



GJENSIDIGE

OSLO
OSLO BØRS

Oslo Børs Hovedindeks 421,33 (+0,15%)

09:02

10. desember 2010

Velkommen til Oslo Børs

GJENSIDIGE FORSIKRING

SIST OMSATT 59,00

OMSETNING 279 877 359

EMISJONSKURS 59,00



GJENSIDIGE

BMID 14,70

SONG 28,10 (-0,71%)

(+0,60%)

Gjensidige
Insurance Group
Q4 and preliminary
2010



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I. Highlights

II. Financial Performance

III. Investment Performance

IV. Summary

Supplementary Information





GJENSIDIGE

Good insurance results and high dividend



General insurance

- Growth in earned premiums
- Good underwriting-result
- Continued reduction in operating expenses
- Dividend payout ratio of 80 per cent, NOK 4.70 per share

Support products

- Positive contribution to the profit from the support product areas



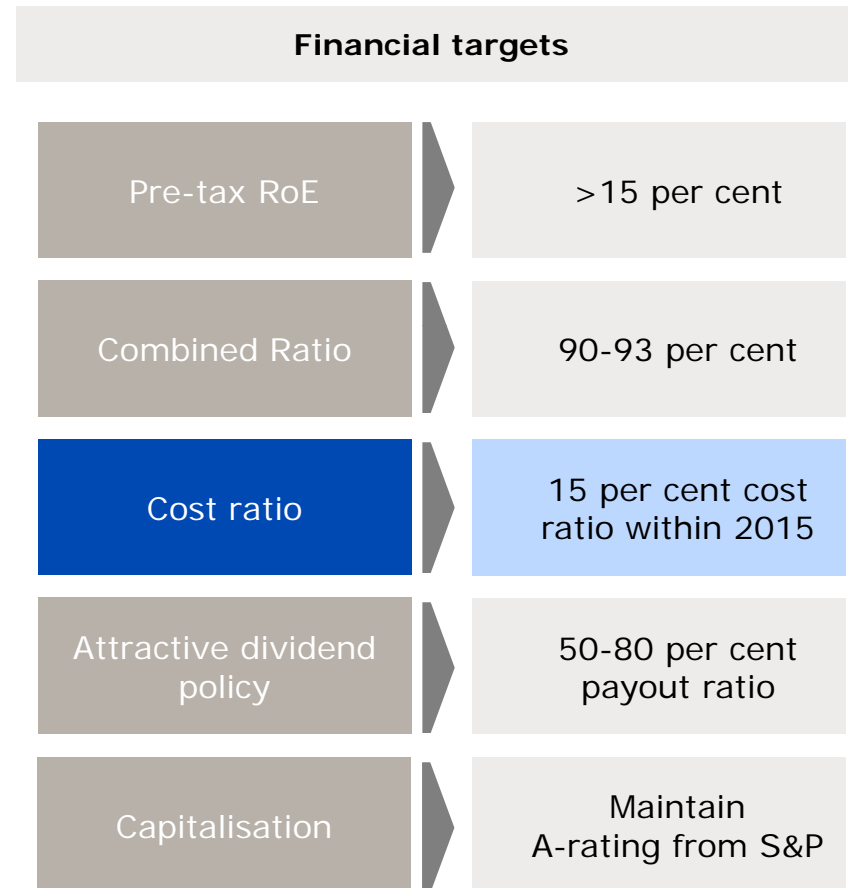
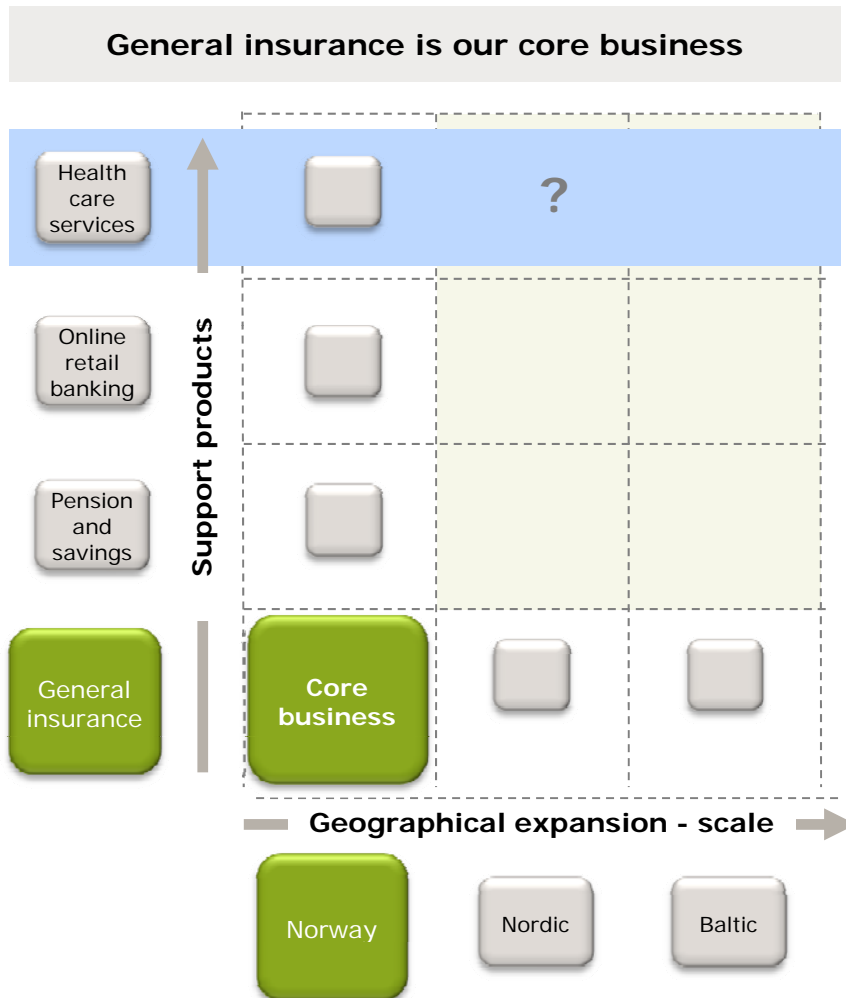
Value creation

- 14.4 per cent pretax return on equity (for the year), despite winter related losses in the first quarter

The Group

- Gjensidige Forsikring was listed on Oslo Børs (Oslo Stock Exchange) on 10 December 2010
- The Board of Directors has adopted a revision of the Group's strategy

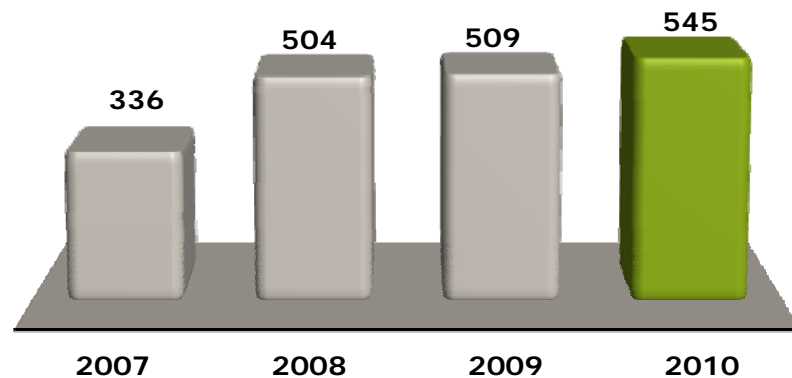




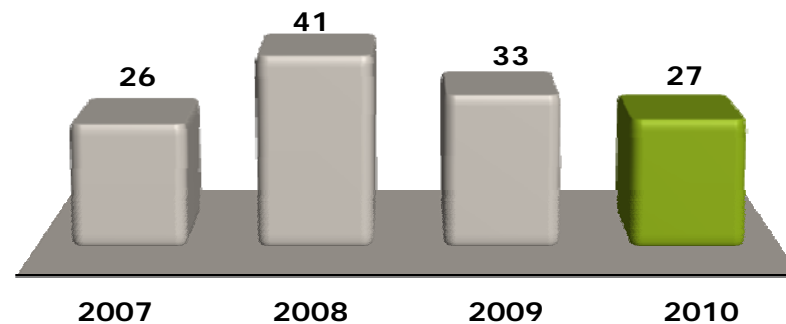


- No. 1 Norwegian market position within Corporate health care¹
- Strong health care competence
- Broad geographic coverage
- Process efficiency

Operating Income (NOKm)



EBITA (NOKm)



1) Source: Gjensidige analysis based on official information about competitors' income (Register authority and source of information/ Brønnøysundregistrene)



GJENSIDIGE

Strategic review - 15 within 15

**Automate and
strengthen self service**

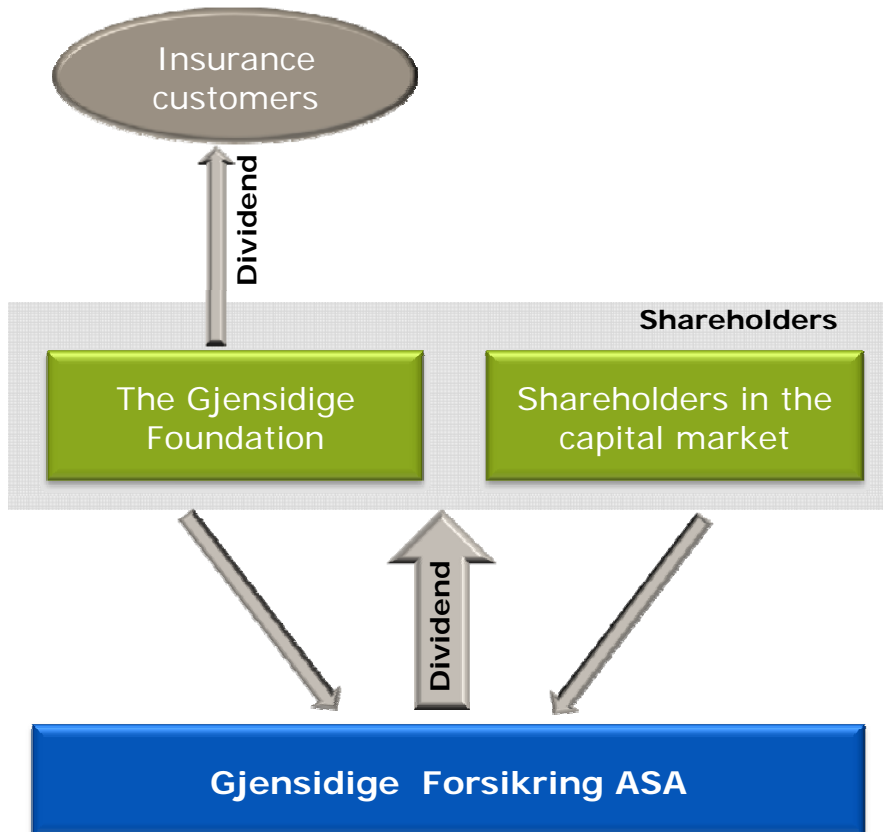


Relocate functions



Simplify product structure





2010 dividend

- The Board of Directors recommends that NOK 2,350m be paid in dividends for 2010, corresponding to NOK 4.70 per share
- The recommended dividend implies a dividend payout ratio of 80 per cent of the Group's preliminary profit after tax of NOK 2,950m
- The dividend is adopted by the General Meeting on 27 April

Dividend policy

- Dividend policy target of 50-80 per cent of annual profit after tax
- Expectation of being in the high end of this interval, given current capitalisation



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Affinity market agreements Direct relationship with the customers



NITO

The Norwegian Society of
Engineers and Technologists



The Confederation of Vocational Unions



Tekna

The Norwegian Society of Graduate
Technical and Scientific Professionals



The Norwegian Farmers' Union

Gjensidige's affinity market agreements

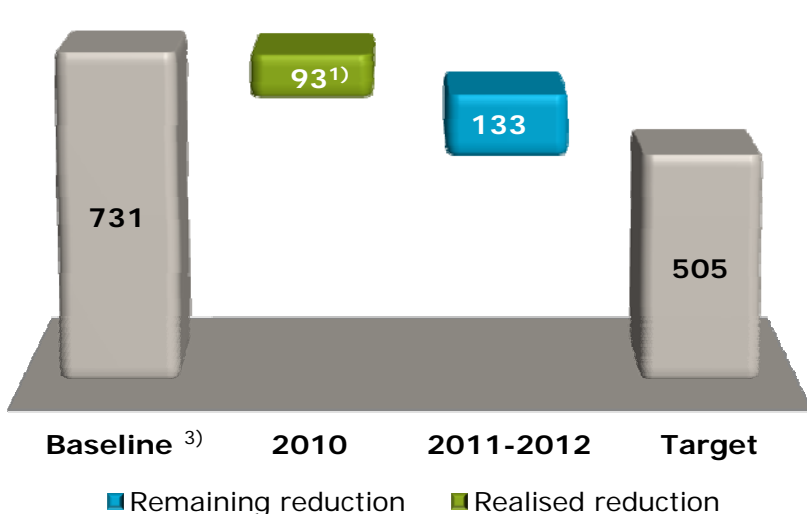
- Long lasting relations
- The Gjensidige brand
- Direct customer communication
- Direct distribution

New and strengthened communication concept towards car insurance customers

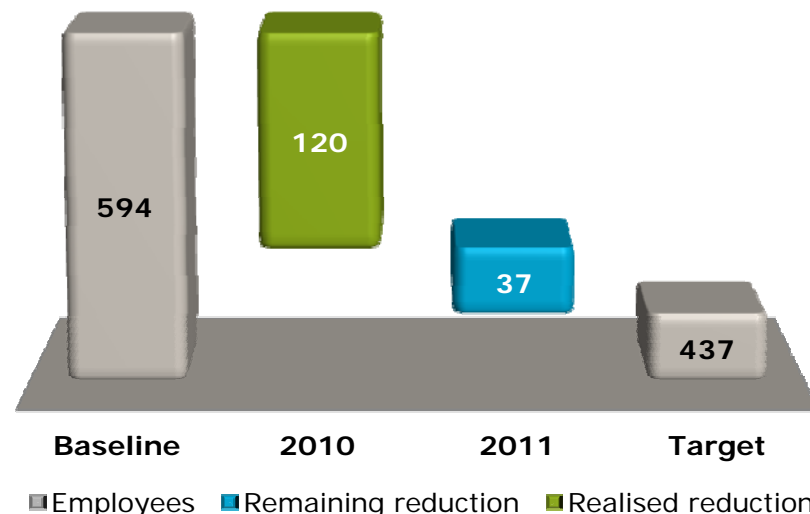




Cost reductions (NOKm)



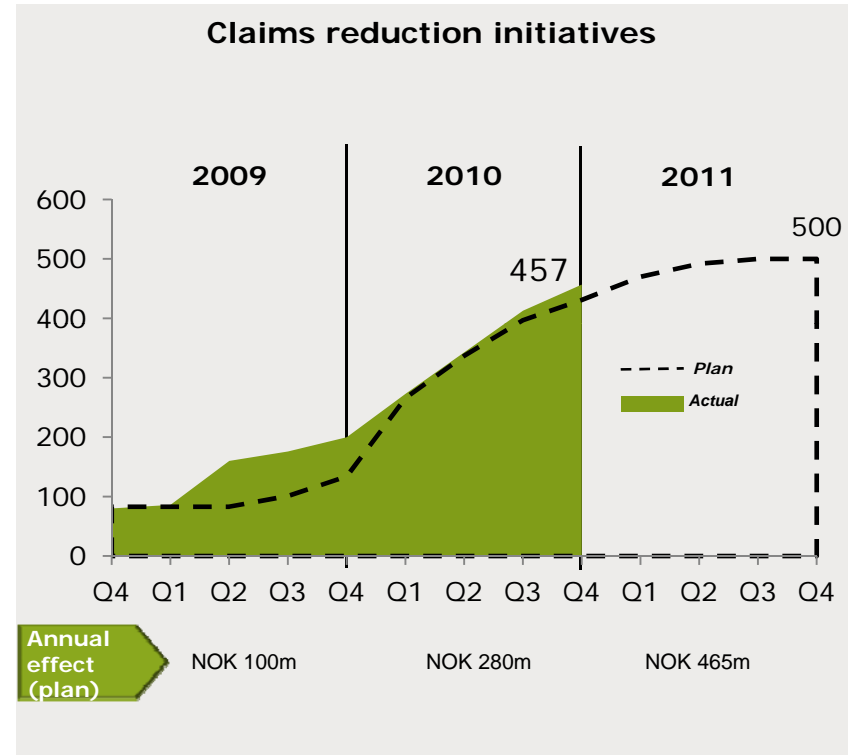
Reduction in number of employees



Cost reductions

- Targeted synergies for the integration of Nykredit of NOK 226m²⁾ (DKK 210m)
 - NOK 93m¹⁾ realised through reinsurance, reduction in staff and integration of ICT systems
- Targeted reduction of 157 FTE
 - 120 FTE realised through recruitment freeze and workforce reductions
- Integration costs within the estimate of NOK 172m²⁾ (DKK 160m)

1) Calculated using average currency rate for 12M 2010; 1.0776. 2) Calculated using average currency rate for 9M 2010; 1.07798. 3) Baseline includes operating expenses for the Danish branch (budget 2010), operating expenses for Nykredit Forsikring (2009 financial statements), and planned reinsurance costs for Nykredit Forsikring 2010



Target:
Reduction of
NOK 300-400m

DELIVERED

Target:
Reduction of
NOK 400-500m

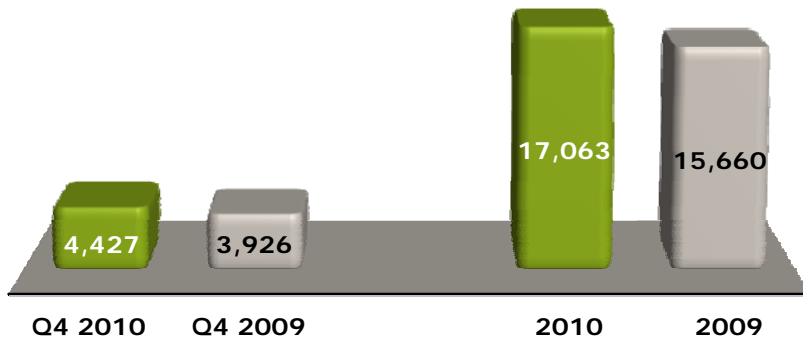


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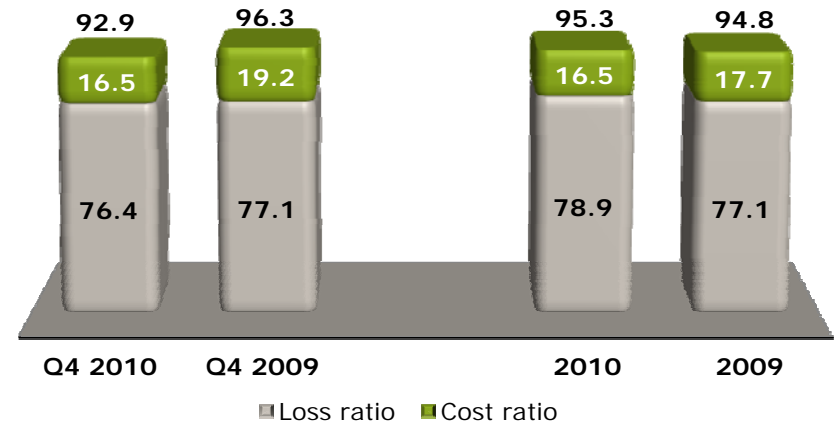
Financial Performance



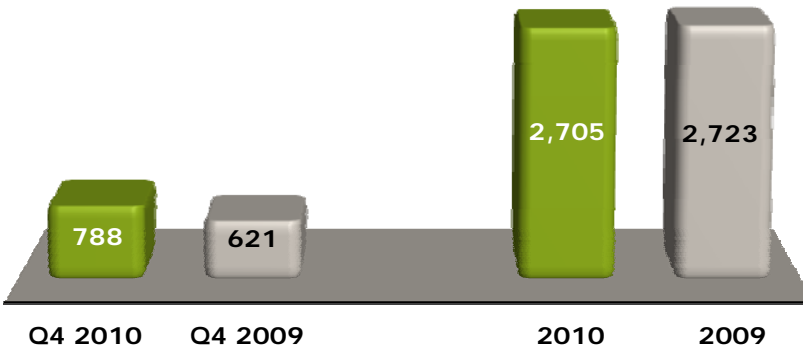
Earned premiums net of reinsurance (NOKm) - General insurance



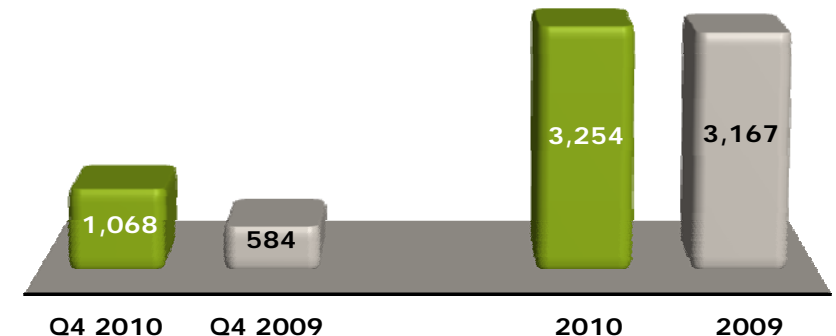
Combined ratio (%) General Insurance



Return on financial assets (NOKm)

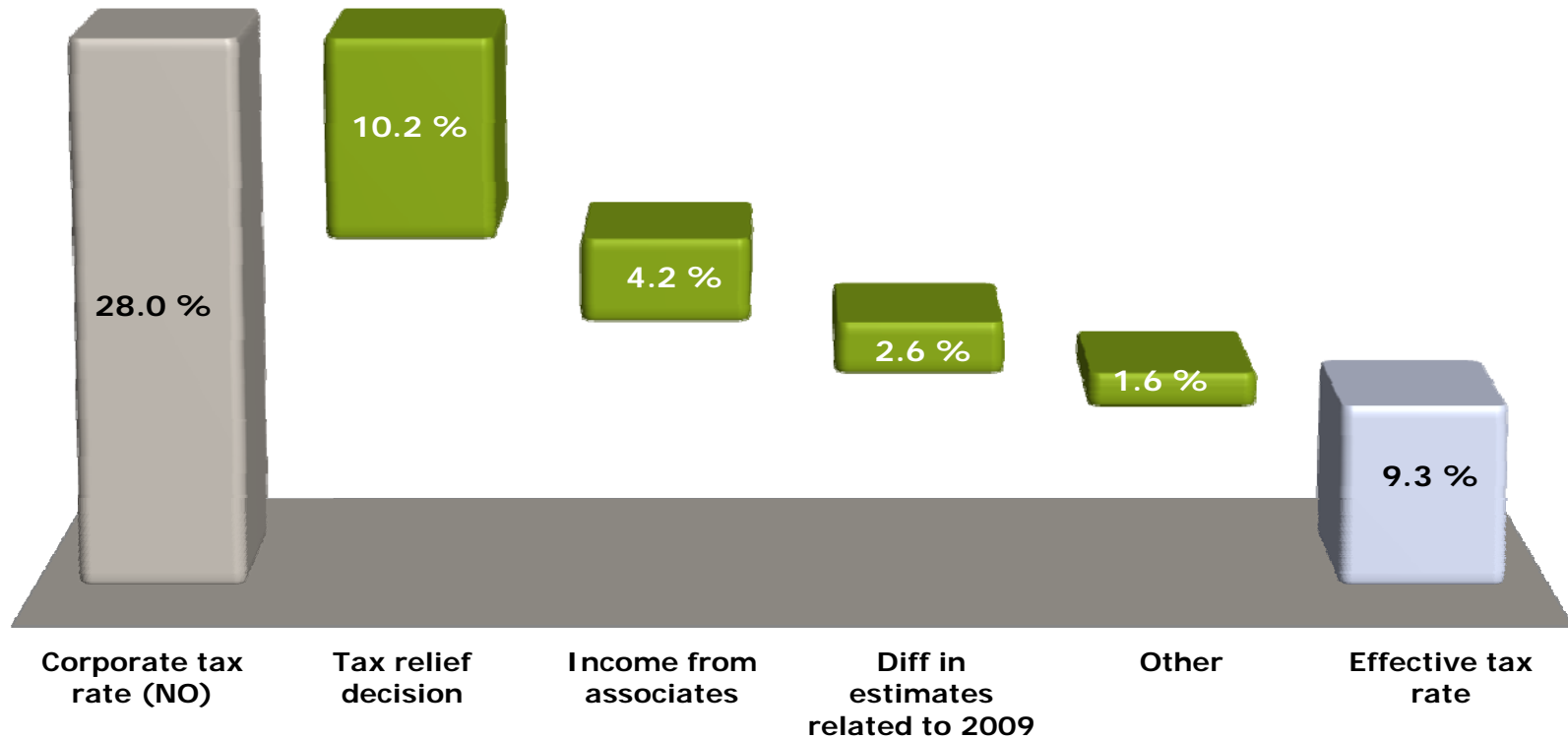


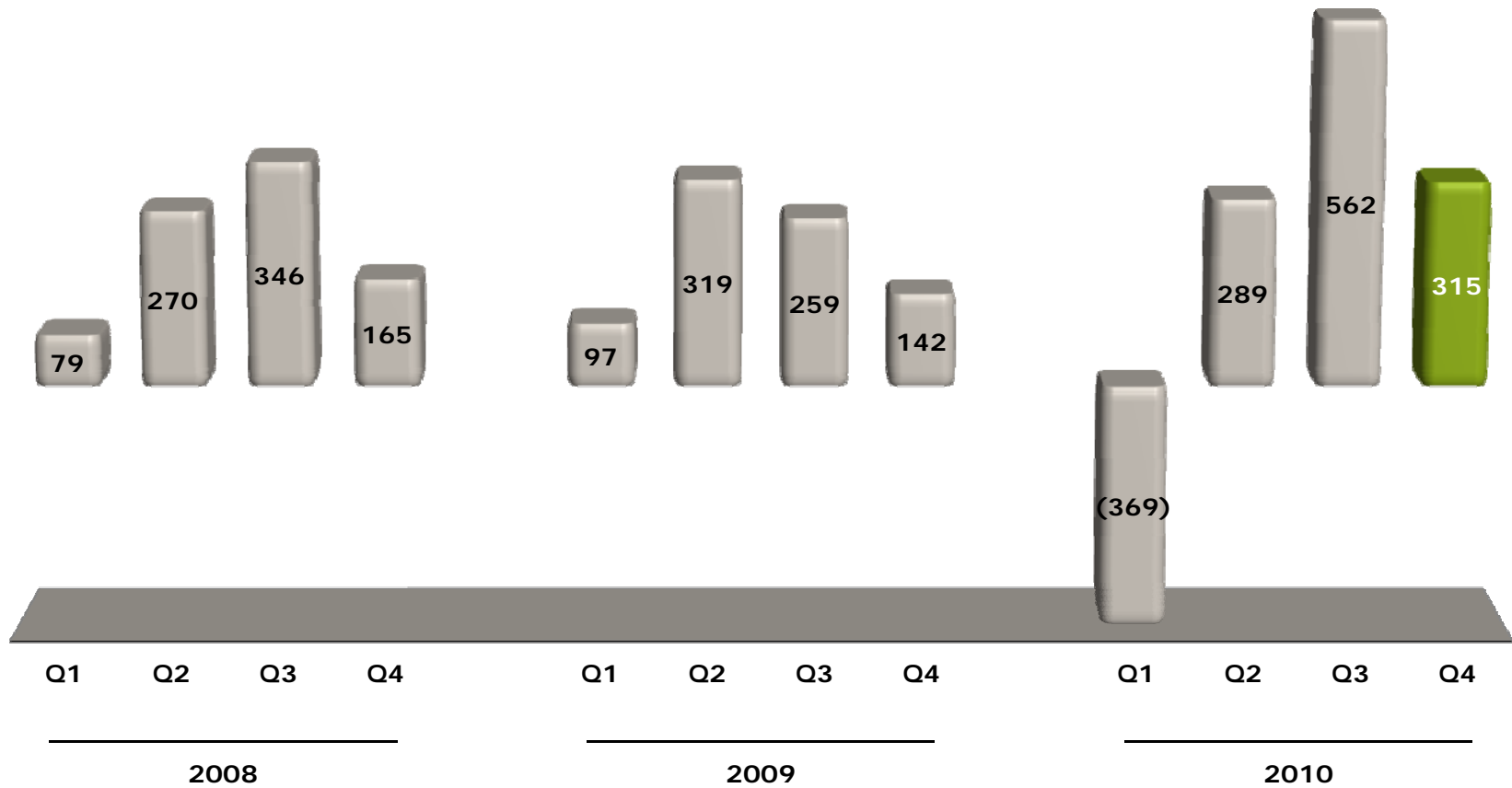
Profit before tax expenses (NOKm)





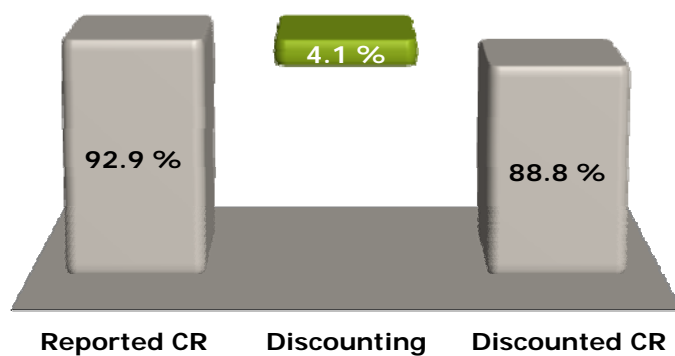
NOKm	Q4 2010	Q4 2009	2010	2009
Private Norway	301	195	788	552
Commercial Norway	95	53	246	305
Nordic	(24)	34	(77)	153
Baltic	3	6	17	41
Corporate Centre	(60)	(146)	(178)	(233)
Underwriting result	315	142	796	818
Pension and savings	(1)	(29)	(28)	(108)
Online retail bank	4	(21)	33	(76)
Health care services	13	15	27	33
Return on financial assets	788	621	2,705	2,723
Amort. of excess value	(43)	(141)	(243)	(217)
Other items	(6)	(5)	(36)	(7)
Profit/ (loss) before tax exp.	1,068	584	3,254	3,167



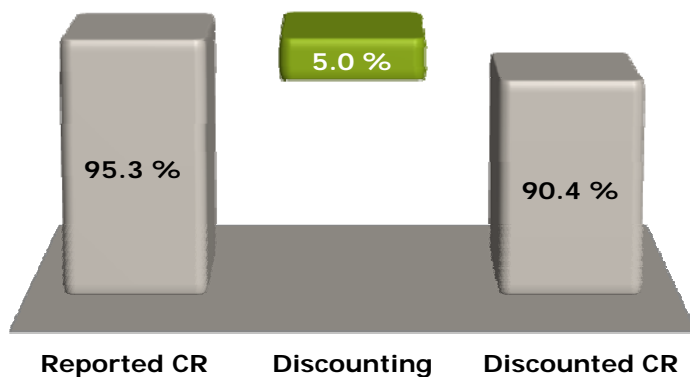




Effect of discounting on CR Q4 2010



Effect of discounting on CR FY 2010

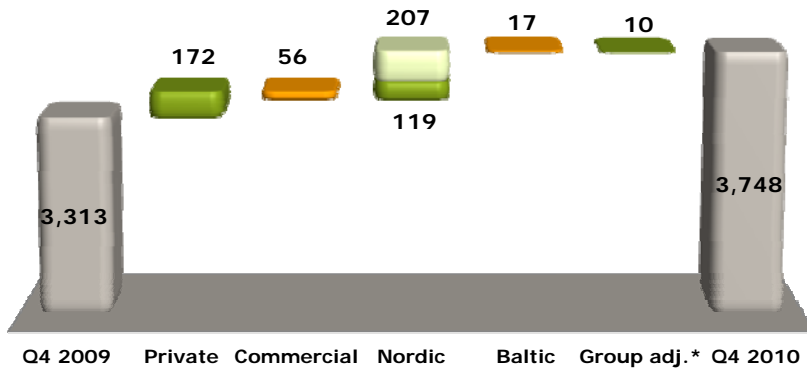


Assumptions

- Only technical provisions are discounted (i.e. premium provisions are undiscounted)
- Swap rates in Norway and Sweden
- Interest rate set by the Danish FSA in Denmark
- Euroswap rates in the Baltic countries

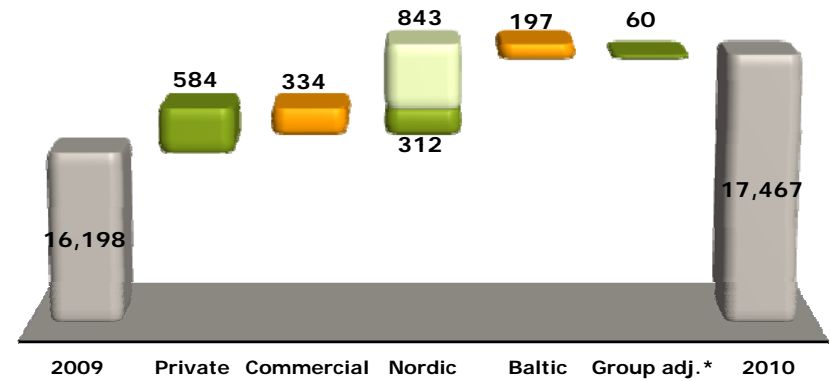


GPW development (NOKm) – General insurance Q4 2009 – Q4 2010



■ Growth related to Nykredit acquisition

GPW development (NOKm) – General insurance FY 2009 – FY 2010



■ Growth related to Nykredit acquisition



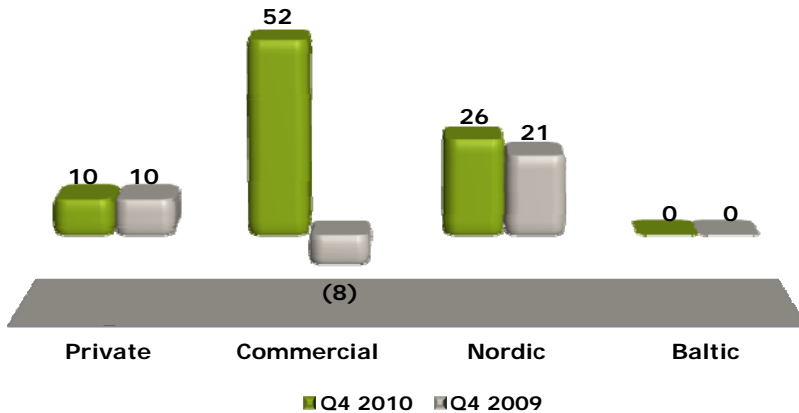
Q4 2010 (Q4 2009)

	Reported claims figures	Expected large losses	Actual large losses
Claims	NOK 3,383m (NOK 3,025m)	NOK 134m	NOK 87m (NOK 23m)
Loss ratio	76.4% (77.1%)	3.0%	2.0% (0.6%)

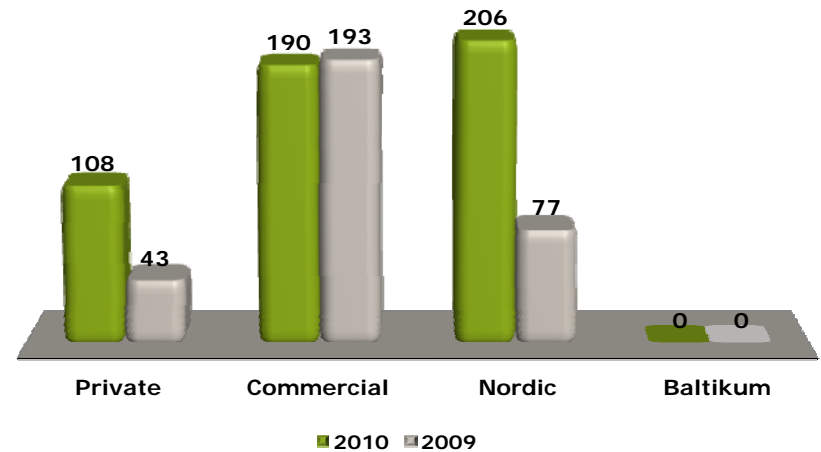
2010 (2009)

	Reported claims figures	Expected large losses	Actual large losses
Claims	NOK 13,457m (NOK 12,071m)	NOK 523m	NOK 503m (NOK 313m)
Loss ratio	78.9% (77.1%)	3.1%	3.0% (2.0%)

Actual large losses – by business area

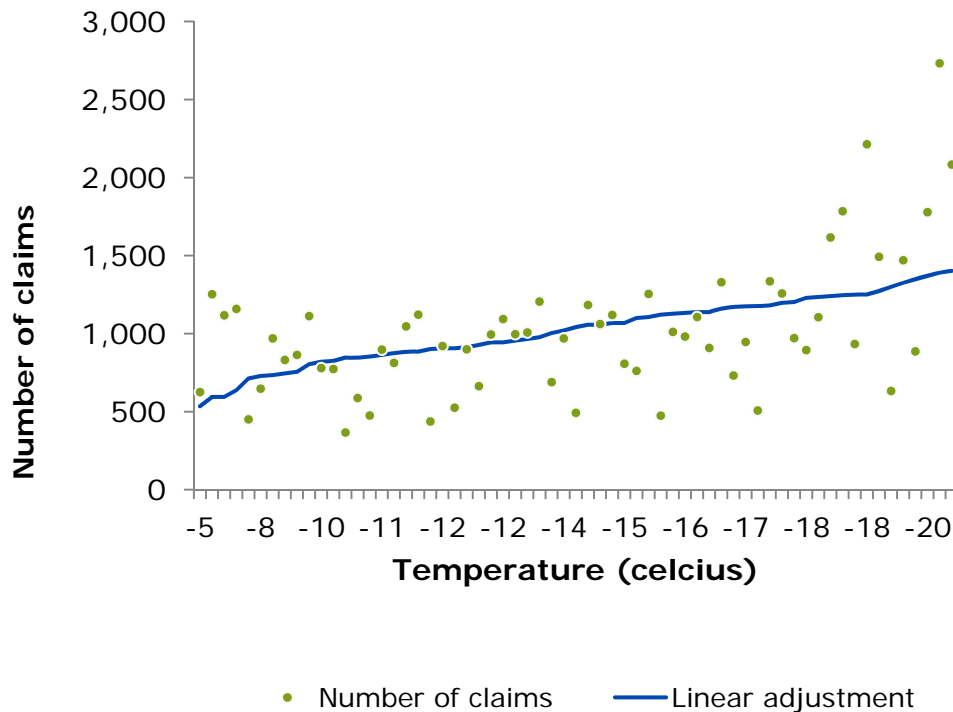


Actual large losses – by business area





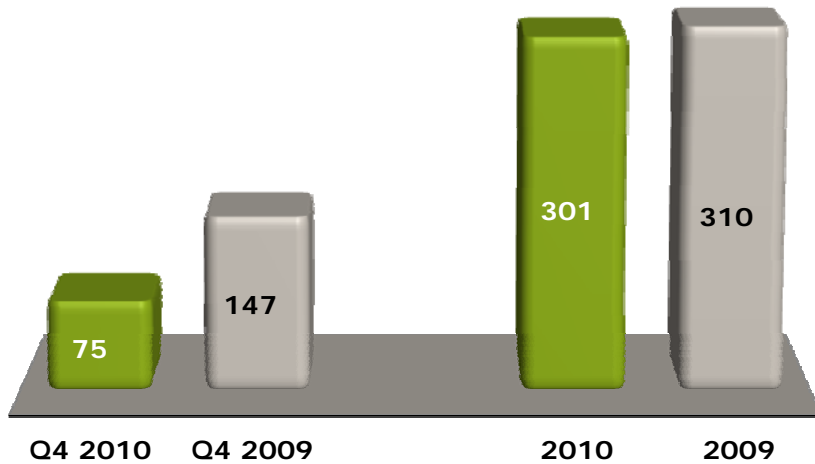
Correlation between temperature and claims frequency (Norway)



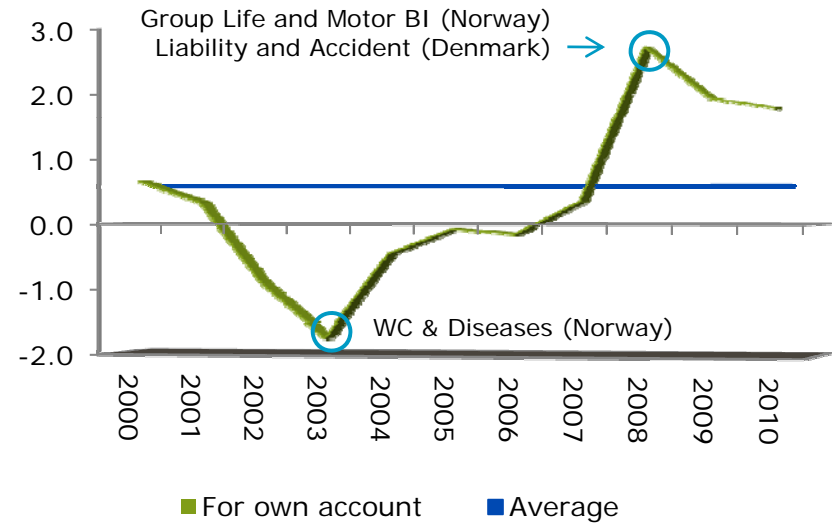
- Number of water/ freeze claims per month given the lowest registered temperature in the given month
- Statistics including December, January and February
- Period 1990-2010



Run-off (NOKm)

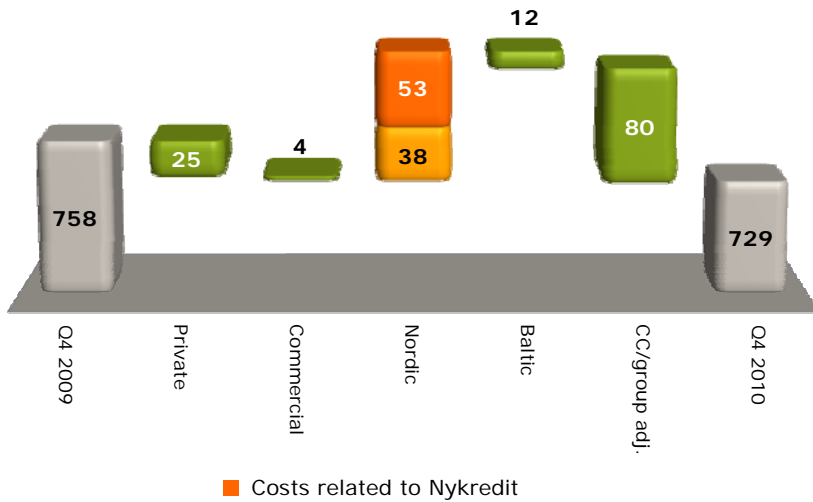


Run-off, % of earned premium

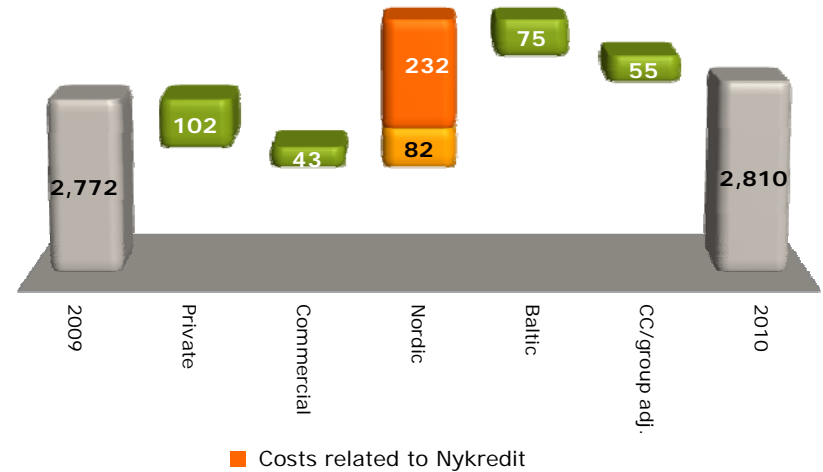




Cost development general insurance (NOKm) Q4 2009-Q4 2010



Cost development general insurance (NOKm) FY 2009-FY 2010





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

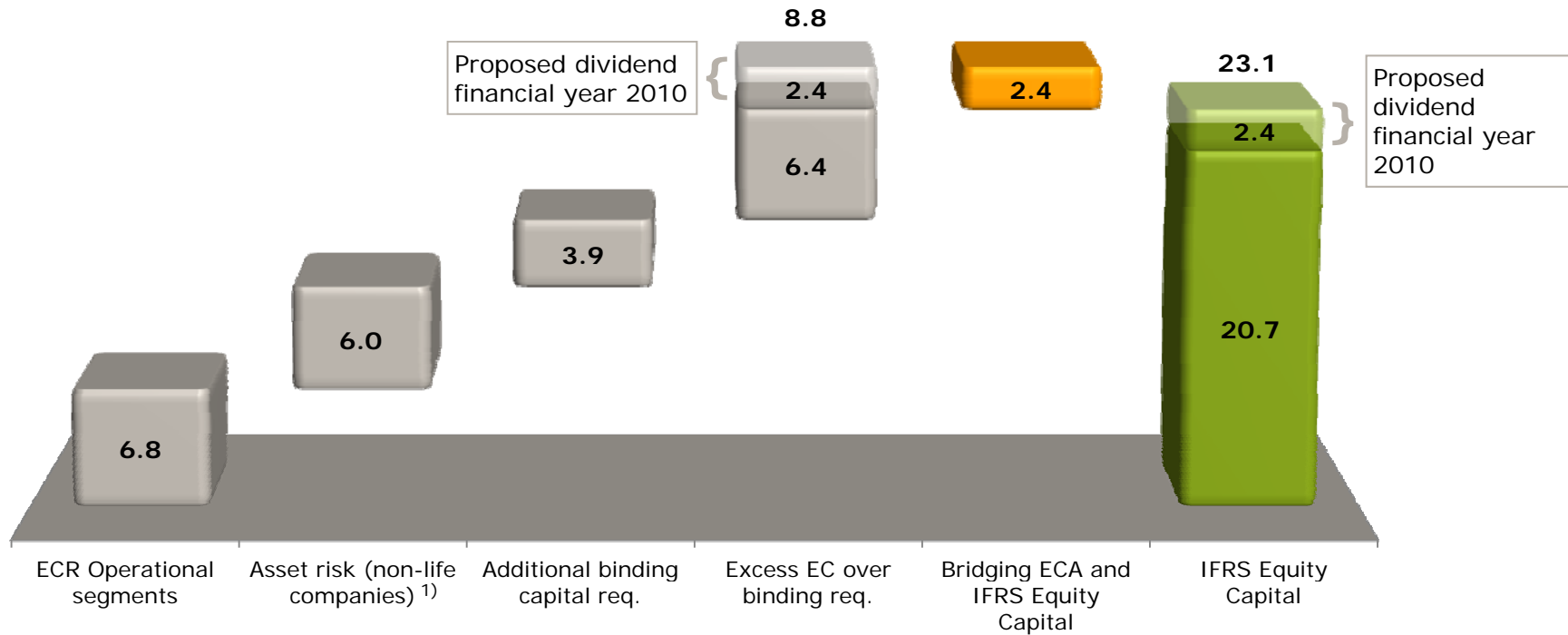


NOKbn	Private Norway	Commercial Norway	Nordic	Baltic	Pension and savings	Online retail banking	Health care services	Total ECR operational segments
ECR ¹⁾²⁾³⁾	2.3	2.3	3.2	0.3	0.1	1.0	0.1	9.3
Underwriting result 2010	0.788	0.246	(0.077)	0.017				0.796
Profit/loss before tax 2010, support products					(0.028)	0.033	0.027	0.033
Claims provision, gross, as at 31 Dec 2010	9.7	11.8	6.5	0.2	0.1			28.4

1) 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. 2) Allocation of capital to Pension and savings and Online retail banking is based on 8 per cent and 12 per cent capital adequacy respectively. 3) Allocation of capital to Health care services is based on booked equity.



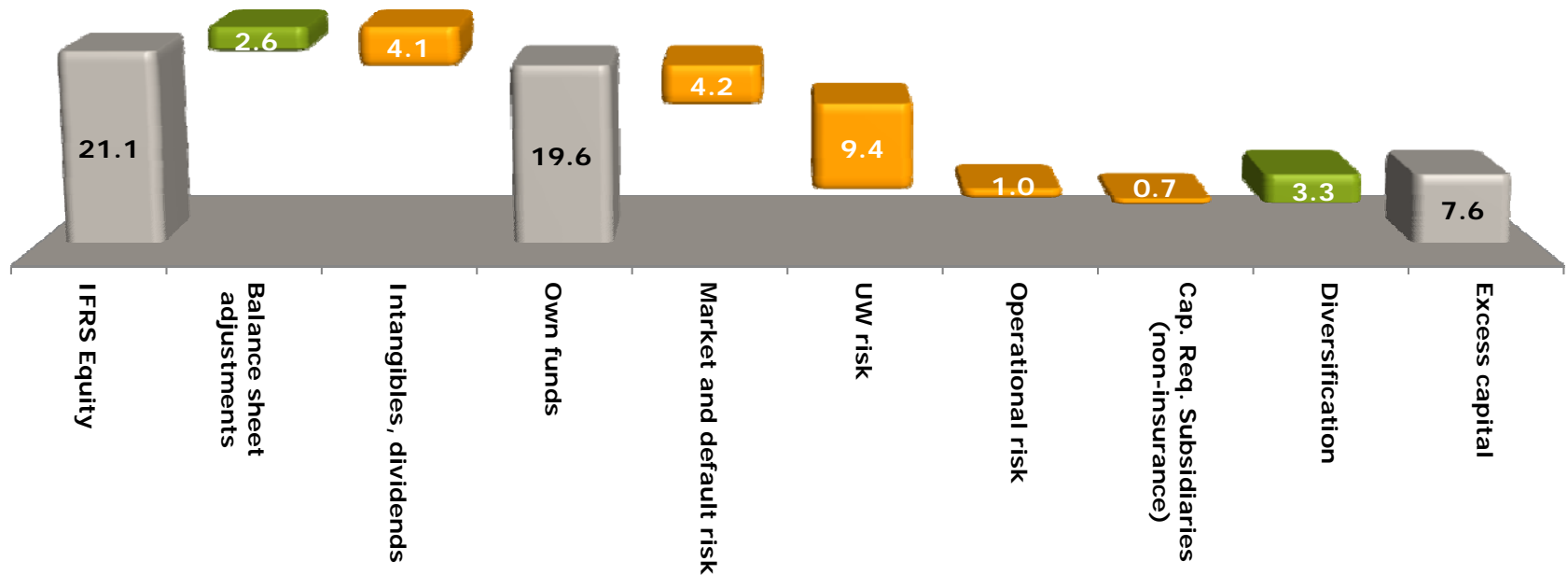
Group Capital Position as at 31 Dec 2010 (NOKbn)



1) Asset risk reflects two components. Firstly the market and credit risk for the asset exposures not assumed to be financing the general insurance liabilities. Secondly, any risk due to the actual asset portfolio backing the liabilities deviating from the replicating portfolio. Any diversification between asset risk and insurance risk is therefore implicitly allocated within asset risk.



Group excess capital, based on QIS5 calculations (NOKbn)



Comments

- Excess capital of NOK 7.6bn, including effects of Nykredit, Storebrand and Sparebank1 SR-Bank
- Excess capital is higher than in current capital adequacy regime and an A requirement in S&P model, but volatility of excess capital increased

Remaining uncertainty on several topics

- Capital fungibility intra Group
- Changes to SII regulations still expected after QIS 5 results have been reviewed
- Timing of full implementation of requirements very uncertain



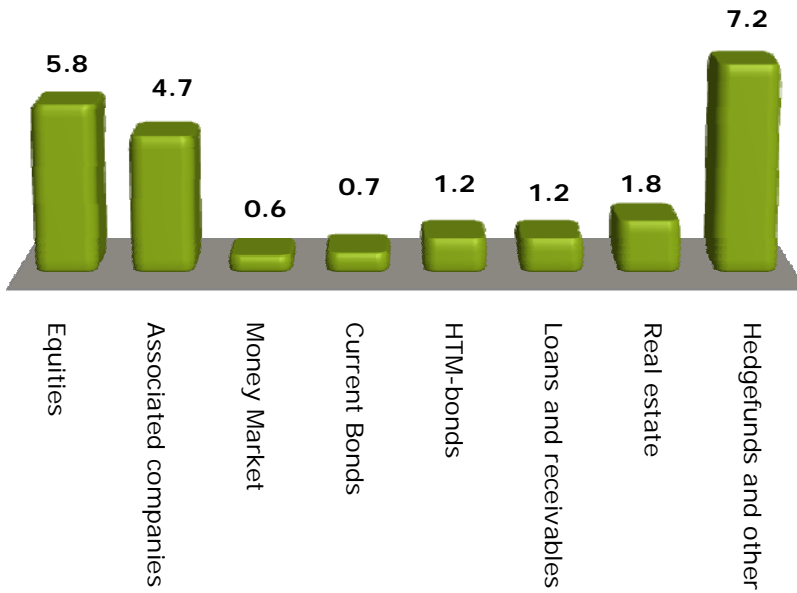
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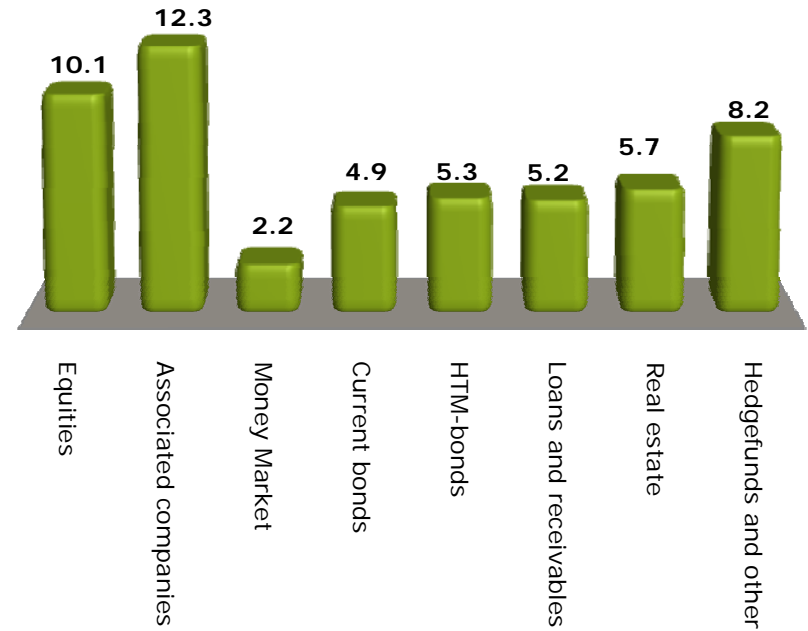
Investment Performance



Return per asset class (%)
Q4 2010

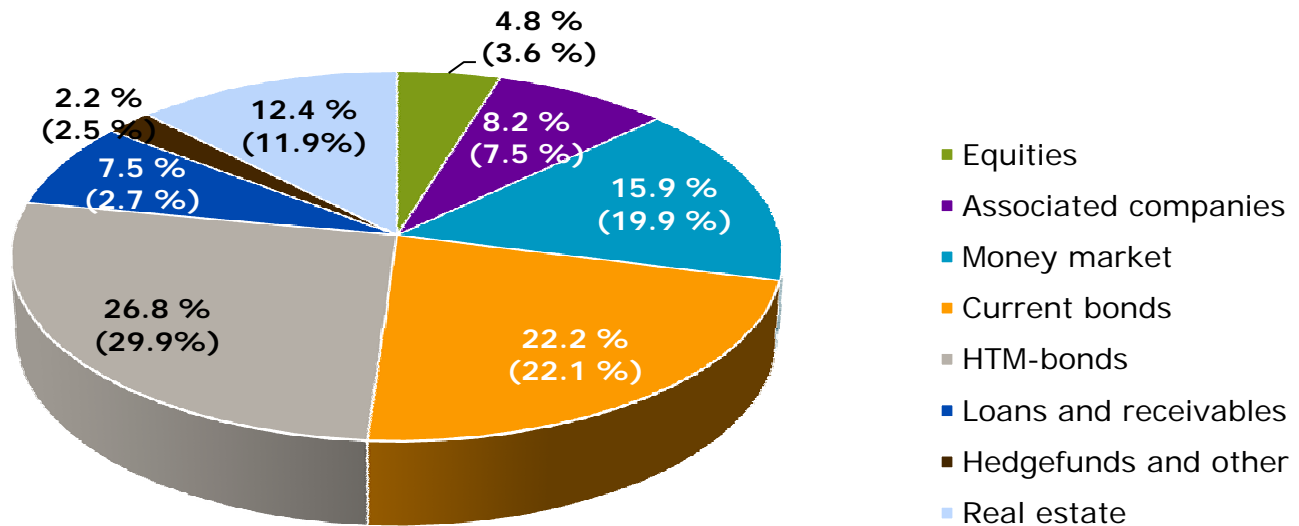


Return per asset class (%)
FY 2010





Asset Allocation 31 Dec, 2010 (31 Dec, 2009)





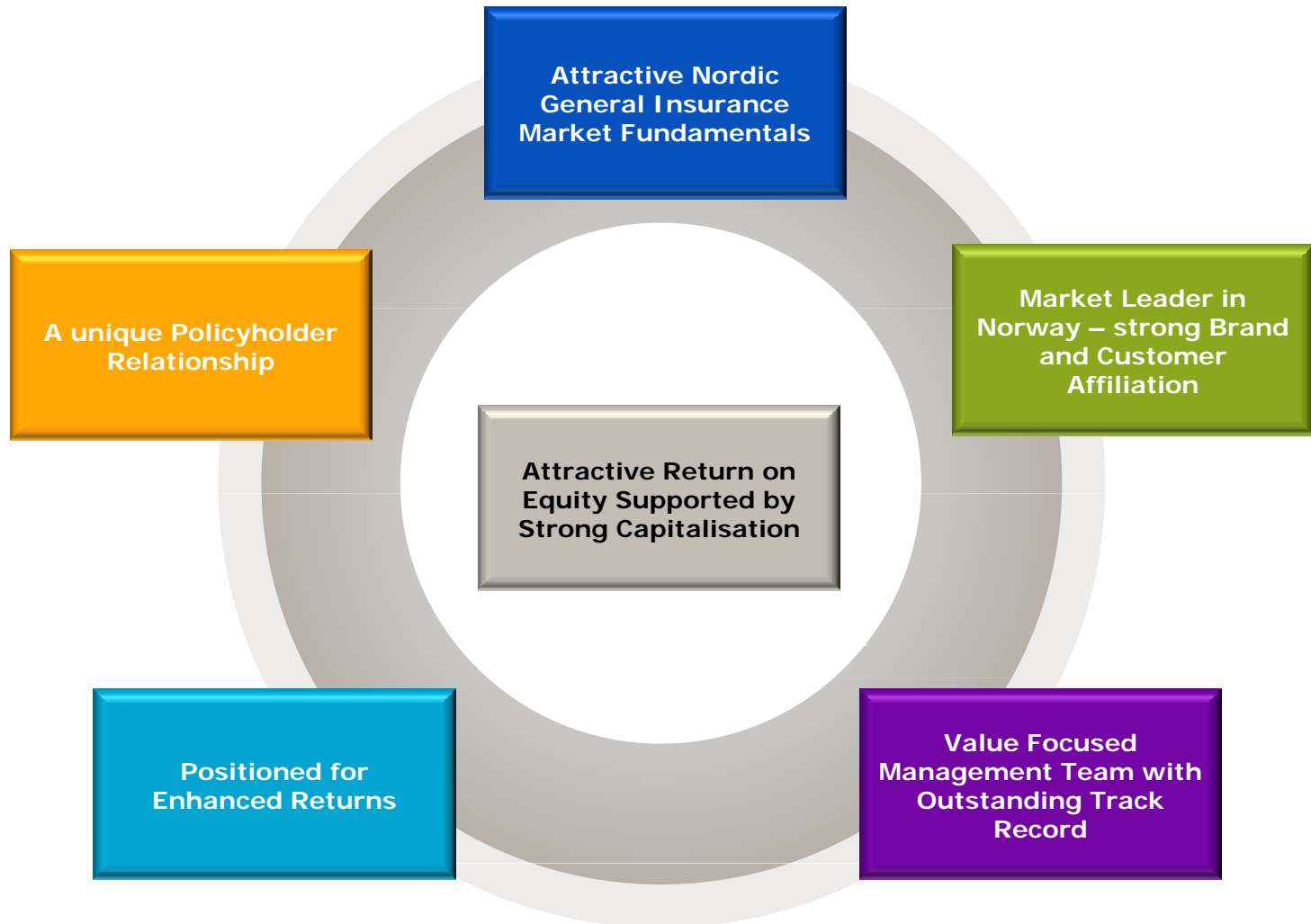
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Summary



- Profit before tax in the quarter of NOK 1,068m
- Preliminary profit before tax for 2010 of NOK 3,254m
- Earned premiums for general insurance operations increased by 12.8 per cent during the quarter
- Further reduction in the operating expenses
- The Board of Directors has adopted a revision of the Company's strategy
- The Board of Directors proposes a dividend of NOK 2,350m, which corresponds to NOK 4,70 per share. The dividend proposal entails a dividend ratio of 80 per cent based on the Group's preliminary profit after tax of NOK 2.950m







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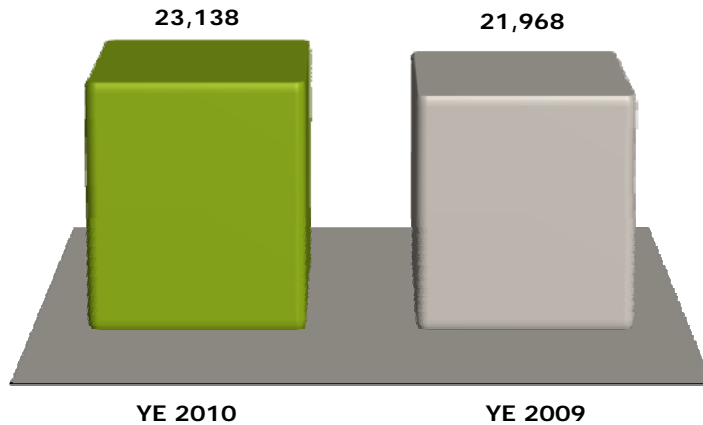
Supplementary Information



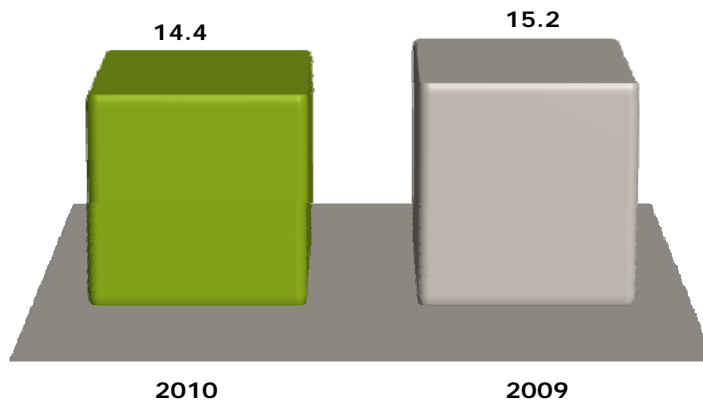
NOKm	Q4 2010	Q4 2009	2010	2009
Gross premiums written, total	4,313	3,794	19,764	18,276
Loss ratio, General Insurance	76.4	77.1	78.9	77.1%
Cost ratio, General Insurance	16.5	19.2	16.5	17.7%
UW result, General Insurance	315	142	796	818
Net income from investments	803	649	2,748	2,788
Profit/ (loss) before tax exp.	1,068	584	3,254	3,167
Profit for the period	1,162	394	2,950	2,305



Equity (NOKm)



Pre-tax Return on Equity (%)



- Capital adequacy of 16.1 per cent (18.9 per cent year end 2009)
- Solvency margin of 581.2 per cent (713.8 per cent year end 2009)
- The equity has not been charged with the proposed dividend for the 2010 financial year



Fixed income exposure

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



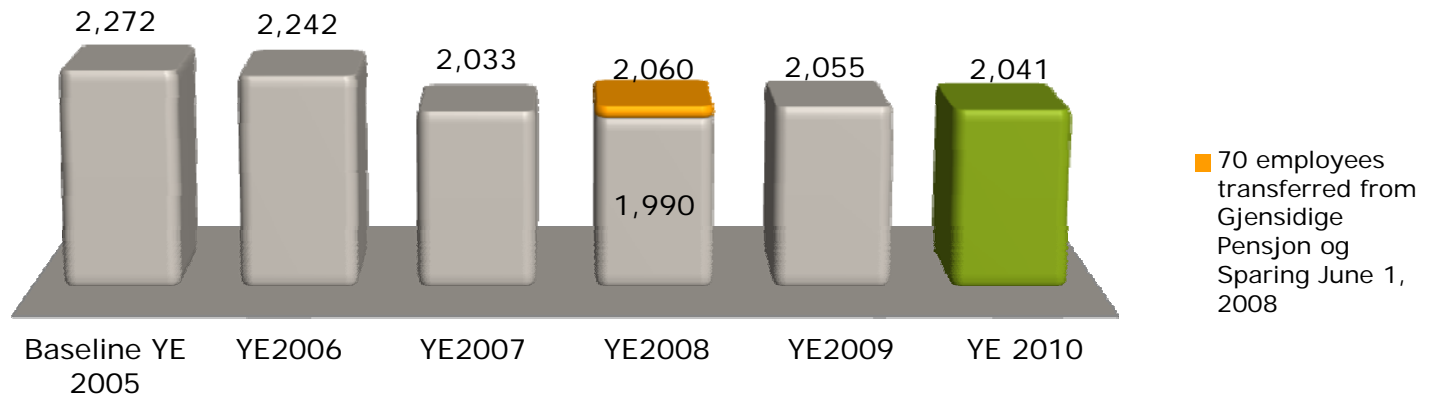
Split of fixed income portfolio	NOKm	%
Money market instruments	8.275	22,0 %
Bonds:		
<i>Bonds held to maturity</i>	13.910	37,0 %
<i>Bonds loans and receivables</i>	3.904	10,4 %
<i>Bonds held for trading</i>	9.454	25,1 %
<i>Investment grade bond (international)</i>	1.874	5,0 %
<i>High yield bond funds (international)</i>	194	0,5 %
Total bonds	29.337	78,0 %
Sum	37.611	100,0 %

Rating	NOKm	%
Investment grade	28.418	75,6 %
High yield	1.092	2,9 %
Non rated	8.102	21,5 %
Sum	37.611	100,0 %

Rating - including internal rating by Storebrand	NOKm	%
Investment grade	34.689	92,2 %
High yield	1.092	2,9 %
Non rated	1.831	4,9 %
Sum	37.611	100,0 %



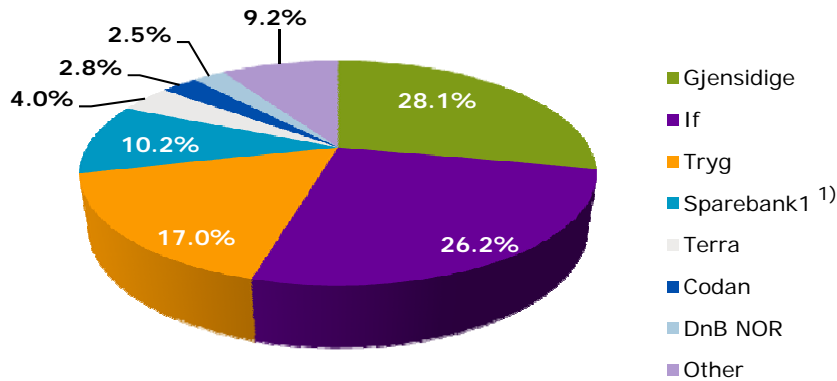
Employees, general insurance Norway



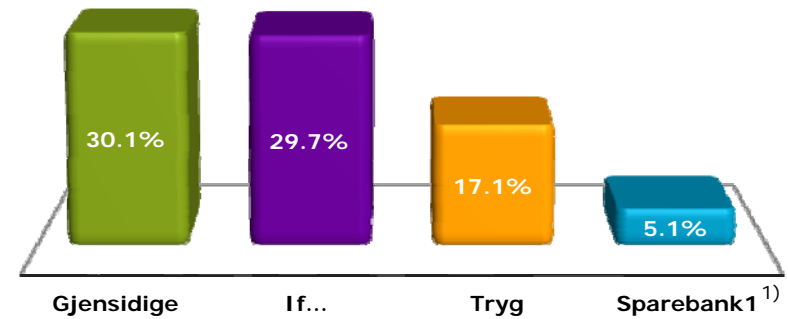


Market leader in Norway Across segments and most product lines

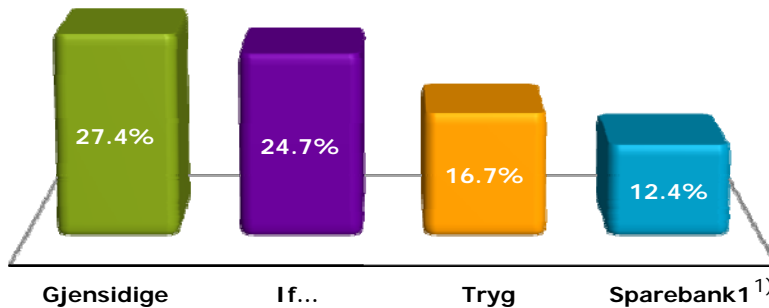
Market share – Total market



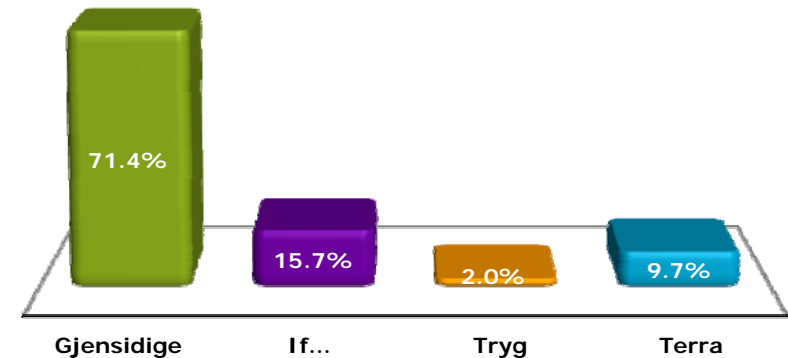
Market share - Commercial



Market share - Private



Market share – Agriculture (Part of Private)



Source: Finance Norway, general insurance, 30 Sept 2010. The definition of Private and Commercial is adjusted to reflect Gjensidige's business model. 1) Sparebank1 non-life and Sparebank1 life report separately to Finance Norway. In this illustration the Sparebank1 figures have been combined.