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## A strong third quarter result

**The result for the third quarter 2019 was strong, with the improvement on the corresponding quarter last year primarily being driven by effective pricing and re-underwriting measures, as well as more favourable weather conditions. The Norwegian operations continued to show strong improvement, and performance outside Norway progressed according to plan.**

Gjensidige Forsikring Group recorded a profit before tax of NOK 1,271.5 million (964.0) for the quarter. The profit from general insurance operations measured by the underwriting result was NOK 1,061.1 million (573.4), corresponding to a combined ratio of 83.2 (90.6). The return on financial assets was 0.5 per cent (0.8) or NOK 278.8 million (426.5). The profit after tax expense was NOK 993.2 million (803.5). Earnings per share amounted to NOK 1.99 (1.75). Excluding the NOK 1.6 billion gain on the sale of Gjensidige Bank, the annualised return on equity was 21.6 per cent.

–We are very satisfied with delivering a strong third quarter result. We are maintaining our superior position in Norway, and our operations outside Norway are improving, thanks to our significant pricing, re-underwriting and efficiency measures. And once again we have achieved top ranking on reputation in the Norwegian finance sector, according to the annual Ipsos survey, CEO Helge Leiro Baastad says.

The underwriting result was primarily driven by 3.3 per cent growth in earned premiums, an improved underlying frequency loss ratio and lower large losses. The underlying frequency loss ratio improved primarily due to improved weather conditions in addition to effective pricing and re-underwriting measures across all segments. In addition, a restructuring provision of NOK 80.0 million was made in the third quarter of 2018.

The Pension operation recorded an increased profit due to higher net operating income, which was partly offset by lower returns on property investments. The financial return in the quarter was lower than in the same period last year. Good returns on property were partly offset by low returns from convertible bonds, current equities and PE-funds in the free portfolio.

Year to date the Group recorded a profit before tax of NOK 6,025.2 million (2,603.9). 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 4,443.3 million. The profit from general insurance operations measured by the underwriting result was NOK 3,116.8 million (1,691.4), corresponding to a combined ratio of 83.0 (90.6). The return on financial assets was 2.6 per cent (2.0) or NOK 1,473.9 million (1,052.0). The profit after tax from continuing and discontinued operations was NOK 5,082.8 million (2,087.9) and the corresponding earnings per share were NOK 10.24 (4.83).

### Highlights third quarter 2019 (third quarter 2018)

- Profit/(loss) before tax: NOK 1,271.5 million (964.0)
- Earnings per share: NOK 1.99 (1.75)
- Earned premiums: NOK 6,317.0 million (6,118.1)
- Underwriting result: NOK 1,061.1 million (573.4)
- Combined ratio: 83.2 (90.6)
- Cost ratio: 14.1 (15.6)
- Financial result: NOK 278.8 million (426.5)

### Highlights year to date 2019 (year to date 2018)

- Profit/(loss) before tax: NOK 6,025.2 million (2,603.9)
- Earnings per share: NOK 10.24 (4.83)
- Earned premiums: NOK 18,336.6 million (17,971.6)
- Underwriting result: NOK 3,116.8 million (1,691.4)
- Combined ratio: 83.0 (90.6)
- Cost ratio: 14.6 (15.3)
- Financial result: NOK 1,473.9 million (1,052.0)

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

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Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,900 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer pension and savings. Operating income was NOK 26 billion in 2018, while total assets were NOK 157 billion.