

## Very solid third quarter result

**Strong operations, effective pricing measures, good risk selection and stringent cost control resulted in a record-high third-quarter underwriting result. The return on financial assets was moderate, reflecting market conditions.**

**Gjensidige's outlook remains promising. The Board has decided to distribute a special dividend of NOK 4.00 per share.**

Gjensidige Forsikring Group recorded a profit before tax of NOK 2,022.0 million (2,048.4) for the quarter. The profit after tax was NOK 1,495.1 million (1,550.6) and the corresponding earnings per share were NOK 2.99 (3.10). The profit from general insurance operations measured by the underwriting result was NOK 1,804.0 million (1,512.3), corresponding to a combined ratio of 76.0 (78.2). The main contributors to the improvement were Commercial and Denmark.

The Board has decided to distribute excess capital of NOK 2,000 million, corresponding to NOK 4.00 per share. The decision was made on the basis of the Board's authorisation to determine distribution of dividend, granted by the General Meeting on 24 March 2021. The distribution is in accordance with the current capital strategy and dividend policy. The payment of the dividend is pending approval from the Financial Supervisory Authority of Norway. Relevant key dates will be announced upon approval.

- We are very pleased with the strong results we continue to deliver. We will continue to focus on growth in our markets. Together with strong and efficient operations and dedicated employees, this is a prerequisite to delivering solid results and attractive returns, says CEO Helge Leiro Baastad.

The Covid-19 pandemic had a positive impact on the Group's claims, estimated at approximately NOK 64 million (41), corresponding to 0.9 percentage points (0.6) on the loss ratio. The positive effect was primarily due to less travel activity.

Earned premiums from general insurance increased by 8.2 per cent to NOK 7,516.1 million (6,949.0) in the quarter. Measured in local currency, premiums increased by 9.1 per cent. Earned premiums increased due to solid renewals and effective and differentiated pricing measures. The increase in the underwriting result was primarily due to premium growth. The underlying frequency loss ratio improved by 1.4 percentage points compared with the same quarter last year, driven by Private, Commercial, Denmark and Sweden. Adjusted for the effects of Covid-19 claims, the underlying frequency loss ratio improved by 1.6 percentage points.

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

The return on financial assets was 0.3 per cent (0.9) or NOK 207.5 million (550.6). Moderation of expectations for economic growth and somewhat increased expectations for inflation resulted in mixed returns for the different asset classes. Returns on cyclical assets such as equities were tempered, although there was dispersion across the markets. Real estate and credit performed well.

Year-to-date, the Group recorded a profit before tax of NOK 5,949.3 million (4,028.1). The profit from general insurance operations measured by the underwriting result was NOK 4,370.9 million (3,913.8), corresponding to a combined ratio of 79.8 (80.7). The profit after tax expense was NOK 4,654.7 million (3,023.4). Earnings per share amounted to NOK 9.31 (6.05). The increase in the underwriting result was driven by 6.8 per cent growth in earned premiums and higher run-off gains, partly offset by higher large losses. Earned premiums rose 8.1 per cent measured in local currency. The reported underlying frequency loss ratio improved somewhat compared 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 2.6 per cent (0.3) or NOK 1,565.7 million (189.8). The rise in interest rates year-to-date had a negative impact on fixed income investments with long duration. At the same time, lower credit margins contributed positively. There were also some positive effects from higher inflation (lower real rates) in the fixed income portfolio. Net of these changes gave a modest positive return on fixed income securities for the period. An improved outlook for economic recovery supported returns on fixed income securities with credit exposure, equities, commodities and real estate.

#### **Highlights third quarter 2021 (third quarter 2020)**

- Profit/(loss) before tax: NOK 2,022.0 million (2,048.4)
- Earnings per share: NOK 2.99 (3.10)
- Earned premiums: NOK 7,516.1 million (6,949.0)
- Underwriting result: NOK 1,804.0 million (1,512.3)
- Combined ratio: 76.0 (78.2)
- Cost ratio: 13.6 (13.9)
- Financial result: NOK 207.5 million (550.6)

#### **Highlights year-to-date 2021 (2020)**

- Profit/(loss) before tax: NOK 5,949.3 million (4,028.1)
- Earnings per share: NOK 9.31 (6.05)
- Earned premiums: NOK 21,664.8 million (20,284.8)
- Underwriting result: NOK 4,370.9 million (3,913.8)
- Combined ratio: 79.8 (80.7)
- Cost ratio: 14.1 (14.5)
- Financial result: NOK 1,565.7 million (189.8)

#### **Declared dividend**

- Special dividend: NOK 2,000 million, corresponding to NOK 4.00 per share

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 Q3 2021.

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#### **Contactpersons, Gjensidige Forsikring ASA**

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 2020, while total assets were NOK 118 billion.