Solid underwriting result, financial result 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 solid underwriting result. The investment portfolio was hit by the turmoil in the financial markets. The Group result was positively impacted by the remaining gain on the sale of Oslo Areal. Gjensidige's outlook remains good.

Gjensidige Forsikring Group recorded a profit before tax of NOK 1,506.2 million (1,597.0) for the quarter. The profit after tax was NOK 1,318.1 million (1,340.4) and the corresponding earnings per share were NOK 2.64 (2.68). The profit includes a NOK 0.8 billion gain on the sale of Oslo Areal. The profit from general insurance operations measured by the underwriting result was NOK 1,024.9 million (1,040.0), corresponding to a combined ratio of 86.5 (85.1).

- We are very pleased with the solid results we continue to deliver. We have set ambitious targets for the next 4 years and we are confident to deliver on them. We will continue to focus on profitable growth. Together with strong and efficient operations, our strong product offering and good prospects for non-life operations in our markets, this should bode well for continued solid results and attractive returns, says CEO Helge Leiro Baastad.

Earned premiums from general insurance increased by 8.6 per cent to NOK 7,575.1 million (6,973.2) in the quarter. Measured in local currency, premiums increased by 9.9 per cent. Earned premiums increased due to solid renewals, effective and differentiated pricing measures and volume growth.

Premium growth, an improved underlying frequency loss ratio and a lower cost ratio improved the underwriting result, but this was more than offset by above-average large losses. The Covid-19 pandemic did not impact the result in the first quarter.

The underlying frequency loss ratio improved by 1.9 percentage points compared with the same quarter in 2021, driven by Private, Commercial and Sweden. Adjusted for the positive Covid-19 impact on claims and the effect on claims of the extraordinarily cold winter in Norway in the first quarter 2021, the underlying frequency loss ratio improved 0.7 percentage points.

The Pension segment generated a higher profit for the period, driven by an increase in operating income and increased return on real estate investments.

The financial result for the quarter was minus NOK 285.1 million (positive 556.1), which corresponds to a return on total assets of minus 0.5 per cent (plus 0.9). The result for the quarter was negatively impacted by higher interest rates, a decline in the equity markets and higher credit spreads. Private equity and commodities contributed positively to the performance.

Highlights first quarter 2022 (first quarter 2021)

- Profit/(loss) before tax: NOK 1,506.2 million (1,597.0)
- Earnings per share: NOK 2.64 (2.68)
- Earned premiums: NOK 7,575.1 million (6,973.2)
- Underwriting result: NOK 1,024.9 million (1,040.0)
- Combined ratio: 86.5 (85.1)
- Cost ratio: 13.9 (14.5)
- Financial result: NOK negative 285.1 million (556.1)

This release contains alternative performance measures (APMs). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2022. This release is issued by Jon Aniksdal, Communication Manager at Gjensidige Forsikring ASA.

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Contact persons, Gjensidige Forsikring ASA:
Head of Communication, Øystein Thoresen. Tel: 47 952 33 382
Head of Investor Relations Mitra Hagen Negård. Tel: 47 957 93 631

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.