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Gjensidige Insurance Group: Best-ever underwriting performance

The Gjensidige Insurance Group recorded a profit before tax expense for the second quarter of NOK 1,640.1 million (1,747.9).

The profit from general insurance operations measured by the underwriting result was a record strong NOK 1,070.2 million, up from 951 million in the second quarter last year. For the investment portfolio, the return on financial assets was 0.9 per cent (1.3), or NOK 511.1 million (744.6). The profit after tax expense was NOK 1,195.2 million (1,304.8), corresponding to NOK 2.39 (2.61) per share.

-Gjensidige once again delivered a record-strong underwriting result. Our core business developed positively, we maintained good cost control and there were few large claims in the quarter, says CEO Helge Leiro Baastad.

The underwriting result was driven by premium growth of 2.5 per cent combined with a favourable claims development. The proportion of large losses was lower than in the same period last year and lower than what is normally expected. Run-off gains were somewhat higher than in the second quarter last year.

Profit performance improved in both Gjensidige's retail bank and the pension and savings business. The financial result was impacted by a more challenging interest rate situation and weak development of cyclical assets, including the investment in SpareBank 1 SR-Bank.

Year to date, the Group recorded a profit before tax expense of NOK 2,627.5 million (2,903.9). The profit from general insurance operations measured by the underwriting result was a record-strong NOK 1,486.7 million (1,300.1). The return on financial assets was 1.8 per cent (2.6), or NOK 1,032.0 million (1,507.0). The profit after tax expense was NOK 1,943.3 million (2,227.8), corresponding to NOK 3.89 (4.46) per share.

#### **Highlights second quarter 2015 (second quarter 2014)**

- Profit/loss before tax: NOK 1,640.1 million (1,747.9)
- Earnings per share: NOK 2.39 (2.61)
- Earned premiums: NOK 5,188.1 million (5,061.5)
- Underwriting result: NOK 1,070.2 million (951.0)
- Combined ratio: 79.4 (81.2)
- Cost ratio: 15.0 (14.9)
- Financial result: NOK 511.1 million (744.6)

#### **Highlights year-to-date 2015 (year-to-date 2014)**

- Profit/loss before tax: NOK 2,627.5 million (2,903.9)
- Earnings per share: NOK 3.89 (4.46)
- Earned premiums: NOK 10,307.3 million (9,968.8)
- Underwriting result: NOK 1,486.7 million (1,300.1)
- Combined ratio: 85.6 (87.0)
- Cost ratio: 15.0 (15.1)
- Financial result: NOK 1,032.0 million (1,507.0)
- Annualised return on equity: 18.3 per cent (18.3)

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

Head of Information 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. For nearly 200 years, we have worked passionately to secure the lives, health and assets of our customers. We have about 3,500 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 23 billion in 2014, while total assets was NOK 114 billion.