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## Solid results for the fourth quarter and full year

**Strong retention, effective pricing measures, good cost control and favourable claims development resulted in the highest fourth quarter underwriting result (excluding run-off gains), and the highest full year result (excluding gains on sales) in the Group's history. Gjensidige's outlook remains good, supported by a very strong capital position. The Board proposes a regular dividend of NOK 7.40 per share and declares a special dividend of NOK 2.40 per share.**

Gjensidige Forsikring Group recorded a profit before tax of NOK 2,313.6 million (1,728.6) for the quarter. The profit from general insurance operations measured by the underwriting result was NOK 1,161.8 million (919.6), corresponding to a combined ratio of 83.1 (85.4). The return on financial assets was 2.0 per cent (1.4) or NOK 1,151.9 million (832.5). The profit after tax was NOK 1,930.4 million (1,473.4). Earnings per share amounted to NOK 3.86 (2.95).

-We have put behind us yet another quarter with very strong operations in Norway. I am particularly pleased with our high customer retention and growth in business volumes despite the ongoing pandemic and tough competition. Denmark also showed strong performance, while our Swedish and Baltic operations have a strong upside potential, says CEO Helge Leiro Baastad. Efficient operations and dedicated employees lay the ground for continued strong results going forward, Baastad says.

The underwriting result was driven by 8.9 per cent growth in earned premiums and an improved underlying frequency loss ratio. Earned premiums increased 6.3 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 positive impact on the Group's claims estimated at approximately NOK 129 million, corresponding to 1.9 percentage point on the loss ratio. This was primarily related to travel and motor insurance, partly offset by accident and health insurance products.

The landslide at Gjerdrum in Norway in December, defined as a natural peril event, incurred a large loss of NOK 180.4 million net of reinsurance, of which NOK 150.4 million was allocated to the Corporate Centre and the rest to the Private and Commercial segments. The reinstatement premium on the reinsurance programme amounted to NOK 24.7 million, recorded in the Corporate Centre. The impact on the combined ratio was 2.9 percentage points.

The Pension operation recorded a lower profit mainly due to lower insurance income.

All asset classes in the investment portfolio contributed positively in the fourth quarter.

The Board has proposed a dividend based on the profit for the 2020 financial year of NOK 3,700 million, corresponding to NOK 7.40 per share. The regular dividend corresponds to a pay-out ratio of 75 per cent of the Group profit after tax. In addition, the board has declared a special dividend of NOK 1,200 million. This corresponds to NOK 2.40 per share and represents distribution of excess capital. For this special dividend, the Board has utilised its authorisation granted by the Annual General Meeting in 2020. The payment will take place on 4 February 2021.

For the year the Group recorded a profit before tax of NOK 6,341.7 million (7,753.8). The corresponding result for 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 5,075.6 million (4,036.4), corresponding to a combined ratio of 81.3 (83.6).

The Covid-19 pandemic had a positive impact on the Group's claims, estimated at approximately NOK 296 million, corresponding to 1.1 percentage points on the loss ratio. Claims related to cancellations and home transportation increased significantly and were mainly allocated to the Corporate Centre. The negative effect was offset by less travel activity and less driving. In addition, premium growth in Denmark and the Baltics were subdued related to travel insurance for both segments.

The net effect of the land slide at Gjerdrum on the Group's combined ratio was 0.7 percentage points.

The profit after tax from continuing and discontinued operations was NOK 4,953.9 million (6,593.8) and the corresponding earnings per share were NOK 9.91 (13.19).

The return on financial assets was 2.2 per cent (4.1) or NOK 1,341.7 million (2,306.4). The lower return was mainly due to the Covid-19 pandemic which caused a significant downturn in the financial markets towards the end of the first quarter, resulting in negative returns for most asset classes. Significant intervention by central banks and fiscal policy measures drove the market recovery during the rest of the year, resulting in positive returns for the year as a whole.

### Highlights fourth quarter 2020 (fourth quarter 2019)

- Profit/(loss) before tax: NOK 2,313.6 million (1,728.6)
- Earnings per share: NOK 3.86 (2.95)
- Earned premiums: NOK 6,875.7 million (6,313.8)
- Underwriting result: NOK 1,161.8 million (919.6)
- Combined ratio: 83.1 (85.4)
- Cost ratio: 14.7 (15.2)
- Financial result: NOK 1,151.9 million (832.5)

### Proposed and declared dividend

Proposed regular dividend: NOK 3,700 million (3,625), corresponding to NOK 7.40 per share (7.25)

Declared special dividend: NOK 1,200 million, corresponding to NOK 2.40 per share

### Highlights for the year 2020 (for the year 2019)

- Profit/(loss) before tax: NOK 6,341.7 million (7,753.8)
- Earnings per share: NOK 9.91 (13.19)
- Earned premiums: NOK 27,160.5 million (24,650.4)
- Underwriting result: NOK 5,075.6 million (4,036.4)
- Combined ratio: 81.3 (83.6)
- Cost ratio: 14.5 (14.7)

- Financial result: NOK 1,341.7 million (2,306.4)

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 Q4 2020.

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 3,700 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 2020, while total assets were NOK 118 billion.