

Dear GJF-analyst,

It is time to start preparing for Gjensidige's Q321 reporting.

- **Q321 reporting date:** 20 October 2021
- **Silent period:** starts on 1 October 2021
- **Availability for responding to questions:** 30 September 2021. Please send us an email to schedule a call.

### Consensus estimates

As always, we kindly ask you to forward to us your estimates, using the attached template. To be able to return to you and publish a consistent consensus for all lines, we kindly ask you to fill in all open (light blue) cells in the sheet.

Based on suggestions from several analysts, we have introduced solvency margin estimates in the sheet. Providing we receive a sufficient number of estimates on this figure, we will publish it as part of the consensus figures.

- **Deadline for submitting your estimates to us:** 8 October 2021. In response to suggestions from several of you, we have pushed this deadline early in the quarter, in order to see whether it is possible to publish consensus earlier. We need to see whether this is possible for a sufficient number of you over a few quarters, before we change the fixed time of consensus publication (currently 2 days prior to reporting).
- **Re-distribution of consensus:** 18 October 2021. Consensus will simultaneously be published on our website together with a list of contributors.

### Some reminders

- **Covid-19 pandemic:** As communicated earlier this year, the claims impact from the pandemic is expected to be manageable and primarily related to travel insurance.
  - Covid-19 restrictions in our region have been further eased during the third quarter, resulting in the general activity gradually returning to pre-pandemic levels.
  - International travel activity by inhabitants in our region has continued to be low this quarter.
  - The impact on motor claims is dependent on usage of vehicles. You can find information on mobility i.a. here: <https://covid19.apple.com/mobility>. Motor claims are in general also impacted by other factors, including weather conditions and the development in repair cost.
  - Bear in mind that the Covid-19 pandemic had a slightly positive impact on the Group's claims in Q320, primarily related to lower travel activity. Please refer to the table below and our Q320 financial report for more details:

Estimated Covid-19 impacts							
Claims, NOK millions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Corporate Centre, gross	-222	-38	-24	-20	-305	0	0
Corporate Centre, net of reinsurance	-60	-72	-31	-22	-184	0	0
Private	39	69	49	83	240	77	57
Commercial	30	25	17	47	119	14	16
Denmark	-12	108	7	22	124	34	41
Sweden	-2	-11	-5	-4	-23	2	3
Baltics	-1	14	3	3	20	3	2
<b>Total impact on claims, net of reinsurance</b>	<b>-6</b>	<b>132</b>	<b>41</b>	<b>129</b>	<b>296</b>	<b>130</b>	<b>119</b>

- **Weather:** Due to seasonality, the summer quarters Q2 and Q3 normally have lower claims ratios than Q1 and Q4. There have been no significant natural perils events so far in the quarter. For weather statistics, see the links at the bottom of this page.
- Our communication on the **planned release of excess reserves** remains unchanged. We maintain our expectation of run-off gains of approximately NOK 250 million per quarter (approximately NOK 1 billion per year) through 2022.
- Our general expectation for **normalised large losses**, defined as losses above NOK 10 million, is approximately NOK 335 million per quarter (NOK 1.34 billion per year).
- The **Tier 1 loan issued in 2016** (Gjensidige Forsikring ASA 16/PERP FRN C Hybrid - NOK 1 billion) was redeemed on 8 September 2021. As mentioned at the Q221 results presentation on 14 July, the expected effect on the solvency ratio, based on the 30 June 2021 figures, is approximately 9 percentage points, all other things being equal.
- The **NEM and toll company** transactions are expected to be completed in Q4. As mentioned at the Q221 results presentation on 14 July, the expected effect on the solvency ratio from these transactions once completed, based on the 30 June 2021 figures, is approximately six percentage points, all other things being equal.
- Regarding **inflation**, these are the key points in our latest communication on the topic as explained at our Q221 results presentation on 14 July:
  - >90 % of our motor and property frequency claims settlements are managed through suppliers with which we have multiple year agreements, based on the best terms in the market.

- The majority of our property claims are frequency claims, with approximately 75-80 per cent of claims cost related to labour and the remaining 20-25 per cent related to materials. The terms in our contracts for property repairs are such that labour rates are fixed for one year at a time, according to a pre-defined index.
- Expected claims inflation going forward for property ~ 5 % - we have been raising prices for private property insurance in Norway well above index during the past couple of years. We expect to be able to continue with that to continue to improve profitability for this product line.
- Expected claims inflation for motor going forward ~ 4-5 % - thanks to our solid position and strong competitiveness, we are comfortable that we will be able to put through the necessary price increases for this product, in line with expected claims inflation.
- Over the past years, we have developed advanced, dynamic tariff models and robust processes to manage and stay ahead of claims inflation. Together with our deep expertise, wide channel network and significant data pool, we are able to analyse and process tariff adjustments in a matter of days. And implement pricing measures upon renewal throughout the year.
- We cannot rule out the risk of a generally high inflationary pressure, impacting more than just materials, most importantly labour costs and claims for personal injuries. This would impact the whole industry. Thanks to our strong market position and agile capabilities, we expect to continue staying ahead of and pricing at least in line with expected claims inflation.

### General information

- For information on asset classes and relevant benchmarks for our Investment portfolio, please see slide no. 36 in our Q221 interim presentation: <https://www.gjensidige.no/group/investor-relations/reports>
- Weather is one of the most important indicators for understanding the development and seasonality in our UW-results. Below are misc. sources for weather data and information in Norway. Bear in mind the complexity of several factors including duration and levels of precipitation, intra-quarter temperature variations, wind, geographical variations etc.
  - <https://www.met.no/en> and <http://met-xpprod.customer.enonic.io/publikasjoner/met-info>
  - [www.varsom.no/en](http://www.varsom.no/en)

- [www.senorge.no](http://www.senorge.no)
- Press releases from Finance Norway can be found here (in Norwegian only):  
<https://www.finansnorge.no/aktuelt/nyheter/>