

Interim Report 3rd quarter 2017

Gjensidige Forsikring Group



Group highlights

Third quarter 2017

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

Year-to-date

Group

- Profit/loss before tax expense: NOK 4,586.0 million (4,834.1)
- Earnings per share: NOK 7.04 (7.15)

General Insurance

- Earned premiums: NOK 17,428.8 million (16,756.3)
- Underwriting result: NOK 2,854.7 million (3,034.1)
- Combined ratio: 83.6 (81.9)
- Cost ratio: 15.2 (13.2)
- Financial result: NOK 1,513.4 million (1,593.7)

Third quarter

Group

- Profit/loss before tax expense: NOK 1,718.4 million (1,515.9)
- Profit per share: NOK 2.63 (2.34)

General Insurance

- Earned premiums: NOK 6,056.4 million (5,705.5)
- Underwriting result: NOK 1,150.2 million (711.8)
- Combined ratio: 81.0 (87.5)
- Cost ratio: 14.7 (17.3)
- Financial result: NOK 477.3 million (700.4)

Profit performance Group

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
General Insurance Private	643.4	535.7	1,807.0	1,646.8	2,196.7
General Insurance Commercial	501.1	401.0	1,320.3	1,249.1	1,631.3
General Insurance Nordic	146.5	59.7	119.7	226.9	247.3
General Insurance Baltics	4.6	(21.5)	(26.5)	(62.9)	(99.5)
Corporate Centre/costs related to owner	(56.3)	(195.6)	(188.5)	117.7	(10.6)
Corporate Centre/reinsurance ¹	(89.2)	(67.5)	(177.4)	(143.5)	(230.6)
Underwriting result general insurance ²	1,150.2	711.8	2,854.7	3,034.1	3,734.6
Pension	21.6	36.8	75.8	88.8	114.8
Retail Bank	140.3	141.6	364.8	342.0	439.1
Financial result from the investment portfolio ³	477.3	700.4	1,513.4	1,593.7	2,155.1
Amortisation and impairment losses of excess value – intangible assets	(62.6)	(63.6)	(188.6)	(194.1)	(254.2)
Other items	(8.4)	(11.1)	(34.2)	(30.4)	(49.5)
Profit/(loss) before tax expense	1,718.4	1,515.9	4,586.0	4,834.1	6,139.9
Key figures general insurance					
Large losses ⁴	70.7	321.4	318.0	689.9	871.8
Run-off gains/(losses) ⁵	243.5	233.7	729.7	709.1	1,023.4
Loss ratio ⁶	66.3%	70.2%	68.5%	68.6%	69.1%
Cost ratio ⁷	14.7%	17.3%	15.2%	13.2%	14.2%
Combined ratio ⁸	81.0%	87.5%	83.6%	81.9%	83.4%

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. Large losses allocated to the Corporate Centre amounted to NOK 61.9 million (157.9) for the year to date and NOK 10.4 million (73.5) in the quarter. Accounting items related to written reinsurance and reinstatement premium are also included.

² Underwriting result general insurance = earned premiums - claims incurred etc. - operating expenses

³ Excluding the return on financial assets in Pension and Retail Bank.

⁴ Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter were NOK 307.0 million.

⁵ Run-off gains/(losses) = changes in estimates from earlier periods. Provisions are based on best estimates, and the expected run-off result over time is zero.

⁶ Loss ratio = claims incurred etc./earned premiums

⁷ Cost ratio = insurance-related operating expenses/earned premiums

⁸ Combined ratio = loss ratio + cost ratio

Record-strong underwriting result

Group profit performance

Year-to-date development

The Gjensidige Forsikring Group recorded a strong profit before tax expense of NOK 4,586.0 million (4,834.1) for the year to date. The profit from general insurance operations measured by the underwriting result was NOK 2,854.7 million (3,034.1), corresponding to a combined ratio of 83.6 (81.9). In the first quarter 2016, the removal of an annual minimum regulation clause for pension payments under the defined benefit plan contributed to a non-recurring income of NOK 476.6 million. Furthermore, a non-recurring restructuring cost of NOK 120 million was recognised in the third quarter 2016. Adjusted for these non-recurring items, the comparable year-to-date underwriting result in 2016 was NOK 2,677.5 million, corresponding to a combined ratio of 84.0.

The return on financial assets was 2.8 per cent (2.8), or NOK 1,513.4 million (1,593.7).

The tax expense amounted to NOK 1,068.8 million (1,258.6), corresponding to an effective tax rate of 23.3 per cent (26.0). The effective tax rate was influenced by realised and unrealised gains and losses on equity investments in the EEA.

The profit after tax expense was NOK 3,517.2 million (3,575.5), corresponding to NOK 7.04 (7.15) per share.

The strong underwriting result was positively influenced by premium growth of 4.0 per cent, leading to earned premiums totalling NOK 17.4 billion (16.8) for the year to date. Adjusted for currency effects, growth was 4.4 per cent. The result also reflects continued good customer and risk selection, and risk pricing. The result was also positively affected by a benign weather situation and a lower level of large losses than in the same period last year. Run-off gains were at the expected run-rate, while large losses were lower than normally expected. The underlying frequency claims loss ratio was somewhat higher than in the corresponding period in 2016.

Earned premiums in the Private segment increased by 3.5 per cent. The underwriting result was higher than for the same period last year, mainly due to a higher level of run-off gains.

Earned premiums in the Commercial segment were flat compared to the same period last year, reflecting a continued highly competitive market. A lower level of large losses contributed positively to the underwriting result, but the underlying frequency claims profitability also continued to be good.

In the Nordic segment, earned premiums increased by 11.1 per cent (12.8 per cent in local currency), mainly due to the acquisitions of Vardia and Mølholm. Underlying growth was 3.4 per cent, driven by both the Danish and the Swedish portfolio. The underwriting result decreased compared to the same period last year, primarily due to a lower level of run-off gains and a less favourable frequency claims development in both countries.

Earned premiums in the Baltic segment increased by 2.5 per cent (by 3.7 per cent in local currency). The underwriting result improved from the same period last year driven by lower operating expenses, but it was still negative, impacted by several medium-sized claims.

The Retail Bank's profit performance improved, largely driven by portfolio growth. The Pension segment's profit performance developed negatively, mainly due to lower financial income and strengthening of reserves. In February 2017, Gjensidige Investeringsrådgivning AS was merged with Gjensidige Bank. Comparable figures have been disclosed accordingly.

The return on financial assets was lower than in the same period last year. Equities and property delivered good returns, counteracted by weaker returns on fixed income instruments.

Development during the quarter

The Group recorded a profit before tax expense for the quarter of NOK 1,718.4 million (1,515.9). The profit from general insurance operations measured by the underwriting result was record-strong at NOK 1,150.2 million (711.8), corresponding to a combined ratio of 81.0 (87.5). In the third quarter 2016 a non-recurring restructuring cost of NOK 120 million was recognised. The return on financial assets was 0.9 per cent (1.3), or NOK 477.3 million (700.4).

The profit after tax expense was NOK 1,312.7 million (1,171.7), corresponding to NOK 2.63 (2.34) per share.

The solid underwriting result was driven by 6.2 per cent growth in premiums combined with an improved underlying frequency claims loss ratio. Also, large losses were lower than in the third quarter 2016, below the level that is normally expected. Run-off gains were close to the expected level.

The Retail Bank showed a flat profit development compared to the same quarter last year, while the Pension operation recorded a lower profit, mainly due to a lower financial result and reserve strengthening.

The financial result in the quarter was lower than in the same period last year. Good returns on equities, property and high-yield bonds were partly offset by negative return on tactical allocations.

Equity and capital position

The Group's equity amounted to NOK 22,720.3 million (23,111.2) at the end of the period. The annualised return on equity was 22.4 per cent (21.7).

Based on Gjensidige's understanding of the Solvency II Regulation and how it is implemented in Norway, the solvency margins at the end of the quarter were:

- Standard Formula (SF): 145 per cent
- Partial Internal Model (PIM): 173 per cent

If the guarantee scheme provision were included as solvency capital, the ratios would be:

- Standard Formula (SF): 148 per cent
- Partial Internal Model (PIM): 177 per cent

Available capital in excess of the risk-based requirement calculated using the Group's partial internal model (PIM) constitutes the Group's economic excess capital. In addition, a deduction is made for the higher of the calculated supplementary capital required to maintain the current 'A' rating and the capital required to meet the statutory solvency requirements. Excess capital above and beyond this amounted to NOK 1.4 billion at the end of the period.

Total comprehensive income for the year-to-date is included in the solvency and rating calculations, minus a formulaic dividend payout ratio of 70 per cent of net profit.

Other matters

Updated financial strategy

Gjensidige shall have a capitalisation that is adapted to the Group's strategic targets and risk appetite at all times. The Group shall maintain its financial flexibility and at the same time exercise a stringent capital discipline that supports the return on equity target. Any future excess capital will be distributed to the shareholders over time.

Based on a revision of the Group's principles for capital management, the Board has adopted updated requirements for Group Solvency II ratios. The capitalisation of the Group will be based on the following requirements (previous requirements in brackets):

- Standard Formula (SF): 120 - 150 per cent (115 - 140)
- Partial Internal Model (PIM): 125 - 175 per cent (120 - 175)

Solvency margin levels are expected to be around the upper end of the margin ranges in order to support an 'A' rating from Standard & Poor's or similar, to stabilise regular dividends over time, ensure financial flexibility for smaller acquisitions and organic growth not financed through retained earnings, as well as providing a buffer against regulatory uncertainties.

All subsidiaries will be capitalised in line with the respective regulatory requirements, while capital in excess of the requirements will, as far as possible, be held in the parent company Gjensidige

Forsikring ASA. The Group will make use of all forms of Tier 1 and Tier 2 capital, including subordinated debt, in a responsible and value-optimising manner and within the limits set by regulators and rating agencies.

Update on Solvency II-related regulatory uncertainties

There is still some uncertainty about how capital requirements and qualifying funds will be calculated under the Solvency II rules.

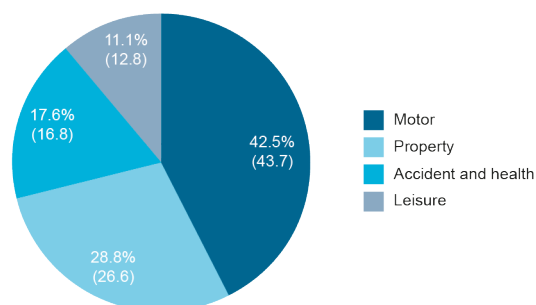
For Gjensidige, the main remaining uncertainty is whether the guarantee scheme provisions will be included in qualifying funds. The Financial Supervisory Authority of Norway (FSA) takes the view that the guarantee provision should be treated as a liability. In Gjensidige's opinion, special Norwegian 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.

It is still unclear whether new tax deduction rules will be introduced for technical provisions and, if so, how they will be worded. In Gjensidige's opinion, the new solvency regulations should not entail major changes in tax positions, and it expects a new proposal to reflect this.

Gjensidige is awaiting approval of the partial internal model. The FSA has given no signals regarding approval date.

Product groups Private

Earned premiums year to date (same period last year)



General Insurance Private

Year-to-date development

The underwriting result was NOK 1,807.0 million (1,646.8). The increase was mainly driven by increased run-off gains. The combined ratio was 71.7 (73.4).

Earned premiums increased to NOK 6,393.0 million (6,179.7), and Gjensidige's competitive position remained strong. With effect from October 2016, the Mondux product insurance portfolio was moved from the Nordic segment to the Private segment. Earned premiums in this portfolio amounted to NOK 154.3 million. Adjusted for this and for one large leisure contract that was not renewed from 1 January 2017, premium growth was a satisfactory 3.0 per cent. Premiums for property and accident and health insurance increased, while leisure insurance premiums showed a decrease. Adjusted for the one contract mentioned above, leisure insurance showed growth in premiums. Motor premiums were stable.

Claims incurred amounted to NOK 3,776.7 million (3,747.3). The loss ratio was still at a very strong level at 59.1 (60.6), also adjusted for run-off gains. Motor showed an increased underlying loss ratio, while property, leisure and accident and health insurance showed a positive development. Overall, the weather situation was benign also in the first three quarters of 2017, making a positive impact on frequency claims development. Pricing measures have been taken throughout the year to mitigate the effects of higher expected claims inflation in motor insurance going forward. The effects will gradually materialise over a 12-24-month period from implementation. The Mondux product portfolio negatively affected the underlying loss ratio by 0.6 percentage points.

Operating expenses amounted to NOK 809.3 million (785.5) and the cost ratio was 12.7 (12.7).

Development during the quarter

The underwriting result was NOK 643.4 million (535.7). The increase was driven by solid premium growth, good underlying frequency claims development and increased run-off gains. The combined ratio was 71.1 (74.9).

Earned premiums amounted to NOK 2,228.9 million (2,137.6). Premiums increased for property and accident and health insurance, while leisure insurance premiums showed a decrease. Adjusted for the above-mentioned large contract that was not renewed, leisure insurance showed an underlying growth in premiums. Motor premiums were at the same level as last year. Earned premiums from the Mondux product insurance portfolio amounted to NOK 57.2 million. Premium growth adjusted for Mondux and the non-renewed leisure contract was 3.9 per cent.

Claims incurred amounted to NOK 1,295.1 million (1,325.7). The loss ratio was 58.1 (62.0). Motor showed an increase in loss ratios, whereas property, leisure and accident and health showed a reduction. Underlying, the Mondux product portfolio negatively affected the loss ratio by 0.8 percentage points.

Operating expenses amounted to NOK 290.4 million (276.1) and the cost ratio was 13.0 (12.9).

General Insurance Private

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Earned premiums	2,228.9	2,137.6	6,393.0	6,179.7	8,291.3
Claims incurred etc.	(1,295.1)	(1,325.7)	(3,776.7)	(3,747.3)	(5,030.8)
Operating expenses	(290.4)	(276.1)	(809.3)	(785.5)	(1,063.8)
Underwriting result	643.4	535.7	1,807.0	1,646.8	2,196.7
Amortisation and impairment losses of excess value – intangible assets	(4.7)	(6.4)	(17.6)	(19.3)	(25.8)
Large losses ¹		24.3	10.2	35.4	56.2
Run-off gains/(losses) ²	112.5	75.3	366.1	233.6	377.5
Loss ratio ³	58.1%	62.0%	59.1%	60.6%	60.7%
Cost ratio ⁴	13.0%	12.9%	12.7%	12.7%	12.8%
Combined ratio ⁵	71.1%	74.9%	71.7%	73.4%	73.5%

¹ Large losses = loss events in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.

² Run-off gains/(losses) = changes in estimates from previous years

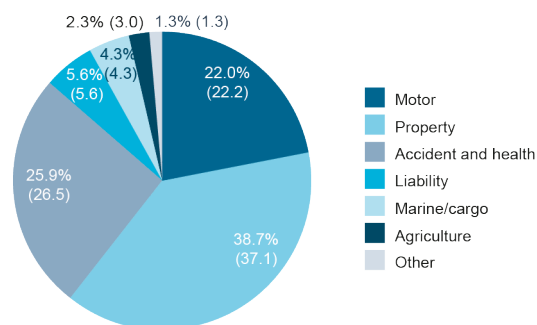
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Commercial

Earned premiums year to date (same period last year)



General Insurance Commercial

Year-to-date development

The underwriting result was NOK 1,320.3 million (1,249.1). The improvement was mainly driven by a lower level of large losses. The combined ratio was 75.9 (77.1).

Earned premiums were NOK 5,473.2 million (5,449.4). The Norwegian economic upturn is moderate, and the market environment for commercial lines remains highly competitive. Property contributed positively to premium development, while pricing in accident and health lines remains soft.

Claims incurred amounted to NOK 3,529.0 million (3,604.4) and the loss ratio was 64.5 (66.1). A lower level of large losses contributed positively to the development. The underlying loss ratio was marginally weaker than in the same period last year, in particular for accident and health insurance and motor insurance. Overall, the underlying profitability was still good in absolute terms. Measures have been taken during the year to mitigate the effects of expected higher claims inflation in motor insurance. The effects will gradually materialise over a 12-24-month period after implementation.

Operating expenses amounted to NOK 623.9 million (595.9) and the cost ratio was 11.4 (10.9). The increase was mainly due to provisions relating to organisational changes.

Development during the quarter

The underwriting result was NOK 501.1 million (401.0). The increase mainly reflects a lower level of large losses. The combined ratio was 73.1 (78.1).

Earned premiums were NOK 1,860.0 million (1,830.5). Property insurance in particular contributed positively to the solid premium development in the quarter.

Claims incurred amounted to NOK 1,155.9 (1,235.0) and the loss ratio was 62.1 (67.5). Large losses were significantly lower than in the corresponding period last year. Underlying frequency claims levels were somewhat higher than in the same quarter last year, mainly driven by accident and health insurance and motor insurance.

Operating expenses amounted to NOK 202.9 million (194.5) and the cost ratio was 10.9 (10.6).

General Insurance Commercial

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Earned premiums	1,860.0	1,830.5	5,473.2	5,449.4	7,257.4
Claims incurred etc.	(1,155.9)	(1,235.0)	(3,529.0)	(3,604.4)	(4,825.1)
Operating expenses	(202.9)	(194.5)	(623.9)	(595.9)	(801.1)
Underwriting result	501.1	401.0	1,320.3	1,249.1	1,631.3
Large losses ¹	37.6	180.9	127.3	345.4	448.6
Run-off gains/(losses) ²	108.9	127.7	345.1	349.4	486.5
Loss ratio ³	62.1%	67.5%	64.5%	66.1%	66.5%
Cost ratio ⁴	10.9%	10.6%	11.4%	10.9%	11.0%
Combined ratio ⁵	73.1%	78.1%	75.9%	77.1%	77.5%

¹ Large losses = loss events in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.

² Run-off gains/(losses) = changes in estimates from previous years

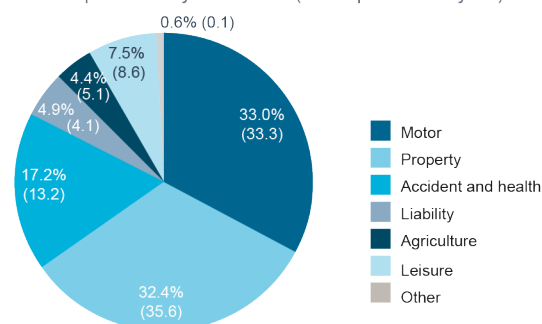
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Nordic

Earned premiums year to date (same period last year)



General Insurance Nordic

Year-to-date development

The underwriting result was NOK 119.7 million (226.9). The decline in the underwriting result was driven by lower run-off gains in combination with a less favourable underlying frequency claims development in Denmark. The combined ratio was 97.5 (94.8).

Earned premiums increased to NOK 4,858.4 million (4,374.8). Currency effects reduced earned premiums by NOK 68.6 million. The Mondux transfer reduced earned premiums by NOK 105.4 million, while the Vardia and the Mølholm acquisitions explained NOK 298.2 million and NOK 212.9 million of the increase, respectively. The premiums in the Danish portfolio accounted for around 73 per cent of total premiums in the segment. The underlying premium development in both the Danish and Swedish portfolio was positive. In Denmark, the development was especially driven by growth in Private insurance, while the growth in Sweden was driven by both Private insurance and Commercial insurance.

Claims incurred amounted to NOK 3,995.9 million (3,481.2). Currency effects reduced incurred claims by NOK 54.6 million. The loss ratio was 82.2 (79.6). The main drivers of the higher loss ratio were a less favourable underlying frequency claims development in Commercial property insurance in Denmark and lower run-off gains in Sweden. Pricing measures have been taken to compensate for higher expected overall claims inflation in Denmark going forward. The launch of new and more sophisticated tariffs later this year will contribute to better agility, risk-pricing and improved renewal processes. Similar initiatives have been taken in the Swedish portfolio to meet the target of underlying profitability from year-end 2017.

Operating expenses were NOK 742.8 million (666.7). Currency effects reduced operating expenses by NOK 10.8 million. The

increase in costs was due to the acquisitions of Vardia and Mølholm. The cost ratio was 15.3 (15.2).

Development during the quarter

The underwriting result was NOK 146.5 million (59.7). The increase in the underwriting result was mainly due to good premium growth combined with a more favourable underlying frequency claims development in Private insurance in Denmark. The combined ratio was 91.4 (96.2).

Earned premiums increased to NOK 1,712.5 million (1,565.2). Currency effects increased earned premiums by NOK 3.8 million. The Mondux transfer reduced earned premiums by NOK 35.4 million, while the Mølholm acquisition increased premiums by NOK 127.5 million. The underlying premium development was positive in both Denmark and Sweden. In Denmark, the development was especially driven by growth in Private insurance, while the growth in Sweden was driven by both Private insurance and Commercial insurance.

Claims incurred amounted to NOK 1,320.0 million (1,274.9). Currency effects increased incurred claims by NOK 2.4 million. The loss ratio was 77.1 (81.5). The lower loss ratio was due to a more favourable underlying frequency claims development in Private insurance in Denmark in combination with higher run-off gains and lower large losses. Mølholm also contributed to a lower loss ratio.

Operating expenses amounted to NOK 246.0 million (230.6). Currency effects increased operating expenses by NOK 0.8 million. The increase was mainly due to the Mølholm acquisition. The cost ratio was 14.4 (14.7).

General Insurance Nordic

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Earned premiums	1,712.5	1,565.2	4,858.4	4,374.8	5,917.8
Claims incurred etc.	(1,320.0)	(1,274.9)	(3,995.9)	(3,481.2)	(4,739.6)
Operating expenses	(246.0)	(230.6)	(742.8)	(666.7)	(930.9)
Underwriting result	146.5	59.7	119.7	226.9	247.3
Amortisation and impairment losses of excess value – intangible assets	(54.2)	(53.6)	(160.2)	(163.4)	(216.8)
Large losses ¹	21.7	42.6	117.6	151.3	161.6
Run-off gains/(losses) ²	40.2	19.3	31.8	89.7	150.7
Loss ratio ³	77.1%	81.5%	82.2%	79.6%	80.1%
Cost ratio ⁴	14.4%	14.7%	15.3%	15.2%	15.7%
Combined ratio ⁵	91.4%	96.2%	97.5%	94.8%	95.8%

¹ Large losses = loss events in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.

² Run-off gains/(losses) = changes in estimates from previous years

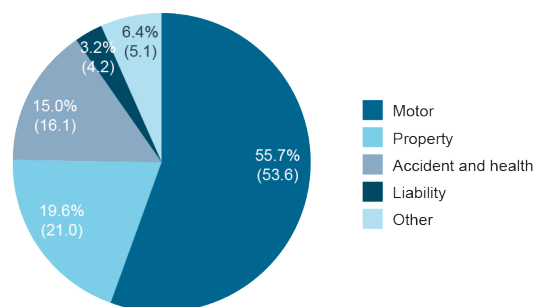
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Baltics

Earned premiums year to date (same period last year)



General Insurance Baltics

Year-to-date development

The underwriting result was negative at minus NOK 26.5 million (minus 62.9). The improvement was mainly driven by lower operating expenses. The combined ratio was 103.3 (108.0), negatively affected by several medium-sized claims.

Earned premiums increased to NOK 803.1 million (783.9), however the underlying increase was NOK 9.1 million higher when adjusted for currency effects. The positive premium development was driven by portfolio restructuring and repricing activities.

Claims incurred amounted to NOK 567.6 million (553.4). The underlying difference was NOK 6.4 million higher when adjusted for currency effects. The reported loss ratio was 70.7 (70.6). Adjusted for run-off gains, the underlying loss ratio improved despite the impact from several medium-sized claims. Continued improvements in tariffs and the claims handling process are expected to further improve profitability going forward.

Operating expenses amounted to NOK 262.0 million (293.4). NOK 3.4 million of the decrease in operating expenses was related to currency effects. The cost ratio improved to 32.6 percent (37.4), mainly due to restructuring and cost-saving initiatives.

Development during the quarter

The underwriting result was positive at NOK 4.6 million (minus 21.5). The combined ratio was 98.3 per cent (108.2). The segment is thereby on track to deliver profitability for the full year 2018, as targeted.

Earned premiums amounted to NOK 276.7 million (261.9). The underlying difference was NOK 1.7 million higher when adjusted for currency effects.

Claims incurred amounted to NOK 185.0 million (182.4). The underlying difference was NOK 1.3 million lower when adjusted for currency effects. The loss ratio improved to 66.9 per cent (69.7), reflecting an underlying improvement in the frequency claims level.

Operating expenses decreased to NOK 87.1 million (100.9). NOK 0.6 million of the change in operating expenses was related to currency effects. The cost ratio improved to 31.5 per cent (38.5), mainly due to restructuring and cost-saving initiatives.

General Insurance Baltics

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Earned premiums	276.7	261.9	803.1	783.9	1,036.3
Claims incurred etc.	(185.0)	(182.4)	(567.6)	(553.4)	(748.4)
Operating expenses	(87.1)	(100.9)	(262.0)	(293.4)	(387.4)
Underwriting result	4.6	(21.5)	(26.5)	(62.9)	(99.5)
Amortisation and impairment losses of excess value – intangible assets	(3.6)	(3.6)	(10.8)	(11.4)	(14.9)
Large losses ¹					
Run-off gains/(losses) ²	4.2	3.5	8.3	14.6	12.8
Loss ratio ³	66.9%	69.7%	70.7%	70.6%	72.2%
Cost ratio ⁴	31.5%	38.5%	32.6%	37.4%	37.4%
Combined ratio ⁵	98.3%	108.2%	103.3%	108.0%	109.6%

¹ Large losses = loss events in excess of EUR 0.5 million. Claims incurred in excess of this per event are as a rule charged to the Corporate Centre.

² Run-off gains/(losses) = changes in estimates from previous years

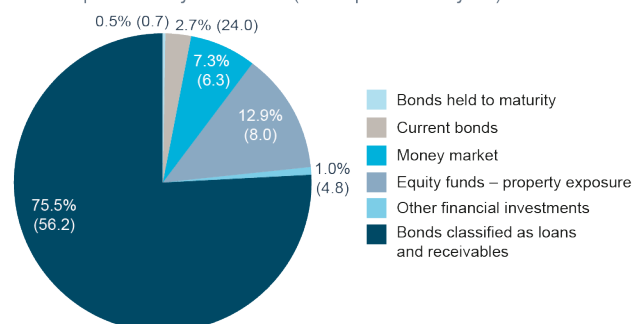
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Asset allocation the group policy portfolio

Earned premiums year to date (same period last year)



Pension

Year-to-date development

The profit before tax expense was NOK 75.8 million (88.8). Increased revenues due to a growing customer portfolio and increase in assets were offset by a strengthening of claims reserves and reduced financial income.

Administration fees increased to NOK 100.3 million (92.2) in step with a growing customer portfolio. Insurance income declined to NOK 33.7 million (40.5) as a result of strengthened claims reserves.

Management income increased to NOK 90.6 million (61.5), driven by an increase in assets as well as a change in the classification of management costs of NOK 17.0 million that were previously reported as income reductions, but are now handled as operating expenses.

Operating expenses were NOK 173.4 million (146.4) after the change in the classification of management costs as described above, and as a result of increased business volume.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio, decreased to NOK 24.6 million (40.9). This was driven by reduced interest income related to the company portfolio following the issuing of a subordinated loan (Tier 2) of NOK 300 million in June last year, in addition to generally reduced yield on the group portfolio. The company's share of the profit related to the paid-up policy portfolio was allocated in its entirety as longevity provision.

During the first nine months of the year, assets under management increased by NOK 4,089.2 million. At the end of the period, pension

assets under management amounted to NOK 27,326.5 million (22,116.6) including the group policy portfolio of NOK 5,875.3 million (5,259.9).

The recognised return on the paid-up policy portfolio was 2.80 per cent (3.30). The average annual interest guarantee is 3.34 per cent (3.50).

Gjensidige Investeringsrådgivning AS was merged with Gjensidige Bank in February 2017, and the 2016 figures are restated accordingly in this report.

Development during the quarter

The profit before tax expense fell to NOK 21.6 million (36.8), mainly due to lower financial income.

Administration fees and insurance income were NOK 33.9 million (32.6) and NOK 9.4 million (14.2), respectively. The reduced insurance income was due to a strengthening of claims reserves. Management income increased to NOK 31.4 million (21.7) for the same reasons as described above.

Operating expenses were NOK 58.6 million (48.3) of which NOK 5.7 million was related to the above-mentioned reclassification.

Net financial income decreased to NOK 5.5 million (16.6), mainly driven by a lower yield on the group portfolio.

Pension

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Administration fees	33.9	32.6	100.3	92.2	127.8
Insurance income	9.4	14.2	33.7	40.5	68.0
Management income etc.	31.4	21.7	90.6	61.5	83.6
Operating expenses	(58.6)	(48.3)	(173.4)	(146.4)	(191.1)
Net operating income	16.1	20.2	51.2	47.9	88.4
Net financial income	5.5	16.6	24.6	40.9	26.4
Profit/(loss) before tax expense	21.6	36.8	75.8	88.8	114.8
Run-off gains/(losses) ¹					
Operating margin ²	21.61%	29.54%	22.80%	24.64%	31.62%
Recognised return on the paid-up policy portfolio ³			2.80%	3.30%	4.08%
Value-adjusted return on the paid-up policy portfolio ⁴			3.53%	3.78%	4.87%

¹ Run-off gains/(losses) = changes in estimates from previous years

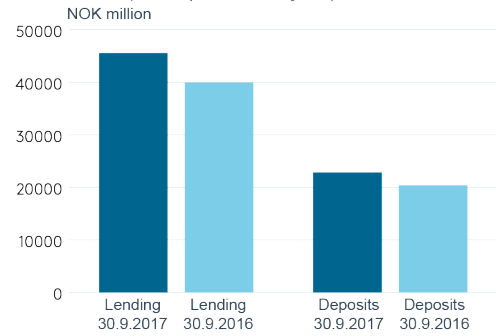
² Operating margin = net operating income/(administration fees + insurance income + management income etc.)

³ Recognised return on the paid-up policy portfolio = realised return on the portfolio

⁴ Value-adjusted return on the paid-up policy portfolio = total return on the portfolio

Deposits and lending

Year to date (same period last year)



Retail Bank

Year-to-date development

The profit before tax expense increased to NOK 364.8 million (342.0). The increase was the result of higher income driven by portfolio growth, partly offset by increased write-downs and losses. The contribution from the merged savings and investment operations was NOK 12.6 million (7.9).

Net interest income amounted to NOK 720.6 million (586.8). The improvement was driven by business growth and increased margins.

Net commission income and other income amounted to NOK 50.9 million (105.7). The decrease was a result of lower gains on financial instruments and higher acquisition costs driven by business growth. In addition, the 2016 financials included a gain on the sale of Visa Europe to Visa International, of which Gjensidige Bank's share was NOK 12.3 million.

The net interest margin was 2.01 per cent (1.84). The increase was driven by improved funding cost.

Operating expenses were NOK 294.9 million (307.5). The expenses were positively impacted by a change in the bank's distribution strategy, which allowed for a higher share of the acquisition costs to be amortised over the life of the loans. The positive impact was partly offset by an increase in expenses driven by the growth of the business. The cost/income ratio decreased to 38.2 per cent (44.4).

Total write-downs and losses amounted to NOK 111.8 million (43.0). Write-downs and losses were primarily related to the unsecured lending portfolio. In the first quarter of 2016, the bank sold NOK 14.6 million of impaired customer loans, which led to the release of the provisioning built for this group of loans. Excluding the portfolio sale, total write-downs and losses increased compared to last year. This was a result of portfolio growth and changes in credit policy that led to decreased expectations of repayments from delinquent customers. Write-downs and losses were 0.35 per cent (0.15, or 0.19 excluding the portfolio sale) of average gross lending. The weighted average loan-to-value ratio¹ was estimated to be 60.7 per cent (63.1) for the mortgage portfolio.

Gross lending increased by 14.1 per cent and amounted to NOK 45,540.1 million (39,915.1) at the end of the period. Deposits increased by 12.2 per cent, reaching NOK 22,863.8 million (20,378.3) at the end of the period. The deposits-to-loans ratio was 50.2 per cent (51.1).

The merger with Gjensidige Investeringsrådgivning AS was finalised in February 2017. The financial reporting was integrated with effect from January 2017, and the 2016 figures are restated accordingly in this report.

On 20 April 2017, the Pillar 2 requirement for Gjensidige Bank ASA was set at 1.5 per cent by the Norwegian Financial Supervisory Authority. The core equity Tier 1 capital for the bank had to be increased to 13.0 per cent with effect from 30 June 2017. As a consequence, the bank increased its equity through a private placement of NOK 195.0 million with the parent company, and it issued a perpetual Tier 1 capital instrument with a total nominal value of NOK 70.0 million in the second quarter.

¹ The loan-to-value ratio estimate is calculated on the basis of the exposure on the reporting date and the property valuation, including any higher priority pledge(s), at the time the loan was approved.

After the annual evaluation process, Standard and Poor's kept the rating unchanged for Gjensidige Bank ASA and its subsidiary Gjensidige Bank Boligkreditt AS at a long-term and short-term counterparty credit rating of A/A-1; outlook 'stable'. The covered bonds portfolio issued by Gjensidige Bank Boligkreditt kept its long-term rating of AAA and the outlook remained 'stable'.

In June 2017, Gjensidige Bank Holding AS, the owner of Gjensidige Bank ASA, was liquidated and the bank became a directly owned subsidiary of Gjensidige Forsikring ASA.

Development during the quarter

The profit before tax expense was NOK 140.3 million (141.6). The increase in income was to a great extent offset by the increase in provisioning and losses and lower gains on financial instruments compared to the same quarter last year. There was a gain on the Visa Europe sale to Visa International in 2016, amounting to NOK 12.3 million.

Net interest income was NOK 256.1 million (207.1), driven by business growth and increased margins. Net commission income and other income fell to NOK 17.2 million (54.1), driven by the gain on the Visa Europe sale in 2016, lower gains on financial instruments and increased acquisition costs.

Operating expenses amounted to NOK 88.0 million (100.2). The decrease was primarily driven by the change in the bank's distribution strategy. The cost/income ratio was 32.2 per cent (38.4).

Total write-downs and losses amounted to NOK 45.0 million (19.4). The increase was driven by portfolio growth and changes in the credit policy that led to decreased expectations of repayments from delinquent customers.

Gross lending growth was NOK 1,275.9 million (956.0), while deposits increased by NOK 710.0 million (minus 304.0).

Retail Bank

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Interest income and related income	417.7	352.3	1,200.5	1,045.8	1,408.0
Interest expenses and related expenses	(161.6)	(145.1)	(479.9)	(459.0)	(610.7)
Net interest income	256.1	207.1	720.6	586.8	797.3
Net commission income and other income	17.2	54.1	50.9	105.7	117.7
Total income	273.3	261.2	771.5	692.5	915.0
Operating expenses	(88.0)	(100.2)	(294.9)	(307.5)	(406.5)
Write-downs and losses	(45.0)	(19.4)	(111.8)	(43.0)	(69.5)
Profit/(loss) before tax expense	140.3	141.6	364.8	342.0	439.1
Net interest margin, annualised ¹			2.01%	1.84%	1.85%
Write-downs and losses, annualised ²			0.35%	0.15%	0.18%
Cost/income ratio ³	32.2%	38.4%	38.2%	44.4%	44.4%

¹ Net interest margin, annualised = net interest income/average total assets

² Write-downs and losses, annualised = write-downs and losses/average gross lending

³ Cost/income ratio = operating expenses/total income

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 and Retail Bank segments. 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 with a duration that matches the duration of the technical provisions. The free portfolio consists of various assets. The allocation of assets in this portfolio must be seen in connection 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, depending on whether the derivatives used are equity or fixed-income derivatives. Foreign-exchange risk in the investment portfolio is generally hedged close to 100 per cent, within a permitted range of +/- 10 per cent per currency.

At the end of the third quarter, the investment portfolio totalled NOK 53.5 billion (55.9). The financial result for the year to date was NOK 1,513.4 million (1,593.7), which corresponds to a return on total assets of 2.8 per cent (2.8).

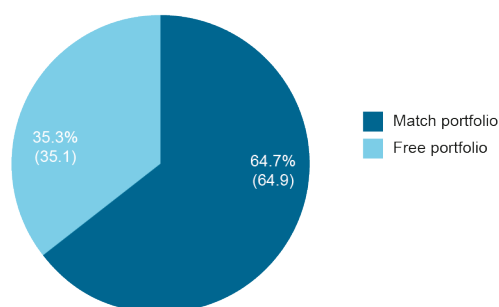
Match portfolio

The match portfolio amounted to NOK 34.6 billion (36.3). The portfolio yielded a return of 2.2 per cent (2.8), excluding changes in the value of the bonds recognised at amortised cost.

Bonds recognised at amortised cost amounted to NOK 17.0 billion (17.7). Unrealised excess value amounted to NOK 1.3 billion (1.7) at the end of the period. The reinvestment rate for new investments

Portfolio split

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



in the portfolio of bonds held at amortised cost was approximately 2.7 per cent on average during the third quarter, and the running yield was 4.1 per cent at the end of the third quarter.

The average duration of the match portfolio was 3.4 years. The average term to maturity for the corresponding insurance liabilities was 3.7 years. The distribution of counterparty risk and credit rating is shown in the charts on page 14. Securities without an official credit rating amounted to NOK 10.0 billion (12.1). Of these securities, 8.0 per cent (10.2) 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 in the Norwegian consumer price index accounted for 10.2 per cent (9.8) of the match portfolio.

The geographical distribution¹ of the match portfolio is shown in the chart on the next page.

¹ The geographical distribution is related to issuers and does not reflect actual currency exposure.

Financial assets and properties

NOK millions	Result Q3		Result 1.1.-30.9.		Carrying amount 30.9.	
	2017	2016	2017	2016	2017	2016
Match portfolio						
Money market	17.8	28.5	69.3	112.7	4,513.9	6,300.7
Bonds at amortised cost	164.2	226.4	517.6	666.1	16,985.1	17,712.0
Current bonds ¹	38.8	72.0	170.5	229.3	13,108.1	12,275.6
Match portfolio total	220.7	326.8	757.4	1,008.1	34,607.0	36,288.3
Free portfolio						
Money market	6.9	7.0	31.4	34.8	4,193.8	4,536.3
Other bonds ²	23.0	56.6	80.3	304.9	3,248.0	3,792.0
High yield bonds ³	14.0	76.5	49.9	192.6	848.9	1,856.0
Convertible bonds ⁴	13.4	34.1	70.8	14.4	1,037.9	782.4
Current equities ⁵	114.1	154.7	311.1	192.9	3,108.3	2,788.0
PE funds	43.9	18.4	90.7	(128.8)	1,223.9	1,138.7
Property	40.8	49.6	216.7	136.0	3,463.2	3,246.5
Other ⁶	0.4	(23.3)	(94.8)	(161.3)	1,735.0	1,458.6
Free portfolio total	256.6	373.5	756.1	585.5	18,859.0	19,598.6
Financial result from the investment portfolio	477.3	700.4	1,513.4	1,593.7	53,466.1	55,886.9
Financial income in Pension and Retail Bank	18.8	44.4	64.7	90.2		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(7.3)	(7.8)	(22.9)	(23.5)		
Net income from investments	488.9	737.0	1,555.2	1,660.4		

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 total investment grade and current bonds. Investment grade bonds are investments in internationally diversified funds that are externally managed.

³ Investments in internationally diversified funds that are externally managed.

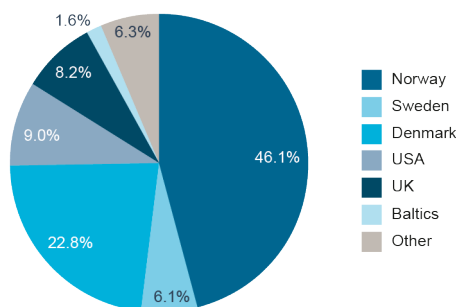
⁴ Investments in internationally diversified funds that are externally managed.

⁵ Investments mainly in internationally diversified funds that are externally managed. In addition, there is derivative exposure of NOK (150.1) million.

⁶ The item includes currency hedging related to Gjensidige Sweden and Gjensidige Denmark, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from total return swaps with Gjensidige Pensjonsforsikring AS and Gjensidige Pensjonskasse, hedge funds, commodities and finance-related expenses.

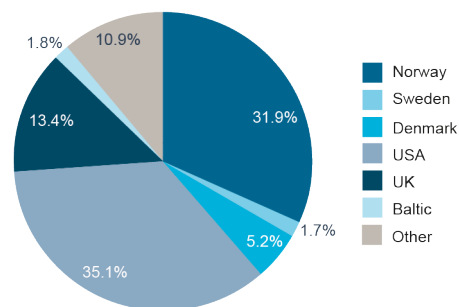
Geographic distribution match portfolio

At the end of the period



Geographic distribution fixed income instruments in free portfolio

At the end of the period



Free portfolio

The free portfolio amounted to NOK 18.9 billion (19.6) at the end of the period. The return was 3.9 per cent (3.0) for the year to date.

Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 9.3 billion (11.0), of which money market investments, including cash, accounted for NOK 4.2 billion (4.5). The rest of the portfolio was invested in international bonds (investment grade, high yield and convertible bonds). The total fixed-income portfolio yielded a return of 2.3 per cent (5.1). It was positively affected by good returns on convertible bonds, high yield bonds and investment grade bonds, and a moderate return on money market investments.

At the end of the period, the average duration in the portfolio was approximately 2.7 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 billion (2.0). Of these securities, 16.5 per cent (14.1) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies, industry and municipalities.

The geographical distribution¹ 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 4.3 billion (3.9), of which NOK 3.1 billion (2.8) was current equities and NOK 1.2 billion (1.1) PE funds. The return on current equities was 10.8 per cent (7.1). The return was driven by a general good market performance by international equities, in particular emerging market equities. The return on PE funds was 7.8 per cent (minus 10.5).

Property portfolio

At the end of the period, the exposure to commercial real estate in the portfolio was NOK 3.5 billion (3.2). The property portfolio yielded a return of 6.4 per cent (4.3), which was positively influenced by the termination of the forward contract as of 31 December 2016, contributing a net profit of NOK 48 million. Property sales and some valuation changes contributed NOK 61.8 million and NOK 82.2 million, respectively, in the year to date.

¹ The geographical distribution is related to issuers and does not reflect actual currency exposure.

Return per asset class

Per cent	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Match portfolio					
Money market	0.4	0.5	1.5	1.8	2.2
Bonds at amortised cost	1.0	1.2	3.0	3.6	4.7
Current bonds ¹	0.3	0.6	1.3	2.0	2.3
Match portfolio total	0.6	0.9	2.2	2.8	3.5
Free portfolio					
Money market	0.2	0.2	0.7	0.8	1.0
Other bonds ²	0.7	1.6	2.4	8.3	8.1
High yield bonds ³	1.7	4.2	5.7	9.6	11.5
Convertible bonds ⁴	1.3	4.3	6.7	1.7	1.1
Current equities ⁵	3.8	5.8	10.8	7.1	15.1
PE funds	3.7	1.6	7.8	(10.5)	(12.5)
Property	1.2	1.5	6.4	4.3	7.9
Other ⁶	0.0	(1.5)	(5.7)	(9.7)	(11.0)
Free portfolio total	1.4	2.0	3.9	3.0	4.6
Return on financial assets	0.9	1.3	2.8	2.8	3.9

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 total investment grade and current bonds. Investment grade bonds are investments in internationally diversified funds that are externally managed.

³ Investments in internationally diversified funds that are externally managed.

⁴ Investments in internationally diversified funds that are externally managed.

⁵ Investments mainly in internationally diversified funds that are externally managed. In addition, there is derivative exposure of NOK (150.1) million.

⁶ The item includes currency hedging related to Gjensidige Sweden and Gjensidige Denmark, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from total return swaps with Gjensidige Pensjonsforsikring AS and Gjensidige Pensjonskasse, hedge funds, commodities and finance-related expenses.

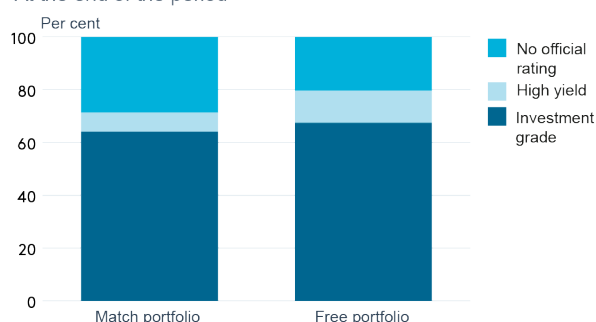
Counterparty risk fixed income instruments

At the end of the period



Credit rating fixed income instruments

At the end of the period



Development during the quarter

The financial result for the total investment portfolio was NOK 477.3 million (700.4) in the quarter. This corresponds to a return on financial assets of 0.9 per cent (1.3).

The match portfolio yielded 0.6 per cent (0.9), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was 1.4 per cent (2.0). The positive return was primarily driven by returns on the investments in equities, property and high-yield bonds. This was partly offset by negative returns on tactical allocations.

Organisation

The Group had a total of 3,858 employees at the end of the third quarter, compared with 3,919 at the end of the second quarter. The reduction is a result of ongoing efficiency programmes in the Group.

The number of employees broke down as follows: 1,890 (1,921) in general insurance operations in Norway, 159 (160) in Gjensidige Bank, 61 (62) in Gjensidige Pensjonsforsikring, 764 (765) in Denmark, 357 (376) in Sweden and 627 (635) in the Baltic states (excluding agents). The figures in brackets refer to the number of employees at the end of the second quarter.

Events after the balance sheet date

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

Outlook

The Group targets a 15 per cent return on equity after tax. 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. Strong underwriting profitability is expected to offset a challenging environment as regards achieving investment returns.

1. Organic growth is expected to be in line with nominal GDP growth in Gjensidige's market areas in the Nordic countries and the Baltic states over time. In addition, profitable growth will be achieved by pursuing a disciplined acquisition strategy, as has been done successfully in the past.
2. The annual combined ratio is expected to be at the lower end of the target corridor of 90–93 (undiscounted and given zero run-off effects). The target cost ratio is around 15 per cent. A reduction is expected in the underlying cost ratio and loss ratio, but Gjensidige will aim to strike a balance between good profitability and increased investments in order to ensure strong competitiveness going forward. Extraordinary circumstances relating to the weather and the proportion of large losses and run-off can contribute to a combined ratio above or below the target range.
3. Over the next 2.25–4.25 years, average annual run-off gains are expected to be around NOK 900 million, moving the expected reported combined ratio to the lower end of the 86–89 corridor (undiscounted).
4. Regulatory uncertainty relating to Solvency II has decreased. All else being equal, this supports the already strong capital position.

Over time, dividend pay-outs will reflect Gjensidige's policy not to build unnecessary excess capital.

It is Gjensidige's ambition to become the most customer-oriented general insurance company in the Nordic region, based on profitable operations and a leading position.

The strategic priorities in the period up until 2020 are:

- Digital customer experiences
- Business intelligence and analytics
- Building organisational capabilities

In order to support the three strategic priorities and ensure strong competitiveness in future, efficiency measures are being taken to create room for increased investments, primarily in the fields of technology, competence development and brand strength.

Efforts will be strengthened to deliver the best digital customer experiences in the Nordic general insurance industry. To support this, Gjensidige is currently evaluating the need for future investments in a new core system. Such investments are not expected to impact the financial targets.

At the same time, Gjensidige intends to increase its presence in the growing market for health and personal insurance.

Competition is still strong in the Norwegian general insurance market. Gjensidige has managed to capitalise on its position as market leader in Norway, and its competitiveness remains good. It has strengthened its leading position relative to its main competitors in parallel with delivering good profitability and high customer satisfaction. The growth rate is expected to remain subdued in the short to medium term, although an uptick in inflation and growth will lead to increased insurance premiums. Continued efforts to maintain and further strengthen Gjensidige's position in the Norwegian market will be prioritised, with particular focus on ensuring cost-efficiency and improving digital customer

experiences. At the same time, new, profitable opportunities for growth will be considered in the Nordic region and the Baltic states in order to ensure good utilisation of a scalable business model and best practice. Strong emphasis will also be placed on further developing cooperation with partners and distributors.

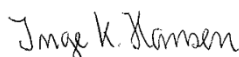
Geopolitical uncertainty, low interest rates and financial challenges in several key economies, as well as in the Nordic countries, reflect an uncertain economic situation and remain a source of uncertainty. Gjensidige has a robust investment strategy, although returns are affected by challenging market conditions. The Group is financially sound and has a high proportion of its business in the Norwegian general insurance market. The macroeconomic situation is improving, and the outlook for the Norwegian and Nordic general insurance operations is regarded as good.

There are still some outstanding uncertainties relating to changes to the regulatory framework conditions for the financial sector in Norway and internationally. Gjensidige has submitted an application to use its own partial internal model (PIM) under the Solvency II Regulation. The FSA has given no signals regarding approval date. Endeavours will continue to be made to win acceptance for inclusion of the guarantee provision as solvency capital.

The Group has satisfactory 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 good.

Oslo, 25 October 2017

The Board of Gjensidige Forsikring ASA



Inge K. Hansen
Chair



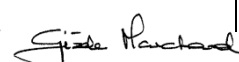
Per Arne Bjørge



Eivind Elnan



John Giverholt



Gisele Marchand



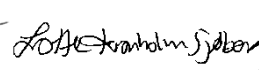
Gunnar Mjålvad



Hilde Merete Nafstad



Anne Marie Nyhammer



Lotte K. Sjøberg



Helge Leiro Baastad
CEO

Consolidated income statement

NOK millions	Notes	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Operating income						
Earned premiums from general insurance	4	6,056.4	5,705.5	17,428.8	16,756.3	22,441.9
Earned premiums from pension		521.4	418.0	1,350.9	1,029.2	1,479.4
Interest income etc. from banking operations		417.7	352.3	1,200.5	1,045.8	1,408.0
Other income including eliminations		36.1	48.5	104.8	120.7	162.0
Total operating income	3	7,031.6	6,524.2	20,085.1	18,951.9	25,491.4
Net income from investments						
Results from investments in associates and joint ventures		31.5	39.7	139.1	102.9	184.1
Interest income and dividend etc. from financial assets		253.3	335.6	798.5	1,008.5	1,262.0
Net changes in fair value on investments (incl. property)		(299.8)	152.9	(359.6)	(1,063.5)	(1,040.3)
Net realised gain and loss on investments		529.0	242.5	1,063.6	1,715.4	1,920.8
Expenses related to investments		(25.1)	(33.7)	(86.4)	(103.0)	(130.5)
Total net income from investments		488.9	737.0	1,555.2	1,660.4	2,196.1
Total operating income and net income from investments		7,520.5	7,261.2	21,640.3	20,612.3	27,687.5
Claims, interest expenses, loss etc.						
Claims incurred etc. from general insurance	5, 6	(4,013.7)	(4,004.3)	(11,933.3)	(11,502.1)	(15,515.9)
Claims incurred etc. from pension		(478.1)	(371.2)	(1,216.9)	(896.5)	(1,283.5)
Interest expenses etc. and write-downs and losses from banking operations		(206.6)	(164.5)	(591.7)	(502.0)	(680.1)
Total claims, interest expenses, loss etc.		(4,698.5)	(4,540.0)	(13,741.9)	(12,900.6)	(17,479.6)
Operating expenses						
Operating expenses from general insurance		(892.5)	(989.4)	(2,640.8)	(2,220.1)	(3,191.4)
Operating expenses from pension		(58.6)	(48.3)	(173.4)	(146.4)	(191.1)
Operating expenses from banking operations		(88.0)	(100.2)	(294.9)	(307.5)	(406.5)
Other operating expenses		(1.9)	(3.9)	(14.7)	(9.6)	(24.8)
Amortisation and impairment losses of excess value - intangible assets		(62.6)	(63.6)	(188.6)	(194.1)	(254.2)
Total operating expenses		(1,103.6)	(1,205.3)	(3,312.4)	(2,877.7)	(4,068.0)
Total expenses		(5,802.1)	(5,745.3)	(17,054.3)	(15,778.2)	(21,547.5)
Profit/(loss) before tax expense	3	1,718.4	1,515.9	4,586.0	4,834.1	6,139.9
Tax expense		(405.7)	(344.1)	(1,068.8)	(1,258.6)	(1,474.1)
Profit/(loss)		1,312.7	1,171.7	3,517.2	3,575.5	4,665.9
Profit/(loss) for the period attributable to:						
Owners of the company		1,312.5	1,171.9	3,519.2	3,579.3	4,670.4
Non-controlling interests		0.2	(0.2)	(2.0)	(3.8)	(4.5)
Total		1,312.7	1,171.7	3,517.2	3,575.5	4,665.9
Earnings per share, NOK (basic and diluted)		2.63	2.34	7.04	7.15	9.34

Consolidated statement of comprehensive income

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Profit/(loss)	1,312.7	1,171.7	3,517.2	3,575.5	4,665.9
Components of other comprehensive income					
Items that are not reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset				(232.7)	(158.7)
Share of other comprehensive income from associates and joint ventures					0.3
Tax on items that are not reclassified to profit or loss				58.2	39.7
Total items that are not reclassified subsequently to profit or loss				(174.5)	(118.7)
Items that may be reclassified subsequently to profit or loss					
Exchange differences from foreign operations	(113.3)	(261.9)	285.5	(480.7)	(391.3)
Investments available for sale		(17.0)		(17.0)	(12.5)
Tax on items that may be reclassified to profit or loss	17.2	44.1	(44.8)	80.2	66.7
Total items that may be reclassified subsequently to profit or loss	(96.1)	(234.8)	240.7	(417.4)	(337.1)
Total components of other comprehensive income	(96.1)	(234.8)	240.7	(592.0)	(455.8)
Total comprehensive income	1,216.6	936.9	3,758.0	2,983.5	4,210.1
Total comprehensive income for the period attributable to:					
Owners of the company	1,216.4	937.1	3,760.0	2,987.3	4,214.6
Non-controlling interests	0.2	(0.2)	(2.0)	(3.8)	(4.5)
Total	1,216.6	936.9	3,758.0	2,983.5	4,210.1

Consolidated statement of financial position

NOK millions	Notes	30.9.2017	30.9.2016	31.12.2016
Assets				
Goodwill		3,421.6	3,072.3	3,140.2
Other intangible assets		1,441.1	1,411.2	1,360.5
Deferred tax assets		23.7	16.8	19.1
Investments in associates and joint ventures		1,741.7	1,539.8	1,601.6
Interest-bearing receivables from joint ventures		1,690.1	1,648.3	1,420.2
Owner-occupied property		31.6	33.9	29.5
Plant and equipment		279.0	281.0	292.5
Pension assets		488.7	292.4	488.7
Financial assets				
Financial derivatives	7	857.2	1,385.1	1,335.4
Shares and similar interests	7	7,133.7	6,168.9	6,892.1
Bonds and other securities with fixed income	7	30,201.5	32,258.0	30,385.8
Bonds held to maturity	7	1,620.1	1,746.5	1,625.9
Loans and receivables	7	65,010.2	58,630.1	60,030.6
Assets in life insurance with investment options		21,342.9	16,782.8	17,780.0
Reinsurance deposits			0.3	0.3
Reinsurers' share of insurance-related liabilities in general insurance, gross		926.8	899.6	706.8
Receivables related to direct operations and reinsurance		6,135.5	5,648.2	5,621.5
Other receivables		1,029.3	808.7	945.9
Prepaid expenses and earned, not received income		236.7	115.8	91.3
Cash and cash equivalents		2,854.9	3,724.8	2,158.7
Total assets		146,466.2	136,464.5	135,926.6
Equity and liabilities				
Equity				
Share capital		1,000.0	999.9	999.9
Share premium		1,430.0	1,430.0	1,430.0
Other equity		20,270.5	20,660.8	19,876.3
Total equity attributable to owners of the company		22,700.5	23,090.7	22,306.3
Non-controlling interests		19.8	20.5	19.8
Total equity		22,720.3	23,111.2	22,326.0
Provision for liabilities				
Subordinated debt		1,947.2	1,946.7	1,946.8
Premium reserve in life insurance		5,628.9	4,053.6	4,127.0
Provision for unearned premiums, gross, in general insurance		10,606.6	10,190.1	9,527.9
Claims provision, gross	8	31,148.5	32,790.7	32,447.5
Other technical provisions		353.0	289.6	297.3
Pension liabilities		506.6	502.7	511.8
Other provisions		288.7	346.8	342.1
Financial liabilities				
Financial derivatives	7	751.3	992.9	1,191.8
Deposits from and liabilities to customers	7	22,863.8	20,378.3	21,270.4
Interest-bearing liabilities	7	23,542.1	20,024.7	19,596.5
Other liabilities	7	1,021.0	1,393.0	1,368.5
Current tax		1,021.5	1,578.7	1,272.7
Deferred tax liabilities		969.3	691.6	871.7
Liabilities related to direct insurance and reinsurance	7	1,118.6	755.9	555.2
Liabilities in life insurance with investment options		21,342.9	16,782.8	17,780.0
Accrued expenses and deferred income	7	636.0	635.1	493.3
Total liabilities		123,745.9	113,353.4	113,600.5
Total equity and liabilities		146,466.2	136,464.5	135,926.6

Consolidated statement of changes in equity

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differences	Remeasurement of the net defined benefit liab./asset	Other earned equity	Total equity
Equity as at 31.12.2015 attributable to owners of the company	1,000.0	(0.1)	1,430.0	31.6	298.8	438.3	(1,583.0)	21,690.7	23,306.3
Non-controlling interests as at 31.12.2015									24.3
Equity as at 31.12.2015									23,330.6
1.1.-31.12.2016									
Profit/(loss) (the controlling interests' share)					21.1			4,649.2	4,670.4
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Remeasurement of the net defined liability/asset							(158.7)		(158.7)
Share of other comprehensive income from associates								0.3	0.3
Tax on items that are not reclassified to profit or loss							39.7		39.7
Total items that are not reclassified subsequently to profit or loss							(119.0)	0.3	(118.7)
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations						(391.3)			(391.3)
Investments available for sale								(12.5)	(12.5)
Tax on items that may be reclassified to profit or loss						66.6		0.1	66.7
Total items that may be reclassified subsequently to profit or loss						(324.7)		(12.4)	(337.1)
Total components of other comprehensive income						(324.7)	(119.0)	(12.1)	(455.8)
Total comprehensive income					21.1	(324.7)	(119.0)	4,637.2	4,214.6
Own shares		0.1						(3.8)	(3.7)
Paid dividend								(6,196.6)	(6,196.6)
Equity-settled share-based payment transactions				7.6					7.6
Perpetual Tier 1 capital					997.9			(0.2)	997.7
Perpetual Tier 1 capital - interest paid					(19.6)				(19.6)
Equity as at 31.12.2016 attributable to owners of the company	1,000.0	(0.1)	1,430.0	39.2	1,298.3	113.5	(1,702.0)	20,127.2	22,306.3
Non-controlling interests as at 31.12.2016									19.8
Equity as at 31.12.2016									22,326.0
1.1.-30.9.2017									
Profit/(loss) (the controlling interests' share)					34.5			3,484.7	3,519.2
Components of other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations				0.1		285.4			285.5
Tax on items that may be reclassified to profit or loss						(44.8)			(44.8)
Total items that may be reclassified subsequently to profit or loss				0.1		240.6			240.7
Total components of other comprehensive income				0.1		240.6			240.7
Total comprehensive income				0.1	34.5	240.6		3,484.7	3,760.0
Own shares		0.0						(7.4)	(7.4)
Paid dividend								(3,399.6)	(3,399.6)
Remeasurement of the net defined benefit liability/asset of liquidated companies							5.9	(5.9)	
Equity-settled share-based payment transactions				5.5					5.5
Perpetual Tier 1 capital					70.3			(0.5)	69.8
Perpetual Tier 1 capital - interest paid					(34.1)				(34.1)
Equity as at 30.9.2017 attributable to owners of the company	1,000.0	0.0	1,430.0	44.8	1,369.0	354.2	(1,696.1)	20,198.6	22,700.5
Non-controlling interests as at 30.9.2017									19.8
Equity as at 30.9.2017									22,720.3

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differences	Remeasurement of the net defined benefit liab./asset	Other earned equity	Total equity
1.1.-30.9.2016									
Profit/(loss) (the controlling interests' share)					9.7			3,569.6	3,579.3
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Remeasurement of the net defined liability/asset							(232.7)		(232.7)
Tax on items that are not reclassified to profit or loss							58.2		58.2
Total items that are not reclassified subsequently to profit or loss							(174.5)		(174.5)
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations						(480.7)			(480.7)
Investments available for sale								(17.0)	(17.0)
Tax on items that may be reclassified to profit or loss						80.1		0.1	80.2
Total items that may be reclassified subsequently to profit or loss						(400.6)		(16.8)	(417.4)
Total components of other comprehensive income						(400.6)	(174.5)	(16.8)	(592.0)
Total comprehensive income					9.7	(400.6)	(174.5)	3,552.8	2,987.3
Own shares		0.1						(2.2)	(2.2)
Paid dividend								(4,196.7)	(4,196.7)
Equity-settled share-based payment transactions				6.2					6.2
Perpetual Tier 1 capital - interest paid					(7.3)				(7.3)
Equity as at 30.9.2016 attributable to owners of the company	1,000.0	(0.1)	1,430.0	37.9	1,298.2	37.7	(1,757.5)	21,044.5	23,090.7
Non-controlling interests as at 30.9.2016									20.5
Equity as at 30.9.2016									23,111.2

Consolidated statement of cash flows

NOK millions	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Cash flow from operating activities			
Premiums paid, net of reinsurance	22,601.5	20,429.4	27,023.8
Claims paid, net of reinsurance	(13,444.0)	(12,730.5)	(17,547.5)
Net payment of loans to customers	(4,261.7)	(3,198.6)	(4,545.8)
Net payment of deposits from customers	1,593.5	1,021.1	1,848.1
Payment of interest from customers	1,113.6	982.5	1,326.3
Payment of interest to customers	(55.6)	(45.5)	(264.7)
Net receipts/payments of premium reserve transfers	(907.6)	(428.9)	(645.2)
Net receipts/payments from financial assets	(843.3)	(371.0)	953.5
Net receipt/payments on sale/acquisition of investment property	97.1		
Operating expenses paid, including commissions	(3,471.0)	(3,173.0)	(4,400.0)
Taxes paid	(1,274.2)	(1,000.3)	(1,376.5)
Net other receipts/payments	74.3	26.1	140.8
Net cash flow from operating activities	1,222.4	1,511.2	2,512.8
Cash flow from investing activities			
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture	(496.6)	(67.2)	(92.2)
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(251.1)	(73.5)	(110.7)
Net receipts/payments on sale/acquisition of customer portfolios - intangible assets	(3.9)		(45.5)
Net cash flow from investing activities	(751.6)	(140.6)	(248.4)
Cash flow from financing activities			
Payment of dividend	(3,459.9)	(4,199.8)	(6,139.5)
Net receipts/payments on subordinated debt incl. interest	(32.4)	272.4	261.7
Net receipts/payments regarding perpetual Tier 1 capital and non-controlling interests	29.2	987.1	974.9
Net receipts/payments on loans to credit institutions	3,925.3	2,395.0	2,003.6
Net receipts/payments on other short-term liabilities	(18.6)	21.8	(19.9)
Net receipts/payments on interest on funding activities	(230.8)	(228.2)	(301.5)
Net receipts/payments on sale/acquisition of own shares	(9.1)	(2.2)	(3.7)
Net cash flow from financing activities	203.8	(753.8)	(3,224.5)
Effect of exchange rate changes on cash and cash equivalents	21.5	(43.9)	(33.1)
Net cash flow	696.2	572.9	(993.2)
Cash and cash equivalents at the start of the period	2,158.7	3,151.9	3,151.9
Cash and cash equivalents at the end of the period	2,854.9	3,724.8	2,158.7
Net cash flow	696.2	572.9	(993.2)
Specification of cash and cash equivalents			
Deposits with central banks	411.8	203.4	57.0
Cash and deposits with credit institutions	2,443.1	3,521.4	2,101.7
Total cash and cash equivalents	2,854.9	3,724.8	2,158.7

1. Accounting policies

The consolidated financial statements as of the third quarter of 2017, concluded on 30 September 2017, comprise Gjensidige Forsikring and its subsidiaries (collectively referred to as the Group) and the Group's holdings in associated companies. With the exception of the changes described below, the accounting policies applied in the interim report is the same as those used in the annual report for 2016.

The consolidated financial statements as of the third quarter of 2017 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 2016.

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 2017. 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.

Amendments to IFRS 2: Classification and measurement of share-based payment transactions (2016)

IFRS 2 has been amended regarding the classification and measurement of share-based payment transactions with a net settlement feature for withholding tax obligations. If the entity is obliged to withhold an amount for an employee's tax obligation associated with a share-based payment, and transfer that amount in cash to the tax authority on the employee's behalf, then the entity shall account for that obligation as an equity-settled share-based payment transaction. The amendments are effective from 1 January 2018. The tax obligation in the Group's remuneration scheme will be reclassified from liability to equity as at 1 January 2018. From this date the tax obligation will be accounted for as an equity-settled share-based payment transaction instead of a cash-settled share-based payment transaction. Our preliminary assessment is that the amendment is not expected to have a significant effect on Gjensidige's financial statements.

IFRS 9 Financial instruments (2014)

IFRS 9 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 in connection with 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. According to prevailing rules, impairment for credit losses shall only be recognised when objective evidence of impairment losses exists. Impairment provisions according to IFRS 9 shall be measured using an expected loss model, instead of an incurred loss model as in IAS 39. The impairment rules in IFRS 9 will be applicable to all financial assets measured at amortised cost or at fair value with the changes in fair value recognised in other comprehensive income. In addition, loan commitments, financial guarantee contracts and lease receivables are within the scope of

the standard. The measurement of the provision for expected credit losses on financial assets depends on whether the credit risk has increased significantly since initial recognition. At initial recognition and if the credit risk has not increased significantly, the provision should equal 12-month expected credit losses. If the credit risk has increased significantly, the provision should equal lifetime expected credit losses. This dual approach replaces today's collective impairment model. For individual impairment there are no significant changes in the rules compared with the current rules. During 2017, the bank has worked extensively to put together an internal model to comply with the new IFRS 9 guidelines. Preliminary expectations are that the implementation of IFRS 9 could lead to increased provisions for credit loss due to the change from an incurred loss model to an expected loss model. IFRS 9 is effective from 1 January 2018.

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

IFRS 9 addresses the accounting for financial instruments and is effective for annual periods beginning on or after 1 January 2018. 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 or 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.

IFRS 15 Revenue from contracts with customers (2014)

IFRS 15 covers all contracts with customers, but insurance contracts, among others, are exempted. Insofar as such contracts cover the provision of several services or other services closely related to the insurance operations are carried out, this may have a bearing on how Gjensidige recognises revenues in its accounts. IFRS 15 is effective 1 January 2018. Our preliminary assessment is that services beyond what is covered by IFRS 4 about insurance contracts comprise an insignificant part of the income. Our preliminary assessment is that the standard is not expected to have a significant effect on Gjensidige's financial statements.

IFRS 16 Leases (2016)

IFRS 16 requires all contracts that qualify under its definition as a lease to be reported on a lessee's balance sheet as right of use assets and lease liabilities. Earlier classification of leases as either operating leases or finance leases are removed. Short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements. A lessee shall recognise a right-of-use asset and a lease liability. The interest effect of discounting the lease liability shall be presented separately from the depreciation charge for the right-of-use asset. The depreciation expense will be presented with the group's other depreciations, whereas the interest effect of discounting will be presented as a financial item. IFRS 16 is effective 1 January 2019. The standard is expected to have an effect on the group's financial statements, significantly increasing

the group's recognised assets and liabilities and potentially affecting the presentation and timing of recognition of charges in the income statement.

IFRS 17 Insurance Contracts (2017)

IFRS 17 Insurance Contracts 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 1 January 2021. 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 on the basis of Gjensidige's current operations, other amendments to standards and interpretation statements will not have a significant effect.

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.

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 in connection with preparing the interim report as in the annual report for 2016.

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) is 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.

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

3. Segment information

The Group's core operations comprise the segments general insurance Private, Commercial, Nordic and Baltics. The Group also has operations in the Pension and Retail Bank segments.

The segments are evaluated regularly by Gjensidige's senior group management based on financial and operational information specially prepared for each segment for the purpose of following up performance and allocating necessary resources.

Segment income is defined as earned premiums for general insurance, earned premiums and other income for Pension and interest income and related income and other income for Retail Bank.

The segment result is defined as the underwriting result for general insurance, and the profit before tax expense for Pension and Retail Bank.

Due to the merger of Gjensidige Bank ASA (GB) and Gjensidige Investeringsrådgivning AS (GIR) in 2017, the evaluation of GIR has been moved from Gjensidige Pensjon og Sparing Holding AS to GB from 1 January 2017. The new name of the former Pension and Savings segment is Pension. Comparable figures are changed accordingly.

	General insurance															
Third quarter	Private		Commercial		Nordic		Baltics		Pension		Retail Bank		Eliminations etc. ¹		Total	
NOK millions	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment income																
Segment income – external	2,228.9	2,137.6	1,860.0	1,830.5	1,712.5	1,565.2	276.7	261.9	552.8	439.7	421.6	378.5	(20.9)	(89.2)	7,031.6	6,524.2
Total segment income ²	2,228.9	2,137.6	1,860.0	1,830.5	1,712.5	1,565.2	276.7	261.9	552.8	439.7	421.6	378.5	(20.9)	(89.2)	7,031.6	6,524.2
- Claims, interest expenses, loss etc.	(1,295.1)	(1,325.7)	(1,155.9)	(1,235.0)	(1,320.0)	(1,274.9)	(185.0)	(182.4)	(478.1)	(371.2)	(206.6)	(164.5)	(57.7)	13.7	(4,698.5)	(4,540.0)
- Operating expenses	(290.4)	(276.1)	(202.9)	(194.5)	(246.0)	(230.6)	(87.1)	(100.9)	(58.6)	(48.3)	(88.0)	(100.2)	(130.6)	(254.6)	(1,103.6)	(1,205.3)
+ Net income from investments									5.5	16.6	13.3	27.8	470.1	692.6	488.9	737.0
Segment result/profit/(loss) before tax expense	643.4	535.7	501.1	401.0	146.5	59.7	4.6	(21.5)	21.6	36.8	140.3	141.6	260.8	362.5	1,718.4	1,515.9

1.1.-30.9. NOK millions		General insurance								Pension		Retail Bank		Eliminations etc. ¹		Total	
		Private		Commercial		Nordic		Baltics									
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment income																	
Segment income – external	6,393.0	6,179.7	5,473.2	5,449.4	4,858.4	4,374.8	803.1	783.9	1,441.6	1,090.7	1,211.3	1,102.2	(95.5)	(28.8)	20,085.1	18,951.9	
Total segment income ²	6,393.0	6,179.7	5,473.2	5,449.4	4,858.4	4,374.8	803.1	783.9	1,441.6	1,090.7	1,211.3	1,102.2	(95.5)	(28.8)	20,085.1	18,951.9	
- Claims, interest expenses, loss etc.	(3,776.7)	(3,747.3)	(3,529.0)	(3,604.4)	(3,995.9)	(3,481.2)	(567.6)	(553.4)	(1,216.9)	(896.5)	(591.7)	(502.0)	(64.1)	(115.7)	(13,741.9)	(12,900.6)	
- Operating expenses	(809.3)	(785.5)	(623.9)	(595.9)	(742.8)	(666.7)	(262.0)	(293.4)	(173.4)	(146.4)	(294.9)	(307.5)	(406.0)	(82.3)	(3,312.4)	(2,877.7)	
+ Net income from investments									24.6	40.9	40.1	49.3	1,490.5	1,570.2	1,555.2	1,660.4	
Segment result/profit/(loss) before tax expense	1,807.0	1,646.8	1,320.3	1,249.1	119.7	226.9	(26.5)	(62.9)	75.8	88.8	364.8	342.0	924.9	1,343.4	4,586.0	4,834.1	

¹ Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment. Interest on subordinated debt is included in Net income from investments.

² There is no significant income between the segments at this level in 2017 and 2016.

4. Earned premiums from general insurance

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Earned premiums, gross	6,183.2	5,918.5	17,943.8	17,203.3	23,031.6
Ceded reinsurance premiums	(126.9)	(213.0)	(515.0)	(447.1)	(589.7)
Total earned premiums, net of reinsurance	6,056.4	5,705.5	17,428.8	16,756.3	22,441.9

5. Claims incurred etc. from general insurance

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Gross claims	(3,987.9)	(4,320.4)	(12,395.4)	(11,801.6)	(15,983.4)
Claims, reinsurers' share	(25.8)	316.1	462.1	299.6	467.5
Total claims incurred etc. from general insurance	(4,013.7)	(4,004.3)	(11,933.3)	(11,502.1)	(15,515.9)

6. Run-off gain/(loss) from general insurance

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Earned premiums from general insurance	6,056.4	5,705.5	17,428.8	16,756.3	22,441.9
Run-off gain/(loss) for the period, net of reinsurance ¹	243.5	233.7	729.7	709.1	1,023.4
In per cent of earned premiums from general insurance	4.0	4.1	4.2	4.2	4.6

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. 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 on the basis of 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 on the basis of valuation techniques 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.
- Interest-bearing liabilities (banking activities) measured at fair value. These liabilities are valued based on observable credit spreads.
- 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 organized as funds are valued using cash flow analysis, price multiples and recent market transactions. The private equity investments that are organized 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). The NAV are estimated by the fund administrators by using the valuation techniques best suited to estimate fair value, given the actual circumstances of each underlying investment. Because of late reporting from the funds, the NAV from the previous quarterly reporting are 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. By substantial market movements in general or in individual sectors, as measured by the development in various stock market indices, it is predictable that the value of PE investments will be affected as well. On the basis of what this produces of information a final valuation is made.
- Real estate funds. The real estate 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.
- Gjensidige's paid-in capital in Gjensidige Pensjonskasse. The paid-in capital is valued at nominal 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

The sensitivity analysis for financial assets that are valued on the basis of non-observable market data shows the effect on profits of realistic and plausible market outcomes. 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. A fall in value of ten per cent is deemed to be a realistic and plausible market outcome for shares and similar interests, as well as bonds and other securities with a fixed return that are included in level three of the valuation hierarchy.

NOK millions	Carrying amount as at 30.9.2017	Fair value as at 30.9.2017	Carrying amount as at 30.9.2016	Fair value as at 30.9.2016
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	857.2	857.2	1,385.1	1,385.1
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	7,133.7	7,133.7	6,168.9	6,168.9
Bonds and other fixed income securities	30,201.5	30,201.5	32,258.0	32,258.0
Shares and similar interests in life insurance with investment options	18,976.9	18,976.9	15,114.6	15,114.6
Bonds and other fixed income securities in life insurance with investment options	2,366.0	2,366.0	1,668.2	1,668.2
<i>Financial assets held to maturity</i>				
Bonds held to maturity	1,620.1	1,656.3	1,746.5	1,837.7
<i>Loans and receivables</i>				
Bonds and other fixed income securities classified as loans and receivables	19,829.1	21,362.4	16,000.2	17,591.3
Loans	46,871.1	46,896.5	44,278.2	44,591.2
Receivables related to direct operations and reinsurance	6,135.5	6,135.5	5,648.2	5,648.2
Other receivables	1,029.3	1,029.3	808.7	808.7
Prepaid expenses and earned, not received income	236.7	236.7	115.8	115.8
Cash and cash equivalents	2,854.9	2,854.9	3,724.8	3,724.8
Total financial assets	138,111.9	139,706.7	128,917.3	130,912.5
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	751.3	751.3	992.9	992.9
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Debt in life insurance with investment options	21,342.9	21,342.9	16,782.8	16,782.8
<i>Financial liabilities at amortised cost</i>				
Subordinated debt	1,947.2	1,968.2	1,946.7	1,885.4
Deposits from and liabilities to customers, bank	22,863.8	22,863.8	20,378.3	20,378.3
Interest-bearing liabilities	23,542.1	23,452.7	20,024.7	20,091.2
Other liabilities	1,021.0	1,021.0	1,393.0	1,393.0
Liabilities related to direct insurance	1,118.6	1,118.6	755.9	755.9
Accrued expenses and deferred income	636.0	636.0	635.1	635.1
Total financial liabilities	73,222.8	73,154.5	62,909.4	62,914.7
Gain/(loss) not recognised in profit or loss		1,663.1		1,990.0

Valuation hierarchy 2017

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

	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
NOK millions				
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		857.2		857.2
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	103.3	4,758.2	2,272.2	7,133.7
Bonds and other fixed income securities	11,108.7	18,420.3	672.5	30,201.5
Shares and similar interests in life insurance with investment options	18,965.8	11.1		18,976.9
Bonds and other fixed income securities in life insurance with investment options	2,350.8	15.1		2,366.0
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	370.7	1,285.6		1,656.3
Bonds and other fixed income securities classified as loans and receivables		21,362.4		21,362.4
Loans			46,896.5	46,896.5
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		751.3		751.3
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Debt in life insurance with investment options	21,316.6	26.2		21,342.9
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,968.2		1,968.2
Interest-bearing liabilities		23,452.7		23,452.7

Valuation hierarchy 2016

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

	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
NOK millions				
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		1,385.1		1,385.1
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	1,287.0	2,892.0	1,989.9	6,168.9
Bonds and other fixed income securities	11,350.7	18,788.1	2,119.2	32,258.0
Shares and similar interests in life insurance with investment options	15,105.6	8.9		15,114.6
Bonds and other fixed income securities in life insurance with investment options	1,656.1	12.1		1,668.2
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	423.4	1,414.3		1,837.7
Bonds and other fixed income securities classified as loans and receivables		17,589.9	1.5	17,591.3
Loans		3,247.2	41,344.0	44,591.2
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		992.9		992.9
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Debt in life insurance with investment options	16,761.8	21.0		16,782.8
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,885.4		1,885.4
Interest-bearing liabilities		20,091.2		20,091.2

Reconciliation of financial assets valued based on non-observable market data (level 3) 2017

NOK millions	As at 1.1.2017	Net realised/ unrealised gains recognised in profit or loss	Purch- ases	Sales	Settle- ments	Trans- fers into/out of level 3	Cur- rency effect	As at 30.9.2017	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.9.2017
Shares and similar interests	2,307.0	(63.7)	127.1	(98.4)		0,0	0.2	2,272.2	(77.1)
Bonds and other fixed income securities	1,333.5	49.6	87.9	(833.4)		0,0	34.9	672.5	0,0
Total	3,640.5	(14.1)	215.0	(931.8)		0,0	35.1	2,944.7	(77.1)

Sensitivity of financial assets valued based on non-observable market data (level 3) 2017

NOK millions	Sensitivity
Shares and similar interests	Change in value 10% 227.2
Bonds and other fixed income securities	Change in value 10% 67.3
Total	294.5

Reconciliation of financial assets valued based on non-observable market data (level 3) 2016

NOK millions	As at 1.1.2016	Net realised/ unrealised gains recognised in profit or loss	Purch- ases	Sales	Settle- ments	Trans- fers into/out of level 3	Cur- rency effect	As at 30.9.2016	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.9.2016
Shares and similar interests	1,943.7	(351.7)	559.9	(161.5)	0,0	0,0	(0.4)	1,989.9	(283.5)
Bonds and other fixed income securities	2,174.6	(136.5)	290.5	(67.4)	0,0	0,0	(142.0)	2,119.2	0,0
Total	4,118.3	(488.2)	850.4	(229.0)	0,0	0,0	(142.4)	4,109.1	(283.5)

Sensitivity of financial assets valued based on non-observable market data (level 3) 2016

NOK millions	Sensitivity
Shares and similar interests	Change in value 10% 199.0
Bonds and other fixed income securities	Change in value 10% 211.9
Total	410.9

8. Claims provision, gross

NOK millions	30.9.2017	30.9.2016	31.12.2016
General insurance			
Claims provision, gross, as at 1 January	31,357.4	32,300.5	32,300.5
Additions from acquisitions	73.8	319.3	348.3
Claims for the year	13,283.8	12,490.9	17,858.4
Claims incurred in prior years, gross	(881.6)	(686.1)	(1,045.8)
Claims paid	(12,909.4)	(12,219.5)	(17,779.6)
Discounting of claims provisions	42.6	36.0	44.9
Change in discounting rate	(102.9)	246.9	194.5
Other changes	(43.9)		
Exchange differences	328.6	(701.9)	(563.7)
Claims provision, gross, at the end of the period	31,148.5	31,786.1	31,357.4
Pension			
Claims provision, gross, as at 1 January	1,090.1	878.0	878.0
Claims for the year	1,216.9	896.5	1,294.4
Claims incurred in prior years, gross	33.0	(5.3)	12.6
Claims paid	(342.3)	(310.3)	(414.7)
Transfer of pension savings ¹	(1,997.7)	(454.2)	(680.1)
Claims provision, gross, at the end of the period		1,004.7	1,090.1
Group			
Claims provision, gross, as at 1 January	32,447.5	33,178.5	33,178.5
Additions from acquisitions	73.8	319.3	348.3
Claims for the year	14,500.7	13,387.4	18,311.9
Claims incurred in prior years, gross	(848.6)	(691.3)	(1,033.2)
Claims paid	(13,251.7)	(12,529.9)	(17,331.9)
Discounting of claims provisions	42.6	36.0	44.9
Change in discounting rate	(102.9)	246.9	194.5
Transfer of pension savings ¹	(1,997.7)	(454.2)	(680.1)
Other changes	(43.9)		
Exchange differences	328.6	(701.9)	(585.2)
Claims provision, gross, at the end of the period	31,148.5	32,790.7	32,447.5
Discounted claims provision, gross - annuities	5,895.0	5,009.3	4,905.2
Nominal claims provision, gross - annuities	6,673.9	5,369.7	5,449.1

¹ According to new Norwegian Financial Reporting Regulations for insurance companies, claims provision is reclassified to premium reserve from 1 January 2017. Comparable figures have not been restated.

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.

9. Contingent liabilities

NOK millions	30.9.2017	30.9.2016	31.12.2016
Guarantees and committed capital			
Gross guarantees	0.1	0.1	0.1
Committed capital, not paid	1,684.0	1,532.3	1,174.3

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 1,684.0 million (1,532.3) in loan funds containing secured debt and various private equity and real estate funds, over and above the amounts recognised in the balance sheet.

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.

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

10. Related parties

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

Key figures

In addition to the financial statements according to IFRS, Gjensidige uses different alternative performance measures (APM) to present the business in a more relevant way for its different stakeholders. The alternative performance measures have been used consistent over time, and relevant definitions have been disclosed. Comparable figures are provided for all alternative performance measures.

		Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Gjensidige Forsikring Group						
Equity	NOK millions			22,720.3	23,111.2	22,326.0
Equity per share	NOK			45.4	46.2	44.7
Earnings per share in the period, basic and diluted ¹	NOK	2.63	2.34	7.04	7.15	9.34
Return on equity, annualised ²	%			22.4	21.7	21.4
Return on tangible equity, annualised ³	%			28.9	27.3	26.9
Return on financial assets ⁴	%	0.9	1.3	2.8	2.8	3.9
Total eligible own funds to meet the group SCR (SF) ⁵	NOK millions			20,734.2	19,753.3	20,377.9
Group SCR margin (SF) ⁶	%			152.3	140.9	146.8
Total eligible own funds to meet the minimum consolidated group SCR (SF) ⁷	NOK millions			14,756.2	13,855.4	14,065.2
Minimum consolidated group SCR margin (SF) ⁸	%			282.0	258.9	266.4
Gjensidige Forsikring ASA						
Total eligible own funds to meet the SCR (SF) ⁹	NOK millions			20,154.4	19,240.1	18,625.0
SCR margin (SF) ¹⁰	%			198.5	184.5	181.5
Total eligible own funds to meet the MCR (SF) ¹¹	NOK millions			17,676.3	16,739.0	16,124.4
MCR margin (SF) ¹²	%			386.9	356.7	349.2
Issued shares, at the end of the period	Number			500,000,000	500,000,000	500,000,000
General Insurance						
<i>Gross premiums written</i>						
Private	NOK millions	1,955.5	1,882.2	6,717.5	6,515.9	8,375.9
Commercial	NOK millions	1,200.5	1,152.3	5,973.3	5,801.7	7,446.1
Nordic	NOK millions	1,284.0	1,178.7	5,140.1	4,852.5	6,262.4
Baltics	NOK millions	290.8	288.0	819.6	819.0	1,080.6
Corporate Centre/reinsurance	NOK millions	(45.7)	(20.5)	51.7	73.1	53.0
Total	NOK millions	4,685.0	4,480.7	18,702.4	18,062.2	23,218.0
Premiums, net of reinsurance ¹³	%			96.6	97.6	97.5
<i>Earned premiums</i>						
Private	NOK millions	2,228.9	2,137.6	6,393.0	6,179.7	8,291.3
Commercial	NOK millions	1,860.0	1,830.5	5,473.2	5,449.4	7,257.4
Nordic	NOK millions	1,712.5	1,565.2	4,858.4	4,374.8	5,917.8
Baltics	NOK millions	276.7	261.9	803.1	783.9	1,036.3
Corporate Centre/reinsurance	NOK millions	(21.7)	(89.7)	(98.9)	(31.5)	(60.9)
Total	NOK millions	6,056.4	5,705.5	17,428.8	16,756.3	22,441.9
<i>Loss ratio ¹⁴</i>						
Private	%	58.1	62.0	59.1	60.6	60.7
Commercial	%	62.1	67.5	64.5	66.1	66.5
Nordic	%	77.1	81.5	82.2	79.6	80.1
Baltics	%	66.9	69.7	70.7	70.6	72.2
Total	%	66.3	70.2	68.5	68.6	69.1
<i>Cost ratio ¹⁵</i>						
Private	%	13.0	12.9	12.7	12.7	12.8
Commercial	%	10.9	10.6	11.4	10.9	11.0
Nordic	%	14.4	14.7	15.3	15.2	15.7
Baltics	%	31.5	38.5	32.6	37.4	37.4
Total	%	14.7	17.3	15.2	13.2	14.2
<i>Combined ratio ¹⁶</i>						
Private	%	71.1	74.9	71.7	73.4	73.5
Commercial	%	73.1	78.1	75.9	77.1	77.5
Nordic	%	91.4	96.2	97.5	94.8	95.8
Baltics	%	98.3	108.2	103.3	108.0	109.6
Total	%	81.0	87.5	83.6	81.9	83.4
Combined ratio discounted ¹⁷	%	80.0	86.7	83.2	81.0	82.4

		Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Pension						
Assets under management pension, at the end of the period	NOK millions			27,326.5	22,116.6	23,237.3
of which the group policy portfolio	NOK millions			5,875.3	5,259.9	5,409.6
Operating margin ¹⁸	%	21.61	29.54	22.80	24.64	31.62
Recognised return on the paid-up policy portfolio ¹⁹	%			2.80	3.30	4.08
Value-adjusted return on the paid-up policy portfolio ²⁰	%			3.53	3.78	4.87
Share of shared commercial customers ²¹	%			69.4	70.0	70.0
Return on equity, annualised ²	%			11.1	14.8	13.8
Retail Bank						
Gross lending, addition in the period	NOK millions	1,275.9	956.0	4,290.6	3,179.6	4,514.0
Deposits, addition in the period	NOK millions	710.0	(304.0)	1,593.5	1,021.1	1,913.1
Gross lending, at the end of the period	NOK millions			45,540.1	39,915.1	41,249.5
Deposits, at the end of the period	NOK millions			22,863.8	20,378.3	21,270.4
Deposits-to-loan ratio at the end of the period ²²	%			50.2	51.1	51.6
Assets under management, at the end of the period	NOK millions			15,320.0	15,996.9	15,141.6
Net interest margin, annualised ²³	%			2.01	1.84	1.85
Write-downs and losses, annualised ²⁴	%			0.35	0.15	0.18
Cost/income ratio ²⁵	%	32.2	38.4	38.2	44.4	44.4
Shared customers' share of gross lending ²⁶	%			77.4	76.6	76.2
Capital adequacy ratio ²⁷	%			17.7	15.9	17.1
Tier 1 capital ratio ²⁸	%			15.8	13.7	15.0
Common equity Tier 1 capital ratio ²⁹	%			14.2	12.2	13.5
Return on equity, annualised ²	%			11.5	13.1	12.0

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

² Return on equity, annualised = Shareholders' share of net profit for the period/average shareholders' equity for the period, annualised

³ Return on tangible equity, annualised = Shareholders' share of net profit for the period/average shareholders' equity for the period adjusted for intangible assets, annualised

⁴ Return on financial assets = net financial income in per cent of average financial assets including property, excluding Pension and Retail Bank

⁵ Total eligible own funds to meet the group SCR (SF) = Total eligible own funds to meet the group SCR under the Solvency II standard formula. Total comprehensive income is included, less a formulaic dividend pay-out ratio in first, second and third quarter of 70 per cent of net profit.

⁶ Group SCR margin (SF) = Ratio of total eligible own funds to group SCR under the Solvency II standard formula

⁷ Total eligible own funds to meet the minimum consolidated group SCR (SF) = Total eligible own funds to meet the minimum consolidated group SCR under the Solvency II standard formula. Total comprehensive income is included, less a formulaic dividend pay-out ratio in first, second and third quarter of 70 per cent of net profit.

⁸ Minimum consolidated group SCR margin (SF) = Ratio of eligible own funds to minimum consolidated group SCR under the Solvency II formula

⁹ Total eligible own funds to meet the SCR (SF) = Total eligible own funds to meet the SCR for Gjensidige Forsikring ASA under the Solvency II standard formula. Total comprehensive income is included, less a formulaic dividend pay-out ratio in first, second and third quarter of 70 per cent of net profit of the Group.

¹⁰ SCR margin (SF) = Ratio of total eligible own funds to SCR for Gjensidige Forsikring ASA under the Solvency II standard formula

¹¹ Total eligible own funds to meet the MCR (SF) = Total eligible own funds to meet the MCR for Gjensidige Forsikring ASA under the Solvency II standard formula. Total comprehensive income is included, less a formulaic dividend pay-out ratio in first, second and third quarter of 70 per cent of net profit of the Group.

¹² MCR margin (SF) = Ratio of eligible own funds to MCR for Gjensidige Forsikring ASA under the Solvency II formula

¹³ Premiums, net of reinsurance = gross premiums written, net of reinsurance/gross premiums written (general insurance)

¹⁴ Loss ratio = claims incurred etc./earned premiums

¹⁵ Cost ratio = operating expenses/earned premiums

¹⁶ Combined ratio = loss ratio + cost ratio

¹⁷ Combined ratio discounted = combined ratio if claims provisions had been discounted

¹⁸ Operating margin = net operating income/(administration fees + insurance income + management income etc.)

¹⁹ Recognised return on the paid-up policy portfolio = realised return on the portfolio

²⁰ Value-adjusted return on the paid-up policy portfolio = total return on the portfolio

²¹ Shared customers = customers having both pension and general insurance products with Gjensidige

²² Deposit-to-loan ratio = deposits as a percentage of gross lending

²³ Net interest margin, annualised = net interest income/average total assets

²⁴ Write-downs and losses, annualised = write-downs and losses/average gross lending

²⁵ Cost/income ratio = operating expenses/total income

²⁶ Shared customers = customers having both bank and general insurance products with Gjensidige

²⁷ Capital adequacy ratio = net primary capital/risk-weighted assets. The result of the period is not included in the calculation for the quarters, with the exception of fourth quarter.

²⁸ Tier 1 capital ratio = Tier 1 capital/risk-weighted assets. The result of the period is not included in the calculation for the quarter, with the exception of fourth quarter.

²⁹ Common equity Tier 1 capital ratio = common equity Tier 1 capital/risk-weighted assets. The result of the period is not included in the calculation for the quarter, with the exception of fourth quarter.

Quarterly earnings performance

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
NOK millions	2017	2017	2017	2016	2016	2016	2016	2015	2015
Earned premiums from general insurance	6,056.4	5,824.7	5,547.7	5,685.6	5,705.5	5,536.8	5,514.0	5,493.5	5,471.2
Other income	975.2	759.5	921.5	853.9	818.7	679.2	697.7	832.7	686.4
Total operating income	7,031.6	6,584.2	6,469.2	6,539.5	6,524.2	6,216.0	6,211.7	6,326.2	6,157.7
Total net income from investments	488.9	480.8	585.6	535.7	737.0	591.0	332.4	604.8	(174.0)
Total operating income and net income from investments	7,520.5	7,065.0	7,054.8	7,075.2	7,261.2	6,807.1	6,544.1	6,931.0	5,983.6
Claims incurred etc. from general insurance	(4,013.7)	(3,961.7)	(3,957.9)	(4,013.8)	(4,004.3)	(3,599.6)	(3,898.1)	(3,734.7)	(3,588.0)
Other claims, interest expenses, loss etc.	(684.8)	(477.5)	(646.3)	(565.2)	(535.7)	(412.4)	(450.4)	(579.7)	(447.3)
Total claims, interest expenses, loss etc.	(4,698.5)	(4,439.2)	(4,604.2)	(4,579.0)	(4,540.0)	(4,012.0)	(4,348.5)	(4,314.5)	(4,035.3)
Operating expenses from general insurance	(892.5)	(890.7)	(857.6)	(971.3)	(989.4)	(865.6)	(365.2)	(879.5)	(792.3)
Other operating expenses	(211.1)	(232.4)	(228.1)	(219.0)	(216.0)	(220.1)	(221.5)	(266.5)	(204.3)
Total operating expenses	(1,103.6)	(1,123.1)	(1,085.7)	(1,190.3)	(1,205.3)	(1,085.7)	(586.6)	(1,146.0)	(996.6)
Total expenses	(5,802.1)	(5,562.3)	(5,689.8)	(5,769.3)	(5,745.3)	(5,097.7)	(4,935.2)	(5,460.5)	(5,031.9)
Profit/(loss) for the period before tax expense	1,718.4	1,502.7	1,365.0	1,305.8	1,515.9	1,709.3	1,608.9	1,470.6	951.7
Underwriting result general insurance	1,150.2	972.3	732.2	700.4	711.8	1,071.6	1,250.7	879.2	1,091.0

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
NOK millions	2015	2015	2014	2014	2014	2014	2013	2013	2013
Earned premiums from general insurance	5,188.1	5,119.2	5,214.4	5,203.6	5,061.5	4,907.2	4,766.3	4,866.9	4,646.6
Other income	666.4	697.8	830.1	600.5	645.2	636.1	630.2	513.8	516.7
Total operating income	5,854.6	5,817.0	6,044.5	5,804.1	5,706.8	5,543.4	5,396.5	5,380.6	5,163.3
Total net income from investments	518.1	524.4	352.5	574.3	765.3	783.5	892.2	846.0	615.6
Total operating income and net income from investments	6,372.7	6,341.3	6,397.0	6,378.4	6,472.1	6,326.8	6,288.8	6,226.6	5,778.8
Claims incurred etc. from general insurance	(3,341.8)	(3,933.0)	(3,607.9)	(3,695.3)	(3,357.9)	(3,809.3)	(3,664.2)	(3,293.7)	(3,487.3)
Other claims, interest expenses, loss etc.	(434.2)	(466.6)	(604.0)	(399.3)	(448.3)	(440.7)	(440.8)	(332.8)	(343.2)
Total claims, interest expenses, loss etc.	(3,776.1)	(4,399.6)	(4,211.9)	(4,094.7)	(3,806.2)	(4,249.9)	(4,105.0)	(3,626.5)	(3,830.5)
Operating expenses from general insurance	(776.1)	(769.6)	(799.3)	(753.2)	(752.5)	(748.9)	(726.4)	(720.6)	(710.8)
Other operating expenses	(180.4)	(184.8)	(226.7)	(193.8)	(165.4)	(172.0)	(174.2)	(206.1)	(160.6)
Total operating expenses	(956.5)	(954.4)	(1,026.0)	(947.1)	(917.9)	(921.0)	(900.7)	(926.7)	(871.4)
Total expenses	(4,732.6)	(5,354.0)	(5,238.0)	(5,041.7)	(4,724.2)	(5,170.9)	(5,005.7)	(4,553.3)	(4,701.9)
Profit/(loss) for the period before tax expense	1,640.1	987.3	1,159.0	1,336.7	1,747.9	1,155.9	1,283.1	1,673.3	1,076.9
Underwriting result general insurance	1,070.2	416.5	807.2	755.0	951.0	349.1	375.7	852.5	448.5

Income statement

Gjensidige Forsikring ASA

NOK millions	Q3 2017	Q3 2016	1.1.-30.9.2017	1.1.-30.9.2016	1.1.-31.12.2016
Premiums					
Earned premiums, gross	5,765.0	5,644.8	16,881.2	16,377.9	21,930.6
Ceded reinsurance premiums	(128.0)	(213.9)	(506.8)	(436.0)	(578.0)
Total earned premiums, net of reinsurance	5,637.0	5,430.8	16,374.4	15,941.9	21,352.6
General insurance claims					
Gross claims	(3,689.9)	(4,113.4)	(11,625.0)	(11,231.1)	(15,205.3)
Claims, reinsurers' share	(34.3)	311.5	449.5	321.9	497.1
Total claims incurred, net of reinsurance	(3,724.3)	(3,801.8)	(11,175.5)	(10,909.2)	(14,708.2)
Insurance-related operating expenses					
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(858.6)	(934.0)	(2,543.1)	(2,058.8)	(2,973.4)
Received commission for ceded reinsurance and profit share	1.4	10.4	14.4	11.6	23.7
Total insurance-related operating expenses	(857.2)	(923.6)	(2,528.7)	(2,047.3)	(2,949.7)
Profit/(loss) of technical account general insurance	1,055.5	705.4	2,670.3	2,985.4	3,694.8
Net income from investments					
Income from investments in subsidiaries, associates and joint ventures	2.6		83.8	108.7	113.3
Impairment losses of investments in subsidiaries, associates and joint ventures			(49.4)		(94.2)
Interest income and dividend etc. from financial assets	247.2	324.1	826.3	963.9	1,266.1
Changes in fair value on investments	(312.0)	154.1	(373.9)	(1,079.8)	(1,053.4)
Realised gain and loss on investments	528.0	213.1	1,053.3	1,683.2	1,889.6
Administration expenses related to investments, including interest expenses	(40.1)	(56.1)	(190.5)	(152.0)	(218.9)
Total net income from investments	425.8	635.1	1,349.6	1,524.0	1,902.5
Other income	3.1	2.5	8.4	8.0	11.9
Other expenses	(1.6)	(2.2)	(7.4)	(6.6)	(9.2)
Profit/(loss) of non-technical account	427.3	635.5	1,350.5	1,525.4	1,905.2
Profit/(loss) before tax expense	1,482.8	1,340.9	4,020.8	4,510.9	5,600.0
Tax expense	(357.9)	(305.5)	(947.8)	(1,141.9)	(1,322.0)
Profit/(loss) before components of other comprehensive income	1,124.9	1,035.3	3,073.0	3,369.0	4,278.0
Components of other comprehensive income					
Items that are not reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset				(232.7)	(159.2)
Tax on items that are not reclassified to profit or loss				58.2	39.8
Total items that are not reclassified subsequently to profit or loss				(174.5)	(119.4)
Items that may be reclassified subsequently to profit or loss					
Exchange differences from foreign operation	(70.7)	(179.4)	183.4	(330.5)	(273.0)
Tax on items that may be reclassified to profit or loss	17.2	43.9	(44.8)	80.1	66.6
Total items that may be reclassified subsequently to profit or loss	(53.5)	(135.5)	138.6	(250.4)	(206.5)
Total comprehensive income	1,071.4	899.8	3,211.6	2,944.0	3,952.1

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	30.9.2017	30.9.2016	31.12.2016
Assets			
Goodwill	1,619.6	1,566.3	1,587.0
Other intangible assets	951.2	969.5	955.5
Total intangible assets	2,570.9	2,535.8	2,542.5
Investments			
<i>Buildings and other real estate</i>			
Owner-occupied property	27.0	19.0	19.0
<i>Subsidiaries and associates</i>			
Shares in subsidiaries	6,307.1	5,821.4	5,741.7
Shares in associates and joint ventures	1,086.9	1,098.7	1,086.9
Interest bearing receivables within the group incl. joint ventures	1,690.1	1,648.3	1,420.2
<i>Financial assets measured at amortised cost</i>			
Bonds held to maturity	1,225.6	1,305.7	1,226.8
Loans and receivables	15,505.2	16,128.2	16,018.9
<i>Financial assets measured at fair value</i>			
Shares and similar interests (incl. shares and similar interests measured at cost)	6,300.1	5,726.7	6,134.4
Bonds and other fixed-income securities	21,581.0	24,339.9	23,108.2
Financial derivatives	727.8	1,238.6	1,207.8
Reinsurance deposits	491.3	450.6	457.8
Total investments	54,942.1	57,777.0	56,421.6
Reinsurers' share of insurance-related liabilities in general insurance, gross			
Reinsurers' share of provision for unearned premiums, gross	142.3	255.8	115.5
Reinsurers' share of claims provision, gross	693.3	555.7	512.2
Total reinsurers' share of insurance-related liabilities in general insurance, gross	835.6	811.5	627.7
Receivables			
Receivables related to direct operations	5,294.2	5,164.2	4,983.0
Receivables related to reinsurance	429.7	187.0	340.1
Receivables within the group	26.8	15.9	89.5
Other receivables	904.5	704.9	833.5
Total receivables	6,655.2	6,072.0	6,246.0
Other assets			
Plant and equipment	255.9	266.0	273.8
Cash and cash equivalents	1,578.3	2,088.9	1,143.0
Pension assets	486.2	292.4	486.2
Total other assets	2,320.4	2,647.3	1,903.0
Prepaid expenses and earned, not received income			
Earned, not received interest income	0.0	25.5	0.0
Other prepaid expenses and earned, not received income	90.3	6.4	4.2
Total prepaid expenses and earned, not received income	90.3	31.9	4.2
Total assets	67,414.5	69,875.5	67,745.0

NOK millions	30.9.2017	30.9.2016	31.12.2016
Equity and liabilities			
<i>Paid in equity</i>			
Share capital	1,000.0	1,000.0	1,000.0
Own shares	0.0	(0.1)	(0.1)
Share premium	1,430.0	1,430.0	1,430.0
Perpetual Tier 1 Capital	999.5	999.2	999.2
Other paid-in equity	42.0	35.4	36.7
Total paid in equity	3,471.5	3,464.5	3,465.9
<i>Retained equity</i>			
<i>Funds etc.</i>			
Natural perils capital	2,415.2	2,242.1	2,266.2
Guarantee scheme provision	628.9	616.2	628.9
Other retained earnings	14,347.2	13,757.5	11,318.2
Total retained earnings	17,391.3	16,615.8	14,213.3
Total equity	20,862.8	20,080.3	17,679.1
Subordinated debt	1,197.9	1,197.6	1,197.7
Insurance-related liabilities in general insurance, gross			
Provision for unearned premiums, gross	9,423.5	9,239.5	8,585.9
Claims provision, gross	30,497.6	31,243.8	30,802.6
Provision for premium discounts and other profit agreements	63.3	54.4	56.3
Total insurance-related liabilities in general insurance, gross	39,984.4	40,537.6	39,444.8
Provision for liabilities			
Pension liabilities	487.9	472.7	493.2
Current tax	873.2	1,432.4	1,149.4
Deferred tax liabilities	1,001.0	783.6	905.4
Other provisions	281.3	326.9	327.2
Total provision for liabilities	2,643.5	3,015.6	2,875.1
Liabilities			
Liabilities related to direct insurance	277.8	280.7	289.6
Liabilities related to reinsurance	558.3	243.3	88.2
Financial derivatives	724.9	968.5	1,173.1
Accrued dividend		2,000.0	3,400.0
Other liabilities	871.2	1,250.8	1,252.9
Liabilities to subsidiaries and associates	0.1	10.0	43.1
Total liabilities	2,432.3	4,753.3	6,246.9
Accrued expenses and deferred income			
Other accrued expenses and deferred income	293.5	291.1	301.4
Total accrued expenses and deferred income	293.5	291.1	301.4
Total equity and liabilities	67,414.5	69,875.5	67,745.0

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	Remeasurement of the net defined benefit liab./asset	Other earned equity	Total equity
Equity as at 31.12.2015	1,000.0	(0.1)	1,430.0	29.3		319.1	(1,559.3)	16,913.1	18,132.1
1.1.-31.12.2016									
Profit/(loss) before components of other comprehensive income					11.1			4,266.9	4,278.0
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Remeasurement of the net defined benefit liability/asset							(159.2)		(159.2)
Tax on items that are not reclassified to profit or loss							39.8		39.8
Total items that are not reclassified subsequently to profit or loss							(119.4)		(119.4)
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations						(273.0)			(273.0)
Tax on items that may be reclassified to profit or loss						66.6			66.6
Total items that may be reclassified subsequently to profit or loss						(206.5)			(206.5)
Total components of other comprehensive income						(206.5)	(119.4)		(325.9)
Total comprehensive income					11.1	(206.5)	(119.4)	4,266.9	3,952.1
Own shares		0.1						(3.8)	(3.7)
Accrued and paid dividend								(5,396.6)	(5,396.6)
Equity-settled share-based payment transactions				7.3					7.3
Perpetual Tier 1 capital					997.1			(0.2)	996.8
Perpetual Tier 1 capital - interest paid					(8.9)				(8.9)
Equity as at 31.12.2016	1,000.0	(0.1)	1,430.0	36.7	999.2	112.6	(1,678.7)	15,779.4	17,679.1
1.1.-30.9.2017									
Profit/(loss) before components of other comprehensive income					26.1			3,046.9	3,073.0
Components of other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations				0.1		183.3			183.4
Tax on items that may be reclassified to profit or loss						(44.8)			(44.8)
Total items that may be reclassified subsequently to profit or loss				0.1		138.5			138.6
Total components of other comprehensive income				0.1		138.5			138.6
Total comprehensive income				0.1	26.1	138.5		3,046.9	3,211.6
Own shares		0,0						(7.4)	(7.4)
Accrued and paid dividend								0.4	0.4
Equity-settled share-based payment transactions				5.2					5.2
Perpetual Tier 1 capital					0.5			(0.5)	
Perpetual Tier 1 capital - interest paid					(26.3)				(26.3)
Equity as at 30.9.2017	1,000.0	0,0	1,430.0	42.0	999.5	251.2	(1,678.7)	18,818.8	20,862.8
1.1.-30.9.2016									
Profit/(loss) before components of other comprehensive income					2.2			3,366.8	3,369.0
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Remeasurement of the net defined benefit liability/asset							(232.7)		(232.7)
Tax on items that are not reclassified to profit or loss							58.2		58.2
Total items that are not reclassified subsequently to profit or loss							(174.5)		(174.5)
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations						(330.5)			(330.5)
Tax on items that may be reclassified to profit or loss						80.1			80.1
Total items that may be reclassified subsequently to profit or loss						(250.4)			(250.4)
Total components of other comprehensive income						(250.4)	(174.5)		(424.9)
Total comprehensive income					2.2	(250.4)	(174.5)	3,366.8	2,944.0
Own shares		0.1						(2.2)	(2.2)
Accrued and paid dividend								(1,996.7)	(1,996.7)
Equity-settled share-based payment transactions				6.0					6.0
Perpetual Tier 1 capital					997.0				997.0
Equity as at 30.9.2016	1,000.0	(0.1)	1,430.0	35.4	999.2	68.7	(1,733.8)	18,280.8	20,080.3

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 4,000 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer banking, pension and savings. Operating income was NOK 25 billion in 2016, while total assets were NOK 136 billion.