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Yet another year with solid growth and profitability - the Board proposes dividend of NOK 7.10 per share

The Gjensidige Forsikring Group recorded a profit before tax for the quarter of NOK 1,243.1 million (1,305.8). The underwriting result was NOK 555.4 million (700.4), corresponding to a combined ratio of 90.7 (87.7). The return on financial assets was 0.9 per cent (1.0), or NOK 489.2 million (561.4). The profit after tax expense was NOK 1,002.1 million (1,090.4), corresponding to NOK 2.01 (2.18) per share.

-We deliver a satisfactory result driven by good cost control and continued good competitiveness in a market with fierce competition, says CEO Helge Leiro Baastad. Digitalisation and innovation are major keys in our ambition to be the most customer-oriented general insurance company in the Nordic region and to strengthen our competitiveness going forward, Baastad says.

Gjensidige's Board has proposed a dividend based on the profits for the 2017 financial year of NOK 3.55 billion (3.4), corresponding to NOK 7.10 (6.80) per share.

-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 distribute excess capital over time as special dividends. Growth, underwriting- and capital discipline as well as further reserve releases will support earnings and dividends going forward, Baastad concludes.

The underwriting result was driven by 5.0 per cent growth in premiums, which was offset by a less favourable claims development. This can partly be explained by variations in winter weather. Large losses were higher than in the fourth quarter 2016, but lower than normally expected. Included in large losses were two larger natural peril events in Norway totaling NOK 199 million in claims. Run-off gains were somewhat higher than the expected level. Non-recurring costs in the amount of NOK 66.9 affected the fourth quarter 2016 underwriting result.

The Retail Bank showed an improved profit performance compared to the same quarter the year before, due to underlying positive development and the positive impact of NOK 116.6 million from the sale of an impaired unsecured lending portfolio. The Pension operation recorded a higher profit, due to a higher financial result and management income.

The financial return in the quarter was close to the level in the fourth quarter the preceding year, with good returns on equities and properties. For the full-year 2017 the Group generated a strong profit before tax of NOK 5,829.1 million (6,139.9) in 2017. The underwriting result was NOK 3,410.1 million (3,734.6), corresponding to a combined ratio of 85.4 (83.4). Adjusted for non-recurring items in 2016, the comparable full-year underwriting result in 2016 was NOK 3,445.0 million, corresponding to a combined ratio of 84.6. The return on financial assets was 3.7 per cent (3.9), or NOK 2,002.6 million (2,155.1). The profit after tax expense was NOK 4,519.3 million (4,665.9), corresponding to NOK 9.05 (9.34) per share.

Proposed dividend

- Proposed regular dividend: NOK 3,550 million (3,400)
- Proposed regular dividend per share: NOK 7.10 (6.80)

Highlights fourth quarter 2017 (fourth quarter 2016)

- Profit/loss before tax: NOK 1,243.1 million (1,305.8)
- Earnings per share: NOK 2.01 (2.18)
- Eamed premiums: NOK 5,969.5 million (5,685.6)
- Underwriting result: NOK 555.4 million (700.4)
- Combined ratio: 90.7 (87.7)
- Cost ratio: 15.8 (17.1)
- Financial result: NOK 489.2 million (561.4)

Highlights 2017 (2016)

- Profit/loss before tax: NOK 5,829.1 million (6,139.9)
- Earnings per share: NOK 9.05 (9.34)
- Eamed premiums: NOK 23,398.3 million (22,441.9)
- Underwriting result: NOK 3,410.1 million (3,734.6)
- Combined ratio: 85.4 (83.4) Cost ratio: 15.3 (14.2)
- Financial result: NOK 2,002.6 million (2,155.1)

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.

Head of Communication Øystein Thoresen Tel: 47 952 33 382

IR director Janne Merete Flessum Tel: 47 915 14 739

IR officer Anette Bolstad Tel: 47 416 77 722

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 banking, pension and savings. Operating income was NOK 27 billion in 2017, while total assets were NOK 149 billion.