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Solid results for the fourth quarter and full year

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 the Norwegian Securities Trading Act.

Strong operations, effective pricing measures, good risk selection and stringent cost control resulted in the highest underwriting result (excluding run-off gains) and profit in the Group's history, both for the fourth quarter and the full year. The return on financial assets reflected market conditions and the appreciation in the value of the properties in Oslo Areal. Gjensidige's outlook remains promising. The Board proposes a regular dividend of NOK 7.70 per share.

Gjensidige Forsikring Group recorded a profit before tax of NOK 2,850.1 million (2,313.6) for the quarter. The profit after tax was NOK 2,486.3 million (1,930.4) and the corresponding earnings per share were NOK 4.97 (3.86). The profit was positively affected by appreciation of NOK 1.2 billion in the value of the property assets in the investment portfolio, related to Oslo Areal, in the fourth quarter. The profit from general insurance operations measured by the underwriting result was NOK 1,347.4 million (1,161.8), corresponding to a combined ratio of 82.0 (83.1).

-We are very happy to continue breaking records for our results, thanks to our solid brand, efficient operations and dedicated employees who put strong efforts in serving our customers every day, says CEO Helge Leiro Baastad. We will continue to focus on profitable growth. Together with strong and efficient operations, our strong product offering and encouraging economic prospects in our markets, this bodes well for continued solid results, Baastad says.

The Covid-19 pandemic had a positive impact on the Group's claims, estimated at approximately NOK 35 million (129), corresponding to 0.5 percentage points (1.9) on the loss ratio. The positive effect was primarily due to less travel activity.

Earned premiums from general insurance increased by 8.7 per cent to NOK 7,471.6 million (6,875.7) in the quarter. Measured in local currency, premiums increased by 11.1 per cent. Earned premiums increased due to solid renewals, effective and differentiated pricing measures and volume growth.

The increase in the underwriting result was primarily due to premium growth and lower large losses.

The underlying frequency loss ratio increased by 0.8 percentage points compared with the same quarter in 2020, driven by Private, Sweden and the Baltics. Adjusted for the effects of Covid-19 claims, the underlying frequency loss ratio improved by 0.9 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 2.5 per cent (2.0) or NOK 1,497.4 million (1,151.9). The return for the quarter was positively impacted by the appreciation in the value of the property assets in the investment portfolio, related to Oslo Areal. Strong returns on equities, including private equity, also contributed to the returns. Although actual inflation and inflation expectations rose in the quarter, interest rates moved moderately, and credit performed well.

Year-to-date the Group recorded a profit before tax of NOK 8,799.4 million (6,341.7). The profit from general insurance operations measured by the underwriting result was NOK 5,718.3 million (5,075.6), corresponding to a combined ratio of 80.4 (81.3). The profit after tax was NOK 7,141.1 million (4,953.9). Earnings per share amounted to NOK 14.28 (9.91). The increase in the underwriting result was driven by 7.3 per cent growth in earned premiums and higher run-off gains. Earned premiums rose 8.8 per cent measured in local currency. The underlying frequency loss was unchanged. Adjusted for the effects of the weather and Covid-19 claims, the underlying frequency loss ratio improved by 1.4 percentage points.

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

The return on financial assets was 5.1 per cent (2.2) or NOK 3,063.1 million (1,341.7). The rise in interest rates in 2021 had a negative impact on fixed income investments with a 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, there was a modest positive return on fixed-income securities for the year. Due to low real rates in an environment with good real growth and increasing inflation (from low levels) in the economy, equities, commodities and real estate performed well and made strong contributions to the financial result.

Highlights fourth quarter 2021 (fourth quarter 2020)

- Profit/(loss) before tax: NOK 2,850.1 million (2,313.6)
- Earnings per share: NOK 4.97 (3.86)
- Earned premiums: NOK 7,471.6 million (6,875.7)
- Underwriting result: NOK 1,347.4 million (1,161.8)
- Combined ratio: 82.0 (83.1)
- Cost ratio: 14.4 (14.7)
- Financial result: NOK 1,497.4 million (1,151.9)

Highlights year-to-date 2021 (2020)

- Profit/(loss) before tax: NOK 8,799.4 million (6,341.7)
- Earnings per share: NOK 14.28 (9.91)
- Earned premiums: NOK 29,136.4 million (27,160.5)
- Underwriting result: NOK 5,718.3 million (5,075.6)
- Combined ratio: 80.4 (81.3)
- Cost ratio: 14.2 (14.5)
- Financial result: NOK 3,063.1 million (1,341.7)

Proposed dividend

- Proposed regular dividend: NOK 3,850 million (3,700), corresponding to NOK 7.70 per share (7.40)

This release contains alternative performance measures (APMs). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q4 2021.

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Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,800 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 30 billion in 2021, while total assets were NOK 130 billion.