

CONTENT

Gjensidige Forsikring Group

- Group highlights
- Solid underwriting result offset by effects from financial market turmoil
- General insurance private
- General insurance commercial
- General insurance Denmark
- General insurance Sweden
- General insurance Baltics
- Pension
- Management of financial assets and properties
- Organisation
- Events after the balance sheet day
- Dividend
- Strategy and outlook
- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flow

- Notes
- 1 Accounting policies
- 2 Seasonal variations
- 3 Segment information
- 4 Earned premiums from general insurance
- 5 Claims incurred etc. from general insurance
- 6 Run-off gains (losses) from general insurance
- 7 Claims provision, gross from general insurance
- 8 Financial assets and liabilities
- 9 Contingent liabilities
- 10 Related parties
- Alternative performance measures and key figures
- Quarterly earnings performance

Gjensidige Forsikring ASA

- Income statement
- Statement of financial position
- Statement of changes in equity



**Interim Report
1st quarter 2020**
Gjensidige Forsikring Group



CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow

Notes

1 Accounting policies

2 Seasonal variations

3 Segment information

4 Earned premiums from general insurance

5 Claims incurred etc. from general insurance

6 Run-off gains (losses) from general insurance

7 Claims provision, gross from general insurance

8 Fiancial assets and liabilities

9 Contingent liabilities

10 Related parties

Alternative performance measures and key figures

Quarterly earnings performance

Income statement
Statement of financial position
Statement of changes in equity

Group highlights

First quarter 2020 report

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

First quarter

Group

- Profit/(loss) before tax expense: NOK -497.0 million (3,030.7)
- Earnings per share: NOK negative 0.96 (5.57)

General Insurance

- Earned premiums: NOK 6,570.6 million (5,936.7)
- Underwriting result: NOK 1,057.6 million (798.1)
- Combined ratio: 83.9 (86.6)
- Cost ratio: 15.0 (14.9)
- Financial result: NOK negative 1,519.3 million (682.2)

Special factors and events

- Dividend proposal withdrawn

Profit performance Group			
NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
General Insurance Private	519.9	395.0	2,025.1
General Insurance Commercial	493.8	333.3	1,729.8
General Insurance Denmark	175.9	102.8	599.3
General Insurance Sweden	20.9	21.8	75.9
General Insurance Baltics	5.3	5.7	60.9
Corporate Centre - costs related to owner	(105.0)	(79.5)	(317.7)
Corporate Centre - reinsurance ¹	(53.2)	19.0	(136.9)
Underwriting result general insurance	1,057.6	798.1	4,036.4
Pension	35.7	53.4	196.9
Financial result from the investment portfolio	(1,519.3)	682.2	2,306.4
Amortisation and impairment losses of excess value – intangible assets	(52.2)	(62.1)	(256.4)
Other items	(18.9)	1,559.2	1,470.5
Profit/(loss) before tax expense ²	(497.0)	3,030.7	7,753.8
Alternative performance measures			
Large losses ^{3,4}	195.3	82.6	635.0
Run-off gains/(losses) ³	273.5	365.6	1,363.2
Loss ratio ³	68.9%	71.7%	68.9%
Underlying frequency loss ratio ^{3,5}	70.0%	76.5%	71.8%
Cost ratio ³	15.0%	14.9%	14.7%
Combined ratio ³	83.9%	86.6%	83.6%

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 74.1 million (0.0) for the year to date. Accounting items related to reinsurance are also included.

² The profit before tax expense is presented for the continuing operation (excluding Gjensidige Bank).

³ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2020.

⁴ Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter were NOK 300.0 million.

⁵ Underlying frequency loss ratio = claims incurred etc. excluding large losses and run-off gains/(losses) divided by earned premiums

Solid underwriting result offset by effects from financial market turmoil

Key messages

The first quarter of 2020 was characterised by a solid underwriting result driven by effective pricing measures and strong profitability. The Covid-19 situation had a limited impact on the underwriting result. However, the investment portfolio was hit by the general turmoil in the financial markets. The Group’s long-term outlook remains good, but with considerable short-term uncertainty on the investment side. The Board has resolved to withdraw the dividend proposal in response to regulatory stance. It is the Board’s intention to distribute dividends to shareholders as soon as the situation will allow for it.

Group profit performance

Development during the quarter

Gjensidige Forsikring Group recorded a loss before tax expense of NOK 497.0 million (profit of 3,030.7) for the quarter. The profit before tax expense for the first quarter last year was significantly impacted by a gain of NOK 1.6 billion from the sale of Gjensidige Bank. The result in the first quarter of 2020 was significantly impacted by negative returns on the investment portfolio, reflecting the turmoil in the financial market in the wake of the Covid-19 situation.

The profit from general insurance operations measured by the underwriting result was NOK 1,057.6 million (798.1), corresponding to a combined ratio of 83.9 (86.6).

The Covid-19 pandemic had a limited impact on the Group’s underwriting result. Claims related to travel insurance increased significantly, but reinsurance coverage limited net claims incurred to NOK 90.6 million, of which NOK 60.0 million was recognised in the Corporate Centre. Lower motor claims, due to less driving during the latter part of the quarter, had a positive impact on claims in the Private segment.

The income tax benefit amounted to NOK 17.8 million (expense of 282.6).

The loss after tax expense from continuing and discontinued operations was NOK 479.2 million (profit of 2,785.7) and the corresponding earnings per share were minus NOK 0.96 (plus 5.57).

Earned premiums from general insurance increased by 10.7 per cent to NOK 6,570.6 million (5,936.7) for the quarter. Measured in local currency, the premium increased by 8.8 per cent. The underwriting result increased due to higher premiums following solid renewals and effective pricing measures, which in addition to more favourable weather conditions for motor in Norway resulted in a 6.4 percentage point improvement in the underlying frequency loss ratio. This was partly offset by higher large losses, lower run-off gains and higher operating expenses.

Earned premiums in the Private segment increased by 6.9 per cent, which together with an improved underlying frequency loss ratio resulted in a higher underwriting result.

Earned premiums in the Commercial segment increased by 8.9 per cent. The underwriting result increased due to higher premiums and an improved underlying frequency loss ratio, partly offset by lower run-off gains.

The Danish segment recorded an increase of 12.5 per cent in earned premiums measured in local currency. Adjusted for the discontinuation of a quota share reinsurance contract as well as a product portfolio moved from Private to Denmark, the underlying growth was 7.9 per cent. The underwriting result increased due to premium growth and a lower underlying frequency loss ratio. The significant depreciation of the

Norwegian krone against the Danish krone also contributed to the increased result

Earned premiums in the Swedish segment were up 1.7 per cent measured in local currency. The underwriting result decreased, with higher premiums, lower operating expenses and currency effects offset by an increase in the underlying frequency loss ratio and lower run-off gains.

Earned premiums in the Baltic segment increased by 3.5 per cent measured in local currency. The underwriting result was lower than last year, reflecting higher premiums and a lower underlying frequency loss ratio that was more than offset by run-off losses.

The Pension segment generated a lower profit for the period, driven by lower financial income due to the financial turmoil and higher operating expenses.

The return on financial assets was minus 2.5 per cent (plus 1.2) or minus NOK 1,519.3 million (plus 682.2). All asset classes, except bonds held to maturity and property recorded negative results for the quarter.

Equity and capital position

The Group’s equity amounted to NOK 26,530.6 million (22,393.6) at the end of the period. The annualised return on equity year to date was minus 7.7 per cent (plus 49.6). The solvency margins at the end of the quarter were:

- Approved Partial Internal Model¹: 269 per cent
- Own Partial Internal Model²: 331 per cent

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

The guarantee scheme provision is treated as a liability in accordance with instructions from the Financial Supervisory Authority of Norway. In Gjensidige’s opinion, special Norwegian provisions that are actually an equity element must be treated as solvency capital. Gjensidige will continue to make endeavours to ensure that the regulations are in line with this view.

Gjensidige has an ‘A’ rating from Standard & Poor’s.

Despite the very strong solvency position of the Group, the Board has, in response to the regulatory stance in the wake of the Covid-19 outbreak, decided to withdraw the dividend proposal. It is the Board’s intention to distribute dividends to shareholders as soon as the situation allows for it.

¹ Regulatory approved partial internal model

² Partial internal model with own calibration

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow

Notes

1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Other

A sustainable development

Gjensidige's sustainability targets focus on three areas: a safer society, reduced carbon intensity and socially responsible investments, also supporting the Group financial targets. For a closer description, see the Integrated Annual Report for 2019. Below are a few examples of recent results and operational initiatives supporting our targets and strategy:

- Gjensidige was for the eighth time voted the most sustainable company in the finance industry in Norway for 2020 by the Sustainable Brand Index.
- Gjensidige's online psychologist services have been in frequent use during the Covid-19 pandemic, helping customers in trying times.
- Gjensidige has established projects to increase the use of sensors and thereby reduce the risk of damage to property, as well as new initiatives to increase the use of used spare parts for motor vehicles in Norway.
- Investing in MIMIRO to achieve an improved understanding of risks and sharing of data among farmers, with the aim of improving the efficiency and sustainability of food-production in the agriculture sector in Norway.

- Extended online vet service in the wake of Covid-19 to include agriculture customers, contributing to better livestock health.

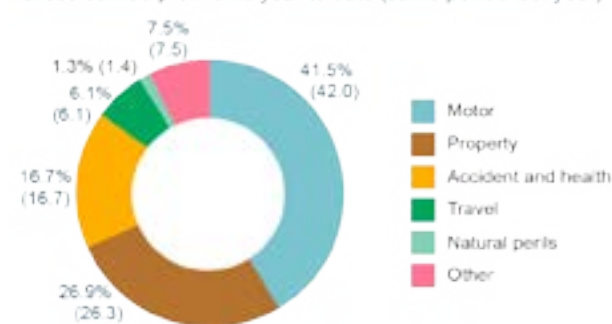
Operational response to Covid-19

The Covid-19 pandemic is a challenge to Gjensidige, customers and the society at large. Gjensidige's top priority is the health and safety of employees, customers, business partners and other stakeholders. Multiple precautionary measures have been implemented, including transition to remote work for the majority of the Group's employees.

The Group's effective digital solutions has enabled Gjensidige to maintain a strong customer service level during the ongoing pandemic. Accessibility has been high, enabling handling of a large number of customer inquiries with a low response time. There is a strong focus on offering advisory services in this challenging time, helping customers to assess and adjust coverages to their amended needs. Gjensidige has also established a service for all private customers in cooperation with SOS International, offering psychosocial counselling from trained nurses and providing advice on available government support.

Product groups Private

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



General Insurance Private Development during the quarter

The underwriting result was NOK 519.9 million (395.0). The increase was driven by significantly higher earned premiums and a lower underlying frequency loss ratio. This was partly offset by an increase in large losses. The combined ratio was 76.9 (81.2).

Earned premiums increased to NOK 2,246.9 million (2,101.5), mainly due to price increases for motor and property insurance. Price increases for accident and health insurance also contributed to the premium increase. Adjusted for the transfer of a product insurance portfolio to the Danish segment, the increase was 6.5 per cent. Gjensidige maintained a strong position in a market characterised by continued fierce competition. Competitiveness remains good, and the number of customers is relatively stable.

Claims incurred amounted to NOK 1,430.9 million (1,440.6). The loss ratio improved to 63.7 (68.5), primarily driven by a 7.8

percentage point improvement in the underlying frequency loss ratio. Effective pricing measures improved profitability for both the motor and property insurance lines. Motor insurance was also positively impacted by more favourable weather conditions and lower claims due to the ongoing Covid-19 pandemic, which resulted in less driving in March. The travel insurance line was significantly impacted by higher claims related to cancellations and assistance to customers abroad, but reinsurance coverage limited net claims incurred. The Covid-19 pandemic had a limited impact on the segment's overall underwriting result.

Accident and health insurance also showed improved profitability.

Operating expenses amounted to NOK 296.2 million (266.0). The cost ratio was 13.2 (12.7).

General Insurance Private

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums	2,246.9	2,101.5	8,872.4
Claims incurred etc.	(1,430.9)	(1,440.6)	(5,682.6)
Operating expenses	(296.2)	(266.0)	(1,164.7)
Underwriting result	519.9	395.0	2,025.1
Amortisation and impairment losses of excess value – intangible assets	(7.3)	(4.4)	(26.6)
Large losses ¹	76.8	8.1	38.9
Run-off gains/(losses) ¹	113.2	103.8	467.3
Loss ratio ¹	63.7%	68.5%	64.0%
Underlying frequency loss ratio ¹	65.3%	73.1%	68.9%
Cost ratio ¹	13.2%	12.7%	13.1%
Combined ratio ¹	76.9%	81.2%	77.2%

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 2020.

CONTENT

Gjensidige Forsikring Group

Group highlights

Solid underwriting result offset by effects from financial market turmoil

General insurance private

General insurance commercial

General insurance Denmark

General insurance Sweden

General insurance Baltics

Pension

Management of financial assets and properties

Organisation

Events after the balance sheet day

Dividend

Strategy and outlook

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated statement of cash flow

Notes

1 Accounting policies

2 Seasonal variations

3 Segment information

4 Earned premiums from general insurance

5 Claims incurred etc. from general insurance

6 Run-off gains (losses) from general insurance

7 Claims provision, gross from general insurance

8 Fiancial assets and liabilities

9 Contingent liabilities

10 Related parties

Alternative performance measures and key figures

Quarterly earnings performance

Gjensidige Forsikring ASA

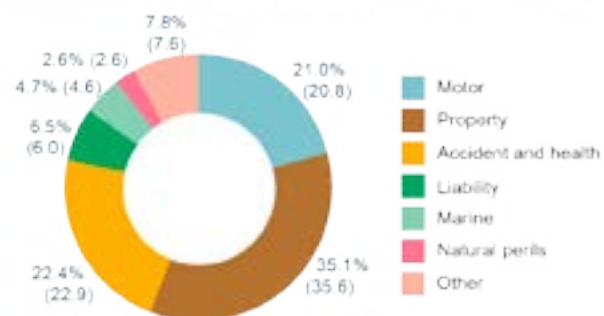
Income statement

Statement of financial position

Statement of changes in equity

Product groups Commercial

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



point decrease in the underlying frequency loss ratio. Effective pricing and re-underwriting measures, particularly for the motor and property insurance lines, were the main drivers for this improvement. Accident and health also showed improved profitability.

The Covid-19 pandemic had a negligible impact on the segment's overall underwriting result. Travel insurance was impacted by higher claims related to cancellations and assistance to customers abroad, but reinsurance coverage limited net claims incurred.

Operating expenses amounted to NOK 221.6 million (208.7), corresponding to a cost ratio of 10.2 (10.5).

General Insurance Commercial Development during the quarter

The underwriting result was NOK 493.8 million (333.3). The increase was due to significantly higher earned premiums and an improved underlying frequency loss ratio, partly offset by lower run-off gains. The combined ratio was 77.3 (83.3).

Earned premiums increased to NOK 2,172.1 million (1,994.3), driven by effective pricing measures, solid renewals and portfolio growth. All the main product lines recorded higher earned premiums.

Claims incurred amounted to NOK 1,456.6 million (1,452.3). The loss ratio was 67.1 (72.8), mainly driven by a 7.5 percentage

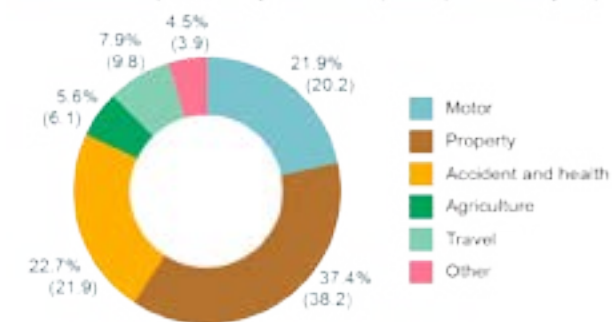
General Insurance Commercial

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums	2,172.1	1,994.3	8,164.1
Claims incurred etc.	(1,456.6)	(1,452.3)	(5,608.6)
Operating expenses	(221.6)	(208.7)	(825.7)
Underwriting result	493.8	333.3	1,729.8
Large losses ¹	31.4	74.5	355.4
Run-off gains/(losses) ¹	118.7	190.1	617.0
Loss ratio ¹	67.1%	72.8%	68.7%
Underlying frequency loss ratio ¹	71.1%	78.6%	71.9%
Cost ratio ¹	10.2%	10.5%	10.1%
Combined ratio ¹	77.3%	83.3%	78.8%

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 2020.

Product groups Denmark

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



General Insurance Denmark Development during the quarter

The underwriting result was NOK 175.9 million (102.8). The increase was driven by premium growth and a lower underlying frequency loss ratio. The significant depreciation of the Norwegian krone against the Danish krone contributed somewhat to the increased result. The combined ratio was 87.8 (91.4).

Earned premiums amounted to NOK 1,444.4 million (1,196.3). Measured in local currency, earned premiums increased by 12.5 per cent, mainly due to portfolio growth and solid renewals in the commercial lines. Adjusted for the discontinuation of a quota share reinsurance contract as well as a product portfolio moved from Private to the Danish segment, the underlying growth in local currency was 7.9 per cent.

Claims incurred amounted to NOK 1,056.4 million (919.5). The loss ratio improved to 73.1 (76.9), mainly driven by a 5.6

percentage point decrease in the underlying frequency loss ratio, partly offset by higher large losses and lower run-off gains. The decrease in the underlying frequency loss ratio reflects improvement in the profitability of commercial lines as a result of effective pricing measures.

The Covid-19 pandemic had a limited impact on the segment's overall underwriting result. The travel insurance line was significantly impacted by higher claims related to cancellations and assistance to customers abroad, but reinsurance coverage limited net claims incurred.

Operating expenses amounted to NOK 212.0 million (174.0). Whilst underlying expenses remain broadly stable, the increase in reported operating expenses was driven by among others depreciation of the Norwegian Krone, lower commissions received from the discontinued quota share and impairment of receivables. The cost ratio was 14.7 (14.5).

General Insurance Denmark

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums	1,444.4	1,196.3	4,960.1
Claims incurred etc.	(1,056.4)	(919.5)	(3,642.0)
Operating expenses	(212.0)	(174.0)	(718.8)
Underwriting result	175.9	102.8	599.3
Amortisation and impairment losses of excess value – intangible assets	(24.8)	(36.6)	(142.9)
Large losses ¹	12.3		77.3
Run-off gains/(losses) ¹	34.1	41.0	174.9
Earned premiums in local currency (DKK) ¹	1,030.7	916.3	3,759.6
Loss ratio ¹	73.1%	76.9%	73.4%
Underlying frequency loss ratio ¹	74.6%	80.3%	75.4%
Cost ratio ¹	14.7%	14.5%	14.5%
Combined ratio ¹	87.8%	91.4%	87.9%

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CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow

Notes

1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Financial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

General Insurance Sweden

Development during the quarter

The underwriting result was NOK 20.9 million (21.8). Higher earned premiums, lower operating expenses and the positive currency impact were offset by an increase in the underlying frequency loss ratio and lower run-off gains. The combined ratio was 94.4 (93.8).

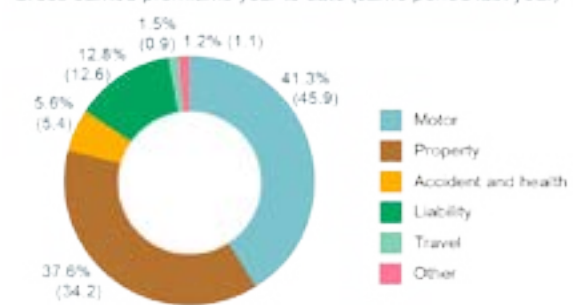
Earned premiums increased to NOK 376.3 million (352.9). Measured in local currency, earned premiums increased by 1.7 per cent, reflecting effective price increases in the commercial portfolio, partly offset by a decrease in the private portfolio.

General Insurance Sweden

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums	376.3	352.9	1,405.8
Claims incurred etc.	(291.5)	(262.3)	(1,058.6)
Operating expenses	(63.9)	(68.8)	(271.3)
Underwriting result	20.9	21.8	75.9
Amortisation and impairment losses of excess value – intangible assets	(16.2)	(16.7)	(63.9)
Large losses ¹	0.0	0.0	0.0
Run-off gains/(losses) ¹	12.7	17.9	31.6
Earned premiums in local currency (SEK) ¹	383.7	377.3	1,511.0
Loss ratio ¹	77.4%	74.3%	75.3%
Underlying frequency loss ratio ¹	80.8%	79.4%	77.5%
Cost ratio ¹	17.0%	19.5%	19.3%
Combined ratio ¹	94.4%	93.8%	94.6%

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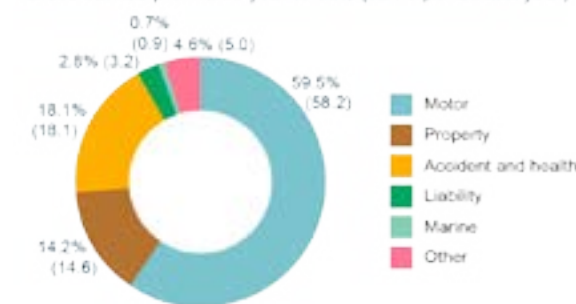
Product groups Sweden
Gross earned premiums year to date (same period last year)



Claims incurred amounted to NOK 291.5 million (262.3). The loss ratio was 77.4 (74.3), reflecting a 1.4 per cent increase in the underlying frequency loss ratio, driven by the private portfolio, partly offset by effective pricing measures for motor and property in the commercial portfolio. The Covid-19 pandemic had a limited impact on the segment's overall underwriting result, with only somewhat higher claims related to payment protection insurance.

Operating expenses decreased to NOK 63.9 million (68.8). The cost ratio was 17.0 per cent (19.5).

Product groups Baltics
Gross earned premiums year to date (same period last year)



General Insurance Baltics

Development during the quarter

The underwriting result amounted to NOK 5.3 million (5.7), with higher premiums and a lower underlying frequency loss ratio being more than offset by run-off losses. The depreciation of the Norwegian krone against the euro contributed positively to the result. The combined ratio was 98.2 (97.9).

Earned premiums amounted to NOK 298.2 million (268.1). Measured in local currency, earned premiums rose by 3.5 per cent, reflecting volume growth in the motor and accident and health insurance lines. This was offset by somewhat lower prices as a result of fierce competition, particularly for motor.

Claims incurred amounted to NOK 202.9 million (177.5). The loss ratio increased to 68.1 (66.2), due to a weaker run-off result. The underlying frequency loss ratio improved by 6.5 percentage points, mainly due to favourable weather conditions. The Covid-19 pandemic had a limited impact on the segment's overall underwriting result, with higher travel claims losses and somewhat lower claims for the motor insurance line.

Operating expenses amounted to NOK 89.9 million (85.0). The cost ratio was 30.2 (31.7). The improvement was mainly due to effective ongoing restructuring and cost-saving initiatives.

General Insurance Baltics

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums	298.2	268.1	1,126.9
Claims incurred etc.	(202.9)	(177.5)	(728.7)
Operating expenses	(89.9)	(85.0)	(337.3)
Underwriting result	5.3	5.7	60.9
Amortisation and impairment losses of excess value – intangible assets	(3.9)	(3.6)	(14.7)
Large losses ¹	0.5	0.0	0.0
Run-off gains/(losses) ¹	(6.8)	15.8	35.8
Earned premiums in local currency (EUR) ¹	28.5	27.5	114.4
Loss ratio ¹	68.1%	66.2%	64.7%
Underlying frequency loss ratio ¹	65.6%	72.1%	67.8%
Cost ratio ¹	30.2%	31.7%	29.9%
Combined ratio ¹	98.2%	97.9%	94.6%

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CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow

Notes

1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Pension

Development during the quarter

The profit before tax expense was NOK 35.7 million (53.4). The decline was due to lower net financial income and higher operating expenses. The Covid-19 pandemic had a negative impact on the segment's results, related to lower financial returns and subdued growth in management income.

Administration fees and insurance income were NOK 38.9 million (37.5) and NOK 23.0 million (21.4) respectively. The growth was somewhat subdued following the loss of one large client during the quarter.

Management income increased to NOK 43.5 million (38.7) as a result of higher assets under management during the first two months of the quarter, compared with the same period last year. The growth in management income was somewhat subdued due to decrease in assets under management towards the end of the quarter, as a result of the financial turmoil.

Pension

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Administration fees	38.9	37.5	152.3
Insurance income	23.0	21.4	111.4
Management income etc.	43.5	38.7	167.2
Operating expenses	(74.5)	(63.0)	(275.6)
Net operating income	30.9	34.6	155.3
Net financial income	4.8	18.7	41.5
Profit/(loss) before tax expense	35.7	53.4	196.9
Run-off gains/(losses) ¹	0.0	0.0	0.0
Operating margin ¹	29.31%	35.48%	36.05%
Recognised return on the paid-up policy portfolio ²	(0.22 %)	0.92 %	4.34 %
Value-adjusted return on the paid-up policy portfolio ³	(0.73 %)	1.24 %	4.72 %

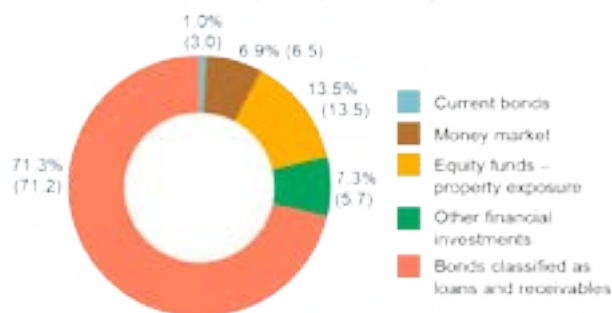
¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q1 2020.

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

Asset allocation in the group policy portfolio

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



Operating expenses increased to NOK 74.5 million (63.0), mainly driven by increased depreciation following a shortened depreciation timeframe for IT-investments. Higher head counts in response to the growth in business volume also had an impact on operating expenses.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio, amounted to NOK 4.8 million (18.7). The decline was due to non-recurring gains from divestments last year and modest returns this year due to the financial turmoil in the wake of the Covid-19 situation.

The recognised return on the paid-up policy portfolio was minus 0.2 per cent (plus 0.9). The average annual interest guarantee was 3.4 per cent.

Assets under management decreased by NOK 3,871.6 million from year end 2019. This was due to the loss of one large account and the negative development in the financial markets. Total pension assets under management amounted to NOK 33,463.5 million (33,680.6) including the group policy portfolio of NOK 7,256.4 million (6,798.5).

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 risk in the investment portfolio is generally hedged close to 100 per cent, within a permitted range of +/- 10 per cent per currency.

Development during the quarter

The Covid-19 pandemic caused a significant downturn in the financial markets towards the end of the first quarter, with a broad-based decline for most asset classes. Leading stock indices have shown a sharp decline, and interest rates declined while credit spreads widened significantly.

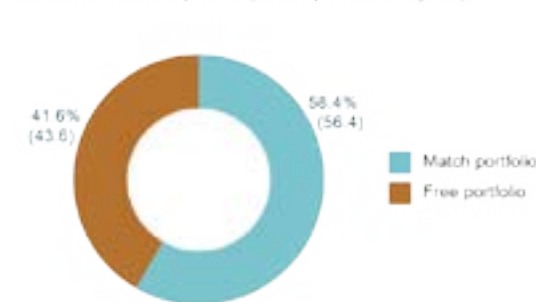
At the end of the period, the investment portfolio totalled NOK 61.9 billion (59.9). The financial result for the quarter was minus NOK 1,519.3 million (plus 682.2), which corresponds to a return on total assets of minus 2.5 per cent (plus 1.2).

Match portfolio

The match portfolio amounted to NOK 36.1 billion (33.8). The portfolio yielded a return of minus 1.0 per cent (plus 0.7), excluding changes in the value of bonds recognised at amortised cost. The driver for the negative return was increased credit spreads. Bonds recognised at amortised cost amounted

Portfolio split

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



to NOK 14.7 billion (15.5). Unrealised excess value amounted to NOK 0.5 billion (0.9) at the end of the period.

The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 3.5 per cent on average in the first quarter, while the running yield on the portfolio of bonds held at amortised cost was 3.5 per cent at the end of the period. The average duration of the match portfolio was 3.5 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 7.8 billion (8.7). Of these securities, 5.0 per cent (4.6) 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 2.3 per cent (6.5) of the match portfolio. The geographical distribution³ of the match portfolio is shown in the chart on the next page.

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

Financial assets and properties

NOK millions	Result 1.1.-31.3.		Carrying amount 31.3.	
	2020	2019	2020	2019
<i>Match portfolio</i>				
Money market	(3.5)	26.7	4,996.8	5,059.2
Bonds at amortised cost	144.4	142.5	14,743.9	15,526.6
Current bonds ¹	(480.0)	63.3	16,400.3	13,226.1
Match portfolio total	(339.2)	232.5	36,140.9	33,812.0
<i>Free portfolio</i>				
Money market	30.4	13.0	10,104.1	8,237.8
Other bonds ²	(42.4)	69.9	5,784.9	6,112.8
High yield bonds ³	(93.1)	41.4	148.7	1,037.6
Convertible bonds ³	(274.5)	57.6	853.0	1,115.5
Current equities ⁴	(524.2)	198.3	1,865.2	2,716.8
PE funds	(264.7)	47.8	1,139.8	1,337.8
Properties	43.7	44.8	4,850.1	4,565.1
Other ⁵	(55.3)	(23.1)	974.9	985.8
Free portfolio total	(1,180.1)	449.7	25,720.7	26,109.1
Financial result from the investment portfolio ⁶	(1,519.3)	682.2	61,861.7	59,921.2
Financial income in Pension	4.8	18.7		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(10.4)	(8.4)		
Interest expense on the lease liability	(8.3)	(8.0)		
Realised gains on subsidiaries	-	1,584.5		
Net income from investments	(1,533.1)	2,268.9		

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, emerging markets 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 1,161.0 million due to derivatives.

⁵ The item includes currency hedging related to Gjensidige Sweden and Gjensidige Denmark, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from a total return swap with Gjensidige Pensjonskasse, hedge funds 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 2020.

CONTENT

Gjensidige Forsikring Group

- Group highlights
- Solid underwriting result offset by effects from financial market turmoil
- General insurance private
- General insurance commercial
- General insurance Denmark
- General insurance Sweden
- General insurance Baltics
- Pension
- Management of financial assets and properties
- Organisation
- Events after the balance sheet day
- Dividend
- Strategy and outlook
- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flow

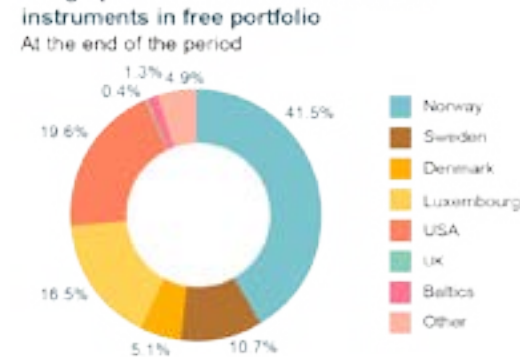
Notes

- 1 Accounting policies
- 2 Seasonal variations
- 3 Segment information
- 4 Earned premiums from general insurance
- 5 Claims incurred etc. from general insurance
- 6 Run-off gains (losses) from general insurance
- 7 Claims provision, gross from general insurance
- 8 Fiancial assets and liabilities
- 9 Contingent liabilities
- 10 Related parties
- Alternative performance measures and key figures
- Quarterly earnings performance

Gjensidige Forsikring ASA

- Income statement
- Statement of financial position
- Statement of changes in equity

Geographic distribution fixed income instruments in free portfolio



Free portfolio

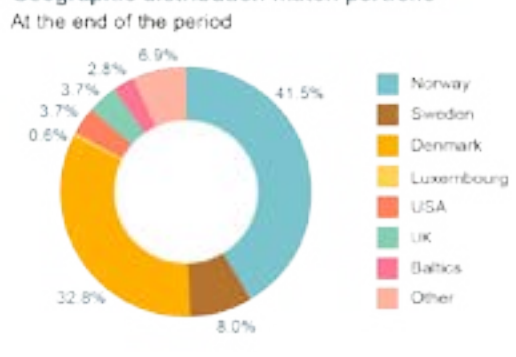
The free portfolio amounted to NOK 25.7 billion (26.1) at the end of the period. The return was minus 4.6 per cent (plus 2.1). Weak equity-markets and credit-spread widening were the main drivers for the negative return.

Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 16.9 billion (16.5), of which money market investments, including cash, accounted for NOK 10.1 billion (8.2). The rest of the portfolio was invested in Norwegian government bonds and international bonds (investment grade, high yield and convertible bonds). The total fixed-income portfolio yielded a return of minus 2.4 per cent (plus 1.5) due to increased credit spreads.

At the end of the period, the average duration in the portfolio was approximately 4.3 years. The distribution of counterparty risk and credit rating is shown in the charts on the next page. Securities without an official credit rating amounted to NOK 1.9

Geographic distribution match portfolio



billion (2.2). Of these securities, 16.6 per cent (5.0) 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 exposure at the end of the period was NOK 3.0 billion (4.1), of which NOK 1.9 billion (2.7) consisted of current equities and NOK 1.1 billion (1.3) of PE funds. The return on current equities was minus 19.3 per cent (plus 7.6). PE funds generated a return of minus 21.5 per cent (plus 3.6).

Property portfolio

At the end of the period, the exposure to commercial real estate in the portfolio was NOK 4.9 billion (4.6). The property portfolio yielded a return of 0.9 per cent (1.0).

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

Return per asset class	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Per cent			
<i>Match portfolio</i>			
Money market	(0.1)	0.5	1.8
Bonds at amortised cost	1.0	0.9	5.0
Current bonds ¹	(3.1)	0.5	0.6
Match portfolio total	(1.0)	0.7	2.8
<i>Free portfolio</i>			
Money market	0.4	0.2	1.0
Other bonds ²	(0.9)	1.5	4.9
High yield bonds ³	(15.2)	4.8	10.5
Convertible bonds ⁴	(16.5)	6.1	12.3
Current equities ⁴	(19.3)	7.6	15.6
PE funds	(21.5)	3.6	6.9
Properties	0.9	1.0	8.0
Other ⁵	(3.9)	(2.7)	(12.1)
Free portfolio total	(4.6)	2.1	6.0
Return on financial assets ⁶	(2.5)	1.2	4.1

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, emerging market 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 1,161.0 million due to derivatives.
⁵ The item includes currency hedging related to Gjensidige Sweden and Gjensidige Denmark, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from a total return swap with Gjensidige Pensjonskasse, hedge funds 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 2020.

Counterparty risk fixed income instruments



Organisation

The Group had a total of 3,638 employees at the end of the first quarter, compared with 3,674 at the end of the fourth quarter.

The composition of the Group's employees was as follows: 1,890 (1,875) in general insurance operations in Norway, 72 (70) in Gjensidige Pensjonsforsikring, 726 (724) in Denmark, 241 (265) in Sweden and 709 (740) in the Baltic states (excluding agents). The figures in brackets refer to the number of employees at the end of the fourth quarter last year.

Events after the balance sheet date

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

Dividend

The Board of Gjensidige Forsikring ASA has on 21 April 2020 resolved to withdraw the proposal of a regular dividend for the 2019 financial year. The decision is based on direct dialogue with the Norwegian FSA and the pronounced expectation from regulators that financial institutions halt dividends payments until the significant uncertainty related to the economic development is reduced.

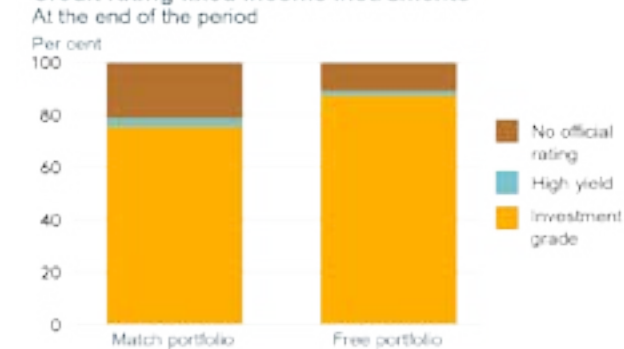
The initial proposal of a special dividend was withdrawn on 20 March 2020 in response to the Covid-19 situation.

Gjensidige continues to target high and stable nominal dividends to its shareholders, and a pay-out ratio over time of at least 80 per cent of profit after tax. When determining the size of the dividend, the expected future capital need will be taken into account. Over time, Gjensidige will also pay out excess capital.

It is the Board's intention to distribute dividends to shareholders as soon as the situation will allow for it. In line with previous years' practice, the Board will seek authorisation from the General Meeting to distribute dividends later this year, which will give flexibility to revisit the dividend discussion as soon as possible.

The Annual General Meeting is scheduled for 25 May 2020.

Credit rating fixed income instruments



Strategy and outlook

The Group's annual financial and solvency targets for the period 2019 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 (both the regulatory approved model and the model with internal calibration) 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. Given the negative return on the investment portfolio for the first quarter of 2020, and the solvency ratio being significantly above the target range, the Group's return on equity target is not expected to be achieved for the 2020 fiscal year.

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.

Geopolitical uncertainty, low interest rates and financial challenges in several key economies reflect an uncertain economic situation. The macroeconomic outlook in the Nordic region and the outlook for Gjensidige's operations are still regarded as good.

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. 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 has had a limited impact on Gjensidige's insurance operations so far. A long lasting or comprehensive development of the pandemic situation can have a significant negative effect on economic growth and in turn

CONTENT

Gjensidige Forsikring Group

Group highlights

Solid underwriting result offset by effects from financial market turmoil

General insurance private

General insurance commercial

General insurance Denmark

General insurance Sweden

General insurance Baltics

Pension

Management of financial assets and properties

Organisation

Events after the balance sheet day

Dividend

Strategy and outlook

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated statement of cash flow

Notes

1 Accounting policies

2 Seasonal variations

3 Segment information

4 Earned premiums from general insurance

5 Claims incurred etc. from general insurance

6 Run-off gains (losses) from general insurance

7 Claims provision, gross from general insurance

8 Financial assets and liabilities

9 Contingent liabilities

10 Related parties

Alternative performance measures and key figures

Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement

Statement of financial position

Statement of changes in equity

impact insurance volumes. Travel insurance claims are expected to increase from the first to the second quarter 2020.

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

A key strategic priority for 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 – and thereby further strengthening the customer relationship.

Continued investments in technology and data are key to reducing cost and achieving enhanced functionality and flexibility. This is necessary to enable a 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, 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. There are still some outstanding uncertainties relating to changes to the regulatory framework conditions for the financial sector in Norway and internationally.

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.

Oslo, 21 April 2020
The Board of Gjensidige Forsikring ASA


Chale Marchand
Chair


Per Arne Ejlorge


Eivind Ebran


John Gjerholt


Vibeke Krog


Gunnar Mjåsvedt


Hilde Merete Natstad


Anne Marie Nyhammer


Terje Seljeseth


Lotte Kronholm Sjøberg


Helge Leiro Boastad
CEO

Consolidated income statement

NOK millions	Notes	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Operating income				
Earned premiums from general insurance	4	6,570.6	5,936.7	24,650.4
Earned premiums from pension		218.1	205.0	880.0
Other income including eliminations		44.0	40.2	171.6
Total operating income	3	6,832.7	6,181.9	25,702.0
Net income from investments				
Results from investments in associates and joint ventures		26.7	30.7	309.2
Interest income and dividend etc. from financial assets		257.9	240.8	933.7
Net changes in fair value on investments (incl. property)		(2,202.9)	621.6	1,453.7
Net realised gain and loss on investments		416.1	1,403.8	1,282.9
Expenses related to investments		(30.8)	(28.0)	(119.1)
Total net income from investments		(1,533.1)	2,268.9	3,860.3
Total operating income and net income from investments		5,299.6	8,450.8	29,562.2
Claims				
Claims incurred etc. from general insurance	5, 6	(4,524.2)	(4,256.8)	(16,978.6)
Claims incurred etc. from pension		(156.2)	(146.0)	(616.3)
Total claims		(4,680.4)	(4,402.9)	(17,594.9)
Operating expenses				
Operating expenses from general insurance		(988.7)	(881.8)	(3,635.4)
Operating expenses from pension		(74.5)	(63.0)	(275.6)
Other operating expenses		(0.8)	(10.4)	(46.2)
Amortisation and impairment losses of excess value - intangible assets		(52.2)	(62.1)	(256.4)
Total operating expenses		(1,116.2)	(1,017.3)	(4,213.6)
Total expenses		(5,796.6)	(5,420.1)	(21,808.5)
Profit/(loss) before tax expense	3	(497.0)	3,030.7	7,753.8
Tax expense		17.8	(282.6)	(1,197.6)
Profit/(loss) from continuing operations		(479.2)	2,748.1	6,556.1
Profit/(loss) from discontinued operations			37.6	37.6
Profit/(loss) from continuing and discontinued operations		(479.2)	2,785.7	6,593.8
Profit/(loss) attributable to:				
Owners of the company continuing operations		(479.2)	2,748.0	6,556.1
Owners of the company discontinued operations			37.6	37.6
Non-controlling interests			0.1	0.1
Total		(479.2)	2,785.7	6,593.8
Earnings per share from continuing and discontinued operations, NOK (basic and diluted)		(0.96)	5.57	13.19
Earnings per share from continuing operations, NOK (basic and diluted)		(0.96)	5.50	13.11

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Consolidated statement of comprehensive income

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Profit/(loss) from continuing and discontinued operations	(479.2)	2,785.7	6,593.8
Other comprehensive income			
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	(141.7)		(117.1)
Share of other comprehensive income of associates and joint ventures	(0.8)		
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss	35.4		29.3
Total other comprehensive income that will not be reclassified subsequently to profit or loss	(107.0)		(87.9)
Other comprehensive income that will be reclassified subsequently to profit or loss			
Exchange differences from foreign operations	1,118.8	(203.0)	(67.3)
Share of exchange differences of associates and joint ventures			
Tax on other comprehensive income that will be reclassified subsequently to profit or loss	(182.3)	34.7	17.1
Total other comprehensive income that will be reclassified subsequently to profit or loss	936.5	(168.3)	(50.2)
Total other comprehensive income from continuing operations	829.5	(168.3)	(138.1)
Total other comprehensive income from discontinued operations			
Comprehensive income from continuing and discontinued operations	350.2	2,617.3	6,455.7
Comprehensive income attributable to:			
Owners of the company continuing operations	350.2	2,579.7	6,418.0
Owners of the company discontinued operations		37.6	37.6
Non-controlling interests		0.1	0.1
Total	350.2	2,617.3	6,455.7

Consolidated statement of financial position

NOK millions	Notes	31.3.2020	31.3.2019	31.12.2019
Assets				
Goodwill		4,087.8	3,495.8	3,554.6
Other intangible assets		1,161.3	1,275.2	1,124.8
Investments in associates and joint ventures		3,368.8	3,002.6	3,318.6
Owner-occupied and right-of-use property, plant and equipment		1,467.3	1,472.7	1,264.9
Pension assets		157.1	156.6	244.3
Financial assets				
Interest-bearing receivables from joint ventures	8	2,420.8	2,439.1	2,401.4
Financial derivatives	8	1,245.3	515.3	934.1
Shares and similar interests	8	4,530.9	5,729.8	6,551.6
Bonds and other securities with fixed income	8	30,671.5	29,428.0	30,992.4
Bonds held to maturity	8	245.6	249.4	210.7
Loans and receivables	8	19,943.0	20,403.1	19,963.3
Assets in life insurance with investment options	8	26,139.8	26,645.2	29,989.4
Receivables related to direct operations and reinsurance	8	9,310.1	8,367.2	7,097.6
Other assets and receivables	8	2,321.1	1,341.9	1,192.0
Cash and cash equivalents	8	8,804.9	6,055.9	2,419.5
Other assets				
Deferred tax assets		24.6	12.6	21.2
Reinsurers' share of insurance-related liabilities in general insurance, gross		1,397.3	1,142.0	1,072.5
Prepaid expenses and earned, not received income		101.0	191.8	53.2
Total assets		117,398.1	111,924.2	112,405.9
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		2,688.0	2,504.5	2,676.3
Guarantee scheme provision		676.3	653.9	676.3
Other equity		20,735.7	16,804.6	20,409.0
Total equity attributable to owners of the company		26,530.0	22,393.0	26,191.6
Non-controlling interests		0.6	0.6	0.6
Total equity		26,530.6	22,393.6	26,192.2
Insurance liabilities				
Premium reserve in life insurance		7,012.6	6,518.9	6,896.1
Provision for unearned premiums, gross, in general insurance		15,401.9	13,640.5	10,499.1
Claims provision, gross	7	29,336.2	28,702.6	28,164.8
Other technical provisions		361.0	376.3	410.4
Financial liabilities				
Subordinated debt	8	1,498.5	1,498.1	1,498.4
Financial derivatives	8	2,419.0	744.4	641.0
Interest-bearing liabilities	8			
Liabilities in life insurance with investment options	8	26,139.8	26,645.2	29,989.4
Other financial liabilities	8	3,243.3	6,529.3	2,735.4
Liabilities related to direct insurance and reinsurance	8	850.5	974.8	709.4
Other liabilities				
Pension liabilities		671.1	561.5	610.6
Lease liability		1,198.4	1,254.9	1,125.1
Other provisions		238.1	252.1	297.3
Current tax		1,349.3	357.9	1,046.1
Deferred tax liabilities		653.1	1,054.2	1,168.6
Accrued expenses and deferred income		494.5	419.9	422.0
Total liabilities		90,867.4	89,530.6	86,213.7
Total equity and liabilities		117,398.1	111,924.2	112,405.9

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

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 31.12.2018 attributable to owners of the company	1,000.0	(0.1)	1,430.0	64.7	1,445.3	616.0	(1,974.6)	21,263.3	23,844.7
Non-controlling interests as at 31.12.2018									0.5
Equity as at 31.12.2018									23,845.2
Adjustment on initial application of IFRS 16								(61.4)	(61.4)
Equity as at 1.1.2019									23,783.8
1.1.-31.12.2019									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					53.9			6,539.8	6,593.7
Total other comprehensive income						(50.1)	(87.9)		(138.1)
Comprehensive income					53.9	(50.1)	(87.9)	6,539.8	6,455.6
Transactions with owners of the company									
Own shares		0.0						(9.2)	(9.2)
Paid dividend								(3,549.9)	(3,549.9)
Remeasurement of the net defined benefit liability/asset of liquidated companies							4.4	(4.4)	
Equity-settled share-based payment transactions				4.8				4.6	9.4
Perpetual Tier 1 capital					(445.5)			(0.6)	(446.2)
Perpetual Tier 1 capital - interest paid					(51.4)				(51.4)
Total transactions with owners of the company		0.0		4.8	(496.9)		4.4	(3,559.6)	(4,047.3)
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.-31.3.2020									
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)
Paid dividend									
Equity-settled share-based payment transactions				6.0					6.0
Perpetual Tier 1 capital					0.2			(0.2)	
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
1.1.-31.3.2019									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					14.8			2,770.8	2,785.6
Total other comprehensive income				(0.1)		(168.0)	(0.2)		(168.3)
Comprehensive income				(0.1)	14.8	(168.0)	(0.2)	2,770.8	2,617.3
Transactions with owners of the company									
Own shares		0.0						(1.8)	(1.7)
Paid dividend								(3,550.0)	(3,550.0)
Remeasurement of the net defined benefit liability/asset of liquidated companies							4.4	(4.4)	
Equity-settled share-based payment transactions				(1.8)				4.6	2.8
Perpetual Tier 1 capital					(446.0)			(0.2)	(446.2)
Perpetual Tier 1 capital - interest paid					(12.5)				(12.5)
Total transactions with owners of the company		0.0		(1.8)	(458.5)		4.4	(3,551.7)	(4,007.5)
Equity as at 31.3.2019 attributable to owners of the company	1,000.0	0.0	1,430.0	62.8	1,001.6	448.0	(1,970.4)	20,421.0	22,393.0
Non-controlling interests as at 31.3.2019									0.6
Equity as at 31.3.2019									22,393.6

Consolidated statement of cash flows

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Cash flow from operating activities			
Premiums paid, net of reinsurance	9,732.5	10,069.1	30,499.5
Claims paid, net of reinsurance	(4,943.0)	(5,078.8)	(19,365.9)
Net payment of loans to customers		827.8	827.8
Net payment of deposits from customers		(589.9)	(589.9)
Payment of interest from customers		279.5	279.5
Payment of interest to customers		(15.0)	(15.0)
Net receipts/payments of premium reserve transfers	(1,463.7)	(657.2)	(2,143.7)
Net receipts/payments from financial assets	4,505.5	(4,577.0)	(5,822.9)
Operating expenses paid, including commissions	(969.6)	(1,272.7)	(4,089.7)
Taxes paid	(324.1)	(628.3)	(797.8)
Net other receipts/payments	(0.9)	(18.4)	(17.4)
Net cash flow from operating activities	6,536.8	(1,661.0)	(1,235.7)
Cash flow from investing activities			
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture		5,277.6	5,261.9
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(227.8)	(161.9)	(438.5)
Net cash flow from investing activities	(227.8)	5,115.7	4,823.4
Cash flow from financing activities			
Payment of dividend			(3,549.9)
Net receipts/payments on subordinated debt incl. interest	(13.7)	(11.1)	(47.5)
Net receipts/payments on loans to credit institutions		(140.9)	(140.9)
Net receipts/payments on other short-term liabilities		52.9	52.9
Net receipts/payments on interest on funding activities		(61.6)	(61.6)
Net receipts/payments on sale/acquisition of own shares	(4.1)	(1.7)	(9.2)
Repayment of lease liabilities	(46.9)	(37.5)	(161.6)
Payment of interest related to lease liabilities	(8.3)	(6.4)	(32.2)
Tier 1 interest payments	(13.7)	(13.2)	(52.1)
Net cash flow from financing activities	(86.8)	(219.5)	(4,002.0)
Effect of exchange rate changes on cash and cash equivalents	163.2	(19.3)	(6.1)
Net cash flow	6,385.4	3,216.0	(420.4)
Cash and cash equivalents at the start of the period	2,419.5	2,839.9	2,839.9
Cash and cash equivalents at the end of the period	8,804.9	6,055.9	2,419.5
Net cash flow	6,385.4	3,216.0	(420.4)
Specification of cash and cash equivalents			
Cash and deposits with credit institutions	8,804.9	6,055.9	2,419.5
Total cash and cash equivalents	8,804.9	6,055.9	2,419.5
Specification of cash and cash equivalents from continuing operations			
Cash and deposits with credit institutions	8,804.9	6,055.9	2,419.5
Total cash and cash equivalents from continuing operations	8,804.9	6,055.9	2,419.5
Cash flows from discontinued operations			
Net cash flow from operating activities		(7.0)	(7.0)
Net cash flow from investing activities		(4.5)	(4.5)
Net cash flow from financing activities		(150.8)	(150.8)
Total cash flows from discontinued operations		(162.3)	(162.3)

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Notes

1. Accounting policies

The consolidated financial statements as of the first quarter of 2020, concluded on 31 March 2020, 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 2019.

The consolidated financial statements as of the first quarter of 2020 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 2019.

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 2020. 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.

3. Segment information

The group has six reportable segments, as described below, which offers different products and services within different geographical areas. The Groups 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.

Description of the segments

General Insurance Private

The Private segment offers a wide range of general insurance products and services in the Norwegian private market, both in property and accident and health and leisure.

General Insurance Commercial

The Commercial segment offers a wide range of general insurance products to the commercial, agriculture and municipality markets in Norway, including insurances related to motor, property, accident, health, coastal and marine/transport.

General Insurance Denmark

The Group's operations in Denmark offers general insurance products to private, commercial and municipal markets, including insurances related to motor, property, accident and health, liability, agriculture and leisure.

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.

General Insurance Sweden

In Sweden, the Group offers insurance related to the private, commercial and municipality markets, including insurances related to motor, property, accident and health and liability.

General Insurance Baltics

Gjensidige's Baltic operations provide general insurance products to the private and commercial markets in Latvia, Lithuania and Estonia, including insurances related to motor, property and accident/health.

Pension

Gjensidige Pensjonsforsikring shall contribute to sales of a wide range of products to general insurance customers in Norway by offering pension and savings products, mainly to the Norwegian commercial market. The pension products include defined contribution pensions and related risk for disability and death, private pension savings and individual disability pensions.

Description of the segment's income and expenses

Segment income is defined as earned premiums for general insurance and earned premiums and management income etc. for Pension. Segment expenses are defined as claims incurred for general insurance and for Pension, operating expenses for all segments and net income from investments for Pension. The segment result is defined as the underwriting result for general insurance and the profit before tax expense for Pension.

	Segment income ²		Claims		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
1.1.-31.3.	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
NOK millions										
General Insurance Private	2,246.9	2,101.5	(1,430.9)	(1,440.6)	(296.2)	(266.0)			519.9	395.0
General Insurance Commercial	2,172.1	1,994.3	(1,456.6)	(1,452.3)	(221.6)	(208.7)			493.8	333.3
General Insurance Denmark	1,444.4	1,196.3	(1,056.4)	(919.5)	(212.0)	(174.0)			175.9	102.8
General Insurance Sweden	376.3	352.9	(291.5)	(262.3)	(63.9)	(68.8)			20.9	21.8
General Insurance Baltics	(202.9)	(177.5)	(89.9)	(85.0)	(3.9)	(3.6)			(6.8)	15.8
Pension	261.6	243.7	(156.2)	(146.0)	(74.5)	(63.0)	4.8	18.7	35.7	53.4
Eliminations etc. ¹	534.3	470.7	(198.9)	(97.1)	(244.0)	(233.3)	(1,537.9)	2,250.2	(1,736.5)	2,108.7
Total	6,832.7	6,181.9	(4,680.4)	(4,402.9)	(1,116.2)	(1,017.3)	(1,533.1)	2,268.9	(497.0)	3,030.7

¹ Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment, and large losses of NOK 74.1 million (0.0) 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 2020 and 2019.

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

4. Earned premiums from general insurance

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums, gross	6,715.8	6,103.9	25,371.9
Ceded reinsurance premiums	(145.2)	(167.2)	(721.5)
Total earned premiums, net of reinsurance	6,570.6	5,936.7	24,650.4

5. Claims incurred etc. from general insurance

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Gross claims	(4,729.8)	(4,324.4)	(17,396.0)
Claims, reinsurers' share	205.6	67.6	417.4
Total claims incurred etc. from general insurance	(4,524.2)	(4,256.8)	(16,978.6)

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

NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Earned premiums from general insurance	6,570.6	5,936.7	24,650.4
Run-off gains/(losses) for the period, net of reinsurance ¹	273.5	365.6	1,363.2
In per cent of earned premiums from general insurance	4.2	6.2	5.5

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	31.3.2020	31.3.2019	31.12.2019
Claims provision, gross, as at 1 January	28,164.8	29,355.8	29,355.8
Claims for the year	4,973.8	4,657.1	18,669.8
Claims incurred in prior years, gross	(245.4)	(331.0)	(1,271.3)
Claims paid	(5,020.6)	(4,792.0)	(18,710.8)
Discounting of claims provisions	4.3	14.4	33.2
Change in discounting rate	(90.4)	70.4	198.1
Exchange differences	1,549.8	(271.9)	(110.0)
Claims provision, gross, at the end of the period	29,336.2	28,702.6	28,164.8
Discounted claims provision, gross - annuities	6,664.0	5,796.8	5,904.9
Nominal claims provision, gross - annuities	6,858.4	6,220.8	6,203.7

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 occupational injuries 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 MTPL personal injuries are paid as lifelong annuities. The discount rate used is a swap interest rate.

Over the next three 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 fund 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 with secured loans 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 and 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.

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow

Notes

1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

NOK millions	Carrying amount as at 31.3.2020	Fair value as at 31.3.2020	Carrying amount as at 31.3.2019	Fair value as at 31.3.2019
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	1,245.3	1,245.3	515.3	515.3
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	4,530.9	4,530.9	5,729.8	5,729.8
Bonds and other fixed income securities	30,671.5	30,671.5	29,428.0	29,428.0
Shares and similar interests in life insurance with investment options	22,408.4	22,408.4	22,991.9	22,991.9
Bonds and other fixed income securities in life insurance with investment options	3,731.4	3,731.4	3,653.3	3,653.3
Loans	1.9	1.9	3.9	3.9
<i>Financial assets held to maturity</i>				
Bonds held to maturity	245.6	246.2	249.4	250.5
<i>Loans and receivables</i>				
Bonds and other fixed income securities classified as loans and receivables	19,932.7	20,658.6	20,355.1	21,401.4
Loans	2,429.3	2,429.3	2,483.2	2,483.2
Receivables related to direct operations and reinsurance	9,310.1	9,310.1	8,367.2	8,367.2
Other assets and receivables	2,321.1	2,321.1	1,341.9	1,341.9
Cash and cash equivalents	8,804.9	8,804.9	6,055.9	6,055.9
Total financial assets	105,633.0	106,359.5	101,174.9	102,222.3
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	2,419.0	2,419.0	744.4	744.4
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Interest-bearing liabilities at fair value through profit or loss				
Debt in life insurance with investment options	26,139.8	26,139.8	26,645.2	26,645.2
<i>Financial liabilities at amortised cost</i>				
Subordinated debt	1,498.5	1,349.4	1,498.1	1,487.6
Other liabilities	3,243.3	3,243.3	6,529.3	6,529.3
Liabilities related to direct insurance	850.5	850.5	974.8	974.8
Total financial liabilities	34,151.1	34,002.1	36,391.8	36,381.3
Gain/(loss) not recognised in profit or loss		875.6		1,057.9

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	14,856.7	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>				
Interest-bearing liabilities at fair value through profit or loss				
Debt 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

Valuation hierarchy 2019

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		515.3		515.3
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	140.4	4,240.0	1,349.5	5,729.8
Bonds and other fixed income securities	12,354.4	16,308.9	764.7	29,428.0
Shares and similar interests in life insurance with investment options	22,958.4	33.6		22,991.9
Bonds and other fixed income securities in life insurance with investment options	3,636.9	16.4		3,653.3
Loans			3.9	3.9
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	250.5			250.5
Bonds and other fixed income securities classified as loans and receivables		21,401.4		21,401.4
Loans			2,483.2	2,483.2
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		744.4		744.4
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Interest-bearing liabilities at fair value through profit or loss				
Debt in life insurance with investment options	26,595.3	49.9		26,645.2
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,487.6		1,487.6

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Financial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

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	Purchases	Sales	Settlements	Transfers into/out of level 3	Currency 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	(251.1)
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	(249.3)

Reconciliation of financial assets valued based on non-observable market data (level 3) 2019

NOK millions	As at 1.1.2019	Net realised/unrealised gains recognised in profit or loss	Purchases	Sales	Settlements	Transfers into/out of level 3	Currency effect	As at 30.3.2019	Amount of net realised/unrealised gains recognised in profit or loss that are attributable to instruments held as at 31.3.2019
Shares and similar interests	1,359.1	17.2	33.2	(59.8)			(0.2)	1,349.5	33.1
Bonds and other fixed income securities	778.7	4.4					(18.4)	764.7	
Loans at fair value		0,0				3.8		3.9	
Total	2,137.8	21.6	33.2	(59.8)		3.8	(18.6)	2,118.1	33.1

9. Contingent liabilities

NOK millions	31.3.2020	31.3.2019	31.12.2019
Guarantees and committed capital			
Committed capital, not paid	642.0	812.1	590.5

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 642.0 million (812.1) 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 2.4 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.

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Alternative performance measures and key figures

		1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Gjensidige Forsikring Group				
Equity	NOK millions	26,530.6	22,393.6	26,192.2
Equity per share	NOK	53.1	44.8	52.4
Earnings per share in the period, basic and diluted ¹	NOK	(0.96)	5.57	13.19
Return on equity, annualised ²	%	(7.7)	49.6	28.2
Return on tangible equity, annualised ²	%	(9.5)	63.2	35.6
Return on financial assets ²	%	(2.5)	1.2	4.1
Total eligible own funds to meet the group SCR ³	NOK millions	26,762.4	24,618.5	21,855.1
Group SCR margin ⁴	%	269.0	248.1	205.7
Total eligible own funds to meet the minimum consolidated group SCR ⁵	NOK millions	23,700.8	21,613.0	18,670.7
Minimum consolidated group SCR margin ⁶	%	473.6	437.6	373.6
Gjensidige Forsikring ASA				
Total eligible own funds to meet the SCR ⁷	NOK millions	26,390.5	23,652.3	21,261.9
SCR margin ⁸	%	288.1	259.8	219.2
Total eligible own funds to meet the MCR ⁹	NOK millions	23,458.7	20,782.7	18,220.9
MCR margin ¹⁰	%	561.1	507.3	434.7
Issued shares, at the end of the period	Number	500,000,000	500,000,000	500,000,000
General Insurance				
<i>Gross premiums written ²</i>				
Private	NOK millions	2,956.9	2,764.9	9,136.3
Commercial	NOK millions	4,292.0	3,923.2	8,692.8
Denmark	NOK millions	2,723.8	2,222.5	5,291.6
Sweden	NOK millions	554.9	460.2	1,440.7
Baltics	NOK millions	320.5	305.5	1,179.3
Corporate Centre/reinsurance	NOK millions	114.4	113.6	113.6
Total General Insurance	NOK millions	10,962.5	9,789.8	25,854.2
Premiums, net of reinsurance ²	%	96.7	96.0	97.2
<i>Earned premiums</i>				
Private	NOK millions	2,246.9	2,101.5	8,872.4
Commercial	NOK millions	2,172.1	1,994.3	8,164.1
Denmark	NOK millions	1,444.4	1,196.3	4,960.1
Sweden	NOK millions	376.3	352.9	1,405.8
Baltics	NOK millions	298.2	268.1	1,126.9
Corporate Centre/reinsurance	NOK millions	32.7	23.6	121.2
Total General Insurance	NOK millions	6,570.6	5,936.7	24,650.4
<i>Loss ratio ²</i>				
Private	%	63.7	68.5	64.0
Commercial	%	67.1	72.8	68.7
Denmark	%	73.1	76.9	73.4
Sweden	%	77.4	74.3	75.3
Baltics	%	68.1	66.2	64.7
Total General Insurance	%	68.9	71.7	68.9
<i>Underlying frequency loss ratio ²</i>				
Private	%	65.3	73.1	68.9
Commercial	%	71.1	78.6	71.9
Denmark	%	74.6	80.3	75.4
Sweden	%	80.8	79.4	77.5
Baltics	%	65.6	72.1	67.8
Total General Insurance	%	70.0	76.5	71.8
<i>Cost ratio ²</i>				
Private	%	13.2	12.7	13.1
Commercial	%	10.2	10.5	10.1
Denmark	%	14.7	14.5	14.5
Sweden	%	17.0	19.5	19.3
Baltics	%	30.2	31.7	29.9
Total General Insurance	%	15.0	14.9	14.7

		1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
<i>Combined ratio ²</i>				
Private	%	76.9	81.2	77.2
Commercial	%	77.3	83.3	78.8
Denmark	%	87.8	91.4	87.9
Sweden	%	94.4	93.8	94.6
Baltics	%	98.2	97.9	94.6
Total General Insurance	%	83.9	86.6	83.6
Combined ratio discounted ²	%	83.7	85.6	83.0
Pension				
Assets under management pension, at the end of the period	NOK millions	33,463.5	33,680.6	37,335.1
of which the group policy portfolio	NOK millions	7,256.4	6,798.5	7,204.2
Operating margin ²	%	29.31	35.48	36.05
Recognised return on the paid-up policy portfolio ¹¹	%	(0.22)	0.92	4.34
Value-adjusted return on the paid-up policy portfolio ¹²	%	(0.73)	1.24	4.72
Share of shared commercial customers ¹³	%	67.8	69.7	67.5
Return on equity, annualised ²	%	11.7	20.6	17.9

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 2020.

³ Total eligible own funds to meet the group SCR = Total eligible own funds to meet the group solvency capital requirement, where the group solvency capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

⁴ Group SCR margin = Ratio of total eligible own funds to group solvency capital requirement, where the group solvency capital requirement is based on approved partial internal model.

⁵ Total eligible own funds to meet the minimum consolidated group SCR = Total eligible own funds to meet the minimum consolidated group solvency capital requirement, where the minimum consolidated group solvency capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

⁶ Minimum consolidated group SCR margin = Ratio of eligible own funds to minimum consolidated group solvency capital requirement, where the minimum consolidated group solvency capital requirement is based on approved partial internal model.

⁷ Total eligible own funds to meet the SCR = Total eligible own funds to meet the solvency capital requirement for Gjensidige Forsikring ASA, where the solvency capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

⁸ SCR margin = Ratio of total eligible own funds to solvency capital requirement for Gjensidige Forsikring ASA, where the solvency capital requirement is based on approved partial internal model.

⁹ Total eligible own funds to meet the MCR = Total eligible own funds to meet the minimum capital requirement for Gjensidige Forsikring ASA, where the minimum capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-our ratio based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

¹⁰ MCR margin = Ratio of eligible own funds to minimum capital requirement for Gjensidige Forsikring ASA, where the minimum capital requirement is based on approved partial internal model.

¹¹ Recognised return on the paid-up policy portfolio = realised return on the portfolio

¹² Value-adjusted return on the paid-up policy portfolio = total return on the portfolio

¹³ Share of shared commercial customers = customers having both pension and general insurance products with Gjensidige

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Quarterly earnings performance

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
NOK millions	2020	2019	2019	2019	2019	2018	2018	2018	2018
Earned premiums from general insurance	6,570.6	6,313.8	6,317.0	6,082.8	5,936.7	6,081.2	6,118.1	5,987.2	5,866.3
Other income	262.1	286.7	823.5	1,076.0	714.7	511.7	499.2	595.0	602.8
Total operating income	6,832.7	6,600.6	7,140.6	7,158.9	6,651.5	6,592.9	6,617.4	6,582.1	6,469.1
Total net income from investments	(1,533.1)	826.6	264.3	500.5	2,268.9	(224.6)	429.7	370.4	254.7
Total operating income and net income from investments	5,299.6	7,427.1	7,404.9	7,659.3	8,920.4	6,368.3	7,047.1	6,952.5	6,723.8
Claims incurred etc. from general insurance	(4,524.2)	(4,437.6)	(4,367.7)	(3,916.4)	(4,256.8)	(3,268.9)	(4,591.7)	(4,371.0)	(4,559.5)
Claims incurred etc. from pension	(156.2)	(156.7)	(718.5)	(974.9)	(615.6)	(408.1)	(406.1)	(503.0)	(516.4)
Total claims etc.	(4,680.4)	(4,594.3)	(5,086.3)	(4,891.4)	(4,872.4)	(3,676.9)	(4,997.8)	(4,874.0)	(5,075.9)
Operating expenses from general insurance	(988.7)	(956.6)	(888.2)	(908.7)	(881.8)	(897.9)	(953.0)	(909.3)	(895.7)
Other operating expenses	(127.5)	(147.6)	(158.8)	(136.3)	(135.5)	(132.3)	(132.3)	(134.3)	(147.3)
Total operating expenses	(1,116.2)	(1,104.3)	(1,047.0)	(1,045.0)	(1,017.3)	(1,030.2)	(1,085.3)	(1,043.6)	(1,043.0)
Total expenses	(5,796.6)	(5,698.5)	(6,133.3)	(5,936.4)	(5,889.7)	(4,707.1)	(6,083.1)	(5,917.6)	(6,118.8)
Profit/(loss) for the period before tax expense	(497.0)	1,728.6	1,271.5	1,722.9	3,030.7	1,661.2	964.0	1,034.9	605.0
Underwriting result general insurance	1,057.6	919.6	1,061.1	1,257.6	798.1	1,914.4	573.4	706.8	411.2

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
NOK millions	2017	2017	2017	2017	2016	2016	2016	2016	2015
Earned premiums from general insurance	5,969.5	6,056.4	5,824.7	5,547.7	5,685.6	5,705.5	5,536.8	5,514.0	5,493.5
Other income	522.9	553.6	352.2	539.1	476.5	440.2	315.1	338.1	498.6
Total operating income	6,492.3	6,610.0	6,177.0	6,086.8	6,162.1	6,145.6	5,851.9	5,852.2	5,992.1
Total net income from investments	487.1	475.5	471.0	568.6	541.5	709.2	573.9	328.0	618.7
Total operating income and net income from investments	6,979.5	7,085.5	6,648.0	6,655.4	6,703.6	6,854.8	6,425.8	6,180.2	6,610.8
Claims incurred etc. from general insurance	(4,468.4)	(4,013.7)	(3,961.7)	(3,957.9)	(4,013.8)	(4,004.3)	(3,599.6)	(3,898.1)	(3,734.7)
Claims incurred etc. from pension	(444.9)	(478.1)	(282.6)	(456.2)	(387.1)	(371.2)	(250.2)	(275.1)	(432.8)
Total claims etc.	(4,913.3)	(4,491.9)	(4,244.2)	(4,414.1)	(4,400.9)	(4,375.5)	(3,849.8)	(4,173.2)	(4,167.5)
Operating expenses from general insurance	(945.7)	(892.5)	(890.7)	(857.6)	(971.3)	(989.4)	(865.6)	(365.2)	(879.5)
Other operating expenses	(124.9)	(123.1)	(132.1)	(121.5)	(120.0)	(115.7)	(119.7)	(114.7)	(176.0)
Total operating expenses	(1,070.7)	(1,015.6)	(1,022.8)	(979.0)	(1,091.3)	(1,105.1)	(985.2)	(479.9)	(1,055.5)
Total expenses	(5,984.0)	(5,507.5)	(5,267.0)	(5,393.1)	(5,492.2)	(5,480.6)	(4,835.1)	(4,653.1)	(5,223.0)
Profit/(loss) for the period before tax expense	995.5	1,578.1	1,381.0	1,262.2	1,211.4	1,374.2	1,590.8	1,527.1	1,387.7
Underwriting result general insurance	555.4	1,150.2	972.3	732.2	700.4	711.8	1,071.6	1,250.7	879.2

Income statement

Gjensidige Forsikring ASA

	Restated ¹		
NOK millions	1.1.-31.3.2020	1.1.-31.3.2019	1.1.-31.12.2019
Premiums etc.			
Earned premiums, gross	6,406.6	5,831.1	24,236.4
Ceded reinsurance premiums	(134.2)	(162.5)	(712.9)
Total earned premiums, net of reinsurance	6,272.4	5,668.6	23,523.5
Claims			
Gross claims	(4,532.1)	(4,138.7)	(16,662.5)
Claims, reinsurers' share	211.0	59.3	412.6
Total claims incurred, net of reinsurance	(4,321.1)	(4,079.4)	(16,249.9)
Insurance-related operating expenses			
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(939.3)	(858.9)	(3,544.5)
Received commission for ceded reinsurance and profit share	1.2	11.2	45.2
Total insurance-related operating expenses	(938.0)	(847.6)	(3,499.3)
Other insurance-related operating expenses			(12.7)
Technical profit/(loss)	1,013.3	741.6	3,761.7
Net income from investments			
Income from investments in subsidiaries, associates and joint ventures		3,097.3	3,093.3
Impairment losses of investments in subsidiaries, associates and joint ventures		(58.0)	(153.2)
Interest income and dividend etc. from financial assets	264.1	244.1	1,000.8
Changes in fair value on investments	(2,181.2)	612.3	1,451.6
Realised gain and loss on investments	438.1	(180.6)	(312.8)
Administration expenses related to investments, including interest expenses	(44.8)	(41.8)	(201.6)
Total net income from investments	(1,523.9)	3,673.2	4,878.1
Other income	3.7	2.5	12.7
Other expenses	(10.9)	(9.0)	(38.5)
Profit/(loss) of non-technical account	(1,531.0)	3,666.7	4,852.3
Profit/(loss) before tax expense	(517.8)	4,408.3	8,613.9
Tax expense	18.1	(271.7)	(1,153.6)
Profit/(loss) before other comprehensive income	(499.7)	4,136.6	7,460.3
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss			
Changes in estimates related to defined benefit plans	(141.7)		(116.4)
Tax on other comprehensive income that will not be reclassified to profit or loss	35.4		29.1
Total other comprehensive income that will not be reclassified to profit or loss	(106.3)		(87.3)
Other comprehensive income that may be reclassified to profit or loss			
Exchange differences from foreign operations	917.6	(178.8)	(65.1)
Tax on other comprehensive income that may be reclassified	(182.3)	34.7	17.1
Total other comprehensive income that may be reclassified	735.3	(144.1)	(48.1)
Comprehensive income	129.4	3,992.5	7,325.0

¹ As at 2.9.2019 Gjensidige Forsikring ASA merged with its wholly owned subsidiaries Nykredit Forsikring A/S and Mølholm Forsikring A/S. The merger was effective from 1.1.2019.

CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Fiancial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	Restated ¹		
	31.3.2020	31.3.2019	31.12.2019
Assets			
Goodwill	3,381.2	2,903.1	2,950.1
Other intangible assets	1,012.5	1,121.7	1,026.0
Total intangible assets	4,393.7	4,024.8	3,976.2
Investments			
<i>Buildings and other real estate</i>			
Owner-occupied property	28.5	28.5	28.5
Right-of-use property	990.8	1,088.2	966.7
<i>Subsidiaries and associates</i>			
Shares in subsidiaries	2,108.8	1,995.3	2,063.8
Shares in associates and joint ventures	1,086.9	1,086.9	1,086.9
Interest-bearing receivables on subsidiaries and joint ventures	2,420.8	2,439.1	2,401.4
<i>Financial assets measured at amortised cost</i>			
Interest-bearing securities			
Loans and receivables	14,506.7	15,321.3	14,714.8
<i>Financial assets measured at fair value</i>			
Shares and similar interests (incl. shares and similar interests measured at cost)	4,503.3	5,630.5	6,545.3
Interest-bearing securities	28,367.0	27,330.4	28,446.3
Subordinated loans	1.9	3.9	2.2
Financial derivatives	1,245.3	515.3	934.1
Other financial assets	111.0	111.0	111.0
Total investments	55,371.0	55,550.4	57,301.0
Reinsurers' share of insurance-related liabilities, gross			
Reinsurers' share of provision for unearned premiums, gross	276.6	260.3	42.3
Reinsurers' share of claims provision, gross	626.3	451.7	554.5
Total reinsurers' share of insurance-related liabilities, gross	902.8	711.9	596.8
Receivables			
Receivables related to direct operations	9,085.9	8,067.0	6,843.3
Receivables related to reinsurance	136.2	84.7	23.7
Receivables within the group	85.9	60.0	7.1
Other receivables	2,065.3	1,018.7	864.4
Total receivables	11,373.4	9,230.4	7,738.4
Other assets			
Plant and equipment	185.0	249.9	189.8
Cash and cash equivalents	7,766.8	5,497.7	1,796.1
Pension assets	154.6	155.2	241.8
Total other assets	8,106.4	5,902.8	2,227.6
Prepaid expenses and earned, not received income			
Other prepaid expenses and earned, not received income	74.8	141.3	37.7
Total prepaid expenses and earned, not received income	74.8	141.3	37.7
Total assets	80,222.1	75,561.6	71,877.7

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NOK millions	Restated ¹		
	31.3.2020	31.3.2019	31.12.2019
Equity and liabilities			
<i>Paid in equity</i>			
Share capital	1,000.0	1,000.0	1,000.0
Share premium	1,430.0	1,430.0	1,430.0
Perpetual Tier 1 Capital	1,002.4	1,001.6	1,002.3
Other paid-in equity	74.4	60.8	67.4
Total paid-in equity	3,506.8	3,492.4	3,499.6
Retained equity			
<i>Funds etc.</i>			
Natural perils capital	2,688.0	2,504.5	2,676.3
Guarantee scheme provision	676.3	653.9	676.3
Other retained earnings	17,683.0	14,493.3	11,459.6
Total retained earnings	21,047.3	17,651.8	14,812.2
Total equity	24,554.1	21,144.1	18,311.9
Subordinated debt	1,198.7	1,198.4	1,198.6
Insurance-related liabilities in general insurance, gross			
Provision for unearned premiums, gross	14,835.3	13,162.3	10,003.0
Claims provision, gross	28,805.2	28,238.8	27,693.3
Provision for premium discounts and other profit agreements	86.4	71.3	77.3
Total insurance-related liabilities in general insurance, gross	43,726.9	41,472.4	37,773.6
Provision for liabilities			
Pension liabilities	668.6	559.0	608.1
Current tax	1,297.3	347.7	984.6
Deferred tax liabilities	879.3	1,278.4	1,391.4
Other provisions	236.4	250.6	294.5
Total provision for liabilities	3,081.5	2,435.7	3,278.5
Liabilities			
Liabilities related to direct insurance	439.0	373.4	380.9
Liabilities related to reinsurance	192.0	189.0	46.1
Financial derivatives	2,419.0	744.4	641.0
Accrued dividend		3,550.0	6,125.0
Other liabilities	4,187.3	4,094.4	3,711.2
Liabilities to subsidiaries and associates	11.2	3.5	56.7
Total liabilities	7,248.6	8,954.7	10,960.9
Accrued expenses and deferred income			
Other accrued expenses and deferred income	412.3	356.2	354.2
Total accrued expenses and deferred income	412.3	356.2	354.2
Total equity and liabilities	80,222.1	75,561.6	71,877.7

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CONTENT

Gjensidige Forsikring Group

Group highlights

Solid underwriting result offset
by effects from financial market turmoil

General insurance private

General insurance commercial

General insurance Denmark

General insurance Sweden

General insurance Baltics

Pension

Management of financial assets and properties

Organisation

Events after the balance sheet day

Dividend

Strategy and outlook

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated statement of cash flow

Notes

1 Accounting policies

2 Seasonal variations

3 Segment information

4 Earned premiums from general insurance

5 Claims incurred etc. from general insurance

6 Run-off gains (losses) from general insurance

7 Claims provision, gross from general insurance

8 Financial assets and liabilities

9 Contingent liabilities

10 Related parties

Alternative performance measures and key figures

Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement

Statement of financial position

Statement of changes in equity

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 31.12.2018	1,000.0	(0.1)	1,430.0	58.2	1,000.5	386.2	(1,969.8)	15,384.0	17,288.9
Adjustment on initial application of IFRS 16							(61.4)		(61.4)
Merger losses ¹								(65.7)	(65.7)
Equity as at 1.1.2019	1,000.0	(0.1)	1,430.0	58.2	1,000.5	386.2	(1,969.8)	15,256.9	17,161.9
1.1.-31.12.2019									
Comprehensive income									
Profit/(loss)					51.3			7,409.0	7,460.3
Total other comprehensive income						(48.0)	(87.3)		(135.4)
Comprehensive income					51.3	(48.0)	(87.3)	7,409.0	7,325.0
Transactions with owners of the company									
Own shares		0,0						(9.2)	(9.2)
Accrued and paid dividend								(6,124.9)	(6,124.9)
Equity-settled share-based payment transactions				9.2					9.2
Perpetual Tier 1 capital						0.6		(0.6)	
Perpetual Tier 1 capital - interest paid						(50.1)			(50.1)
Total transactions with owners of the company		0,0		9.2		(49.5)		(6,134.8)	(6,175.1)
Equity as at 31.12.2019	1,000.0	0,0	1,430.0	67.4	1,002.3	338.1	(2,057.1)	16,531.2	18,311.9
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)	
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
1.1.-31.3.2019 Restated ¹									
Comprehensive income									
Profit/(loss)					12.2			4,124.4	4,136.6
Total other comprehensive income				(0.1)		48.4	(192.4)		(144.1)
Comprehensive income				(0.1)	12.2	48.4	(192.4)	4,124.4	3,992.5
Transactions with owners of the company									
Own shares		0,0						(1.8)	(1.7)
Equity-settled share-based payment transactions				2.7					2.7
Perpetual Tier 1 capital						0.2		(0.2)	
Perpetual Tier 1 capital - interest paid						(11.2)			(11.2)
Total transactions with owners of the company		0,0		2.7		(11.1)		(1.9)	(10.2)
Equity as at 31.3.2019 Restated ¹	1,000.0	0,0	1,430.0	60.8	1,001.6	434.6	(2,162.2)	19,379.4	21,144.1

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CONTENT

Gjensidige Forsikring Group

Group highlights
Solid underwriting result offset by effects from financial market turmoil
General insurance private
General insurance commercial
General insurance Denmark
General insurance Sweden
General insurance Baltics
Pension
Management of financial assets and properties
Organisation
Events after the balance sheet day
Dividend
Strategy and outlook
Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flow
Notes
1 Accounting policies
2 Seasonal variations
3 Segment information
4 Earned premiums from general insurance
5 Claims incurred etc. from general insurance
6 Run-off gains (losses) from general insurance
7 Claims provision, gross from general insurance
8 Financial assets and liabilities
9 Contingent liabilities
10 Related parties
Alternative performance measures and key figures
Quarterly earnings performance

Gjensidige Forsikring ASA

Income statement
Statement of financial position
Statement of changes in equity

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 26 billion in 2019, while total assets were NOK 112 billion.

Gjensidige
Schweigaardsgate 21, 0191 Oslo
P.O. box 700, Sentrum, 0106 Oslo
Phone +47 915 03100