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Results impacted by the harsh and long winter

Gjensidige Forsikring Group recorded a profit before tax of NOK 1,252.6 million (1,502.7) for the quarter. The profit from general insurance operations was NOK 706.8 million (972.3), corresponding to a combined ratio of 88.2 (83.3). The return on financial assets was 0.7 per cent (0.9), or NOK 370.7 million (469.9). The profit after tax was NOK 1,004.6 million (1,094.5). Earnings per share amounted to NOK 2.01 (2.19).

- Results were impacted by weather related claims and continued deterioration in motor profitability in Norway. We are very pleased to see significantly improved results outside Norway. To further strengthen our competitiveness and profitability going forward, we are putting strong efforts into digitalisation and innovation to ensure the best customer experiences in the Nordic market, CEO Helge Leiro Baastad says.

The underwriting result was driven by 2.8 per cent growth in premiums, which was offset by a significant increase in the frequency claims level for property in Norway, mainly driven by the long and harsh winter. The weather-related deviation in frequency claims for the second quarter, considering historical average levels, is estimated to ~ NOK 150-200 million. The result was also negatively impacted by the year-on-year increase in claims inflation for motor in Norway. Large losses increased but were lower than normally expected. Run-off gains were somewhat higher than the expected level. The underwriting result in the second quarter 2017 was negatively affected by a non-recurring reinstatement premium of NOK 55 million.

The Retail Bank showed an improvement in profit performance compared to the same quarter last year, due to a gain on the sale of non-performing portfolio of loans. The Pension operation recorded its best quarter ever, due to higher net operating income.

The financial return in the quarter was lower than in the same period last year, with lower contributions from bonds and current equities.

Year to date the Group recorded a profit before tax of NOK 1,979.4 million (2,867.6). The profit from general insurance operations was NOK 1,118.0 million (1,704.6), corresponding to a combined ratio of 90.6 (85.0). The return on financial assets was 1.2 per cent (1.9) or NOK 625.5 million (1,036.1). The profit after tax was NOK 1,539.1 million (2,204.6). Earnings per share amounted to NOK 3.08 (4.41).

Highlights second quarter 2018 (second quarter 2017)

- Profit/loss before tax: NOK 1,252.6 million (1,502.7)
- Earnings per share: NOK 2.01 (2.19)
- Earned premiums: NOK 5,987.2 million (5,824.7)
- Underwriting result: NOK 706.8 million (972.3)
- Combined ratio: 88.2 (83.3)
- Cost ratio: 15.2 (15.3)
- Financial result: NOK 370.7 million (469.9)

Special events:

- Dividend for 2017 was paid on 16 April 2018: NOK 3,550 million, corresponding to NOK 7.10 per share
- On 2 July 2018 Gjensidige announced the sale of 100 per cent of the shares in Gjensidige Bank ASA to Nordea.

Highlights year-to-date 2018 (year-to-date 2017)

- Profit/loss before tax: NOK 1,979.4 million (2,867.6)
- Earnings per share: NOK 3.08 (4.41)
- Earned premiums: NOK 11,853.5 million (11,372.5)
- Underwriting result: NOK 1,118.0 million (1,704.6)
- Combined ratio: 90.6 (85.0)
- Cost ratio: 15.2 (15.4)
- Financial result: NOK 625.5 million (1,036.1)

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 3,800 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.