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## **Solid underwriting result, financial result significantly impacted by market turmoil**

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 a record high second quarter underwriting result. The investment portfolio was significantly hit by the turmoil in the financial markets. The outlook for Gjensidige's underwriting results remains good.

Gjensidige Forsikring Group recorded a profit before tax of NOK 1,138.0 million (2,330.2) for the quarter. The profit after tax was NOK 811.2 million (1,819.2) and the corresponding earnings per share were NOK 1.62 (3.64). The profit from general insurance operations measured by the underwriting result was NOK 1,747.8 million (1,527.0), corresponding to a combined ratio of 77.5 (78.7).

- We continue to deliver solid results and I am particularly pleased with the strong development of our Norwegian operations and the turnaround progress in Sweden and in the Baltics, says CEO Helge Leiro Baastad. We have a superior market position, highly efficient operations and a strong capital position. All contributing to our ability to continue paying out attractive dividends to our shareholders, Baastad says.

Earned premiums from general insurance increased by 8.3 per cent to NOK 7,773.9 million (7,175.4) in the quarter. Measured in local currency, premiums increased by 8.7 per cent. Earned premiums increased due to solid renewals, effective and differentiated pricing measures and volume growth.

Premium growth and lower large losses drove the improvement in the underwriting result. The Covid-19 pandemic did not impact the result in the second quarter. The underlying frequency loss ratio increased by 0.6 percentage points compared with the same quarter in 2021. Adjusted for the positive Covid-19 impact on claims in the second quarter 2021, the underlying frequency loss ratio declined by 1.0 percentage point, driven by Commercial, Private and Sweden.

The Pension segment generated a lower profit for the period, driven by reduced income as a result of the introduction of individual pension accounts last year.

The financial result for the quarter was minus NOK 597.7 million (plus 802.1), which corresponds to a return on total assets of minus 1.0 per cent (plus 1.3). The result for the quarter was negatively impacted by higher interest rates, a decline in the equity markets and higher credit spreads.

Year-to-date, the Group recorded a profit before tax of NOK 2,644.2 million (3,927.3). The profit from general insurance operations measured by the underwriting result was NOK 2,772.7 million (2,566.9), corresponding to a combined ratio of 81.9 (81.9). The profit after tax expense was NOK 2,129.3 million (3,159.6). Earnings per share amounted to NOK 4.26 (6.32). The profit includes a NOK 0.8 billion gain on the sale of Oslo Areal in the first quarter. The increase in the underwriting result was driven by strong growth in earned premiums and an improved underlying frequency loss ratio. Earned premiums rose 9.3 per cent measured in local currency. Adjusted for the effects of the weather and Covid-19 claims in the same period last year, the underlying frequency loss ratio improved by 0.9 percentage points.

The Pension segment recorded a lower profit due to reduced income as a result of the introduction of individual pension accounts last year.

The financial result was minus NOK 882.9 million (1,358.3), which corresponds to a return on total assets of minus 1.5 per cent (2.3). The rise in interest rates during the period in combination with an increase in credit spreads had a negative impact on returns on fixed income investments. Due to the rise in interest rates, other asset classes also generated negative returns. Commodities, Private Equity, bonds valued at amortised cost and fixed income investments with a short duration were the asset classes with positive returns in the investment portfolio during the period.

#### **Highlights second quarter 2022 (second quarter 2021)**

- Profit/(loss) before tax: NOK 1,138.0 million (2,330.2)
- Earnings per share: NOK 1.62 (3.64)
- Earned premiums: NOK 7,773.9 million (7,175.4)
- Underwriting result: NOK 1,747.8 million (1,527.0)
- Combined ratio: 77.5 (78.7)
- Cost ratio: 14.1 (14.2)
- Financial result: NOK minus 597.7 million (plus 802.1)

#### **Highlights year-to-date 2022 (2021)**

- Profit/(loss) before tax: NOK 2,644.2 million (3,927.3)
- Earnings per share: NOK 4.26 (6.32)
- Earned premiums: NOK 15,349.0 million (14,148.7)
- Underwriting result: NOK 2,772.7 million (2,566.9)
- Combined ratio: 81.9 (81.9)
- Cost ratio: 14.0 (14.4)
- Financial result: NOK minus 882.9 million (plus 1,358.3)

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 Q2 2022.

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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.