



Gjensidige

Gjensidige Pensjonsforsikring AS

Company presentation 4th quarter 2018

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In addition to the financial statements according to IFRS, Gjensidige uses different alternative performance measures (APM) to present the business in a more relevant way for its different stakeholders. The alternative performance measures have been used consistent over time, and relevant definitions have been disclosed in the quarterly reports. Comparable figures are provided for all alternative performance measures in the quarterly reports.



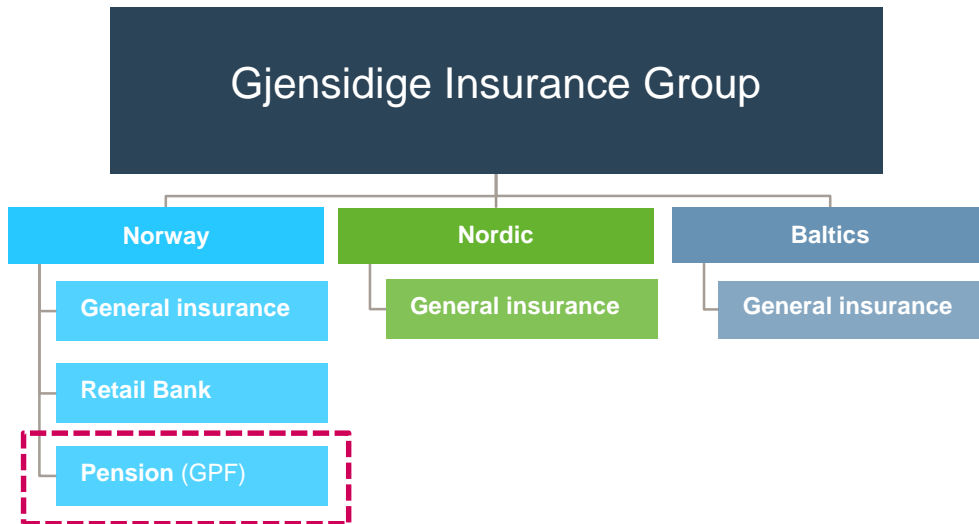
Key messages

- **Leading defined contribution pension specialist**
 - Defined contribution and disability pension only
 - Limited share of paid-up policies – managed for stable returns and limited capital requirement
- **Competitive business model**
 - Cost efficient and scalable
- **Positioned for continued growth and increased profitability**
- **Integrated part of Gjensidige's small and medium enterprise (SME) offering**



GPF strategically important for Gjensidige Insurance Group

- strengthen position in the Norwegian SME market



Gjensidige Insurance Group

- Leading Nordic general insurance company with 200 years history
- S&P A rating with strong enterprise risk management
- Earned premiums 2017: NOK 23.4bn
- Pre-tax profit 2017: NOK 5.8bn

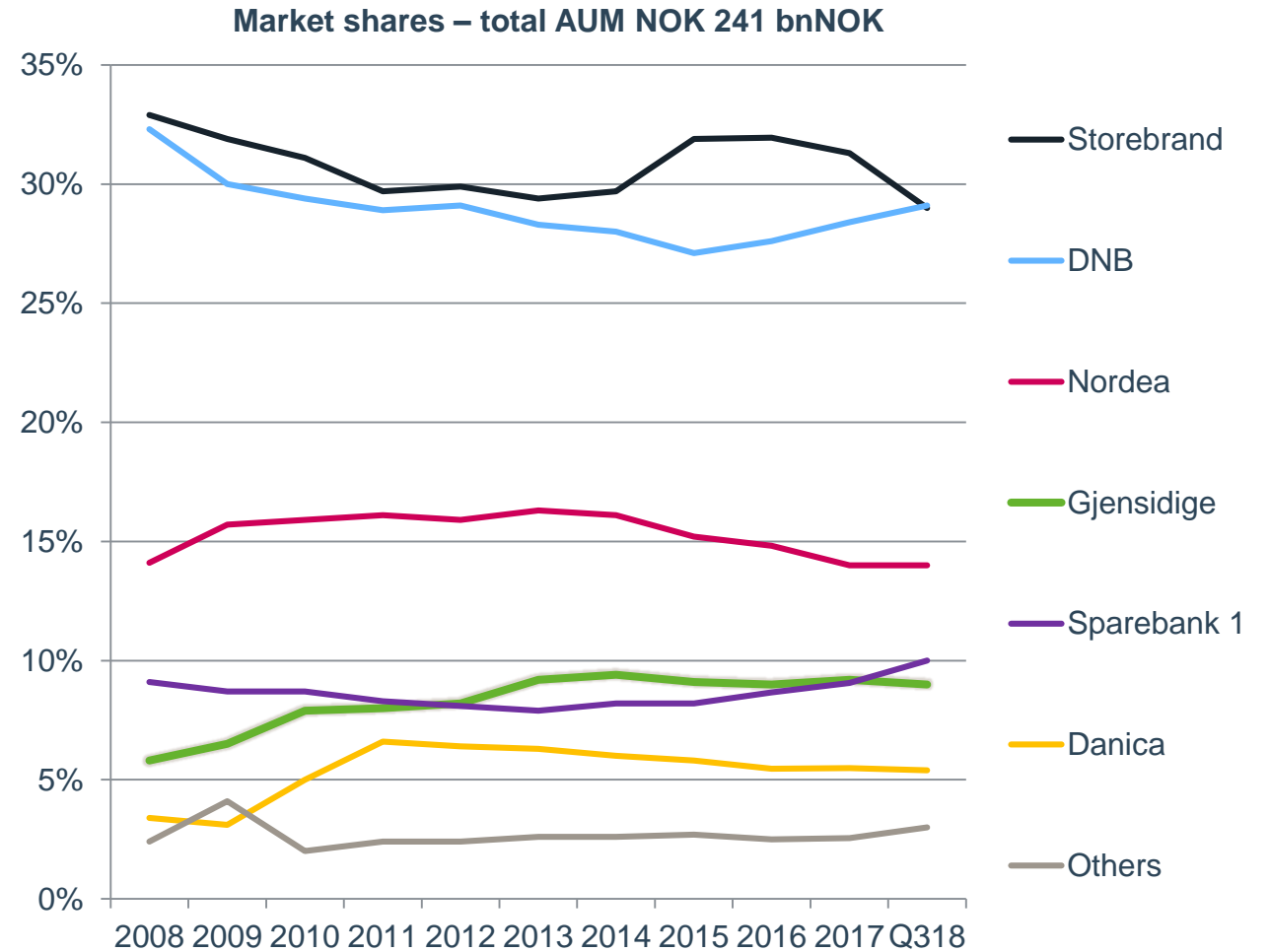
Gjensidige Pensjonsforsikring AS (GPF)

- Established in 2005
- Fully owned by Gjensidige Forsikring ASA
- Assets under management Q4 2018: NOK 30,7 bn
- Strategic importance to the Gjensidige Group
 - Strong value-proposition in the Norwegian SME-market
 - 70,0 per cent shared customers (SME, direct distribution)



Number five position in the growing Norwegian defined contribution pension market

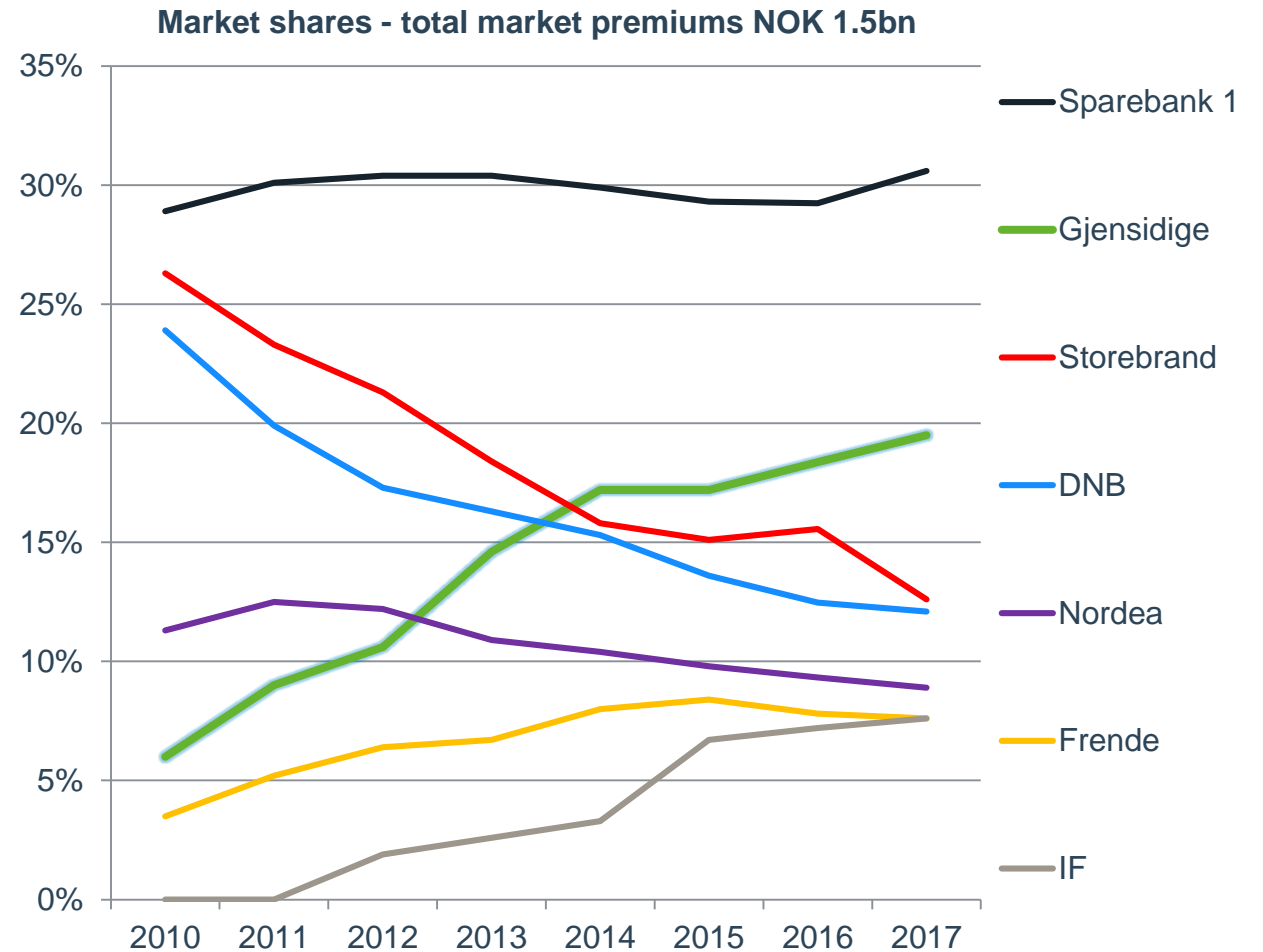
- Well positioned for continued profitable organic growth
- Core focus on SME customers
- Strong profitability
- Multi-channel distribution





Number two position in the Norwegian individual disability pension market

- A strong contender in a growing market
- Increasingly important to Gjensidige's ambitions within life and health insurance market





Achieving good returns for our unit linked customers

Annual return	1 year	3 years	5 years
Aktiv Offensiv	0.28%	5.72%	9.69%
Aktiv Balansert	0.21%	4.58%	7.20%
Aktiv Trygg	0.06%	3.37%	4.55%
Kombinert Offensiv	1.54%	6.45%	10.05%
Kombinert Balansert	0.97%	5.01%	7.72%
Kombinert Trygg	0.28%	3.43%	4.90%



Strong volume and profit growth in GPF



*Negative VAT effect of ~NOK 30m



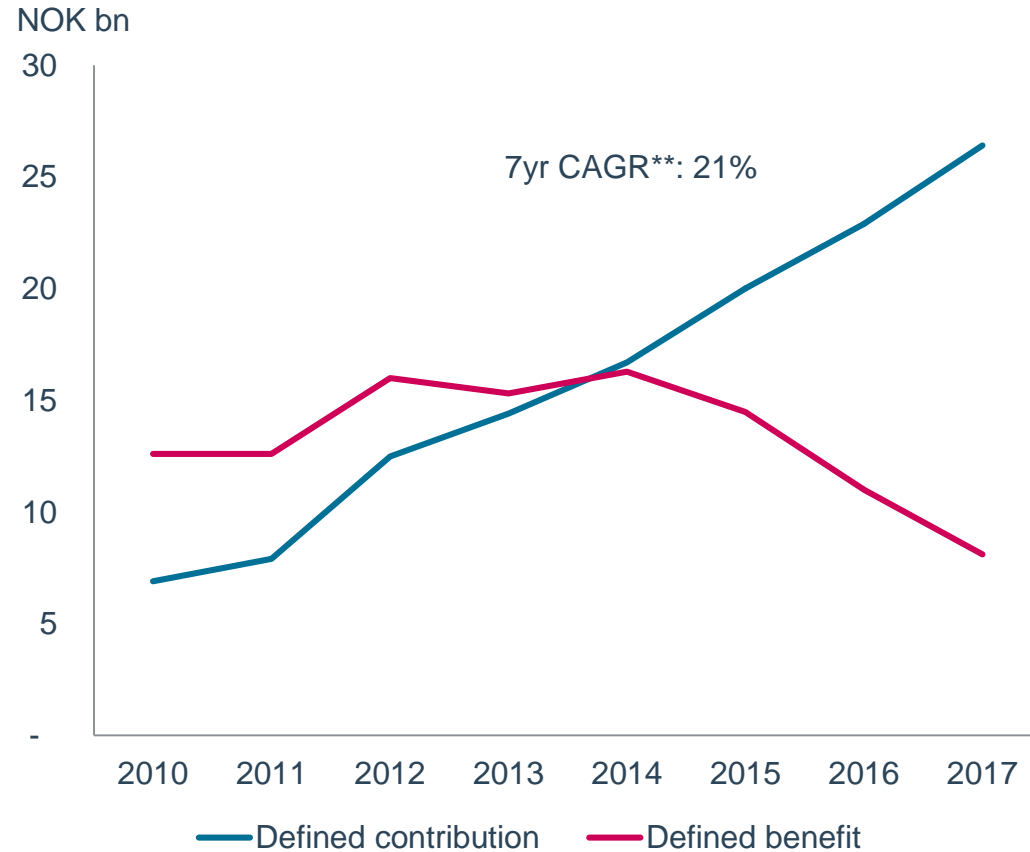
Solid profit growth in 2018

NOK million	Q4 -2018	Q4-2017	YTD- 2018	YTD- 2017
Administration fees	37,2	34,2	144,4	134,6
Insurance revenue	24,0	2,6	72,6	36,3
Management income etc.	40,3	39,7	150,5	130,4
Operating Income	101,5	76,6	367,5	301,3
Operating expenses	59,7	53,9	241,0	227,3
Net operating income	41,9	22,7	126,5	74,0
Net financial income	14,5	5,1	40,2	29,6
Profit/(loss) before tax expense	56,3	27,9	166,6	103,6
Operating margin	41,2 %	29,7 %	34,4 %	22,8 %
Return on equity after tax (annualised YTD)			16,0 %	11,0 %

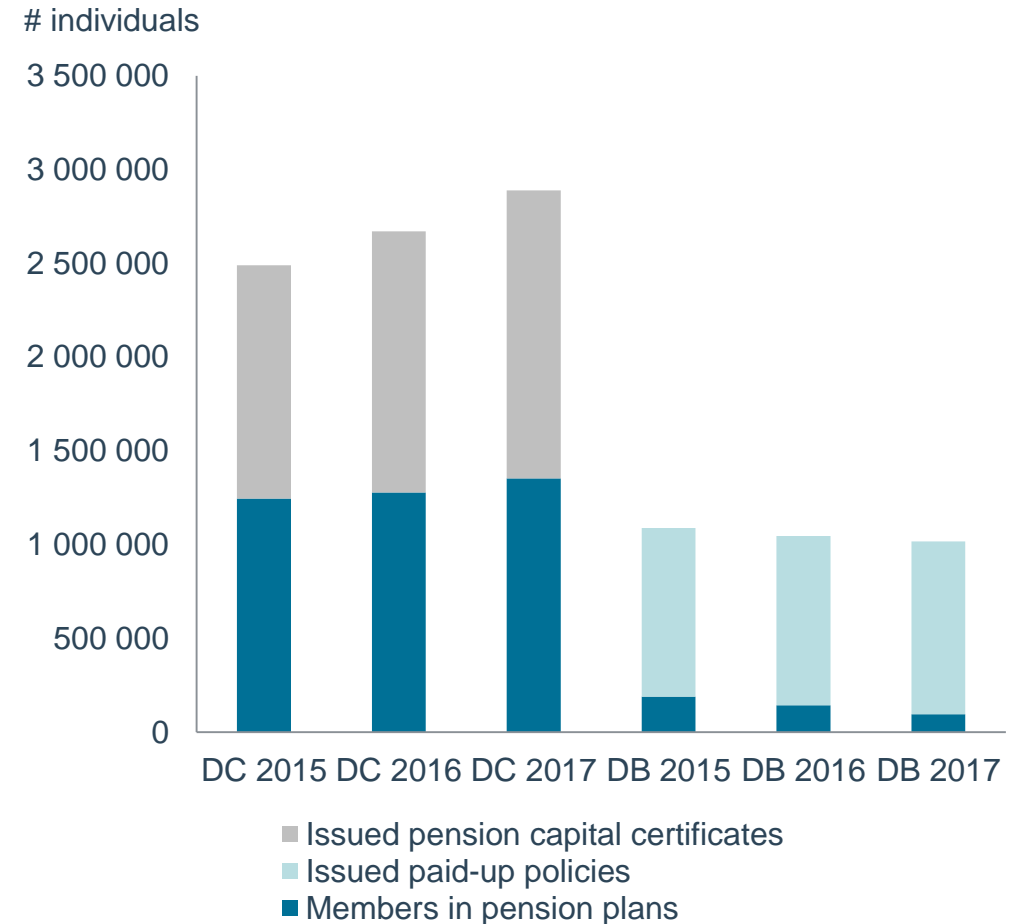


Well positioned for long-term growth in the Norwegian defined contribution pension market

Annual contribution (DC) and premium (DB)*



Pension plans*

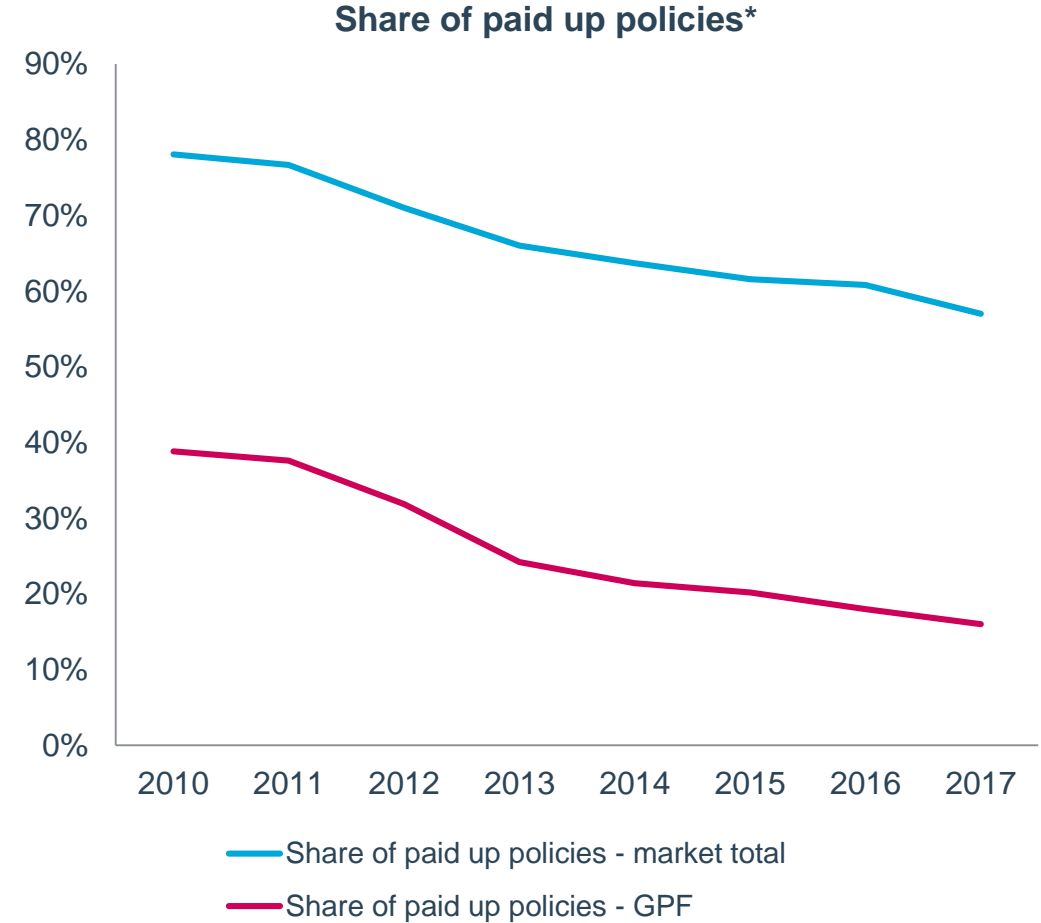
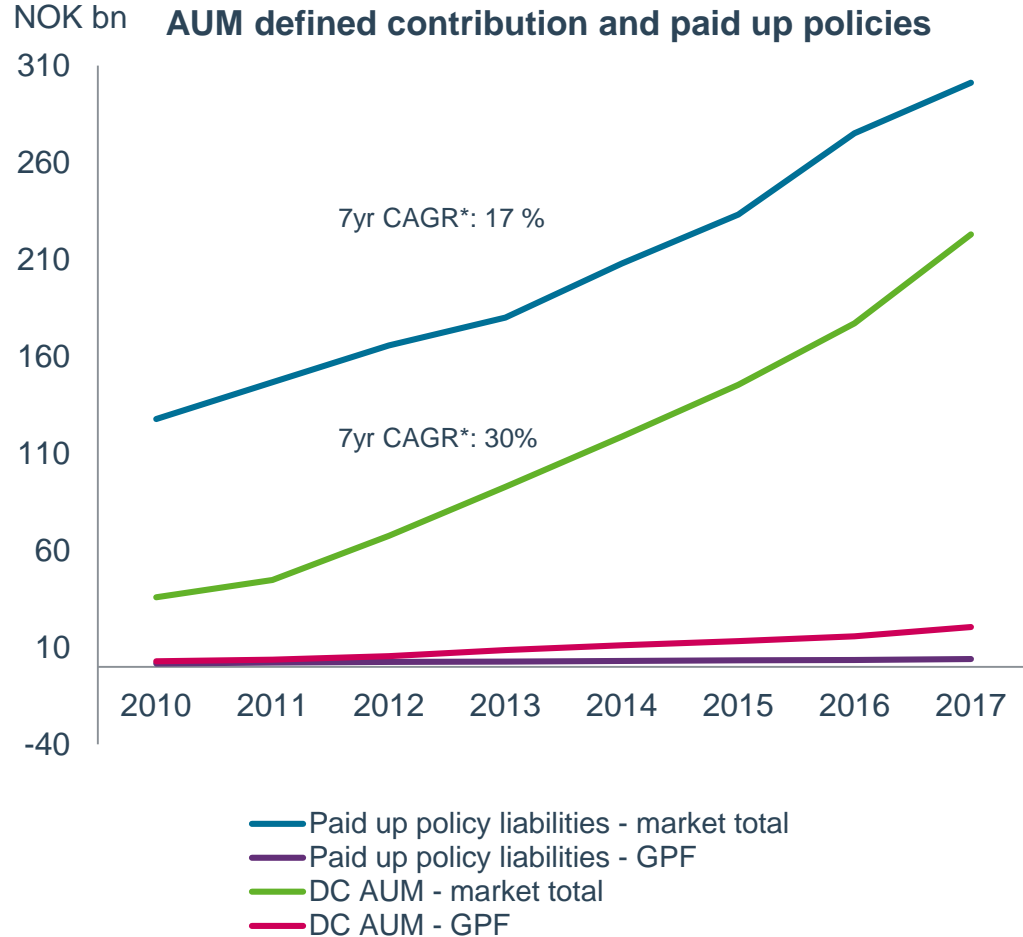


*Total Norwegian market. Source: Finance Norway

**Compound annual growth rate



Paid up policies a small part of GPF's liabilities



Source: Finance Norway

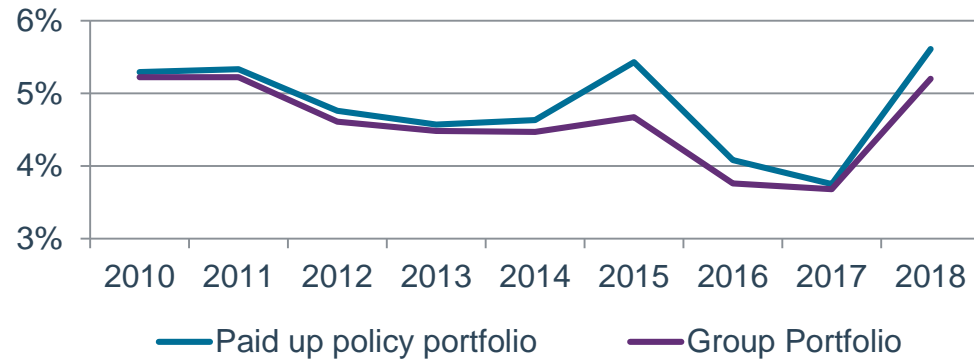
*Compound annual growth rate 2010 - 2016** Paid up policies / (AUM in defined contribution + paid up policy liabilities)



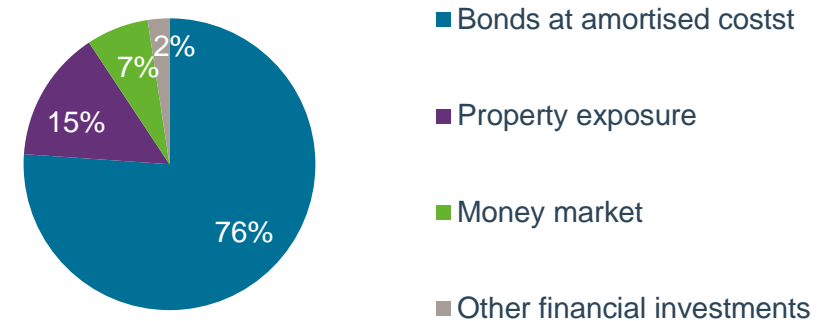
Balanced group policy portfolio

- flexible, yet conservative investment strategy

Booked return



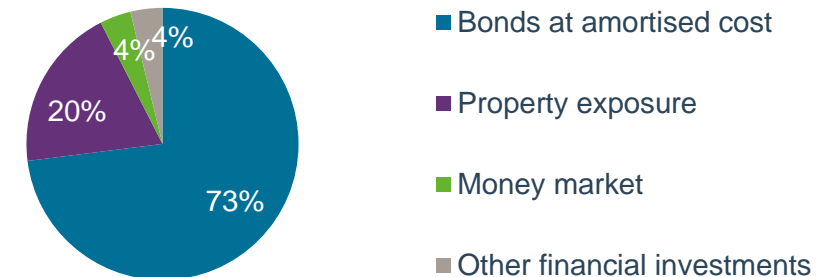
Group policy portfolio NOK 6.6bn



Paid-up policy portfolios

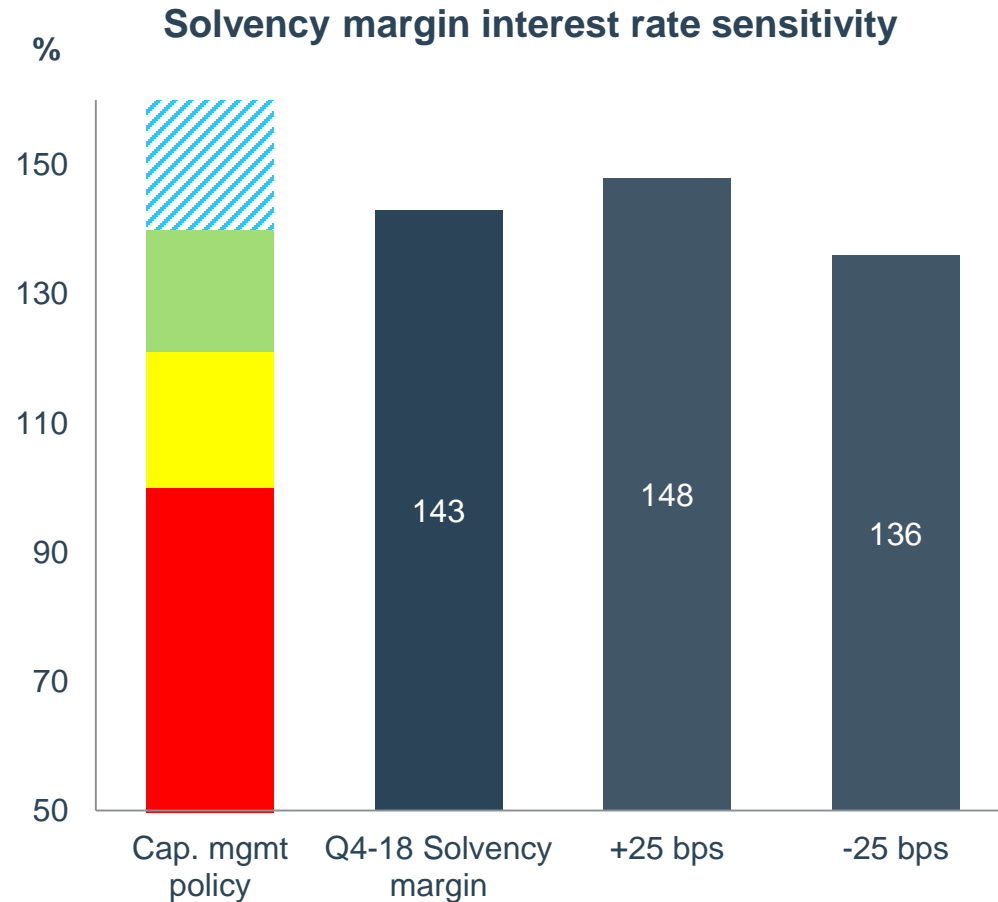
AUM	Guaranteed	Value adjusted return YTD	Booked return YTD
NOK 3.3bn	3.6 %	4.42 %	6.03 %
NOK 0.2bn	3.1 %	3.81 %	4.62 %
NOK 0.43bn	2.5 %	3.02 %	3.02 %
NOK 0.2bn	2.1 %	2.39 %	2.39 %

...of which paid-up policy portfolio NOK 4.1bn








Solvency II margin 143.0 per cent in Q4 2018



- 10 year swap (NOK) 2.12 percent in Q4 2018
- Increase in solvency capital and available capital requirement due to yearly update of model and parameters.
- Expected annual increase in margin
 - driven by expected growth and profit in unit linked portfolio, and reduced proportion of guaranteed products

-  Dividend to be considered
-  Actions to bring margin up to green level within eight quarters
-  Immediate actions to bring margin > 100 percent



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