Gjensidige

Oslo 14 July 2021

Very solid second quarter results

Strong operations, effective pricing measures, good risk selection and stringent cost control resulted in a record high second quarter underwriting result. A strong financial result contributed to the solid result for the quarter. Gjensidige's outlook remains promising.

.Gjensidige Forsikring Group recorded a profit before tax of NOK 2,330.2 million (2,476.8) for the quarter. The profit after tax expense was NOK 1,819.2 million (1,952.1) and the corresponding earnings per share were NOK 3.64 (3.90). The profit from general insurance operations measured by the underwriting result was NOK 1,527.0 million (1,343.8), corresponding to a combined ratio of 78.7 (80.1).- We are very pleased with the strong results we continue to deliver. 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 every day, says CEO Helge Leiro Baastad. In Norway operations continue to run very well, we have good progress in our Danish operations, while the profitability in Sweden and the Baltics is not satisfactory. Going forward, we will continue to focus on growth in our markets. Together with strong and efficient operations, this is a prerequisite to continue delivering solid results and attractive returns, Baastad says.
The Covid-19 pandemic had a positive impact on the Group's claims, estimated at approximately NOK 119 million (132), corresponding to 1.7 percentage points on the loss ratio. The positive effect was primarily due to less travel activity.

Earned premiums from general insurance increased by 6.1 per cent to NOK 7,175.4 million (6,765.3) for the quarter. Measured in local currency, premiums increased by 8.6 per cent. Earned premiums increased due to solid renewals and effective and differentiated pricing measures. The underwriting result increased primarily due to premium growth. The underlying frequency loss ratio improved by 1.0 percentage points compared with the same quarter last year, driven by Private and Commercial. Adjusted for the effects of the Covid-19 claims, the underlying frequency loss ratio improved by 2.4 percentage points.

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

The return on financial assets was 1.3 per cent (1.9) or NOK 802.1 million (1,158.5). An improved outlook for economic growth, higher inflation and low and stable interest rates and credit margins drove the performance of cyclical assets such as equities, commodities and real estate during the quarter.

For the first-half year, the Group recorded a profit before tax of NOK 3,927.3 million (1,979.7). The profit from general insurance operations measured by the underwriting result was NOK 2,566.9 million (2,401.4), corresponding to a combined ratio of 81.9 (82.0). The return on financial assets was 2.3 per cent (minus 0.6) or NOK 1,358.3 million (minus 360.8). The profit after tax expense was NOK 3,159.6 million (1,472.8). Earnings per share amounted to NOK 6.32 (2.95).

The increase in the underwriting result was driven by 6.1 per cent growth in earned premiums and higher run-off gains, partly offset by higher large losses and operating expenses. Earned premiums rose 7.5 per cent in local currency. The reported underlying frequency loss ratio was broadly in line with the same period last year. Adjusted for the effects of the weather- and Covid-19 claims, the underlying frequency loss ratio improved by 1.6 percentage points.

The Pension segment recorded a higher profit due to higher operating and financial income.

The return on financial assets was 2.3 per cent (0.6) or NOK 1,358.3 million (minus 360.8).

Highlights second quarter 2021 (second quarter 2020)

- Profit/(loss) before tax: NOK 2,330.2 million (2,476.8)
- Earnings per share: NOK 3.64 (3.90)
- Earned premiums: NOK 7,175.4 million (6,765.3)
- Underwriting result: NOK 1,527.0 million (1,343.8)
- Combined ratio: 78.7 (80.1)
- Cost ratio: 14.2 (14.5)
- Financial result: NOK 802.1 million (1,158.5)

Highlights year-to-date 2021 (2020)

- Profit/(loss) before tax: NOK 3,927.3 million (1,979.7)
- Earnings per share: NOK 6.32 (2.95)
- Earned premiums: NOK 14,148.7 million (13,335.8)
- Underwriting result: NOK 2,566.9 million (2,401.4)
- Combined ratio: 81.9 (82.0)
- Cost ratio: 14.4 (14.8)
- Financial result: NOK 1,358.3 million (minus 360.8)

This release contains alternative performance measures (APMs). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 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.