

## Solid underwriting result offset by effects from financial market turmoil

The first quarter of 2020 was characterised by a solid underwriting result driven by effective pricing measures and strong profitability. The Covid-19 situation had a limited impact on the underwriting result. However, the investment portfolio was hit by the general turmoil in the financial markets. The Group's long-term outlook remains good, but with considerable short-term uncertainty on the investment side. The Board has resolved to withdraw the dividend proposal in response to regulatory stance. It is the Board's intention to distribute dividends to shareholders as soon as the situation will allow for it.

Gjensidige Forsikring Group recorded a loss before tax of NOK 497.0 million (profit of 3,030.7) for the quarter. The profit before tax for the first quarter last year was significantly impacted by a gain of NOK 1.6 billion from the sale of Gjensidige Bank. The result in the first quarter of 2020 was significantly impacted by negative returns on the investment portfolio, reflecting the turmoil in the financial market in the wake of the Covid-19 situation.

The profit from general insurance operations measured by the underwriting result was NOK 1,057.6 million (798.1), corresponding to a combined ratio of 83.9 (86.6). The Covid-19 pandemic had a limited impact on the Group's underwriting result. Claims related to travel insurance increased significantly, but reinsurance coverage limited net claims incurred to NOK 90.6 million, of which NOK 60.0 million was recognised in the Corporate Centre. Lower motor claims, due to less driving during the latter part of the quarter, had a positive impact on claims in the Private segment. The loss after tax expense from continuing and discontinued operations was NOK 479.2 million (profit of 2,785.7) and the corresponding earnings per share were minus NOK 0.96 (plus 5.57).

- I am very pleased that we have maintained a high customer service level and been able to run all critical business functions during the extraordinary circumstances in the wake of the pandemic. We have generated a strong underwriting result for the quarter and maintain our superior position in Norway. Our operations outside Norway have continued to progress, with strong renewals and continued focus on efficiency, says CEO Helge Leiro Baastad.

Earned premiums from general insurance increased by 10.7 per cent to NOK 6,570.6 million (5,936.7) for the quarter. Measured in local currency, the premium increased by 8.8 per cent. The underwriting result increased due to higher premiums following solid renewals and effective pricing measures, which in addition to more favourable weather conditions for motor in Norway resulted in a 6.4 percentage point improvement in the underlying frequency loss ratio. This was partly offset by higher large losses, lower run-off gains and higher operating expenses.

The Pension segment generated a lower profit for the period, driven by lower financial income due to the financial turmoil and higher operating expenses.

The return on financial assets was minus 2.5 per cent (plus 1.2) or minus NOK 1,519.3 million (plus 682.2). All asset classes, except bonds held to maturity and property recorded negative results for the quarter.

### Dividend and AGM

The Board of Gjensidige Forsikring ASA has on 21 April 2020 resolved to withdraw the proposal of a regular dividend for the 2019 financial year. The decision is based on direct dialogue with the Norwegian FSA and the pronounced expectation from regulators that financial institutions halt dividends payments until the significant uncertainty related to the economic development is reduced.

The initial proposal of a special dividend was withdrawn on 20 March 2020 in response to the Covid-19 situation.

It is the Board's intention to distribute dividends to shareholders as soon as the situation will allow for it. In line with previous years' practice, the Board will seek authorisation from the General Meeting to distribute dividends later this year, which will give flexibility to revisit the dividend discussion as soon as possible.

The Annual General Meeting will be held on 25 May 2020 and will be organised in line with necessary safety measures to safeguard health and contain the virus spread. Instead of physical presence, our shareholders will be able to participate via our live web cast. Questions can be sent to us beforehand. And we encourage our shareholders to use the possibility to vote before the meeting.

### Highlights first quarter 2020 (first quarter 2019)

- Profit/loss before tax: NOK -497.0 million (3,030.7)
- Earnings per share: NOK -0.96 (5.57)
- Earned premiums: NOK 6,570.6 million (5,936.7)
- Underwriting result: NOK 1,057.6 million (798.1)
- Combined ratio: 83.9 (86.6)
- Cost ratio: 15.0 (14.9)
- Financial result: NOK -1,519.3 million (682.2)

### Special factors and events

- Dividend proposal withdrawn

This release contains alternative performance measures (APMs). APMs are described at [www.gjensidige.no/reporting](http://www.gjensidige.no/reporting) in a document named APMs Gjensidige Forsikring Group Q1 2020.

### Contact

Head of Communication Øystein Thoresen. Tel: 47 952 33 382

Head of Investor Relations Mitra Hagen Negård. Tel: 47 957 93 631

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

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,700 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer pension and savings. The Group's operating income was NOK 28 billion in 2019, while total assets were NOK 112 billion.

