Gjensidige

Delivering superior customer experiences and stable returns

October 2020

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 (26% market share)

Nordic/ Baltic growth agenda

~2 million customers

Retail SME

Very high **loyalty**

Strong performance

Premiums NOK 26 bn

ROE > 17% (avg since IPO)

TSR > 500% (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

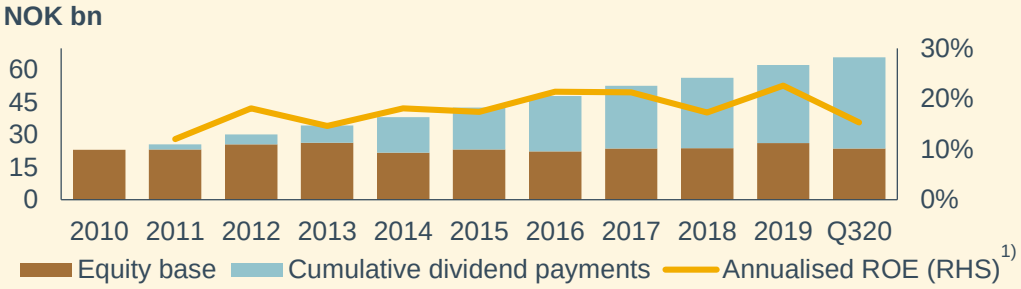
Cost efficient <15% **cost ratio**

This presentation contains alternative performance measures (APMs). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2020.

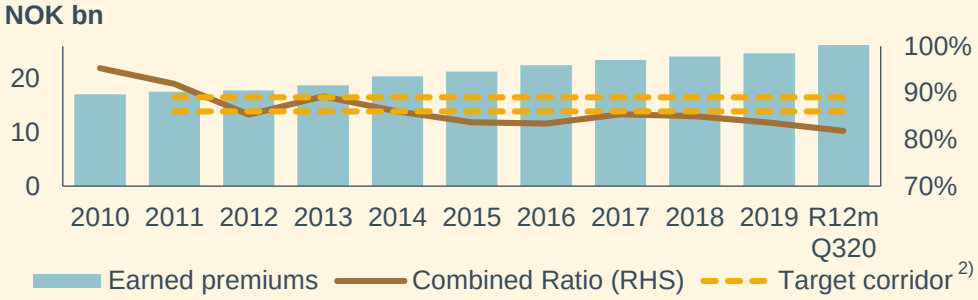
Attractive value proposition

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

Strong value creation since IPO…



…driven by solid growth, underwriting and cost discipline

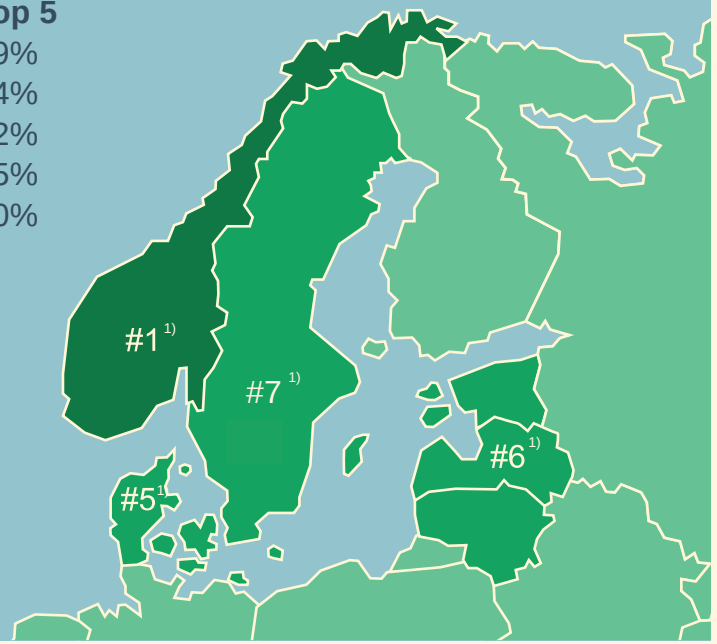


[1)] Annualised ROE (RHS) Q3 2020.
[2)] Combined ratio target on an undiscounted basis, assuming ~NOK 1bn annual run-off gains through 2022.

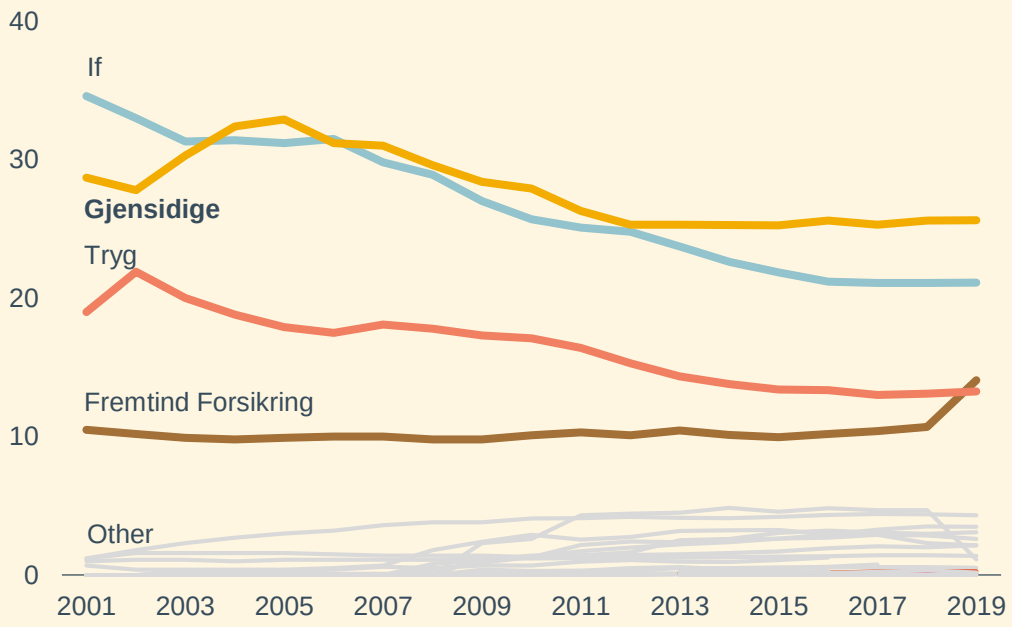
Superior Norwegian position, strong potential outside Norway

Growth ambition in Nordic/Baltic region

Market share	Top 5
Norway	79%
Denmark	64%
Sweden	82%
Finland	95%
Baltic states	80%



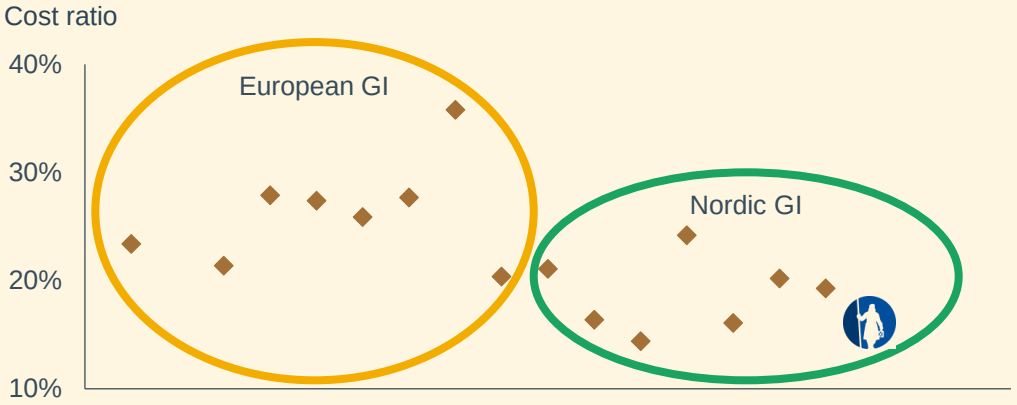
Ambition to secure strong position in Norway



Sources: Finance Norway, non-life insurance, 2nd quarter 2020 , Insurance Sweden, 2nd quarter 2020, The Danish Insurance Association 3rd quarter 2019. Baltics Insurance Supervisory Authorities of Latvia and Lithuania, Estonia Statistics, competitor reports, and manual calculations, 2nd quarter 2020 1) Based on Net earned premiums for Gjensidige Q3 2020 in each country Source: Finance Norway. 21 companies in "Other" category 2019

We operate in an attractive marketplace – further consolidation expected

Stable market and high barriers to entry…



- Superior cost positions
- Strong local brands
- High customer loyalty
- Integrated value chains

…size and scale are increasingly important

Meet compliance complexity

Enable strategic/tech investments

Attract and develop skills

Increase diversification

Be a preferred alliance partner

Source: Published figures 31.12.2018
European players: Direct Line, Generali (Group, Germany, Italy and France), RSA (Group and UK), Ageas. Nordic players: If, Tryg, Sparebank1,TopDanmark, DNB, Frende, RSA Scandinavia

Unique strengths provide competitive advantage

Brand awareness and strength	Quality mark in a competitive and digitalised environment
Loyal customers	Low acquisition costs and high-quality portfolio
Customer dividend model	Building loyalty and preference in Norway
Technology platform and analytical capabilities	Investing in technology and competency key to analysing Big Data and applying insight

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

ESG target 2022

Reduce claims-related CO2-intensity relative to premiums year by year [4)]

Annual financial targets through 2022

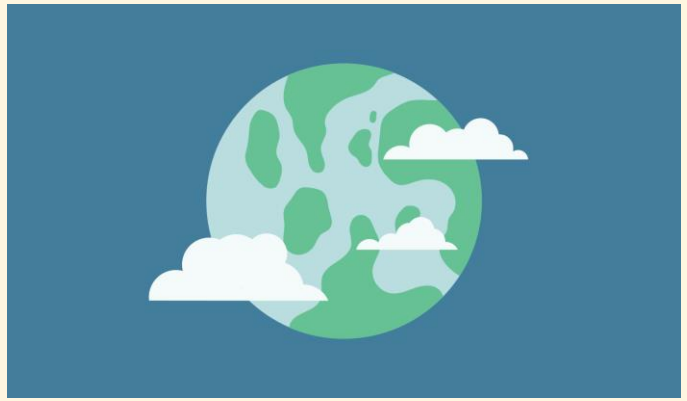
Metric	Target
Combined ratio	86-89%[1)]
Cost ratio	<15%
Solvency margin (PIM)	150-200%
ROE after tax	>20% [2)]
UW result outside Norway	NOK 750m (in 2022) [3)]
Dividends	Nominal high and stable (and >80 % over time)

[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)] Corresponds to >16 per cent given zero run-off gains post 2022
[3)] Excluding run-off
[4)] Assuming CR within target range; reflecting normal claims years

Sustainability goals – focus on three areas

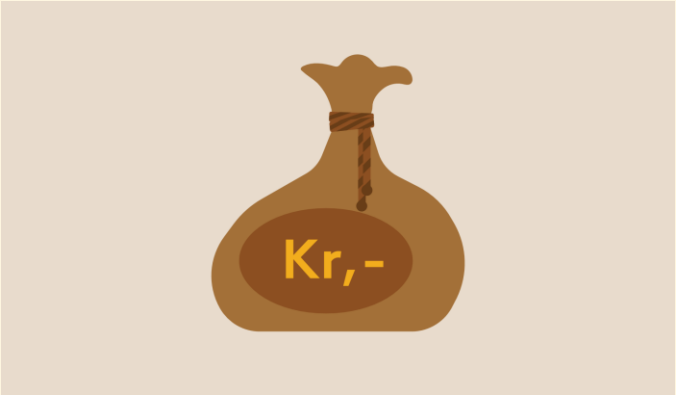
Safe society

- Damage prevention
- Sustainable products
- Engaged employees
- Social responsibility
- Good Corporate Governance



Reduced CO_2 intensity

- Sustainable claims handling
- Digital transformation
- Reduce internal footprint



Responsible investments

- UN's Global Compact Principles
- UN PRI signatory
- Screening and follow up on investments

Excel and empower to deliver the best customer experiences also in the future

Group initiatives today…

- Growth and profitability measures
- Launching next generation tariffs and CRM
- New core IT system and infrastructure

…to strengthen customer relations tomorrow

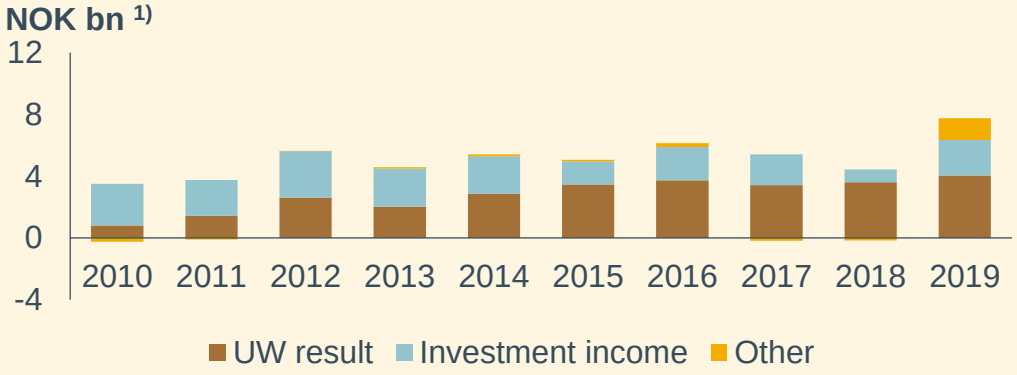
Increase efficiency and flexibility to develop and offer new products and services - alone or together with partners

Premium growth and underwriting discipline offset challenging investment environment

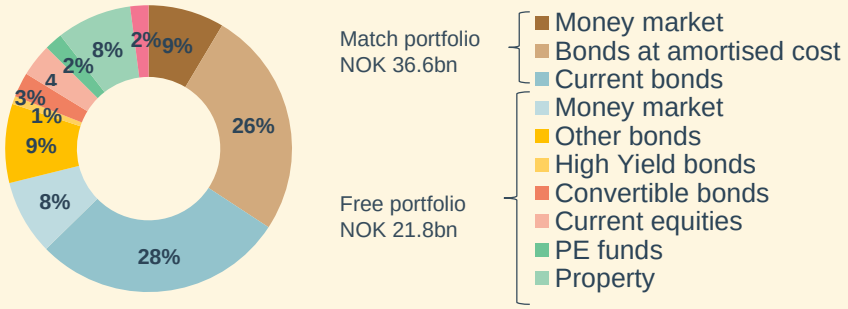
Continued solid premium growth expected

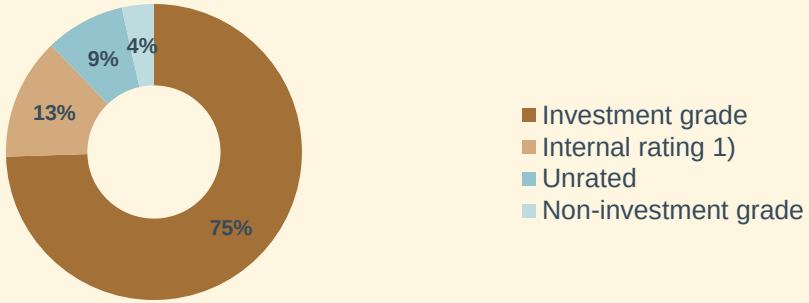
- Organic growth in line with nominal GDP growth over time
- Continued complementary growth through M&A

Solid underwriting increasingly important



Conservative investment approach – balanced investment portfolio 2)

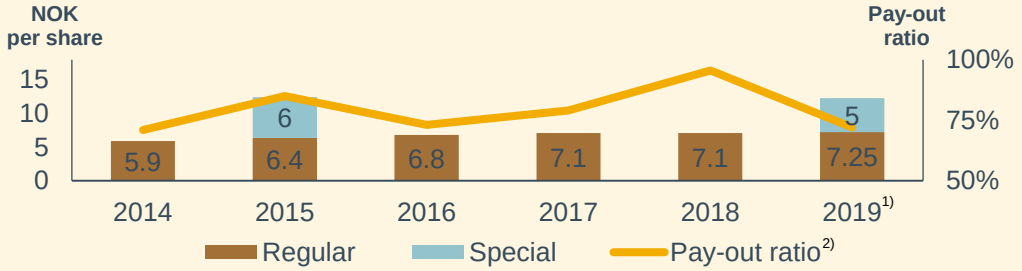




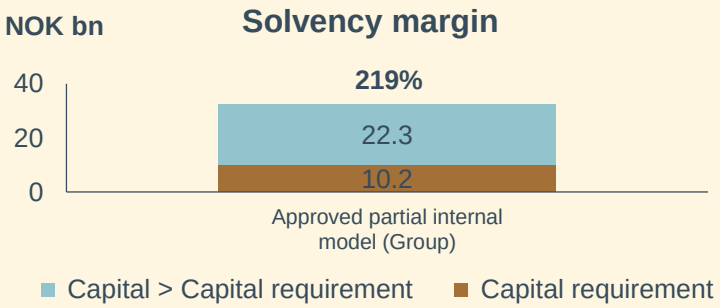
1) Split of pre-tax profits
2) Investment portfolio as at Q3 2020
3) Internal rating – rating by Gjensidige. 94% of this portfolio rated as Investment grade

We have an attractive dividend policy – supported by a solid capital position

Strong track record of generating attractive shareholder returns



…supported by a strong capital position



S&P A-rating

Dividend policy

Regular

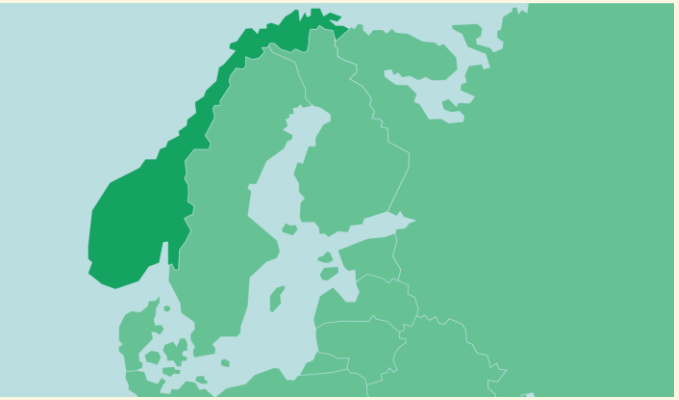
Gjensidige targets high and stable nominal dividends to its shareholders, and a pay-out ratio over time of at least 80 per cent of profit after tax. When determining the size of the dividend, the expected future capital need will be taken into account.

Special

Over time, Gjensidige will also payout excess capital.

[1)] The Board decided to distribute a dividend based on the profit for the 2019 financial year of NOK 6,125 million 17 September 2020
[2)] Pay-out ratio based on regular dividend

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

Attractive value proposition

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

Gjensidige