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Solid results for the first quarter

This release contains inside information related to Gjensidige Forsikring ASA pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.

High retention, effective pricing measures and good cost control led to a continued improvement in the underlying profitability. The first quarter reported underwriting results were materially affected by the extraordinary cold winter in Norway, but satisfactory financial results contributed to a strong return on equity for the Group. Gjensidige's outlook remains promising, supported by a robust capital position.

Gjensidige Forsikring Group recorded a profit before tax of NOK 1,597.0 million (negative 497.0) for the period. The profit after tax was NOK 1,340.4 million (negative 479.2) and the corresponding earnings per share were NOK 2.68 (minus 0.96).

The profit from general insurance operations measured by the underwriting result was NOK 1,040.0 million (1,057.6), corresponding to a combined ratio of 85.1 (83.9).

- We are very pleased with the strong underlying results we have delivered in this winter quarter. This is to a large degree a result of our solid brand, efficient operations and dedicated employees who put strong efforts in serving our customers, says CEO Helge Leiro Baastad.

-Operations in Norway are running very well, we have had good progress in our Danish operations, and we see a clear upside potential for the results in Sweden and the Baltics, Baastad says.

The winter in Norway this year has been extraordinary cold, with long periods of low temperatures in many regions. This resulted in significantly higher freeze and fire claims for property insurance in the first quarter, compared with the first quarter last year, when weather conditions were favourable. The increase in weather related claims in Norway is estimated at approximately NOK 316 million, or 4.5 percentage points on the loss ratio. The impact on the underlying frequency loss ratio was 3.1 percentage points.

The Covid-19 pandemic had a positive impact on the Group's claims, estimated at approximately NOK 130 million (negative 6), corresponding to 1.9 percentage points on the loss ratio. The positive effect was primarily due to less travel activity and driving. The premium growth in Denmark and the Baltics was subdued, which was related to travel insurance for both segments.

Earned premiums from general insurance increased by 6.1 per cent to NOK 6,973.2 million (6,570.6) for the period. Measured in local currency, premiums increased by 6.4 per cent. Earned premiums increased due to solid renewals and effective and differentiated pricing measures. The underwriting result declined somewhat due to the weather effects in Norway mentioned above. This resulted in a higher underlying frequency loss ratio and an increase in large losses, partly offset by higher run-off gains. Adjusted for the weather- and Covid-19 claims effects, the underlying frequency loss ratio improved by 0.7 percentage points compared with the first quarter last year, and the underwriting result increased by NOK 162 million.

The Pension segment generated a higher profit for the period, driven by higher operating and financial income.

The return on financial assets was 0.9 per cent (negative 2.5) or NOK 556.1 million (negative 1,519.3). The rise in interest rates during the quarter had a negative impact on fixed income investments with long duration, while the improved outlook for economic recovery supported returns on fixed income with

credit exposure, equities and commodities.

Highlights first quarter 2021 (first quarter 2020)

- Profit/(loss) before tax: NOK 1,597.0 million (negative 497.0)
- Earnings per share: NOK 2.68 (negative 0.96)
- Earned premiums: NOK 6,973.2 million (6,570.6)
- Underwriting result: NOK 1,040.0 million (1,057.6)
- Combined ratio: 85.1 (83.9)
- Cost ratio: 14.5 (15.0)
- Financial result: NOK 556.1 million (negative 1,519.3)

This release contains alternative performance measures (APMs). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

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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.