

Oslo 20 October 2020

Best ever quarterly underwriting result

Continued strong retention, effective and differentiated pricing measures, good cost control and a favourable claims development resulted in the highest quarterly underwriting result, excluding run-off gains, in the Group's history. Returns on the investment portfolio reflected continued rebound in the financial markets. The Group's outlook remains good, supported by a strong capital position.

Gjensidige Forsikring Group recorded a profit before tax of NOK 2,048.4 million (1,271.5) for the quarter. The profit from general insurance operations measured by the underwriting result was NOK 1,512.3 million (1,061.1), corresponding to a combined ratio of 78.2 (83.2). The return on financial assets was 0.9 per cent (0.5) or NOK 550.6 million (278.8). The profit after tax was NOK 1,550.6 million (993.2). Earnings per share amounted to NOK 3.10 (1.99).

-We are very satisfied with delivering a strong third quarter result, including a record high quarterly underwriting result. Our performance in Norway is very solid and we continue to see progress outside Norway. I am also very pleased that we once again rank number one on overall reputation in the Norwegian finance sector and number six independent of sector, according to Ipsos' survey, CEO Helge Leiro Baastad says.

The underwriting result was driven by 10.0 per cent growth in earned premiums, an improved underlying frequency loss ratio and lower large losses. Earned premiums rose 7.3 per cent in local currency. The underlying frequency loss ratio improved primarily due to effective and differentiated pricing measures. The Covid-19 pandemic had a slightly positive impact on the Group's claims estimated at approximately NOK 41 million, corresponding to 0.6 percentage point on the loss ratio. This was primarily related to travel insurance, partly offset by accident and health insurance products.

The Pension operation recorded a lower profit due to higher operating expenses.

All asset classes in the investment portfolio contributed positively in the third quarter except PE funds. Returns on the other asset classes reflected lower interest rates and credit spreads, in combination with strong equity markets.

Year to date the Group recorded a profit before tax of NOK 4,028.1 million (6,025.2). The result in the first nine months of 2020 was significantly impacted by negative returns on the investment portfolio in the first quarter, reflecting the turmoil in the financial market in the wake of the Covid-19 situation. The corresponding result in the first nine months of 2019 included a gain on the sale of Gjensidige Bank of NOK 1.6 billion. The profit from general insurance operations measured by the underwriting result was NOK 3,913.8 million (3,116.8), corresponding to a combined ratio of 80.7 (83.0).

The profit after tax from continuing and discontinued operations was NOK 3,023.5 million (5,082.8) and the corresponding earnings per share were NOK 6.05 (10.24).

The return on financial assets was 0.3 per cent (2.6) or NOK 189.8 million (1,473.9). The Covid-19 pandemic caused a significant downturn in the financial markets towards the end of the first quarter, resulting in a broad decline in most asset classes. This changed in the second and third quarter, although the markets have not yet fully recovered.

Highlights third quarter 2020 (third quarter 2019)

- Profit/(loss) before tax: NOK 2,048.4 million (1,271.5)
- Earnings per share: NOK 3.10 (1.99)
- Earned premiums: NOK 6,949.0 million (6,317.0)
- Underwriting result: NOK 1,512.3 million (1,061.1)
- Combined ratio: 78.2 (83.2)
- Cost ratio: 13.9 (14.1)
- Financial result: NOK 550.6 million (278.8)

Special factors and events

- Dividend for 2019 was paid on 30 September 2020: NOK 6,125.0 million, corresponding to NOK 7.25 per share as a regular dividend and NOK 5.00 per share as a special dividend.

Highlights year to date 2020 (year to date 2019)

- Profit/(loss) before tax: NOK 4,028.1 million (6,025.2)
- Earnings per share: NOK 6.05 (10.24)
- Earned premiums: NOK 20,284.8 million (18,336.6)
- Underwriting result: NOK 3,913.8 million (3,116.8)
- Combined ratio: 80.7 (83.0)
- Cost ratio: 14.5 (14.6)
- Financial result: NOK 189.8 million (1,473.9)

This release contains alternative performance measures (APMs). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q3 2020.

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

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

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

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.