Oslo 25 April 2019

A solid first quarter result

The first quarter 2019 was characterised by more favourable weather conditions in Norway and strong financial markets, resulting in a significant improvement in Gjensidige's results compared with the same quarter last year. Profitability for the motor insurance line in Norway reached a turning point during the quarter, paving the way for a lower underlying loss ratio for this insurance line from the second quarter. The sale of Gjensidige Bank was completed in the quarter, generating a gain of NOK 1.6 billion. The Group continued to put through significant price increases across all segments, which together with re-underwriting and efficiency measures, are intended to improve underlying profitability.

Gjensidige Forsikring Group recorded a profit before tax of NOK 3,030.7 million (605.0) for the quarter. The sale of Gjensidige Bank was completed on 1 March, with proceeds of approximately NOK 5.6 billion and a gain for the Group of NOK 1.6 billion recorded in the first quarter. The profit before tax excluding this gain was NOK 1,446.2 million. The profit from general insurance operations measured by the underwriting result was NOK 798.1 million (411.2), corresponding to a combined ratio of 86.6 (93.0). The return on financial assets was 1.2 per cent (0.5) or NOK 682.2 million (254.8). The profit after tax from continuing and discontinued operations was NOK 2,785.7 million (534.4) and the corresponding earnings per share were NOK 5.57 (1.07).

- We are satisfied with delivering a solid first quarter result. We reached an important milestone during the quarter, having completed the sale of Gjensidige Bank which provides us with increased financial flexibility and lays the ground for enhanced focus on our core operations, says CEO Helge Leiro Baastad.

- Going forward we will continue our efforts to deliver on our operational targets, with a strong focus on digital customer interactions, to ensure high customer satisfaction – the core to our business, Baastad says.

Earned premiums from general insurance increased to NOK 5,936.7 million (5,866.3) for the quarter. The underwriting result improved, mainly due to more favourable weather conditions in Norway compared with the first quarter last year. Higher run-off gains and lower large losses also contributed to the improved results.

The Pension segment generated an increased profit for the quarter, due to a growing customer portfolio, increased assets under management and higher net financial income.

Gjensidige Bank was recorded as a discontinued operation until the closing of the sale on 1 March 2019. The profit after tax expense in the first two months of the year was NOK 37.6 million (91.4 in the first quarter 2018).

The return on financial assets was higher than in the first quarter last year. Current equities and bonds in the free portfolio in particular contributed to the solid result.

Highlights first quarter 2019 (first quarter 2018):

- Profit/loss before tax: NOK 3,030.7 million (605.0)
- Earnings per share: NOK 5.57 (1.07)
- Earned premiums: NOK 5,936.7 million (5,866.3)
- Underwriting result: NOK 798.1 million (411.2)
- Combined ratio: 86.6 (93.0)
- Cost ratio: 14.9 (15.3)
- Financial result: NOK 682.2 million (254.8)

Special factors and events:

- Sale of Gjensidige Bank completed with a gain of NOK 1.6 billion for the Group
- Dividend for 2018 paid on 9 April 2019: NOK 3,550 million, corresponding to NOK 7.10 per share

This information is subject to disclosure under the Norwegian Securities Act section §5-12.

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