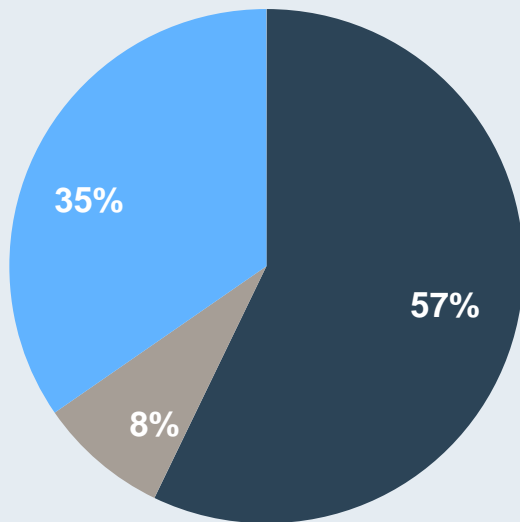
- Money market
- Other bonds
- Current equities
- Property
- High yield
- Convertible bonds
- PE funds
- Other

Investment portfolio

Stable contribution from the match portfolio

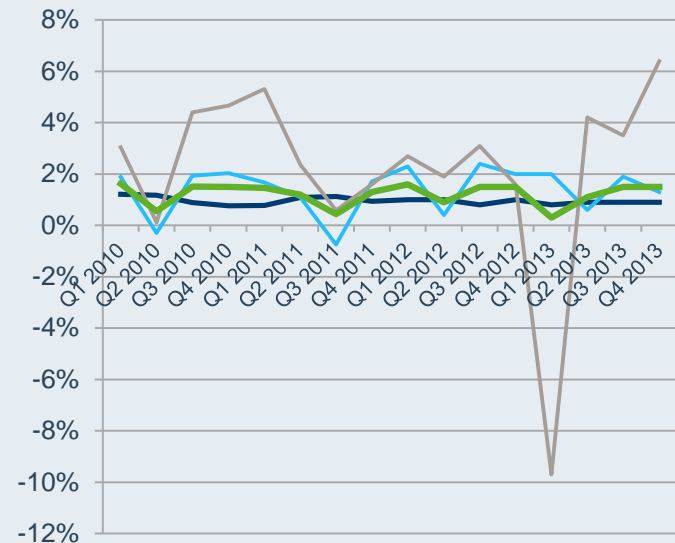


Asset allocation 31.12.2013



- Match portfolio
- Associated companies
- Free portfolio

Quarterly investment return



- Match portfolio
- Free portfolio
- Associated companies
- Total investment portfolio



Investment portfolio

Geographical exposure* per 31.12.2013

Match portfolio

| Country | Share (%) |
|---------|-----------|
| Norway | 48.6 |
| Denmark | 28.6 |
| UK | 6.2 |
| Sweden | 6.1 |
| USA | 2.5 |
| Baltics | 1.9 |
| Other | 6.1 |

Free portfolio, fixed-income instruments

| Country | Share (%) |
|---------|-----------|
| Norway | 47.3 |
| USA | 17.7 |
| UK | 5.4 |
| Sweden | 4.9 |
| Denmark | 2.8 |
| Other | 21.9 |

* Geographical distribution relates to issuers and does not reflect the actual currency exposure



Rating and counterparty risk

Total fixed income portfolio

Credit exposure

- The portfolio consists mainly of securities in rated companies with high creditworthiness (Investment grade)
- Non-public rated insurers are mainly Norwegian savings banks, municipals, credit institutions and power producers and distributors
- Main part of the highest rated financial instruments are allocated to the match portfolio
- Relevant benchmark for high yield and investment grade are international, wide HY and IG indices

Q4 2013

Split of total fixed income portfolio – Rating

| | | |
|-------------------------------|-------------------|----------------|
| AAA | 11 830 337 | 27.5 % |
| AA | 2 496 641 | 5.8 % |
| A | 13 071 809 | 30.4 % |
| BBB | 2 553 392 | 5.9 % |
| BB | 496 288 | 1.2 % |
| B | 434 541 | 1.0 % |
| CCC or lower | 96 842 | 0,2 % |
| Unofficial rating | 9 261 000 | 21.5 % |
| Not rated | 2 779 000 | 6.5 % |
| Fixed income portfolio | 43 018 982 | 100.0 % |

Split of total fixed income portfolio - Exposure

| | | |
|------------------------------|-------------------|----------------|
| Public sector | 5 317 660 | 12.4 % |
| Banks/financial institutions | 24 965 339 | 58.0 % |
| Corporates | 12 735 982 | 29.6 % |
| Total | 43 018 982 | 100.0 % |

*Unofficial rating – rating by portfolio manager, based on broker ratings/ internal ratings



Available capital

| Available capital in different perspectives | NOKbn |
|---|-------------|
| • Legal | 12.9 |
| • Rating based | 17.1 |
| • Internal, risk-based | 20.9 |
| IFRS equity | 26.3 |

Bridge IFRS capital to available capital S&P model

- Fair value adjustments
- 27% of market value for associated companies is deducted
- Discounting effect claims provisions (which are not already discounted) and premium provisions
- Intangible assets are deducted
- Booked equity in Retail Bank and Pension and Savings (subsidiaries) is deducted
- Deferred tax liability is added
- Total comprehensive income YTD is not included (Q1-Q3)
- Declared dividend, not taken into accounts, is deducted

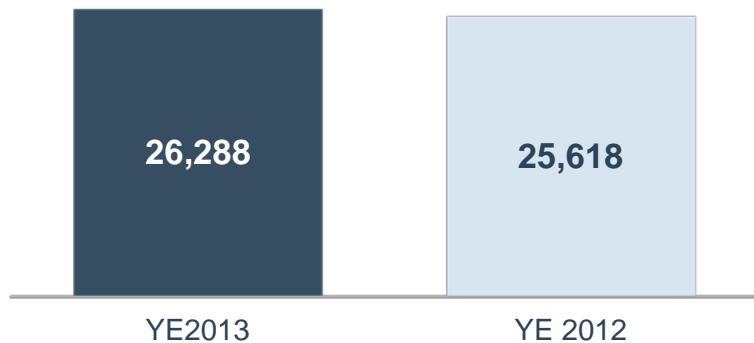
Bridge IFRS capital to available capital internal model

- Fair value adjustments
- Discounting effect of claims provisions (which are not already discounted)
- Intangible assets are deducted
- Deferred tax liability is added
- Total comprehensive income YTD is not included (Q1-Q3)
- Declared dividend, not taken into accounts, is deducted



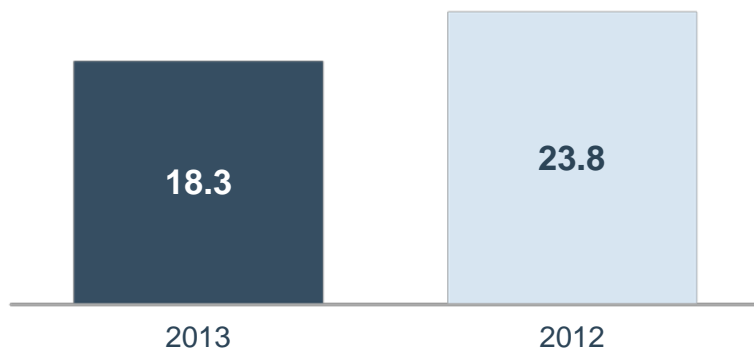
Return on equity

Equity (NOKm)



- Capital adequacy of 13.4 %
(16.8% per 31.12.2012)
- Solvency margin of 421.8 %
(545.1 % per 31.12.2012)

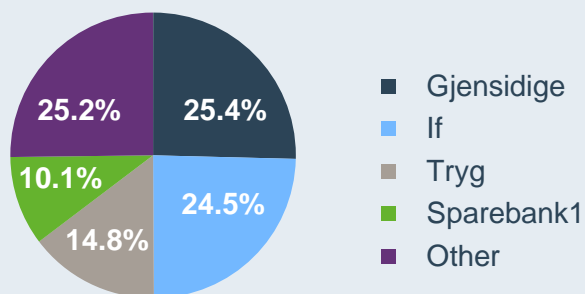
Pre-tax return on equity (%)



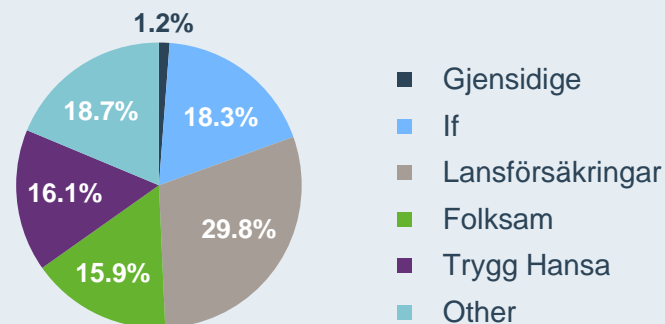
Norwegian market leader, Nordic and Baltic growth opportunities



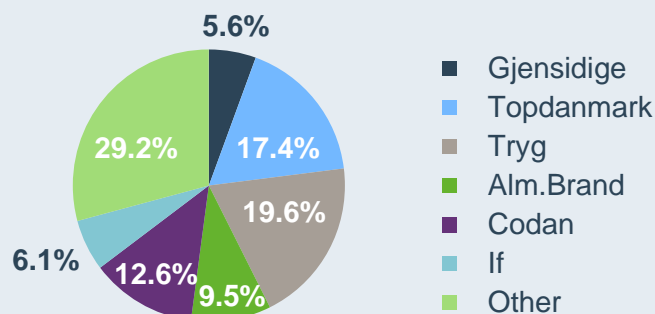
Norway



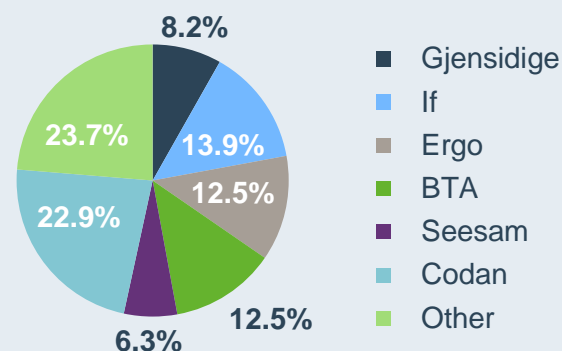
Sweden



Denmark



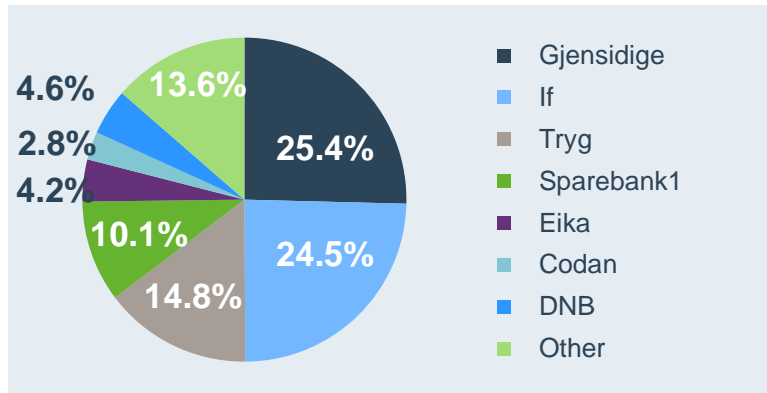
Baltics



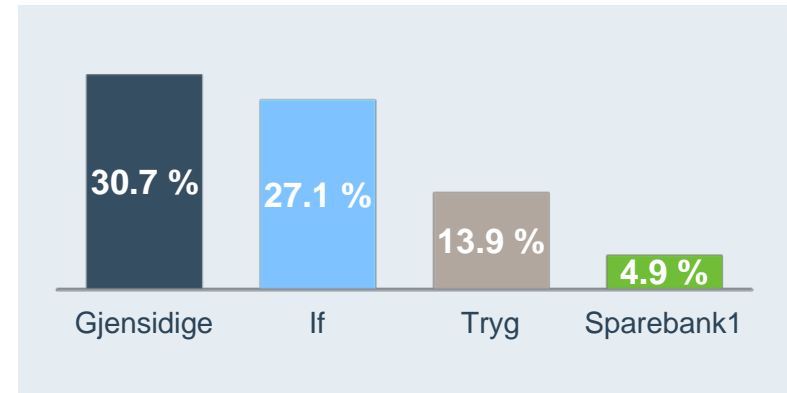


Market leader in Norway

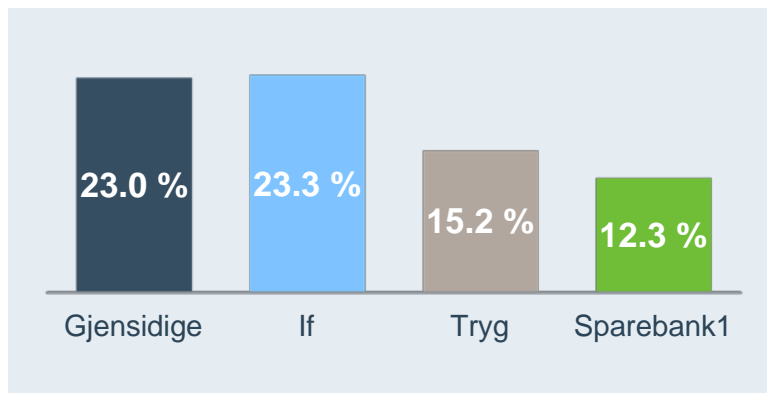
Market share – Total market



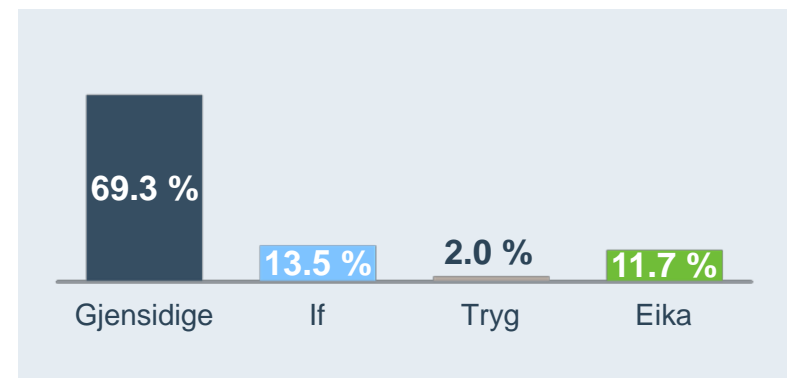
Market share - Commercial



Market share - Private



Market share – Agriculture





Norwegian Natural Perils Pool

Details regarding the pool

- Premiums set as 0.07 per thousand of the fire insurance amount
- Natural perils damages in Norway:
 - NOK 0-1,000m* covered by general insurance companies based on national market share
 - NOK 1,000m*-12,500m covered by the Natural Perils Pool's reinsurance programme
 - Maximum compensation per event is NOK 12,500m
- No limit for the frequency of events

Objects covered

- Fire insurance coverage for buildings and contents in Norway includes coverage for natural catastrophes
- The pool does not cover loss of profits, motor vehicles, leisure boats, and certain other items, which are covered through ordinary insurances
- For damages on private property that cannot be insured, e.g. roads, bridges, farmland and forests, coverage may be sought through the may be covered by the National Natural Perils Fund

* Valid as from 2014. To and including 2013, NOK 0-600m was covered by the general insurance companies based on their national market share.



Norwegian Natural Perils Pool

Handling of natural perils claims

- The customers report claims to own insurance company
- The insurance company reports claims on to Finance Norway, who coordinates the Natural Perils Pool
- Share of claims is allocated to the companies based on national market share for fire insurance
- Through own accounts, the companies cover the allocated claims costs

Gjensidige specific

- Market share for Gjensidige in 2014 is calculated to 26.7 % (26.9 % for 2013, adjusted in July each year)
- Gjensidige is a reinsurer for the pool, for it's own market share
- Natural perils claims are booked in the same month as the claim occurs



Reinsurance

Highlights, as from 2014

- Reinsurance is purchased for protection of the Group's capital position and is primarily a capital management tool
- General retention level per claim/ event is around NOK 100m
- For weather-related events the retention level per claim/ event is NOK around 200m*
- Maximum retention level per claim/ event hitting more than one reinsurance programme is NOK 390m* including any reinstatement premium
- Gjensidige considers additional coverage if this is appropriate considering internal modelling and capital requirement

* Valid as from 2014. To and including 2013 the retention level for weather-related events was around NOK 100m and the maximum retention level per claim/ event hitting more than one reinsurance programme was NOK 360m.



Practical example, natural perils claim in Norway

Example: Natural perils event occurring in 2014

A natural perils event covered by the Natural Perils Pool occurs and is defined by Finance Norway as a single event. The total industry claims exceed NOK 1,000m.

- Gjensidige is allocated its share of the NOK 1,000m claim from the pool
- Gjensidige is in addition allocated its share of the amount exceeding NOK 1,000m, as a reinsurer for the pool
- Gjensidige receives claims directly, for damages not covered by the pool
- Gjensidige's total claims related to the natural perils event exceeds Gjensidige's retention level and only hits the natural perils reinsurance programme.
→ Gjensidige's net impact for this event is around NOK 200m if the event occurs in 2014 (around NOK 100m if it occurred in 2013)



Investor relations

Janne Flessum
Head of Investor Relations
janne.flessum@gjensidige.no
Mobile: +47 91 51 47 39

Anette Bolstad
Investor Relations Officer
anette.bolstad@gjensidige.no
Mobile: +47 41 67 77 22

Linn Soltvedt
Investor Relations Officer
linn-therese.soltvedt@gjensidige.no
Mobile: +47 41 11 05 55

Address: Schweigaards gate 21, Postboks 700 Sentrum, 0106 Oslo, Norway.
www.gjensidige.no/ir



Disclaimer

The information contained herein has been prepared by and is the sole responsibility of Gjensidige Forsikring ASA ("the Company"). Such information is confidential and is being provided to you solely for your information and may not be reproduced, retransmitted, further distributed to any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws. The information and opinions presented herein are based on general information gathered at the time of writing and are therefore subject to change without notice. While the Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been independently verified. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its owners, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. None of the Company, any selling equity holder, any member of the underwriting syndicate, or any of their respective affiliates, advisors or representatives or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities. Any decision to purchase securities in the context of a proposed offering of securities, if any, should be made solely on the basis of information contained in an offering circular or prospectus published in relation to such an offering.



Gjensidige