



Gjensidige

Gjensidige Forsikring

Capital Markets Day

Tuesday 27 November 2018





Programme

13:00 Presentations



Helge Leiro Baastad, CEO



Sigurd Austin, EVP Private



Catharina Hellerud, EVP Analytics,
Product and Price

14:25 Break

14:45 Presentations



Jostein Amdal, CFO



Q&A session

Janne Flessum, EVP Communications and
Shared Services

Concluding remarks

16:00 Mingling with management



Disclaimer

This presentation and the information contained herein have been prepared by and is the sole responsibility of Gjensidige Forsikring ASA (the "Company"). Such information 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. The Company assumes no obligations to update or correct any of the information set out herein.

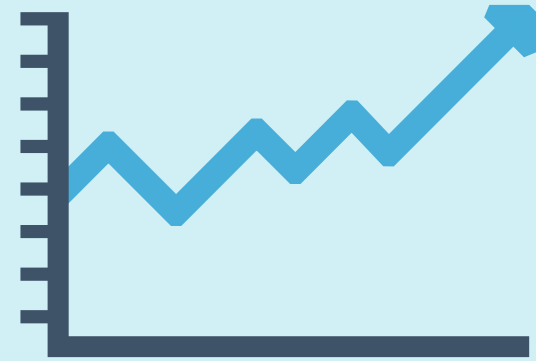
These materials may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives 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 or form part of, and is not prepared or made in connection with, 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. While the Company relies on information obtained from sources believed to be reliable, it does not guarantee its accuracy or completeness. 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, its affiliates or any of their respective 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. The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act.

This presentation should not form the basis of any investment decision. 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 any offering documents published in relation to such an offering. For further information about the Company, reference is made public disclosures made by the Company, such as filings made with the Oslo Stock Exchange, periodic reports and other materials available on the Company's web pages.

Excel today – Empower for tomorrow

Helge Leiro Baastad
CEO





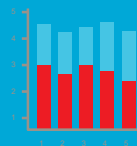
Today's CMD agenda



Excel today – Empower for tomorrow
Helge Leiro Baastad, CEO



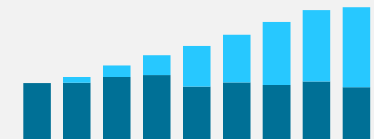
Delivering the best customer experiences today and tomorrow
Sigurd Austin, EVP Private



Creating sustainable competitive advantage through business intelligence and analytics
Catharina Hellerud, EVP Analytics, Product & Price



Roadmap to continued strong value creation
Jostein Amdal, CFO





Excellence in our core operations is our first priority

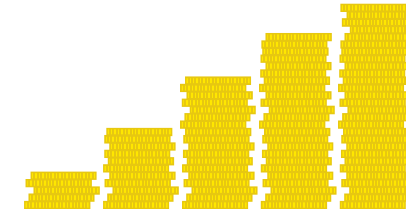
Retain strong and unique position in Norway




Strengthen profitability and growth outside Norway




Maintain capital discipline and attractive dividends



Operational strategic priorities

 **Digital customer experiences**

We will provide the best digital customer experiences in the Nordic and Baltic general insurance market

 **Business intelligence and analytics**

We will increase our analytical use of data to ensure attractive value propositions and profitable operations

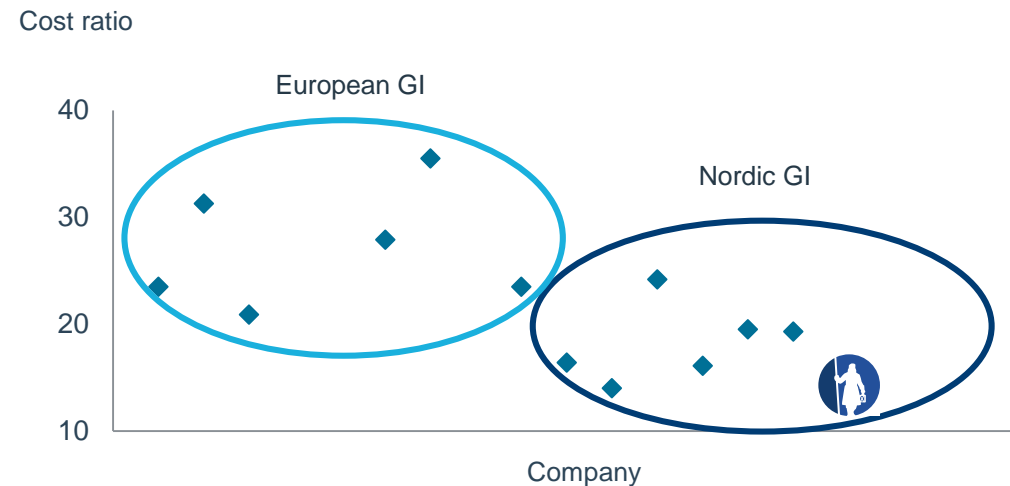
 **Dynamic organisational capabilities**

We will continue to invest in our people and organisation



We operate in an attractive market place - further consolidation expected

Stable market and high barriers to entry...



- Superior cost positions
- Strong local brands
- High customer loyalty
- Rational, well-capitalised players
- Strong partner structures
- Rising risk premiums

...size and scale are increasingly important

Meet compliance complexity



Enable strategic/tech investments



Attract and develop skills



Increase diversification



Be preferred alliance partner





Gjensidige is a highly profitable and leading general insurer in the Nordic and Baltic market...

Leading position



Strong brand
built over
200 YEARS

#1

in Norway
(25% market share)

#2

in total market
with presence

~2 million
customers

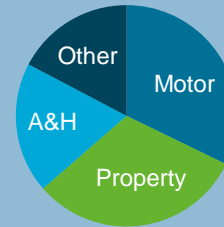
Retail
SME

Nordic/Baltic
growth agenda

Very high
LOYALTY

Strong returns

Premiums
NOK 24bn



ROE > 17%
(avg since IPO)

TSR > 300%
(since IPO)

Dividend pay-out ratio **~80%**
Unique **customer dividend ~14%**

(Based on regular dividend, avg since IPO)

Efficient operation

Superior
customer
experiences



Profitability
before growth

Analytical
approach
from A to Z

Cost efficient

< 15%

cost ratio


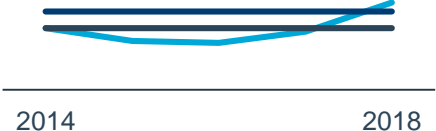




...delivering ahead of targets...

KPI targets 2018

KPI	YTD2018	Target 2018*	
Customer satisfaction	77.9	77.0	✓
Digital customers**	71.9%	75.0%	✓
Claims reported online**	71.8%	>50%	✓
Claims cost reductions	Delivered NOK 547 million	NOK 4-500m	✓
Customer retention	Maintained	Maintain high	✓
Customers with > 4 GI products	Maintained	Maintain	✓

Annual financial targets 2014-2018

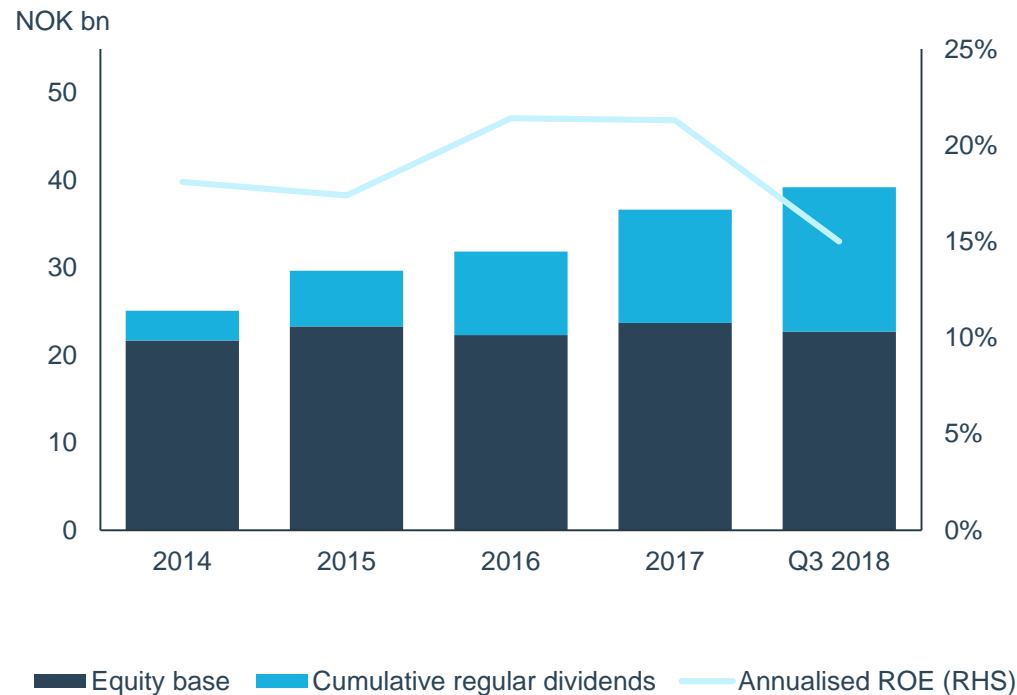
Financial target	Actual 2014-YTD2018	Target	
Return on equity after tax		>15%	✓
Combined ratio		86-89%	✓
Cost ratio		~15%	✓
Dividends		Nominal high and stable, >70%	✓

* Capital Markets Day 2014
**Private Norway

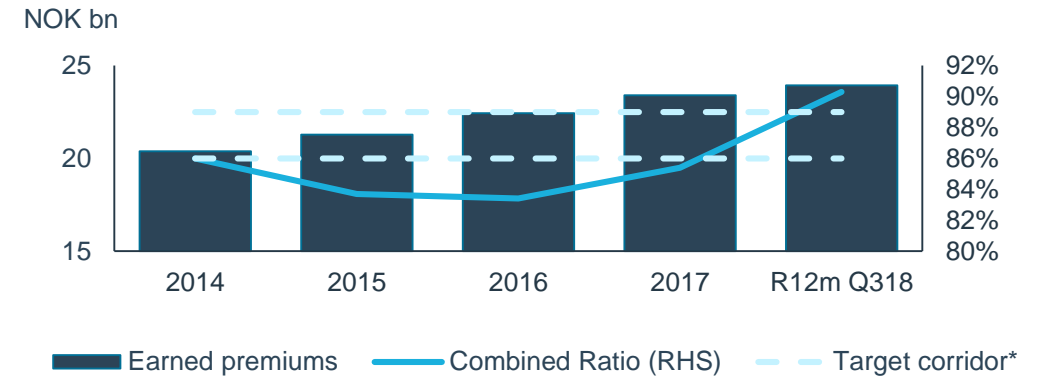


...and continuing to return high, stable and predictable dividends on a regular basis

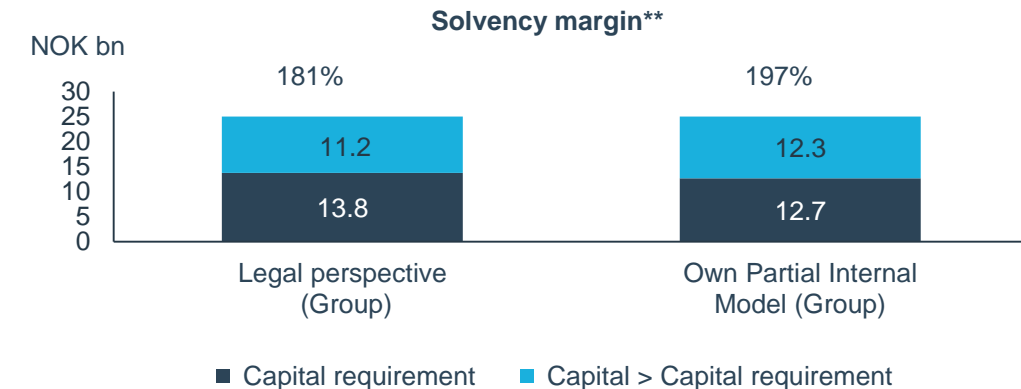
Attractive and predictable cash dividends



R12M18 CR affected by extreme weather...



...strong capital position supports the dividend



* Target corridor assumes ~4pp run-off gains and normalised large losses

** Solvency margins when adjusting capital position to reflect best estimate reserves.

Figures as at 30.09.2018. The legal perspective is the regulatory approved version of the partial internal model.

The Solvency II regulation is principle based. The figures are adjusted for a formulaic dividend pay-out ratio of 70 per cent of net profit.

Our mission is to safeguard life, health and assets - sustainability is in our DNA...



Prioritised SDGs

- 3 GOOD HEALTH AND WELL-BEING**
- 8 DECENT WORK AND ECONOMIC GROWTH**
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
- 13 CLIMATE ACTION**

Sustainability is a prerequisite for long term value creation

Social

- Engage our employees
- Sustainable products
- Digital transformation
- A safer society

Environment

- Manage climate risk
- Sustainable claims handling
- Reduce own footprint

Governance

- Ensure compliance
- Responsible investments

We make a difference!

Reduce CO2 intensity

- Damage prevention
- Reduce own and claims CO2 intensity

Responsible investments

- Strong ESG requirements for our investments
- SRI policy



...reflected also in the important role of the Gjensidige Foundation in the Norwegian society

Social responsibility through prevention in the areas of safety and health



Security

Social inclusion and diversity

Mastering and learning

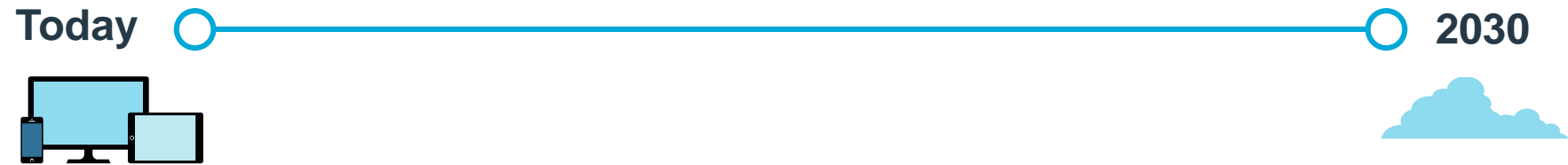
Physical activity

Security



Our vision is “knowing the customer best and caring the most” ...

Demonstrating a strong ability and willingness to adapt to and drive change



Closed and batch-oriented business model

Open eco-systems with real-time behavioural data

Operational strategic priorities



Digital customer experiences

...expanded end-to-end personalisation across platforms and enterprises



Business intelligence and analytics

...boosted by real-time processing, dynamic integration of new data sources and artificial intelligence



Dynamic organisational capabilities

...empowered by strategic alliances



... and our strategy is Excel Today – Empower for Tomorrow

Enhance

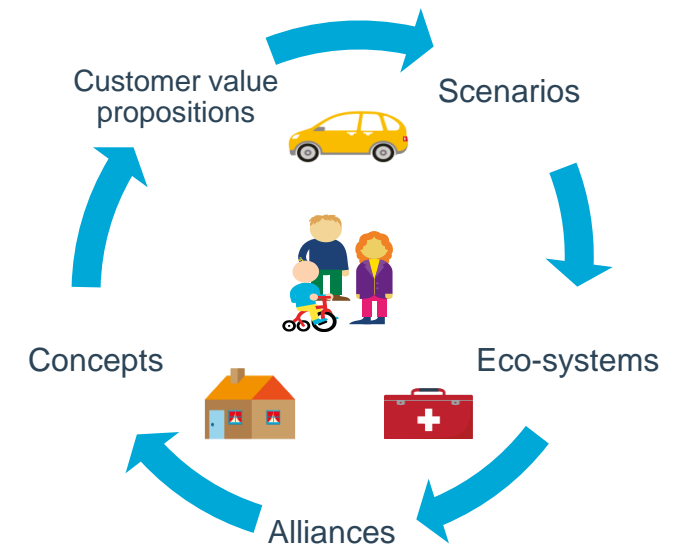
Launching next generation tariffs and CRM

New core IT system and infrastructure

Test and learn



Develop and deliver



We have what it takes!

Strong brand, loyal customers, attractive partners, analytical skills, advanced processes and solid financial capacity

And it's still all about people...!



Our targets towards 2022 are both ambitious and achievable

Customer targets 2022



Becoming the most customer-oriented general insurer in the Nordic and Baltic region

CSI: >78
Retention: >90% in Norway and >85% outside Norway

CSR target 2022



Reduce claims-related CO2 intensity relative to premiums year by year*

* Assuming CR within target range; reflecting normal claims years

Annual financial targets 2019 - 2022

Ambitions	Target 2019-2022
Combined ratio	86-89% ¹⁾
Cost ratio	<15%
Solvency margin (PIM)	135-200% ²⁾
ROE after tax	>20% ¹⁾⁻³⁾
UW result outside Norway	NOK 750m ⁴⁾ (in 2022)
Dividends	Nominal high and stable (and >80 % over time) ²⁾

1) Assuming annual run-off gains ~NOK 1 billion through 2022. Corresponds to 90-93 per cent given zero run-off gains post 2022.

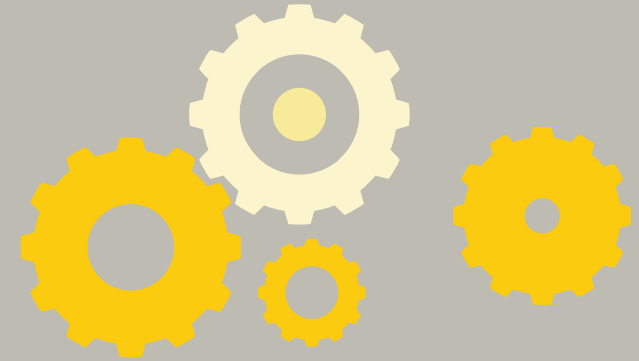
2) Assuming sale of Gjensidige Bank

3) Corresponds to >16 per cent given zero run-off gains post 2022

4) Excluding run-off

Delivering the best customer experiences today and tomorrow

Sigurd Austin
EVP Private





We have four key ambitions towards 2022

- 1
- 2
- 3
- 4

Ambitions	Measures	KPI Targets 2022
Maintain high customer satisfaction (CSI*)	Be customer centric	>78
Maintain high retention	Build loyalty and broad engagements	> 90% Norway > 85% outside Norway
Improve sales effectiveness	Enhance sales activity output	+10%
Increase share of digital claims reporting	Increase speed and enhance precision	80% Norway

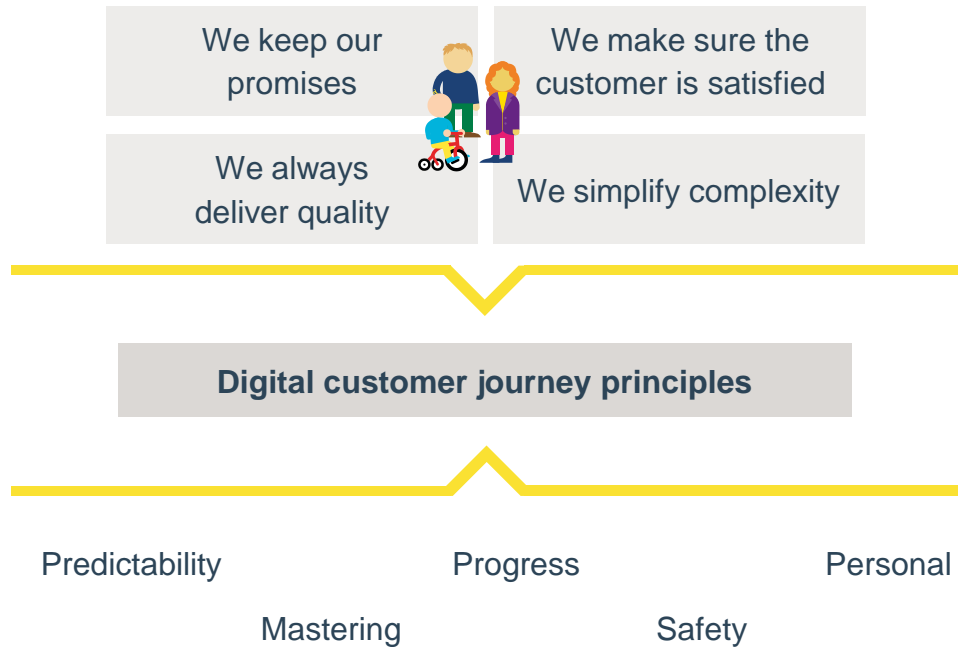
* CSI: Customer Satisfaction Index



Delivering the best customer experiences

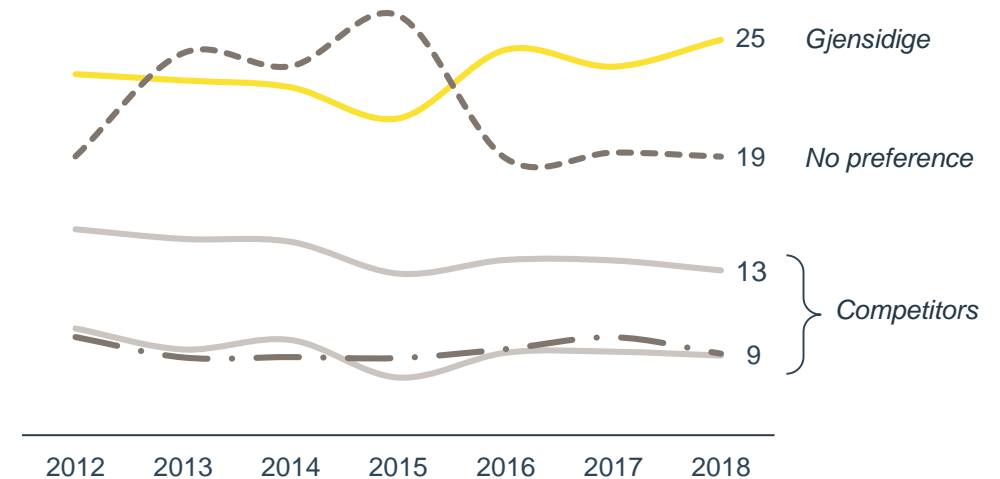
- Operating and developing through customer centricity

The Gjensidige experience
– Customer centricity is our #1 differentiator



An industry leading brand preference

1 in 4 Norwegian customers prefer Gjensidige, which lowers overall acquisition cost*

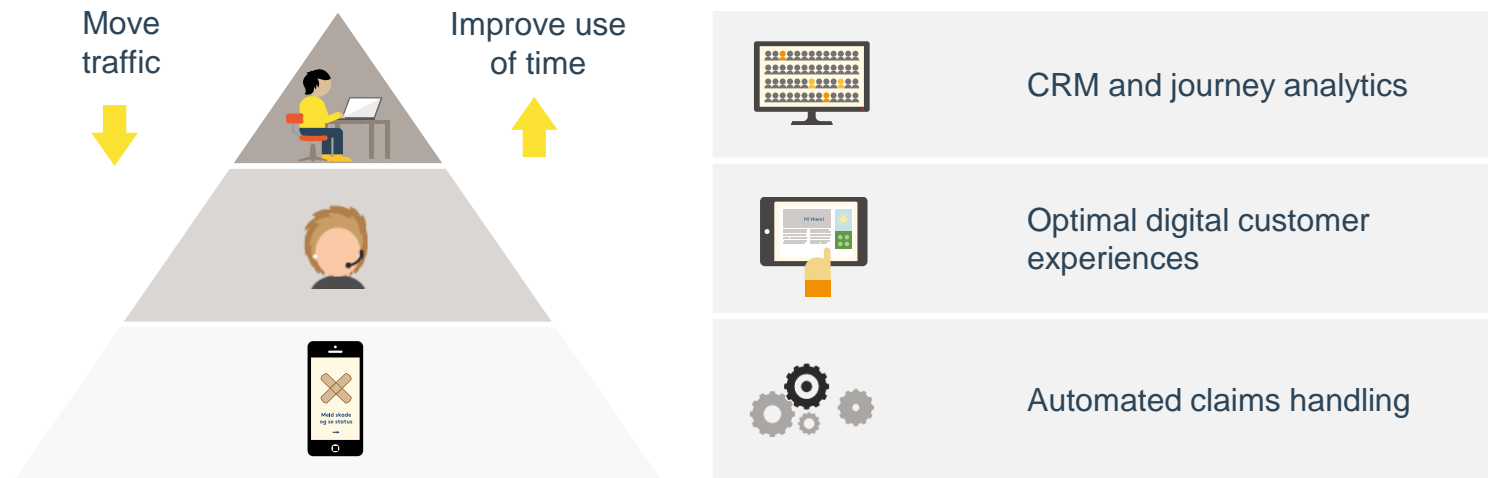


* Source: Norstat Gjensidige brand tracker Norway

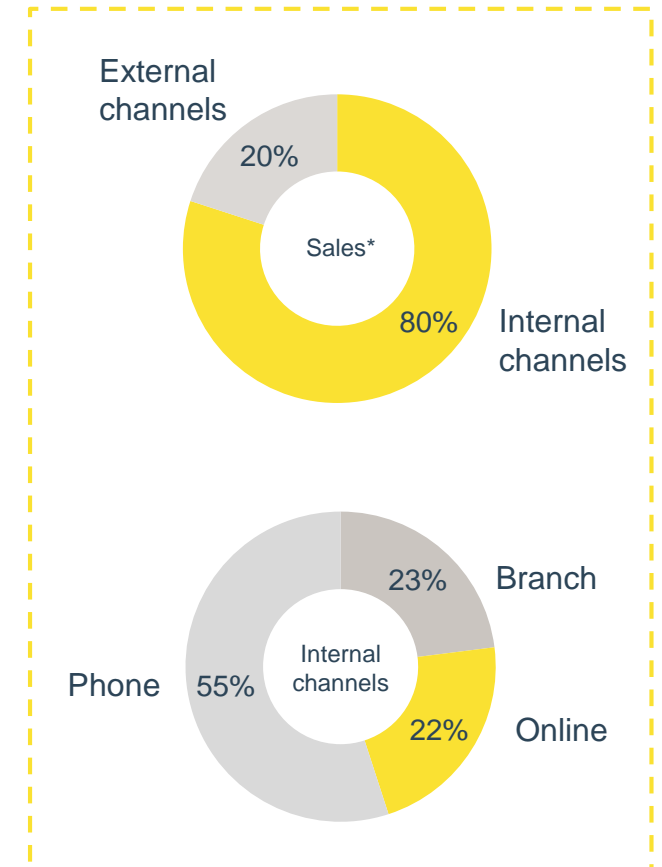


We will improve customer experiences even more through analytics and digitalisation

Automating processes is a win-win for us and our customers



Efficient, directly owned multichannel distribution



* Norway



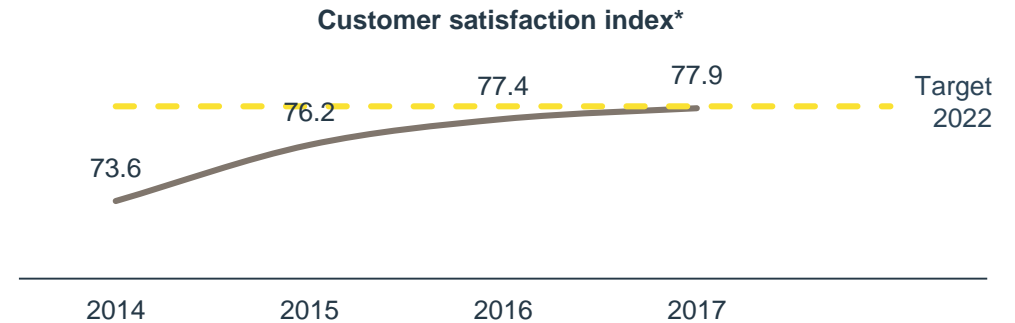
- 1
- 2
- 3
- 4

Target 2022: Maintain high customer satisfaction – Group CSI >78

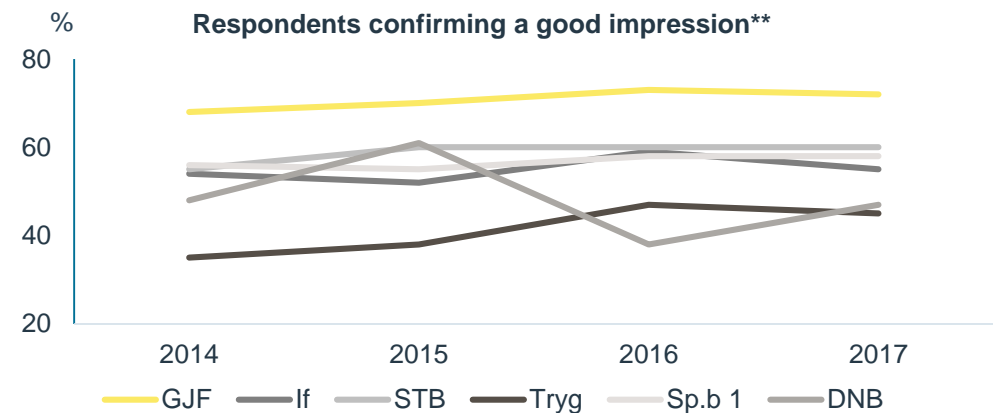
Price, quality and trust remain the key drivers for customer satisfaction

Price and terms	<ul style="list-style-type: none"> Value for money Terms and conditions
Claims	<ul style="list-style-type: none"> Effective and efficient
Interactions	<ul style="list-style-type: none"> Available and pleasant Effective and efficient
Trust and adaptability	<ul style="list-style-type: none"> Reputation Customer oriented solutions
Digital solutions	<ul style="list-style-type: none"> Available Low customer effort
Customer dividend	<ul style="list-style-type: none"> Customer “profit share”

We have record high customer satisfaction



We have the best reputation in Norway



*Source: CSI, Ipsos

** Source: Reputation surveys, Ipsos



1

High retention levels drive cost efficiency

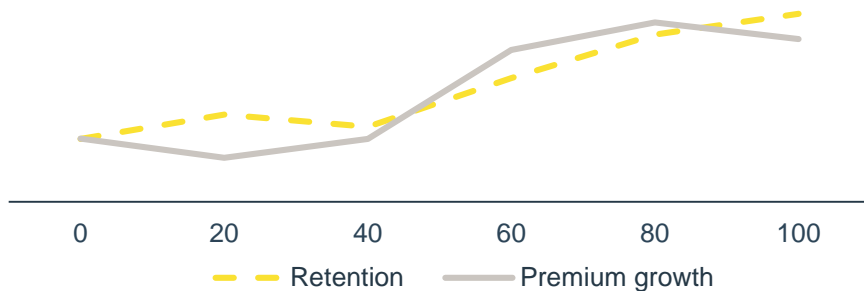
2

3

Satisfied customers buy more and stay longer *

4

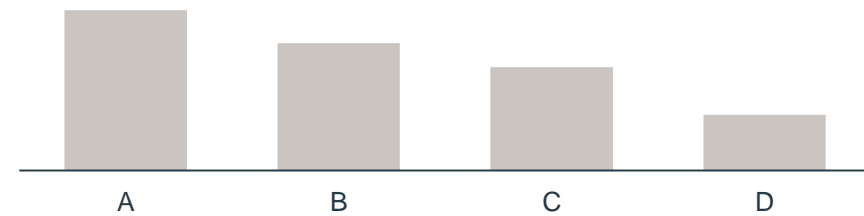
Relative change on retention and premium growth one year after customer satisfaction score



Keeping the best customers

– Retention rates are higher for most profitable customer segments

Retention by customer score

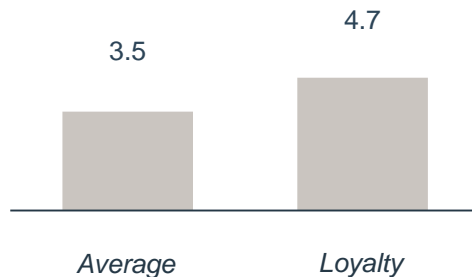


Example Private segment:

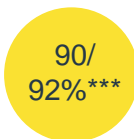
High customer retention and broad product engagement **

Average number of products

Customer satisfaction



Retention



* Relative change in retention and premium growth one year after customer satisfaction score

** Source: Operational customer satisfaction survey 2017-2018, Netlife/Gjensidige

*** Affinity/ loyalty customers, representing 85% of premium volume

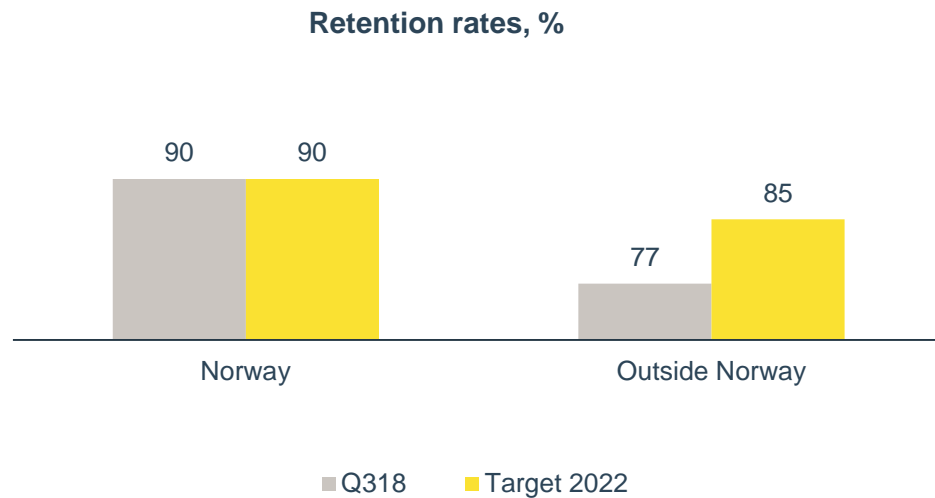


- 1
- 2
- 3
- 4

Target 2022: Maintain high and stable retention

– Norway > 90 per cent, outside Norway > 85 per cent

Potential for improved retention



Key drivers for retention

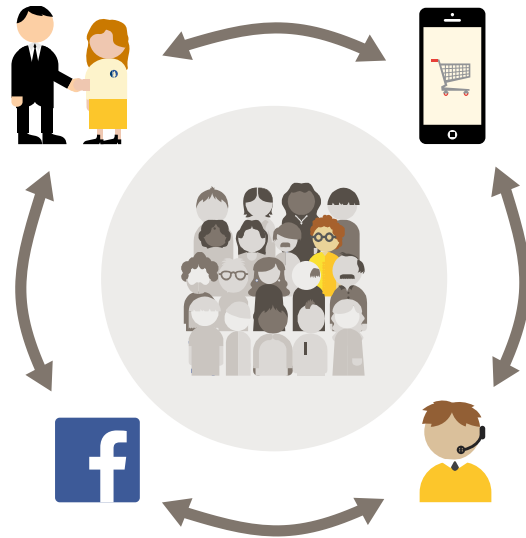
- Increase customer satisfaction
 - Price, quality and trust
- Broaden product engagement
 - Relevant product and service offerings
- CRM excellence
- Improve pricing and scoring models
 - Optimal risk selection and risk pricing



- 1
- 2
- 3
- 4

We will make every customer interaction more relevant and convenient

Connecting data
 – Applying analytics through the customer journey



Personalizing interactions

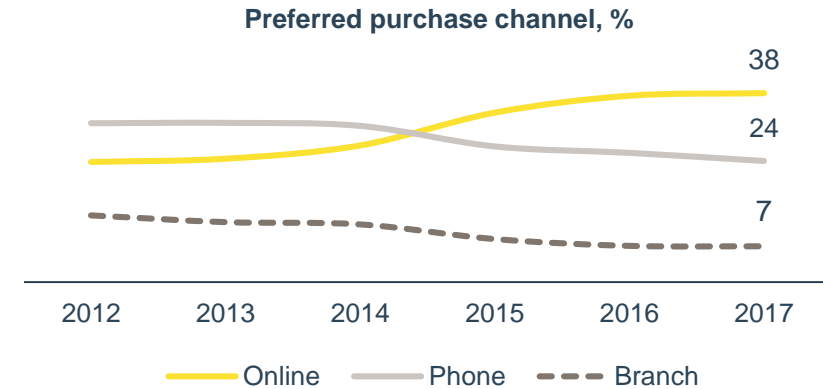
- Internal /external data
- Rule engines
- Application for all customer contacts

CRM analytics drives sales effectiveness

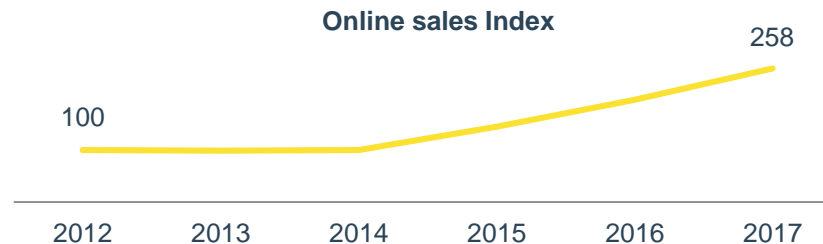
Predictive modelling has increased hit rates by 40% and sales per hour by 28%

Adapting distribution model to customer needs
 – Consumer maturity drives digital conversion

Customers prefer online sales and services*



Online sales ambition towards 2022: ~ 20 % annual growth



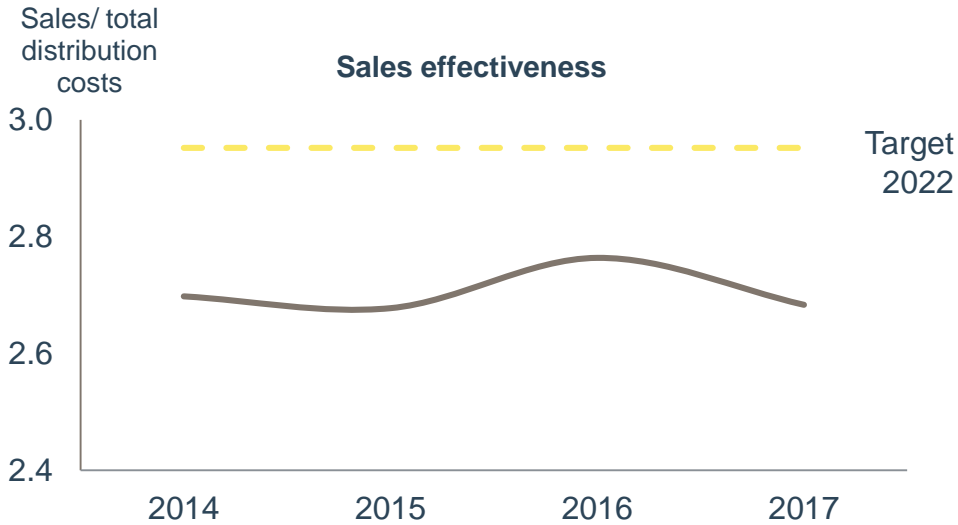
* Source: Ipsos



- 1
- 2
- 3
- 4

Target 2022: 10 per cent increase in sales effectiveness

Further improve low cost distribution model

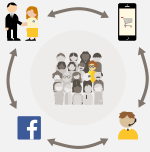


Drivers for increased sales effectiveness



Optimise activity mix

- Measure sales effectiveness
- Increase performance through improvements and scaling



Enhance activity output

- Expand data and model universe
- Broaden application across all contact points



Increase self service

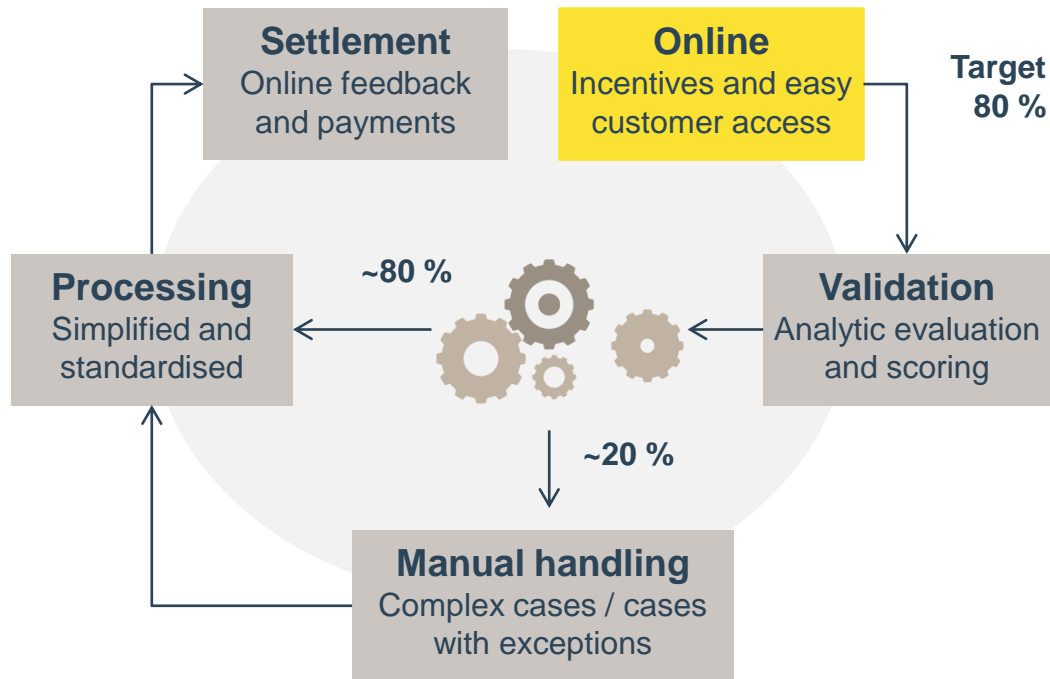
- Accessible and easy to use
- Personalise advice and guiding to each customer



- 1
- 2
- 3
- 4

Digital claims reporting improves customer experience and operational efficiency

First step towards straight through processing
- Speed, predictability and precision



Two main effects from digital reporting

- Improved customer experience
 - Follow claims status process online
 - Faster claims settlement
 - Frees up capacity for better handling of more complicated claims
- Efficiency gains
 - Reduced average claims handling cost per claim
 - 20% reduction since 2016 (FTE cost)

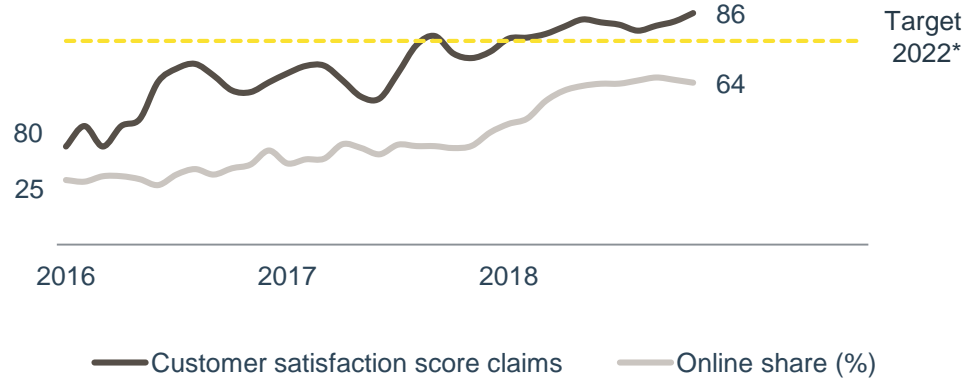


- 1
- 2
- 3
- 4

Target 2022: 80 per cent digital reporting of frequency claims

Strong ambitions for digitalisation

CSI score claims and online reporting share, Norway



Share of claims reported online for retail customers outside Norway

- Sweden: 51%
- Denmark: 47%
- Baltics (Lithuania): 67%

* Norway

Drivers for increasing digital reporting



From customer to high performance user

Engage customer to resolve case quickly



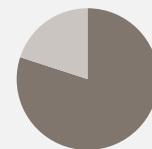
From claims settling to service deliveries

Understand customer need, e.g. “get leakage fixed”



From complex forms to mobile simplicity

Reduce reporting needs by collecting more data from suppliers



20% of claims represents 80% of claims cost

Focus efforts on high value cases, handle frequency claims efficiently



We have four key ambitions towards 2022

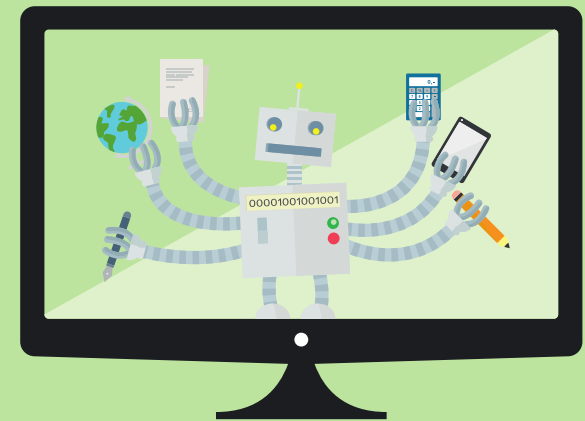
- Deliver the best customer experiences through customer centricity
- Maintain customer loyalty and broad engagements
- Enhance sales activity output
- Further digitalise and improve speed and precision

KPI targets 2022

Ambitions	Target 2022
Customer satisfaction (CSI)	> 78
Retention	> 90% Norway > 85% outside Norway
Sales effectiveness	+10 %
Digital claims reporting	80% Norway

Creating sustainable competitive advantage through business intelligence and analytics

Catharina Hellerud
EVP Analytics, Product and Price





We have four key ambitions towards 2022

- 1
- 2
- 3
- 4

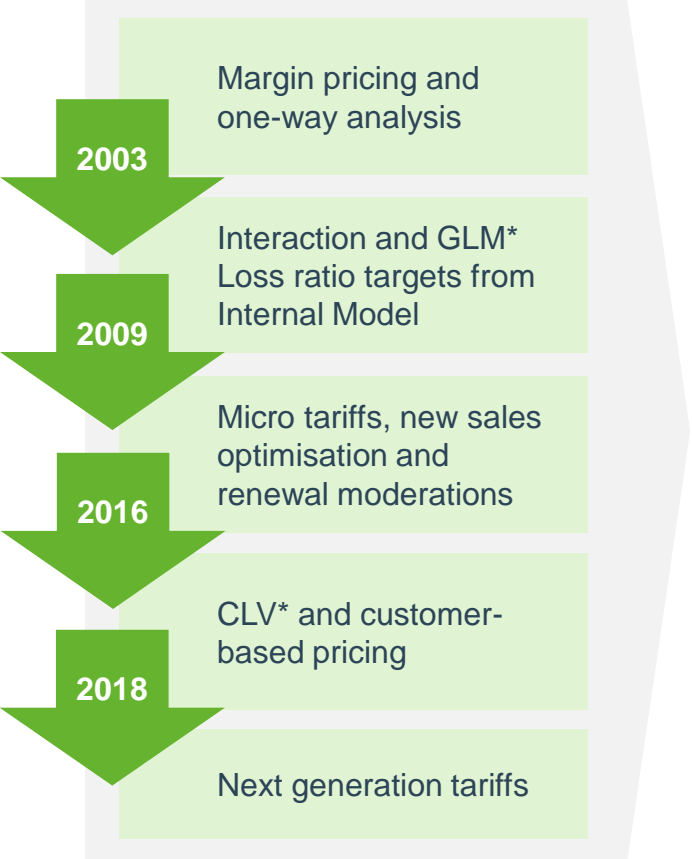
Ambitions	Measures	KPI targets 2022
Automate tariffs	Optimal and dynamic risk selection and risk pricing	100 %
Increase sales effectiveness	Apply more data, broader application	+10%
Increase straight through processing	Automate frequency claims handling	64% Norway
Reduce claims cost	Apply analytics	NOK 500m



- 1
- 2
- 3
- 4

We use data analytics to establish increasingly advanced pricing models ...

Development of pricing strategy



Strategic initiatives for next generation tariffs

Automatic tariff adjustments

Analytical based pricing optimisation

Enhanced focus on customer pricing

* GLM: Generalised Linear Model, CLV: Customer Lifetime Value



- 1
- 2
- 3
- 4

... and continuously aim to achieve optimal pricing

Example: Private motor in Norway – profitability deterioration 2016-2018*

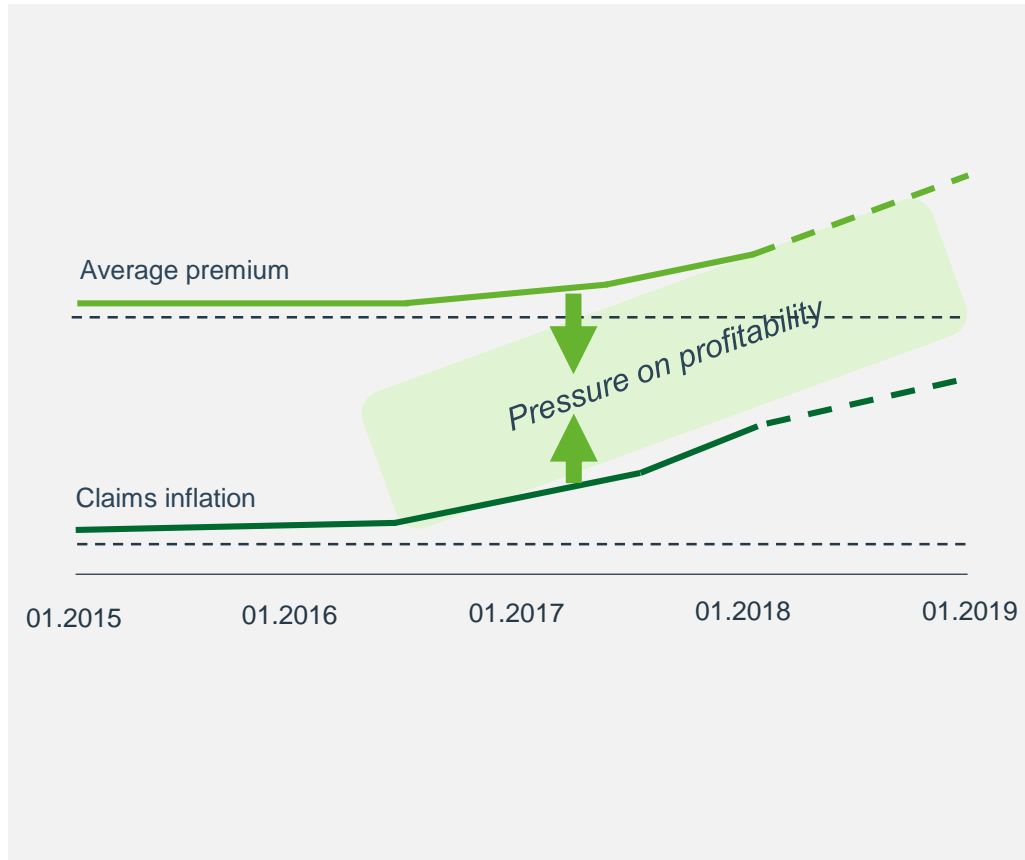
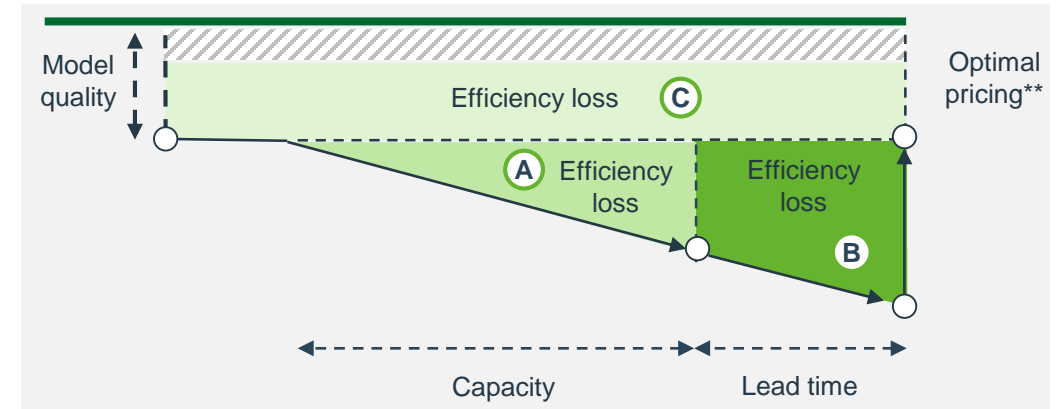


Illustration of efficiency losses



Minimize efficiency loss by:

- A Increasing capacity
- B Reducing lead time
- C Improving model quality

* Illustration purpose – not based on exact figures.

**Optimal pricing: Illustration of pricing model assuming perfect symmetry with claims, risk and market behaviour



- 1
- 2
- 3
- 4

We are now on a journey to automate pricing

Increasing capacity

A



- Improve data capabilities
- Increase frequency on model re-runs and reduced response time

Reducing lead time

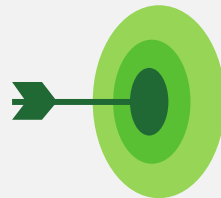
B



- Standardise processes
- Automate and increase use of robotics

Improving model quality

C

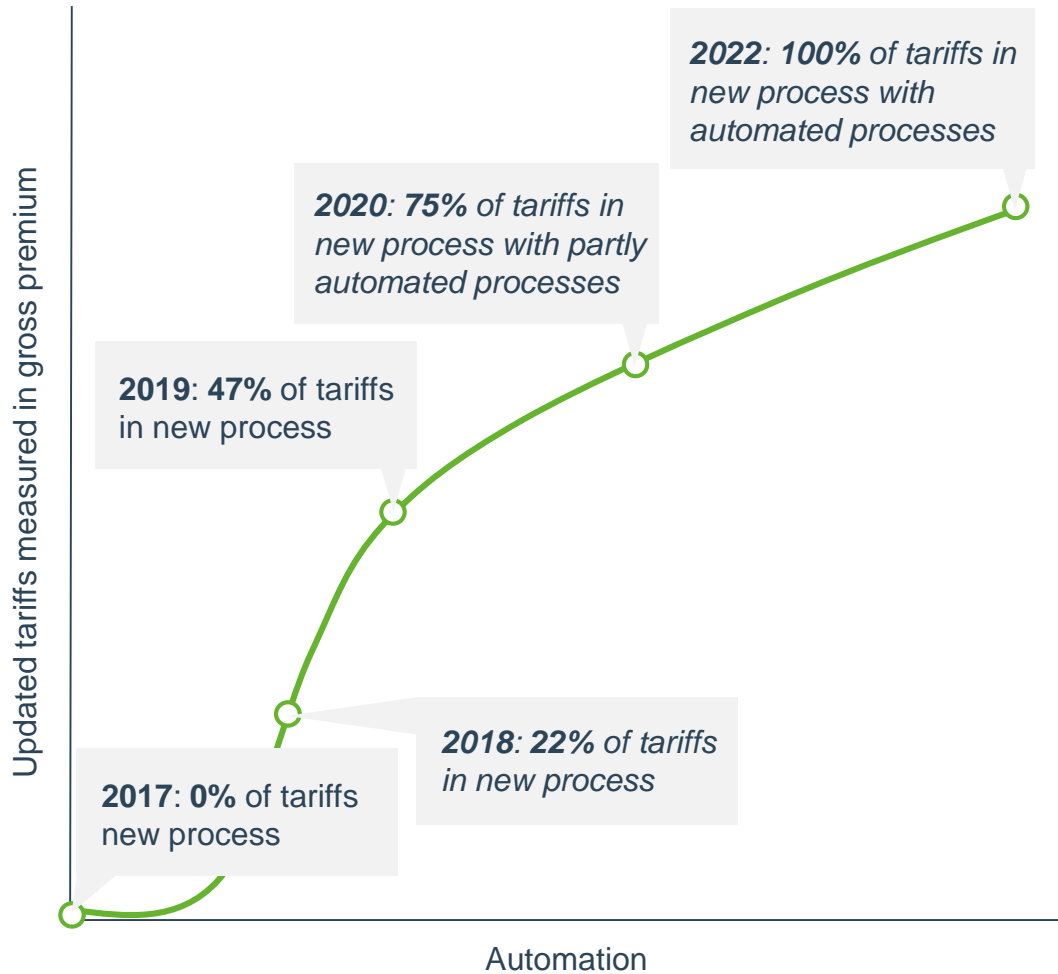


- Apply more advanced models and use of AI and ML
- Improve pricing model through use of new data



- 1
- 2
- 3
- 4

Target 2022: 100 per cent data driven tariffs in our new pricing regime



Future model will improve profitability



More advanced analytical modelling



Continuous tariff management



Higher speed in tariff adjustments – from months to days



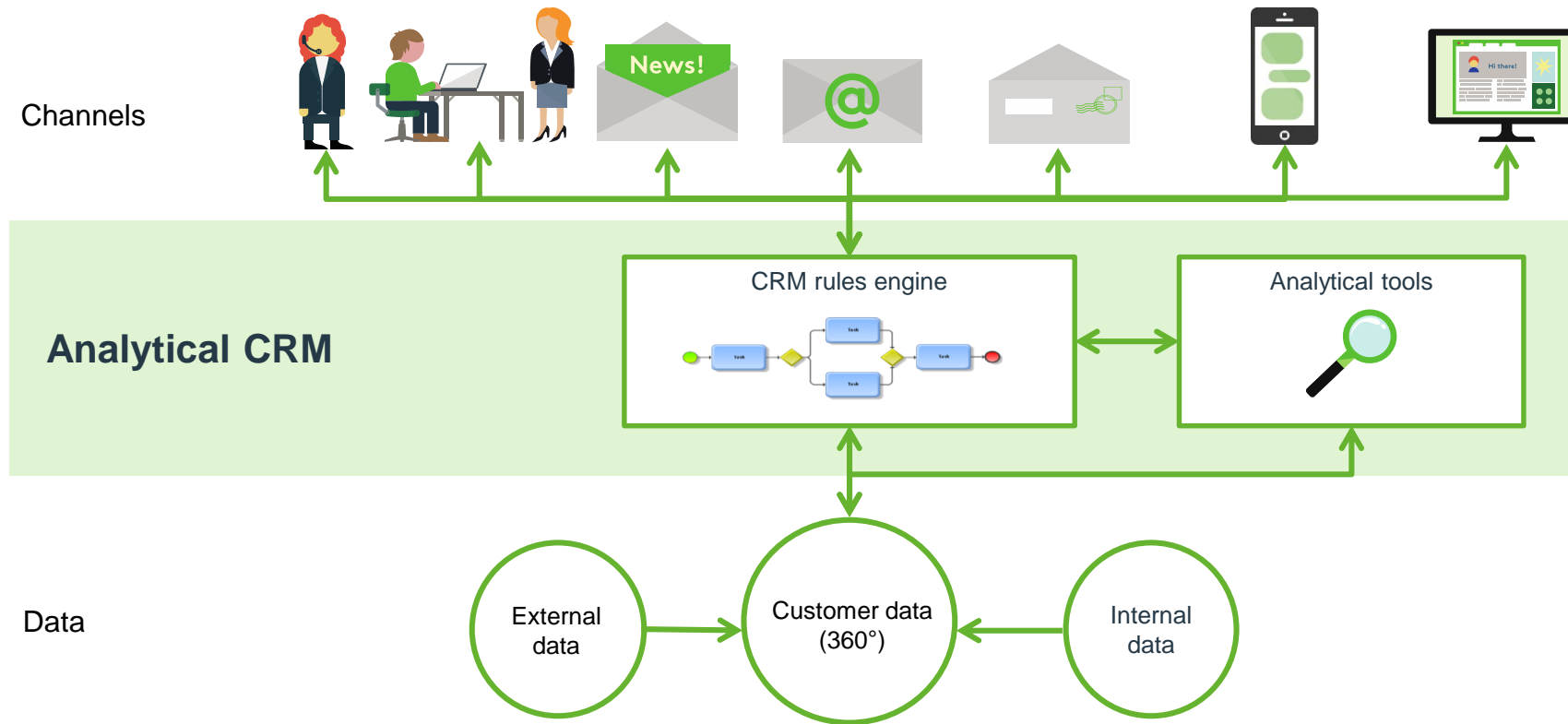
Higher precision level in performance analysis



- 1
- 2
- 3
- 4

We are improving sales effectiveness through state-of-the-art analytical CRM

Addressing the right customer – with the right product – at the right time – in the right channel

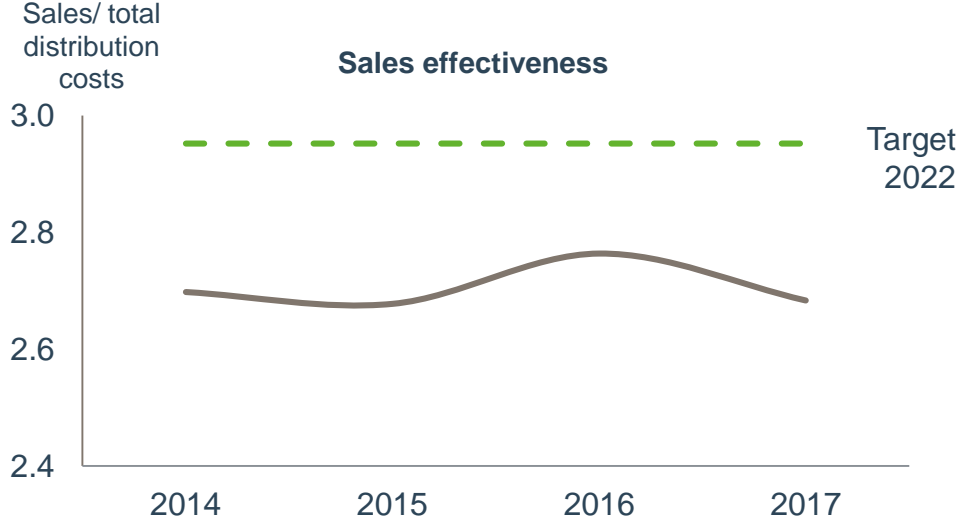




- 1
- 2
- 3
- 4

Target 2022: 10 per cent increase in sales effectiveness


Further improve low cost distribution model



Drivers for increased sales effectiveness



- Real time use of data and content
- Model factory
- Machine learning
- Real-time event processing
- Improved digital marketing and analytics platform



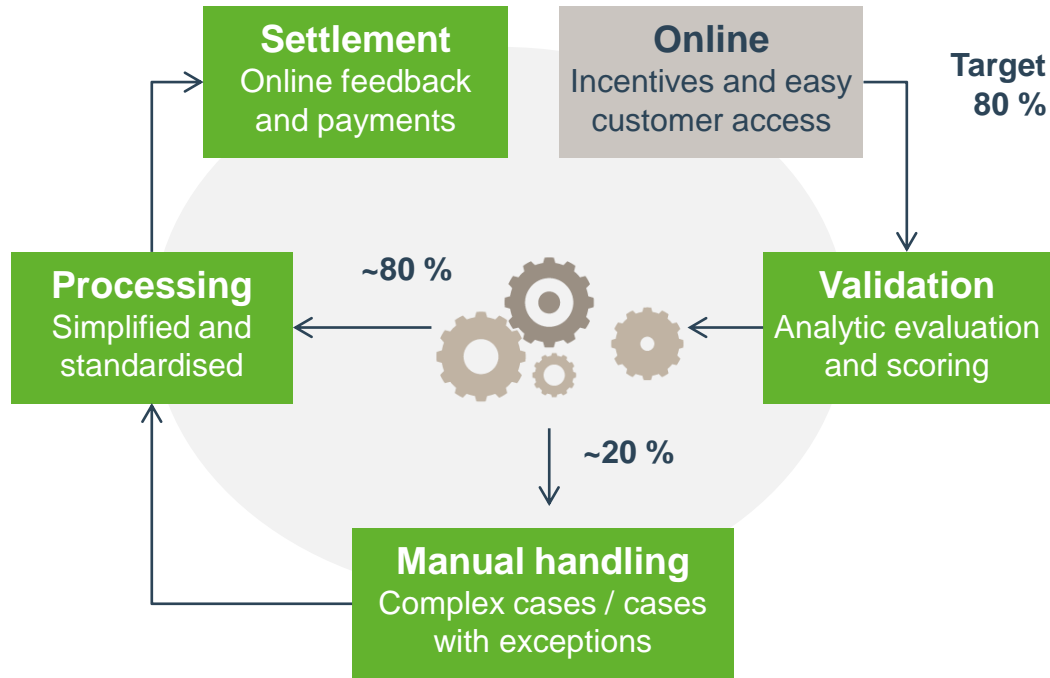
Combining digital and offline data and contents to personalise customer journeys



- 1
- 2
- 3
- 4

Straight through processing of claims will further increase efficiency

Second step towards STP
- Speed, predictability and precision



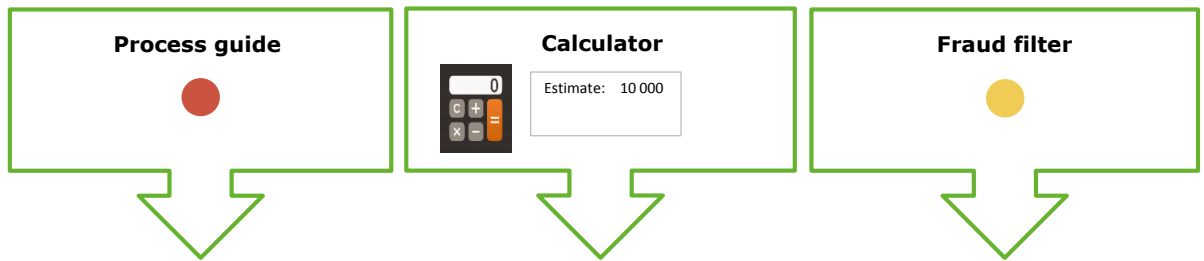
Three main effects from STP

- Improved customer experience
 - Faster claims settlement
 - Frees up capacity for better handling of more complicated claims
- Efficiency gains
 - Further reduced average claims handling cost per claim
- Lower claims pay-outs
 - Automated and prioritised repairs, e.g. Smart Repair



- 1
- 2
- 3
- 4

Illustration: Our rule engine provides a unique claims score



- Pay-out
- Refusal
- Amount
- Soft Fraud



1

Target 2022: 64 per cent straight-through processing

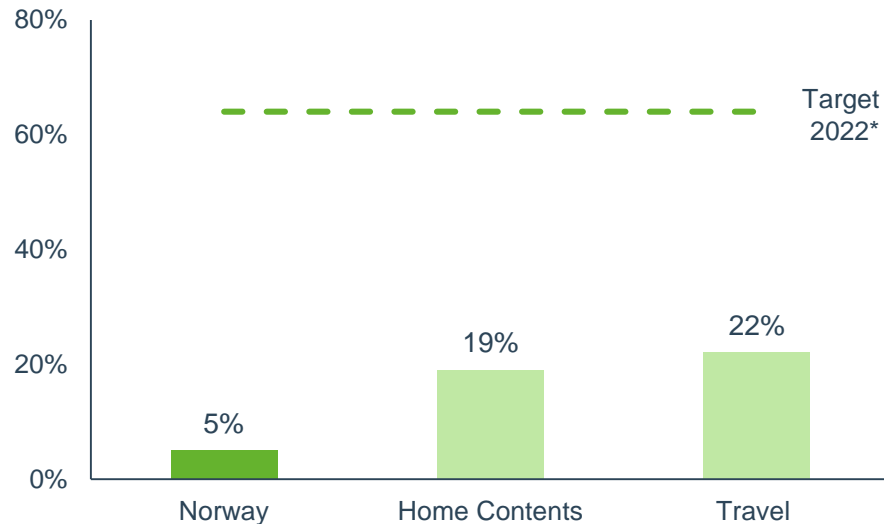
2

3

Further potential for straight-through processing

4

Drivers for increased straight-through processing and improved efficiency



- Increase share of claims reported online
- Continue improving claims rule engine
- Advance data capture
- Continue monitoring of claims payment and leakages

Close to 100% of motor windshield and rescue already fully automated in a different process.

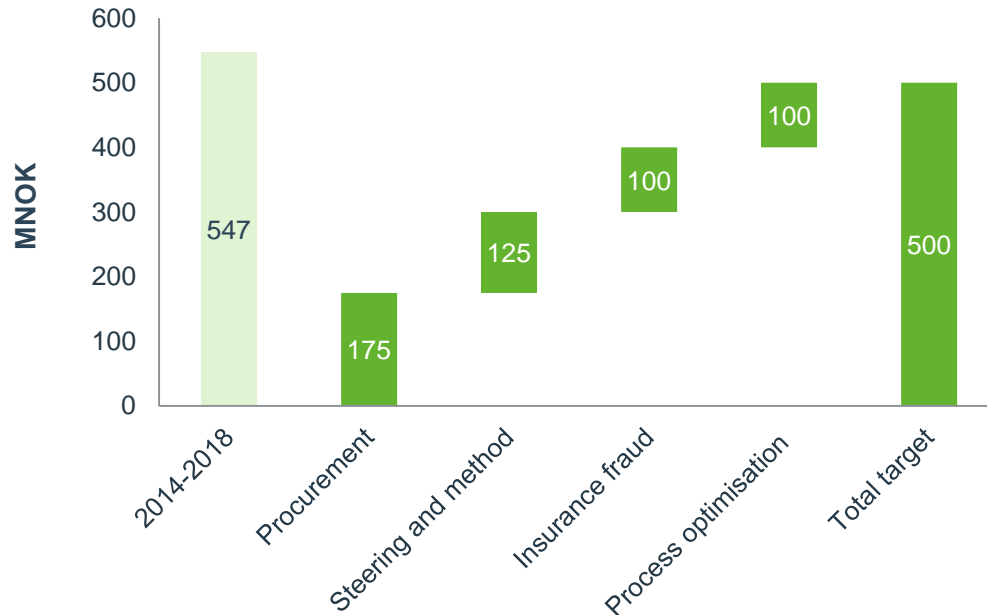
* Target 2022 relates to Norway, however long-term ambition is 64% also for the Group



- 1
- 2
- 3
- 4

Target 2022: Reduce annual claims cost by NOK 500m

Cost reduction potential across several areas



Drivers to reduce claims cost

Procurement	<ul style="list-style-type: none">• Monitor cost and vendor agreements• Incentivise vendors to keep cost down
Steering/ method	<ul style="list-style-type: none">• Utilise analytical insight and robotics; i.e. image recognition and smart-repair
Fraud detection	<ul style="list-style-type: none">• Improve analytical models• Include new data sources
Process optimisation	<ul style="list-style-type: none">• Automate claims handling

Example motor: Smart-repair potential for 10% of frequency claims with corresponding potential for 40-70% claims cost reduction





We have four key ambitions towards 2022

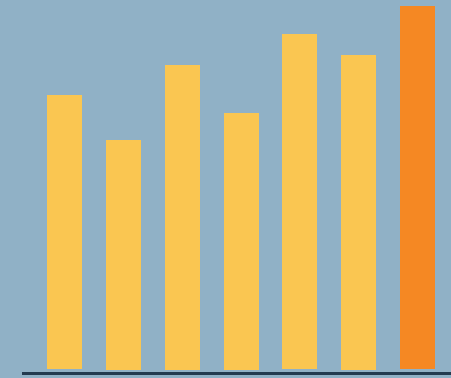
- Automate pricing processes
- CRM excellence
- Automate claims processes
- Achieve further claims savings

KPI targets 2022

Ambitions	Target 2022
Automated tariffs	100%
Sales effectiveness	+10%
Claims straight through processing	64% Norway
Claims cost	Reduce by NOK 500m

Continued strong value creation

Jostein Amdal
CFO





We have ambitious targets

KPI targets 2022

Ambitions	Target 2022
Customer satisfaction (CSI)	> 78
Customer retention	> 90% Norway > 85% outside Norway
Sales effectiveness	+10%
Automated tariffs	100%
Digital claims reporting	80% Norway
Claims straight-through-processing	64% Norway
Claims cost	Reduce by NOK 500m
Claims-related CO2 intensity	Reduce year-by-year

Annual financial targets 2019-2022

Ambitions	Target 2019-2022
Combined ratio	86-89% ¹⁾
Cost ratio	<15%
Solvency margin (PIM)	135-200% ²⁾
ROE after tax	>20% ¹⁾⁻³⁾
UW result outside Norway	NOK 750m (in 2022) ⁴⁾
Dividends	Nominal high and stable (and >80 % over time) ²⁾

1) Assuming annual run-off gains ~NOK 1 billion through 2022. Corresponds to 90-93 per cent given zero run-off gains post 2022.

2) Assuming sale of Gjensidige Bank

3) Corresponds to >16 per cent given zero run-off gains post 2022

4) Excluding run-off



Excellence in our core operations is our first priority

Retain strong and unique position in Norway



- Adjust prices and terms
- Improve tariffs
- Increase digitalisation and automation

Strengthen profitability and growth outside Norway



- Reduce total costs
- Improve tariffs
- Increase digitalisation and automation
- Strengthen own distribution
- Implement new core IT system

Maintain capital discipline and attractive dividends



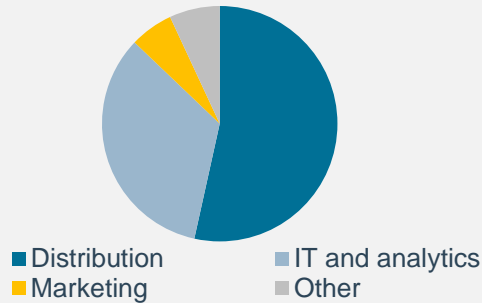
- Retain solid capital situation
- Pursue disciplined and rational M&A
- Deliver high and stable nominal dividends
- Support ROE target



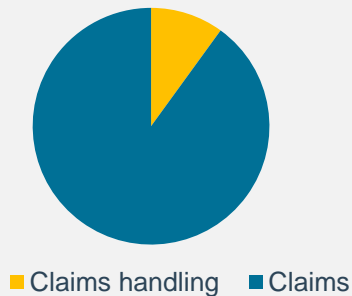
We will continue to be among the most cost efficient insurance companies...

Low cost base

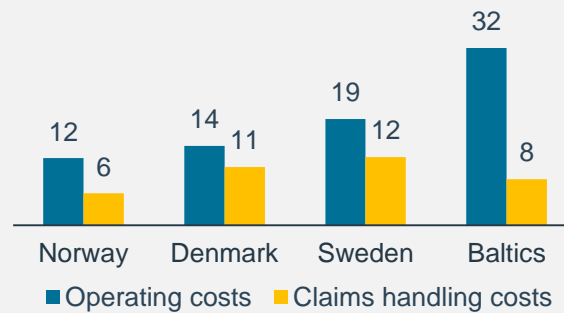
Operating expenses NOK 3.7bn*



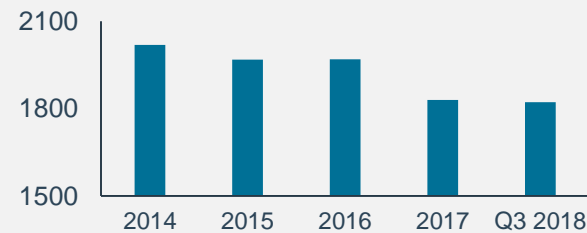
Claims NOK 18.0bn*



Operating and claims handling cost ratios, %**



FTEs***



Efficiency measures in place



Further digitalisation



Process optimisation & automation



Analytics



Simplification



Vendor agreement

* General insurance operation, excluding Corporate Center, R12M Q3 2018

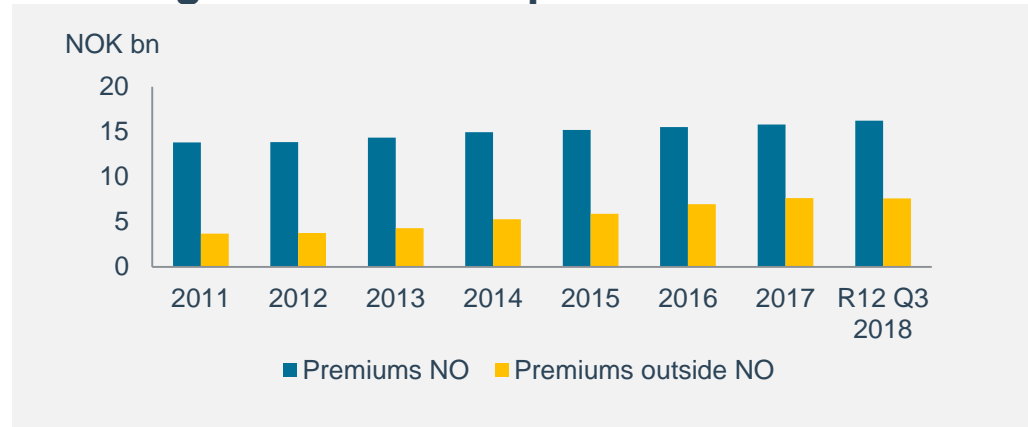
** Full year 2017

*** General insurance Norway

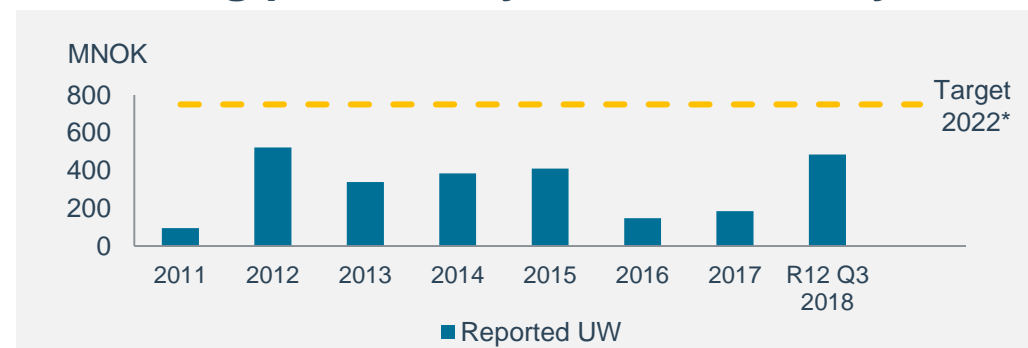


... and build a profitable operation outside Norway

Growing outside Norway to improve stability and long-term dividend potential



Increasing profitability outside Norway



* Excluding run-off

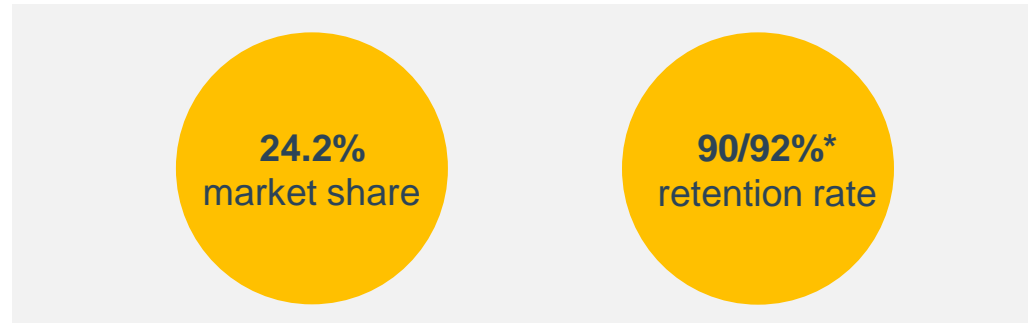
Where are we heading outside Norway?

- Target 2022: total underwriting result outside Norway at NOK 750m (excl run-off)
- Improving CR, but above level in Norway
- Building on best practice from our Norwegian business
- Growth through value enhancing M&As
 - Private and SME segments
 - Returns above cost of capital
 - Generate dividend capacity

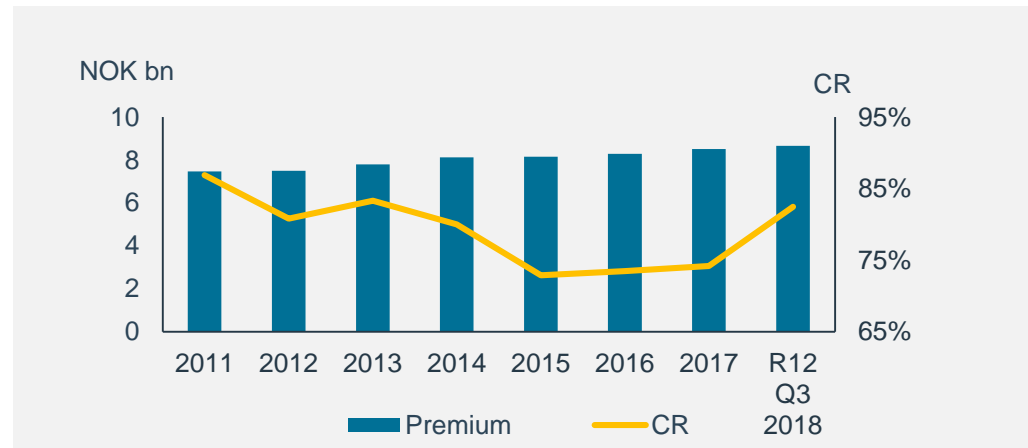


Private – Leveraging our unique position

Leading position and high customer retention



Very strong profitability



* Retention for the whole portfolio and loyalty/ affinity portfolio respectively. The latter represents ~85 per cent of premiums.

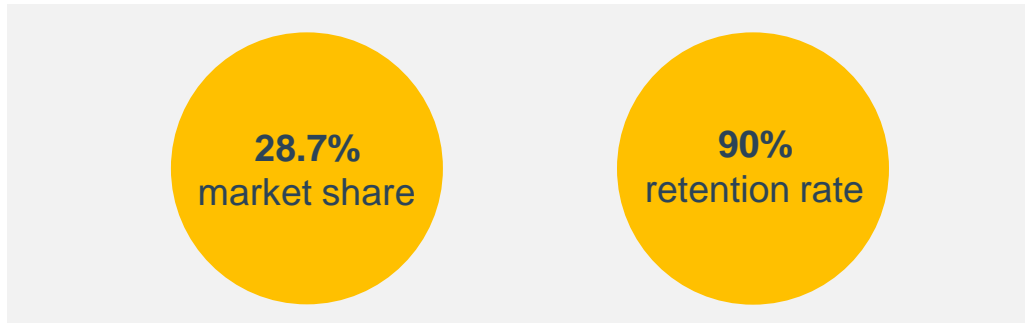
Private will remain the most profitable segment



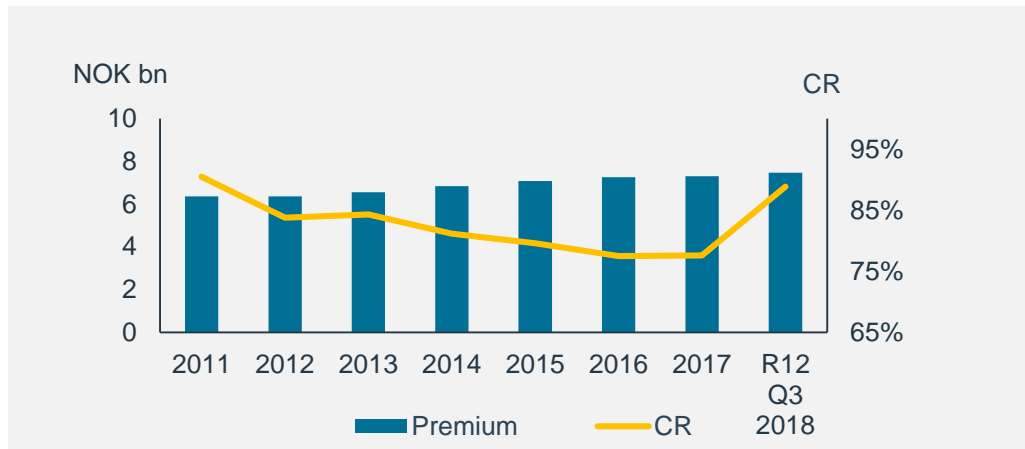


Commercial – Maintaining our strong position

Leading position and high customer retention



High profitability



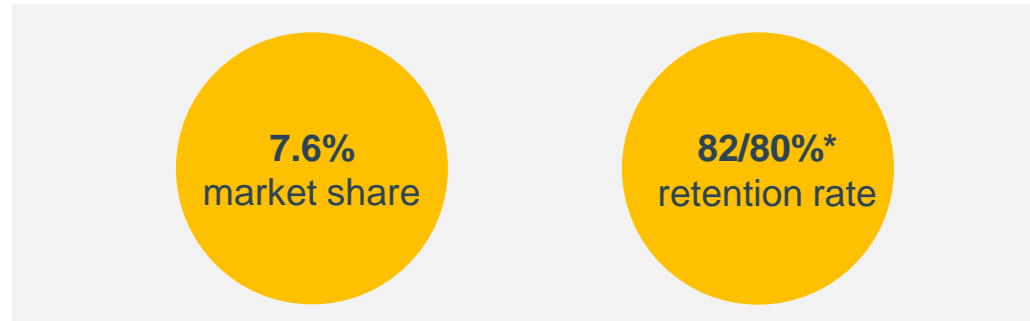
Underlying improvements in profitability



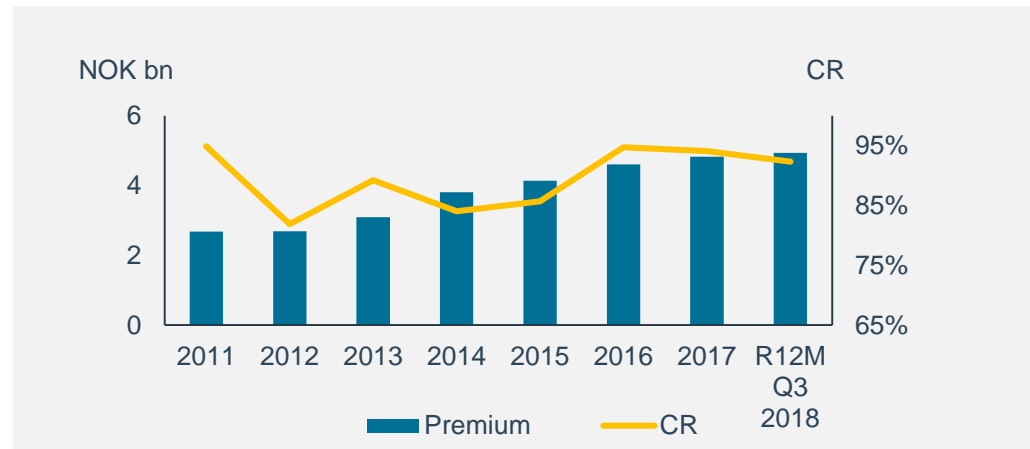


Denmark – Strengthening our competitive position

Well established player with further potential

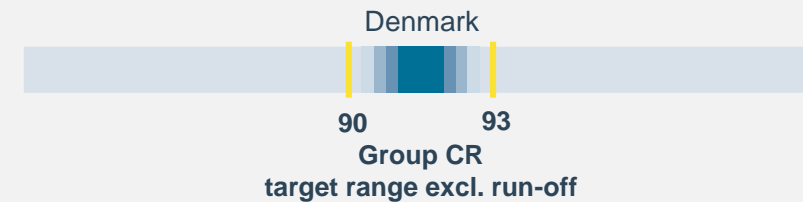


Profitability improving



* Retention for Private / Commercial respectively

Improved profitability through streamlining processes and products

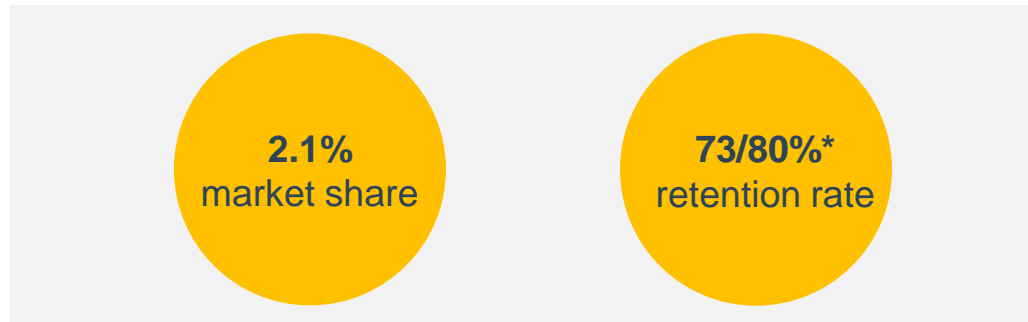


- Reducing costs - focus on simplification and digitalisation
- Increase sales efficiency and retention
- Implementing new IT core system
- Re-underwriting activities
- Improving tariffs and CRM
- Reconsidering partnerships
- Seeking attractive M&A opportunities

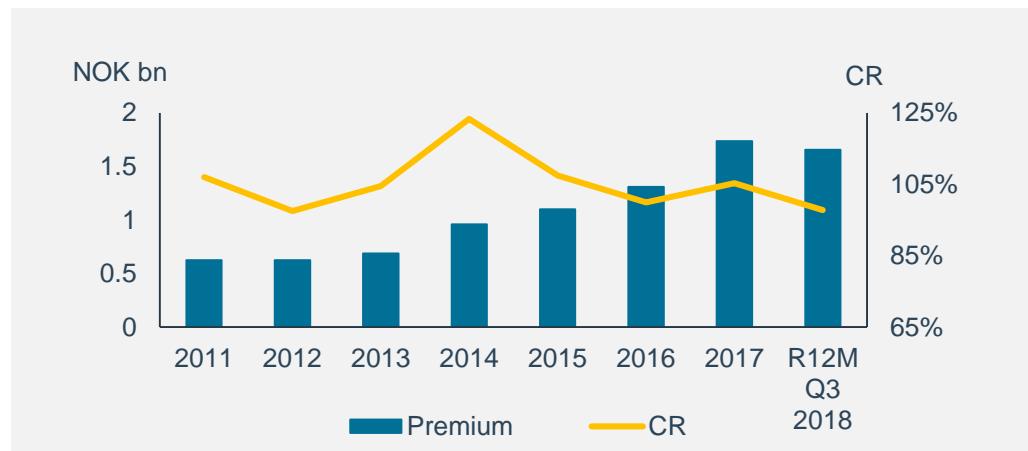


Sweden - Laying the ground for future profitability

Need to build scale and strengthen position

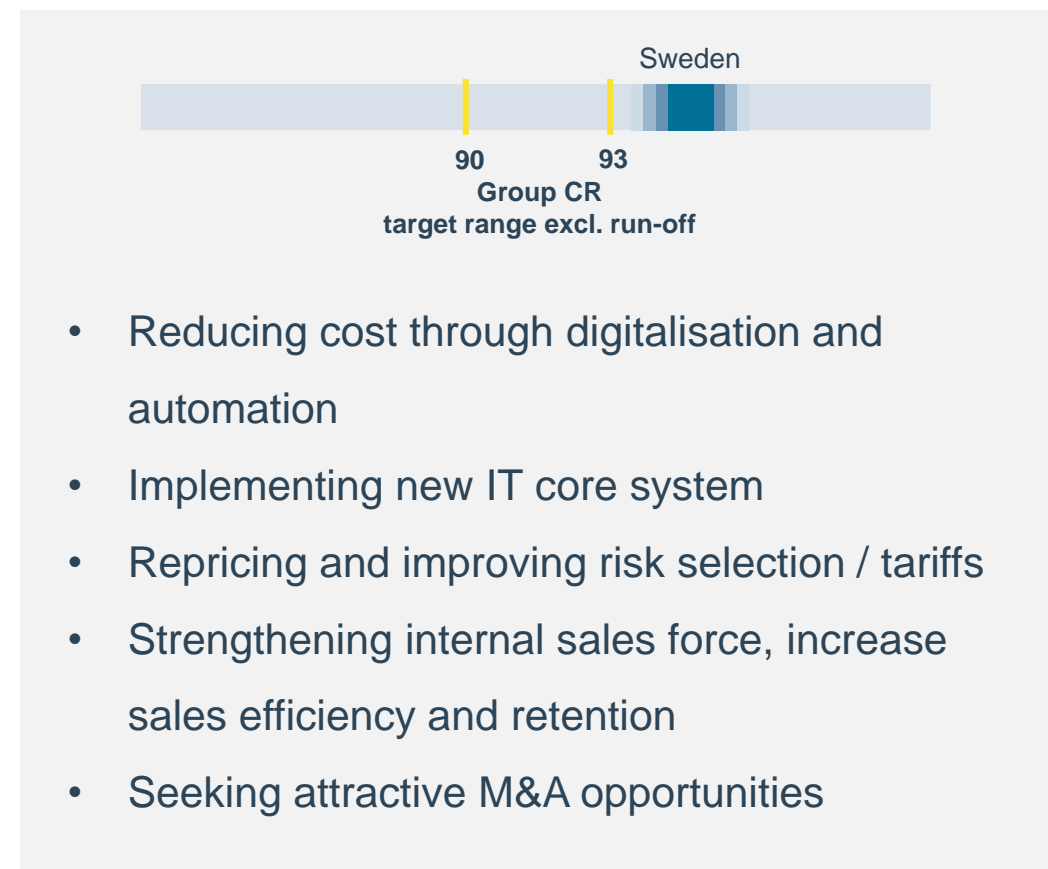


Profitability turned the corner in 2018



* Private/Commercial Sweden

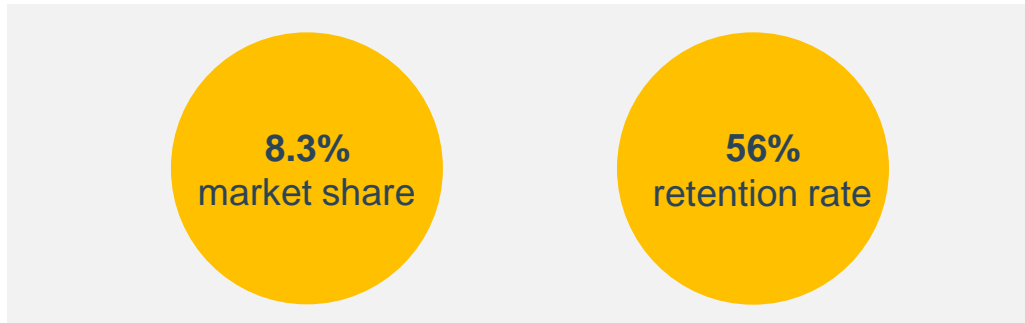
Attractive potential, focus on efficiency



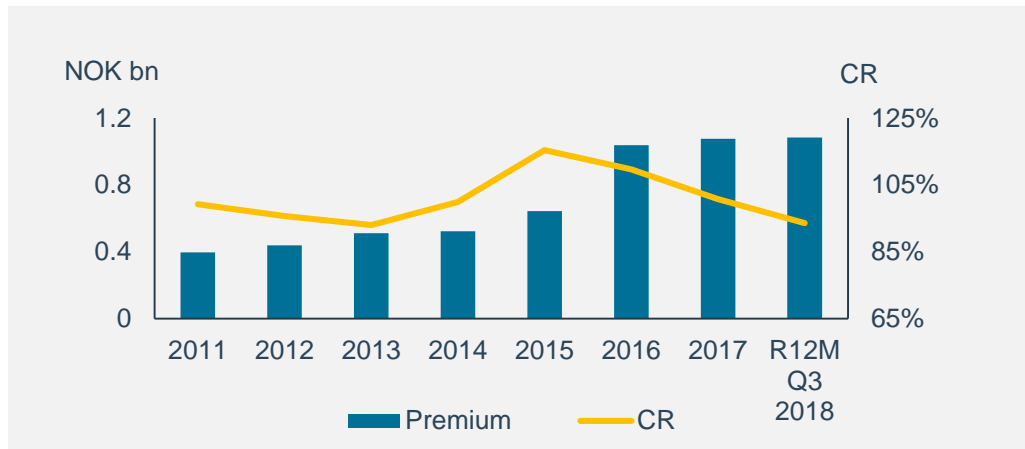


Baltics - Robust profitability, positioned for growth

Well established player with further potential



Profitability turned the corner in 2018



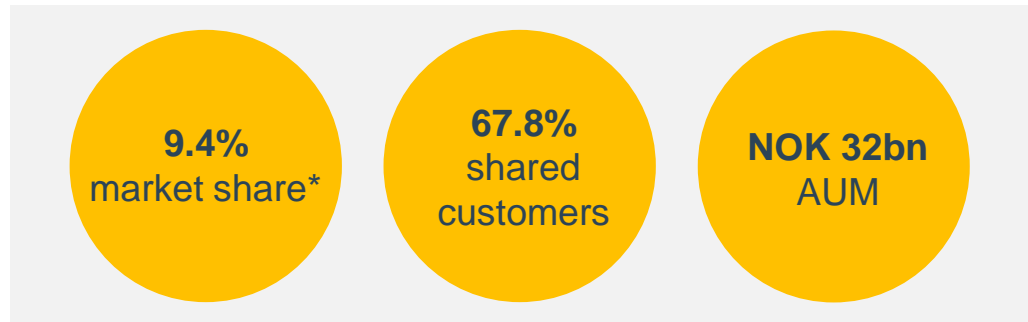
Profitability reached, ready to focus on growth



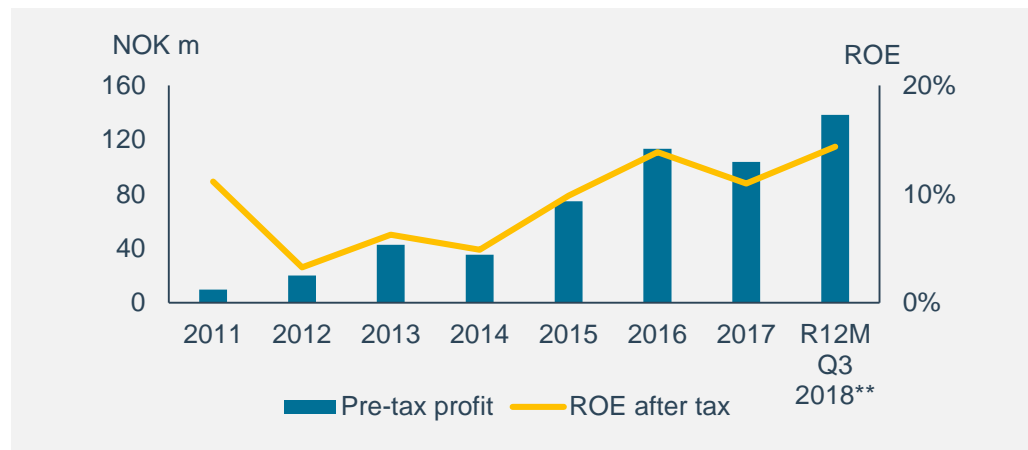


Pension – Completing the offer to Norwegian commercial customers

Established challenger



Strong profitability



Positioned for continued growth and increased profits

- Capitalising on a strong brand and large non-life commercial portfolio
- Cross selling accident and health insurance with DC pension plans to SME customers
- Continue to develop customer friendly digital solutions
- Attractive market growth prospects
- Capital light and scalable business model
- Organic growth ambitions

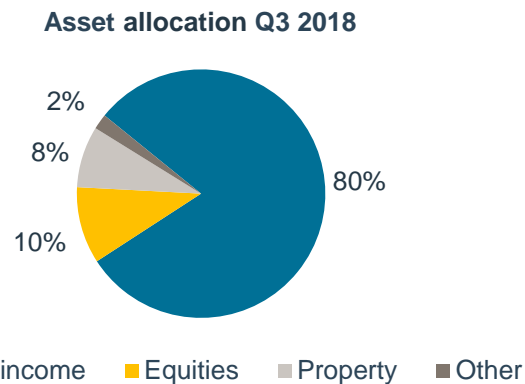
* Market shares based on AUM, defined contribution scheme. Source: Finance Norway Q2-2018

**ROE YTD 2018

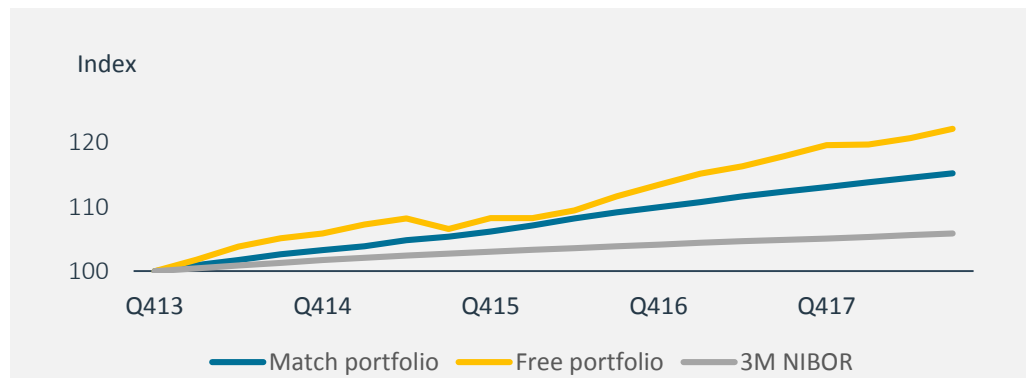


Investments – Supporting the general insurance business

High share of fixed income investments



Investment returns well above risk free rate



High quality assets

Split - Rating	Match portfolio		Free portfolio	
	NOK bn	%	NOK bn	%
AAA	10.9	31.7	1.1	14.1
AA	3.1	9.0	1.0	12.1
A	4.7	13.6	2.1	26.6
BBB	1.8	5.1	1.2	14.8
BB	0.3	0.8	0.3	3.9
B	2.4	7.0	0.3	3.2
CCC or lower	0.1	0.3	0.1	0.7
Internal rating	7.9	22.8	1.5	18.8
Unrated	3.3	9.7	0.5	5.8
Fixed income portfolio	34.4	100.0	8.1	100.0

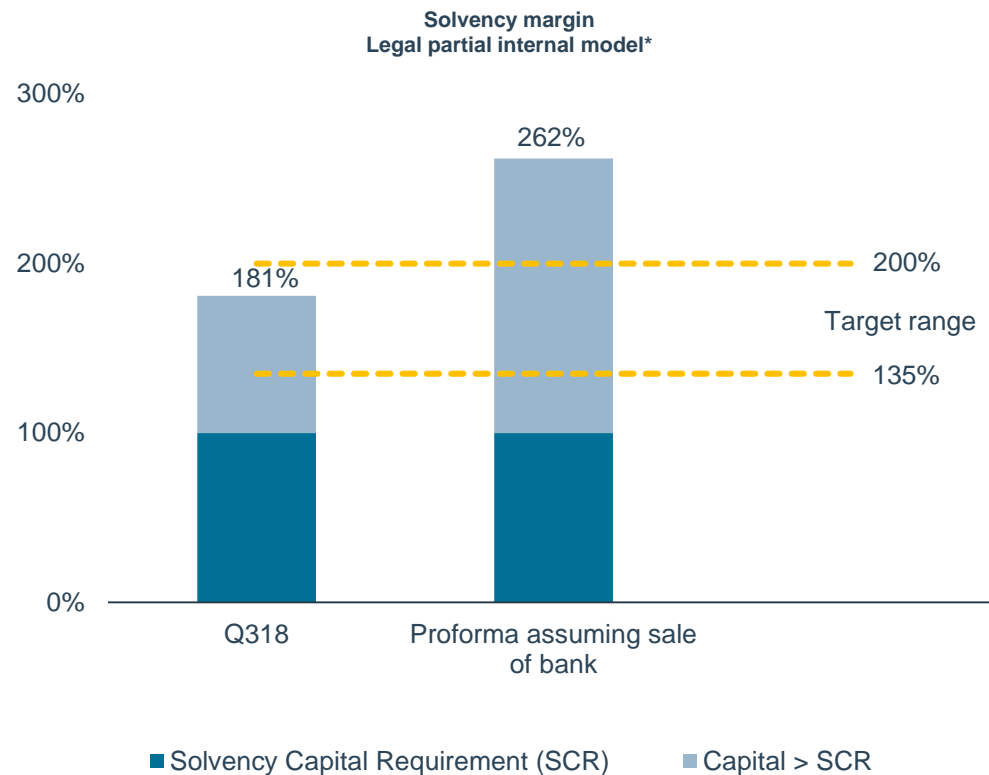
Investment strategy

- Conservative strategy
- Strict limits on market, interest rate, ALM, currency and credit risks
- SRI policy in place for 11 years



Capital is supporting Group strategy and financial targets

Strong capital position...



..leads to potential for further M&A growth, or special dividends

- Solid capitalisation to support dividend, regulatory uncertainty and growth
- Solvency margin in the legal perspective will, all else equal, decrease by ~10pp by year-end as the FSA requires some model changes
- In addition decrease due to actual dividend being subtracted from capital at year end and likely change in tax regulation
- Further debt capacity – as of Q318: Tier 1 NOK 1.5-2.1 bn

* Regulatory approved version of the partial internal model. Solvency margins reflect best estimate reserves. The figures are adjusted for a formulaic dividend pay-out ratio of 70 per cent of net profit.



We have an attractive dividend policy

Strong track record of generating attractive shareholder returns



Dividend policy

Gjensidige targets high and stable nominal dividends to its shareholders, and a pay-out ratio over time of at least 70 per cent of profit after tax (80 per cent payout ratio from 2019, assuming closing of the sale of Gjensidige Bank). When determining the size of the dividend, the expected future capital need will be taken into account.

Over time, Gjensidige will also pay out excess capital.

Regular

Special

* Pay-out ratio based on regular dividend

We will continue to deliver superior customer experiences and stable shareholder returns - in a sustainable way



Customer targets 2022



Becoming the most customer-oriented general insurer in the Nordic and Baltic region

CSI: >78
Retention: >90% in Norway and >85% outside Norway

CSR target 2022



Reduce claims-related CO2 intensity relative to premiums year by year*

* Assuming CR within target range; reflecting normal claims years

Annual financial targets 2019 - 2022

Ambitions	Target 2019-2022
Combined ratio	86-89% ¹⁾
Cost ratio	<15%
Solvency margin (PIM)	135-200% ²⁾
ROE after tax	>20% ¹⁾⁻³⁾
UW result outside Norway	NOK 750m ⁴⁾ (in 2022)
Dividends	Nominal high and stable (and >80 % over time) ²⁾

1) Assuming annual run-off gains ~NOK 1 billion through 2022. Corresponds to 90-93 per cent given zero run-off gains post 2022.

2) Assuming sale of Gjensidige Bank

3) Corresponds to >16 per cent given zero run-off gains post 2022

4) Excluding run-off



Excellence in our core operations is our first priority

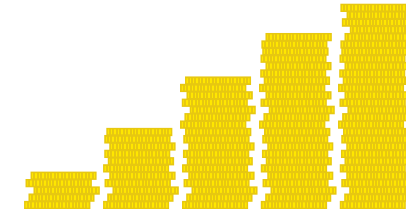
Retain strong and unique position in Norway



Strengthen profitability and growth outside Norway



Maintain capital discipline and attractive dividends



Operational strategic priorities



Digital customer experiences



Business intelligence and analytics



Dynamic organisational capabilities

Attractive value proposition



- Proven track-record
- Strong position in attractive market place
- Scalable hard-to-copy business model and loyal customers
- Efficient capital structure and good financial flexibility
- Attractive dividend policy



THANK YOU

Investor relations



Gjensidige

Mitra Hagen Negård
Head of Investor Relations
Mitra-Hagen.Negard@gjensidige.no
Mobile: +47 95 79 36 31

Live Christine Bjønness
Investor relations officer
Live-Christine.Bjonness@gjensidige.no
Mobile: +47 48 21 16 61

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