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Third quarter 2011: Another strong quarter

Gjensidige Forsikring ASA recorded a profit before tax of NOK 773 million in the third quarter, compared with NOK 1,312 million in the same period last year. The insurance result (underwriting result) was NOK 570 million, compared with NOK 562 million in the same period 2010.

'The positive development in our general insurance operations continued as a result of sound earned premiums combined with efficient pricing of risk and good cost control,' says Helge Leiro Baastad, Chief Executive Officer.

- **The group's profit before tax expense: NOK 773 million (NOK 1,312 million in the corresponding period last year).**
- **Underwriting result for general insurance operations: NOK 570 million (NOK 562 million). Combined ratio: 87.4 (87.6)**
- **Return on financial assets: NOK 230 million (NOK 792 million)**
- **Earned premiums for general insurance operations were stable in the quarter compared with the same period last year.**
- **Operating expenses in general insurance operations showed satisfactory development in the third quarter as well. The cost ratio for the quarter was 15.2 (15.7).**

'Gjensidige has undertaken a programme for improved customer experience through increased accessibility, simpler products and new self-service solutions. Combined with optimal risk pricing, the programme is expected to increase our market strength and contribute to meeting Group's long-term financial targets,' says Mr Baastad.

For the investment portfolio, the return on financial assets was 0.4 per cent in the quarter, compared with 1.5 per cent in the same period last year, with the fixed-income portfolio giving a stable contribution. Real estate yielded a good return in the quarter, while the return on shares was negative as a result of a decline in the stock markets during the period. The financial return for the quarter included a gain of NOK 113 million on the sale of Hjelp24.

During the first nine months of 2011, the Group recorded a profit before tax of NOK 2,833 million, up from NOK 2,186 in the same period last year. The profit from general insurance operations measured by the underwriting result amounted to NOK 1,235 million per 30 September, up from 481 during the first nine months of 2010. The net return on financial assets for the investment portfolio was 3.1 per cent during the first three quarters, compared with 3.7 percent last year.

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Gjensidige Forsikring ASA is Norway's largest general insurance company with a market share of 27.9 percent in 2010. The group also offers banking, pension and saving products in Norway and general insurance in Denmark, Sweden and the Baltic countries. The company has approximately 3,200 employees, whereof 2,200 work in Norway. Operating income in 2010 was NOK 18.8 billion, while total assets constituted NOK 84 billion.