



Fourth quarter and preliminary results 2016.

A solid fourth quarter and record-strong full-year result, the Board proposes dividend of NOK 6.80 per share

The Gjensidige Group recorded a profit before tax for the quarter of NOK 1,305.8 million (1,470.6). The underwriting result was NOK 700.4 million (879.2), corresponding to a combined ratio of 87.7 (84.0). The return on financial assets was 1.0 per cent (1.1) or NOK 561.4 million (610.8). The profit after tax was NOK 1,090.4 million (1,246.7), corresponding to NOK 2.18 (2.49) per share.

-We are very satisfied with our performance throughout 2016 and with a solid finish to the year, says CEO Helge Leiro Baastad. Going forward, we will continue to secure high customer satisfaction, cost efficient operations and at the same time deliver attractive returns to our shareholders, Baastad says.

Gjensidige's Board has proposed a dividend based on the profits for the 2016 financial year of NOK 3.4 billion (3.2), corresponding to NOK 6.80 (6.40) per share (regular dividend). This comes in addition to the already distributed special dividends during 2016 totaling NOK 3.0 billion.

-Gjensidige is a dividend-company and we aim at delivering high and stable nominal dividends to our shareholders on a regular basis. In addition we will continue to distribute excess capital above the targeted capitalisation over time as special dividends. Growth, underwriting- and capital discipline as well as increased reserve releases will support earnings and dividends going forward, Baastad concludes.

The lower underwriting result in the fourth quarter 2016 compared to the fourth quarter 2015 was partly driven by a more normal weather situation and consequently more normal overall frequency claims levels. In addition, the underlying claims inflation trend is somewhat less favourable. One-offs related to restructuring and payroll tax provision had a negative effect on the underwriting result of NOK 66.9 million. A lower level of large losses and higher run-off gains contributed positively to the result development. Gjensidige Bank showed a positive profit development compared to the same period in 2015, mainly driven by portfolio growth and better returns on financial investments. Gjensidige Pensjon og Sparing recorded a higher profit due to higher volumes. The financial result in the quarter was positively impacted by good returns on the investment in SpareBank1 SR-Bank, properties and tactical allocation.

For the full year 2016 Gjensidige delivered a record-strong profit before tax of NOK 6,139.9 million (5,049.7) in 2016. The underwriting result was NOK 3,734.6 million (3,456.9), corresponding to a combined ratio of 83.4 (83.7). Adjusted for one-offs related to pension, restructuring and payroll tax, the underwriting result was NOK 3,445.0 million, on par with the record-strong result in 2015. The return on financial assets was 3.9 per cent (2.6) or NOK 2,155.1 million (1,492.4). The profit after tax was NOK 4,665.9 million (3,784.7), corresponding to NOK 9.34 (7.57) per share. The underwriting result was positively influenced by solid premium growth of 5.5 per cent compared with the year before, leading to earned premiums totalling NOK 22.4 billion (21.3). The result also reflects continued good customer and risk selection and risk pricing.

Proposed dividend

- Proposed regular dividend: NOK 3,400 million (3,200)
- Proposed regular dividend per share: NOK 6.80 (6.40)

Highlights fourth quarter 2016 (fourth quarter 2015)

- Profit/loss before tax expense: NOK 1,305.8 million (1,470.6)
- Profit per share: NOK 2.18 (2.49)
- Earned premiums: NOK 5,685.6 million (5,493.5)
- Underwriting result: NOK 700.4 million (879.2)
- Combined ratio: 87.7 (84.0)
- Cost ratio: 17.1 (16.0)
- Financial result: NOK 561.4 million (610.8)

Highlights 2016 (2015)

- Profit/loss before tax expense: NOK 6,139.9 million (5,049.7)
- Profit per share: NOK 9.34 (7.57)
- Earned premiums: NOK 22,441.9 million (21,272.0)
- Underwriting result: NOK 3,734.6 million (3,456.9)
- Combined ratio: 83.4 (83.7)
- Cost ratio: 14.2 (15.1)
- Financial result: NOK 2,155.1 million (1,492.4)

In addition to the financial statements according to IFRS, Gjensidige uses different alternative performance measures (APM) to present the business in a more relevant way for its different stakeholders. The alternative performance measures have been used consistent over time, and relevant definitions have been disclosed in the quarterly reports. Comparable figures are provided for all alternative performance measures in the quarterly reports.

This information is subject to disclosure under the Norwegian Securities Act section §5-12.

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Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,900 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer banking, pension and savings. Operating income was NOK 24 billion in 2015, while total assets were NOK 129 billion.