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## Fourth quarter and preliminary results 2015: Record-strong underwriting results – the Board proposes dividend of NOK 8.40 per share

Gjensidige Forsikring recorded a profit before tax expense of NOK 1,470.6 million (1,159.0) in the fourth quarter of 2015. The underwriting result in the quarter was a record-strong NOK 879.2 million (807.2), reflecting a solid growth in premiums as well as favourable claims development and efficient operations.

- We are very satisfied with our performance throughout 2015 and with the strong finish to the year, said Helge Leiro Baastad, chief executive officer. - We are particularly pleased that Gjensidige's customer satisfaction increased to a record-high level during the same period.

Gjensidige's Board of Directors has proposed a dividend of NOK 4.2 billion (3.0), corresponding to NOK 8.40 (5.90) per share, of which NOK 2.0 is related to the distribution of excess capital. Gjensidige will, given reasonable market conditions, consider issuing hybrid capital (Tier 1 compatible) to further optimise its capital structure in 2016.

The combined ratio for the fourth quarter was 84.0 (84.5). The return on financial assets was 1.1 per cent (0.7), or NOK 610.8 million (367.3). The profit after tax expense was NOK 1,246.7 million (964.1), corresponding to NOK 2.49 (1.93) per share.

The strong underwriting result in the fourth quarter was driven by growth in premiums of 5.4 per cent and a continued favourable frequency claims development. Costs relating to large losses were higher than in the fourth quarter of 2014, but slightly below what normally can be expected. Gjensidige Bank recorded a positive profit performance in the quarter compared with the corresponding period in 2014, largely as a result of higher interest income. While recording a negative result in the fourth quarter of 2014 because of a VAT payment, Pension and Savings achieved a profit in the fourth quarter of 2015. The financial result in the quarter was positively affected by a gain on the sale of 50 per cent of the real estate company Oslo Areal. High-yield bonds and equities generated a weak result in the quarter.

For the full year 2015 Gjensidige recorded a profit before tax expense of NOK 5,049.7 million (5,399.6). The underwriting result for the year was record-strong at NOK 3,456.9 million (2,862.3). The combined ratio ended at 83.7 (86.0). The return on financial assets was 2.6 per cent (4.3) in 2015, corresponding to NOK 1,492.4 million (2,426.3). The profit after tax expense was NOK 3,784.7 million (4,189.6), corresponding to NOK 7.57 (8.38) per share. The underwriting result for 2015 was positively affected by growth in premiums of 4.3 per cent and a favourable development in frequency claims combined with increased run-off gains. The result reflected continued good control of customer and risk selection as well as risk pricing.

Gjensidige Bank delivered a good profit performance throughout 2015 as a result of increased net interest income and lower financing costs. Pensions and Savings had a stable profit performance. The return on financial investments was negatively affected by a widening of credit spreads (an increase in the difference in yields between government bonds and corporate bonds) and weak stock markets.

### Proposed dividend:

- Proposed dividend: NOK 4,200 million (2,950)
- Proposed dividend per share: NOK 8.40 (5.90)
  - of which NOK 6.40 is based on the profit for 2015
  - of which NOK 2.00 is distribution of excess capital

### Highlights fourth quarter 2015 (fourth quarter 2014)

- Profit/loss before tax expense: NOK 1,470.6 million (1,159.0)
- Profit per share: NOK 2.49 (1.93)
- Earned premiums: NOK 5,493.5 million (5,214.4)
- Underwriting result: NOK 879.2 million (807.2)
- Combined ratio: 84.0 (84.5)
- Cost ratio: 16.0 (15.3)
- Financial result: NOK 610.8 million (367.3)

### Highlights 2015 (2014)

- Profit/loss before tax expense: NOK 5,049.7 million (5,399.6)
- Profit per share: NOK 7.57 (8.38)
- Earned premiums: NOK 21,272.0 million (20,386.8)
- Underwriting result: NOK 3,456.9 million (2,862.3)
- Combined ratio: 83.7 (86.0)
- Cost ratio: 15.1 (15.0)
- Financial result: NOK 1,492.4 million (2,426.3)

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 4,100 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 were NOK 114 billion.