



Q4 INTERIM REPORT AND
PRELIMINARY ANNUAL
FINANCIAL STATEMENTS

2009

GJENSIDIGE BANK CONSOLIDATED
GJENSIDIGE BANK ASA

Q4 INTERIM REPORT AND PRELIMINARY ANNUAL FINANCIAL STATEMENTS FOR 2009

THE GJENSIDIGE BANK GROUP

OUR BUSINESS

Gjensidige Bank was launched in 2007, and has its head office in Førde. In the fourth quarter of 2009, the Bank acquired Citibank's Norwegian consumer finance division. This part of our business is located in Oslo, and in the first quarter of 2010 it will be rebranded under the Gjensidige name. Gjensidige Bank has a long-term, strategic partnership with Sparebanken Sogn og Fjordane, a regional savings bank which supplies banking and administrative services to the Bank.

The Bank offers a self-service concept with attractive terms, and straightforward procedures that ensure good customer experiences over the Internet. Its products are distributed through the Group's web portal gjensidige.no, the Group's financial services centres and other distribution channels. In addition, the Bank has its own customer service centre, which sells the Bank's products. The Bank differentiates itself from other players in the market through its association with the Gjensidige brand name, customer base and distribution network.

The Bank has agreements with The Norwegian Society of Chartered Technical and Scientific Professionals (Tekna), The Confederation of Vocational Unions (YS) and The Norwegian Society of Engineers and Technologists (NITO) regarding the provision of products to the members of those organisations. The Bank also offers a range of services to the agricultural sector, which has strong ties to Gjensidige's insurance business. The Bank's products also form part of the Gjensidige Group's loyalty programme.

Gjensidige Bank had 135 employees at the end of the fourth quarter of 2009, 80 of whom worked at the Oslo office.

In 2009 Gjensidige Bank has formed the subsidiary Gjensidige Bank Boligkreditt AS, partly to enable it to make use of Norwegian government's Bank Package 1. The company took part in its first auction in September 2009.

Gjensidige Bank ASA is a wholly owned subsidiary of Gjensidige Bank Holding AS, which in turn is a wholly owned subsidiary of Gjensidige Forsikring BA. Gjensidige Bank Boligkreditt AS is a wholly owned subsidiary of Gjensidige Bank ASA.

From the third quarter of 2009 onwards, interim financial statements will present the consolidated accounts for Gjensidige Bank ASA and Gjensidige Bank Boligkreditt AS.

MARKETING AND CUSTOMER GROWTH

In its marketing, the Bank mainly focuses on contacting the Group's own customers through direct marketing and online advertising. At the close of the fourth quarter of 2009, the Bank had 75,945 customers. In the fourth quarter, the Bank added 27,434 new customers. The main reason for the strong customer growth in the quarter was the acquisition of Citibank's portfolio of consumer loans.

Our banking services are being favourably received by the market, and customer satisfaction surveys show that customers who have moved to Gjensidige Bank are very pleased with the service they receive. (Source: Customer satisfaction survey, June 2009).

ACQUISITION OF CITIBANK'S NORWEGIAN CONSUMER FINANCE DIVISION

The acquisition of Citibank's Norwegian portfolio of consumer loans was completed on 15 December 2009. Through the acquisition, Gjensidige Bank obtained a customer portfolio of over 26,000 consumer loan customers, with a total loan portfolio worth NOK 2,710.2 million. In addition, the Bank took on just over 80 employees, lease contracts and movable property. The acquisition was financed through a combination of new equity and external financing.

PROFIT BEFORE TAX EXPENSES

The company made a pre-tax loss of NOK 16.9 million in the fourth quarter, against a pre-tax loss of NOK 19.5 million in the year-earlier period. This represents an improvement of NOK 2.6 million.

The provisional financial statements show that the company made a pre-tax loss of NOK 71.8 million in 2009, against a pre-tax loss of NOK 85.1 million in 2008. The improvement was mainly due to an increase in income and lower loan losses. The Bank is still in a start-up and development phase, and its financial performance is in line with expectations.

NET INTEREST INCOME

Net interest income in the fourth quarter of 2009 was NOK 25.1 million, which is higher than in the same quarter of 2008, when net interest income totalled NOK 13.6 million. The improvement was mainly due to higher volumes, the acquisition of the Citibank loan portfolio and an injection of new equity.

The provisional financial statements for 2009 show net interest income of NOK 57.5 million, against net interest income of NOK 45.4 million in 2008. The improvement was mainly due to higher volumes and the acquisition of the consumer loan portfolio.

TOTAL OPERATING EXPENSES

Operating expenses totalled NOK 45.2 million in the fourth quarter of 2009, against NOK 37.4 million in the same quarter in 2008. The increase in expenses in the quarter was due to higher other expenses, including expenses relating to the integration of the newly-acquired consumer loan portfolio.

The provisional financial statements for 2009 show total operating expenses of NOK 142.8 million, against total operating expenses of NOK 134.8 million in 2008. The increase in expenses in 2009 was due to higher depreciation and other expenses.

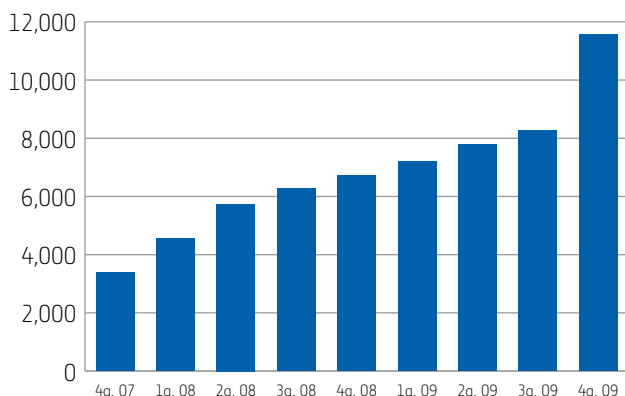
LOAN LOSS RESERVE

The specific loan loss reserve fell by NOK 2.5 million in the quarter, against a rise of NOK 0.7 million in the same period of 2008. At the close of 2009, the specific loan loss reserve totalled NOK 0.8, against NOK 0.7 million at the close of 2008. There were also NOK 1.2 million of charge-offs in the quarter. There were no charge-offs in 2008.

General loan loss provisions totalled NOK 0.6 million in the fourth quarter of 2009, against a recovery of NOK 2.0 million in the same period of 2008. General provisions are designed to cover potential losses on loans in the portfolio that have not been individually identified as doubtful. At the turn of the year, the general loan loss reserve totalled NOK 14.5, against NOK 12.9 million at the close of 2008.

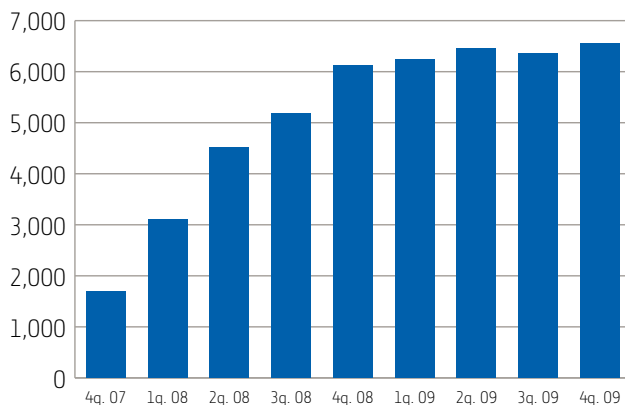
When valuing the acquired portfolio of consumer loans, potential losses in the portfolio have been taken into account.

LOANS TO CUSTOMERS



At the close of the fourth quarter, gross loans totalled NOK 11,575.6 million. Of this, the acquired portfolio of consumer loans made up NOK 2,672.2 million (fair value of portfolio). Loan growth (excluding the acquired portfolio) totalled NOK 622.1 million over the quarter. The vast majority of the loan portfolio is made up of variable rate loans. The Bank only provides loans to retail customers and farmers, and the loans are generally secured with a mortgage on property. The proportion of unsecured loans increased in the fourth quarter as a result of an increase in the portfolio of consumer loans. The average loan value is just under NOK 1 million. This does not include the consumer loans. There are no individual loans of over NOK 10 million.

CUSTOMER DEPOSITS



Customer deposits totalled NOK 6,550.4 million at the close of the first quarter of 2009. In total, deposits rose by NOK 186 million over the course of the quarter. The deposit/loan ratio at the close of the year was 56.6 percent, down from 76.9 percent at the close of the third quarter. The main reason for the decline in the deposit/loan ratio during the quarter was the acquisition of Citibank's portfolio of consumer loans.

SEGMENTS

The Bank's target group is retail customers. This segment is made up of organisations, loyalty customers, farmers, employees of the Gjensidige group and other customers. Customers are spread throughout Norway.

CAPITAL ADEQUACY

At the end of 2009, the Bank's capital adequacy ratio was 17.8 percent, up from 17.1 percent at the end of the previous quarter. The increase in the capital adequacy ratio was due to a NOK 449.5 million capital increase during the quarter. The capital increase was carried out to finance the acquisition of Citibank's consumer loan portfolio.

The Bank aims to have a core capital adequacy ratio of at least 12 percent.

DEBT SECURITIES AND SHORT-TERM GOVERNMENT DEBT

The value of the Bank's net debt securities was NOK 4,366.7 million at the close of the quarter. At the close of the third quarter, net debt securities totalled NOK 1,624.6 million, which means that there was an increase in debt securities of NOK 2,724.1 million during the fourth quarter. The increase was mainly due to financing for the acquisition of Citibank's consumer loan portfolio.

Of the Bank's NOK 4,366.7 million of net debt securities, NOK 2,369.3 million was commercial paper.

Gjensidige Bank ASA owns NOK 1.5 billion of covered bonds issued by Gjensidige Bank Boligkreditt AS, NOK 500 of which were purchased in the fourth quarter. NOK 586.6 million of the covered bonds have been used in Norges Bank's swap facility. The swap facility has provided the Group with NOK 513.1 million of liquid, short-term government debt.

LIQUIDITY

At the close of 2009, the Gjensidige Bank group held liquid assets worth NOK 1,992.9, consisting of NOK 413.9 million of bank deposits and NOK 1,579.0 of bonds, commercial paper and money market funds. NOK 913.4 million of this consisted of covered bonds issued by Gjensidige Bank Boligkreditt AS (eliminated in the consolidated accounts) that were not used in Norges Bank's swap facility. Liquid assets are sufficient to cover maturing debt for more than the next ten months.

FUTURE PROSPECTS

Since its establishment in January 2007, the bank has built up an efficient organization. The bank has in the last half of 2009 been working on the acquisition and integration of consumer loans portfolio. The acquisition strengthens the Bank's market position, and is expected to produce synergies through cross-sales, product development and cost savings.

The Bank is prioritising the streamlining and development of its models for selling banking services through Gjensidige Forsikring's distribution network. During 2009, the Group established 18 new branches throughout Norway. Over the course of the autumn, approx. 70 customer advisers who will offer banking and other financial services through the Group's 22 branches were given training. The Bank is therefore entering 2010 with a significantly stronger distribution network.

The conditions are firmly in place for us to continue growing and developing our business, and the Board believes that Gjensidige Bank will continue to progress in a satisfactory manner.

Førde, 15 February 2010

Geir Bergskaug
Chairman

Arvid Andenæs
Deputy chairman

Ingun Ranneberg-Nilsen

Marianne B. Einarsen

Roger Nedrebø

Jan Kaare Hellevang
CEO

INCOME STATEMENT AND BALANCE SHEET

GJENSIDIGE BANK CONSOLIDATED

INCOME STATEMENT

Figures in NOK 1000	4q. 2009	4q. 2008	1.1.-31.12.2009	1.1.-31.12.2008
Interest income and related income	90,945	124,588	323,287	392,943
Interest costs and related costs	65,859	110,970	265,835	347,558
Net interest/ credit income	25,086	13,618	57,452	45,385
Commission inc. and inc. from banking services	4,519	2,560	13,272	8,738
Commission costs and cost of banking services	1,152	866	3,806	2,760
Net commission income	3,367	1,694	9,466	5,978
Income from other financial investments	(648)	1,234	7,028	5,176
Other operating income	(22)		37	
Total income excluding net interest	2,697	2,928	16,531	11,154
Total income	27,783	16,546	73,983	56,539
Wages, salaries and general administration expenses	24,304	27,035	83,889	84,771
Depreciation of fixed assets	3,926	2,910	13,515	10,800
Other operating expenses	17,011	7,418	45,360	39,243
Total operating expenses	45,241	37,363	142,764	134,814
Profit/ (loss) before loan losses	(17,458)	(20,817)	(68,781)	(78,275)
Writedowns on loans	(595)	(1,361)	3,004	6,811
Profit/ (loss) before tax expense	(16,863)	(19,456)	(71,785)	(85,086)
Tax expense	(4,711)	(5,448)	(20,089)	(23,777)
Profit/ (loss) for the period	(12,152)	(14,008)	(51,696)	(61,309)
Earnings per share, NOK (basic and diluted)	(16.6)	(27.6)	(70.7)	(120.7)

BALANCE SHEET

Figures in NOK 1000	31.12.2009	31.12.2008
ASSETS		
Cash and receivables from central banks	264,519	176,529
Loans to and receivables from credit institutions	149,409	179,119
Loans to and receivables from customers	11,575,604	6,711,394
- Writedowns	(15,301)	(13,552)
Net loans to customers	11,560,303	6,697,842
Commercial paper, bonds and other interest-bearing securities	577,521	255,071
Shares (and other securities with variable returns)	88,026	85,182
Ownership interest in group		
Intangible assets	64,874	66,409
Fixed assets	5,244	3,176
Other assets	1,187	
Advance payments and earned income	20,493	14,316
Total assets	12,731,576	7,477,644
LIABILITIES		
Debt to credit institutions	513,108	
Deposits from / debt to customers	6,550,442	6,131,371
Debt incurred through the issue of securities	4,366,725	549,853
Other liabilities	12,769	5,345
Accrued costs and advance income	60,466	31,817
Provisions for liabilities and charges	12,537	952
Total liabilities	11,516,047	6,719,338
EQUITY		
Paid-up equity	1,357,016	848,476
Retained earnings	(141,487)	(90,170)
Total equity	1,215,529	758,306
Total liabilities and equity	12,731,576	7,477,644

STATEMENT OF COMPREHENSIVE INCOME

GJENSIDIGE BANK CONSOLIDATED

Figures in NOK 1000	4q. 2009	4q. 2008	1.1.-31.12.2009	1.1.-31.12.2008
Profit for the period	(12,152)	(14,008)	(51,696)	(61,309)
Components of other comprehensive income				
Implementation of pension liabilities		(430)		(430)
Actuarial gains and losses on pension assets and liabilities	525		525	
Tax on other profit/loss components	(147)		(147)	
Total other profit/loss components	378	(430)	378	(430)
TOTAL PROFIT/LOSS FOR THE PERIOD	(11,774)	(14,438)	(51,318)	(61,739)

STATEMENT OF CHANGES IN EQUITY

GJENSIDIGE BANK CONSOLIDATED

Figures in NOK 1000	Equity capital	Premium reserve	Other paid-up equity	Total paid-up equity	Retained earnings	Total equity
Equity as at 1.1.2008	430,000	172,000	3,384	605,384	(89,740)	515,644
New equity	156,000	62,000		218,000		218,000
Net group contribution (after tax)			86,400	86,400		86,400
Profit for the period 1.1.2008-31.12.2008		(61,308)		(61,308)		(61,308)
Other components of profit/loss						
Implementation of pension liabilities					(430)	(430)
Actuarial gains and losses on pension assets and liabilities						
Tax on other profit/loss components						
Total other profit/loss components					(430)	(430)
Total profit/loss for the period					(430)	(61,738)
Equity as at 31.12.2008	586,000	172,692	89,784	848,476	(90,170)	758,306
Equity as at 1.1.2009	586,000	172,692	89,784	848,476	(90,170)	758,306
New equity	290,000	159,500		449,500		449,500
Net group contribution (after tax)			59,040	59,040		59,040
Profit for the period 1.1.2009-31.12.2009					(51,695)	(51,695)
Other components of profit/loss						
Implementation of pension liabilities						
Actuarial gains and losses on pension assets and liabilities					525	525
Tax on other profit/loss components					(147)	(147)
Total other profit/loss components					378	378
Total profit/loss for the period					(51,317)	(51,317)
Equity as at 31.12.2009	876,000	332,192	148,824	1,357,016	(141,487)	1,215,529
Number of equities at the end of the period	876,000					

CASH FLOW STATEMENT

GJENSIDIGE BANK CONSOLIDATED

Figures in NOK 1000

	1.1.-31.12.2009	1.1.-31.12.2008
Cash flows from operating activities		
Net loans to customers	(4.864.210)	(3.330.018)
Net deposits from customers	419.070	4.430.292
Interest payments by customers	304.248	351.969
Interest paid to customers	(210.000)	(273.708)
Net interest received from credit institutions, etc.	9.417	33.476
Net other commission income	7.412	5.978
Operating expenses	(129.401)	(124.482)
Net outflow/ inflow from purch./ sale of interest-bearing fin. instr.	(318.265)	(255.639)
Net cash flow from operating activities	(4.781.729)	837.868
Cash flow from investing activities		
Net purchase of intangible assets and fixed assets	(17.364)	(6.645)
Investments in subsidiary		
Net cash flow from investing activities	(17.364)	(6.645)
Cash flow from financing activities		
Net inflow/ outflow from loans from credit institutions	4.329.980	(950.370)
Net interest payment on financing activities	(36.748)	(62.783)
Net inflow/ outflow from other short-term items	32.641	567
Paid-up equity	449.500	218.000
Net group contribution received/ dividends	82.000	120.000
Net cash flow from financing activities	4.857.373	(674.586)
Total cash flow	58.280	156.637
Cash flow for the period		
Cash and cash equivalents at the start of the period	355.648	199.011
Cash and cash equivalents at the end of the period	413.928	355.648
Net cash inflow/ outflow	58.280	156.637
Specification of cash and cash equivalents		
Cash an receivables from central banks	264.519	176.529
Loans to and receivables from financial institutions	149.409	179.119
Cash and cash equivalents on cash flow statement	413.928	355.648

The cash flow statement shows inflows and outflows of cash and cash equivalents over the course of the year. The statement is adjusted for items that do not result in cash flows, such as provisions, depreciation and impairments of loans and guarantees. The cash flows are classified as operating activities, investing activities or financing activities. Cash and cash equivalents is defined as cash and receivables from central banks and loans to and receivables from credit institutions.

NOTES

GJENSIDIGE BANK CONSOLIDATED

Note 1 Accounting principles

The Gjensidige Bank Group consists of Gjensidige Bank ASA and its subsidiary Gjensidige Bank Boligkreditt AS. The Group reports its results in line with international accounting standards (IFRS), and the interim financial statements for the third quarter have been presented in accordance with IAS 34 "Interim Financial Reporting". The same accounting and calculation principles have been used as for the most recent full-year financial statements, with the following exceptions:

- The company has changed the way in which it presents its financial statements in line with IAS 34 – "Interim financial reporting", which has been revised in accordance with the new stipulations of IAS 1 – "Presentation of financial statements".
- The company has implemented IFRS 8 – "Operating segments", although this has not resulted in any changes to the way in which segments are reported. The Bank offers financial services to various customer groups, covering a range of products and distribution chan-

nels. The various customer groups are assessed in the same way, primarily based on volumes and customer margins within the individual groups.

For more information about accounting principles, please see Gjensidige Bank ASA's 2008 annual report.

COMPARATIVE FIGURES

The Gjensidige Bank Group was created in the third quarter with the establishment of Gjensidige Bank Boligkreditt AS. The company has NOK 80 million in share capital, and it is wholly owned by Gjensidige Bank ASA. The company was established to take over parts of Gjensidige Bank ASA's loan portfolio, with the aim of issuing covered bonds. Based on the above circumstances, the figures for Gjensidige Bank ASA have been used as comparative figures for the Group for past periods.

Note 2 Segment information

Figures in NOK 1000	31.12.2009	30.9.2009	30.6.2009	31.3.2009	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Customer deposits									
by sector and industry									
Wage-earners, etc.	6,550,442	6,364,371	6,455,654	6,242,810	6,131,371	5,177,146	4,525,627	3,105,492	1,701,080
Total deposits	6,550,442	6,364,371	6,455,654	6,242,810	6,131,371	5,177,146	4,525,627	3,105,492	1,701,080
Loans to customers by sector and industry									
Wage-earners, etc.	11,575,604	8,281,289	7,776,284	7,214,668	6,711,394	6,280,854	5,739,448	4,562,047	3,381,376
Gross loans	11,575,604	8,281,289	7,776,284	7,214,668	6,711,394	6,280,854	5,739,448	4,562,047	3,381,376

Note 3 Depth incurred through the issues of securities

Figures in NOK 1000	31.12.2009	31.12.2008
Commercial paper and other short-term borrowings	2,475,000	400,000
Bond debt	2,100,000	300,000
Own bonds, not amortised	(205,000)	(150,000)
Total debt incurred through the issue of securities	4,370,000	550,000
Term to maturity		
Remaining term to maturity (face value)		
Payable on request		
Maximum 3 months	495,000	350,000
3 months-1 year	1,875,000	
1-5 years	2,000,000	200,000
More than 5 years		
Total	4,370,000	550,000
Issued during the reporting period	6,270,000	800,000
Repaid during the reporting period	2,450,000	1,600,000

Note 4 Losses on loans and guarantees

Figures in NOK 1000	31.12.2009	31.12.2008
Change in individual writedowns over the reporting period	144	
Change in group writedowns over the reporting period	1,605	6,138
Losses realised during the period covered by previous writedowns		
Losses realised during the period not covered by previous ind. writedowns		
Recoveries for the period against previous periods' realised losses		
Loan losses for the period	1,749	6,138
Provisions against loans and guarantees		
Individual writedowns at the start of the period	672	
Increase in ind. writedowns against loans which had previously been written down		
Recoveries against ind. writedowns from previous periods		
Writedowns against loans which had not previously been written down individually	144	672
Losses realised for which individual writedowns had previously been made		
Individual writedowns at the end of the period	816	672
Losses realised during the reporting period	1,235	
Group writedowns at the start of the period	12,880	6,742
Change in group writedowns over the reporting period	1,605	6,138
Group writedowns at the end of the period	14,485	12,880
Total writedowns at the end of the period	15,301	13,552
Loans in default and at risk of default		
Loans in default		
Gross defaults over 90 days	28,934	8,252
Individual writedowns	816	672
Net loans in default	28,118	7,580
Loss severity	2.8 %	8.1 %
Other loans at risk of default		
Loans at risk of default (not in default)		
Individual writedowns		
Net other loans at risk of default		
Loss severity	0 %	0 %

Note 5 Capital adequacy

Figures in NOK 1000	31.12.2009	31.12.2008
Paid-up equity	1,208,192	820,000
Other equity	7,337	(61,694)
Equity	1,215,529	758,306
Deductions		
Deferred tax assets	(21,620)	(24,937)
Other intangible assets	(43,254)	(41,472)
Core capital	1,150,655	691,897
Additional capital		
Total equity and subordinated loan capital	1,150,655	691,897
Risk-weighted capital	6,455,000	3,696,263
Minimum requirement for equity	516,400	295,701
Core capital ratio (%)	17.8 %	18.7 %
Capital adequacy ratio (%)	17.8 %	18.7 %

Note 6 Related parties

CLOSELY RELATED COMPANIES

Gjensidige Forsikring, Gjensidige Bank ASA and Gjensidige Bank Boligkreditt AS are considered closely related companies.

At 31 December 2009 there were the following significant transactions with closely related companies:

- Gjensidige Bank ASA has bought services from Gjensidige Forsikring for a value of NOK 11.8 million.
- On the establishment of Gjensidige Bank Boligkreditt AS, an agreement was signed with Gjensidige Bank ASA regarding the provision of services relating to loan servicing and the running of the company. The agreement also covers interest rate terms on the vendor financing provided in conjunction with the transfer of loans from Gjensidige

Bank ASA to Gjensidige Bank Boligkreditt AS. At 31 Dec. 2009 NOK 6.0 million was outstanding under this facility. These items have been eliminated in the consolidated accounts.

- Gjensidige Bank ASA has invested NOK 1.5 billion in covered bonds issued by Gjensidige Bank Boligkreditt AS. In the consolidated accounts, the investment has been eliminated against bonds issued by Gjensidige Bank Boligkreditt AS.
- As of 31 December 2009, interest on the bonds totalled NOK 5.8 million, which has been eliminated in the consolidated accounts.
- As of 31 December 2009, Gjensidige Bank Boligkreditt AS held NOK 55.0 million of deposits at Gjensidige Bank ASA, and interest for 2009 totalled NOK 0.2 million. Both items have been eliminated in the consolidated accounts.

Note 7 Acquisition of Citibank International PLC, Norway branch consumer loans portfolio

December 15, 2009 Gjensidige Bank ASA got control of the Norwegian consumer loans portfolio to Citibank which has given the bank a larger market share in consumer lending segment.

The following summarizes the major elements of the transaction and recognition of assets and liabilities acquired at acquisition date:

Transferred charge	
Cash and more	2,689,7

VALUATION

The valuation of acquired loan portfolio has assumed contractual cash flows reduced by the expected loss based on breach of contract, as well as internal and external experience data. For other assets and liabilities nominal value are mainly assumed as this is considered the best extent possible to reflect fair value.

Identifiable assets and liabilities acquired

Assets	
Loan portfolio	2,710.2
Other assets	0.8
Goodwill	1.5
Total assets	2,712.5
Liabilities	
Other liabilities	15.3

GOODWILL

Goodwill relates primarily to employee competence and skills in the acquired operations and the synergies that are expected to be achieved by merging the two businesses into Gjensidige Bank's existing operations.

IDENTIFIED INTANGIBLE ASSETS THAT ARE NOT RECOGNIZED

It is identified software and customer relationships that represent intangible assets. These are not recognized as the fair value of these is considered as insignificant. In addition, it identified the competencies and skills to employees of the acquired business, but this is not recognized separately from goodwill in accordance with IFRS 3.

Loan portfolio

Fair value	2,710.2
Gross loan portfolio	3,064.9
Contractual cash flows that are not expected to be collected	354.7

TRANSACTION COSTS THAT ARE NOT PART OF THE BUSINESS COMBINATION

The Group has incurred acquisition costs of NOK 7.3 million related to external legal fees and due diligence costs.

ACQUIRED BUSINESS, PART OF FINANCIAL STATEMENT FOR 2009

Gross interest and fee income from December 16-31 was NOK 17,5 million from the acquired business.

PRO FORMA FINANCIAL INFORMATION AS IF THE BUSINESS WAS ACQUIRED 1 JANUARY 2009

Gross Interest and fee income from the consumer loan portfolio would have constituted NOK 435,1 million if the acquisition had taken place 01.01.2009.

Thus would the gross interest and fee income for 2009 account for NOK 771,7 million for Gjensidige Bank Group including the acquired business.

The interim accounts have not been audited.

KEY FIGURES

GJENSIDIGE BANK CONSOLIDATED

	1.1.-31.12.2009	1.1.-31.12.2008
Net interest as a % of average total assets, annualised	0.63	0.74
Losses as a % of gross loans excl. credit institutions	0.03	0.10
Return on equity - annualised ¹⁾	(7.27)	(12.51)
Deposits-to-loans ratio at the end of the period ²⁾	56.59	91.36
Capital adequacy ratio, at the end of the period ³⁾	17.83	18.72
Average total assets (figures in NOK 1000)	9,077,536	6,169,251
Average full-time equivalent employees	48	40
Registered customers (number), at the end of the period ⁴⁾	75,945	44,413
Registered customers who are also insurance customers, at the end of the period	36,000	23,438

1) Profit/ (loss) before tax expenses/ average adjusted equity over the period

2) Customer deposits / gross lending to customers

3) Net equity and subordinated debt / risk-weighted assets

4) Registered customers includes both customers who have registered to become a customer over the past three months (started the process of becoming a customer) and customers who have actively started using the bank. The measure method was altered as of 1 January 2009. Prior to this, customer registration older than six months were excluded.

INCOME STATEMENT AND BALANCE SHEET

GJENSIDIGE BANK ASA

INCOME STATEMENT

Figures in NOK 1000	4q. 2009	4q. 2008	1.1.-31.12.2009	1.1.-31.12.2008
Interest income and similar income	88,134	124,588	319,423	392,943
Interest costs and similar costs	66,099	110,970	266,075	347,558
Net interest/ credit income	22,035	13,618	53,348	45,385
Commission inc. and inc. from banking services	4,519	2,560	13,272	8,738
Commission costs and cost of banking services	1,152	866	3,806	2,760
Net commission income	3,367	1,694	9,466	5,978
Income from other financial investments	(648)	1,234	7,028	5,176
Other operating income	(276)		200	
Total income excluding net interest	2,443	2,928	16,694	11,154
Total income	24,478	16,546	70,042	56,539
Wages, salaries and general administration expenses	24,304	27,035	83,889	84,771
Depreciation of fixed assets	3,766	2,910	13,301	10,800
Other operating expenses	15,667	7,418	43,789	39,243
Total operating expenses	43,737	37,363	140,979	134,814
Profit/ (loss) before loan losses	(19,259)	(20,817)	(70,937)	(78,275)
Writedowns on loans	387	(1,361)	1,773	6,811
Profit/ (loss) before tax expense	(19,646)	(19,456)	(72,710)	(85,086)
Tax expense	(5,494)	(5,448)	(20,351)	(23,777)
Profit/ (loss) after tax expense	(14,152)	(14,008)	(52,359)	(61,309)
Other income and expenses				
Implemented pension liabilities		(430)		(430)
Actuarial gains and losses on pension assets	378		378	
Other income and expenses	378	(430)	378	(430)
Profit/ (loss) for the period	(13,774)	(14,438)	(51,981)	(61,739)
Earnings per share NOK, (basic and diluted)	(19.4)	(27.6)	(71.6)	(120.7)

BALANCE SHEET

Figures in NOK 1000	31.12.2009	31.12.2008
ASSETS		
Cash and receivables from central banks	264,519	176,529
Loans to and receivables from credit institutions	301,848	179,119
Loans to and receivables from customers	9,893,972	6,711,394
- Writedowns	(14,071)	(13,552)
Net loans to customers	9,879,901	6,697,842
Commercial paper, bonds and other interest-bearing securities	2,077,521	255,071
Shares (and other securities with variable returns)	88,026	85,182
Ownership interest in group	80,030	
Intangible assets	63,265	66,409
Fixed assets	5,244	3,176
Other assets	1,187	
Advance payments and earned income	19,401	14,316
Total assets	12,780,942	7,477,644
LIABILITIES		
Debt to credit institutions	568,147	
Deposits from / debt to customers	6,550,442	6,131,371
Debt incurred through the issue of securities	4,366,725	549,853
Other liabilities	12,609	5,345
Accrued costs and advance income	55,618	31,817
Provisions for liabilities and charges	12,537	952
Total liabilities	11,566,078	6,719,338
EQUITY		
Paid-up equity	1,357,016	848,476
Retained earnings	(142,152)	(90,170)
Total equity	1,214,864	758,306
Total liabilities and equity	12,780,942	7,477,644



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