

Interim Report 1st quarter 2021

Gjensidige Forsikring Group



Gjensidige

Group highlights

First quarter 2021 report

In the following, the figures in brackets indicate the amount or percentage for the corresponding period in the previous year.

First quarter

Group

- Profit/(loss) before tax expense: NOK 1,597.0 million (negative 497.0)
- Earnings per share: NOK 2.68 (negative 0.96)

General Insurance

- Earned premiums: NOK 6,973.2 million (6,570.6)
- Underwriting result: NOK 1,040.0 million (1,057.6)
- Combined ratio: 85.1 (83.9)
- Cost ratio: 14.5 (15.0)
- Financial result: NOK 556.1 million (negative 1,519.3)

Profit performance Group

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
General Insurance Private	569.3	519.9	2,757.4
General Insurance Commercial	440.0	493.8	2,096.6
General Insurance Denmark	216.0	175.9	800.5
General Insurance Sweden	2.4	20.9	76.1
General Insurance Baltics	(10.0)	5.3	67.7
Corporate Centre - costs related to owner	(91.8)	(105.0)	(331.2)
Corporate Centre - reinsurance ¹	(85.9)	(53.2)	(391.5)
Underwriting result general insurance	1,040.0	1,057.6	5,075.6
Pension	45.2	35.7	166.8
Financial result from the investment portfolio	556.1	(1,519.3)	1,341.7
Amortisation and impairment losses of excess value – intangible assets	(29.9)	(52.2)	(182.1)
Other items	(14.3)	(18.9)	(60.2)
Profit/(loss) before tax expense	1,597.0	(497.0)	6,341.7
Alternative performance measures			
Large losses ^{2,3}	293.1	195.3	955.6
Run-off gains/(losses) ²	377.7	273.5	1,122.3
Earned premiums from general insurance	6,973.2	6,570.6	27,160.5
Earned premiums changes in general insurance, local currency ²	6.4%	8.8%	7.5%
Loss ratio ²	70.6%	68.9%	66.8%
Underlying frequency loss ratio ^{2,4}	71.8%	70.0%	67.4%
Cost ratio ²	14.5%	15.0%	14.5%
Combined ratio ²	85.1%	83.9%	81.3%
SCR margin ⁵	215.1%	269.0%	198.0%

¹ Large losses in excess of NOK 30.0 million are charged to the Corporate Centre, while claims of less than NOK 30.0 million are charged to the segment in which the large losses occur. As a main rule, the Baltics segment has a retention level of EUR 0.5 million, while the Swedish segment has a retention level of NOK 10 million. Large losses allocated to the Corporate Centre amounted to NOK 119.5 million (74.1) for the year to date. Accounting items related to reinsurance are also included.

² Defined as an alternative performance measure (APM). APMS are described at www.gjensidige.no/reporting in a document named APMS Gjensidige Forsikring Group Q1 2021.

³ Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter were NOK 300.0 million.

⁴ Underlying frequency loss ratio = claims incurred etc. excluding large losses and run-off gains/(losses) divided by earned premiums

⁵ SCR margin = Ratio of total eligible own funds to meet the SCR over Solvency Capital Requirement

Solid results for the first quarter

High retention, effective pricing measures and good cost control led to a continued improvement in the underlying profitability. The first quarter reported underwriting results were materially affected by the extraordinary cold winter in Norway, but satisfactory financial results contributed to a strong return on equity for the Group. Gjensidige's outlook remains promising, supported by a robust capital position.

Group profit performance

Development during the quarter

Gjensidige Forsikring Group recorded a profit before tax expense of NOK 1,597.0 million (negative 497.0) for the period.

The income tax expense amounted to NOK 256.6 million (tax benefit 17.8), resulting in an effective tax rate of 16.1 per cent. The effective tax rate was impacted by realised and unrealised gains and losses on equity investments in the EEA.

The profit after tax expense was NOK 1,340.4 million (negative 479.2) and the corresponding earnings per share were NOK 2.68 (minus 0.96).

The profit from general insurance operations measured by the underwriting result was NOK 1,040.0 million (1,057.6), corresponding to a combined ratio of 85.1 (83.9).

The winter in Norway this year has been extraordinary cold, with long periods of low temperatures in many regions. This resulted in significantly higher freeze and fire claims for property insurance in the first quarter, compared with the first quarter last year, when weather conditions were favourable. The increase in weather related claims in Norway is estimated at approximately NOK 316 million, or 4.5 percentage points on the loss ratio. The impact on the underlying frequency loss ratio was 3.1 percentage points.

The Covid-19 pandemic had a positive impact on the Group's claims, estimated at approximately NOK 130 million (negative 6), corresponding to 1.9 percentage points on the loss ratio. The positive effect was primarily due to less travel activity and driving. The premium growth in Denmark and the Baltics was subdued, which was related to travel insurance for both segments.

Estimated Covid-19 impacts			
Claims, NOK millions	Q1 2021	Q1 2020	FY 2020
Corporate Centre, gross	0	(222)	(305)
Corporate Centre, net of reinsurance	0	(60)	(184)
Private	77	39	240
Commercial	14	30	119
Denmark	34	(12)	124
Sweden	2	(2)	(23)
Baltics	3	(1)	20
Total impact on claims, net of reinsurance	130	(6)	296

Earned premiums from general insurance increased by 6.1 per cent to NOK 6,973.2 million (6,570.6) for the period. Measured in local currency, premiums increased by 6.4 per cent. Earned premiums increased due to solid renewals and effective and differentiated pricing measures. The underwriting result declined somewhat due to the weather effects in Norway mentioned above. This resulted in a higher underlying frequency loss ratio and an increase in large losses, partly offset by higher run-off gains. Adjusted for the weather- and Covid-19 claims effects, the underlying frequency loss ratio improved by 0.7 percentage points compared with the first quarter last year, and the underwriting result increased by NOK 162 million.

Earned premiums in the Private segment increased by 6.2 per cent, which together with higher run-off gains and lower large losses resulted in a higher underwriting result. The underlying frequency loss ratio adjusted for weather and Covid-19 claims effects showed a significant improvement.

Earned premiums in the Commercial segment increased by 11.3 per cent. Higher large losses were partly offset by increased run-off gains, whereas the underlying frequency loss ratio deteriorated due to weather effects resulting in a decline in the underwriting result. The underlying frequency loss ratio adjusted for weather and Covid-19 claims effects improved.

The Danish segment recorded an increase of 1.6 per cent in earned premiums measured in local currency. The underwriting result increased due to an improved underlying frequency loss ratio and lower large losses, partly offset by lower run-off gains.

Earned premiums in the Swedish segment were up 2.2 per cent measured in local currency. The underwriting result declined due to a large loss in the commercial portfolio and higher operating expenses.

Earned premiums in the Baltic segment decreased by 6.3 per cent measured in local currency. The underwriting result decreased, due to lower earned premiums and an increase in the underlying frequency loss ratio, partly offset by lower operating expenses.

The Pension segment generated a higher profit for the period, driven by higher operating and financial income.

The return on financial assets was 0.9 per cent (negative 2.5) or NOK 556.1 million (negative 1,519.3). The rise in interest rates during the quarter had a negative impact on fixed income investments with long duration, while the improved outlook for economic recovery supported returns on fixed income with credit exposure, equities and commodities.

Equity and capital position

The Group's equity amounted to NOK 22,650.5 million (26,530.6) at the end of the period. The annualised return on equity for the quarter was 22.9 per cent (negative 7.7).

The solvency margins at the end of the quarter, including the two new loans issued in March and settled in April were:

- Approved Partial Internal Model¹: 215 per cent
- Own Partial Internal Model²: 263 per cent

¹ Regulatory approved partial internal model.

² Partial internal model with own calibration

The solvency margin as at 31 March 2021, according to the approved Partial Internal Model, excluding the two new loans, was 197 per cent.

The Group has a robust solvency position and Gjensidige believes that the Covid-19 pandemic will not have an impact on the Group's ability to continue as a going concern.

Gjensidige has an 'A' rating from Standard & Poor's.

Other

Operational targets

Gjensidige has selected a set of operational targets for 2022 to support the Group's delivery on financial targets. The operational targets are centred around digitalisation, process optimisation, automation and simplification. All together they underpin the goal of being the most customer-oriented general insurance company within the Group's geographies. Progress towards 2022 is good, with all metrics showing improvement since the targets were set in 2018.

Metric	Status Q1 2021	Target 2022
Customer satisfaction	79	>78, Group
Customer retention	90%	>90%, Norway
	79%	>85%, outside Norway
Sales effectiveness	+16%	+10%, Group
Automated tariffs	53%	100%, Group
Digital claims reporting	79%	80%, Norway
Claims straight-through processing	17%	64%, Norway
Claims cost	NOK 559 million	Reduce by NOK 500 million, Group

Customer satisfaction (CSI) shall contribute to increased customer retention. This requires good value propositions to customers, customer-friendly solutions and efficient claims settlements.

Customer retention contributes, through more relevant data and lower acquisition costs, to enhanced ability to provide our customers with valuable products and services, more correct pricing and increased competitiveness. It requires customer orientation, efficient processes and good customer solutions.

Sales efficiency measures sales for each krone invested in distribution. Increased sales efficiency requires more digital sales, more analytical CRM and an optimal channel mix.

Automated tariffs contribute to quicker updating of tariffs, resulting in more correct pricing at any time. This requires increased analytics capacity, standardisation and automation of pricing processes, and advanced business intelligence- / data warehouse capabilities.

Digital claims reporting and straight-through claims processing contribute to good customer experiences, cost efficiency and

lower carbon intensity. This requires standardisation, digital claims forms and advanced algorithms.

Claims cost reduction is based on better control of repair methods and choice of suppliers, reduced fraud and more automated processes.

Sustainable development

Gjensidige's sustainability targets focus on three areas where the Group can really make a difference: a safer society, reduced carbon intensity and socially responsible investments, which also support the Group's financial targets. For a more detailed description, see the Integrated Annual Report for 2020. Below are a few examples of recent results and operational initiatives.

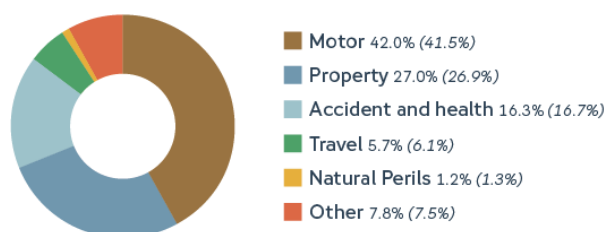
- Gjensidige has entered into an agreement with the official Nordic ecolabel The Swan, in Norway. We are the first insurance company in the Nordics to provide ecolabelling of private house reconstruction in connection with claims settlements, with focus on low carbon footprint and good indoor environment.
- Gjensidige ranked number two in the Insurance and Pension category in Norway in the Sustainable Brand Index ranking for 2021.
- Gjensidige has launched a new coverage for health insurance in the Norwegian commercial market, in collaboration with Braive. The extension includes access to an online mental treatment programme led by a psychologist.
- Gjensidige has recently renewed the sponsor agreement with the Norwegian Athletics Association, which through a number of projects will continue to target physical and mental health.
- Gjensidige has a strong focus on employees, who have shown high resilience and made tremendous efforts to maintain strong operations through the pandemic. The engagement scores have remained on a high level. Close attention is paid to the employees' well-being and the situation is monitored closely. A number of initiatives have been introduced to mitigate potential negative aspects in terms of physical and mental health conditions.
- The EU taxonomy reporting will come into force from January 2022. Gjensidige will report on sustainability metrics across three dimensions: operations, customer base and product and services. Focus is currently on transforming product design, tariffs and damage prevention initiatives to meet the criteria. The transformation will be carried out in a customer-oriented manner, and in close collaboration with academic partners.

Issue of Tier 1 and Tier 2 bonds

On 24 March, Gjensidige Forsikring ASA completed issuance of a Restricted Tier 1 bond issue and a Subordinated Tier 2 bond issue, both in the amount of NOK 1,200 million. The Restricted Tier 1 bond has a perpetual tenor with a first call for Gjensidige after 5 years and will have a floating rate coupon of 3M NIBOR + 2.25% p.a. The Subordinated Tier 2 bond has a tenor of 30 years with first call option for Gjensidige after 5.5 years and will have a floating rate coupon of 3M NIBOR + 1.10% p.a. Both issues are Solvency II compliant. The bonds were settled on 7 April 2021. The bonds will be/are listed on Euronext Oslo Børs.

Product groups Privat

Gross earned premiums year to date (same period last year)



General Insurance Private

Development during the quarter

The underwriting result increased by 9.5 per cent, mainly driven by growth in earned premiums and higher run-off gains. Lower large losses also contributed positively.

Earned premiums increased by 6.2 per cent, mainly driven by price increases for motor, property and accident and health insurance. Lower demand for travel insurance due to the Covid-19 situation resulted in slightly lower earned premiums for this product line. Gjensidige maintained a strong position in the market. Competitiveness remained good and the number of customers increased.

The loss ratio decreased by 0.8 percentage points driven by higher run-off gains and lower large losses. The underlying frequency loss ratio increased by 2.6 percentage points. The extraordinary cold winter in Norway resulted in significantly higher freeze and fire claims for property insurance compared to the first quarter last year, when the weather conditions were favourable. The increase in weather related claims are estimated at approximately NOK 136 million, or 5.7 percentage points on

the loss ratio. The impact on the underlying frequency loss ratio was 5.3 percentage points.

The Covid-19 situation had a positive impact on claims, estimated at approximately NOK 77 million (39), corresponding to 3.2 percentage points on the loss ratio. This was primarily related to low travel activity, but also less driving.

Adjusted for the effects of the weather- and Covid-19 claims, the underlying frequency loss ratio improved significantly compared with the first quarter last year, primarily driven by higher profitability for accident and health insurance.

The cost ratio was at the same level as last year.

General Insurance Private

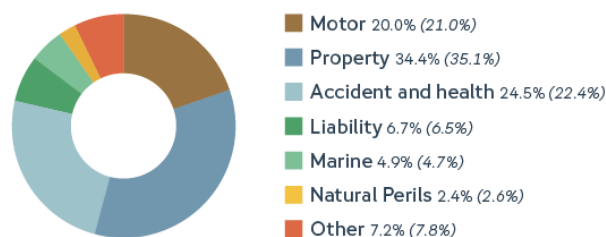
NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums	2,386.9	2,246.9	9,433.6
Claims incurred etc.	(1,501.5)	(1,430.9)	(5,450.7)
Operating expenses	(316.1)	(296.2)	(1,225.5)
Underwriting result	569.3	519.9	2,757.4
Amortisation and impairment losses of excess value – intangible assets	(6.6)	(7.3)	(29.2)
Large losses ¹	62.8	76.8	89.0
Run-off gains/(losses) ¹	181.2	113.2	438.0
Loss ratio ¹	62.9%	63.7%	57.8%
Underlying frequency loss ratio ¹	67.9%	65.3%	61.5%
Cost ratio ¹	13.2%	13.2%	13.0%
Combined ratio ¹	76.1%	76.9%	70.8%
Customer retention rate ²	89.5%	89.4%	89.5%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

² Customer retention rate is the percentage of Gjensidige's customers that have been customers during the last twelve months.

Product groups Commercial

Gross earned premiums year to date (same period last year)



General Insurance Commercial

Development during the quarter

The underwriting result decreased by 10.9 per cent, mainly driven by higher large losses and an increase in the underlying frequency loss ratio, partly offset by higher run-off gains.

Earned premiums increased by 11.3 per cent, driven by effective pricing measures, solid renewals and portfolio growth including one new large contract. All the main product lines recorded higher earned premiums.

The loss ratio increased by 4.9 percentage points, driven by a 3.6 percentage point increase in underlying frequency claims and a higher level of large losses. Run-off gains were higher than in the first quarter last year. The extraordinarily cold winter in Norway resulted in significantly higher freeze and fire claims for property insurance compared with the first quarter last year, when weather conditions were favourable. The increase in weather related claims are estimated at approximately NOK 107 million, or 4.4 percentage points on the loss ratio. The impact on the underlying frequency loss ratio was 3.6 percentage points.

The Covid-19 pandemic had a slightly positive impact on claims, estimated at approximately NOK 14 million (30), corresponding to 0.6 percentage points on the loss ratio.

Adjusted for the effects of the weather- and Covid-19 claims, the underlying frequency loss ratio improved compared with the first quarter last year, driven by higher profitability for motor insurance.

The cost ratio decreased by 0.3 percentage points, mainly reflecting a significant increase in earned premiums.

General Insurance Commercial

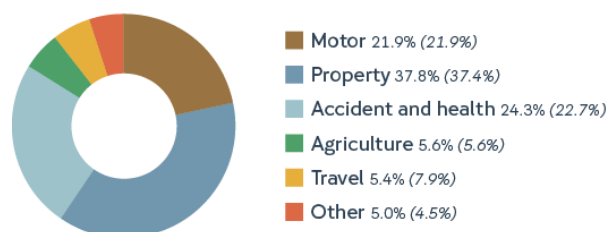
NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums	2,418.5	2,172.1	8,929.0
Claims incurred etc.	(1,740.1)	(1,456.6)	(5,943.9)
Operating expenses	(238.4)	(221.6)	(888.4)
Underwriting result	440.0	493.8	2,096.6
Large losses ¹	100.8	31.4	255.7
Run-off gains/(losses) ¹	166.4	118.7	444.4
Loss ratio ¹	71.9%	67.1%	66.6%
Underlying frequency loss ratio ¹	74.7%	71.1%	68.7%
Cost ratio ¹	9.9%	10.2%	9.9%
Combined ratio ¹	81.8%	77.3%	76.5%
Customer retention rate ²	91.5%	91.9%	91.5%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

² Customer retention rate is the percentage of Gjensidige's customers that have been customers during the last twelve months.

Product groups Denmark

Gross earned premiums year to date (same period last year)



General Insurance Denmark

Development during the quarter

The underwriting result increased by 22.8 per cent, driven by an improvement in the underlying frequency loss ratio and lower large losses, partly offset by lower run-off gains.

Earned premiums were stable. Measured in local currency, earned premiums increased by 1.6 per cent, driven by growth in most insurance products in the commercial segment. Premium growth was somewhat offset by a minor decline for the private segment. The premium growth in the commercial segment reflects both volume growth and price effects. Price increases for workers compensation have been substantial going into 2021, in response to index increases for this product. Lower demand for travel insurance and a depressed auto sales market contributed negatively to premium growth.

The loss ratio decreased by 2.7 percentage points, driven by a 3.0 percentage point decrease in the underlying frequency loss ratio and lower large losses, partly offset by lower run-off gains. The Covid-19 pandemic had a positive impact on claims, estimated at approximately NOK 34 million (negative 12), corresponding to 2.3 percentage points on the loss ratio. This was primarily related to private motor, travel and private content insurance.

The cost ratio was stable.

General Insurance Denmark

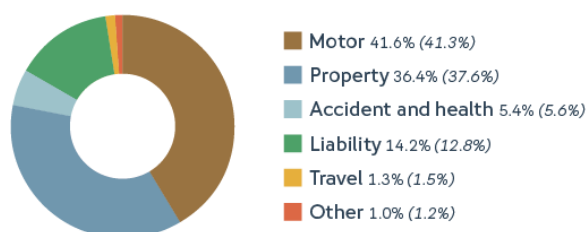
NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums	1,446.0	1,444.4	5,910.2
Claims incurred etc.	(1,018.6)	(1,056.4)	(4,250.2)
Operating expenses	(211.3)	(212.0)	(859.5)
Underwriting result	216.0	175.9	800.5
Amortisation and impairment losses of excess value – intangible assets	(3.0)	(24.8)	(69.3)
Large losses ¹		12.3	149.2
Run-off gains/(losses) ¹	17.2	34.1	128.7
Earned premiums in local currency (DKK) ¹	1,048.6	1,030.7	4,106.6
Loss ratio ¹	70.4%	73.1%	71.9%
Underlying frequency loss ratio ¹	71.6%	74.6%	71.6%
Cost ratio ¹	14.6%	14.7%	14.5%
Combined ratio ¹	85.1%	87.8%	86.5%
Customer retention rate ²	81.3%	83.1%	81.6%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

² Customer retention rate is the percentage of Gjensidige's customers that have been customers during the last twelve months.

Product groups Sweden

Gross earned premiums year to date (same period last year)



General Insurance Sweden

Development during the quarter

The underwriting result was NOK 2.4 million (20.9). The decrease in the underwriting result was mainly driven by a large loss in the commercial portfolio and higher operating expenses.

Earned premiums increased by 5.6 per cent. Measured in local currency, earned premiums increased by 2.2 per cent, mainly driven by volume growth in the commercial portfolio, but slightly offset by a volume decrease in the private portfolio.

The loss ratio increased by 3.6 percentage points, mainly driven by a large loss in the commercial portfolio. The underlying frequency loss ratio increased by 0.2 percentage points due to an increase in the commercial portfolio, slightly offset by an improvement in the private portfolio.

The cost ratio increased by 1.4 percentage points.

The Covid-19 pandemic had a slightly positive impact on the Swedish segment's claims, estimated at approximately NOK 2 million, corresponding to 0.5 percentage points on the loss ratio. This was primarily related to less travel and less use of health insurance services.

In March, Gjensidige acquired MGA Insurance Holding AB including the subsidiaries Nordeuropa Försäkring AB, Nordeuropa Liv & Hälsa AB and Nordeuropa Forsikring AS. Nordeuropa is an insurance agent with an established position in the Swedish market, providing support for further growth in the commercial market.

General Insurance Sweden

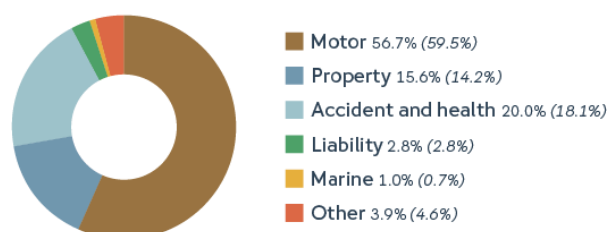
NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums	397.4	376.3	1,592.0
Claims incurred etc.	(322.1)	(291.5)	(1,209.9)
Operating expenses	(72.9)	(63.9)	(306.0)
Underwriting result	2.4	20.9	76.1
Amortisation and impairment losses of excess value – intangible assets	(16.5)	(16.2)	(67.5)
Large losses ¹	10.0		30.0
Run-off gains/(losses) ¹	10.0	12.7	62.5
Earned premiums in local currency (SEK) ¹	392.2	383.7	1,556.1
Loss ratio ¹	81.1%	77.4%	76.0%
Underlying frequency loss ratio ¹	81.0%	80.8%	78.0%
Cost ratio ¹	18.4%	17.0%	19.2%
Combined ratio ¹	99.4%	94.4%	95.2%
Customer retention rate ²	77.1%	77.3%	77.1%

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² Customer retention rate is the percentage of Gjensidige's customers that have been customers during the last twelve months.

Product groups Baltics

Gross earned premiums year to date (same period last year)



General Insurance Baltics

Development during the quarter

The underwriting result was minus NOK 10.0 million (5.3). The decrease in the underwriting result was due to lower earned premiums and an increase in the underlying frequency loss ratio, partly offset by lower operating expenses.

Earned premiums decreased by 8.2 per cent. Measured in local currency, earned premiums decreased by 6.3 per cent, mainly due to lower volume in the private travel insurance line due to the Covid-19 pandemic and lower prices for private motor insurance due to fierce competition.

The loss ratio increased by 6.1 percentage points, driven by a 12.5 per cent increase in the underlying frequency loss ratio, mainly in the motor insurance line as a result of the above-

mentioned price pressure and in the property insurance line due to increased fire and weather related claims. The Covid-19 pandemic had a positive impact on claims, estimated at approximately NOK 3 million (negative 1), corresponding to 1.1 percentage points on the loss ratio. This was related to less travel activity.

The cost ratio decreased by 0.7 percentage points, reflecting cost-saving initiatives.

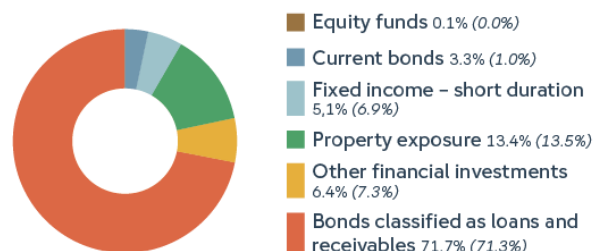
General Insurance Baltics

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums	273.7	298.2	1,175.7
Claims incurred etc.	(203.0)	(202.9)	(767.2)
Operating expenses	(80.7)	(89.9)	(340.7)
Underwriting result	(10.0)	5.3	67.7
Amortisation and impairment losses of excess value – intangible assets	(3.8)	(3.9)	(16.0)
Large losses ¹		0.5	0.5
Run-off gains/(losses) ¹	10.8	(6.8)	13.4
Earned premiums in local currency (EUR) ¹	26.7	28.5	109.6
Loss ratio ¹	74.2%	68.1%	65.3%
Underlying frequency loss ratio ¹	78.1%	65.6%	66.4%
Cost ratio ¹	29.5%	30.2%	29.0%
Combined ratio ¹	103.7%	98.2%	94.2%
Customer retention rate ²	68.3%	68.4%	68.3%

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² Customer retention rate is the percentage of Gjensidige's customers that have been customers during the last twelve months.

Asset allocation in the group policy portfolio
At the end of the period (same period last year)



Pension

Development during the quarter

The profit before tax expense increased by 26.4 per cent due to increases in both operating and financial income. The Covid-19 pandemic had an insignificant impact on the company's results in the quarter.

Administration fees rose by 5.3 per cent, primarily driven by growth in the pension capital certificate portfolio. Insurance income declined by 7.3 per cent reflecting increased reinsurance costs.

Management income rose by 17.9 per cent reflecting growth in assets under management.

Operating expenses were in line with last year.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio was NOK 6.0 million, reflecting a positive market development.

The recognised return on the paid-up policy portfolio was 1.0 per cent (negative 0.2). The average annual interest guarantee was 3.4 per cent.

Assets under management increased by 4.3 per cent, or NOK 1,837.7 million, from year-end 2020, driven by a positive market development. Total pension assets under management amounted to NOK 44,199.4 million (33,463.5) including the group policy portfolio of NOK 7,866.6 million (7,256.4).

ROE after tax was 13.0 per cent, up from 11.7 per cent last year, reflecting the higher profit.

The solvency margin reported at the end of the period was 150.5 per cent, up from 146.2 per cent in the previous quarter. The increase was due to higher interest rates.

So far, the introduction of individual pension account has not led to any significant change in market dynamics. Gjensidige Pensjonsforsikring and the rest of the industry are in the process of preparing for the transfer of policies which will start in May.

Pension

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Administration fees	40.9	38.9	158.1
Insurance income	21.3	23.0	81.3
Management income etc.	51.3	43.5	182.4
Operating expenses	(74.5)	(74.5)	(291.1)
Net operating income	39.1	30.9	130.7
Net financial income	6.0	4.8	36.0
Profit/(loss) before tax expense	45.2	35.7	166.8
Operating margin ¹	34.44%	29.31%	30.99%
Recognised return on the paid-up policy portfolio ²	1.00%	(0.22%)	3.48%
Value-adjusted return on the paid-up policy portfolio ³	1.02%	(0.73%)	2.99%
Return on equity, annualised ²	13.0%	11.7%	13.1%
SCR margin ⁴	150.5%	151.7%	146.2%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

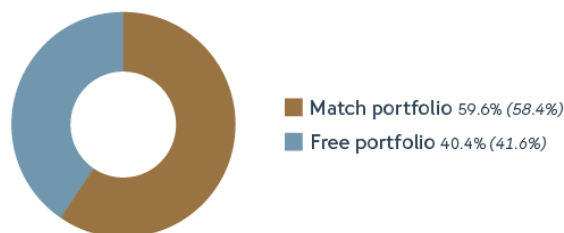
² Recognised return on the paid-up policy portfolio = realised return on the portfolio

³ Value-adjusted return on the paid-up policy portfolio = total return on the portfolio

⁴ SCR margin = Ratio of total eligible own funds to meet the SCR over Solvency Capital Requirement

Portfolio split

At the end of the period (same period last year)



Management of financial assets and properties

The Group's investment portfolio includes all investment funds in the Group, except for investment funds in the Pension segment. The investment portfolio is split into two parts: a match portfolio and a free portfolio. The match portfolio is intended to correspond to the Group's technical provisions. It is invested in fixed-income instruments that match the duration and currency of the technical provisions. The free portfolio consists of various assets. The allocation of assets in this portfolio must be seen in conjunction with the Group's capitalisation and risk capacity, as well as the Group's risk appetite at all times. Results from the use of derivatives for tactical and risk management purposes are assigned to the respective asset classes. Currency related to fixed income investments is generally hedged 100 per cent, within a permitted range of +/- 10 per cent per currency.

Currency risk related to equities can be hedged between 0 and 100 per cent.

Development during the quarter

The rise in interest rates during the quarter had a negative impact on fixed income investments with long duration, while the improved outlook for economic recovery supported returns on fixed income with credit exposure, equities and commodities.

At the end of the period, the investment portfolio totalled NOK 60.5 billion (61.9). The financial result for the period was NOK 556.1 million (negative 1,519.3), which corresponds to a return on total assets of 0.9 per cent (minus 2.5).

Financial assets and properties

NOK millions	Result 1.1.-31.3.		Carrying amount 31.3.	
	2021	2020	2021	2020
<i>Match portfolio</i>				
Fixed income - short duration ⁷	15.2	(3.5)	4,813.0	4,996.8
Bonds at amortised cost	138.6	144.4	15,506.4	14,743.9
Current bonds ¹	81.8	(480.0)	15,750.3	16,400.3
Match portfolio total	235.5	(339.2)	36,069.6	36,140.9
<i>Free portfolio</i>				
Fixed income - short duration ⁷	5.9	30.4	8,651.4	10,104.1
Other bonds ²	(94.0)	(42.4)	3,890.6	5,784.9
High yield bonds ³	2.0	(93.1)	404.3	148.7
Convertible bonds ³	12.3	(274.5)	1,850.2	853.0
Current equities ⁴	148.3	(524.2)	2,637.9	1,865.2
PE funds	174.5	(264.7)	1,273.6	1,139.8
Properties	60.8	43.7	4,629.1	4,850.1
Other ⁵	10.8	(55.3)	1,095.5	974.9
Free portfolio total	320.6	(1,180.1)	24,432.6	25,720.7
Financial result from the investment portfolio ⁶	556.1	(1,519.3)	60,502.3	61,861.7
Financial income in Pension	6.0	4.8		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(6.1)	(10.4)		
Interest expense on the lease liability	(6.4)	(8.3)		
Net income from investments	549.7	(1,533.1)		

¹ The item includes discounting effects of the insurance liabilities in Denmark and Sweden, and a mismatch between interest rate adjustments on the liability side in Denmark and the corresponding interest rate hedge. Investments include mortgage, sovereign and corporate bonds, investment grade bond funds and loan funds containing secured debt.

² The item includes investment grade and current bonds. Investment grade and emerging market bonds are investments in internationally diversified funds that are externally managed.

³ Investments in internationally diversified funds that are externally managed.

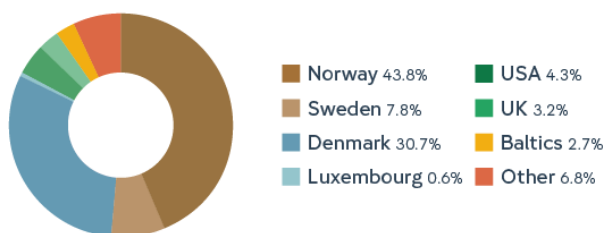
⁴ Investments mainly in internationally diversified funds that are externally managed. The equity risk exposure is reduced by NOK 262.2 million due to derivatives.

⁵ The item includes currency hedging related to Gjensidige Sweden, Denmark and Baltics, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from a total return swap with Gjensidige Pensjonskasse, hedge funds, commodities and finance-related expenses.

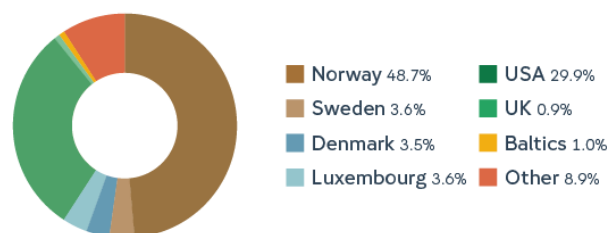
⁶ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

⁷ The content of these items is identical as the previous items named Money market. The name change is related to the expected entrance of EU regulation 2017/1131 on money market funds into Norwegian law early 2021. The regulation involves a strict definition of money market instruments and, although concerning funds, is expected to restrict what one can label "Money market".

Geographic distribution match portfolio At the end of the period



Geographic distribution fixed income instruments in free portfolio At the end of the period.



Match portfolio

The match portfolio amounted to NOK 36.1 billion (36.1). The portfolio had a return of 0.6 per cent (minus 1.0) for the quarter, excluding changes in the value of bonds recognised at amortised cost. The result reflected higher interest rates and lower credit spreads during the quarter. Bonds recognised at amortised cost amounted to NOK 15.5 billion (14.7). Unrealised excess value amounted to NOK 0.7 billion (0.5) at the end of the period.

The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 2.3 per cent on average for the quarter. The running yield on the portfolio of bonds held at amortised cost was 3.4 per cent at the end of the period. The

average duration of the match portfolio was 3.4 years. The average term to maturity for the corresponding insurance liabilities was 3.8 years.

The distribution of counterparty risk and credit rating is shown in the charts on page 13. Securities without an official credit rating amounted to NOK 7.2 billion (7.8). Of these securities, 11.9 per cent (5.0) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies, industry and municipalities. Bonds with a coupon linked to the development of the Norwegian consumer price index accounted for 4.0 per cent (2.3) of the match portfolio. The geographical distribution³ of the match portfolio is shown in the chart above.

³ The geographical distribution is related to issuers and does not reflect actual currency exposure.

Return per asset class

Per cent	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
<i>Match portfolio</i>			
Fixed income - short duration ⁷	0.3	(0.1)	1.9
Bonds at amortised cost	0.9	1.0	3.6
Current bonds ¹	0.5	(3.1)	(1.3)
Match portfolio total	0.6	(1.0)	1.2
<i>Free portfolio</i>			
Fixed income - short duration ⁷	0.1	0.4	0.9
Other bonds ²	(2.0)	(0.9)	7.6
High yield bonds ³	0.5	(15.2)	(7.5)
Convertible bonds ⁴	0.7	(16.5)	11.6
Current equities ⁴	5.8	(19.3)	0.6
PE funds	14.4	(21.5)	(7.7)
Properties	1.2	0.9	7.8
Other ⁵	0.8	(3.9)	(2.4)
Free portfolio total	1.3	(4.6)	3.6
Return on investment portfolio ⁶	0.9	(2.5)	2.2

¹ The item includes discounting effects of the insurance liabilities in Denmark and Sweden, and a mismatch between interest rate adjustments on the liability side in Denmark and the corresponding interest rate hedge. Investments include mortgage, sovereign and corporate bonds, investment grade bond funds and loan funds containing secured debt.

² The item includes investment grade and current bonds. Investment grade and emerging market bonds are investments in internationally diversified funds that are externally managed.

³ Investments in internationally diversified funds that are externally managed.

⁴ Investments mainly in internationally diversified funds that are externally managed. The equity risk exposure is reduced by NOK 262.2 million due to derivatives.

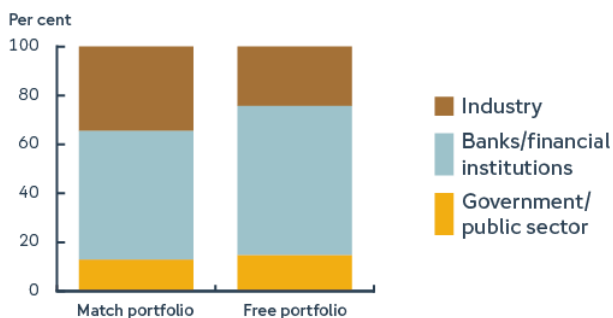
⁵ The item includes currency hedging related to Gjensidige Sweden, Denmark and Baltics, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from a total return swap with Gjensidige Pensjonskasse, hedge funds, commodities and finance-related expenses.

⁶ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2021.

⁷ The content of these items is identical as the previous items named Money market. The name change is related to the expected entrance of EU regulation 2017/1131 on money market funds into Norwegian law early 2021. The regulation involves a strict definition of money market instruments and, although concerning funds, is expected to restrict what one can label "Money market".

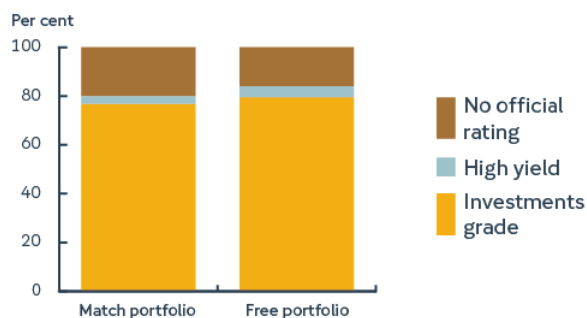
Counterparty risk fixed income instruments

At the end of the period



Credit rating fixed income instruments

At the end of the period



Free portfolio

The free portfolio amounted to NOK 24.4 billion (25.7) at the end of the period. The return was 1.3 per cent (minus 4.6), reflecting market developments, with higher interest rates, lower credit spreads and strong equity markets.

Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 14.8 billion (16.9), of which fixed income – short duration investments accounted for NOK 8.7 billion (10.1). The rest of the portfolio was invested in Norwegian government bonds and international bonds (investment grade, high yield and convertible bonds). The total return on fixed income in the free portfolio was negative 0.5 per cent in the quarter (minus 2.4).

At the end of the period, the average duration in the portfolio was approximately 3.1 years. The distribution of counterparty risk and credit rating is shown in the charts on this page. Securities without an official credit rating amounted to NOK 2.4 billion (1.9). Of these securities, 8.7 per cent (16.6) were issued by Norwegian savings banks, while the remainder were mostly issued by industry and municipalities. The geographical distribution⁴ of the fixed-income instruments in the free portfolio is shown in the chart above.

Equity portfolio

The total equity holding at the end of the period was NOK 3.9 billion (3.0), of which NOK 2.6 billion (1.9) consisted of current equities and NOK 1.3 billion (1.1) of PE funds. The return on current equities was 5.8 per cent (minus 19.3). PE funds yielded a return of 14.4 per cent (minus 21.5).

Property portfolio

At the end of the period, the exposure to commercial real estate in the portfolio was NOK 4.6 billion (4.9). The property portfolio had a return of 1.2 per cent (0.9) for the quarter.

Organisation

The Group had a total of 3,683 employees at the end of the first quarter, compared with 3,655 at the end of last year.

The composition of the Group's employees was as follows: 1,908 (1,896) in general insurance operations in Norway, 91 (87) in Gjensidige Pensjonsforsikring, 736 (742) in Denmark, 269 (248) in Sweden and 679 (682) in the Baltic states (excluding agents). The increase in Sweden and Norway is mainly due to the acquisition of MGA Insurance Holding. The figures in brackets refer to the number of employees at the end of last year.

⁴ The geographical distribution is related to issuers and does not reflect actual currency exposure.

Events after the balance sheet date

No significant events have occurred after the end of the period.

Strategy and outlook

Gjensidige's ambition is to become the most customer-oriented general insurance company in the Nordic region. The Group's priority is to retain its strong and unique position in Norway and to continue improving its profitability outside Norway. Furthermore, the Group will focus on ensuring continued capital discipline, including delivering attractive returns to shareholders. A fundamental prerequisite for long term value creation is sustainable choices and solutions. The top three priorities are contributing to a safer society, reduced CO₂ emissions and responsible investments.

Geopolitical uncertainty, low interest rates and financial challenges in several key economies reflect an uncertain economic situation. As in the rest of the world, the pandemic has had a significant impact on the economies in Gjensidige's markets. However, there has been a strong rebound, particularly in the Nordics, thanks to large stimulus packages and gradual easing of restrictions. Although there is still considerable uncertainty, the forecast for economic activity in Gjensidige's markets is encouraging. The risk of pressure on insurance volumes in the wake of the pandemic is thus lower than initially expected.

Organic growth is expected to be in line with nominal GDP growth in Gjensidige's market areas in the Nordic and Baltic countries over time. On the Group level, near term growth is expected to be higher. In addition, profitable growth will be achieved by pursuing a disciplined acquisition strategy, as has been done successfully in the past.

The Covid-19 pandemic outbreak had a significant impact on the financial result in the first quarter of 2020, while the impact on Gjensidige's insurance operations so far has been slightly positive, reflecting lower activity. In general, although restrictions and recommendations affect everyday life, we expect stable activity in our markets and claims at normal levels. However, with the ongoing travel restrictions, we expect a lower level of claims for travel insurance in the near future.

In the next few years, it is expected that Gjensidige's business model and the market participants will broadly stay the same. Gjensidige has different positions and preconditions for further growth and development in the different segments and

geographies. Best practices will be implemented across segments and borders where this is natural and expedient. Profitability will be prioritised over growth.

A key strategic priority in the next few years is maintaining and cultivating the direct customer relationship. Gjensidige aims to achieve greater relevance and create sales opportunities by offering customers a broader value proposition than ever before – in terms of both services and products, alone or in partnership with other providers. The goal is to become an even better and more relevant partner for customers – a problem-solver with a stronger focus on claims prevention – thereby further strengthening the customer relationship.

Continued investments in technology and data are key to reducing costs and achieving enhanced functionality and flexibility. This is necessary to enable more flexible partner integration and product modularity. The launch of next generation tariffs and CRM and investments in a new core system and IT infrastructure are important in order to succeed in becoming an analytics-driven company. This will result in better customer experiences and more efficient operations and create sufficient capacity for innovation. Gjensidige has started the process of developing and configuring its new core IT system. The investment is expected to be handled within the current cost ratio target, and will be made step-by-step, starting with Denmark.

Gjensidige has a robust investment strategy, although returns are affected by challenging market conditions.

The Group has high capital buffers in relation to internal risk models, statutory solvency requirements and its target rating. The Board considers the Group's capital situation and financial strength to be very strong.

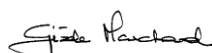
There is always considerable uncertainty associated with the assessment of future developments. However, the Board remains confident in Gjensidige's ability to deliver solid earnings- and dividend growth over time.

The Group's annual financial and solvency targets through 2022 are as follows:

- A combined ratio of between 86 and 89 per cent (undiscounted)
 - Corresponding to 90 to 93 per cent given zero run-off gains
 - Average annual run-off gains of approximately NOK 1 billion are still expected through 2022
- A cost ratio <15 per cent
- A solvency margin based on the Partial Internal Model of between 150 and 200 per cent
 - To support an 'A' rating, stable regular dividends over time, financial flexibility for smaller acquisitions and organic growth not financed through retained earnings, as well as providing a buffer for regulatory changes.
- Return on equity after tax > 20 per cent
 - Corresponding to > 16 per cent excluding run-off gains

These are financial targets and should not be regarded as guidance for any specific quarter or year. Unexpected circumstances relating to the weather, the proportion of large losses and run-off gains or losses could contribute to a combined ratio that is above or below the annual target range.

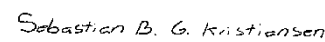
Oslo, 21 April 2021
The Board of Gjensidige Forsikring ASA


Gisele Marchand
Chair of the Board


Eivind Elnan
Board member


Ellen Kristin Enger
Board member


Vibeke Krag
Board member


Sebastian B.G. Kristiansen
Board member


Tor Magne Lønnum
Board member


Hilde M. Nafstad
Board member


Ruben Pettersen
Board member


Terje Seljeseth
Board member


Gunnar Robert Sellæg
Board member


Helge Leiro Baastad
CEO

Consolidated income statement

NOK millions	Notes	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Operating income				
Earned premiums from general insurance	4	6,973.2	6,570.6	27,160.5
Earned premiums from pension		243.9	218.1	913.8
Other income including eliminations		51.7	44.0	185.6
Total operating income	3	7,268.8	6,832.7	28,259.9
Net income from investments				
Results from investments in associates and joint ventures		51.9	26.7	338.8
Interest income and dividend etc. from financial assets		169.9	279.9	1,006.4
Net changes in fair value on investments (incl. property)		(283.4)	(2,202.9)	(279.7)
Net realised gain and loss on investments		653.3	416.1	469.6
Interest expenses and expenses related to investments		(42.1)	(52.8)	(216.7)
Total net income from investments		549.7	(1,533.1)	1,318.5
Total operating income and net income from investments		7,818.6	5,299.6	29,578.4
Claims				
Claims incurred etc. from general insurance	5, 6	(4,922.1)	(4,524.2)	(18,133.5)
Claims incurred etc. from pension		(181.6)	(156.2)	(674.5)
Total claims		(5,103.8)	(4,680.4)	(18,808.0)
Operating expenses				
Operating expenses from general insurance		(1,011.1)	(988.7)	(3,951.4)
Operating expenses from pension		(74.5)	(74.5)	(291.1)
Other operating expenses		(2.3)	(0.8)	(4.1)
Amortisation and impairment losses of excess value - intangible assets		(29.9)	(52.2)	(182.1)
Total operating expenses		(1,117.8)	(1,116.2)	(4,428.7)
Total expenses		(6,221.5)	(5,796.6)	(23,236.6)
Profit/(loss) before tax expense	3	1,597.0	(497.0)	6,341.7
Tax expense		(256.6)	17.8	(1,387.8)
Profit/(loss)		1,340.4	(479.2)	4,953.9
Profit/(loss) attributable to:				
Owners of the company		1,340.4	(479.2)	4,953.8
Non-controlling interests				0.1
Total		1,340.4	(479.2)	4,953.9
Earnings per share, NOK (basic and diluted)		2.68	(0.96)	9.91

Consolidated statement of comprehensive income

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Profit/(loss)	1,340.4	(479.2)	4,953.9
Other comprehensive income			
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	100.1	(141.7)	(112.2)
Share of other comprehensive income of associates and joint ventures		(0.8)	(1.4)
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss	(25.0)	35.4	28.0
Total other comprehensive income that will not be reclassified subsequently to profit or loss	75.1	(107.0)	(85.5)
Other comprehensive income that will be reclassified subsequently to profit or loss			
Exchange differences from foreign operations	(399.0)	1,118.8	436.3
Tax on other comprehensive income that will be reclassified subsequently to profit or loss	64.0	(182.3)	(67.2)
Total other comprehensive income that will be reclassified subsequently to profit or loss	(335.0)	936.5	369.1
Total other comprehensive income	(259.9)	829.5	283.5
Comprehensive income	1,080.5	350.2	5,237.4
Comprehensive income attributable to:			
Owners of the company	1,080.5	350.2	5,237.3
Non-controlling interests			0.1
Total	1,080.5	350.2	5,237.4

Consolidated statement of financial position

NOK millions	Notes	31.3.2021	31.3.2020	31.12.2020
Assets				
Goodwill		3,650.7	4,087.8	3,773.4
Other intangible assets		1,171.3	1,161.3	1,132.4
Investments in associates and joint ventures		3,829.6	3,368.8	3,760.2
Owner-occupied and right-of-use property, plant and equipment		1,217.1	1,467.3	1,149.6
Pension assets		395.3	157.1	338.5
Financial assets				
Interest-bearing receivables from joint ventures	8	1,815.5	2,420.8	2,365.6
Financial derivatives	8	587.8	1,245.3	1,294.3
Shares and similar interests	8	6,043.7	4,530.9	5,526.1
Bonds and other securities with fixed income	8	28,619.0	30,671.5	30,968.9
Bonds held to maturity	8	114.2	245.6	151.9
Loans and receivables	8	21,305.8	19,943.0	20,934.7
Assets in life insurance with investment options	8	36,248.2	26,139.8	34,586.4
Receivables related to direct operations and reinsurance	8	9,654.8	9,310.1	7,702.7
Other assets and receivables	8	5,112.3	2,321.1	565.0
Cash and cash equivalents	8	7,172.4	8,804.9	2,861.1
Other assets				
Deferred tax assets		19.7	24.6	20.7
Reinsurers' share of insurance-related liabilities in general insurance, gross		1,210.2	1,397.3	1,062.0
Prepaid expenses and earned, not received income		92.6	101.0	118.3
Total assets		128,260.4	117,398.1	118,312.0
Equity and liabilities				
Equity				
Share capital		1,000.0	1,000.0	1,000.0
Share premium		1,430.0	1,430.0	1,430.0
Natural perils capital		2,670.7	2,688.0	2,612.9
Guarantee scheme provision		715.5	676.3	715.5
Other equity		16,833.6	20,735.7	19,525.4
Total equity attributable to owners of the company		22,649.8	26,530.0	25,283.8
Non-controlling interests		0.7	0.6	0.7
Total equity		22,650.5	26,530.6	25,284.5
Insurance liabilities				
Premium reserve in life insurance		7,553.3	7,012.6	7,364.1
Provision for unearned premiums, gross, in general insurance		16,091.4	15,401.9	11,314.5
Claims provision, gross	7	28,087.0	29,336.2	28,534.3
Other technical provisions		440.6	361.0	419.2
Financial liabilities				
Subordinated debt	8	2,695.3	1,498.5	1,498.8
Financial derivatives	8	720.5	2,419.0	767.4
Liabilities in life insurance with investment options	8	36,248.2	26,139.8	34,586.4
Other financial liabilities	8	8,995.9	3,243.3	2,777.3
Liabilities related to direct insurance and reinsurance	8	744.5	850.5	783.4
Other liabilities				
Pension liabilities		672.0	671.1	716.8
Lease liability		985.7	1,198.4	1,016.4
Other provisions		285.7	238.1	300.7
Current tax		837.5	1,349.3	1,559.9
Deferred tax liabilities		794.6	653.1	956.2
Accrued expenses and received, not earned income		457.4	494.5	432.0
Total liabilities		105,609.9	90,867.4	93,027.5
Total equity and liabilities		128,260.4	117,398.1	118,312.0

Consolidated statement of changes in equity

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differences	Re-measurement of the net defined benefit liab./asset	Other earned equity	Total equity
Equity as at 31.12.2019 attributable to owners of the company	1,000.0	0,0	1,430.0	69.5	1,002.3	565.9	(2,058.1)	24,182.1	26,191.6
Non-controlling interests as at 31.12.2019									0.6
Equity as at 31.12.2019									26,192.2
1.1.-31.12.2020									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					45.8			4,908.0	4,953.8
Total other comprehensive income				0.5		368.6	(84.1)	(1.4)	283.5
Comprehensive income				0.5	45.8	368.6	(84.1)	4,906.6	5,237.3
Transactions with owners of the company									
Own shares		0,0						(13.1)	(13.0)
Dividend								(6,124.9)	(6,124.9)
Equity-settled share-based payment transactions				13.3					13.3
Perpetual Tier 1 capital					0.6			(0.6)	
Perpetual Tier 1 capital - interest paid					(46.5)				(46.5)
Total transactions with owners of the company		0,0		13.3	(45.8)			(6,138.6)	(6,171.0)
Accounting policy change in Oslo Areal AS								25.9	25.9
Equity as at 31.12.2020 attributable to owners of the company	1,000.0	0,0	1,430.0	83.3	1,002.2	934.5	(2,142.2)	22,976.1	25,283.8
Non-controlling interests as at 31.12.2020									0.7
Equity as at 31.12.2020									25,284.5
1.1.-31.3.2021									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					10.1			1,330.3	1,340.4
Total other comprehensive income				(0.5)		(334.5)	75.1		(259.9)
Comprehensive income				(0.5)	10.1	(334.5)	75.1	1,330.3	1,080.5
Transactions with owners of the company									
Own shares		0,0						(6.3)	(6.3)
Dividend								(4,899.8)	(4,899.8)
Equity-settled share-based payment transactions				4.9					4.9
Perpetual Tier 1 capital					1,196.4				1,196.4
Perpetual Tier 1 capital - interest paid					(9.9)				(9.9)
Total transactions with owners of the company		0,0		4.9	1,186.5			(4,906.0)	(3,714.6)
Equity as at 31.3.2021 attributable to owners of the company	1,000.0	0,0	1,430.0	87.7	2,198.8	600.0	(2,067.1)	19,400.4	22,649.8
Non-controlling interests as at 31.3.2021									0.7
Equity as at 31.3.2021									22,650.5
1.1.-31.3.2020									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					13.7			(492.9)	(479.2)
Total other comprehensive income				1.3		934.1	(105.1)	(0.8)	829.5
Comprehensive income				1.3	13.7	934.1	(105.1)	(493.7)	350.2
Transactions with owners of the company									
Own shares		0,0						(4.2)	(4.1)
Equity-settled share-based payment transactions				6.0					6.0
Perpetual Tier 1 capital					0.2			(0.2)	0,0
Perpetual Tier 1 capital - interest paid					(13.7)				(13.7)
Total transactions with owners of the company		0,0		6.0	(13.5)			(4.3)	(11.8)
Equity as at 31.3.2020 attributable to owners of the company	1,000.0	0,0	1,430.0	76.7	1,002.4	1,500.0	(2,163.2)	23,684.1	26,530.0
Non-controlling interests as at 31.3.2020									0.6
Equity as at 31.3.2020									26,530.6

Consolidated statement of cash flows

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Cash flow from operating activities			
Premiums paid, net of reinsurance	11,873.3	9,732.5	32,866.1
Claims paid, net of reinsurance	(4,937.0)	(4,943.0)	(18,943.3)
Net receipts/payments of premium reserve transfers	(1,431.6)	(1,463.7)	(2,804.8)
Net receipts/payments from financial assets	1,823.6	4,505.5	1,154.4
Operating expenses paid, including commissions	(962.6)	(969.6)	(3,746.1)
Taxes paid	(560.4)	(324.1)	(1,185.3)
Net other receipts/payments	3.0	(0.9)	9.8
Net cash flow from operating activities	5,808.4	6,536.8	7,350.8
Cash flow from investing activities			
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture	30.7		
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(244.5)	(227.8)	(513.2)
Net cash flow from investing activities	(213.8)	(227.8)	(513.2)
Cash flow from financing activities			
Payment of dividend	(1,170.8)		(6,124.9)
Net receipts/payments on subordinated debt incl. interest	(8.1)	(13.7)	(45.5)
Net receipts/payments on sale/acquisition of own shares	(6.3)	(4.1)	(13.0)
Repayment of lease liabilities	(51.7)	(46.9)	(194.9)
Payment of interest related to lease liabilities	(6.5)	(8.3)	(29.9)
Tier 1 interest payments	(9.9)	(13.7)	(46.5)
Net cash flow from financing activities	(1,253.3)	(86.8)	(6,454.7)
Net cash flow	4,341.3	6,222.2	383.0
Cash and cash equivalents at the start of the period	2,861.1	2,419.5	2,419.5
Net cash flow	4,341.3	6,222.2	383.0
Effect of exchange rate changes on cash and cash equivalents	(30.1)	163.2	58.6
Cash and cash equivalents at the end of the period	7,172.4	8,804.9	2,861.1
Specification of cash and cash equivalents			
Cash and deposits with credit institutions	7,172.4	8,804.9	2,861.1
Total cash and cash equivalents	7,172.4	8,804.9	2,861.1

Notes

1. Accounting policies

The consolidated financial statements as of the first quarter of 2021, concluded on 31 March 2021, comprise Gjensidige Forsikring ASA and its subsidiaries (collectively referred to as the Group) and the Group's holdings in associated companies. Except for the changes described below, the accounting policies applied in the interim report is the same as those used in the annual report for 2020.

The consolidated financial statements as of the first quarter of 2021 have been prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. The interim report does not include all the information required in a complete annual report and should be read in conjunction with the annual report for 2020.

New standards and interpretations not yet adopted

A number of new standards, changes to standards and interpretations have been issued for financial years beginning after 1 January 2021. They have not been applied when preparing these consolidated financial statements. Those that may be relevant to Gjensidige are mentioned below. Gjensidige does not plan early implementation of these standards.

IFRS 9 Financial instruments (2014) in the insurance operations

IFRS 9 addresses the accounting for financial instruments and is effective for annual periods beginning on or after 1 January 2018. The standard introduces new requirements for the classification and measurement of financial assets, including a new expected loss model for the recognition of impairment losses, and changed requirements for hedge accounting.

IFRS 9 contains three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income, and fair value through profit or loss. Financial assets will be classified either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss, depending on how they are managed and which contractual cash flow properties they have. IFRS 9 introduces a new requirement regarding financial liabilities earmarked at fair value where changes in fair value that can be attributed to the liabilities' credit risk are presented in other comprehensive income rather than over profit or loss.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (2016)

The amendments to IFRS 4 permit entities that predominantly undertake insurance activities the option to defer the effective date of IFRS 9 until 1 January 2021. The effect of such a deferral is that the entities concerned may continue to report under the existing standard, IAS 39 Financial Instruments. In addition, the insurance sector of a financial conglomerate is allowed to defer the application of IFRS 9 until 1 January 2021, where all of the following conditions are met:

- no financial instruments are transferred between the insurance sector and any other sector of the financial conglomerate other than financial instruments that are measured at fair value with changes in fair value

recognised through the profit of loss account by both sectors involved in such transfers;

- the financial conglomerate states in the consolidated financial statements which insurance entities in the group are applying IAS 39;
- disclosures requested by IFRS 7 are provided separately for the insurance sector applying IAS 39 and for the rest of the group applying IFRS 9.

Gjensidige is a financial conglomerate which primarily operates insurance business and has therefore decided to make use of this exception. The IFRS 9 will be effective 1 January 2023, at the same date as IFRS 17.

IFRS 17 Insurance Contracts (2017)

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. IFRS 17 is a complex standard that includes some fundamental differences to current accounting for liability measurement and profit recognition. Insurance contracts will be recognised at a risk-adjusted present value of the future cash flows plus an amount representing the unearned profit in the group of contracts (the contractual service margin). If a group of contracts is or become loss-making, the loss will be recognised immediately. Insurance revenue, insurance service expenses and insurance finance income or expenses will be presented separately. IFRS 17 is effective from 1 January 2023. The standard is expected to have an effect on the group's financial statements, significantly changing the measurement and presentation of income and expenses.

Based on our preliminary assessments and based on Gjensidige's current operations, other amendments to standards and interpretation statements will not have a significant effect.

The preparation of interim accounts involves the application of assessments, estimates and assumptions that affect the use of accounting policies and the amounts recognised for assets and liabilities, revenues and expenses. The actual results may deviate from these estimates. The most material assessments involved in applying the Group's accounting policies and the most important sources of uncertainty in the estimates are the same regarding preparing the interim report as in the annual report for 2019.

Comparable figures are based on IFRS. All amounts are shown in NOK millions unless otherwise indicated. Due to rounding-off differences, figures and percentages may not exactly add up to the exact total figures.

Notes are presented on a Group level. Separate notes for Gjensidige Forsikring ASA (GF ASA) are not presented as GF ASA is the material part of the Group and therefore the notes for the Group give a sufficient presentation of both the Group and GF ASA.

A complete or limited audit of the interim report has not been carried out.

2. Seasonal variations

For some insurance products, seasonal premiums are used. This is because the incidence of claims is not evenly distributed throughout the year but follows a stable seasonal pattern. Normally, premium income (earned premiums) is accrued evenly over the period of insurance, but for products with a seasonal pattern, premium income must also be allocated according to the incidence of claims. Gjensidige Forsikring has a seasonal premium for the following products: pleasure craft, snowmobiles and motorcycles. For example, for motorcycles, earned premiums for the period from April to September amount to a full 85 per cent of the annual premiums.

Another consequence of a seasonal premium is that if the customer cancels the insurance contract before the renewal date, only the portion of the seasonal premium is refunded for which the Company did not bear any risk. For motorcycle insurance taken out on 1 April, but cancelled on 1 October, the policyholder will only be refunded 15 per cent of the annual premium, even though the insurance was in effect only for six months.

3. Segment information

The group has six reportable segments, as described below, which offers different products and services within different geographical areas. The Group's reportable segments are identified based on the Group's internal reporting. The Group CEO holds regular meetings with its reporting managers for the different segments, concerning performance management, which focuses on future measures to ensure performance and deliveries.

General insurance is the Group's core activity. General insurance is divided into five segments, mainly based on the customer's geographical placement. Other operational segments deliver products and services mainly to customers in Norway.

	Segment income ²		Claims		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
1.1.-31.3.										
NOK millions	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
General Insurance Private	2,386.9	2,246.9	(1,501.5)	(1,430.9)	(316.1)	(296.2)			569.3	519.9
General Insurance Commercial	2,418.5	2,172.1	(1,740.1)	(1,456.6)	(238.4)	(221.6)			440.0	493.8
General Insurance Denmark	1,446.0	1,444.4	(1,018.6)	(1,056.4)	(211.3)	(212.0)			216.0	175.9
General Insurance Sweden	397.4	376.3	(322.1)	(291.5)	(72.9)	(63.9)			2.4	20.9
General Insurance Baltics	273.7	298.2	(203.0)	(202.9)	(80.7)	(89.9)			(10.0)	5.3
Pension	295.2	261.6	(181.6)	(156.2)	(74.5)	(74.5)	6.0	4.8	45.2	35.7
Eliminations etc. ¹	51.2	33.2	(136.7)	(85.9)	(123.9)	(158.0)	543.7	(1,537.9)	334.2	(1,748.6)
Total	7,268.8	6,832.7	(5,103.8)	(4,680.4)	(1,117.8)	(1,116.2)	549.7	(1,533.1)	1,597.0	(497.0)

¹ Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment, and large losses of NOK 119.5 million (74.1) for the year to date. Interest on subordinated debt is included in Net income from investments.

² There is no significant income between the segments at this level in 2021 and 2020.

4. Earned premiums from general insurance

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums, gross	7,107.3	6,715.8	27,797.9
Ceded reinsurance premiums	(134.0)	(145.2)	(637.4)
Total earned premiums, net of reinsurance	6,973.2	6,570.6	27,160.5

5. Claims incurred etc. from general insurance

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Gross claims	(4,849.8)	(4,729.8)	(18,521.3)
Claims, reinsurers' share	(72.3)	205.6	387.8
Total claims incurred etc. from general insurance	(4,922.1)	(4,524.2)	(18,133.5)

6. Run-off gains/(losses) from general insurance

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Earned premiums from general insurance	6,973.2	6,570.6	27,160.5
Run-off gains/(losses) for the period, net of reinsurance ¹	377.7	273.5	1,122.3
In per cent of earned premiums from general insurance	5.4	4.2	4.1

¹ Run-off gains/(losses) from general insurance includes run-off from the general insurance segments in addition to run-off on Corporate Centre/reinsurance.

7. Claims provision, gross from general insurance

NOK millions	31.3.2021	31.3.2020	31.12.2020
Claims provision, gross, as at 1 January	28,534.3	28,164.8	28,164.8
Claims for the year	5,302.6	4,973.8	19,583.1
Claims incurred in prior years, gross	(451.0)	(245.4)	(1,076.3)
Claims paid	(4,689.4)	(5,020.6)	(19,027.9)
Discounting of claims provisions	4.3	4.3	10.9
Change in discounting and inflation rate	(136.7)	(90.4)	165.2
Exchange differences	(477.2)	1,549.8	714.6
Claims provision, gross, at the end of the period	28,087.0	29,336.2	28,534.3
Discounted claims provision, gross - annuities	6,383.0	6,664.0	6,561.3
Nominal claims provision, gross - annuities	6,046.0	6,858.4	6,469.6

The claims provisions shall cover future claims payments. The claims provisions for insurances with annuity payments are converted to present value (discounted), whereas other provisions are undiscounted.

The reason why the claims provisions for annuities are discounted is due to very long cash flows and substantial future interest income. The claims for workers' compensation in Denmark are paid either as annuities or as lump-sum indemnities (which are calculated mainly as discounted annuities). Therefore, it is most expedient to regard the whole

portfolio as annuities. For Swedish and Baltic bodily injuries for motor insurances are paid as lifelong annuities. The discount rate used is a swap interest rate.

Over the next two years, average annual run-off gains are expected to be around NOK 1,000 million, moving the expected reported combined ratio to the lower end of the 86-89 corridor (undiscounted).

8. Financial assets and liabilities

Fair value

Financial assets and liabilities measured at fair value are carried at the amount each asset/liability can be settled to in an orderly transaction between market participants at the measurements date at the prevailing market conditions.

Different valuation techniques and methods are used to estimate fair value depending on the type of financial instruments and to which extent they are traded in active markets. Instruments are classified in their entirety in one of three valuation levels in a hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety.

The different valuation levels and which financial assets/liabilities that are included in the respective levels are accounted for below.

Quoted prices in active markets

Quoted prices in active markets are considered the best estimate of an asset/liability's fair value. A financial asset/liability is considered valued based on quoted prices in active markets if fair value is estimated based on easily and regularly available prices and these prices represent actual and regularly occurring transactions at arm's length principle. Financial assets/liabilities valued based on quoted prices in active markets are classified as level one in the valuation hierarchy.

The following financial assets are classified as level one in the valuation hierarchy

- Listed shares
- Norwegian government/government backed bonds and other fixed income securities
- Exchange traded funds

Valuation based on observable market data

When quoted prices in active markets are not available, the fair value of financial assets/liabilities is preferably estimated based on valuation techniques which are based on observable market data.

A financial asset/liability is considered valued based on observable market data if fair value is estimated with reference to prices that are not quoted but are observable either directly (as prices) or indirectly (derived from prices).

The following financial assets/liabilities are classified as level two in the valuation hierarchy

- Currency derivatives, equity options and forward rate agreements, in which fair value is derived from the value of underlying instruments. These derivatives are valued using common valuation techniques for derivatives (option pricing models etc.).
- Equity funds, bond funds, hedge funds and combination funds, in which fair value is estimated based on the fair value of the underlying investments of the funds.
- Bonds, certificates or index bonds that are unlisted, or that are listed but where transactions are not occurring regularly. The unlisted instruments in this category are valued based on observable yield curves and estimated credit spreads where applicable.
- Listed subordinated debt where transactions are not occurring regularly.

Valuation based on non-observable market data

When neither quoted prices in active markets nor observable market data is available, the fair value of financial assets/liabilities is estimated based on valuation techniques which are based on non-observable market data.

A financial asset/liability is considered valued based on non-observable market data if fair value is estimated without being based on quoted prices in active markets or observable market data. Financial assets/liabilities valued based on non-observable market data are classified as level three in the valuation hierarchy.

The following financial assets are classified as level three in the valuation hierarchy

- Unlisted private equity investments. The private equity investments that are not organised as funds are valued using cash flow analysis, price multiples and recent market transactions. The private equity investments that are organised as funds are valued based on NAV (Net Asset Value) as reported by the administrators in accordance with IPEV guidelines (International Private Equity and Venture Capital Valuation). Because of late reporting from the funds, the NAV from the previous quarterly reporting is used in estimating fair value. The NAV is then assessed for discretionary adjustments based on objective events since the last reporting date. Objective events may be the development in underlying values of listed companies since the last reporting, changes in regulations or substantial market movements.
- Loan funds containing secured debt and real estate funds. The funds are valued based on reported NAV values as reported by the fund administrators. Because of late reporting from the funds, the NAV values from the previous quarterly reporting are used in estimating fair value.

The valuation process for financial assets classified as level three

In consultation with the Investment Performance and Risk Measurement department, the Chief Investment Officer decides which valuation models will be used when valuing financial assets classified as level three in the valuation hierarchy. The models are evaluated as required. The fair value and results of the investments and compliance with the stipulated limits are reported weekly to the Chief Financial Officer and Chief Executive Officer, and monthly to the Board.

Sensitivity financial assets level three

Shares and similar interests (mainly unlisted private equity investments, loan funds and real estate funds), as well as bonds and other fixed-income securities are included in level three in the valuation hierarchy. General market downturns or a worsening of the outlook can affect expectations of future cash flows or the applied multiples, which in turn will lead to a reduction in value of shares and similar interests. Bonds and other fixed-income securities primarily have interest rate and credit risk as a result of changes in the yield curve or losses due to unexpected default on Gjensidige's debtors. However, the sensitivity to changes in the yield curve is reduced through hedging using interest rate swaps classified as level 2.

NOK millions	Carrying amount as at 31.3.2021	Fair value as at 31.3.2021	Carrying amount as at 31.3.2020	Fair value as at 31.3.2020
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	586.2	586.2	1,245.3	1,245.3
Financial derivatives subject to hedge accounting	1.7	1.7		
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	6,043.7	6,043.7	4,530.9	4,530.9
Bonds and other fixed income securities	28,619.0	28,619.0	30,671.5	30,671.5
Shares and similar interests in life insurance with investment options	30,854.5	30,854.5	22,408.4	22,408.4
Bonds and other fixed income securities in life insurance with investment options	5,393.8	5,393.8	3,731.4	3,731.4
Loans	1.9	1.9	1.9	1.9
<i>Financial assets held to maturity</i>				
Bonds held to maturity	114.2	115.1	245.6	246.2
<i>Loans and receivables</i>				
Bonds and other fixed income securities classified as loans and receivables	21,299.1	22,234.2	19,932.7	20,658.6
Loans	1,820.3	1,820.3	2,429.3	2,429.3
Receivables related to direct operations and reinsurance	9,654.8	9,654.8	9,310.1	9,310.1
Other assets and receivables	5,112.3	5,112.3	2,321.1	2,321.1
Cash and cash equivalents	7,172.4	7,172.4	8,804.9	8,804.9
Total financial assets	116,673.7	117,609.7	105,633.0	106,359.5
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	720.5	720.5	2,419.0	2,419.0
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Liabilities in life insurance with investment options	36,248.2	36,248.2	26,139.8	26,139.8
<i>Financial liabilities at amortised cost</i>				
Subordinated debt	2,695.3	2,723.0	1,498.5	1,349.4
Other financial liabilities	8,995.9	8,995.9	3,243.3	3,243.3
Liabilities related to direct insurance and reinsurance	744.5	744.5	850.5	850.5
Total financial liabilities	49,404.5	49,432.2	34,151.1	34,002.1
Gain/(loss) not recognised in profit or loss		908.3		875.6

Valuation hierarchy 2021

The table shows a valuation hierarchy where financial assets/liabilities are divided into three levels based on the method of valuation.

NOK millions	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non- observable market data	Total
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		586.2		586.2
Financial derivatives subject to hedge accounting		1.7		1.7
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	96.8	4,593.3	1,353.6	6,043.7
Bonds and other fixed income securities	11,927.8	16,431.7	259.6	28,619.0
Shares and similar interests in life insurance with investment options		30,854.5		30,854.5
Bonds and other fixed income securities in life insurance with investment options		5,393.8		5,393.8
Loans			1.9	1.9
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	115.1			115.1
Bonds and other fixed income securities classified as loans and receivables		22,234.2		22,234.2
Loans			1,820.3	1,820.3
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		720.5		720.5
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Liabilities in life insurance with investment options		36,248.2		36,248.2
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		2,723.0		2,723.0

Valuation hierarchy 2020

The table shows a valuation hierarchy where financial assets/liabilities are divided into three levels based on the method of valuation.

NOK millions	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non- observable market data	Total
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		1,245.3		1,245.3
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	65.0	3,232.5	1,233.3	4,530.9
Bonds and other fixed income securities	15,052.8	14,856.6	762.0	30,671.5
Shares and similar interests in life insurance with investment options		22,408.4		22,408.4
Bonds and other fixed income securities in life insurance with investment options		3,731.4		3,731.4
Loans			1.9	1.9
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	246.2			246.2
Bonds and other fixed income securities classified as loans and receivables		20,658.6		20,658.6
Loans			2,429.3	2,429.3
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		2,419.0		2,419.0
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Liabilities in life insurance with investment options		26,139.8		26,139.8
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,349.4		1,349.4

Reconciliation of financial assets valued based on non-observable market data (level 3) 2021

NOK millions	As at 1.1.2021	Net realised/ unrealised gains recognised in profit or loss	Pur- chases	Sales	Settle- ments	Transfers into/out of level 3	Cur- rency effect	As at 31.3.2021	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at
									31.3.2021
Shares and similar interests	1,278.2	100.5	30.5	(55.2)			(0.3)	1,353.6	100.5
Bonds and other fixed income securities	277.9	29.4		(36.4)			(11.4)	259.6	
Loans at fair value	1.9							1.9	
Total	1,558.0	129.9	30.5	(91.6)			(11.7)	1,615.1	100.5

Reconciliation of financial assets valued based on non-observable market data (level 3) 2020

NOK millions	As at 1.1.2020	Net realised/ unrealised gains recognised in profit or loss	Pur- chases	Sales	Settle- ments	Transfers into/out of level 3	Cur- rency effect	As at 31.3.2020	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at
									31.3.2020
Shares and similar interests	1,306.3	(82.3)	24.8	(16.6)			1.1	1,233.3	(244.1)
Bonds and other fixed income securities	708.6	5.4		(66.1)			114.1	762.0	
Loans at fair value	2.2	1.6		(1.9)				1.9	1.8
Total	2,017.1	(75.3)	24.8	(84.6)			115.2	1,997.2	(242.3)

9. Contingent liabilities

NOK millions	31.3.2021	31.3.2020	31.12.2020
Guarantees and committed capital			
Committed capital, not paid	2,209.7	642.0	582.8
Credit facility Oslo Areal	2,184.5	1,579.2	1,634.4

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 2,209.7 million (642.0) in loan funds containing secured debt and various private equity and real estate funds, over and above the amounts recognised in the balance sheet.

The timing of the outflow of capital is dependent on when the funds are making capital calls from their investors. Average remaining operating time for the funds, based on fair value, is slightly less than three years (four) and slightly less than four years (five) in average including option for of extension.

Gjensidige Forsikring has granted a loan to Oslo Areal amounting to approximately NOK 1.8 billion. The loan is interest-bearing and total loan limit is NOK 4.0 billion.

Gjensidige Forsikring is liable externally for any insurance claim arising in the cooperating mutual fire insurers' fire insurance operations.

According to the agreement with Gjensidige Pensjonskasse the return, if not sufficient to cover the pension plans guaranteed interest rate, should be covered from the premium fund or through contribution from Gjensidige Forsikring.

10. Related parties

There have not been any significant transactions with related parties other than ordinary current agreements conducted at arm's length distance.

Alternative performance measures and key figures

1.1.-31.3.2021 1.1.-31.3.2020 1.1.-31.12.2020

Gjensidige Forsikring Group

Total equity attributable to owners of the company	NOK millions	22,649.8	26,530.0	25,283.8
Equity per share	NOK	45.3	53.1	50.6
Earnings per share, basic and diluted ¹	NOK	2.68	(0.96)	9.91
Return on equity, annualised ²	%	22.9	(7.7)	19.2
Return on tangible equity, annualised ²	%	29.0	(9.5)	23.9
Return on investment portfolio ²	%	0.9	(2.5)	2.2
Total eligible own funds to meet the SCR ³	NOK millions	23,721.5	26,762.4	20,977.9
Solvency Capital Requirement (SCR) ⁴	NOK millions	11,027.1	9,948.5	10,597.5
SCR margin ⁵	%	215.1	269.0	198.0

Gjensidige Forsikring ASA

Total eligible own funds to meet the SCR ³	NOK millions	23,017.8	26,390.5	20,308.6
Solvency Capital Requirement (SCR) ⁴	NOK millions	10,082.8	9,161.2	9,739.6
SCR margin ⁵	%	228.3	288.1	208.5
Issued shares, at the end of the period	Number	500,000,000	500,000,000	500,000,000

General Insurance

Gross premiums written ²

Private	NOK millions	3,177.2	2,956.9	9,807.1
Commercial	NOK millions	5,022.4	4,292.0	9,477.0
Denmark	NOK millions	2,874.5	2,723.8	6,109.0
Sweden	NOK millions	586.7	554.9	1,653.4
Baltics	NOK millions	305.2	320.5	1,209.1
Corporate Centre/reinsurance	NOK millions	101.5	114.4	114.4
Total General Insurance	NOK millions	12,067.4	10,962.5	28,370.1
Premiums, net of reinsurance ²	%	96.8	96.7	97.8

Earned premiums

Private	NOK millions	2,386.9	2,246.9	9,433.6
Commercial	NOK millions	2,418.5	2,172.1	8,929.0
Denmark	NOK millions	1,446.0	1,444.4	5,910.2
Sweden	NOK millions	397.4	376.3	1,592.0
Baltics	NOK millions	273.7	298.2	1,175.7
Corporate Centre/reinsurance	NOK millions	50.8	32.7	120.0
Total General Insurance	NOK millions	6,973.2	6,570.6	27,160.5

Loss ratio ²

Private	%	62.9	63.7	57.8
Commercial	%	71.9	67.1	66.6
Denmark	%	70.4	73.1	71.9
Sweden	%	81.1	77.4	76.0
Baltics	%	74.2	68.1	65.3
Total General Insurance	%	70.6	68.9	66.8

Underlying frequency loss ratio ²

Private	%	67.9	65.3	61.5
Commercial	%	74.7	71.1	68.7
Denmark	%	71.6	74.6	71.6
Sweden	%	81.0	80.8	78.0
Baltics	%	78.1	65.6	66.4
Total General Insurance	%	71.8	70.0	67.4

Cost ratio ²

Private	%	13.2	13.2	13.0
Commercial	%	9.9	10.2	9.9
Denmark	%	14.6	14.7	14.5
Sweden	%	18.4	17.0	19.2
Baltics	%	29.5	30.2	29.0
Total General Insurance	%	14.5	15.0	14.5

		1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Combined ratio²				
Private	%	76.1	76.9	70.8
Commercial	%	81.8	77.3	76.5
Denmark	%	85.1	87.8	86.5
Sweden	%	99.4	94.4	95.2
Baltics	%	103.7	98.2	94.2
Total General Insurance	%	85.1	83.9	81.3
Combined ratio discounted ²	%	84.4	83.7	81.0
Pension				
Assets under management pension, at the end of the period	NOK millions	44,199.4	33,463.5	42,361.7
of which the group policy portfolio	NOK millions	7,866.6	7,256.4	7,664.1
Operating margin ²	%	34.44	29.31	30.99
Recognised return on the paid-up policy portfolio ⁶	%	1.00	(0.22)	3.48
Value-adjusted return on the paid-up policy portfolio ⁷	%	1.02	(0.73)	2.99
Share of shared commercial customers ⁸	%	67.4	67.8	66.8
Return on equity, annualised ²	%	13.0	11.7	13.1
Total eligible own funds to meet the SCR ³	NOK millions	2,284.7	2,286.8	2,080.7
Solvency Capital Requirement (SCR) ⁴	NOK millions	1,518.5	1,507.2	1,423.5
SCR margin ⁵	%	150.5	151.7	146.2

¹ Earnings per share from continuing and discontinued operations, basic and diluted = the shareholders' share of the profit or loss from continuing and discontinued operations in the period/average number of outstanding shares in the period

² Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q1 2021.

³ Total eligible own funds to meet the SCR = Total eligible own funds to meet the solvency capital requirement. For the Group and Gjensidige Forsikring ASA total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio in first, second and third quarter of 80 per cent of net profit. There are no dividend adjustments for Gjensidige Pensjonsforsikring AS.

⁴ Solvency Capital Requirement (SCR) = Regulatory capital requirement. The approved partial internal model is used for the Group and for Gjensidige Forsikring ASA. The standard formula is used for Gjensidige Pensjonsforsikring AS.

⁵ SCR margin = Ratio of total eligible own funds to meet the SCR over Solvency Capital Requirement

⁶ Recognised return on the paid-up policy portfolio = realised return on the portfolio

⁷ Value-adjusted return on the paid-up policy portfolio = total return on the portfolio

⁸ Share of shared commercial customers = customers having both pension and general insurance products with Gjensidige

Quarterly earnings performance

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
NOK millions	2021	2020	2020	2020	2020	2019	2019	2019	2019
Earned premiums from general insurance	6,973.2	6,875.7	6,949.0	6,765.3	6,570.6	6,313.8	6,317.0	6,082.8	5,936.7
Other income	295.6	315.5	269.5	252.3	262.1	286.7	823.5	1,076.0	714.7
Total operating income	7,268.8	7,191.2	7,218.4	7,017.5	6,832.7	6,600.6	7,140.6	7,158.9	6,651.5
Total net income from investments	549.7	1,155.7	544.6	1,151.3	(1,533.1)	826.6	264.3	500.5	2,268.9
Total operating income and net income from investments	7,818.6	8,346.9	7,763.0	8,168.9	5,299.6	7,427.1	7,404.9	7,659.3	8,920.4
Claims incurred etc. from general insurance	(4,922.1)	(4,700.7)	(4,467.8)	(4,440.8)	(4,524.2)	(4,437.6)	(4,367.7)	(3,916.4)	(4,256.8)
Claims incurred etc. from pension	(181.6)	(206.2)	(162.3)	(149.8)	(156.2)	(156.7)	(718.5)	(974.9)	(615.6)
Total claims etc.	(5,103.8)	(4,906.9)	(4,630.1)	(4,590.6)	(4,680.4)	(4,594.3)	(5,086.3)	(4,891.4)	(4,872.4)
Operating expenses from general insurance	(1,011.1)	(1,013.3)	(968.8)	(980.6)	(988.7)	(956.6)	(888.2)	(908.7)	(881.8)
Other operating expenses	(106.6)	(113.1)	(115.8)	(120.9)	(127.5)	(147.6)	(158.8)	(136.3)	(135.5)
Total operating expenses	(1,117.8)	(1,126.4)	(1,084.5)	(1,101.6)	(1,116.2)	(1,104.3)	(1,047.0)	(1,045.0)	(1,017.3)
Total expenses	(6,221.5)	(6,033.3)	(5,714.6)	(5,692.1)	(5,796.6)	(5,698.5)	(6,133.3)	(5,936.4)	(5,889.7)
Profit/(loss) for the period before tax expense	1,597.0	2,313.6	2,048.4	2,476.8	(497.0)	1,728.6	1,271.5	1,722.9	3,030.7
Underwriting result general insurance	1,040.0	1,161.8	1,512.3	1,343.8	1,057.6	919.6	1,061.1	1,257.6	798.1

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
NOK millions	2018	2018	2018	2018	2017	2017	2017	2017	2016
Earned premiums from general insurance	6,081.2	6,118.1	5,987.2	5,866.3	5,969.5	6,056.4	5,824.7	5,547.7	5,685.6
Other income	511.7	499.2	595.0	602.8	522.9	553.6	352.2	539.1	476.5
Total operating income	6,592.9	6,617.4	6,582.1	6,469.1	6,492.3	6,610.0	6,177.0	6,086.8	6,162.1
Total net income from investments	(224.6)	429.7	370.4	254.7	487.1	475.5	471.0	568.6	541.5
Total operating income and net income from investments	6,368.3	7,047.1	6,952.5	6,723.8	6,979.5	7,085.5	6,648.0	6,655.4	6,703.6
Claims incurred etc. from general insurance	(3,268.9)	(4,591.7)	(4,371.0)	(4,559.5)	(4,468.4)	(4,013.7)	(3,961.7)	(3,957.9)	(4,013.8)
Claims incurred etc. from pension	(408.1)	(406.1)	(503.0)	(516.4)	(444.9)	(478.1)	(282.6)	(456.2)	(387.1)
Total claims etc.	(3,676.9)	(4,997.8)	(4,874.0)	(5,075.9)	(4,913.3)	(4,491.9)	(4,244.2)	(4,414.1)	(4,400.9)
Operating expenses from general insurance	(897.9)	(953.0)	(909.3)	(895.7)	(945.7)	(892.5)	(890.7)	(857.6)	(971.3)
Other operating expenses	(132.3)	(132.3)	(134.3)	(147.3)	(124.9)	(123.1)	(132.1)	(121.5)	(120.0)
Total operating expenses	(1,030.2)	(1,085.3)	(1,043.6)	(1,043.0)	(1,070.7)	(1,015.6)	(1,022.8)	(979.0)	(1,091.3)
Total expenses	(4,707.1)	(6,083.1)	(5,917.6)	(6,118.8)	(5,984.0)	(5,507.5)	(5,267.0)	(5,393.1)	(5,492.2)
Profit/(loss) for the period before tax expense	1,661.2	964.0	1,034.9	605.0	995.5	1,578.1	1,381.0	1,262.2	1,211.4
Underwriting result general insurance	1,914.4	573.4	706.8	411.2	555.4	1,150.2	972.3	732.2	700.4

Income statement

Gjensidige Forsikring ASA

NOK millions	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Premiums etc.			
Earned premiums, gross	6,826.0	6,406.6	26,608.4
Ceded reinsurance premiums	(126.4)	(134.2)	(623.6)
Total earned premiums, net of reinsurance	6,699.6	6,272.4	25,984.8
Claims			
Gross claims	(4,647.2)	(4,532.1)	(17,765.7)
Claims, reinsurers' share	(71.9)	211.0	399.4
Total claims incurred, net of reinsurance	(4,719.1)	(4,321.1)	(17,366.3)
Insurance-related operating expenses			
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(949.9)	(939.3)	(3,748.3)
Received commission for ceded reinsurance and profit share	1.8	1.2	9.8
Total insurance-related operating expenses	(948.2)	(938.0)	(3,738.5)
Technical profit/(loss)	1,032.3	1,013.3	4,880.0
Net income from investments			
Impairment losses of investments in subsidiaries, associates and joint ventures			5.6
Interest income and dividend etc. from financial assets	174.8	264.1	971.1
Changes in fair value on investments	(274.5)	(2,181.2)	(271.4)
Realised gain and loss on investments	648.6	438.1	480.6
Administration expenses related to investments, including interest expenses	(37.7)	(44.8)	(198.9)
Total net income from investments	511.2	(1,523.9)	987.1
Other income	0.5	3.7	4.9
Other expenses	(8.2)	(10.9)	(31.7)
Profit/(loss) of non-technical account	503.6	(1,531.0)	960.4
Profit/(loss) before tax expense	1,535.9	(517.8)	5,840.4
Tax expense	(250.1)	18.1	(1,350.7)
Profit/(loss) before other comprehensive income	1,285.8	(499.7)	4,489.7
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss			
Changes in estimates related to defined benefit plans	100.1	(141.7)	(109.6)
Tax on other comprehensive income that will not be reclassified to profit or loss	(25.0)	35.4	27.4
Total other comprehensive income that will not be reclassified to profit or loss	75.1	(106.3)	(82.2)
Other comprehensive income that may be reclassified to profit or loss			
Exchange differences from foreign operations	(317.5)	917.6	334.9
Tax on other comprehensive income that may be reclassified	67.3	(182.3)	(64.9)
Total other comprehensive income that may be reclassified	(250.2)	735.3	270.0
Comprehensive income	1,110.7	129.4	4,677.5

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	31.3.2021	31.3.2020	31.12.2020
Assets			
Goodwill	3,011.6	3,381.2	3,131.1
Other intangible assets	499.9	1,012.5	546.1
Total intangible assets	3,511.5	4,393.7	3,677.2
Investments			
<i>Buildings and other real estate</i>			
Owner-occupied property	28.5	28.5	28.5
Right-of-use property	808.3	990.8	831.6
<i>Subsidiaries and associates</i>			
Shares in subsidiaries	2,677.5	2,108.8	2,498.4
Shares in associates and joint ventures	1,086.9	1,086.9	1,086.9
Interest-bearing receivables on subsidiaries and joint ventures	1,820.4	2,420.8	2,365.6
<i>Financial assets measured at amortised cost</i>			
Interest-bearing securities			
Loans and receivables	15,397.0	14,506.7	15,214.1
<i>Financial assets measured at fair value</i>			
Shares and similar interests (incl. shares and similar interests measured at cost)	6,020.3	4,503.3	5,522.4
Interest-bearing securities	25,926.7	28,367.0	28,245.9
Subordinated loans	1.9	1.9	1.9
Financial derivatives	587.8	1,245.3	1,294.3
Other financial assets	111.0	111.0	111.0
Total investments	54,466.4	55,371.0	57,200.7
Reinsurers' share of insurance-related liabilities, gross			
Reinsurers' share of provision for unearned premiums, gross	291.0	276.6	39.9
Reinsurers' share of claims provision, gross	396.7	626.3	516.6
Total reinsurers' share of insurance-related liabilities, gross	687.7	902.8	556.6
Receivables			
Receivables related to direct operations	9,312.8	9,085.9	7,347.5
Receivables related to reinsurance	99.2	136.2	113.4
Receivables within the group	63.7	85.9	26.1
Other receivables	4,821.4	2,065.3	253.5
Total receivables	14,297.1	11,373.4	7,740.6
Other assets			
Plant and equipment	137.0	185.0	111.1
Cash and cash equivalents	6,620.8	7,766.8	2,365.0
Pension assets	392.9	154.6	336.1
Total other assets	7,150.7	8,106.4	2,812.1
Prepaid expenses and earned, not received income			
Other prepaid expenses and earned, not received income	74.7	74.8	97.2
Total prepaid expenses and earned, not received income	74.7	74.8	97.2
Total assets	80,188.0	80,222.1	72,084.3

NOK millions	31.3.2021	31.3.2020	31.12.2020
Equity and liabilities			
<i>Paid in equity</i>			
Share capital	1,000.0	1,000.0	1,000.0
Own shares	0,0	0,0	0,0
Share premium	1,430.0	1,430.0	1,430.0
Perpetual Tier 1 Capital	2,198.8	1,002.4	1,002.2
Other paid-in equity	85.0	74.4	80.6
Total paid-in equity	4,713.9	3,506.8	3,512.8
Retained equity			
<i>Funds etc.</i>			
Natural perils capital	2,670.7	2,688.0	2,612.9
Guarantee scheme provision	715.5	676.3	715.5
Other retained earnings	12,238.8	17,683.0	11,201.4
Total retained earnings	15,625.0	21,047.3	14,529.9
Total equity	20,338.8	24,554.1	18,042.7
Subordinated debt	2,395.4	1,198.7	1,198.9
Insurance-related liabilities in general insurance, gross			
Provision for unearned premiums, gross	15,593.6	14,835.3	10,792.8
Claims provision, gross	27,650.7	28,805.2	28,097.3
Provision for premium discounts and other profit agreements	100.5	86.4	89.1
Total insurance-related liabilities in general insurance, gross	43,344.8	43,726.9	38,979.3
Provision for liabilities			
Pension liabilities	668.0	668.6	712.9
Current tax	818.1	1,297.3	1,501.9
Deferred tax liabilities	1,039.8	879.3	1,198.9
Other provisions	278.0	236.4	288.9
Total provision for liabilities	2,803.9	3,081.5	3,702.6
Liabilities			
Liabilities related to direct insurance	321.7	439.0	428.1
Liabilities related to reinsurance	190.6	192.0	69.8
Financial derivatives	720.5	2,419.0	767.4
Accrued dividend	3,700.0		4,900.0
Lease liability	899.9	1,093.6	928.9
Other liabilities	5,061.3	3,093.7	2,615.4
Liabilities to subsidiaries and associates	21.9	11.2	85.4
Total liabilities	10,915.9	7,248.6	9,794.9
Accrued expenses and deferred income			
Other accrued expenses and deferred income	389.3	412.3	365.9
Total accrued expenses and deferred income	389.3	412.3	365.9
Total equity and liabilities	80,188.0	80,222.1	72,084.3

Statement of changes in equity

Gjensidige Forsikring ASA

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differences	Changes in estimates related to defined benefit plans	Other earned equity	Total equity
Equity as at 31.12.2019	1,000.0	0,0	1,430.0	67.4	1,002.3	338.2	(2,057.1)	16,531.2	18,311.9
1.1.-31.12.2020									
Comprehensive income									
Profit/(loss)					45.8			4,443.9	4,489.7
Total other comprehensive income				0.5		269.5	(82.2)		187.8
Comprehensive income				0.5	45.8	269.5	(82.2)	4,443.9	4,677.5
Transactions with owners of the company									
Own shares		0,0						(13.1)	(13.0)
Dividend								(4,900.0)	(4,900.0)
Reversed dividend								0.1	0.1
Equity-settled share-based payment transactions				12.7					12.7
Perpetual Tier 1 capital					0.6			(0.6)	0,0
Perpetual Tier 1 capital - interest paid					(46.5)				(46.5)
Total transactions with owners of the company		0,0		12.7	(45.8)			(4,913.6)	(4,946.6)
Equity as at 31.12.2020	1,000.0	0,0	1,430.0	80.6	1,002.2	607.7	(2,139.4)	16,061.5	18,042.7
1.1.-31.3.2021									
Comprehensive income									
Profit/(loss)					10.1			1,275.7	1,285.8
Total other comprehensive income				(0.5)		(249.7)	75.1		(175.1)
Comprehensive income				(0.5)	10.1	(249.7)	75.1	1,275.7	1,110.7
Transactions with owners of the company									
Own shares		0,0						(6.3)	(6.3)
Dividend								0.2	0.2
Equity-settled share-based payment transactions				4.9					4.9
Perpetual Tier 1 capital					1,196.4				1,196.4
Perpetual Tier 1 capital - interest paid					(9.9)				(9.9)
Total transactions with owners of the company		0,0		4.9	1,186.5			(6.0)	1,185.4
Equity as at 31.03.2021	1,000.0	0,0	1,430.0	85.0	2,198.8	358.0	(2,064.3)	17,331.2	20,338.8
1.1.-31.3.2020									
Comprehensive income									
Profit/(loss)					13.7			(513.4)	(499.7)
Total other comprehensive income				1.3		732.9	(105.1)		629.1
Comprehensive income				1.3	13.7	732.9	(105.1)	(513.4)	129.4
Transactions with owners of the company									
Own shares		0,0						(4.2)	(4.1)
Reversed dividend								6,125.0	6,125.0
Equity-settled share-based payment transactions				5.7					5.7
Perpetual Tier 1 capital					0.2			(0.2)	0,0
Perpetual Tier 1 capital - interest paid					(13.7)				(13.7)
Total transactions with owners of the company		0,0		5.7	(13.5)			6,120.7	6,112.9
Equity as at 31.3.2020	1,000.0	0,0	1,430.0	74.4	1,002.4	1,071.0	(2,162.2)	22,138.5	24,554.1

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,700 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 28 billion in 2020, while total assets were NOK 118 billion.

Gjensidige Forsikring Group

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